

~~SENSITIVE BUT UNCLASSIFIED~~

United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General

Report of Inspection

Voice of America's Chinese Branch

Report Number ISP-IB-10-53, July 2010

~~IMPORTANT NOTICE~~

~~This report is intended solely for the official use of the Department of State or the Broadcasting Board of Governors, or any agency or organization receiving a copy directly from the Office of Inspector General. No secondary distribution may be made, in whole or in part, outside the Department of State or the Broadcasting Board of Governors, by them or by other agencies or organizations, without prior authorization by the Inspector General. Public availability of the document will be determined by the Inspector General under the U.S. Code, 5 U.S.C. 552. Improper disclosure of this report may result in criminal, civil, or administrative penalties.~~

~~SENSITIVE BUT UNCLASSIFIED~~

PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspections, as issued by the President's Council on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General (OIG) for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE

The Office of Inspections provides the Secretary of State, the Chairman of the BBG, and Congress with systematic and independent evaluations of the operations of the Department and the BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- Policy Implementation: whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- In accordance with the U.S. International Broadcasting Act of 1994 (P.L. 103-236) Section 304(a)(3)(B), OIG is prohibited from evaluating the content of BBG broadcasting entities. The section, entitled "Respect for Journalistic Integrity of Broadcasters," states that "The Inspector General shall respect the journalistic integrity of the broadcasters covered by this title and may not evaluate the philosophical or political perspectives reflected in the content of broadcasts."
- Resource Management: whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- Management Controls: whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instances of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

METHODOLOGY

In conducting this inspection, the inspectors: reviewed pertinent records; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.



**United States Department of State
and the Broadcasting Board of Governors**

Office of Inspector General

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in dark ink, appearing to read "H. W. Geisel", written in a cursive style.

Harold W. Geisel
Deputy Inspector General

TABLE OF CONTENTS

KEY JUDGMENTS	1
CONTEXT	3
EXECUTIVE DIRECTION	5
PROGRAMMING OF THE CHINESE BRANCH	9
USE OF INTERNET AND NEW MEDIA	11
COMBATING CENSORSHIP	15
Measuring Effectiveness	16
MAINTAINING JOURNALISTIC STANDARDS	19
STRATEGIC PLANNING	21
Making the Business Case	24
RESOURCE MANAGEMENT	27
Human Resources	27
Financial Management, Procurement, and Inventory	31
LIST OF RECOMMENDATIONS	35
INFORMAL RECOMMENDATIONS	37
VOICE OF AMERICA CHINESE BRANCH PRINCIPAL OFFICIALS	39
ABBREVIATIONS	41
APPENDIX A: VOICE OF AMERICA MANDARIN SATELLITE FEED	53
APPENDIX B. CANTONESE SERVICE CLOCK	45
APPENDIX C. VOICE OF AMERICA CHINESE BRANCH PROGRAMS	47

KEY JUDGMENTS

- The management of Voice of America's (VOA's) Chinese branch, which is composed of the Mandarin and Cantonese language services, provides sound leadership to an outstanding, dedicated staff under difficult conditions imposed by the antipathy of Chinese authorities to VOA Chinese programming.
- The Chinese Government censors VOA's Chinese branch Web site and jams its radio frequencies. The International Broadcasting Bureau (IBB) has taken measures to deal with such censorship. Faced with innumerable challenges of reaching the Chinese target audience and deciding on the most effective delivery systems in a world of rapidly developing communications technologies, the Chinese branch must give serious attention to a detailed, long range plan for how it expects to operate five or ten years from now; it also needs to provide a projection of the resources, both personnel and financial, that will be required to meet its goals.
- China is the leading market in the world for new media, in terms of the actual number of new media users, and is rapidly outpacing the United States. In spite of censorship challenges, the Internet and new media offer a new and vibrant way for the Chinese branch to reach its target audience inside the People's Republic of China (PRC). Employees of the Chinese branch have enthusiastically embraced new ways to grow audiences through the Internet and are resourceful in using new media.
- The VOA Chinese branch relies on purchase order vendors (POVs) to supplement direct-hire staff. Differences between existing guidelines and Chinese branch practices need to be reviewed for compliance with governing U.S. Government statutes and regulations.
- The Chinese Government welcomes (or tolerates) certain VOA programs and products, such as English language teaching, as long as they do not cross a line that involves hard news reporting. As a way to penetrate the Chinese market, the branch chief initiated negotiations with a major cell phone company to install VOA English language programs into phones intended for sale in the PRC. The program went into effect in 2008. Chinese cell phone

users have the option to subscribe to the programs. Indications are that the program has been highly successful. The OIG team considers this initiative a best practice.

- The Chinese branch administrative support has improved greatly, especially in the last two years, as noted by employees and POVs alike. However, despite serious efforts at communication and transparency, management has been less effective in getting the information about policies and procedures to all employees. The OIG team has made suggestions for improvement.

The inspection took place in Washington, DC, between January 7 and March 31, 2010.

CONTEXT

The VOA's Chinese branch, composed of Mandarin and Cantonese language services, provides a comprehensive, independent, and objective source of information and news to the PRC. It does so under the VOA Charter and broader principles laid out in the legislation.¹ The Charter also mandates that, "VOA will represent America, not any single segment of American society, and will therefore present a balanced and comprehensive projection of significant American thought and institutions." Finally, the Charter states that, "VOA will present the policies of the United States clearly and effectively, and will also present responsible discussions and opinion on these policies."

According to the Broadcasting Board of Governors (BBG),² the agency under which the VOA Chinese branch operates, state control of media and censorship of the press in China deny more than a billion citizens of the PRC news and information in their native languages.

The BBG also has under its umbrella Radio Free Asia, a private, nonprofit corporation established in 1996.³ Its mission is different from that of VOA. Radio Free Asia is a surrogate broadcaster and acts as a substitute for indigenous free media, concentrating its coverage on events occurring in and/or affecting the countries to which it broadcasts. It broadcasts in nine languages, including Mandarin and Cantonese.⁴

¹ P.L. 94-350 and 103-415.

² The Broadcasting Board of Governors is an independent federal agency that supervises all U.S. Government-supported, nonmilitary international broadcasting, including the Voice of America, Radio Free Europe/Radio Liberty, Middle East Broadcasting Networks (Alhurra TV and Radio Sawa), Radio Free Asia, and Office of Cuba Broadcasting.

³ Established under provisions of the 1994 International Broadcasting Act—P.L. 103-236.

⁴ In March 2010, Senator Richard Lugar introduced legislation aimed at boosting Radio Free Asia, proposing long-term budget authority for Radio Free Asia, rather than obliging lawmakers to take up the matter annually.

The Chinese branch is responsible for 14 hours of original news and information programming daily, 12 hours in Mandarin and 2 hours in Cantonese. All 14 hours are transmitted on radio. One hour of original Mandarin television is simulcast on radio. Programs are distributed on shortwave, medium wave, FM, and satellite. Web sites are updated around the clock and available directly and via proxy servers. Television and radio programming also are placed on the Internet. VOA Mandarin maintains full-time, permanent correspondents in Beijing, Hong Kong, and Los Angeles, and has three-month rotational correspondents in Hong Kong and Taipei.

The PRC, for years an important focus of VOA programming, has increasingly become a powerful player in international affairs. Early in 2010, at the time of this inspection, China's grievances against the United States included the U.S. Secretary of State's speech on Internet freedom, U.S. statements about the artificially depressed currency in China (unfair trade advantage), the U.S. sale of weapons to Taiwan, and the President's decision to meet with the Dalai Lama in February 2010. In addition, China's non-agreement on sanctions against Iran over its nuclear program is a subject of contention between the two countries. According to Business Week, China is the largest owner of U.S. debt abroad.⁵ Relations between the United States and China are complex. Information exchange between the two countries is a key element to developing better relations. VOA's Chinese branch gives the United States the opportunity to contribute to the information pool.

The media environment in China offers opportunities and challenges. Approximately 700 conventional television stations (with over 3,000 cable channels) and 1,000 radio stations currently operate in the PRC—up from 12 television and 93 radio stations in 1965. China has the largest number of Internet users in the world, as well as mobile device users.⁶ Competition among new media service providers is intense. However, China attempts to jam VOA's radio frequencies, satellite television is illegal, and the Internet is censored. It is under these conditions that VOA Chinese operates.

⁵ <http://www.businessweek.com/news/2010-03-15/china-japan-reduced-holdings-of-us-treasury-debt-in-january.html>.

⁶ China Media Project – Journalism and Media Studies Centre/University of Hong Kong ; <http://cmp.hku.hk/?s=china+media+statistics> .

EXECUTIVE DIRECTION

The Chief of the Chinese branch was appointed in April 2000 and has extensive experience in broadcasting to Asia, as Asian news director for the Metro Broadcast Corporation in Hong Kong and operations manager and national news director for the Taipei International Community Cultural Foundation in Taiwan. He reports to the East Asia Pacific (EAP) division director, who has held his position since 1997 and has extensive experience with Asian and Chinese affairs. The Mandarin and Cantonese Service Chiefs report to the Chinese branch chief. Both have long experience with VOA. Each is responsible for the editorial and production content of his respective service's programming.

The branch chief is a strong manager and has good rapport with his staff. The OIG team witnessed, firsthand, the efficiency of his organizational talents. Before he came to VOA, his position had been filled by Foreign Service officers. He is the first non-Foreign Service officer to hold the position and has provided a period of stability that was often lacking under chiefs who frequently rotated through the position to other assignments.

During the ten years of the branch chief's tenure, there has been a significant change in the demographics of the branch. It began with a majority of workers from Taiwan, but due to post-Tiananmen Square changes in U.S. immigration policy toward the PRC, the majority of staffers are now from mainland China.

The branch chief has guided the branch through a period of changing media options for BBG. The VOA Chinese branch originally worked primarily in radio, but it is adapting to the need for alternative media through production in television, the Internet, and other new media. Because of significant jamming and censorship by the Chinese, the language services have had to be creative and use any means to reach their target audience. The branch has received funds to enhance its Internet presence and is looking at other new media. This issue will be discussed elsewhere in the report.

As a best practice and in an attempt to think creatively of distribution options, the chief, with strong support from the Chinese branch's chief of external affairs and Internet services, initiated an understanding with a cell phone company in 2008 for embedding VOA Chinese branch's English language learning programs in all 6.5 million of the cell phones the company planned to sell in China in 2008. The

agreement involved BBG and the company's attorneys and extremely difficult legal requirements. It went into effect in March 2008. Four English teaching programs are embedded in the phones in the factory. Chinese users of the phones may choose to subscribe to the VOA-branded programs. The current programs are Learn a Word, Go English, Popular American, and Business Etiquette.

Best Practice: Programming Cell Phones with VOA Chinese Language Learning Programs

Issue: Because of the intense active interference by the Chinese authorities in VOA attempts to reach its Chinese target audience by Internet, the Chinese branch seeks innovative ways to reach into China and to make a connection with a Chinese audience.

Response: The VOA Chinese branch chief initiated long and difficult negotiations with a cell phone company and arranged to have VOA Chinese branch's English language learning programs embedded in its cell phones. The cell phone users have the option of subscribing to any of the programs.

Result: The initiative has been very successful. As of 2008 year-end statistics, there were 357,502 downloads of VOA Mandarin service's English language material by 209,959 users of these phones. This innovation by the Chinese branch may well be copied by other language services attempting to reach target audiences through new media such as cell phones and personal digital assistants.

Employee Morale

BBG was at the bottom of the list of a recent survey of U.S. Government departments and agencies where people wanted to work. At the same time, however, VOA employees ranked the language services in the EAP division as the best offices in VOA in which to work. Accordingly, the OIG team made it a point to interview virtually all of the Chinese branch employees and a substantial number of POVs.

A clear majority of the employees and POVs indicated in their personal questionnaires that their morale was good to excellent,⁷ something that the OIG team observed.

(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

⁷ Sixty-seven percent of the employees rated their morale good to excellent; 86 percent of the POVs rated their morale as good to excellent.

~~**SENSITIVE BUT UNCLASSIFIED**~~

~~**SENSITIVE BUT UNCLASSIFIED**~~

PROGRAMMING OF THE CHINESE BRANCH

Given the size of its staff and, even more importantly, the size of its target audience, the Mandarin language service of the VOA's Chinese branch outweighs the Cantonese language service, in terms of its programming and broadcasting volume. Nevertheless, both language services maintain robust schedules, given the limited funding with which they have to operate.

Mandarin Language Service

The staff of the Mandarin language service currently produces 8 hours of live and 4 hours of prerecorded programming for radio broadcast every day. These programs range from news programs about the United States (such as, "America Today") to news about China in the world (such as, "Window World Report") to business reports (such as, "Business Scene") to English language programs (such as, "Dynamic English" and "Business Etiquette") to music programs (such as, "Music World" [country] or "Music World" [pop hits]).

The 24-hour day is divided between the VOA's Mandarin language service broadcasts and the broadcasts of Radio Free Asia, with each organization using 12 hours of broadcast time. In the case of the Mandarin language service, 8 of its 12-hour daily allotments are used for live or new prerecorded programs. During the other 4 hours, the Mandarin language service primarily repeats programs produced earlier in the day, always reserving the right (or ability) to introduce late breaking news as it happens.

For television, the Mandarin language service produces 1 hour of live programming a day, 7 days a week. These programs include, "Cultural Odyssey" (a particularly popular program), "Pro and Con," "Strait Talk," "Health Forum," and "American Report." The live programs are repeated throughout the 24-hour period of a day, with the audio and the video being carried on Asia Satellite 3.

Both the radio and television programs produced by the Mandarin language service are uploaded to the Internet on a daily basis. The language service's Internet team modifies programs as necessary to accommodate the Internet format.

Cantonese Language Service

The Cantonese language service, which currently consists of seven full-time employees and three POVs, produces 2 hours of live short-wave and medium-wave (AM) radio programming a day, 7 days a week. These programs are broadcast between 9 p.m. and 11 p.m. in China, which is believed to be the prime radio listening period in Southern China. An hour of broadcasting is carefully orchestrated to incorporate news on the United States, the world at large, and China and Asia, any of which can include reports from stringers and/or interviews with guest speakers. The Cantonese service also carries, "VOA On Line" via the Internet twice a week. (See Appendix A for the Mandarin satellite feed; Appendix B for a Cantonese daily schedule, referred to as a "clock"; and Appendix C for a list of Chinese branch programs.)

In addition to its daily radio programming, the Cantonese language service produces a 5 1/2 minute television program entitled, "American Report," which is aired every Sunday evening on Asia Television, a Hong Kong television station owned by Asia Television Limited.

Chinese Branch Production Quality

In the early years of VOA broadcasts into China, the service's higher production values, compared to local broadcasters, were a primary draw to listeners and viewers. However, with increased access by the Chinese to state-of-the-art equipment and better trained technicians, the pendulum has swung. The Chinese branch understands that it is extremely difficult, given its limited resources, to compete in terms of production quality with Chinese radio, television, and Internet companies, which employ the latest technology to produce programs designed to attract members of the Chinese audience. The Chinese branch's answer to this challenge is to improve the quality of programming content and to enhance the uniqueness of its programs produced in and about the United States.

USE OF INTERNET AND NEW MEDIA

The China Market

China is the leading market in the world for new media, in terms of actual numbers of users. There are 384 million Internet users, equating to a 28.9 percent market penetration⁸ (the United States has 225 million users, or 73 percent market penetration), and 640 million mobile device users, equating to a 49 percent market penetration (compared to 260 million users in the United States, or 85 percent market penetration).⁹ More importantly, the growth of new media access in China is several times that of the U.S. rate.

Helping VOA's Chinese branch develop a strategy and programs for new media outreach is a high priority for IBB-VOA, for both U.S. strategic reasons and market impact. To ensure its competitiveness in this area, VOA has put the Chinese branch "at the front of the pack" in terms of funding and support, along with Spanish, Russian, and a few other targeted language services. In 2009, VOA received increased funding earmarked for Chinese online initiatives. IBB's program review of the Mandarin service for 2009 indicated that the Mandarin Web site was among the most dynamic and content rich at VOA.

The Chinese branch was one of the first to switch to IBB-VOA's new content management system. This new, more stable system for managing online material allows for a wider Web page, improved navigation, video streaming, and better interactivity. While adhering to the VOA template, the Chinese branch home page is denser than most of the other home pages, with a greater number of links and deeper archives, which is a conscious effort to appeal to unique Chinese tastes in the formatting of online material.

Despite its efforts, however, the Chinese branch has challenges making inroads in its new media initiatives. IBB documents for the Mandarin service's 2009 program review state that—since access to the Internet is more easily controlled than

⁸ China Internet Information Center - <http://in2marcom.com/2010/01/cnnic-25th-china-internet-development-statistical-report.html>

⁹ Plus8Star market res **Plus8Star market research data – April 2009** - <http://www.slideshare.net/plus8star/new-media-in-china>

access to shortwave radio, international radio, and satellite—broadcasts such as VOA's remain the only dependable source of political news, especially during crises. The IBB documents add that emails, proxies, and other Web applications can be effective at penetrating China's firewalls. The branch is proud of its GoEnglish.Me language teaching program on the Internet, as well as the millions of emails it sends out daily to PRC Chinese Internet users.

Two issues remain: access to audiences, and branding of the VOA product. Due to aggressive blocking by Chinese officials, much of VOA's material is "placed" on local host sites without attribution or branding, with the notable exception of VOA-branded English language teaching material. There is widespread use of VOA Chinese articles on PRC Web sites, including official sites (such as Xinhua, People's Daily, China Daily, Gong Shang Times, and China Business News) that regularly post and plagiarize VOA news reports without giving credit to VOA. Without branding and content control, this material runs the increased risk of being altered and used out of context.

New Media Strategy

The Chinese branch lacks a clearly articulated strategy for the Internet and new media. The OIG team saw a list of online and mobile device initiatives, but there was apparently no written document with key strategic elements, such as background research, current situation, specific goals, appropriate staff/resource allocations, a timetable, or metrics. This lack of a detailed, transparent strategy creates staff uncertainty and confusion as to "the way ahead."

The director of the Office of New Media explained to the OIG team that language services need to make a strong business case in order to tap into targeted new media funds. The Office of New Media has a rule for supporting and funding new initiatives: "If you create something online or through mobile media, you have to commit the resources to properly maintain it. The site or program must have a very clear mission and purpose." Sites must be original and refreshed constantly. Information must be accurate and up-to-the second, and the Web team needs to know about—and be ready to jump on—anything new. The branch chief noted that the Office of New Media was created recently, perhaps a year ago. He has worked closely with the office, but he was not aware that any "business plan" was necessary. This issue is discussed further in the strategic planning section of this report, below.

Audience research can be a useful tool in building a strategy. VOA's audience research contractor, InterMedia, and InterMedia's Chinese subcontractor gathered focus groups in China. The Chinese branch discussed the focus group findings at

editorial meetings. Branch management noted that, while they received some helpful information from the research, they had serious reservations about some of the conclusions drawn by members of the focus group. Some people reported that negative feedback from the focus groups was dismissed by VOA Chinese Branch management as not being from VOA's current audience. The OIG team read the complete transcripts of the two focus groups, which were composed almost entirely of young, urban university students with a clear knowledge of various media formats and their potential for both education and entertainment. Not all the people in the groups may be familiar with VOA's mission, but they are an important target audience. The OIG team concluded that information from these focus groups should be considered when planning changes or enhancements to programming, format, and delivery.

The VOA English language service has full-time Web technician/Internet production specialist positions, staffed by people with specific, directly applicable skills. Similar positions are filled by contractors in the Chinese branch, who are recruited for a broader skill set. Those with the requisite skills often are assigned duties that are unrelated to their background. Web team staff members have voiced the concern that the full-time staff who are assigned as Web editors often lack the specific Internet training and experience to be effective supervisors. The Chinese branch management indicated that it had asked for additional regular employees (that is, full-time equivalent employees) for the Internet, but it was given only POVs, because there were no more full-time equivalent slots—an outcome that was beyond the control of the management. When full-time equivalent slots become available, the branch hopes to hire full-time production specialists.

Online User Metrics

Online viewer/visitor metrics are hard to gather and quantify, especially in China. The standard methodology used by InterMedia (passive surveys and one-on-one interviews) has limitations. As in other closed countries to which VOA broadcasts, responders are often reluctant to admit openly to accessing blocked material, and they are usually unaware that content “placed” on host sites without branding or attribution is VOA-produced. Metric data gathered locally (by local contractors) cannot always be trusted and may not break down the data clearly enough to measure the target audience (younger, urban, etc.).

The BBG office of new media has just received permission to use “persistent” cookies (tracking unique visits) to help with visitor metrics, which will enhance the data gathered from “session” cookies (measuring total site visits). In addition, the VOA Chinese branch posts videos of its programs to YouTube, which keeps a running tally of “hits.” These metrics are far from perfect and do not capture the desired demographic information, but they are a start.

Mobile Devices

Beyond the Internet, the new media office is looking to mobile devices (iPhones, Droids, etc.) as the next “big thing.” China is the world’s largest mobile telephone market. As of September 2009, China boasted 700 million mobile phone users, representing a 65.9 percent penetration of the overall population.¹⁰ The new media office is working to develop programs to work on these new platforms. MobileTech has been contracted to develop a program that recognizes a mobile device’s platform capability (text only, graphics, video, etc.) and automatically deliver the most robust program available. These programs may be blocked by Chinese officials, but the new media office is committed to keep trying new things.

New media are, by their very nature, multifaceted. A language service will never be able to find one size that fits all—and, according to subject matter experts, new media users want it that way. Therefore, it is incumbent on the Chinese branch to find its niche audience and deliver unique, high quality content to that audience. This approach seems to be the best way to compete in today’s market. VOA already has a “foot in the door,” in the form of its popular English language teaching material. Developing programs and content specifically for mobile devices is becoming more and more important. Taking advantage of this new, robust platform, and not just reformatting material from radio, television, or the Web, will be crucial in retaining or gaining audience share.

The Chinese branch needs to clearly define its mission online and develop a strong strategy for moving toward mobile delivery. Strategic planning is discussed later in this report.

¹⁰ Ministry of Information of the PRC – <http://www.chinatoday.com/med/a.htm>

COMBATING CENSORSHIP

The Government of the PRC is openly hostile to many of the branch's activities, having declared VOA to be a "subversive organization." Both language services of the Chinese branch understand that their ability to reach their target audiences is very limited. As noted before, the Government of the PRC consistently has blocked VOA transmissions from reaching its citizens. The Chinese authorities routinely simulcast on frequencies used by VOA radio; refuse to allow VOA television programs (except English language courses and certain cultural or travel programs) to be placed with mainland Chinese television stations; and devote considerable resources to maintaining the "Great Firewall," which is designed to keep its citizens from (among other things) accessing VOA Web sites.

Supported by IBB, the Chinese branch engages in an active campaign to give Chinese Internet users a chance to use proxy servers, thereby circumventing the PRC's Internet firewalls. Emails are sent daily to Chinese Internet users, to inform them of these proxy servers. To develop its list of email recipients, the Chinese branch collected more than 20 million email addresses, then used IBB's anti-censorship money to hire an outside contractor to cull down the list and take over delivery of the branch's daily email messages. As a result, the number of outgoing emails increased from 300,000 to 8 million per day.

To counter jammed radio signals, VOA broadcasts on seven or eight shortwave frequencies, hoping that at least one frequency is not blocked at any given time. The shortwave signals reportedly have the best chance of being received in rural areas. To officially confront the problem of signal jamming, the Federal Communications Commission, on behalf of IBB, submits each month an official complaint to the Chinese Government (with a copy to the International Telecommunication Union) on Chinese interference to IBB shortwave transmissions originating at U.S. sites. IBB notes that this process has been followed for at least a decade, with no effect. In addition, representatives from China and the United States attend twice yearly conferences to coordinate their usage of radio frequencies. The OIG team was told that the Chinese have been reticent about talking to IBB members at these conferences.

MEASURING EFFECTIVENESS

IBB's office of performance review conducts an annual review of each VOA language service. Through this process, the Mandarin and Cantonese services have one internal tool to measure their own quality and effectiveness (through audience research), with an opportunity to make needed changes. However, the VOA is looking for additional ways to measure effectiveness and impact.

BBG has a 5-year contract with InterMedia, of Washington, DC, to conduct audience research in the PRC (as well as in many other countries around the world). InterMedia's latest annual poll within the PRC interviewed over 8,000 individuals. Both the VOA Chinese branch and Radio Free Asia had the opportunity to review the questions and suggest changes, prior to the interviews. A polling sample of 8,000 seems miniscule, given the 1.3 billion population of the PRC, but it is large when compared to media polling efforts in other countries, including the United States.

The results of InterMedia's audience research are not encouraging for either the VOA's Chinese branch or Radio Free Asia. A recent InterMedia report showed that almost all people in China get their information from television. After that, in order, they use newspapers, the Internet, short messaging service, and friends and relatives. The use of the Internet as a source for news is increasing, with over 10 percent of the population (130 million) turning to the Internet for news on a daily basis. After all these options, people use the radio. It is difficult for the Chinese branch to apply these statistics to its programming, however, because satellite television is illegal in China, and the Internet is strictly censored; at least radio, although it is the least popular option, does have a chance of reaching an audience.

Based on information for November 2008, only one-tenth of one percent of the Chinese population is listening to VOA's Mandarin language service radio broadcasts. VOA's television broadcasts also received this rating. The same figure applies to the Cantonese language service radio broadcasts. Interestingly, the data for listeners of VOA English programs is somewhat higher: two-tenths of one percent of respondents reported listening to VOA English programs within the last 7 days, while 31.1 percent of the respondents had listened to VOA's Special English programs within the last 7 days.

These InterMedia figures, however, do not tell the whole story. Branch management said that audience research in a closed society is difficult to conduct and does not necessarily give an accurate picture of the branch's input, because of the sensitivity of getting respondents to answer. The Chinese branch has its own means of assessing impact. For example, the Mandarin language service lists in its 2009 VOA

program review documents that, among other things, VOA is the number one international broadcaster in China; VOA's daily radio and televised call-in shows process about a thousand calls from mainland China every month; and VOA managers reported receiving between 6,000 and 17,000 emails, letters, and phone calls a month.

Radio call-in shows routinely elicit a number of calls from listeners in China. While there are some repeat callers, the Chinese branch endeavors to screen the calls and accept only new callers. The branch receives emails and other communications from the Chinese audience, even though writing and mailing letters to the branch is considered "counterrevolutionary" correspondence. Inadvertent mistakes made by Chinese branch broadcast hosts are quickly noted in emails from listeners in the PRC. Even PRC Government spokesmen have been known to quote VOA broadcasts when they believe them to support their position on a particular issue. The conclusion is that the VOA message is getting through to a portion of the audience in the PRC. The unanswerable question is the size of that portion.

The goal of the BBG is to deliver news based on objective journalistic standards to audiences who otherwise would not have access to such news. Its goal is also to offer audiences the interaction and dialogue with BBG broadcasters and with each other that they, the audiences, increasingly seek through new media. It is this latter goal in which the Chinese branch excels. Its English language teaching programs are picked up by many mainland Chinese radio stations and rebroadcast. Granted, these rebroadcasts are unbranded and do not credit VOA for the production, but they are broadcast to a significant portion of the Chinese audience. The same is true of VOA programs (such as the television show, "Cultural Odyssey"), which provide features on how Americans lead their lives. This unbranded pick-up of VOA programming by the local media may also account for the discrepancies between InterMedia statistics and anecdotal evidence provided by the Chinese branch.

~~**SENSITIVE BUT UNCLASSIFIED**~~

~~**SENSITIVE BUT UNCLASSIFIED**~~

MAINTAINING JOURNALISTIC STANDARDS

BBG and its entities consider their journalistic reputation to be their most important asset. The Chinese branch operates under the journalistic standards mandated in the VOA Charter (P.L. 94-350 and 103-415) and broader principles laid out in the legislation. The Chinese branch at all levels provides the Journalistic Code to its workers; branch managers and editors stress the importance of adhering to its principles, and some editors emphasize it every day in the course of preparing content. Daily editorial meetings keep the management focused on its product.

Some of the staff receive materials on standards when they entered VOA service; others learn on the job. Many of the staff have advanced degrees and are highly experienced journalists. Orientation training for POVs had dropped off for a period, but it was reinstituted recently so that POVs know the standards of the organization. A few people expressed concern that, although the principles are understood, they are interpreted differently by less experienced workers. People at all levels generally are aware when their coworkers are unfamiliar with standards and try to help them. A few people mentioned the challenge of fact checking and double verifying sources when time is limited, as is usual in the profession.

All work is reviewed by the editor in charge of a certain show or production. Materials that come to the branch in English from VOA's Central News are reviewed in Central News first. They then are translated into Mandarin or Cantonese at the branch level, where the translations receive another review before going out.

The written standards are available on VOA's intranet site, under "Journalistic Standards & Practices." Among the site's listings are the VOA Charter, the Journalistic Code, the VOA Newsroom Stylebook, and the editors' checklist, with a section for new media guidelines.

~~**SENSITIVE BUT UNCLASSIFIED**~~

~~**SENSITIVE BUT UNCLASSIFIED**~~

STRATEGIC PLANNING

The Mandarin and Cantonese language services comply with the instructions to participate in the BBG's strategic planning process—a major endeavor to create a plan under which all of BBG's entities operate. As part of the strategic planning process, the language services prepare SWOT (strength, weakness, opportunity, threat) analyses, which are then factored into the eventual planning of the VOA and, on a larger scale, into the planning of the BBG.

These SWOT analyses are designed to provide the BBG with in-depth views of reality, as seen “on the ground” by the BBG's broadcasters, including both VOA language services and BBG grantees, such as Radio Free Asia and other surrogate radio stations. In the case of the Mandarin language service, for example, the latest SWOT analysis identified the following opportunities:

1. Unlimited potential for new media;
2. Audience thirst for alternatives to state run media; and
3. America remains the most intriguing and important country to the Chinese people.

Weaknesses were listed as:

1. Insufficient resources and infrastructure for television and new media;
(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)
3. Lack of clarity in market analysis provided by InterMedia BBG Research.

The Mandarin and Cantonese language services' SWOT analyses did not identify the financial and personnel resources needed to move their respective services forward strategically. In addition, although the Chinese branch and the EAP division have opportunities to comment on draft versions of the strategic plan as it is subsequently developed at the BBG level, these comments remain, for the most part, generalities that apply to the overall strategy of the larger organization.

In commenting on a draft of this report, BBG provided more information on the overall strategic planning process. According to BBG, the Mandarin and Cantonese language services prepare performance plans each year, which align with the BBG's strategic plan and outline their objectives and targets for the current year and the next 2 years. These plans require the language services to choose where to focus their energy and resources over the 3-year period. During annual revisions, the services examine their performance for the past year against their targets, and include any new initiatives to be undertaken. These plans should be realizable with current and planned resources, but they do allow an opportunity to discuss "future challenges and strategies" that may require additional funding in the future.

In addition, as part of the annual language service review process required by BBG's authorizing legislation, the BBG board considers the addition and deletion of language services. They examine the priority and impact of each language service. For the language service review in 2010, BBG staff members, including the chief financial officer and director of strategic planning, are meeting with the service directors of every BBG language service, including VOA's Mandarin and Cantonese services, together with senior VOA management, to discuss the BBG broadcasters' role in their particular media markets, and to understand the challenges they face.

The Mandarin and Cantonese language services also prepare annual budgets for their operations. According to BBG, the portion of these budgets prepared by the services is limited in scope, being essentially for general operating expenses. Funding for full-time staff salaries, marketing, and new media initiatives is centrally managed by VOA and IBB. Funding for new initiatives or additional programming is requested through the formal annual enhancement request process. Personnel and resource needs are spelled out in detail, and performance goals are set. These requests are made through VOA management and then are sent to the BBG Board to decide which will be included in the budget submission to the Office of Management and Budget.

The OIG team learned that, in spite of BBG's extensive strategic planning procedures, both the language services managers and the management of the EAP division to which they report are wary of proposing new initiatives or asking for large increases in their budgets—for example, to reflect the full estimated costs of adjusting their operations to new technologies. They fear that, if an initiative is approved, it will not include additional funding—and the language services will be forced to reduce their existing operations to accommodate the new initiative. As a result, annual budget requests by the Chinese branch are generally limited to small percentage increases over previous funding levels to maintain ongoing operations and to account for cost inflation.

Given the tightly controlled nature of the media environment in China, the branch chief believes that the best strategy is to concentrate on generating original content, rather than on a particular option for getting its programming into China. The Mandarin language service's annual performance plan for FY 2010-12 calls for, among other things, holding a conference in Washington, DC, for Chinese broadcasting stations to promote the VOA journalism program inside China, establish a Shanghai Reporting Bureau, and develop opportunities to place VOA products. All of these goals show an attempt to foster working relationships with the Chinese.

Managers for the Chinese branch perceived a disconnect between strategic planning at the level of the BBG and the working levels of the language services. It was outside the scope of this inspection to determine whether this situation is typical of other VOA language services.

Keys to Success

The Chinese branch and EAP division managers told the OIG team of three keys to success that, if implemented, could greatly increase their ability to reach the targeted audiences of the PRC.

First, physical access into the PRC is critical. Across the board, the most common complaint of the Chinese branch's management, echoed strongly by the director of VOA's EAP division, is the Chinese Government's refusal to grant visa requests made by VOA reporters or employees wishing to travel to the PRC. While reporters of the major news organizations in the PRC, which are state run, routinely obtain visas to work and report in the United States, VOA reporters and employees are consistently denied visas to enter the PRC. The VOA sees this problem as an issue of reciprocity and believes that it seriously and negatively impacts its ability to do its job and ultimately to reach the target audiences within the PRC. The Chinese branch manager and his division director adamantly support the exercise of strict reciprocity by the U.S. Department of State in the issuance of visas to reporters.

The VOA Director and the Chinese branch chief visited the VOA bureau in Beijing in October 2008 to meet with Chinese Government officials to try to gain more access for VOA news and China branch reporters. At the time of the OIG inspection, VOA leadership continued to be actively engaged in the issue. VOA's EAP division stressed that the number of visas allocated to VOA should be equivalent to those offered to Xinhua, CCTV, and other state run Chinese media organizations. Those granted by China to NBC, ABC, and other commercial U.S. broadcasters should not count against VOA. The branch was looking for U.S. assistance from a champion of the cause or from higher levels of the U.S. Government.

Second, the Chinese branch needs an end to signal jamming and interference by the Chinese authorities (see previous section on combating censorship). Access to the Chinese market continues to be extremely difficult, although the Chinese branch is starting to see incidents of placement of English language, cultural, and travel programs on a number of Chinese radio stations, without the VOA logo. VOA English language publications occupy prominent shelf space in Chinese bookstores, and the VOA logo is considered a major selling point for these publications' popularity. It is evident that the Chinese Government welcomes (or tolerates) certain VOA programs and products as long as they do not cross a line that involves hard news reporting.

Several people noted that the branch needs to focus on niche areas, such as reporting on items of a business, cultural, and Americana nature, and on English language teaching programs—areas the Chinese Government does not see as threatening. Doing so would enable the Chinese branch to meet the BBG's established goal of increasing dialogue between the United States and its target audiences, although it is still bound by the VOA charter and the mandate to be comprehensive.

Third, the branch must have the personnel and financial resources to provide both the quality and quantity of programming that can compete with the Chinese news organizations. The Chinese Government is spending enormous sums of money to modernize and expand the capacities of its domestic and international news services. According to BBG, given the restrictive media environment and the budget currently available to the VOA's Chinese branch, competition with the Chinese media organizations is not feasible. Absent a radical change in the media environment or a huge infusion of funds, which no one foresees, the solution appears to concentrate on programming that fits the niche areas described above and that offers a uniquely American focus that will be of interest to the Chinese audience but is unavailable to the Chinese news organizations.

MAKING THE BUSINESS CASE

The difficult situation VOA's Chinese branch faces requires more than the traditional BBG planning process. As mentioned in the section on new media, above, the branch needs a detailed, transparent, and clearly articulated strategy, including key business plan elements such as background research, current situation, specific goals, appropriate staff/resource allocations, a timetable, and metrics. The OIG team encourages the Chinese branch to consider the keys to success outlined immediately above, as it develops this strategic plan. It would behoove the branch to make the extra effort to prepare a budget submission, highlighting areas that could use additional

funding and explaining why. Even if doing so has appeared to be a waste of time in the past, a rigorous effort should be made now. Making this effort is important, because the seating of a new BBG Board might mean increased receptivity to well argued requests for increased funding and strategic change.

Since the budget planning procedure is for the current fiscal year and the two following years, it does not require the long term planning that would most benefit the Chinese branch at this time. Such long-term planning should include any changes in operations, changes in programming, and the personnel and funding required to reach inside the PRC to implement those changes.

Recommendation 1: The Chinese branch of the Voice of America, in coordination with Voice of America's East Asia Pacific division, the International Broadcasting Bureau, and the Broadcasting Board of Governors, should develop a long-term strategy that includes all the key elements of an effective business plan. (Action: VOA Chinese branch, in coordination with VOA/EAP, IBB, and BBG)

~~**SENSITIVE BUT UNCLASSIFIED**~~

~~**SENSITIVE BUT UNCLASSIFIED**~~

RESOURCE MANAGEMENT

Funding Source	Number of Direct Hires	Salaries	General Operating Expenses	Total Funding
VOA Chinese Service Funds FY 2009	79	\$9,347,000	\$2,417,000	\$11,764,000
FY 2010 Target	83	\$9,846,000	\$2,525,000	\$12,371,000

At the time of this inspection, the Chinese branch was using approximately 55 POVs. This number fluctuates during the year.

HUMAN RESOURCES

The two administrative assistants and one administrative officer of the branch handle such areas as contract modification and payment processing for contractors, time and attendance for employees, and travel vouchers and travel grants. Over the past two years, the current incumbents have established an excellent reputation for providing timely and responsive service, as noted by branch management and IBB contracting officers and as commented on by a number of the employees and contractors interviewed by OIG.

Position Descriptions and Job Classifications

The BBG Office of Human Resources (HR) provides excellent support to the VOA Chinese branch. In particular, a major review of all position descriptions and job classifications is in process. Initiated 3 years ago, the purpose of the lengthy review in VOA is to update positions previously known predominantly as international radio broadcasters, to include more descriptive information that reflects the expansion to television production and work with the Internet and new media. In conjunction with this review, the language service chief completed questionnaires giving the details of which positions were performing higher level work, especially as regards expansion into these new fields. A senior human resources specialist is working with these questionnaires and the existing position descriptions to create more detailed

and tailored descriptions that better reflect current realities in the Chinese branch. This major review of the Mandarin service positions will likely extend into the fall of 2010. (The Cantonese service, which is much smaller, already has been reviewed and reclassified as necessary.) In some cases, HR will present the possibility of promotions for higher level work, subject to the approval of the BBG board and the availability of funds to support the promotions.

Recruitment and Hiring

HR also provides strong support to the Chinese branch in recruitment. The OIG team reviewed the procedures used to recruit and fill open positions in the Chinese branch (as well as all the other language services) and found them to be in accordance with BBG procedures. The intranet describes these procedures in detail. When the branch or division chief submits and approves (with VOA Director clearance) an SF-52 Personnel Action to Recruit to HR, then HR prepares a vacancy announcement using the current job description, with any modifications suggested by the service chief. Some levels of positions require passing a Mandarin or Cantonese language test. Applicants who pass the test and possess other requisite qualifications will populate a rank-order register for that language, which is kept in the designated examining unit. When the specialist is given an action to recruit, she requests a certification of eligibility (list of candidates) from the designated examining unit. This list is made available to the hiring manager. Positions at the GS-12 level and above do not need testing. If the selection is for a supervisory position at the GS-13 level or above, an approval by the VOA Director is necessary.

Contractors or POVs currently employed by the branch may apply for open positions. If they pass the appropriate test, they have a legitimate chance to be hired as employees. In general, open positions are posted internally on the intranet, on the BBG Web site, on the branch's Web site, and on bulletin boards throughout the agency. They also are listed on the Office of Personnel Management's USAJOBS Web site, and frequently with other known sources of candidates, such as other Web sites or newspapers overseas.

To hire from overseas presents another level of challenge, due to security/suitability reviews required and the processing of the J-1 visas to get the successful candidates to the United States.

Performance Evaluation

The OIG team found that the Chinese branch has a comprehensive set of current performance evaluations; the OIG team reviewed a sampling of these evaluations and found that they were properly filled out and accurately reflected the employees' performance.

Training Programs

The executive officer of EAP division provides the administrative officer and administrative assistants with a complete list of the types of training programs that are available to employees. Employees then can request training through these programs, and the branch chief will give approval, subject to operational needs and budget availability. As noted below, the Office of Civil Rights publicizes and ensures compliance with the annual or semiannual online training on sexual harassment and prevention awareness and the No Fear Act.

In recent years, the training budgets have been slashed significantly. Last year for the first time, the training budget was restored to the level of previous, less constrained times. The top priority for the Chinese branch is to accomplish mandatory training in journalism and journalistic ethics, as well as contracting and contract administration. Recent efforts have also led to training in new media applications.

With regard to orientation for new employees and contractors, some employees had received a brief orientation in the BBG HR office, but few had received an orientation in the Chinese branch. Branch management has recently reinstituted an orientation program for employees and contractors.

Awards and Recognition

VOA cash award budgets are given to the divisions, and the EAP division chief allocates cash awards to the Chinese branch (as well as the other branches) based in part on the recommendations of the branch chief. There are no awards ceremonies, per se, at the China branch; awards often are distributed after a staff meeting. The intranet lists the rules for awards, and how one can qualify. (b) (2)(b) (2)(b) (2)

(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)(b) (2)

It appears that the information about awards and how they are given out is not moving effectively from the intranet and/or informational emails to the employees. (See section on communications and transparency, below.)

The OIG team left an informal recommendation that the Chinese branch hold a semiannual (or annual) awards ceremony, where the rules for the awards are explained in detail and those receiving awards receive recognition. (The ceremony could be recorded and made available to those working on the early or late shifts.) This recognition of significant extra effort also might serve to motivate other employees to increase their efforts. Non-cash honors, such as day off awards, are being used sporadically. Expanded use of these awards, and even the use of certificates of appreciation for special efforts (such as coping with a news-heavy crisis or a government-closing blizzard), could further expand the benefits of an active awards program.

Equal Employment Opportunity/Employee Relations

Through the intranet and broadcast emails, most employees in the Chinese branch are aware of the Office of Civil Rights and how it can help them if they have problems or disputes at work. Sporadically, employees from the Chinese branch will come in to talk to an Office of Civil Rights counselor to get a better understanding of their rights. During the last fiscal year, the office received only one formal civil rights complaint by an employee from the Chinese branch; there were no other complaints during the last 5 years.

As of January 2010, the Office of Civil Rights initiated sexual harassment and prevention awareness online training sessions, which are mandatory for all employees on an annual basis. In addition, online training in the No Fear Act, aimed at providing certain protections to employees who have filed Equal Employment Opportunity and whistle blower complaints, is also mandatory every 2 years for all employees.

According to the BBG Office of Employee Relations, there have been no major disciplinary problems in the Chinese branch in recent years.

Communications and Transparency

The Chinese branch is making considerable efforts to communicate to employees and contractors. In addition to using an information-laden intranet site and frequent broadcast emails, the branch chief conducts weekly editorial meetings and quarterly staff meetings. Nonetheless, one of the most frequent complaints is a perceived lack of transparency and communication. One contributor to the apparent disconnect between “sender” and “receiver” of information appears to be that a number of employees are either unaware of the intranet or are not disposed to use the intranet

to find answers to their questions. Although most employees admitted that “they got a lot of emails,” it seems many people do not read them. Some of the staff indicate they would like to have a regular forum or channel for asking questions and addressing issues.

The OIG team has left an informal recommendation that the Chinese branch conduct one or more town hall meetings aimed at all employees and contractors (taped for redistribution), to serve as a refresher on how the information flows at the organization, and where to find it. Such meeting(s) also could present an opportunity to solicit questions about issues that might be troubling the employees.

FINANCIAL MANAGEMENT, PROCUREMENT, AND INVENTORY

Contracting for Talent/Purchase Order Vendors

As noted, the Chinese branch uses POVs to supplement full-time staff, as do other VOA language services. BBG and VOA management are well aware of the problems associated with this procurement mechanism and are studying the issue.

Conditions described by both management and contractors—such as signing in and signing out, payment on an hourly basis rather than by unit or job, membership on teams alongside government employees, rotating between functions within teams interchangeably with government employees, and working under a government employee team leader—led inspectors to question the maintenance of independent contractor status.

The OIG team is concerned that the Chinese branch, by using contract personnel under conditions outside the guidelines established in the BBG Contracting for Talent & Other Professional Services Handbook (which in turn draws upon and references the Federal Acquisition Regulation) may not be maintaining POV status as independent, nonpersonal services contractors. The BBG Contracting for Talent & Other Professional Services Handbook states, on page II-1:

Federal regulations generally prohibit the acquisition of personal services by contract, rather than by direct hire of employees. It is therefore important that contractors perform, and are administered in such a way as to maintain their status as “independent contractors.”

An IBB official said that as part of its human capital plan, a committee had been formed, and was in the process of reviewing the use of POVs. The committee is tasked with developing a strategy on the use of contractors and maintaining distinctions between full-time employees and POVs. A BBG official said that a review of the Contracting for Talent & Other Professional Services Handbook is being planned, to bring the handbook in line with governing U.S. Government statutes and regulations. OIG management and BBG agreed that BBG needs to review the arrangements, applicable agency guidelines, and governing U.S. Government laws and regulations and, if needed, take corrective action to adjust the arrangements and/or revise and update the guidelines (e.g., handbook), and correct any deficiencies, if found.

Recommendation 2: The Broadcasting Board of Governors should review the contracts, and the manner of their administration, of purchase order vendors in the Voice of America's Chinese Branch to determine whether the contracts and current manner of administration constitute nonpersonal service status. (Action: BBG)

Recommendation 3: The Broadcasting Board of Governors also should review and update the BBG Contracting for Talent & Other Professional Services Handbook. (Action: BBG)

Financial Management

The Chinese branch generates a budget proposal annually and receives its funding from the BBG. The proposed budget usually replicates the current year's target, raised by a certain percent. Occasionally, the branch will receive a budget enhancement for a specific purpose, such as creating a Web site.

Requisitions

Requisition procedures are in place (based on the Momentum financial management system) and are sufficient to ensure funds are used properly.

Requisitions are prepared by administrative staff in the Chinese branch and approved by the branch chief. An administrative assistant receives expendable supplies and secures them in a locker until issuance. Nonexpendable property also is acquired

by requisition, with branch chief approval, subject to availability of funds. The Momentum system does not permit purchases in the absence of funds, according to the contracting staff.

Property Management and Inventory

At the time of the inspection, the annual inventory of accountable property was underway; the inventory is conducted by the executive producer of the EAP division. There are two inventory programs in use at VOA. The program used by the language services for tracking nonexpendable property is part of a program administered by the engineering branch.

When accountable property arrives, the accountable officer enters it into the inventory system. For conducting inventory, the accountable officer sends electronic property record pages to the individuals holding property. The employees then sign the sheets confirming they retain the property item, and return the record to the accountable officer. The system generates significant paper records, which are kept in a file. There is no capitalized property in the inventory, because the branch does not have any items worth over \$25,000.

The accountable officer noted there is legacy branch property that predates the present inventory method is not logged on the system. When these items are turned in for disposal, their records cannot be located in the current system, and their value cannot be determined.

The accountable officer, when receiving property, affixes a bar code label to each accountable item. At the time of inspection, however, the branch did not have a bar code scanner. The OIG team has made an informal recommendation about the need for this equipment.

~~**SENSITIVE BUT UNCLASSIFIED**~~

~~**SENSITIVE BUT UNCLASSIFIED**~~

LIST OF RECOMMENDATIONS

Recommendation 1: The Chinese branch of the Voice of America, in coordination with Voice of America's East Asia Pacific division, the International Broadcasting Bureau, and the Broadcasting Board of Governors, should develop a long-term strategy that includes all the key elements of an effective business plan. (Action: VOA Chinese branch, in coordination with VOA/EAP, IBB, and BBG)

Recommendation 2: The Broadcasting Board of Governors should review the contracts, and the manner of their administration, of purchase order vendors in the Voice of America's Chinese Branch to determine whether the contracts and current manner of administration constitute nonpersonal service status. (Action: BBG)

Recommendation 3: The Broadcasting Board of Governors should review and update the BBG Contracting for Talent & Other Professional Services Handbook. (Action: BBG)

~~**SENSITIVE BUT UNCLASSIFIED**~~

~~**SENSITIVE BUT UNCLASSIFIED**~~

Awards Program

Informal Recommendation 1: The Chinese branch should hold a semiannual (or annual) awards ceremony, where the rules for awards are explained in detail, where those receiving awards get recognition, and where this recognition of significant extra efforts might serve to motivate other employees to increase their efforts.

[illegible]

Property Inventory

Informal Recommendation 3: The Voice of America, East Asia Pacific division, should acquire a barcode scanner.

~~**SENSITIVE BUT UNCLASSIFIED**~~

~~**SENSITIVE BUT UNCLASSIFIED**~~

VOICE OF AMERICA CHINESE BRANCH PRINCIPAL OFFICIALS

Position	Name	Arrival Date
VOA Chinese Branch Chief	William Baum	April 2000
Mandarin Service Chief	Dahren Luo	Sept. 1979
Cantonese Service Chief	George Deng	June 1999

~~**SENSITIVE BUT UNCLASSIFIED**~~

~~**SENSITIVE BUT UNCLASSIFIED**~~

ABBREVIATIONS

BBG	Broadcasting Board of Governors
EAP	East Asia Pacific Division
HR	BBG Office of Human Resources
IBB	International Broadcasting Bureau
OIG	Office of Inspector General
PRC	People's Republic of China
Department	U.S. Department of State
VOA	Voice of America

~~**SENSITIVE BUT UNCLASSIFIED**~~

~~**SENSITIVE BUT UNCLASSIFIED**~~

APPENDIX A: VOICE OF AMERICA MANDARIN SATELLITE FEED

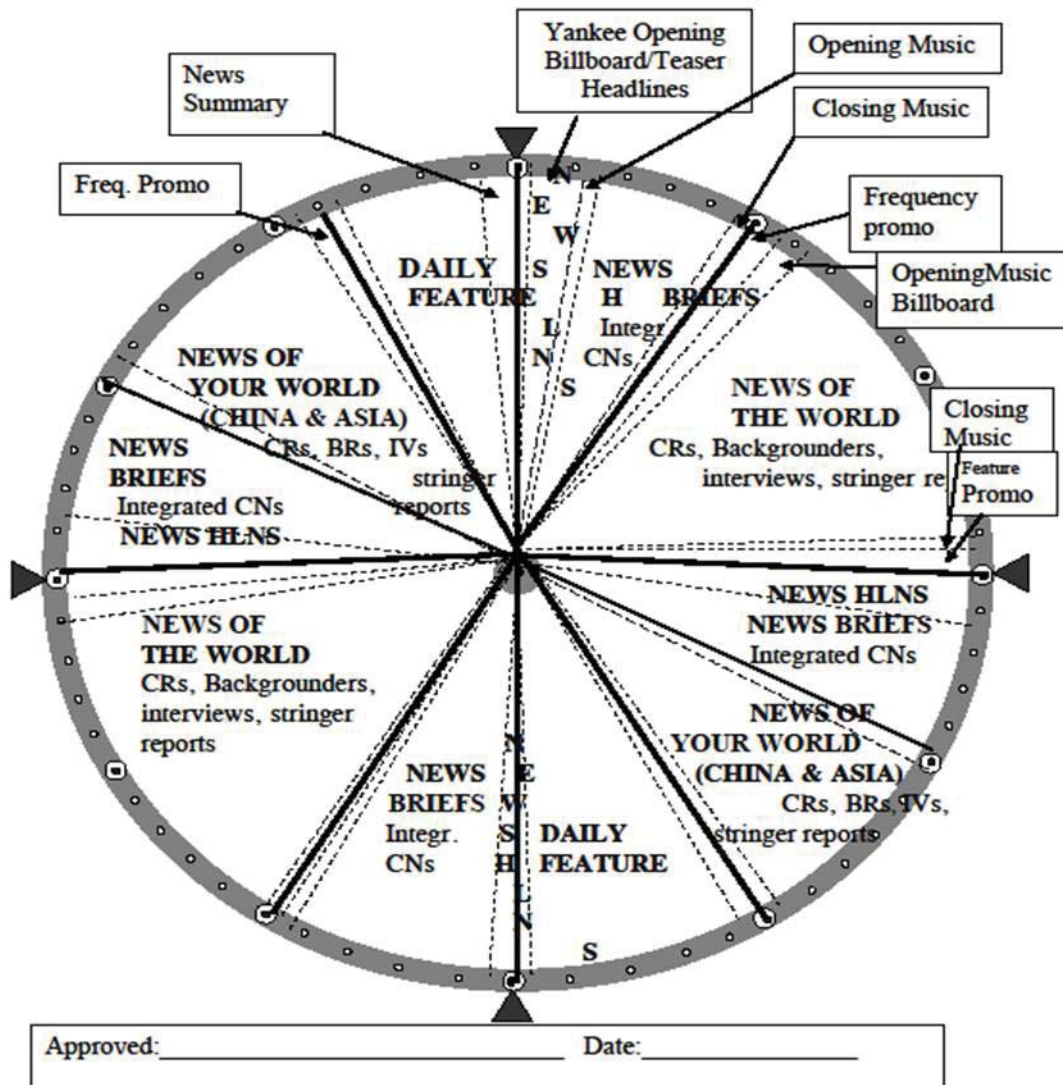
July 5, 2009		VOA Mandarin Satellite Feed		
Beijing Time	UTC	Program Content	Type/Hour	Source
8:00 a.m.	0000	America Today	Live	Studio 16
9:00 a.m.	0100	Business News/English Learning	Produced	Dalet/MC
10:00 a.m.	0200	America Today	Produced	Dalet/MC
11:00 a.m.	0300	Window-World News/Business News	Repeat-UTC 2200	Central Rec
12:00 p.m.	0400	America Today	Repeat-UTC 0000	Central Rec
1:00 p.m.	0500	Business News/English Learning	Repeat-UTC 0100	Central Rec
2:00 p.m.	0600	America Today	Repeat-UTC 0000	Central Rec
3:00 p.m.	0700	English Learning/Music	Produced	Dalet/MC
4:00 p.m.	0800	Business News/English Learning	Produced	Dalet/MC
5:00 p.m.	0900	English Learning/Music	Live	Studio 16
6:00 p.m.	1000	America Today	Live	Studio 16
7:00 p.m.	1100	Window-World News	Live	Studio 16
8:00 p.m.	1200	Window-China/Asia News	Live	Studio 16
9:00 p.m.	1300	Simulcast Daily TV Programs	Live	Studio 47
10:00 p.m.	1400	Window-World News	Live	Studio 16
11:00 p.m.	1500	Window-World News	Repeat-UTC 1100	Central Rec
12:00 a.m.	1600	Window-China/Asia News	Repeat-UTC 1200	Central Rec
1:00 a.m.	1700	Simulcast Daily TV Programs	Repeat-UTC 1300	Central Rec

Table continued on next page

Table continued

2:00 a.m.	1800	Window-World News	Repeat-UTC 1400	Central Rec
3:00 a.m.	1900	Business News/English Learning	Repeat-UTC 0800	Central Rec
4:00 a.m.	2000	America Today	Repeat-UTC 0000	Central Rec
5:00 a.m.	2100	English Learning/Music	Repeat-UTC 0700	Central Rec
6:00 a.m.	2200	Window-World News/Business News	Live	Studio 16
7:00 a.m.	2300	Window-World News/Business News	Repeat-UTC 2200	Central Rec

UTC: 1300-1400, 1400-1500
LOCAL: 9:00pm-10:00pm, 10:00pm-11:00pm
EDT: 9:00am-10:00am, 10:00am-11:00am



~~**SENSITIVE BUT UNCLASSIFIED**~~

~~**SENSITIVE BUT UNCLASSIFIED**~~

APPENDIX C. VOICE OF AMERICA CHINESE BRANCH PROGRAMS

Video:

<i>American Report</i>	6-minute weekly report on American culture in Cantonese and Mandarin
<i>Issues and Opinions</i>	60-minute live current affairs program, Mon-Thur.
<i>Pro and Con</i>	30-minute live current issue debate program, Fri.
<i>Cultural Odyssey</i>	30-minute arts and entertainment, Fri, pre-taped
<i>Health Forum</i>	60-minute live health and medicine show, Sat.
<i>Strait Talk</i>	60-minute live discussion of cross-Strait [of Taiwan] issues, Sun.
<i>VOA On Line</i>	3-6 minute video blog of U.S. and China news in Cantonese and Mandarin
<i>VOA Business On Line</i>	(Under development) 2-3 minute video blog of financial terms

Radio:

<i>Window on the World</i>	60-minute newscasts of international, regional, China and U.S. news, and audience call-in segments
<i>America Today</i>	60-minute newscast on the United States with English-language learning and Americana features
<i>Business Scene</i>	25-minute daily business and financial news
<i>Music World</i>	20-minute daily shows introducing the Top 10, jazz, country and other genres of American music
<i>Legal Issues</i>	20-minute stories explaining Supreme Court cases. (Transcripts published in books in China and Taiwan.)
<i>Uncut News</i>	Five-minute comparison of how news events were reported in Chinese and American/international media

<i>Mailbox</i>	Five-minute summaries of audience comments from callers, emails and letters
Language Learning:	
<i>Tuning in the USA</i>	Improve your English skills using scripts from Volume 2 of the textbook, Tune in VOA
<i>Dynamic English</i>	20-minute structured language learning for advanced students
<i>Words and Idioms</i>	Five-minute weekly program introduces in-vogue idioms and customary language currently used in the United States, and explains their origins
<i>Popular American</i>	Three-minute weekly program uses a dialogue format to teach words and phrases used frequently by young Americans
<i>American Sports English</i>	Three-minute weekly English language dialogue introduces American sports
<i>Learn A Word</i>	In just one minute, learn an English word, phrase or usage that is used in everyday news reports
<i>Business Etiquette</i>	Three-minute weekly program introducing appropriate behavior, customs and manners in business or any social occasions through learning English
<i>GoEnglish!</i>	Five-minute radio lessons based on VOA's www.goEnglish.me interactive Web site

FRAUD, WASTE, ABUSE, OR MISMANAGEMENT
of Federal programs
and resources hurts everyone.

Call the Office of Inspector General
HOTLINE
202-647-3320
or 1-800-409-9926
or e-mail oighotline@state.gov
to report illegal or wasteful activities.

You may also write to
Office of Inspector General
U.S. Department of State
Post Office Box 9778
Arlington, VA 22219
Please visit our Web site at:
<http://oig.state.gov>

Cables to the Inspector General
should be slugged "OIG Channel"
to ensure confidentiality.