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Issues Related to Reinvention Planning in the Office of Cuba Broadcasting





United States
General Accounting Office
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National Security and
International Affairs Division

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The Honorable Ileana Ros-Lehtinen
The Honorable Lincoln Diaz-Balart
The Honorable Robert Torricelli
The Honorable Dan Burton
The Honorable Chris Smith
The Honorable Robert Menendez
House of Representatives

In response to your requests, we reviewed certain issues associated with the operations of the Office of Cuba Broadcasting (OCB) and Radio Marti, which are part of the U.S. Information Agency (USIA). This report provides information on (1) OCB's reinvention plan, (2) the role and use of OCB's research analysts, (3) the reason for the resignation of Mr. Richard Lobo as Director of OCB, and (4) the extent of progress that has been made in monitoring Radio Marti's compliance with Voice of America (VOA) broadcast standards. In addition, we developed information on key events and time frames concerning USIA's Office of Inspector General (OIG) investigation into allegations of management reprisals in OCB.

Background

OCB, which was created in 1990 and assumed management responsibilities for both Radio and TV Marti, is part of USIA's International Broadcasting Bureau. Radio Marti, a U.S.-funded surrogate radio station, was established in 1983 to fill the void in news and information that the Cuban government had created through censorship. TV Marti became operational in 1990, having a similar goal of serving as a consistently reliable source of credible and authoritative information and promoting the cause of freedom in Cuba. Other OCB units include Radio Marti's Miami Bureau and the Executive Office of the Advisory Board for Cuba Broadcasting. The Advisory Board was created in 1983 to make recommendations for improvements in Cuba broadcasting.¹ Appendix I provides a partial organizational chart for USIA and OCB. As of October 1, 1995, the number of staff in OCB totaled 225, including 122 in Radio Marti and 77 in TV Marti.

Radio Marti has had significant executive branch and congressional support for years because its broadcasts were designed to provide a large portion of the Cuban population an important source of news, cultural and ethnic programming, and entertainment. Reflecting the continued

¹The Board was established within the Office of the President by the Radio Broadcasting to Cuba Act (P.L. 98-111) to (1) review activities carried out under the act and the Television Broadcasting to Cuba Act (P.L. 101-246) and (2) make recommendations to the President and USIA as necessary.

importance of Radio Marti as an instrument of U.S. policy, President Clinton recently directed Radio Marti to expand its reach into Cuba by doubling the power of its medium wave transmissions. Funding for Radio Marti has totaled over \$150 million since fiscal year 1984, including \$13.1 million in fiscal year 1995. TV Marti has had less support because its programs have been largely jammed by the Cuban government. It has received appropriations totaling over \$80 million since fiscal year 1989, including \$11.6 million in fiscal year 1995.

OCB's efforts to streamline and reinvent its operations began in early 1993, consistent with guidance from the new administration, Vice President Gore's National Performance Review, and USIA management's concerns about possible reductions in the OCB budget. Guidance included two February 1993 executive orders directing executive departments and agencies to (1) eliminate not less than 4 percent of their civilian personnel positions over 3 fiscal years and (2) reduce administrative costs by 14 percent over 4 fiscal years. In February 1994, Richard Lobo became OCB's new Director. In March 1994, Mr. Lobo submitted a reinvention plan for OCB that was designed to continue its streamlining and budget reduction process. The plan's objectives included reducing OCB's costs by \$4 million in fiscal years 1994 and 1995 and eliminating 10 staff positions, including 4 research analyst positions. The plan was approved by USIA's Director in April 1994, but was placed on hold 4 days later. About 1 year later, Mr. Lobo submitted an amended reinvention plan that was approved by USIA's Director for implementation, but implementation was suspended in April 1995 because of the research analysts' allegations of management reprisals. The analysts alleged that OCB management had targeted their positions for elimination in reprisal for accusations by one or more of the analysts that political bias had undermined the accuracy and objectivity of Radio Marti's broadcasts. The accusations are being investigated by OIG and are also the focus of a union grievance filed against USIA on behalf of employees in Radio Marti's research analytical unit.

Results in Brief

OCB's plan to reduce costs and eliminate nonessential staff positions was consistent with overall executive branch goals for streamlining government operations. It was also in line with recommendations of the March 1994 Advisory Panel on Radio Marti and TV Marti² for reducing OCB's costs and was endorsed by the Advisory Board for Cuba Broadcasting. However, the plan was not based on a comprehensive

²Congress created the Panel in 1993 (P.L. 103-121) and tasked it to (1) study all aspects of Radio and TV broadcasting to Cuba and (2) make recommendations for improvements.

cost-benefit assessment of key OCB departments and support functions. In addition, OCB's failure to implement the plan did not result in budget shortfalls that it had forecast for fiscal year 1995. (See app. II.)

Primarily because of frustrations stemming from his unsuccessful attempts to further streamline OCB and implement the reinvention plan, Richard Lobo resigned as Director in May 1995. (See app. IV.)

Historically, the primary functions of the research analytical unit included supporting public affairs programs of Radio Marti, preparing Cuba situation reports, and reviewing program scripts for policy compliance. The analysts' role was redirected and expanded in 1990 to provide services assisting, advising, and supporting the news and programs departments, including participation in on-air broadcasts. However, in 1992 OCB management decided to remove them from on-air programming, and at that time, questions began to surface concerning the policy compliance role of the analysts. The role of the analysts was also re-examined in late 1993 as part of OCB's streamlining process. Mr. Lobo said that several factors led to his proposals in March 1994 for eliminating the research positions. The factors were possible budget reductions, the size and costs of the analytical unit, the availability of Cuba expertise elsewhere within OCB, and the diminishing use of the analysts' products by Radio Marti's program and news staff. Current news and program officials told us that the analytical unit's services have diminished in importance. (See apps. III and IV.)

The analysts and others have criticized Radio Marti for failing to have its broadcasts fully meet VOA's standards for objectivity, accuracy, and balance. In February 1993, we reported³ that we had received allegations from several sources that some of Radio Marti's broadcasts did not meet standards. Although USIA said that its internal review of the allegations had concluded that few had any real substance, USIA created an external review panel⁴ to evaluate broadcasts and relocated its internal program review unit that had responsibilities for monitoring broadcasts. In September 1994, we reported⁵ that (1) the effectiveness of the external review panel was limited and (2) the International Broadcasting Bureau's Program Review Office had not fulfilled its mission of ensuring that Radio Marti's broadcasts comply with standards. OCB has since made some

³Radio Marti (GAO/NSIAD-93-126R, Feb. 17, 1993).

⁴Composed of five members, the panel meets quarterly to assess Radio Marti's broadcasts.

⁵Radio Marti: Program Review Processes Need Strengthening (GAO/NSIAD-94-265, Sept. 23, 1994).

progress in monitoring compliance with VOA standards by adopting procedures for considering the comments and suggestions for improved programming made by Radio Marti's external review panel. In addition, the Program Review Office now monitors the Radio's broadcasts. However, some limitations still exist in monitoring, and the analyses of Radio Marti's broadcasts have not conclusively determined if broadcasts comply with standards. USIA's Broadcasting Board of Governors⁶ is now considering whether it should establish another panel to review Radio Marti's broadcasts and pronounce on their objectivity and balance. (See app. V.)

In June 1994, USIA's OIG began investigating allegations of management reprisals in OCB. Its investigation initially focused on allegations by Radio Marti's Deputy Director, but it was expanded to consider allegations of others, including the research analysts. As part of the investigation, OIG officials have interviewed over 20 current or former OCB, Radio Marti, or other agency officials. However, OIG's investigation has been controversial since July 1995, because of the release of partial information and affidavits during the investigation. On July 24, 1995, USIA's Director referred the conduct of OIG's investigation to the President's Council on Integrity and Efficiency. The Council, which investigates allegations and referrals concerning presidentially appointed Inspectors General, had not completed its examination into matters concerning USIA's OIG as of mid-April 1996. (See app. VI.)

Agency Comments

In commenting on a draft of this report, the Broadcasting Board of Governors stated that our draft report accurately reflected the issues involved. The Board's comments are presented in their entirety in appendix VII along with our evaluation.

Scope and Methodology

To develop information for this report, we reviewed documents related to the preparation, approval, and suspension of OCB's reinvention plan; the resignation of Mr. Lobo; the mission and changing role of OCB's research; and the scope, objectives, and status of the USIA OIG's investigation into allegations of management reprisals at OCB. We also held discussions with officials in USIA's International Broadcasting Bureau, OCB, Radio Marti, and USIA's OIG, as well as with the Chairman of the Advisory Board for Cuba Broadcasting and Mr. Richard Lobo.

⁶Created by the International Broadcasting Act of 1994 (P.L. 103-236), the Board is responsible for policy and budgetary oversight for all international broadcasting services under the aegis of USIA.

Our review was conducted at USIA from September 1995 to March 1996 in accordance with generally accepted government auditing standards.

As arranged with your offices, unless you publicly announce this report's contents earlier, we plan no further distribution until 30 days from its issue date. At that time, we will send copies to appropriate congressional committees. We will also provide copies to others upon request.

If you or your staff have any questions about this report or need further assistance, please telephone me at (202) 512- 4268. Major contributors to this report were Diana Glod, Lynn Moore, and Jesus Martinez.

A handwritten signature in black ink that reads "Jess T. Ford". The signature is written in a cursive style with a large, looping initial "J".

Jess T. Ford, Associate Director
International Relations and Trade Issues

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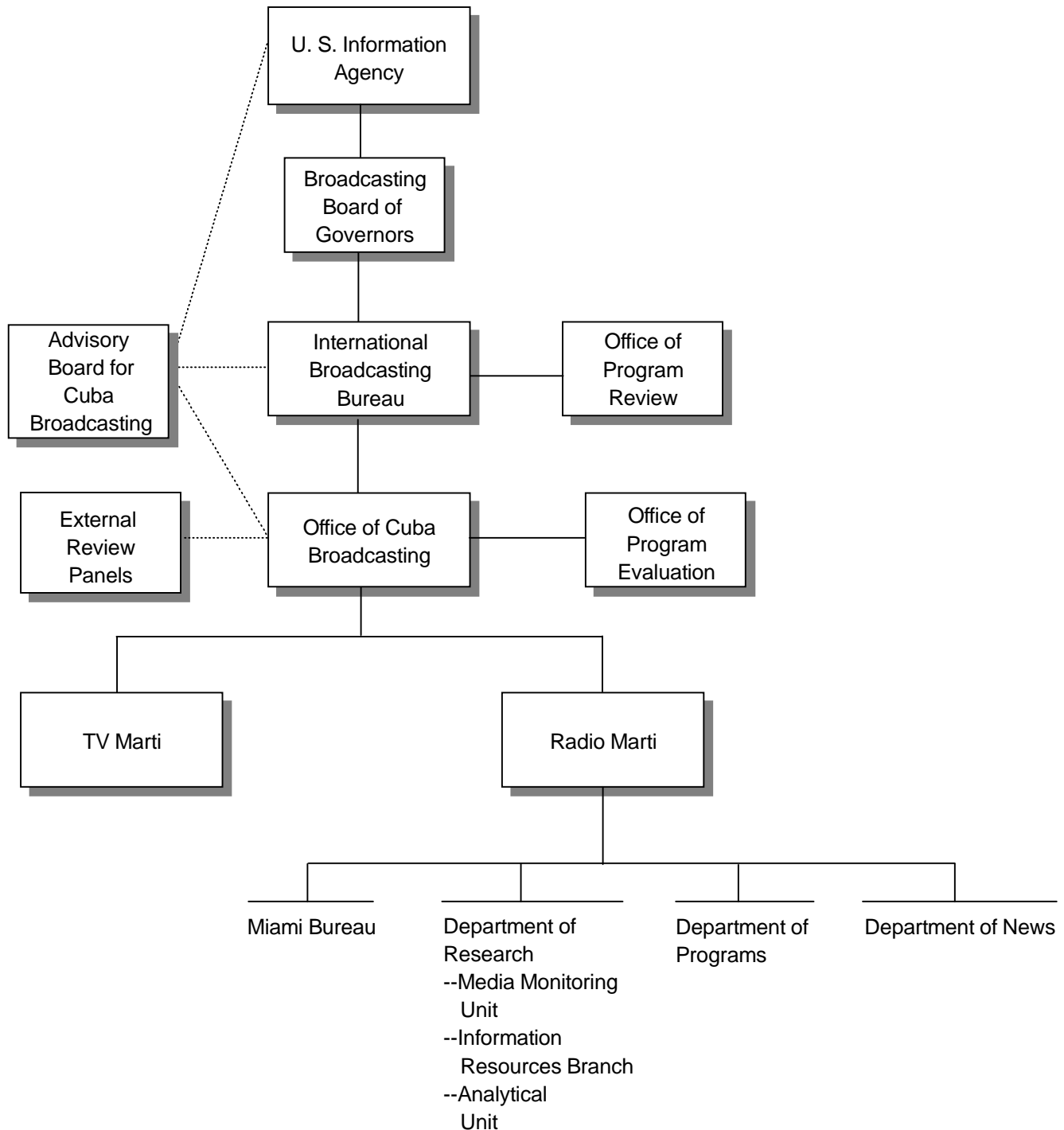
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Abbreviations

OCB	Office of Cuba Broadcasting
OIG	Office of Inspector General
USIA	U.S. Information Agency
VOA	Voice of America

Partial Organizational Chart for U.S. Information Agency and Office of Cuba Broadcasting



Efforts to Streamline and Reinvent Office of Cuba Broadcasting

Executive orders in February 1993 directed executive departments and agencies to reduce the number of their civilian personnel positions and costs. Instructions in early 1993 from the U.S. Information Agency's (USIA) Comptroller on implementing those orders stated that whole functions, programs, or facilities should be considered for elimination. According to former Office of Cuba Broadcasting (OCB) officials, meetings were held in OCB to discuss a number of streamlining actions and options, such as reducing staff positions in Radio Marti and TV Marti and abolishing Radio Marti's analytical unit.

Key events that were the basis for OCB's reinvention plan included the following.

- In a September 1993 memorandum to all OCB employees, the Acting Director of OCB described possible reductions in OCB's budget for fiscal year 1994, noting that drastic cuts in appropriations were a real possibility, particularly for TV Marti. The memorandum noted that personnel offices in OCB and USIA were asked to assist staff and facilitate changes that might become necessary should Congress substantially reduce the appropriation.
- In a November 1993 memorandum to OCB's department heads, the Acting Director of OCB endorsed Vice President Gore's plan for a more efficient government and asked each department head to prepare a plan for streamlining and downsizing.
- In December 1993, the Director of Radio Marti's Research Department submitted a draft annual plan to OCB for the research department. The draft plan noted that research had initiated a number of streamlining efforts, including not filling or abolishing seven positions and proposing reductions in the budget of the Miami Research Office.¹ However, the Director noted that similar attention had not yet been given to the analytical unit and questions of cost and efficiency of that unit existed. Although alternatives such as assigning the analysts to other parts of the station were presented, the Director stated that he was not in favor of abolishing the unit.
- In January 1994, the Acting Director of OCB reported to the International Broadcasting Bureau what OCB had done to implement Vice President Gore's recommendations for "reinventing government." The reported efforts included (1) reducing the number of employees from 278 to 254 and (2) identifying potential budget cuts of \$4 million for fiscal years 1994 and 1995. The Acting Director stated that further streamlining would be

¹The Miami Research Office's responsibilities included interviewing persons recently arriving in the United States from Cuba and obtaining information on key issues in Cuban society.

considered by reorganizing parts of OCB, eliminating several more positions, and changing several full-time positions to part-time.

- In February 1994, the Director of Radio Marti's Research Department was asked to identify which of the Department's personnel and operations were essential, should budget pressures increase in fiscal year 1995. The Director stated that (1) the Information Resources Branch and Media Monitoring were the most important to Radio Marti's operations and (2) depending on the severity of budget cuts and the impossibility of finding other budget savings, it could be necessary to consider reducing staff in the analytical unit. However, the Director had stressed in related documentation that absent the most pressing budgetary requirements, a surrogate radio operation, such as Radio Marti, would continue to need a reliable research capability.
- In March 1994, the Advisory Panel on Radio Marti and TV Marti issued its report, which concluded that (1) Radio Marti provided competent broadcasting of important information not otherwise available to the Cuban people; (2) although Radio Marti had endeavored to observe standards for objectivity, improvement was needed because of politicized journalistic decisions and an oversized and growing share of coverage devoted to the Cuban-American community; and (3) annual savings of \$6 million to \$10 million per year could be achieved in OCB by downsizing management and production processes.

First Reinvention Plan

On March 24, 1994, the Director of OCB submitted OCB's reinvention plan to the USIA Director. The plan recommended that OCB be restructured to streamline its operations and to achieve significant financial savings for fiscal years 1994 and 1995, in accordance with recommendations contained in the Vice President's report on reinventing government. Overall, the plan proposed eliminating 10 positions, including all 4 positions in the research analytical unit in Radio Marti's Department of Research. According to the plan, that unit, composed of three GS-14 employees and one GS-13 employee, was established in 1985 to provide a means of obtaining and analyzing information about Cuba. However, according to the plan, OCB had employed people in the news and programs departments with a vast knowledge of Cuba and first-hand information was available from other means. The plan concluded that it no longer made sense to have research analysts do much of the same work being done elsewhere in the organization. Projected savings in salaries and benefits were \$345,000 in fiscal year 1995.

One of the proposed positions to be eliminated was that of the Director of Audience Research. The plan noted that (1) in October 1992, the responsibility for quantitative research work was transferred to USIA's Office of Research and (2) OCB's Office of Program Evaluation did all of the qualitative analyses necessary to support the program. The plan also proposed eliminating a producer and a writer position in TV Marti and an administrative officer position in OCB and allowing two temporary positions to expire. According to the plan, eliminating the positions was necessary to streamline operations in addition to other steps being taken, such as imposing a hiring freeze in OCB, curtailing overtime, and reducing administrative and personnel staff.

USIA's Director approved the plan on March 31, 1994. However, on April 4, 1994, USIA's Director put the implementation of the plan on hold, citing the need to consider the impact of other studies on OCB. Nevertheless, efforts to streamline and downsize continued in OCB. Specifically, in mid-April 1994, the Director of OCB forwarded a proposal that would have eliminated 33 OCB positions and saved \$3.08 million, in addition to the \$4 million proposed in the reinvention plan. Top USIA management's support for the reinvention plan also continued. For example, in July 1994, USIA's Director responded to the Advisory Panel's recommendations for a leaner management and production process by stating that (1) OCB had proposed reducing management and production ranks for a savings of \$4 million by the end of fiscal year 1995 and (2) reductions would be accomplished through a combination of attrition and elimination of encumbered positions.

Amended Reinvention Plan

The Director of OCB submitted an amended version of the reinvention plan to USIA's Director on March 22, 1995. As background, the amended plan noted that (1) the original plan was placed on hold, but in the interim, OCB's fiscal year 1995 funding was reduced by \$2 million; (2) since late 1992, OCB had taken a number of steps to trim its budget, including imposing a hiring freeze, reducing 34 staff positions through buyouts and attrition, and cutting travel and telephone costs by 30 percent and 18 percent, respectively; and (3) consistent with the original plan, an administrative officer, a TV news writer, and two temporary positions were abolished.

Proposals in the amended plan included recategorizing Deputy Director positions in several departments, restructuring the news department to improve efficiency and supervisor/employee ratios, and transferring the

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Cuban media monitoring function to the Department of Programs. The amended plan also indicated that the research analytical unit was not essential and that phasing it out, along with the audience research position, would save over \$650,000 annually. The amended plan was approved by USIA’s Director on March 22, 1995, but implementation was placed on hold. The USIA Director told us he approved the reinvention plan because it had a convincing argument that there was no longer a need for the research positions but suspended implementation because of the analysts’ allegations of reprisals.

The amended plan had indicated that OCB would not be able to prevent budget shortfalls in fiscal year 1995 without eliminating five of the positions discussed in the original plan (four research analyst positions and one Director of Audience Research position), as well as the two supervisory positions of the four analysts (Director and Deputy Director of Research). However, according to OCB’s budget officer, by using funds carried over from prior years and by reprogramming funds, OCB had sufficient funds for Radio Marti in fiscal year 1995. OCB provided the data on Radio Marti’s budget that is shown in table 1.

Table 1: Sources of Radio Marti Funding for Fiscal Years 1990-95

Fiscal year	Appropriation^a	Carryover^b	Recoveries^c	Obligations	Balance
1990	\$12,537,000	\$918,516	\$7,216	\$12,481,482	\$981,250
1991	15,069,000	981,250	822,101	15,538,250	1,334,101
1992	18,488,000	1,334,101	0	16,267,529	3,554,572
1993	15,873,000	3,554,572	197,160	15,891,646	3,733,086
1994	14,000,000	3,733,086	204,114	16,092,547	1,844,653
1995	13,130,000	1,844,653	1,060,000	15,672,660	361,993

^aOCB appropriations have typically been no-year funds that are available for obligation for an indefinite period of time.

^bUnobligated funds that are carried over into the next fiscal year.

^cDeobligated funds that become available for other purposes.

According to OCB’s budget officer, the statement in the amended plan concerning budget shortfalls was not “technically” correct, but she believed it was consistent with management’s concerns about anticipated reductions in overall appropriation levels and potential shortfalls in the salaries account if the reinvention plan was not implemented. She noted that the failure to implement the plan forced OCB to request congressional

approval for reprogramming funds, primarily to cover the unanticipated salary costs of positions scheduled for elimination. Although most of the \$1.06 million in fiscal year 1995 recoveries became available to cover those salary costs, OCB management has characterized the use of budget recoveries for such purposes as poor fiscal management.

Limited Cost-Benefit Data

Although objectives of OCB's 1994 and 1995 reinvention plans were to eliminate nonessential and costly positions, OCB developed only limited cost-benefit data on the research function to justify its elimination. OCB management defended the lack of cost-benefit analyses, stating that (1) the Vice President's vision for reinventing government did not require such analyses and (2) the plan was based on management's decisions to prioritize news and programs as the most essential elements of broadcast operations. Concerning the issue of essentiality, several key OCB and Radio Marti officials also defended the plan based on their belief that the research analytical unit was not essential to the operations of Radio Marti. Others, however, strongly defended the analysts as being an important and readily available resource.

Our review indicated that OCB had developed the following cost data.

- In November 1993, the Deputy Director of Radio Marti estimated that (1) each issue brief and background report prepared by the research analysts in fiscal year 1990 cost about \$4,100, (2) each report of Cuban radio news prepared by the media monitors cost about \$190, and (3) each information request handled by the information specialists cost about \$330. He concluded that the per unit cost to Radio Marti of some of the research work was very high, but he also noted that his analyses did not consider intangible, and therefore unquantifiable, services that some of the research staff performed. Such services included regular research assistance to the news department and briefings for program staff.
- Other OCB information indicated that the number of backgrounders and issue briefs prepared by the research analytical unit increased from 63 to 104 from 1991 through 1993. The costs of the outputs in 1992 and 1993 were calculated by OCB to average between \$3,000 and \$3,200 each and criticized as being high. However, OCB had not determined costs for other services, such as external analyses, for comparative purposes.

OCB officials noted that they did not examine the cost-benefits of Radio Marti's Field Research Unit in Miami, Florida, as part of the reinvention plan. The unit, which includes five permanent staff and seven contractors,

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has primary responsibility for interviewing new arrivals from Cuba to develop information about the current situation in Cuba and to maintain a database for follow-up and use by program and news staff. Although the unit's budget was reduced significantly in late 1992, an examination of reinvention issues in June 1995 by an official in USIA's International Broadcasting Bureau indicated that opportunities for reductions may exist in the Miami unit.

Issues Concerning the Role of Research

Although OCB's reinvention plan was consistent with overall efforts to streamline government, it caused controversy by attempting to eliminate staff that had been the focus of policy disputes within Radio Marti for years. OCB documents show that the policy disputes have centered around (1) the role of the analysts in ensuring policy compliance and (2) management's decisions to exclude the analysts from on-air programming. The analysts believe that OCB management's actions to remove them from on-air programming represented one of many steps by management to (1) "marginalize" the analytical unit and (2) eventually abolish their positions under the guise of reinvention.

Policy Compliance Function

Our review indicated that the role of Radio Marti's research function was defined in April 1986. The mission of the Research and Analysis Division, which at that time was part of the Research and Policy Department, included reviewing completed program scripts for both content and policy compliance. The group primarily prepared quarterly situation reports on Cuba and special reports, supported public affairs programs, and briefed staff. In January 1990, a new mission statement for research was prepared. The objective of the new statement was to better integrate research into broadcasting functions through daily support. The statement noted that (1) the analysts and other research staff would assist, advise, and support the news and program departments and (2) the Cuba situation reports would be replaced by a series of more timely issue briefs, backgrounders, topic analysis, and other publications. However, the stated mission objectives for research did not include a policy compliance role.

Shortly thereafter, Radio Marti's then Director presented a discussion paper to department heads on the roles and mission of Radio Marti as it completed its 5th year on the air. The Director concluded that the research analysis function had developed a substantial capability, but it had not been satisfactorily meshed into providing timely responses to news and programs. He also concluded that the final responsibility for program content, as well as policy compliance, should be vested with the news and program units, and not with the analysts, as it had been earlier.

Although Radio Marti's former Director made this decision, "policy compliance" problems began to significantly affect relations between the research department and the news room. For example, news staff accused the analysts of monitoring and changing their work and questioning their professional judgment. The seriousness of the issue was reflected in a June 1994 memorandum from several news room personnel to the

Director of OCB, in which concern and frustration about “repeated attacks” on Radio Marti’s news programs were expressed.

On-Air Analysis Function

Beginning in May 1990, employees of the analytical unit were included as on-air analysts by Radio Marti, both in regularly scheduled news programs and in topical programming. However, at an April 1992 meeting of the Advisory Board for Cuba Broadcasting, questions were raised as to whether personal opinions were being expressed by the research analysts during the programs. Although it was questioned whether employees could be expected to offer political analyses without expressing personal opinions, one board member believed that the fundamental charter of OCB was being breached by allowing personal opinions to be aired on Radio Marti. Debate over this issue continued within OCB, and effective December 31, 1992, the analysts were removed from on-air programs.

Allegations by Research Staff

The research analysts have made accusations about the quality and content of Radio Marti’s broadcasts. In some cases, the allegations were directly linked to questions about changes in the roles and responsibilities of the analysts. For example, in June 1994, the Chairman, House Committee on Government Operations, Subcommittee on Legislation and National Security, wrote and asked the USIA Director to review allegations the Subcommittee had received. Allegations were political bias, censorship, distortion of information, and selective reporting by Radio Marti; cronyism, particularly in the hiring of the former Radio Marti news director; and retaliation against employees in Radio Marti and others who had criticized broadcasts as not meeting standards. Approximately 200 examples of alleged censorship and distortion of information practices were enclosed in the Chairman’s letter. Highlighted examples included a November 1993 broadcast that allegedly distorted the views of the President of the European Parliament on the impact of the U. S. embargo on Cuba. According to the letter, the President had stated that the embargo was an obstacle to political evolution in Cuba, but Radio Marti had incorrectly reported that he was criticizing Fidel Castro. Allegations of selective reporting included emphasizing the interests of certain Cuban exile organizations in the United States rather than those of the Cuban people.

The allegations of reprisals in the Chairman’s letter focused on the research analytical unit, stating that the unit’s ability to help ensure that Radio Marti accomplished its mission had been impaired by banning them

from on-air appearances and other punitive actions. The Chairman was also concerned about the proposal to eliminate the analytical unit. In August 1994, USIA's Director responded to the Chairman, stating that (1) as to the allegations of political bias, there appeared to be instances where news decisions were questionable and different choices might have been made and (2) concerning the allegation of cronyism, an error in personnel procedures had occurred in 1991 in the hiring of the news director. However, USIA's Director stated that the fact that the research analysts were no longer on-air was not related to any kind of retaliation but based on management's decisions and guidelines. Concerning the allegations of retaliation, the Director noted that the USIA Office of Inspector General (OIG) was investigating them. (Appendix VI contains information on the status of the OIG investigation and a related grievance filed by the analysts with their employee union.)

Although the Director's response to the Chairman did not react to the specific examples of alleged distortions in reporting, OCB prepared separate responses to each of the approximately 200 allegations, concluding that most were unfounded. For example, OCB noted that its analyses of the allegation concerning statements by the President of the European Parliament concluded that (1) there was no gratuitous critique of Fidel Castro and (2) the President was properly quoted on the likely economic transformations if the embargo was lifted. OCB provided supporting documentation for its analyses, but one of the analysts has charged that the documentation had been altered to support OCB's position.

Reasons for OCB Director's Resignation

Mr. Richard Lobo resigned as OCB Director on May 26, 1995. According to Mr. Lobo, the major reason for his resignation was his frustration from his unsuccessful attempts to streamline OCB and implement the reinvention plan. He also cited his perceptions of a general lack of support for OCB within USIA as being a factor. Mr. Lobo said that his superiors (the USIA Director and the Associate Director for International Broadcasting) had directed him to reform OCB and that he viewed that directive as being consistent with the recommendations of the March 1994 Advisory Panel on Radio Marti and TV Marti, which called for a leaner management and production process. In considering options for streamlining, he believed the biggest item available for reduction was staffing. However, he also saw the focus of Radio Marti operations as being news and programs and he tried to protect those functions as much as possible.

In preparing the reinvention plan, Mr. Lobo said that he built on the streamlining efforts already underway in OCB when he assumed his position. In regard to the efforts to eliminate the analyst positions, he said that several factors led him to conclude that the analytical unit had become nonessential, including its costs, the limited usefulness of its products, the development of Cuba expertise within other OCB units, and the availability of similar expertise on the outside at less cost. Overall, he concluded that the unit had become a "luxury" that was no longer needed. Mr. Lobo said that several OCB officials agreed with him, including news department staff who had complained that the analyst's inputs were frequently late and not essential. When asked if anyone expressed strong support for retaining the analysts, he said "not really." He also said that he and his superiors fully recognized that the analysts would probably claim that the actions to eliminate their unit were in retaliation for their past accusations of biased and slanted broadcasting by Radio Marti.

Progress in Monitoring Compliance With Voice of America Standards

For several years, there have been allegations that political bias has undermined Radio Marti's news and information broadcasts. In our September 1994 report on the need to strengthen Radio Marti's program review processes,¹ we concluded that (1) although USIA's Office of Program Review was intended to be a primary tool for ensuring that broadcasts meet Voice of America (VOA) standards, it had not fulfilled that role and (2) the external review panel had limited effectiveness and credibility due to weaknesses in OCB's procedures for considering the panel's comments and suggestions. We recommended that procedures be adopted to ensure that OCB systematically considers and acts on the panel's suggestions for improved programming.

Since our report, progress has been made in monitoring efforts designed to ensure that Radio Marti's broadcasts meet VOA standards. However, some weaknesses in monitoring remain, as the following shows.

- The International Broadcasting Bureau's Office of Program Review has only one analyst that monitors Radio Marti's broadcasts. The analyst's reports are detailed and, in some cases, have identified examples of program segments that have not met standards.² However, the overall scope of the monitoring has been limited because the (1) reviews have not consistently included conclusions as to whether broadcasts meet standards and (2) coverage of broadcasts has been for only about 2 hours each day. Program Review officials have also identified other limitations such as an inadequate OCB program logging system that hinders them when identifying the composition of broadcasts and monitoring trends in broadcasting.
- The Office of Program Review tracks the implementation of recommendations made by the external review panel during its quarterly reviews of Radio Marti's broadcasts. However, reviews of individual programs by Program Review staff have indicated that OCB has not fully implemented the panel's recommendations. OCB management cited resource availability, among other considerations, as a reason for rejecting some of the panel's recommendations.
- OCB's Office of Program Evaluation coordinates meetings of the external review panel and compiles a fully documented summary of each review that is made available to OCB's Programming Development Committee for consideration and follow-up action. OCB management considered these

¹Radio Marti: Program Review Processes Need Strengthening (GAO/NSIAD-94-265, Sept. 23, 1994).

²For example, in February 1995, the analyst reported that a segment of Radio Marti's breakfast show, Early in the Morning, did not meet standards due to broadcastings of individual opinions without airing opposing or different points of views.

summaries to be an important source of critical feedback and believed that policy compliance was implicit in the panel's reviews. However, the panel's summaries have not specifically or categorically indicated whether or not Radio Marti's broadcasts have complied with VOA standards.

One of the members of USIA's Broadcasting Board of Governors has also reviewed products of the external review panels and has concluded that the composition of the panels is not sufficient to assure critics and the general public that programming conforms to acceptable journalistic standards. He noted that the most damaging allegation was that Radio Marti's programming (1) did not adhere to its legislative mandate and (2) was improperly controlled by outside persons or interests to further their own agendas. Although he did not believe that the allegations were true, he proposed reforms to detect and stop any lack of balance in programming. One proposal included appointing a "distinguished and unimpeachable" panel of outside reviewers to examine the content of Radio Marti programming and pronounce on its objectivity and balance. Other Board members have also expressed concerns about past criticisms of the external review panels. The Board continues to study the options available to it for evaluating and reviewing Radio and TV programming.

The continued importance of monitoring Radio Marti's compliance with standards was recently reflected in analyses conducted by the Office of Program Review for the Broadcasting Board of Governors and VOA. Analyzed were two segments of Radio Marti's broadcasts dealing with issues related to the downing of two aircraft by the Cuban government in February 1996. The analyses concluded that the broadcasts were inconsistent with Radio Marti's editorial policy and guidelines.

Inspector General's Investigation and Related Matters

The USIA OIG began its investigation into allegations of management reprisals at OCB in June 1994. The impetus of the investigation was an earlier audit of OCB's hiring practices,¹ which had focused on reviewing allegations contained in an April 1993 anonymous letter entitled "Problems at Radio Marti." OIG concluded that the employees named in the anonymous letter had met the qualifications for their positions and that the former news director's appointments had been inconsistent with OCB personnel policies. OIG attributed certain information in the audit report to the Deputy Director of Radio Marti and later the Deputy Director alleged that he had suffered reprisals from management because he had cooperated with the OIG audit.

OIG officials told us that they tried to focus only on allegations by the Deputy Director, but their investigation began to draw in matters related to the role of the research analysts and other issues. OIG interviewed and/or contacted over 20 people as part of its investigation, but it had not issued a final report on its findings as of mid-April 1996. However, in July 1995, OIG provided congressional requesters preliminary information and copies of affidavits that it had developed during its investigation. The publication of that information in the press resulted in severe criticism of OIG.²

Concerning the controversy surrounding its release of information, the Inspector General said that her office was initially contacted by congressional staff in January 1995. She also said that (1) OIG officials briefed the staff on the status of the investigation on at least two occasions and (2) a written request was received in July 1995 for more information on the investigation's results. The Inspector General and the Assistant Inspector General for Investigations both believed that the release of the information was consistent with the OIG operations manual, which states that OIG's duties and responsibilities include keeping Congress fully and currently informed concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of Agency programs.

Referral to President's Council on Integrity and Efficiency

On July 24, 1995, USIA's Director referred the conduct of OIG's investigation to the President's Council on Integrity and Efficiency. The Director's press release stated that the matter was referred to the Council because of his concerns about the premature release of incomplete information and the

¹Review of Allegations Concerning Radio Marti Employees, 93-A-52/ARR-94-09, May 19, 1994.

²According to the Inspector General, her office did not release the information to any unauthorized individuals, including the news media.

impartiality of the process. According to an official on the Council's Committee on Integrity, several allegations were received concerning the conduct of USIA's Inspector General. The Committee has referred all of the administrative-related allegations concerning USIA's Inspector General to the U.S. Agency for International Development's Office of Inspector General to determine what (1) actions, if any, had already been taken concerning the allegations and (2) additional actions, if any, should be considered.

Grievance Filed With Employee's Union

The research analysts filed a grievance with their employee union (American Federation of Government Employees Local 1812), stating that the proposal to eliminate their positions was an act of reprisal. According to the grievance, the decision in 1992 to prohibit the direct participation of research staff in programs and news casts undermined the ability of the analysts to contribute directly to Radio Marti's compliance with its broadcast mandates. The grievance also stated that (1) the continuous attempts by OCB's management to undermine the research analysts' positions had resulted in the degradation of their professional capabilities and constituted ongoing job harassment and (2) the harassment may have taken place for political motives and due to external pressure on OCB's managers.

A decision on the grievance had not been reached as of mid-April 1996. Arbitration began in mid-March 1996.

Internal Review by USIA

A June 1995 examination of issues related to the grievance by an official in the International Broadcasting Bureau for the Bureau's Director of Personnel found that

- since 1988, there have been substantial interpersonal and professional conflicts involving the research analysts, the former Director of News, and OCB management;
- the research analysts had perceived wrongdoing on numerous fronts, covering violation of policy, the broadcasting charter, and improper personnel actions;
- when viewed as a pattern, considering issues outside the staff reductions, the credibility of the reprisal concept becomes substantial; and
- two senior level management officials believed that the grievance was correct and had provided sworn affidavits to the USIA OIG.

However, the examination concluded that substantial documentation showed that OCB management had proceeded prudently and pragmatically when identifying reductions as part of the reinvention process. Moreover, the examination determined that (1) management considered reducing the level of support provided by the research department and determined that while some reduced level of support could be useful, the positions were not essential and could be eliminated; (2) the reinvention plan was approved with the understanding that allegations of impropriety would result; and (3) no "smoking gun" existed that proved or showed that the elimination of the research analyst positions was an act of retribution.

Comments From the Broadcasting Board of Governors

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



**BROADCASTING BOARD OF GOVERNORS
UNITED STATES OF AMERICA**

April 4, 1996

Jess T. Ford
Associate Director, International
Relations and Trade Issues
U.S. General Accounting Office
Washington, DC

Dear Mr. Ford:

Thank you for the opportunity to comment on the GAO draft report "Issues Related to Reinvention Planning in the Office of Cuban Broadcasting."

The Broadcasting Board of Governors is responsible for providing oversight of all U.S. Government non-military international broadcasting, including the Office of Cuban Broadcasting. Since assuming our responsibilities last year, the Board has been concerned about the allegations made against Radio and TV Marti programming and management practices. Although the draft is basically an accurate reflection of the issues involved, the report would have been more useful to the Board in exercising its oversight responsibilities if it contained more analyses and conclusions. Providing effective oversight of the Office of Cuban Broadcasting remains a high priority of the Board and we look forward to receiving your final report.

The following are specific comments on the report.

On page 5, the first line should replace **USIA** with **IBB's** Program Review Office had not fulfilled its mission of ensuring that Radio Marti's broadcasts comply with standards.

On page 9, the organizational chart incorrectly shows the Broadcasting Board of Governors off to the side of the International Broadcasting Bureau instead of being directly over the Bureau. The BBG has responsibility for directing and supervising all activities of the International Broadcasting Bureau. I enclose an organizational chart which more accurately represents the structure of international broadcasting and the role played by the BBG.

On page 10, the last sentence of the first paragraph should read, staff positions in Radio and TV Marti and abolishing Radio Marti's analytical unit.

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See comment 1.

See p. 3.
See comment 2.

See p. 8.
See comment 3.

See p. 9.
See comment 2.

**Appendix VII
Comments From the Broadcasting Board of
Governors**

See p. 10.
See comment 2.

See p. 20.

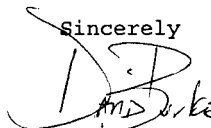
See comment 2.

On page 12, the next to the last sentence of the first paragraph should read research analysts and not staff.

On page 23, the last paragraph should reflect that other board members are concerned about both the GAO and OIG's past criticisms of the external review panels. The Board continues to study how best to evaluate and review Radio and TV Marti programming.

If you have any questions, or wish to discuss these comments further, please contact the Broadcasting Board of Governors' Chief of Staff Kathleen Harrington at 401-3736.

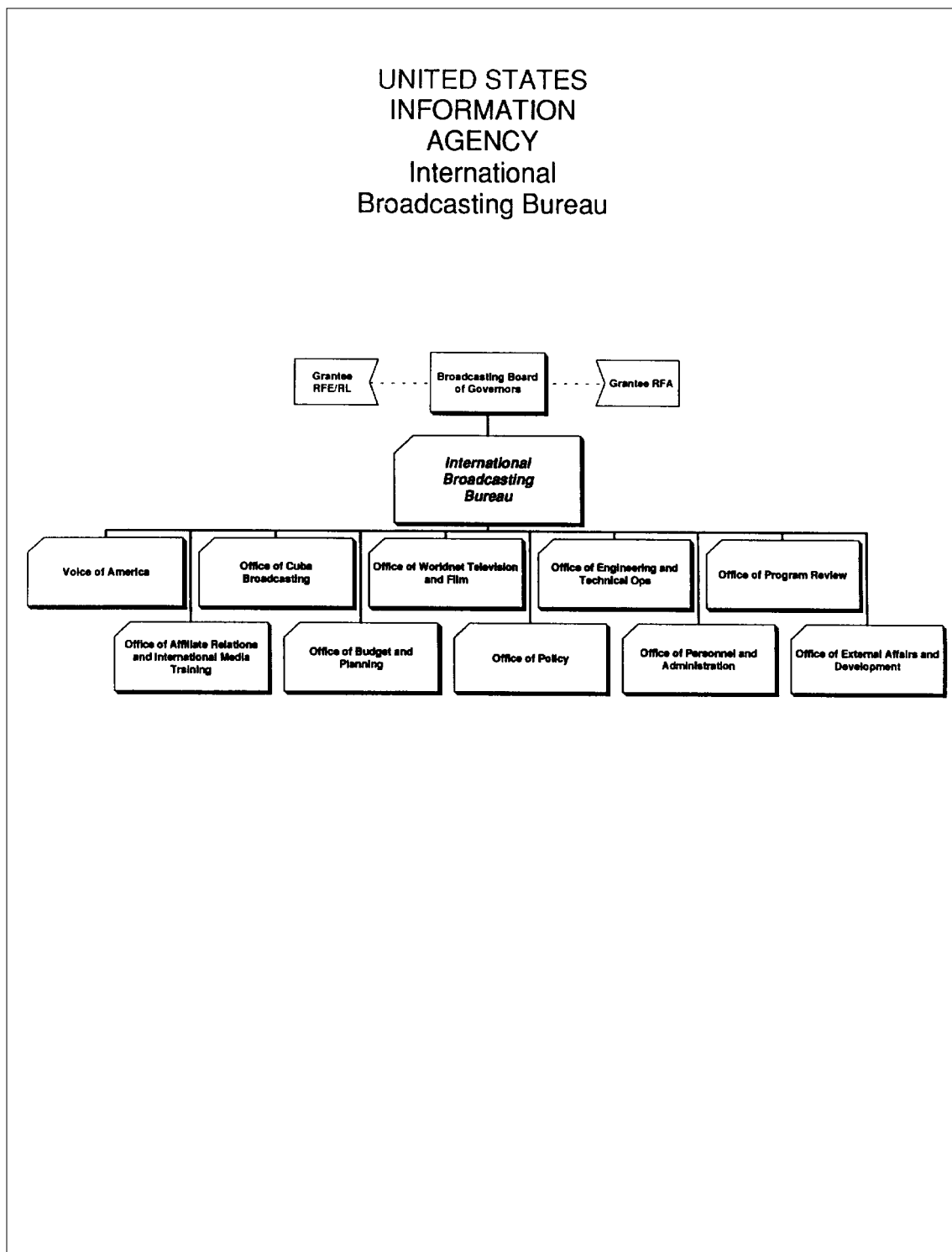
Sincerely



David Burke
Chairman

Enclosure

Appendix VII
Comments From the Broadcasting Board of
Governors



The following are GAO's comments on the Broadcasting Board of Governors' letter dated April 4, 1996.

GAO Comments

1. Our objective was to provide information on several issues related to the operations of the Office of Cuba Broadcasting. We were not asked by our congressional requesters to judge the merits of allegations made against Radio and TV Marti programming and management. As we note in our report, many of the allegations are under review by the USIA OIG and grievance examiners.
2. The report has been modified in line with this suggestion.
3. We have changed the partial organizational chart in this report to show the Board's responsibilities.

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