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## VIDEO NEWS RELEASES

# Unattributed Prepackaged News Stories Violate Publicity or Propaganda Prohibition

Statement of Susan A. Poling, Managing Associate General  
Counsel, Office of General Counsel





Highlights of [GAO-05-643T](#), a report to Senate Committee on Commerce, Science, and Transportation

## Why GAO Did This Study

In recent years, federal agencies have been increasing their use of video news releases (VNRs), which frequently include prepackaged news stories. While the use of VNRs is widespread and widely known by those in the media industry, the quality and content of materials considered to constitute a VNR can vary greatly. Generally, a VNR package may contain several items, including a series of video clips, known as B-roll footage; title cards containing relevant information, known as slates; a prepackaged news story, referred to as a story package; and other promotional materials. These materials are produced in the same manner as television news organizations produce materials for their own news segments.

The prepackaged news stories are distributed to local television news stations and are designed to resemble actual news stories. By eliminating the costs and effort of producing an original news story, agencies can find news stations willing to broadcast a favorable news segment on a desired topic.

GAO examined prepackaged news stories produced by the Department of Health and Human Services and the Office of National Drug Control Policy and evaluated whether these materials constituted covert propaganda in violation of the prohibition on using appropriated funds for publicity and propaganda not authorized by Congress.

[www.gao.gov/cgi-bin/getrpt?GAO-05-643T](http://www.gao.gov/cgi-bin/getrpt?GAO-05-643T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Jeffrey McDermott at (202) 512-2584 or [mcdermottj@gao.gov](mailto:mcdermottj@gao.gov).

## VIDEO NEWS RELEASES

# Unattributed Prepackaged News Stories Violate Publicity and Propaganda Prohibition

## What GAO Found

Prepackaged news stories are complete, audio-video presentations that may be included in video news releases, or VNRs. They are intended to be indistinguishable from news segments broadcast to the public by independent television news organizations. To help accomplish this goal, these stories include actors or others hired to portray “reporters” and may be accompanied by suggested scripts that television news anchors can use to introduce the story during the broadcast. These practices allow prepackaged news stories to be broadcast, without alteration, as television news.

The publicity or propaganda prohibition states, “No part of any appropriation contained in this or any other Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.” GAO has long interpreted this provision to prohibit agencies from, among other things, producing materials that are covert as to origin. Our opinions have emphasized that the critical element of covert propaganda is concealment of the government’s role in producing the materials. Agencies have violated this law when they used appropriated funds to produce articles and op-ed pieces that were the ostensible position of persons not associated with the government.

In two legal opinions this past year, federal agencies commissioned and distributed prepackaged news stories and introductory scripts about their activities that were designed to be indistinguishable from news stories produced by private news broadcasters. In neither case did the agency include any statement or other indication in its news stories that disclosed to the television viewing audience, the target audience of the purported news stories, that the agency wrote and produced those news stories. In other words, television-viewing audiences did not know that stories they watched on television news programs *about the government* were, in fact, prepared *by the government*. GAO concluded that those prepackaged news stories violated the publicity or propaganda prohibition.

While agencies generally have the right to disseminate information about their policies and activities, agencies may not use appropriated funds to produce or distribute prepackaged news stories intended to be viewed by television audiences that conceal or do not clearly identify for the television viewing audience that the agency was the source of those materials. It is not enough that the contents of an agency’s communication may be unobjectionable. Neither is it enough for an agency to identify itself to the broadcasting organization as the source of the prepackaged news story.

In addition to these opinions, the Comptroller General issued a circular letter to the heads of all cabinet departments and federal agencies in February to alert them to our opinions on VNRs and to remind them of their duty to disclose the source of materials that they disseminate to the public.

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Chairman Stevens and Members of the Committee:

Thank you for the opportunity to be here today to discuss the legal opinions recently issued by the Government Accountability Office (GAO) regarding the use of prepackaged news stories by federal agencies. In the past year, GAO has issued two legal opinions on the production of video news releases (VNRs) that included prepackaged news stories by both the Department of Health and Human Services (HHS) and the Office of National Drug Control Policy (ONDCP). In both of these instances, we concluded that the agencies violated the federal governmentwide prohibition on the use of appropriated funds for purposes of publicity or propaganda not authorized by Congress. In addition, in February, the Comptroller General sent a circular letter to the heads of all federal agencies to alert them to our recent opinions and to remind them of the prohibition on publicity or propaganda.

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## Background

Since the 1990s, VNRs have become a popular public relations tool for private corporations, nonprofit organizations, and government entities to disseminate information, in part because they provide a cheaper alternative than more traditional broadcast advertising and are welcomed by some local news stations in smaller markets with significant budget restraints.

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## VNRs Contain Slates, B-Rolls, and Prepackaged News Stories

While the use of VNRs is widespread and widely known by those in the media industry, the quality and content of materials considered to constitute a VNR can vary greatly. Generally, a VNR package may contain several items, including a series of video clips, known as B-roll footage; title cards containing relevant information, known as slates; a prepackaged news story, sometimes referred to as a story package; and other promotional materials.<sup>1</sup> These materials are produced in the same manner as television news organizations produce materials for their own news segments. By eliminating a news station's production efforts and costs of producing an original news story, VNR creators can find stations willing to broadcast a favorable news segment on a desired topic.

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<sup>1</sup>For example, the Office of National Drug Control Policy (ONDCP) video news releases that we examined contained television advertisements and public service announcements.

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The B-roll footage and slates are intended to assist news stations in producing their own news stories, while the story package is a pre-assembled, ready-to-air news story that is often accompanied by a suggested lead-in script for the anchor. Even if a broadcaster does not use a story package or scripted materials in full, the production of a professionally complete news story provides a framework for the message conveyed in the final broadcast, which allows the producer, in this case, the federal agency, to assert some control over the message conveyed to the target audience—the viewer of the broadcast.

The popularity of VNRs may be attributed to the ease with which the materials may be distributed. While some packages are distributed directly from the source to television stations, satellite and electronic news services, such as those provided by CNN Newsource, facilitate distribution to a number of news markets in a short period of time. Broadcast stations subscribe to these services, which provide journalist reports and stories and advertising, in addition to VNR materials. While the news services label VNRs differently than independent journalist news reports, there apparently is no industry standard as to the labeling of VNRs. In fact, some news organizations that broadcast the HHS VNR indicated that they misread the label or they mistook the story package as an independent journalist news story on CNN Newsource.

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## HHS VNRs Included Narration by Contractors Posing as Reporters

GAO examined three VNR packages that HHS made available to local news organizations. The VNRs consisted of three videotapes with corresponding, printed scripts; two of the videotapes were in English, and one was in Spanish. The B-roll footage on each of the English videotapes was exactly the same and contained footage of President Bush, in the presence of Members of Congress and others, signing the Medicare prescription drug legislation into law, and a series of clips of seniors engaged in various leisure and health-related activities, including consulting with a pharmacist and being screened for blood pressure. The English videotapes also included clips of former HHS Secretary Tommy Thompson and Leslie Norwalk, Deputy Administrator of the Centers for Medicare & Medicaid Services (CMS), making statements regarding changes to Medicare. The Spanish videotape includes clips of statements by Dr. Cristina Beato of CMS, instead of Thompson and Norwalk.

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The two English VNRs contained different story packages, each narrated by Karen Ryan, an HHS subcontractor, who was not affiliated with a news organization. The first story package focused on CMS's advertising campaign regarding the prescription drug legislation. The suggested anchor lead-in stated that "the Federal Government is launching a new, nationwide campaign to educate 41 million people with Medicare about improvements to Medicare." The lead-in ended with "Karen Ryan explains." The video portion of the story package began with an excerpt of the television advertisement with audio stating, "it's the same Medicare you've always counted on plus more benefits." Karen Ryan then explained, "That's the main message Medicare's advertising campaign drives home about the law." As more clips from the advertisement appeared, Karen Ryan continued her narration, indicating that the campaign helps beneficiaries answer their questions about the new law, the administration is emphasizing that seniors can keep their Medicare the same, and the campaign is part of a larger effort to educate people with Medicare about the new law. The story package ended with Karen Ryan stating: "In Washington, I'm Karen Ryan reporting."

The second English story package focused on various provisions of the new prescription drug benefit and did not mention the advertising campaign. The anchor lead-in stated: "In December, President Bush signed into law the first ever prescription drug benefit for people with Medicare." The anchor lead-in then noted, "There have been a lot of questions about" the new law and its changes to Medicare and "Karen Ryan helps sort through the details." The video portion of the news report started with footage of President Bush signing the legislation, and Karen Ryan's narration indicated that when it was "signed into law last month, millions of people who are covered by Medicare began asking how it will help them." Next, the segment included footage of Tommy Thompson, in which he states that "it will be the same Medicare system but with new benefits." Karen Ryan continued her narration, stating "most of the attention has focused on the new prescription drug benefit . . . all people with Medicare will be able to get coverage that will lower their prescription drug spending . . . Medicare will offer some immediate help through a discount card." She also told viewers that new preventive benefits will be available, low-income individuals may qualify for a \$600 credit on available drug discount cards, and "Medicare officials emphasize that no one will be forced to sign up for any of the new benefits." Karen Ryan's narration then led into clips of Thompson and Norwalk explaining other beneficial provisions of the new law. The second story package also ended with, "In Washington, I'm Karen Ryan reporting."

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The Spanish-language materials contained the same three items as the English language VNRs—a B-roll, slates, and a story package. After the B-roll segments, the story package segment appeared. This segment was considerably longer than its two English counterparts, focused on prescription drug benefits, and was narrated by Alberto Garcia, who is also an HHS subcontractor, not a reporter. The anchor lead-in was similar to the second English story package, except the anchor indicates that Alberto Garcia “helps sort through the details.” The video segment began with the footage of President Bush signing the prescription drug bill into law, as Alberto Garcia narrated that after signing the law, millions of people who are covered by Medicare began asking how the new law will help them. The remainder of the story package contained footage of Dr. Beato and of seniors engaged in various activities. During the video clips of seniors, Alberto Garcia narrated that the prescription drug benefit will be available in 2006 and that drug discount cards will be available in June 2004 and that “[p]eople with Medicare may be able to choose from several different drug discount cards, offering up to 25 percent savings on certain medications.” Alberto Garcia concluded his report, stating: “In Washington, I’m Alberto Garcia reporting.”

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### ONDCP Prepackaged News Stories Were Narrated by Contractors Unaffiliated with News Organizations

For the ONDCP legal opinion, GAO examined eight VNRs, seven of which included prepackaged news stories, in addition to B-roll footage and slates. Each of ONDCP’s news stories included narration by an unseen person, identified as Mike Morris, Karen Ryan, or Jerry Corsini. The narrator explained that he or she was “reporting” on various ONDCP activities and on various issues related to the use of marijuana by teenagers. Each story was accompanied by proposed “lead-in” and “closing” remarks to be spoken by station news anchors. Many of the suggested anchor remarks included a phrase like, “Mike Morris has the story,” or “Mike Morris has more.” ONDCP informed us that the narrators were hired to read the scripts for the prepackaged new stories, as prepared for and approved by ONDCP. Like the HHS VNR narrators, none of these narrators were affiliated with any news organization at the time the stories were produced or distributed.

The various ONDCP story packages touched on the addictive nature of marijuana, the risks of marijuana use to teenagers, an open letter to parents that was sponsored by ONDCP regarding marijuana, the increased use of marijuana by teenagers during the summer, the dangers of driving a vehicle while under the influence of marijuana, and the respiratory health risks of smoking marijuana. Most of the story packages featured statements by ONDCP Director John Walters and/or various drug experts.

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The suggested anchor closing remarks directed viewers to an anti-drug website and a toll-free telephone number.

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## GAO's Legal Opinions

In May 2004, GAO first addressed the use of prepackaged news stories in an opinion<sup>2</sup> issued to HHS regarding VNRs it had prepared as part of a campaign to inform Medicare recipients about the new prescription drug legislation.<sup>3</sup> In a subsequent opinion issued in January 2005, we addressed the VNRs produced by ONDCP as part of its National Youth Anti-Drug Media Campaign.<sup>4</sup>

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## Agency's Right to Disseminate Information Does Not Include Covert Propaganda

In both of these legal opinions, we concluded that production and distribution of prepackaged news stories that concealed the agency's role in producing the story violate the publicity and propaganda prohibition. While GAO has long recognized that agencies have a right to inform the public about their activities and to defend the administration's point of view on policy matters,<sup>5</sup> there are several statutory limitations on an agency's information dissemination, one of which is the publicity or propaganda prohibition. This prohibition, the first version of which was enacted in 1951, is usually contained in annual appropriations acts. It states that, "No part of any appropriation contained in this or any other Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress."<sup>6</sup>

In applying this prohibition, GAO affords agencies a great deal of discretion in their informational activities. However, GAO has, through 50 years of decisions, identified a number of specific activities that are barred by the publicity and propaganda prohibition. One of the main targets of this prohibition is agency-produced material that is covert as to source.

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<sup>2</sup>In addition to auditing and evaluating programs and activities of the federal government and investigating matters related to the use of public money, GAO is also responsible for settling all accounts of the federal government. 31 U.S.C. §§ 712, 717, 3526. Pursuant to this accounts settlement authority, the Comptroller General issues legal decisions and opinions to federal agencies and Members of Congress regarding the proper use of federal funds.

<sup>3</sup>B-302710, May 19, 2004.

<sup>4</sup>B-303495, Jan. 4, 2005.

<sup>5</sup>*See, e.g.*, B-304715, Apr. 27, 2005; B-302504, Mar. 10, 2004; B-184648, Dec. 3, 1975.

<sup>6</sup>*See, e.g.*, Consolidated Appropriations Act, 2005, Pub. L. No. 108-447, div. H, title VI, § 624, 118 Stat. 2809, 3278 (Dec. 8, 2004).

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Our opinions have emphasized that the critical element of covert propaganda is concealment of the government's role in producing the materials.<sup>7</sup> GAO has concluded that agencies have violated the law when they undertook activities such as distributing suggested editorials to newspapers or hiring pundits to write commentaries without acknowledging the government's sponsorship.<sup>8</sup> In these cases, even though the newspapers that printed the opinion pieces may have been aware of their source, the newspaper readers did not know of the agency's role in producing the materials.

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### Unattributed Prepackaged News Stories Violate Publicity and Propaganda Prohibition

Similarly, in the case of the story packages produced by HHS and ONDCP, the target audience—the viewing public—was unaware that the material was produced by the government. The story packages were clearly designed to be aired exactly as the agency produced them and were intended to resemble traditional news stories. They were narrated by government contract personnel who portrayed reporters and included suggested anchor lead-in scripts, announcing it as a news story by the purported reporter, which facilitated the unaltered use of the story package.

Most importantly, the story packages contained no statement or other reference to alert television viewers to the fact that the agency was the source of the purported news story. These characteristics may lead viewers to believe, wrongly, that the piece was an actual news story produced by the local television station and narrated by a real reporter. Therefore, we concluded that the prepackaged news stories constituted covert propaganda and that HHS and ONDCP both violated the prohibition on the use of appropriated funds for publicity or propaganda.<sup>9</sup> Furthermore, because the agencies had no appropriation available for

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<sup>7</sup>B-229257, June 10, 1988.

<sup>8</sup>See, e.g., B-223098, Oct. 10, 1986; B-229069, Sept. 30, 1987.

<sup>9</sup>Although both HHS and ONDCP pointed to specific statutory provisions that authorized them to disseminate information to the public, GAO concluded that such provisions did not authorize them to produce unattributed news stories. In both opinions, GAO also concluded that the B-roll footage and the slates did not violate the publicity and propaganda prohibition because they were designed to be viewed and utilized solely by the news organizations, and the agencies had properly disclosed their role in the production of the materials to the stations.



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covert propaganda, HHS and ONDCP also violated the Antideficiency Act, which prohibits obligations in excess of available budget authority.<sup>10</sup>

In both of these opinions, we also noted: “In a modest but meaningful way, the publicity or propaganda restriction helps to mark the boundary between an agency making information available to the public and agencies creating news unbeknownst to the receiving audience.” In fact, the appropriations prohibition is not the only marker that Congress has enacted to delineate the boundaries between the government and the free American press.<sup>11</sup> Statutory limits on the domestic dissemination of news reports produced by the federal government reflect concern that allowing the government to produce domestic news broadcasts would infringe upon the freedom of the press and constitute, or at least give the appearance of, an attempt to control public opinion.<sup>12</sup>

HHS and ONDCP both commissioned and distributed prepackaged news stories and introductory scripts about their activities that were designed to be indistinguishable from news stories produced by private news broadcasters. In neither case did the agency include any statement or other indication in its news stories that disclosed to the television viewing audience (the target of the purported news stories) that the agency wrote and produced those news stories. In other words, television-viewing audiences did not know that stories they watched on television news programs *about the government* were, in fact, prepared *by the government*. We therefore concluded that those prepackaged news stories violated the publicity or propaganda prohibition.

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## Circular Letter Advised All Agencies of Duty to Disclose Source of Materials

In addition to the HHS and ONDCP opinions, the Comptroller General issued a circular letter to the heads of all cabinet departments and federal agencies in February of this year to alert agencies to our opinions on prepackaged news stories and to remind them of their duty to disclose the source of materials that they disseminate to the public.<sup>13</sup> GAO decided that a governmentwide circular would be appropriate given the increasing use

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<sup>10</sup>31 U.S.C. § 1341(a).

<sup>11</sup>See, e.g., 22 U.S.C. §§ 1461, 1461-1a (restricting the domestic dissemination of news reports originally created by the government for broadcast abroad).

<sup>12</sup>B-118654-O.M., Apr. 17, 1979.

<sup>13</sup>B-304272, Feb. 17, 2005.

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of VNRs by the federal government. In fact, our research showed that VNRs have been produced by a wide range of federal departments and agencies, from the Department of State to the Census Bureau to the Transportation Security Administration.

Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions regarding our opinions that you or the committee may have.

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## GAO Contacts And Staff Acknowledgments

For further information about this testimony, please contact Susan A. Poling, at 202-512-2667 or at [polings@gao.gov](mailto:polings@gao.gov). Other key contributors to this statement were Thomas Armstrong, Jeffrey McDermott, Neill Martin-Rolsky, and Sheila Rajabiun.

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