



U.S. AGENCY FOR
GLOBAL MEDIA



FY 2020 Performance and Accountability Report



PUBLIC SERVICE MEDIA

Message from the U.S. Agency for Global Media CEO

The U.S. Agency for Global Media (USAGM) presents the Performance and Accountability Report (PAR) for Fiscal Year (FY) 2020 here. This report contains the results of this year's audit of the agency's financial statements, measures performance against FY 2020 objectives, highlights the accomplishments of the past year, and identifies future challenges.

The inaugural Senate-confirmed CEO and senior leadership commenced assessment of USAGM to initially determine the current state of the agency's performance relative to statutory requirements, legislative intent, and administration policy at the beginning of the fourth quarter of FY 2020. The overwhelming majority of this report features the activity and self-assessments of the prior agency leadership, which was under the bygone Broadcasting Board of Governors (BBG) structure. The new CEO structure marks a crucial change in how USAGM is governed, managed, and will operate in the future.

This report highlights two core areas: 1) USAGM's prior success and how the agency assessed itself under the BBG; and 2) USAGM's on-going assessment and concerns regarding the agency's approach to achieving U.S. foreign policy goals, compliance with statute and regulations governing Executive Branch agencies, and the effectiveness of agency operations.

The mission of USAGM is to advance U.S. foreign policy by informing, engaging, and connecting people around the world in support of freedom and democracy. The agency executes this mission through five broadcasting networks that it oversees and manages. Two of those networks are federal entities – the Voice of America (VOA) and the Office of Cuba Broadcasting (OCB) – while three are USAGM-funded grantees – Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and the Middle East Broadcasting Networks (MBN). USAGM's five networks provide international audiences with content on television, radio, internet, and social and mobile platforms.

With access to media expanding in many parts of the world, information is more powerful than ever. Regardless, significant challenges to press freedom remain. Well-funded state and non-state actors are inundating certain audiences with

disinformation about current affairs to the severe detriment of the U.S. national interest. They are also employing technology to restrict people's access to the internet and to prevent USAGM from reaching its audiences.

In FY 2020, the news and information programming of USAGM's five networks together reached a worldwide, weekly audience of 354 million people in 62 languages, an increase of four million from last year's record audience. This audience growth largely occurred in several markets, including Iraq, Ukraine, Venezuela, Morocco, and the Democratic Republic of Congo. USAGM continued to reach large audiences in countries of key U.S. national security interest, including Russia, China, and Iran.

USAGM's journalists work to report the truth to people who need it the most. The agency endeavors to counter disinformation and propaganda with accurate reporting on local in-country issues from politics to economics to entertainment. During the COVID-19 pandemic, record numbers tuned into the agency's networks at a time when foreign governments were manufacturing disinformation and propaganda.

Following opening evaluations of USAGM's profound, well-documented, and longstanding issues – from personnel national security failures to bias in reporting – senior leadership began taking immediate remedial action. Multiple Government Accountability Office (GAO) and Inspector General (IG) findings were identified whose recommendations were either superficially addressed or left unaddressed by prior agency leadership.

A number of in-depth assessments of the agency's security were conducted by the U.S. Office of Personnel Management and the Office of the Director of National Intelligence for a decade. They revealed severe and systemic security failures, a number of which had persisted since 2010. In response to this U.S. national security concern, senior leadership is addressing both the short- and long-term corrections necessary to remedy the failures.

First, USAGM senior leadership has taken steps necessary to begin validating the national security access suitability determinations and security clearance adjudications invalidly granted to over 1,500 agency personnel between 2010 and 2020. Further, USAGM senior leadership is working methodically on the systemic, institutional corrections necessary to restore the agency's information

and personnel security posture so that its delegated authorities might eventually be restored.

Regarding the personnel issues, current senior leadership reviewed the prior agency leadership's attempts and efforts to address the multiple GAO findings for USAGM. Prior agency leadership failed to adequately address GAO findings through process, personnel training, and management practices.

While acknowledging failure to address and adequately make progress on these findings in the past, current USAGM senior leadership must move forward to resolve them as soon as possible. It must be resolute in its responsibility to exert good governance and to meet or, ideally, exceed the high standards demanded of every agency by the American people. USAGM's senior leadership will inform Congress of its action plans moving forward as it works to bring the agency into statutory and regulatory compliance.

In FY 2021, USAGM is improving its program review process to ensure that its networks serve their audiences and the U.S. national interest pursuant to the U.S. International Broadcasting Act of 1994. The agency will address the need for rigorous, periodic evaluation of all language services and content, hewing to the requirement to be "consistently reliable and authoritative, accurate, objective, and comprehensive." USAGM is further working to ensure that content and programming are marked by "fairness, objectivity and balance." The program review process will enable the agency and its networks to better promote journalistic best practices, advance U.S. foreign policy across all platforms, and enforce internal standards that prohibit biased and partisan reporting.

The financial and performance data presented in this report are fundamentally complete and reliable. USAGM is pleased that the independent auditors have again given the agency's financial statements an unmodified opinion. Still, USAGM recognizes that there are a number of significant items identified by the external audit that will require continued attention and diligent improvement.

Given the wide range of issues raised by GAO and various IGs, Congress was wise to restructure the civilian U.S. international broadcasting. It transitioned the agency from the part-time, nine-member BBG to the more accountable and action-focused CEO structure—a leadership structure far more closely aligned to that of other executive branch agencies.

USAGM personnel have undertaken significant efforts to reach audiences worldwide. The agency will leverage its talent in FY 2021 to address the performance and operations issues that are now known. It will develop plans to address them and, further, implement changes. USAGM will strive to effectively and efficiently steward U.S.-taxpayer resources in order to further our mission of impacting international audiences in service to the U.S. national interest.

A handwritten signature in black ink that reads "Michael Pack". The signature is written in a cursive, flowing style.

Michael Pack
Chief Executive Officer

November 16, 2020

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Introduction

PURPOSE OF THE PERFORMANCE AND ACCOUNTABILITY REPORT

The FY 2020 PAR provides performance and financial information for USAGM. This integrated presentation of the agency's program performance, financial accountability, and managerial effectiveness is intended to assist Congress, the President, and the public in assessing USAGM's performance relative to its mission and stewardship of the resources entrusted to it.

This report satisfies the reporting requirements of the following legislation:

- Federal Managers' Financial Integrity Act of 1982 (FMFIA)
- Government Performance and Results Act of 1993 (GPRA)
- Government Management Reform Act of 1994 (GMRA)
- Reports Consolidation Act of 2000
- Accountability of Tax Dollars Act of 2002
- Government Performance and Results Modernization Act of 2010 (GPRMA)
- Grants Oversight and New Efficiency Act of 2016 (GONE)
- The Payment Integrity Information Act of 2019 (PIIA)

STRUCTURE OF THE PERFORMANCE AND ACCOUNTABILITY REPORT

The report includes the following sections:

Management's Discussion and Analysis (MD&A)

The MD&A is an overview of USAGM, its organizational structure, and its mission. It includes a summary of the agency's program highlights and accomplishments for FY 2020 and USAGM's management and performance challenges. The MD&A also includes the results of the agency's FY 2020 FMFIA internal control review and a section on management assurances.

Performance Information

The performance section presents annual program performance information as required by GPRA and GPRMA, and describes the agency's progress in meeting its operational strategic goals. The outcome of the FY 2020 goals and objectives is presented as well as a summary explanation of the verification and validation of performance measures used in the report.

Financial Information

The financial section contains USAGM's financial statements for the federal entities and the related Independent Auditor's Report. In this section, USAGM has prepared and presented all four statements as required by the Office of Management and Budget (OMB) Circular A-136, Financial Reporting Requirements.

Other Information

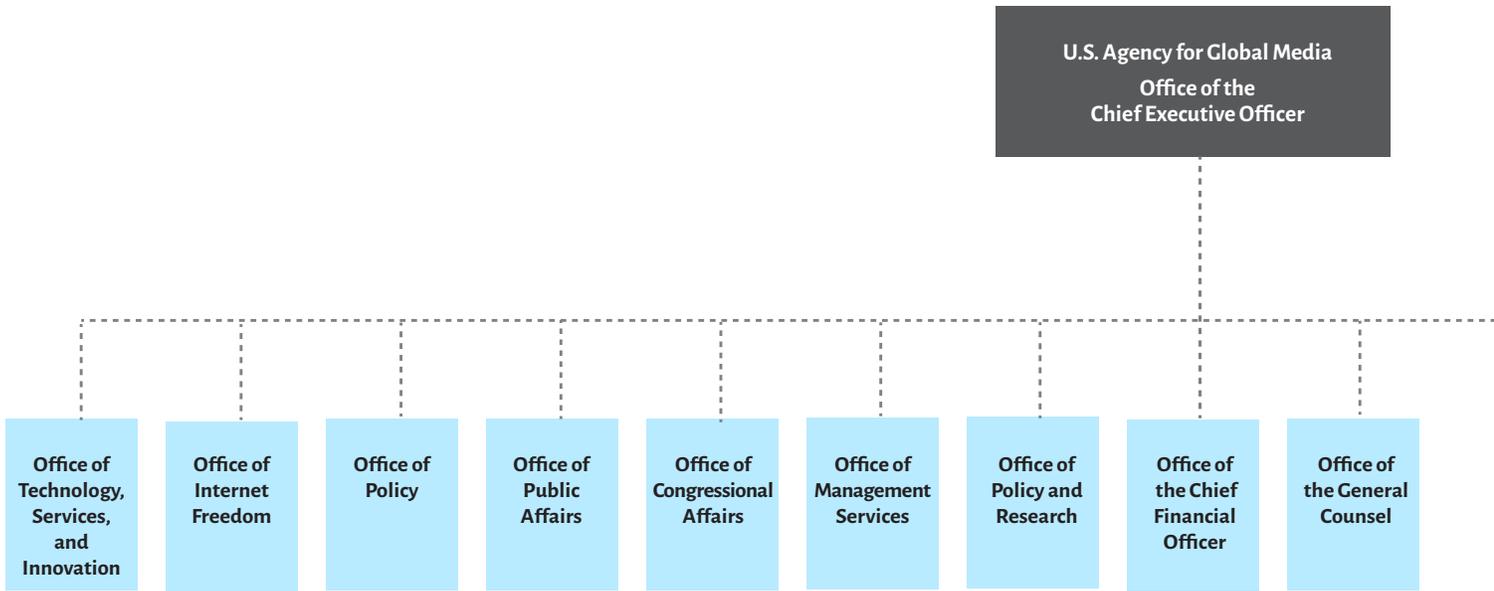
This section contains the Inspector General's statement on management and performance challenges along with USAGM's response. It also contains a summary of the financial statement audit, management assurances, payment integrity, and grants program information.

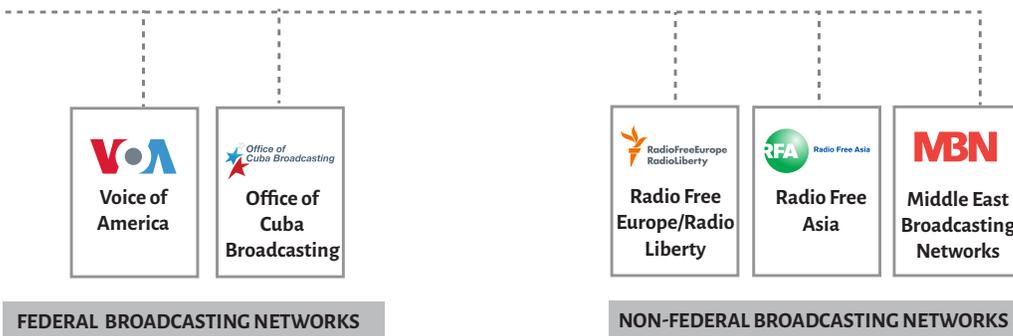
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Management's Discussion and Analysis

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USAGM ORGANIZATIONAL STRUCTURE





USAGM MISSION

To inform, engage, and connect people around the world in support of freedom and democracy.

USAGM informs, engages, and connects people around the world in support of freedom and democracy through its international media programs. Around the world, an estimated 354 million people consume USAGM programming in a typical week via radio, television, and the internet. All USAGM broadcast services must adhere to the standards and principles of the International Broadcasting Act of 1994, as amended, and support the USAGM mission.

USAGM Organization

USAGM, originally the Broadcasting Board of Governors, became an independent federal entity on October 1, 1999 as a result of the 1998 Foreign Affairs Reform and Restructuring Act (Public Law 105-277). USAGM was created to administer civilian international media funded by the U.S. Government in accordance with the U.S. International Broadcasting Act of 1994, as amended. The FY 2017 National Defense Authorization Act made several significant reforms to the agency's management structure. Primarily, the act authorized the position of a Presidentially-nominated, Senate-confirmed Chief Executive Officer (CEO). Under the new statutory structure, the CEO serves as agency head, assuming all leadership, management, and operational authorities.

USAGM is comprised of two federal entities – the Voice of America (VOA) and the Office of Cuba Broadcasting (OCB), which broadcasts under the Martí brand – and three grantees wholly funded and overseen by USAGM – Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and the Middle East Broadcasting Networks (MBN).

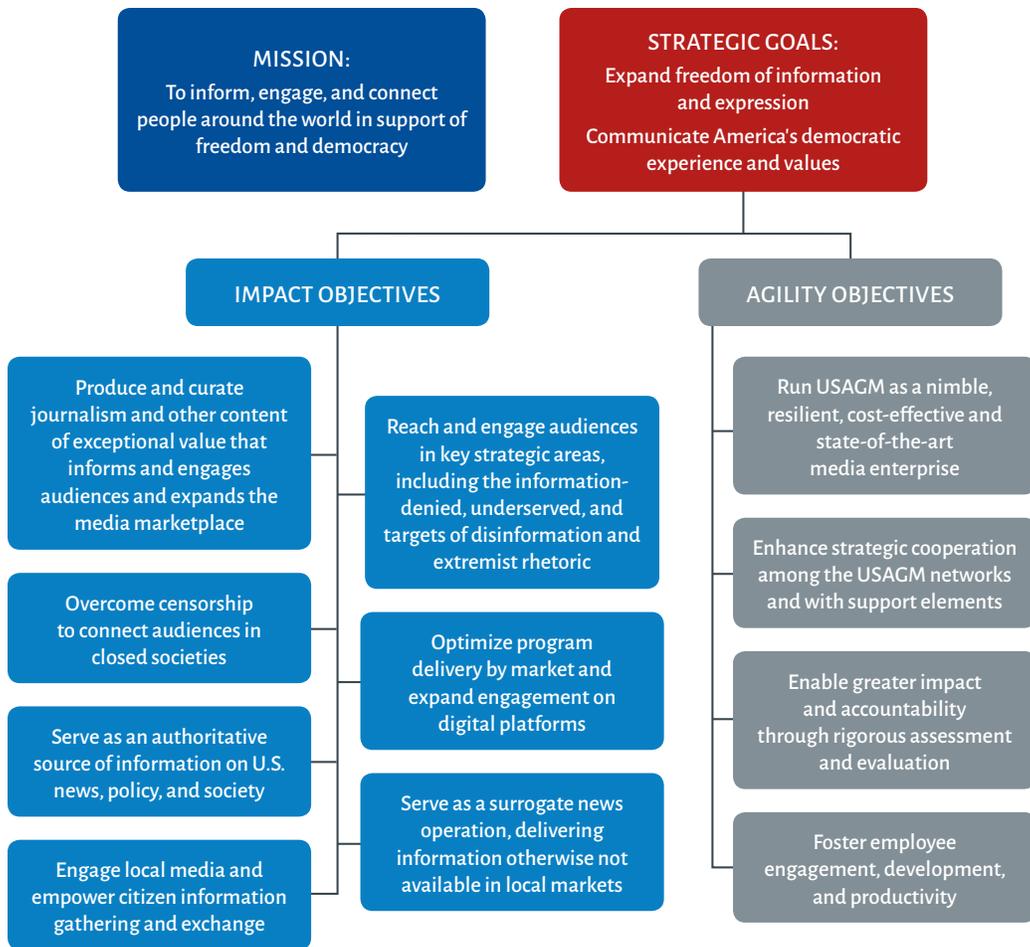
USAGM networks all share the same mission, but were created by the U.S. Congress to fulfill different roles in their respective markets. Telling America's story and explaining U.S. foreign policy are a significant part of USAGM's mandate. To that end, VOA provides comprehensive regional and world news to their local audiences, while also covering the United States in all its complexity, so that people in countries with at-risk systems might find inspiration in the U.S. model. RFE/RL, RFA, and OCB act as surrogate broadcasters, providing access to professional and fact-based regional and local news in countries subject to press restrictions. MBN serves as a hybrid of the two models, providing accurate and comprehensive news about the region and the United States. Our Grantee networks have long strived to provide truthful content that challenges the status quo of oppressive governments to their populations.

FY 2020 Goals and Objectives

Two overarching strategic goals are set forth in USAGM’s Strategic Plan 2018-2022:

- **Expand freedom of information and expression**
- **Communicate America’s democratic experience and values**

In support of these goals, the Strategic Plan sets out seven Impact Objectives and four Agility Objectives:

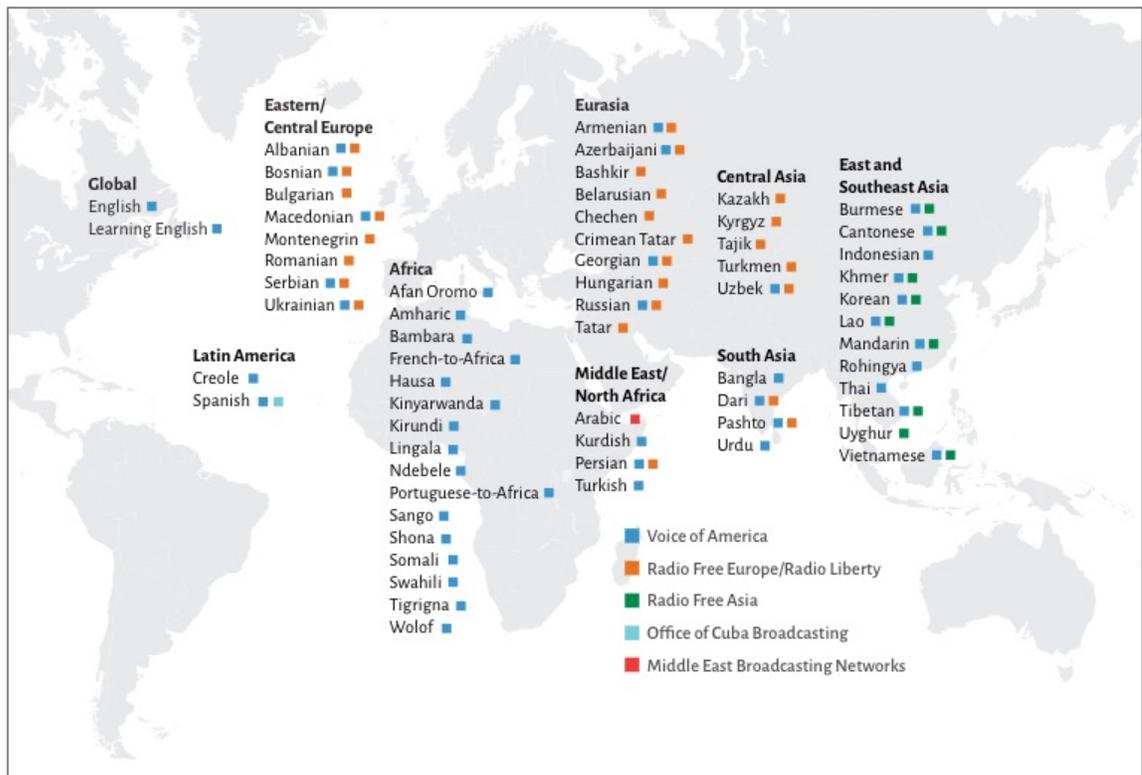


The agency set performance goals supporting each of the Impact and Agility Objectives. Highlights of USAGM’s performance in FY 2020 are presented on the following pages. Full performance results are presented in Section Two.

Performance Highlights

Over the past year, USAGM has effectively distributed breaking news, in-depth reporting, and reasoned analysis via traditional- and new-media platforms, illustrating that international media is an effective U.S. instrument for providing information to people around the world who are denied it by their own governments and media.

Around the world, 354 million people consume USAGM programming in a typical week in 62 languages.



Key accomplishments in FY 2020

USAGM Senior Leadership took a number of critical steps to steer the agency toward its mission “to inform, engage, and connect people around the world in support of freedom and democracy.” The main goals of this reorientation are: 1) making the agency more effective; 2) ensuring that nothing interferes with the ability to report the news, and; 3) improving agency morale.

- Understanding the critical need to support technologies that allow people worldwide to securely access and share information online, USAGM CEO Michael Pack revived the Office of Internet Freedom (**OIF**).
- **VOA Editorials**, which communicate the policies of the U.S. government and express values and principles in which those policies are grounded, have been restored to their former prominence. They are now featured on the top of VOA’s homepage and all VOA services resumed usage of editorials.

COVID-19 essentially shaped every aspect of life this year, and USAGM networks rose to the challenge of providing objective, unbiased coverage to audiences looking for the truth about the disease and its effects. As a result, all USAGM networks experienced unprecedented traffic on digital and social platforms this year.

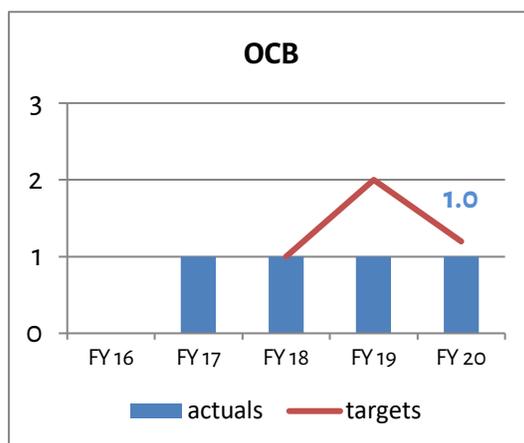
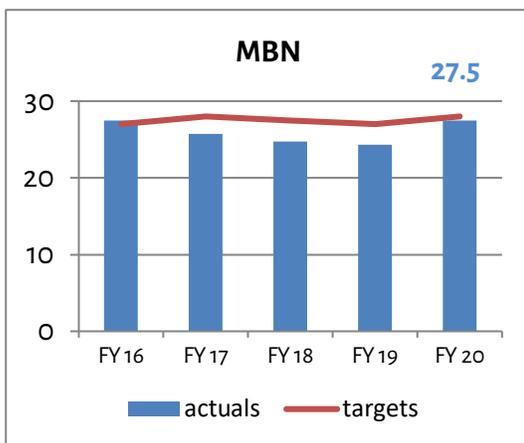
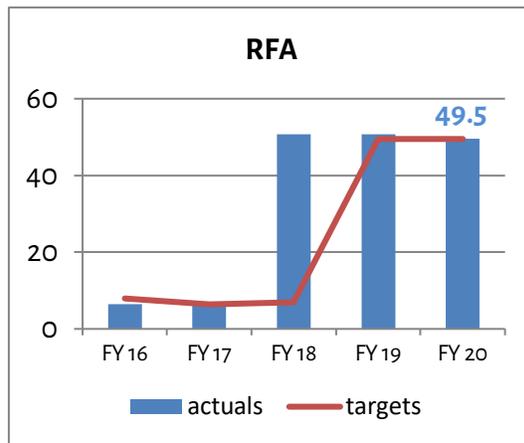
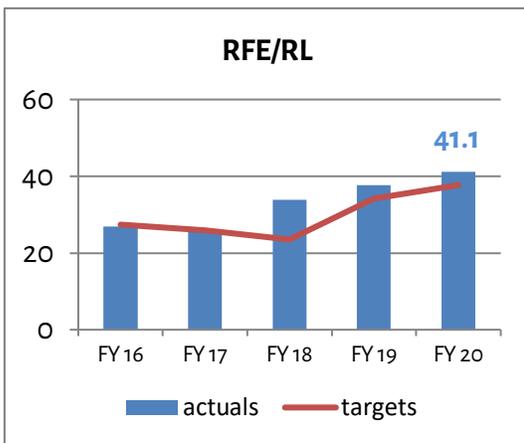
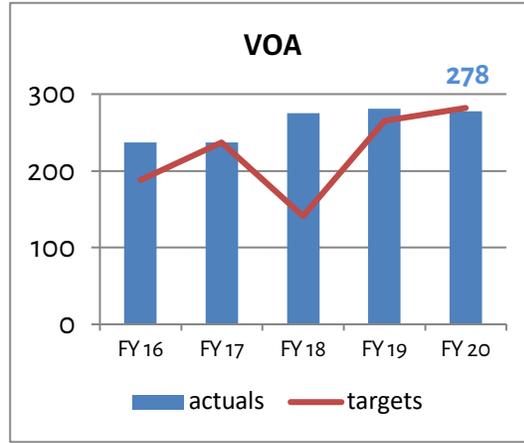
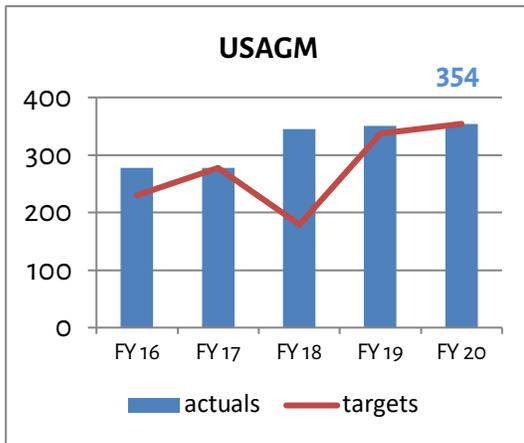
- **RFA** Mandarin started reporting on an unexplained pneumonia in Wuhan in late 2019 and maintained its detailed coverage of the outbreak and its eventual spread in China and beyond throughout 2020. The service focused particularly on important issues such as questionable COVID-19 statistics reported by Beijing and local governments, the failure of the state-run supply system to distribute much-needed medical supplies, and the disinformation campaign attempting to blame the U.S. for the origins of the virus.
- With many governments in their broadcast region denying the presence of COVID-19 within their borders, **RFE/RL** stood alone in informing the public about the potential risks of the coronavirus. A harsh smear campaign against RFE/RL was launched in Tajikistan because the Tajik Service was the first in the country to report on possible COVID-19 cases there. After RFE/RL’s reporting and weeks of denials, the Tajik government officially confirmed that it had registered cases of COVID-19 in the country.

- **VOA** mobilized its vast network of reporters to provide high-quality, independent coverage on all of the various aspects of COVID-19 and its impact – from scientific developments to prevention strategies to in-depth discussions of the social, economic, and political implications of the pandemic. VOA’s various divisions and language services produced several virtual town halls featuring prominent U.S.-based and international experts that addressed the general challenges related to the pandemic as well as more region- and country-specific questions from the audiences.
- **OCB** reported on the societal impact of COVID-19 in Cuba, particularly for the most vulnerable. The Martís, the radio, television, and digital components of OCB, reported that as the economy and the tourism sector suffered from the pandemic, so did the poorest segments of the population who struggle to afford food and critical medication and healthcare.
- **MBN**’s networks featured human-interest stories, highlighting the resilience of individuals facing incredible challenges brought about by the pandemic, such as Libyan and Yemeni doctors fighting for the lives of coronavirus patients in the midst of civil wars in their countries. Its networks also highlighted efforts to help those in need as their governments started imposing lockdowns, reporting on volunteers who delivered food and other necessities to the elderly, the poor, and those living in very remote areas.

USAGM WEEKLY AUDIENCE CHARTS

A key measure of USAGM’s success is its weekly audience. These charts present weekly audience for USAGM networks—individuals who have consumed news and information in the past seven days—from FY 2016 to FY 2020, along with the targets set by the agency. Impact cannot be reduced to a single quantitative factor and USAGM has implemented an Impact Model, supported by a robust set of performance indicators to gauge success. All of the performance indicators for USAGM Impact Objectives come from the Impact Model, which is described under “Evidence Building” in Section 2 of this document.

USAGM WEEKLY AUDIENCE CHARTS
All audience numbers are in millions.



FY 2020 targets are from the FY 2021 Congressional Budget Request. FY 2017 is the first year that USAGM had national audience reach for OCB in Cuba.

Ongoing Challenges

MEDIA ENVIRONMENT

Major factors shaping the global political and security context for USAGM activities include barriers to freedom of information, the changing nature of communications, sophisticated disinformation operations by state and non-state actors, and threats to security from extremism and instability. Extremist rhetoric and incitement to violence directly threaten U.S. national security interests in Iraq, Syria, Afghanistan, Yemen, Somalia, and elsewhere, while the adroit adoption of digital and social media by actors around the world, including the Islamic State and others, threatens core U.S. values of freedom, democracy, and respect for human rights and religious freedom. Meanwhile, sophisticated state propaganda sponsored by Russia, China, and other authoritarian regimes propagates false narratives and disinformation, confusing audiences in order to subvert democratic ideals and sow doubt in American ideas and ideals. The credible, factual, and locally-relevant journalism of the USAGM networks challenges these lies and half-truths in order to support democratic values, open debate, and the peaceful resolution of conflicts.

A key challenge for USAGM is to deliver programming to audiences via the media and the formats they prefer, despite the instabilities and evolution of various media markets. USAGM has continued its migration away from shortwave and medium wave radio to formats and platforms that audiences increasingly use, including FM radio, television, and digital platforms. For example, in FY 2020, USAGM completed the installation of two new FM stations in Lusaka, Zambia, and in the Kakuma refugee camp in Kenya. The agency also leased medium wave broadcasting capacity in Colombia for transmission into Venezuela, and made a \$10-million investment in upgrading its shortwave station in Kuwait.

While USAGM has focused on increasing online content in recent years, our presence online is vulnerable. In peacetime, our adversaries often block and shut down our services into their countries and neighboring regions. During wartime or conflict, when our content becomes even more critical, our online content is highly vulnerable to physical attacks on lines and even undersea cables that carry our services into target countries. Shortwave radio, while less attractive, is reliable, less vulnerable, and proven in times of crisis and conflict over decades.

During catastrophic weather events and other natural disasters, it is often the only source of information available. While SW facilities themselves may be vulnerable to catastrophic weather events, as was seen in the Commonwealth of the Northern Marianas Islands (CNMI) with the damage caused to the SW transmitter there by Typhoon Yutu, a robust and increased SW network, with modernized technology components offers redundancy and reliability that is proven, if not as attractive as online offerings. Online content presents its own legal issues with internet access widely availing content to U.S. audiences, in violation of the Smith-Mundt Act.

To reach audiences, USAGM is constantly working to overcome various forms of censorship. USAGM has been at the forefront of the battle against satellite jamming, working closely with other concerned parties and through international forums. In FY 2020, USAGM relaunched medium wave radio broadcasts to Belarus in response to the Belarusian government’s extensive internet censorship and periodic shutdowns. Further, USAGM’s internet freedom program counteracts activities undertaken by governments such as China and Iran to restrict internet access.

USAGM responds to threats to democracy and the U.S. national interest worldwide with surges in broadcasting. In FY 2020, RFE/RL relaunched service in Hungary to counter the Russian and Chinese disinformation in the country. USAGM language services added additional coverage and created rich content to effectively and accurately inform people affected by crises and turmoil. USAGM networks provided extensive coverage of, among other news items, the coronavirus pandemic – and the accompanying “infodemic,” – mass protests in Belarus following a disputed election, human rights abuses against ethnic Uyghurs in China, China’s crackdown on democratic activism in Hong Kong, and the ongoing political and humanitarian crisis in Venezuela. Violent extremism continued to be an area of focus for USAGM networks, covering Boko Haram in Nigeria, the Taliban in South Asia, and the Islamic State in the Middle East, North Africa, the Balkans, Central Asia, and elsewhere.

AUDIENCES

Within this challenging environment, USAGM has achieved a record weekly audience of 354 million people. USAGM networks are focused on expanding their

audiences and increasing their impact by targeting programming and delivery methods to engage key, strategic audiences in priority countries and regions aligned with U.S. interests. Through the Language Service Review process, USAGM language services identify key target audiences and associated impact goals and performance targets.

USAGM's Office of Policy and Research (OPR) made several changes in FY 2020 to improve strategic decision-making and program targeting throughout the agency. OPR continued to develop its data ecosystem, including its online Strategic Management and Audience Research Tool, a one-stop source of USAGM information with business intelligence, research, and strategy. It also revised the digital metrics in the USAGM Impact Model to standardize data collection, incorporate new platforms, and bring the agency in line with industry best practices.

OPR has led the development and testing of a new survey questionnaire that will allow data collection to be faster, cheaper, and more reliable. OPR has continued a multi-year project of revisiting USAGM's audience measurement methodology in order to integrate other data sources, such as web and social media analytics and commercial ratings data. This new methodology will be thoroughly tested and validated before it is rolled out for performance reporting.

INFRASTRUCTURE

USAGM requires powerful and reliable infrastructure and equipment to fulfill its mission. USAGM customers – audiences and affiliate stations around the world – often have a number of news choices. To ensure these programs engage target audiences, USAGM must find ways to effectively deliver high-quality programs in a format that is preferred by and accessible to the target audience. USAGM must manage a mix of media and technologies from traditional shortwave radio to satellite television, internet, and mobile devices.

The rapidly evolving broadcast information technology market impacts much of USAGM's broadcast and transmission equipment. Different areas of the world depend on different types of broadcast technology, requiring USAGM to both maintain a traditional transmission network and invest in new media technology to support programming efforts, such as news delivery via on-demand video or

social media. New infrastructure must be established and maintained along with existing infrastructure, and this maintenance is complicated by the advent of digital technology with shorter replacement cycles. Given these constraints, USAGM strives to judiciously allocate resources to address the most critical infrastructure requirements as well as recurring technical infrastructure requirements and one-time projects.

USAGM is aggressively shifting to digital platforms. Efforts include enterprise web and social media engagement tools to measure traffic and engagement on USAGM sites and accounts on key platforms and new encryption and proxy tools to circumvent censorship.

On broadcast platforms, USAGM must carefully manage its transmission infrastructure to maintain a strong presence in critical markets, ensuring signal strength and reliability of broadcasts to vital areas throughout the world. USAGM works to meet this challenge by conducting in-depth analyses to meet the constant challenge of maintaining an effective and efficient transmission network. In FY 2020, USAGM repaired three more of the antennas at the Northern Mariana transmitting station, which was damaged by Typhoon Yutu in 2018. A total of seven antennas are now back in service. Broadcasts from this station, especially by RFA, are critical to reaching audiences throughout Asia.

MANAGEMENT

While audience preferences and research dictate the strategies of individual language services across USAGM, the agency must remain flexible and capable of adapting to changes in regional priorities and broadcast strategies. USAGM must continually assess how best to scale and shape operations, including the right mix of language services to meet new challenges while enhancing performance.

Unpredictable global events and changing media consumption habits make it important that the agency continually improve its ability to respond to events with agility and focus. As audience preferences in target broadcast areas have changed, USAGM has transitioned from radio-only broadcasts to multimedia news and information distribution, including television, the internet, and mobile applications. Like surge broadcasts, these changes in distribution availability and audience

preferences evolve quickly and require that USAGM be innovative to respond effectively and decisively.

Internally, the quality, competence, and morale of the USAGM workforce is critical to mission achievement. As such, the agency has made the development and motivation of its workforce a key component of its Strategic Plan for meeting future challenges. Consistently low Federal Employee Viewpoint Survey (FEVS) scores and, specifically, issues of employee morale and satisfaction, made apparent in the results of these surveys, are being addressed through comprehensive communications initiatives and integrated intra-agency communications platforms. Lack of clarity in mission or lack of a sense of accomplishing a unique mission with great effect is a key contributor to low morale. Oftentimes, dialogue and understanding through communications programs, vice empowering employees to succeed in the unique mission of their agency, only perpetuates issues. Organizations find themselves chasing morale, rather than focusing on successfully accomplishing a unique and challenging mission as the most direct path to lifting morale and pride in mission. USAGM will not chase down the morale issues with promises of incentives, but rather by more clearly defining the Agency's unique mission among news broadcasters and empowering our employees to succeed as an agency.

Financial Highlights

USAGM's financial statements are included in the Financial Section of this report.

Preparing these statements allows USAGM to improve financial management and provide accurate and reliable information to Congress, the President, and the taxpayer. USAGM management is responsible for the integrity and objectivity of the financial information presented in the statements.

The financial statements and financial data presented in this report have been prepared from the accounting records of USAGM in conformity with accounting principles in the United States of America and incorporate the application of the standards as prescribed by the Federal Accounting Standards Advisory Board.

The following is a comparative summary of certain financial information derived from USAGM's Principal Financial Statements.

Financial Highlights (in thousands)	FY 2020	FY 2019
At End of the Year:		
Condensed Balance Sheet Data:		
Fund Balance with Treasury	\$ 250,954	\$ 245,805
Cash and Other Monetary Assets	3	3
Accounts Receivable	313	127
Advances to Surrogate Broadcasters	85,500	78,000
Property, Plant and Equipment	58,705	69,540
Other	697	1,766
Total Assets	<u>\$ 396,172</u>	<u>\$ 395,241</u>
Accounts Payable and Other	\$ 30,017	\$ 26,999
Retirement and Payroll	49,035	43,671
Total Liabilities	<u>\$ 79,052</u>	<u>\$ 70,670</u>
Unexpended Appropriations	\$ 284,723	\$ 269,907
Cumulative Results of Operations	32,397	54,664
Total Net Position	<u>317,120</u>	<u>324,571</u>
Total Liabilities and Net Position	<u>\$ 396,172</u>	<u>\$ 395,241</u>
For the Year:		
Condensed Statement of Net Cost Data:		
Total Cost	\$ 824,858	\$ 832,021
Total Earned Revenue	(4,275)	(3,304)
Total Net Cost of Operations	<u>\$ 820,583</u>	<u>\$ 828,717</u>

The independent accounting firm, Kearney & Company, conducted our FY 2020 financial statement audit and issued an unmodified opinion on our Financial Statements.

LIMITATIONS OF FINANCIAL STATEMENTS

The principal financial statements are prepared to report the financial position and results of operations of USAGM, pursuant to the requirements of 31 U.S.C. 3515 (b). The statements are prepared from its books and records in accordance with U.S. generally-accepted accounting principles (GAAP) for Federal entities and the formats prescribed by the Office of Management and Budget. Reports used to monitor and control budgetary resources are prepared from the same books and records. The financial statements should be read with the realization that they are for a component of the U.S. Government.

Management Assurances

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT

The Federal Managers' Financial Integrity Act (FMFIA) of 1982 (Public Law 97-255) is designed to provide reasonable assurance that agencies institute management accountability and internal controls that support five objectives:

- Programs achieve their strategic objectives,
- Resources are effectively used consistent with the Agency's mission,
- Programs and resources are properly safeguarded against waste, fraud, and mismanagement,
- Information is reliable and timely to support decision making, and
- Agency complies with applicable laws and regulations.

For compliance with the FMFIA of 1982 and the Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, revised on July 2016; the Agency head of USAGM will provide the annual assurance statement on the status of:

- Effectiveness of internal control over financial reporting
- Effectiveness of internal control over operations
- Conformance with federal financial management system requirements
- Any material weakness found in the financial statements, which are derived from independent audits, Government Accountability Office (GAO), Office of the Inspector General (OIG) reviews, inspections or audits, and self-assessments conducted by USAGM's management

In compliance with FMFIA Section 4, 3512(d) (2) (B) Section 4-31 U.S.C. 3512(d) (2) (B), Senior Management prepares an annual statement on the agency's accounting systems conformity to the principles, standards, and related requirements prescribed by the Comptroller General. Based on this requirement, USAGM is required to comply with the Federal Information Security Management Act (FISMA). During FY 2020, USAGM has made significant progress in the area of information security and risk management. The OIG recognized the Agency's efforts in developing and implementing a Corrective

Action Plan (CAP) to improve USAGM’s information security program as well as the publication of a number of information security policies.

Additionally, in FY 2020, USAGM identified, assessed and analyzed Agency-wide risks, culminating in the submission of the agency’s FY 2020 ERM risk profile in accordance with OMB Circular A-123. The FY 2020 risk profile prioritized significant risks to the achievement of USAGM’s objectives and mission. The Agency has documented and is currently implementing appropriate risk response mitigation strategies to these enterprise risks. Consistent with the ERM process, the Office of Risk Management (ORM) continuously monitors the progress and effectiveness of these mitigation strategies. In addition, during the FY 2021 ERM process, the FY 2020 profile risks will be evaluated and assessed.

FINANCIAL MANAGEMENT SYSTEMS AND REPORTING INTERNAL CONTROL REVIEW

Each year, USAGM receives an Independent Audit Report containing an opinion on our financial statements, a report on internal control over financial reporting, and a report on compliance with laws, regulations, contracts, and grant agreements. In addition to safeguarding resources and complying with laws and regulations, USAGM strives to fairly and accurately present financial reports that have a material effect on spending, budgetary, or other financial decisions.

FINANCIAL MANAGEMENT SYSTEMS STRATEGIES

USAGM performed an upgrade of the Momentum financial system to a current supported version in July 2019, which increased functionality and compliance with a variety of mandated requirements.

USAGM began the work to finalize requirements in support of converting to a new Human Resource system in FY 2020 to interface with the existing Defense Civilian Payroll System (DCPS) because its current process will be unsupported in FY 2021 by the payroll processing system. USAGM continues to assess and automate processes to gain processing efficiencies and strengthen internal controls.

PAYMENT INTEGRITY PROGRAM

USAGM is dedicated to continuing to strengthen its improper payments program to ensure payments are valid and processed correctly. The program utilizes an experienced and trained staff, a financial management system that is designed with control functions to mitigate risk, and an analysis process to review transactions and procedures.

USAGM performs assessments and procedures to comply with the Payment Integrity Information Act of 2019, OMB Circular A-123 Appendix C, Part 1 and OMB Memorandum updates.

More information on USAGM's activities safeguarding against improper payments can be found in Section Four.

FY 2020 Statement of Assurance



U.S. AGENCY FOR
GLOBAL MEDIA

330 Independence Avenue SW | Washington, DC 20237 | usagm.gov

FY 2020 STATEMENT OF ASSURANCE

The U.S. Agency for Global Media (USAGM) is responsible for establishing and maintaining effective internal control to meet the objectives of Sections 2 and 4 of the Federal Managers' Financial Integrity Act. USAGM conducted its assessment of risk and internal control in accordance with OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Based on the results of the assessment, the Agency can provide reasonable assurance that internal controls over operations, reporting and compliance were operating effectively as of September 30, 2020, except as noted below.

During FY 2020, USAGM senior leadership focused attention on continuing progress in improving grants oversight. USAGM has issued a Grants Standard Operating Procedure that explains processes for grants oversight and updated those procedures to include a new grants closeout process. However, USAGM acknowledges that it has not yet fully implemented all oversight controls outlined in those Grants Standard Operating Procedures, such as closing out prior year grants, conducting risk assessments, or conducting site visits. These and other issues led USAGM's Risk Management Council to identify grantee oversight as one of the top risks in the Agency's risk profile for FY 2021, a step that should help strengthen the visibility and accountability of efforts to mitigate risks in this area.

Continuing the progress that began in FY 2019, USAGM has fully implemented its Enterprise Risk Management Framework and Information Security Risk Management Strategy, and cognizant of the priorities identified in OMB Memorandum 18-16, the agency is emphasizing integration of internal control activities with the agency's Enterprise Risk Management (ERM) processes. USAGM has tested controls, and updated the agency Data Quality Plan to achieve the objectives of the Digital Accountability and Transparency Act (DATA Act). Additionally, the agency has begun a rotational re-assessment of significant business process level controls, and expects to have the process fully completed in FY 2021.

By maintaining our dedicated efforts, USAGM leadership is confident that, in collaboration with the Office of Inspector General, we will successfully address the remaining concerns.

Michael Pack
Chief Executive Officer and Director



PUBLIC SERVICE MEDIA

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FY 2020 Goals, Objectives, and Results

SUMMARY OF THE 2018-2022 USAGM STRATEGIC PLAN

USAGM's 2018-2022 Strategic Plan continues an ambitious roadmap to refine and expand the reach and impact of U.S. international media in support of the U.S. national interest. The plan informs USAGM budget requests and supports the integration of performance, budget planning, and agency management.

The mission of USAGM remains to inform, engage, and connect people around the world in support of freedom and democracy.

To better fulfill that mission, the Strategic Plan sets forth two overarching strategic goals:

- Expand freedom of information and expression
- Communicate America's democratic experience and values

Freedom of the press and freedom of expression are essential to democracy, and promotion of them supports the U.S. national interest through stability, peace, alliances, and trade. Communicating America's democratic experience and values serves the same purpose. In covering the United States, USAGM networks open a live window onto the greatest and most successful experiment in self-governance in human history.

USAGM's two strategic goals are supported by seven Impact Objectives and four Agility Objectives, each of which has supporting performance goals. All of the performance indicators supporting the Impact Objectives come from the USAGM Impact Model.

PERFORMANCE OVERVIEW

Mission:

To inform, engage, and connect people around the world in support of freedom and democracy

Strategic Goals:

Expand freedom of information and expression
 Communicate America's democratic experience and values

Objectives:

Impact Objectives
 Agility Objectives (see page 100)

USAGM's Strategic Goals are supported by Impact Objectives, which focus on performance on the mission, and Agility Objectives, which focus on the management of the agency.

Each objective is broken down into measurable performance goals. USAGM sets targets for these goals annually. Following is the five-year historical data for each performance goal, an explanation of the indicator and how it is measured, and a detailed analysis of the results.

IMPACT OBJECTIVES:

<p>1 Produce and curate journalism and other content of exceptional value that informs and engages audiences and expands the media marketplace</p>	<p>IMPACT OBJECTIVE 1 Audiences by platform and region</p>	<p>33</p>
	<p>PERFORMANCE GOALS:</p>	
	<p>1.1 Reach significant audiences</p>	<p>36</p>
	<p>1.2 Provide programming that audiences find trustworthy Citations of USAGM reporting in influential news outlets</p>	<p>40</p>
	<p>1.3 Provide programming that increases audiences' perception of their understanding of current events Content curation that offers media options not otherwise available in the local market</p>	<p>45</p>
	<p>1.4 Provide programming that is influential with audiences Original reporting on issues of importance to audiences</p>	<p>49</p>
<p>2 Reach and engage audiences in key strategic areas, including the information-denied, underserved, and targets of disinformation and extremist rhetoric</p>	<p>IMPACT OBJECTIVE 2</p>	<p>58</p>
	<p>PERFORMANCE GOALS:</p>	
	<p>2.1 Achieve significant audience reach in environments subject to extremist rhetoric and violence Examples of USAGM impact in environments subject to extremism</p>	<p>61</p>
	<p>2.2 Reach audiences in information-denied environments Examples of USAGM impact in information-denied environments News pickups and research from inside closed societies</p>	<p>65</p>
	<p>2.3 Reach audiences in environments targeted by state-sponsored disinformation campaigns Examples of USAGM impact in environments subject to state-sponsored disinformation</p>	<p>70</p>

<p>3 Overcome censorship to connect to audiences in closed societies.</p>	<p>IMPACT OBJECTIVE 3</p> <p>PERFORMANCE GOALS:</p> <p>3.1 Increase usage of internet freedom products</p> <p>Development of new technologies and activities to counter internet censorship and blocking</p> <p>Education about and promotion of circumvention and digital security technologies</p> <p>Engagement on the international stage to combat satellite and radio jamming</p>	<p>74</p> <p>75</p>
<p>4 Optimize program delivery by market and expand engagement on digital platforms</p>	<p>IMPACT OBJECTIVE 4</p> <p>PERFORMANCE GOALS:</p> <p>4.1 Increase web traffic</p> <p>4.2 Increase audience interaction via social media</p> <p>4.3 Build strong affiliate relationships</p> <p>Shifting platforms to respond to changing audience preferences</p> <p>Using alternative, creative ways to deliver content</p>	<p>79</p> <p>81</p> <p>83</p> <p>85</p>
<p>5 Serve as an authoritative source of information on U.S. news, policy, and society</p>	<p>IMPACT OBJECTIVE 5</p> <p>PERFORMANCE GOALS:</p> <p>5.1 Provide programming that increases audiences' understanding of the United States</p> <p>5.2 Provide exceptional news and information</p> <p>Successful deployment of the U.S. bureau model</p> <p>Exceptional or unique coverage of important U.S. news stories</p>	<p>92</p> <p>93</p> <p>96</p>
<p>6 Serve as a surrogate news operation, delivering information otherwise not available in local markets</p>	<p>IMPACT OBJECTIVE 6</p> <p>PERFORMANCE GOALS:</p> <p>6.1 Provide programming that increases audiences' understanding of current events in target countries</p> <p>Coverage of important local news stories that other media are not covering</p> <p>6.2 Provide exceptional news and information</p>	<p>100</p> <p>102</p> <p>106</p>
<p>7 Engage local media and empower citizen information gathering and exchange</p>	<p>IMPACT OBJECTIVE 7</p> <p>PERFORMANCE GOALS:</p> <p>7.1 Increase engagement with local media outlets</p> <p>Substantive engagement with key local media affiliates</p> <p>7.2 Increase sharing of USAGM programming</p> <p>Citizen journalism and user-generated content</p> <p>USAGM-facilitated dialogue across religious, national and ethnic groups</p>	<p>108</p> <p>110</p> <p>113</p>

Impact Objective 1:

Produce and curate journalism and other content of exceptional value that informs and engages audiences and expands the media marketplace

Journalism is the daily work of USAGM networks, and producing fact-based, verifiable news and information must be preeminent in agency strategy. To have impact, USAGM journalism must reach audiences, meet their interests along the breadth of subjects that matter to their lives and, at the same time, add value in expanding the media marketplace. USAGM networks do not seek to compete with commercial news services. While audience size is one important measure of impact, the agency's primary duty is serving the U.S. national interest. The chief measure by which USAGM gauges its success is the extent to which it advances freedom and democracy. Further, the aim of USAGM networks is not to strictly follow the 24-hour news cycle, but rather to produce original stories, investigative reporting, in-depth analysis, and a unique cross-cultural perspective that helps audiences become more sophisticated consumers of news and media.

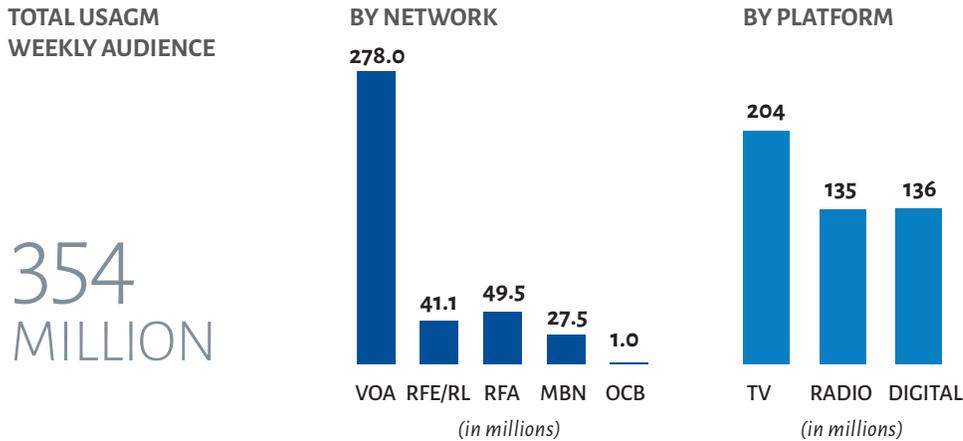
USAGM will:

- As required by statute, provide news and other programming that is accurate, objective, and comprehensive and in accordance with the highest professional standards of journalism.
- Produce news and information, consistent with audience preferences and mission requirements that are not addressed adequately by media in the target area (e.g., human rights and good governance).
- Offer non-news content that research, web analytics, and audience and affiliate feedback show is of vital interest to audiences (e.g., health, science, and technology).
- Produce enterprise reporting through deep and lasting exploration of critical issues in the countries USAGM targets.
- Curate content from and co-create content with reputable partners, as appropriate, that is consistent with broadcasting standards and editorial guidelines.

Impact Performance Goal Overview

1.1

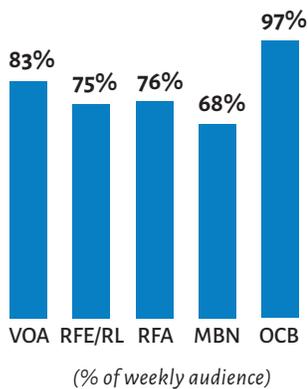
Reach significant audiences



Note: Total USAGM audience is unduplicated, meaning an individual audience member is counted once, regardless of how many platforms or networks they use. Therefore, the total USAGM audience is not equal to the sum of audience by network or by platform.

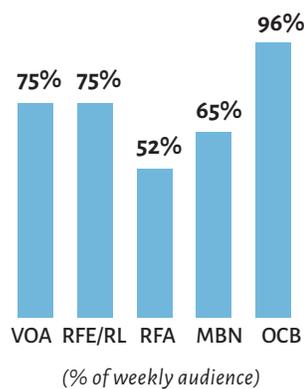
1.2

Provide programming that audiences find trustworthy



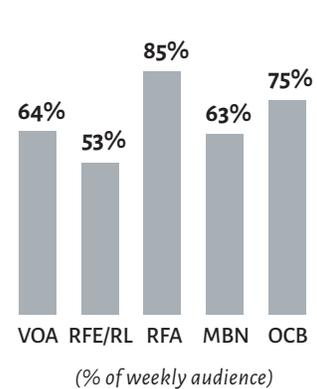
1.3

Provide programming that increases audiences' perceptions of their understanding of current events



1.4

Provide programming that is influential with audiences



Audience by Region:



MIDDLE EAST AND NORTH AFRICA

31.7 MILLION

Data from Algeria, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Palestinian Territories, Qatar, Saudi Arabia, Tunisia, Turkey, UAE, Yemen. Reflects audiences for MBN and VOA.



NEAR EAST, SOUTH AND CENTRAL ASIA, EURASIA

67.0 MILLION

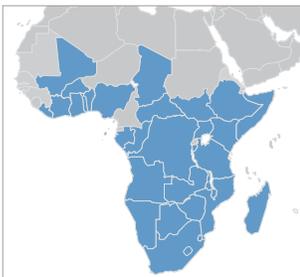
Data from Afghanistan, Albania, Armenia, Azerbaijan, Bangladesh, Belarus, Bosnia, Crimea, Estonia, Georgia, Iran, Kazakhstan, Kosovo, Kyrgyzstan, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Nagorno-Karabakh, Pakistan, Russia, Serbia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan. Reflects audiences for RFE/RL and VOA.



EAST AND SOUTHEAST ASIA

115.0 MILLION

Data from Burma, Cambodia, China, Hong Kong, Indonesia, Laos, Thailand, Vietnam. Reflects audiences for RFA and VOA.



SUB-SAHARAN AFRICA

70.9 MILLION

Data from Benin, Botswana, Burundi, Central African Republic, Cote d'Ivoire, Democratic Republic of Congo, Ethiopia, Gabon, Ghana, Kenya, Liberia, Madagascar, Malawi, Mali, Mozambique, Nigeria, Somalia, South Africa, South Sudan, Tanzania, Uganda, Zambia, Zimbabwe. Reflects audiences for VOA.



LATIN AMERICA

69.6 MILLION

Data from Argentina, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela. Reflects audiences for OCB and VOA.

IMPACT OBJECTIVE 1

Impact Performance Goal 1.1: Reach significant audiences

Measured Weekly Audience (in millions)	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
USAGM	278	278	345	350	354	354
VOA	236.6	236.8	275.2	280.9	282.0	278.0
RFE/RL ¹	26.9	25.8	33.9	38.1	37.7	41.1
RFA	6.4	6.9	50.7	50.7	49.5	49.5
MBN	27.5	25.7	24.7	24.3	28.0	27.5
OCB	NA	1.0	1.0	1.0	1.2	1.0

¹ The RFE/RL weekly audience figure for FY 2019 was incorrectly reported as 37.6 million in the FY 2019 PAR and FY 2021 Congressional Budget Justification, due to a calculation error in the Afghanistan audience. It has been corrected here to 38.1 million.

Notes:

- FY 2020 targets are from the FY 2021 Congressional Budget Request.
- Audience estimates do not include data for Eritrea, North Korea, Syria, or Tibetan and Uyghur regions of China, because political risk has made it impossible to carry out representative surveys in the target regions. Restricted areas represent a significant portion of the countries and regions targeted by RFA language services. In addition, there are other countries and regions with small populations that have not been surveyed due to limited resources, including Oman and the Russian regions served by RFE/RL's North Caucasus and Tatar-Bashkir language services.

IMPACT INDICATOR:

Measured Weekly Audiences

This indicator comes from national surveys measuring the number of people in target areas listening to, reading, or viewing USAGM programming or online content in the past week. The agency’s method of measuring audience reach is based on nationally-representative surveys conducted periodically to capture a “snapshot” of media consumption during one point in time. In contrast to ratings, which track viewers via a small device affixed to a television or radio, survey measurement relies on individuals accurately recalling the news and information they have heard, watched, or read. Although research surveys ask respondents to report their consumption for multiple time frames (including up to a year), the Agency reports on a time period of seven days – specifically chosen limit errors introduced when asking individuals to recall their media consumption further back than one week. Throughout this report, the term “weekly audience” denotes only the respondents who report using USAGM content in the “past seven days” before participating in a survey. Furthermore, the USAGM weekly audience figure represents unduplicated individuals, meaning that regardless of the number of times they consume content, and whether they access that content on multiple platforms or networks, an audience member is counted only once. USAGM does not conduct surveys in every country every year, so audience figures may in some cases reflect weekly audience measures collected from up to five years in the past. This may result in an over- or underestimation of actual audience. Additionally, political volatility in certain markets may prevent the measurement of current audiences for services broadcasting to these areas.

ANALYSIS OF RESULTS:

USAGM

Target: 354 million

Actual: 354 million

With a weekly audience of 354 million, USAGM met its target for FY 2020. This increase is due primarily to audience growth in Iraq, Ukraine, Venezuela, Morocco, and the Democratic Republic of Congo. These gains more than offset audience losses due to the loss of key affiliates in Turkey and Cambodia, the shift from FM to digital transmission of Radio Sawa outside of the Levant, and a number of surveys aging out of the audience total. Many surveys planned for FY 2020 had to be delayed until FY 2021 due to coronavirus. As local governments implemented travel restrictions and social distancing, research vendors paused in-person data collection until conditions made it possible to resume face-to-face survey administration. In some instances, vendors paused work in order to pivot away from in-person to telephone-based surveys, allowing them to resume work sooner and limit further disruptions related to COVID restrictions.

VOA

Target: 282.0 million

Actual: 278.0 million

VOA missed its FY 2020 target by approximately 1.5 percent, shedding 2.9 million weekly users and reaching a weekly audience of 278.0 million. Significant increases were measured in the Democratic Republic of Congo (increase of 3.3 million, inclusive of over 2 million in VOA's new Lingala language content), northern Iraq (1.4 million), and the critical market of Venezuela (0.8 million, a 44 percent increase from 2016). These gains were offset by losses in Ukraine (1.6 million), Turkey (2.4 million), and Cambodia (1.1 million). Key affiliates were lost in these markets, namely in Cambodia, where the government banned nearly all local USAGM affiliates. Additionally, eight surveys timed out of this year's estimate since they were more than five years old, resulting in a reduction of 3.1 million. This does not necessarily mean VOA audiences declined during this period, but rather that a lack of recent research means the agency has no updated data to estimate audience reach in those markets.

RFE/RL

Target: 37.7 million

Actual: 41.1 million

With a weekly audience of 41.1 million in FY 2020, RFE/RL exceeded its target of 37.7 million. Compared to FY 2019, its weekly audience increased from 38.1 million. New field research was finalized in a limited number of RFE/RL markets over the course of FY 2020, but notable audience gains were recorded in Ukraine and the Baltic states. RFE/RL in Ukraine increased the size of its measured weekly

audience by 3.2 million to nearly 7.8 million and now reaches 22.0 percent of Ukrainian adults each week. Usage of RFE/RL grew on every platform, but growth in television viewing and use of digital products provided the largest audience increases. Increased use of Current Time – RFE/RL and VOA’s Russian-language television and digital service – in the Baltic states added almost 250,000 weekly users in the three markets. Regional surveys that measured RFE/RL audiences in the North Caucasus in Russia, the breakaway region of Abkhazia, and Khyber Pakhtunkhwa in Pakistan are all more than five years old and are longer included in the audience estimate for RFE/RL. Audiences for new digital-only services in Bulgaria, Hungary, and Romania have yet to be measured.

RFA **Target: 49.5 million** **Actual: 49.5 million**

With a weekly audience of 49.5 million, RFA met its target, though it had lowered its target from FY 2019 due to anticipated drops in Cambodia audiences. The Hun Sen government forced RFA and VOA off all FM stations in the country in late FY 2018. When RFA was accessible over FM in most of the country, more than one in five adult Cambodians used RFA content on a weekly basis. USAGM’s Cambodia national survey in September 2019 – the first since getting kicked off these FM stations – confirmed the negative impact of this loss of transmission: Growth in RFA’s online audience was not enough to offset losses in radio listening. In FY 2020, USAGM fielded no additional surveys in RFA’s target markets that might have offset these losses.

MBN **Target: 28.0 million** **Actual: 27.5 million**

MBN’s audience grew in FY 2020 from the previous year, but the network did not reach its target. MBN saw significant increases in weekly reach for Alhurra and MBN digital in Iraq, Morocco, the Palestinian Territories, Lebanon, and Saudi Arabia—five of the seven markets where MBN conducted post-relaunch surveys. However, approximately 2.6 million previously measured radio-only audience members have been removed from MBN’s total as a result of the shift in transmission strategy from FM to digital for Radio Sawa. MBN anticipates that future surveys will show audience gains in those markets through increased usage of new digital offerings.

OCB **Target: 1.2 million** **Actual: 1.0 million**

USAGM did not commission a survey in Cuba in FY 2020, so OCB’s weekly audience remains unchanged in FY 2020.

IMPACT OBJECTIVE 1

Impact Performance Goal 1.2: Provide programming that audiences find trustworthy

Program Credibility ¹ – percentage of weekly audience who consider information to be very or somewhat trustworthy	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
	Simple average	Weighted average				
VOA	86	83	84	83	82	83
RFE/RL	87	80	77	73	74	75
RFA	86	93	77	77	76	76
MBN	82	80	80	75	80	68
OCB	NA	97	97	97	97	97

¹ Beginning with FY 2017, the scores for program credibility are weighted averages, based on audience size, of all program credibility scores obtained by an entity. In previous years, these scores were simple averages of the scores by country. Scores from FY 2016 and prior years are not comparable to the FY 2017 and subsequent scores. The FY 2017 weighted averages were first reported in the performance section of the FY 2019 Congressional Budget Justification.

IMPACT INDICATOR:

Program Credibility

This indicator is determined by a question in representative surveys about trustworthiness of news and information of those sampled respondents who listened to or viewed each station in the past week. The answers are registered on a four-point scale: “Trust it a great deal,” “Trust it somewhat,” “Do not trust it very much,” “Do not trust it at all.” The credibility index is a weighted average, by audience size, of the percentage of those answering the question in the survey (excluding those who did not respond or did not know) who report trusting news from the station a great deal or somewhat. Credibility estimates are not included for countries where the number of regular listeners/viewers/online users is so small (n = <50) that the estimate is unreliable.

ANALYSIS OF RESULTS:

VOA **Target: 82** **Actual: 83**

VOA met its program credibility target of 82 percent by maintaining its FY 2019 score of 83 percent. Changes in VOA’s credibility scores tend to be driven by the difference in sizes of the markets measured year to year, rather than by sudden changes in global perception. In FY 2020, there were no large swings in credibility scores among markets with new audience data, and VOA continues to earn the trust of the great majority of its audience.

RFE/RL **Target: 74** **Actual: 75**

RFE/RL met its program credibility target with a score of 75 percent. The network continues to hold a high level of credibility among its audience with three out of four weekly listeners, viewers, and online users rating its programming as “very” or “somewhat trustworthy,” including in some markets where worsening opinions of the United States may have contributed to lower program credibility scores for the RFE/RL broadcast services operating there.

RFA **Target: 76** **Actual: 76**

RFA’s overall program credibility met its 76 percent target, but the score may be held low by the effect of China’s large audience. China’s more repressive control of media makes survey respondents reluctant to admit finding banned materials appealing or credible. Credibility numbers measured in the relatively more open markets of Cambodia and Burma were significantly higher in spite of active online attacks against RFA in both markets. RFA’s credibility measure in USAGM’s most recent Cambodia national survey (88.1 percent) was somewhat lower than in past surveys, but still quite high considering Prime Minister Hun Sen’s ongoing effort to discredit RFA.

MBN **Target: 80** **Actual: 68**

MBN’s program credibility score of 68 was below the network’s target, reflecting in part decreased trust in all media sources in the region. Additionally, trust for Alhurra in Iraq was low, with just 49 percent of past week viewers with an opinion saying they trusted the station. The station was forced to significantly adjust operations there the past two years because of ongoing threats to its journalists and continued government criticism, partly as the result of reporting

on controversial issues, such as religious corruption. These factors could have affected trust among Iraqis.

OCB

Target: 97

Actual: 97

USAGM did not commission a survey in Cuba in FY 2020, so OCB's credibility score remains unchanged in FY 2020.

A CLOSER LOOK:

Citations of USAGM reporting in influential news outlets and awards

MEDIA CITATIONS RFE/RL's Ukrainian Service is a media leader in Ukraine, frequently conducting high-profile interviews that are used by the country's top media outlets. The service's award-winning investigative program *Schemes: Corruption in Details* exposes high-level malfeasance and abuse of power by local and regional authorities, oligarchs, and politicians in Ukraine. *Schemes* journalists and staff have been subjected to legal actions and physical attacks in Ukraine in retaliation for their reporting.

Alhurra's interviews with U.S. policymakers were frequently cited in other media throughout the region. For example, the station's interview with State Department Spokesperson Morgan Ortagus about the signing of the September 2020 peace agreement between Israel, the United Arab Emirates, and Bahrain was cited by el-Nashra, Beirut Observer, Akher al-Akhbar, al-Jareeda News, Lebanon Files, and others.

In April 2020, VICE News profiled RFA's Uyghur Service, highlighting its role in exposing the PRC's internment camps in Xinjiang. VICE noted RFA reporters' tireless efforts despite having relatives targeted because of their work. "We live



RFA Uyghur Service

with this pain, this agony, but we cannot stop," Deputy Director Mamatjan Juma told VICE. "They should know this message: They can make Uighur people cry, but they cannot stop us."



VOA's The Worth of a Girl

AWARD WINNING JOURNALISM VOA received the 2020 Clarion Award for its online reporting project, *The Worth of a Girl*, which exposes the practice of child marriage that has entangled one in five women globally in lives of limited education and opportunities. The project follows the experiences of girls and women married as children living in Africa, North and South America, Asia, and Europe. Reported in 12 languages in web articles, on social media, and in a television documentary, VOA journalists explored the root causes of child marriage across cultural, religious, and national boundaries, detailing the monetary valuation placed on young women. The Association for Women in Communications, which sponsors the award, gave top honors to *The Worth of a Girl* in its Online Journalism – Special Feature category. The documentary also won the Edward R. Murrow Award for Excellence in Social Media, a 2020 New York Festivals Silver Medal, and was nominated for a 2020 Webby People's Choice Award in recognition of VOA's storytelling about this important global problem.

RFE/RL's Kyrgyz Service conducted a multi-year investigation in Central Asia into a major money-laundering network that smuggled more than \$700 million out of Kyrgyzstan. The series *Plunder and Patronage* sparked public protests, an official investigation in Kyrgyzstan, and made headlines throughout the region. RFE/RL and reporting partners Organized Crime and Corruption Reporting Project and Kloop were recognized for their work by receiving the 2019 Tom Renner Award from the Investigative Reporters and Editors organization.

IMPACT OBJECTIVE 1

Impact Performance Goal 1.3: Provide programming that increases the audiences’ perceptions of their understanding of current events

Understanding ¹ – percent of weekly audience who report that the broadcasts have increased their understanding of current events somewhat or a great deal	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
	Simple average	Weighted average				
VOA	86	81	76	76	75	75
RFE/RL	81	81	73	75	75	75
RFA	NA	NA	52	52	53	52
MBN	80	71	70	66	70	65
OCB	NA	96	96	96	80	96

¹ Beginning with FY 2017, the scores for understanding are weighted averages, based on audience size, of all understanding scores obtained by an entity. In previous years, these scores were simple averages of the scores by country. Scores from FY 2016 and prior years are not comparable to the FY 2017 and subsequent scores. The FY 2017 weighted averages were first reported in the performance section of the FY 2019 Congressional Budget Justification.

IMPACT INDICATOR:

Understanding of current events

This indicator is determined by a question in representative surveys asking weekly listeners/viewers/online users of [language] whether the broadcasts have “increased their understanding of current events.” The answers are registered on a four-point scale: “a great deal,” “somewhat,” “very little,” or “not at all.” The understanding indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey, excluding those who did not respond or did not know, who chose “a great deal” or “somewhat.”

ANALYSIS OF RESULTS:

VOA **Target: 75** **Actual: 75**

VOA hit its understanding score of 75 percent in FY 2020, which has been stable since FY 2018. Scores on this metric continue to be higher in Africa, and even in Cambodia, where VOA lost much of its audience. They tend to be lower in Middle Eastern markets, such as Turkey and Kurdish Iraq, remaining so with new survey data, and have fallen somewhat in Ukraine.

RFE/RL **Target: 75** **Actual: 75**

RFE/RL hit its understanding score of 75 percent in FY 2020, which was steady compared to the previous year. Three in four weekly listeners, viewers, or online users reported that RFE/RL programs increased their understanding of current events.

RFA **Target: 53** **Actual: 52**

RFA's understanding metric is reflective almost entirely of metrics from the national survey conducted of Chinese audiences in FY 2018. China's more repressive control of media make survey respondents reluctant to admit finding banned materials appealing or credible. Understanding measures from a Cambodia national survey completed in October 2019, though significantly higher than those from China, failed to boost this metric. No additional surveys were conducted in RFA markets in FY 2020.

MBN **Target: 70** **Actual: 65**

MBN's understanding score of 65 percent in FY 2020 was roughly even with its level in 2019. It reflects large variations by country, with a low of 43.8 percent of weekly Alhurra viewers in Yemen saying the channel increased their understanding of current events to a high of 90.7 percent in Lebanon, 83.9 in Jordan, and 77.7 in Saudi Arabia.

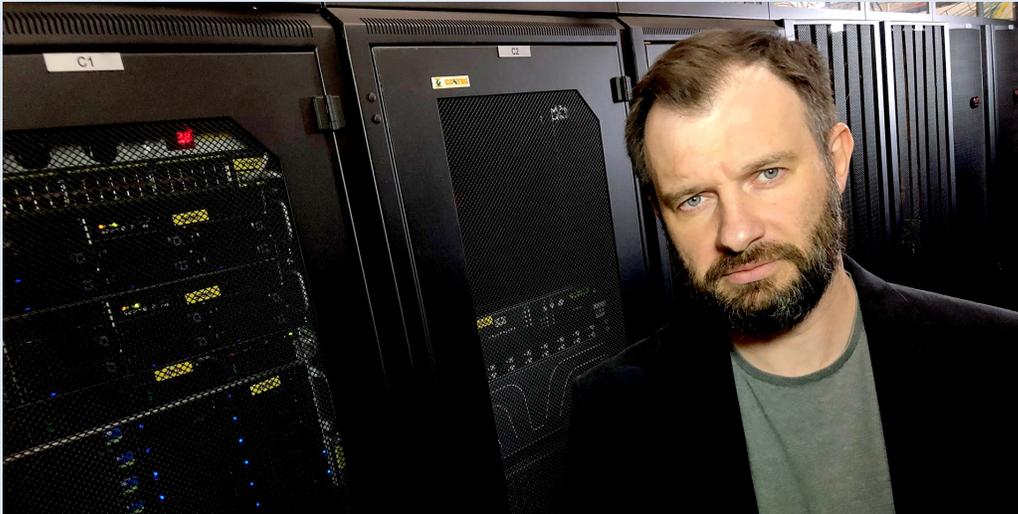
OCB **Target: 80** **Actual: 96**

USAGM did not commission a survey in Cuba in FY 2020, so OCB's understanding score remains unchanged in FY 2020.

A CLOSER LOOK:

Content curation that offers media options not otherwise available in the local market

USAGM NETWORKS FREQUENTLY ACQUIRE AND CURATE CONTENT FROM OTHER LEADING BROADCASTERS TO DIVERSIFY PROGRAM OFFERINGS.



Current Time’s “InterNYET: A History of the Russian Internet.”

In FY 2020, RFE/RL’s Current Time commissioned “InterNYET: A History of the Russian Internet.” This seven-episode series by Russian journalist Andrey Loshak examines the development and evolution of the Russian internet, which reflects the social and political changes in Russian society. “InterNYET” documents milestones in internet technology growth in Russia since the late Soviet era and profiles the country’s most prominent web evangelists and personalities. The series received Russia’s national Laurel Branch award for the year’s Best Scientific-Educational Film, given by the Russian Guild of Documentary Cinema. It also received a Special Jury Prize for journalism from Open Russia, a non-profit group founded by Russian oligarch-activist Mikhail Khodorkovsky that promotes civil rights and democracy in Russia.

VOA’s Armenian Service collaborated with a group of local journalists and film makers to produce several mini-documentaries focused on issues underreported in Armenian media, such as domestic violence, immigration, human rights of minorities and persons with disabilities. This collaboration also produced a series

of stories on Russian disinformation and influence operations in Armenia – from manipulating information on the coronavirus pandemic to tactics used by the Kremlin to propagandize Armenians.

Alhurra's programming schedule incorporates documentaries that features the best nonfiction long-form content from prestigious filmmakers, producers, and networks across the globe. The documentaries consist of compelling stories that complement Alhurra's original programming from suppliers such as PBS, CNN, BBC, History Channel, and others. Examples this year include: a Frontline documentary on the coronavirus, two PBS documentaries on the U.S. elections, and a CNN documentary mini-series bringing each decade from the 1960s to the 2000s to life with news footage and interviews with those involved in shaping America.

IMPACT OBJECTIVE 1

Impact Performance Goal 1.4: Provide programming that is influential with audiences

Helps form opinions on important topics Percentage of weekly audience who report that the broadcasts have helped them form opinions on important topics somewhat or a great deal	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
VOA	62	63	63	63	64
RFE/RL	55	52	56	56	53
RFA	82	87	87	87	85
MBN	71	71	75	80	63
OCB	75	75	75	75	75

Note:

This was a new measure in FY 2017. Actuals for FY 2016 are not available.

IMPACT INDICATOR:

Helps form opinions

This indicator is determined by a question in representative surveys asking past week listeners/viewers/online users of [language] whether the broadcasts have helped them form opinions on important topics. The answers are registered on a four-point scale: “a great deal,” “somewhat,” “very little,” or “not at all.” This indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey, excluding those who did not respond or did not know who chose “a great deal” or “somewhat.”

ANALYSIS OF RESULTS:

VOA **Target: 63** **Actual: 64**

VOA met its target with a score of 64 percent of weekly users who say its content has helped them form their own opinions. This figure has been very stable for three years.

RFE/RL **Target: 56** **Actual: 53**

RFE/RL's score of 53 percent of weekly users who say its content has helped them form their own opinions fell slightly compared to the previous year and did not meet the target of 56 percent.

RFA **Target: 87** **Actual: 85**

This metric is based on surveys in Cambodia and Burma only. (Research contractors were not able to measure this indicator in China.) The drop from 87 to 85 reflects new data from the USAGM Cambodia national survey conducted in September 2019. Although 92.6 percent of adult Cambodia's agreed that RFA helped form their opinions on important issues (roughly comparable to 93.3 percent in the previous survey there), the reduction in audience reach in the country meant these positive figures were given less weight in the overall metric than in FY 2019.

MBN **Target: 80** **Actual: 63**

MBN's score of 63 percent is below target, but is based on data from only three countries that have large variations in scores – Egypt, Libya, and Tunisia. 73.6 percent of Egyptians said Alhurra has informed their opinions on important issues, for example, versus 57.9 percent of Libyans and 37 percent of Tunisians. Data were not available for the majority of MBN markets.

OCB **Target: 75** **Actual: 75**

USAGM did not commission a survey in Cuba in FY 2020, so OCB's score of 75 percent of weekly users who say its content has helped them form their own opinions remains unchanged in FY 2020.

A CLOSER LOOK:

Original reporting on issues of importance to audiences

XINJIANG UYGHUR AUTONOMOUS REGION The RFA Uyghur Service is a primary source news reporting on the detention of millions of Uyghurs in internment camps within China's Xinjiang Uyghur Autonomous Region (XUAR). Despite the detention of RFA Uyghur reporters' families since 2017 and ongoing direct threats, the Service continues to serve as the most credible news source on the Chinese government's crackdown. In FY 2020, RFA's Uyghur Service produced exclusive radio and television interviews with internment camp survivors and broadcast reports confirming China's attack on Uyghur language, culture, religion, traditions, customs, and values. RFA Uyghur sounded the alarm on the threat COVID-19 poses for crowded and unsanitary internment camps, countering the Chinese Communist Party (CCP) narrative that detainees need not fear the virus. The Service also exposed how Uyghurs were sent to China's factories to work during the height of the COVID-19 crisis. Western media outlets echoed the shout-outs by human rights groups, members of the U.S. Congress, leading voices in the Administration, multilateral organizations, and academics who have long credited RFA with being the first to expose the mass Uyghur detentions. Two Washington Post opinion pieces in FY 2020 said RFA's small Uyghur team "confounded the massive propaganda machine of the Communist Party of China." In May, RFA Uyghur journalist Gulchehra Hoja was awarded the International Women's Media Foundation's "Courage in Journalism" Award for her coverage of the ongoing human rights abuses in Xinjiang. RFA Uyghur Service work also helped inform the Uyghur Human Rights Policy Act, which was signed into law in June, stating "the United States should expand the availability of and capacity for Uyghur language programming on Radio Free Asia in Xinjiang Uyghur Autonomous Region."

BELARUS Rigged presidential elections, historic public mobilization, and brutal crackdowns by President Alyaksandar Lukashenka unleashed a major crisis in Belarus. RFE/RL's reporters faced an unprecedented level of harassment with detentions, arrests, assaults, and psychological pressure. Nonetheless, USAGM's networks drastically increased their coverage of events in Belarus and featured

exclusive interviews with opposition leaders, U.S. Secretary of State Mike Pompeo, as well as international leaders and prominent experts. The networks also provided extensive coverage of the brutal crackdown on anti-Lukashenka protesters in the weeks following the election, documenting the torture of those detained. RFE/RL's Belarus, Russian, and Ukrainian Services maintained live blogs, providing the latest news and analysis from Belarus and abroad, as well as live streaming of events, protests, and speeches. RFE/RL's Current Time also focused on Belarus and featured long form programs, daily live specials, and live streaming of events. VOA's Russian and Ukrainian services provided extensive coverage of not only developments in the country, but also statements by U.S. and European officials, expert analyses, and reactions from the U.S.-based diaspora. In August 2020, RFE/RL Current Time's video coverage of Belarus received 209 million views across the network's social media platforms. And reporting on the protests caused RFE/RL Belarus digital traffic to skyrocket, with Instagram video views, for example, increasing by 1,680 percent – with 20.6 million views.

LEBANON In the aftermath of the Beirut port explosion, Alhurra hosted more than seven hours of breaking news coverage as protesters occupied government ministries and took to the streets to show their anger. Following those protests, the network provided extensive reporting and live coverage of the resignation of the Lebanese government as the country struggled to rebuild. Alhurra also reported on U.S. reaction to the explosion and ousting of the Lebanese government, as well as Acting U.S. Agency for International Development (USAID) Administrator John Basra's visit to Beirut and his announcement of an additional \$4 million in humanitarian aid. *Alhurra Investigates* unveiled the magnitude of Hezbollah's influence and power in Beirut's sea port. The program interviewed insiders who had worked at the port and witnessed Hezbollah's control over the area. The investigation looked at the story of the ship that brought ammonium nitrate to Beirut.

BURMA (MYANMAR) RFA provided stand-out coverage of the conflict in Rakhine State, a situation that most domestic news outlets avoided for fear of reprisals from the military. Exclusive reporting by RFA Burmese about a woman who accused three Myanmar soldiers of rape, for example, received nearly 6 million views on Facebook. As a result, the border affairs minister in Rakhine State, where

the alleged assault occurred, initiated an investigation and the victim filed a formal complaint with police.

Additionally, COVID-19 shaped virtually every aspect of life this year, and USAGM networks rose to the challenge of providing objective, unbiased coverage to audiences looking for the truth about the disease and its effects.

VOA As coronavirus spread across the world, VOA mobilized its vast network of reporters to provide high-quality, independent coverage on all of the various aspects of the disease and its impact. For example, VOA reported on the latest scientific discoveries about the SARS-CoV-2, as well as on treatments and vaccine development, from around the world, addressed ways to mitigate the risks of the virus, and provided in-depth explanatory pieces on the social, economic, and political implications of the pandemic. VOA's various divisions and language services produced several virtual town halls featuring prominent U.S.-based and international experts that addressed the general challenges related to the pandemic as well as more region- and country-specific questions from the audiences.



VOA's Virtual Town Hall on Coronavirus aired March 20, 2020 with experts from Johns Hopkins University, Harvard Global Health Institute, and the Institute for International Health and Education.

VOA also covered China's COVID-related disinformation campaign and attempts to expand its influence abroad, as well as the response to these attempts by the U.K. and NATO. To counter disinformation from China on the virus, VOA

Mandarin translated and published the Congressional report on the origins of COVID-19, providing a comprehensive picture of the U.S. government's investigation on the matter. The service also conducted an in-depth interview with Congressman McCaul of Texas, ranking member of the Foreign Affairs Committee and chair of the China Task Force, which conducted the investigation. The report provoked a strong reaction in China's media. The Red Star News published a long article with item-by-item rebuttals of what it called the "12 lies" in the report. China's state news agency Xinhua also published an article about the "5 lies" of the McCaul report.

RFE/RL As COVID-19-related disinformation ran rampant across RFE/RL's coverage area, all of RFE/RL's language services committed to providing public service journalism in the form of basic facts on the virus, video explainers about how to stay healthy and safe, and investigations into disinformation campaigns. At the beginning of the pandemic, many governments denied the presence of COVID-19 within their borders and, as a result, RFE/RL stood alone in informing the public about the potential risks of the coronavirus. For instance, a harsh smear campaign against RFE/RL was launched in Tajikistan because the Tajik Service was the first in the country to report on possible COVID-19 cases there. On April 30, 2020, after weeks of denials, the Tajik government officially confirmed that it had registered cases of COVID-19 in the country.

As the pandemic pressed on, RFE/RL also exposed the failings of medical institutions across the broadcast region. For example, Current Time covered the dismal state of some regional clinics in Ukraine, including a report on an emergency paramedic team in the Kyiv region that lacked basic medical supplies and had to rely on a rusty ambulance and just one protective suit. The story attracted the attention of the local authorities and the Ukrainian Minister of Healthcare, who visited the clinic himself.



RFA Mandarin started reporting on an unexplained pneumonia in Wuhan in late 2019 and maintained its detailed coverage of the outbreak and its eventual spread in China and beyond throughout 2020. The service focused particularly on important issues such as questionable COVID-19 statistics reported by Beijing and local governments, the failure of the state-run supply system to distribute much-needed medical supplies, and the disinformation campaign attempting to blame the U.S. for the origins of the virus. RFA also reported on the Chinese authorities' disregard for minorities, as they reopened tourist sites in Tibet while the pandemic was still raging in the country, and on the grave violations of the rights of the Uyghurs, sent from Xinjiang to other parts of China to perform labor in factories affected by coronavirus-related worker shortages. RFA Korean led the world in reporting evidence of COVID-19 outbreaks in North Korea, while the government maintained the country was coronavirus-free.

In Southeast Asia, the network maintained its focus on the most vulnerable, covering the plight of the very poor who had lost their livelihoods to the economic downturn brought about by the pandemic and of migrant workers forced to return home and stuck at closed borders for week. RFA also reported on the challenges faced by the Rohingya refugees, trapped in camps without proper supplies or information, as well as stuck on boats in the high seas, rejected by countries afraid of potential COVID-19 cases.

MBN Through its various television, radio, and digital assets, MBN provided extensive coverage of the pandemic and its impact around the world and more specifically, across the broader Middle Eastern region. Alhurra reported on the latest COVID-19-related developments in the U.S. as well as on the progress of various coronavirus vaccines and treatments. In the first months of COVID-19, Alhurra dedicated the majority of its 12-hours of daily newscasts and Sawa radio's news updates to information related to the virus. Alhurra's daily morning show *Al Youm* provided viewers with updates on ways they can help protect themselves and their loved ones. It examined community outreach efforts to help those most at risk of contracting the virus. Additionally, Alhurra.com added a COVID-19 landing page making it easy for readers to find all the latest news.

MBN's networks often featured human interest stories, highlighting the resilience of individuals facing incredible challenges brought about by the pandemic, such as Libyan and Yemeni doctors fighting for the lives of coronavirus patients in the midst of civil wars in their countries, as well as stories of artists from across the region paying their tributes to medical workers. MBN's various digital outlets covered the economic impact of the pandemic across the Maghreb, especially as it affected the prominent tourism sector in the region. They also highlighted efforts to help those in need as their governments started imposing lockdowns, reporting on volunteers who delivered food and other necessities to the elderly, the poor, and those living in very remote areas.

OCB As the COVID-19 pandemic reached Cuba, the Martís increased their programming to match the growing need for independent and fact-based information about the health crisis and its impact on the island. One of the most prominent angles of the network’s reporting on the pandemic in Cuba has been the social impact of COVID-19, particularly for the most vulnerable. The Martís reported that as the economy and the tourism sector suffered from the pandemic, so did the poorest segments of the population who struggle to afford food and critical medication and healthcare. The network also covered the challenges of online schooling on the island, due to poor and often non-existing infrastructure and lack to access to technology, and the growing incidence of domestic violence facing many women, now stuck at home with their dependents and agitated partners. Another prominent angle covered by the network was human rights, as the government used the pandemic as an excuse to further crack down on independent reporters and activists who might have been critical of its response.

Impact Objective 2:

Reach and engage audiences in key strategic areas, including the information-denied, underserved, and targets of disinformation and extremist rhetoric

In deciding where to target its broadcasting, USAGM concurrently considers the U.S. national interest and countries that lack a free or developed press. USAGM prioritizes reaching audiences in areas plagued by extremism, where forces espouse violent ideologies and execute campaigns of terror that threaten U.S. national security, regional security, and democracy. Another key focus area is audiences subjected to state-sponsored disinformation campaigns, which seek to undermine democratic norms and objective truth. In all target countries, USAGM networks seek to grow their audience base and reach those traditionally underserved by USAGM broadcasts. Populations in the target countries are overwhelmingly young – a challenge, but also a chance to connect with a demographic that in many cases has never even heard of USAGM’s networks. USAGM’s audience is approximately 57 percent male and 43 percent female – an imbalance ripe for correcting. USAGM understands that to reach and be relevant with audiences, it needs to provide them with content that not only informs them of international and local news, but improves their understanding of civil society.

USAGM will:

- Prioritize countries lacking freedom and democracy or faced with disinformation or extremism, where accurate, credible news and information are lacking.
- Introduce service in selected new languages to reach sizeable new audiences in countries where USAGM products are urgently needed.
- Reach out to women and youth with programming that addresses issues of concern and relevance to their lives.
- Sharpen audience segmentation and targeting to drive content strategies and better address gender and age demographics, as well as psychographic segments, which consider values, attitudes and aspirations.
- Transmit to closed societies lacking press freedom.

- Ensure strong local news coverage, as warranted by events, to meet urgent audience needs in areas of crisis.
- Draw on the experiences of America and other free societies to present a broad array of political views and debates.

Impact Performance Goal Overview

Snapshot of Weekly Audience Reach in Key Countries

2.1

Achieve significant audience reach in environments subject to extremist rhetoric and violence.



2.2

Reach audiences in information-denied environments.



2.3

Reach audiences in environments targeted by state-sponsored disinformation campaigns.



IMPACT OBJECTIVE 2

Impact Performance Goal 2.1: Achieve significant audience reach in environments subject to extremist rhetoric and violence

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
Increase or maintain weekly audiences in: ¹						
Iraq ²	42.6% (Jan 2016)	42.6% (Jan 2016)	42.6% (Jan 2016)	35.0% (Jul 2017)	45%	61.7%
Nigeria	21.0% (Feb 2016)	21.0% (Feb 2016)	21.0% (Feb 2016)	19.2% (Jul 2018)	19.2%	19.2% (Jul 2018)
Afghanistan	49.4% (Nov 2015)	38.5% (Nov 2016)	38.5% (Nov 2016)	69.3% (Jul 2018)	69.3%	69.3% (Jul 2018)
Pakistan (excluding Former FATA and Gilgit Baltistan)	5.7% (Jun 2014)	2.9% (Aug 2016)	2.9% (Aug 2016)	5.3% (Jan 2019)	5.3%	5.3% (Jan 2019)
Former FATA region ³	26.4% (Jun 2015)	26.4% (Jun 2015)	26.4% (Jun 2015)	26.4% (Jun 2015)	26.4%	N/A
Central Asia ⁴	2.7 million	3.9 million	3.9 million	4.3 million	4.3 million	4.3 million

¹ Multi-country estimates are presented in real numbers, rather than percentages, because of the potential high variations in percentages across covered countries. The countries and regions listed were selected by USAGM experts and represent a subset of those that USAGM networks target with programming that provides news and information to counter extremist messaging.

² The 2020 Iraq estimate includes data from two different surveys, one among Iraqi Arabs and one among Iraqi Kurds. In previous years, reach among Iraqi Arabs and Kurds was collected in a single survey. Fieldwork for the survey among Iraqi Arabs took place in August 2019; fieldwork for the Iraqi Kurdish survey took place in October 2019.

³ The last USAGM survey of former Federally Administered Tribal Areas (FATA) was conducted in June 2015, outside of the five-year reporting window for USAGM research.

⁴ Includes data from Kazakhstan (Nov 2016), Kyrgyzstan (Oct 2018), Tajikistan (June 2017), Turkmenistan (June 2019), Uzbekistan (May 2017).

IMPACT INDICATOR:

Weekly audience is defined under Impact Performance Goal 1.1.

ANALYSIS OF RESULTS:

Of the listed countries, new survey results were available in FY 2020 only for Iraq, where USAGM audiences grew to 61.7 percent, significantly exceeding the target of 45 percent.

A CLOSER LOOK:

Examples of USAGM impact in environments subject to extremism

In FY 2020, USAGM networks continued to counter extremism through comprehensive and objective reporting. RFE/RL focused on the impact of radical Islamic extremism in Southwest and Central Asia, the Balkans, and across the network's coverage area. RFE/RL's Afghan Service, for example, provided in-depth reporting on terrorism. Insurgents often portray the international presence in Afghanistan as an occupation and exaggerate their own progress. RFE/RL continued to dispel these false narratives. In the Balkans, RFE/RL engaged audiences in discussion about radicalization, including reporting on returning Islamic State fighters and their reintegration into society.

MBN addresses topics and perspectives often left out of the mainstream media in the region, including the consequences of extremism, through newscasts, programs, and digital reports. MBN focuses on building bridges between communities, nationalities, and religions. Innovative formats and open debates to engage audiences on potentially controversial issues. In FY 2020, Alhurra's weekly Word of Truth program had episodes on online blackmailing and the prosecution of journalists.



On Debatable, Egyptian author Ibrahim Essa, well-known for his provocative commentary and insights, delved into controversial political and ideological issues in

the region, including fatwas against women, Judaism's influence on Islam, and how Christians and Muslims view each other.

VOA provided programming aimed at inoculating vulnerable populations against extremist and radical narratives in 2020. Through the New Generation Initiative, for example, VOA Afghan countered terrorist recruitment efforts with radio, television, and digital reporting aimed at young Afghan men and women that focused on education and employment, and demonstrate how youth can thrive in mainstream Afghanistan.

IMPACT OBJECTIVE 2

Impact Performance Goal 2.2: Reach audiences in information-denied environments

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
Increase or maintain weekly audiences in: ¹						
China	0.28% (Jun 2014)	0.28% (Jun 2014)	6.2% (Aug 2017)	6.2% (Aug 2017)	6.2%	6.2% (Aug 2017)
Vietnam	3.6% (Mar 2015)	3.6% (July 2016)	3.6% (July 2016)	3.6% (Jul 2016)	3.6%	3.6% (Jul 2016)
Laos	5.0% (Dec 2012)	2.4% (Sep 2016)	2.4% (Sep 2016)	2.4% (Sep 2016)	2.4%	2.4% (Sep 2016)
Turkmenistan	2.2% (Oct 2011)	NA	NA	6.1% (Jun 2019)	6.1%	6.1% (Jun 2019)
Uzbekistan	1.6% (Sep 2012)	1.6% (May 2017)	1.6% (May 2017)	1.6% (May 2017)	2.0%	1.6% (May 2017)
Iran	14.9% (Aug 2015)	14.9% (Aug 2015)	23.4% (Sep 2017)	23.4% (Sep 2017)	23%	23.4% (Sep 2017)
Azerbaijan	3.5% (Dec 2015)	3.5% (Dec 2015)	3.5% (Dec 2015)	3.5% (Dec 2015)	3.5%	3.5% (Dec 2015)
Cuba	NA	11.1% (Mar 2017)	11.1% (Mar 2017)	11.1% (Mar 2017)	13%	11.1% (Mar 2017)

Continue to serve and monitor information-denied environments lacking representative survey data, including North Korea, Eritrea, Syria, Tibet, and Xinjiang Uyghur Autonomous Region.

¹ Selected countries include those targeted by USAGM networks, in which USAGM is able to conduct research, that have the lowest press freedom scores on external indices.

IMPACT INDICATOR:

Weekly audience is defined under Impact Performance Goal 1.1.

ANALYSIS OF RESULTS:

None of the listed countries had new survey research in FY 2020.

A CLOSER LOOK:

Examples of USAGM impact in information-denied environments



Radio Farda interview with Former Iranian President Mahmoud Ahmadinejad.

IRAN Former Iranian President Mahmoud Ahmadinejad, who rarely speaks to the press, got more than he bargained for when he agreed to an interview with RFE/RL’s Radio Farda. Ahmadinejad was confronted with questions about human rights violations under his presidency, harassment of journalists, including Radio Farda correspondents, and his use of Twitter, despite the social media platform being banned for most Iranians. The interview received more than 1 million views on Radio Farda’s Instagram page and was cited in Iranian media, including Hamshahri – the country’s largest circulation daily newspaper – and ISNA, a state-run news agency. It was praised by a prominent Iran analyst as a “great no holds barred interview” in which the reporter showed “how to interview, fact check, and push back on a political figure whose go-to tactics are deflection and lies.”

CUBA OCB continued to provide reliable news and information found nowhere else in Cuba to give voice to the voiceless. The network broadened its approach and appeal to the island nation’s younger generation and decision-makers while speaking directly to its core audience comprised of civil-society and opposition leaders. In FY 2020, the Martís also ramped up efforts to counter disinformation

from China, Russia, Venezuela, and North Korea that Havana disseminates on state-run media.

CHINA In August 2020, VOA Mandarin published a video story based on its exclusive interview with Liu Lipeng, who worked as a “content auditor” for China’s social-media giant, Sina, for ten years. Liu provided thousands of pages of Sina instructions and daily working dairies, offering a rare, intimate peek inside a Chinese censorship factory. The story detailed how censors are trained, how technology is employed, and the arbitrary nature of “regulations.” It garnered more than 654,000 views across Twitter, Facebook, and YouTube. Many famous Chinese opinion leaders critical of the CCP commented on or retweeted the video.

News pick-ups and research from inside closed regimes

NORTH KOREA RFA Korean broke news by providing evidence of COVID-19's spread in North Korea, while the government was still denying the virus had even reached the country. In-country sources told RFA that Communist Party organizations and neighborhood watch groups were hosting lectures on preventing the spread of the disease, during which they shared information about infections in Pyongyang, North Hamgyong, and Hwanghae provinces. RFA's reporting was picked up by the Guardian, Reuters, Deutsche Welle, Foreign Policy, the Korea Times, USA Today and South Korea's Hankyoreh, prompting North Korea's rulers to issue propaganda to counter RFA's reporting.

CHINA RFA's reporting that put Wuhan, China's COVID-19 death toll upward of 40,000 – repudiating Beijing's official 2,500 figure – was cited widely in articles and tweets by international media, including CNN, NBC, PBS, the Washington Post, Fox News, Time, VICE News, the Toronto Sun, and The Times of London. The official China Global Television Network responded, labeling such reporting as “baseless Wuhan death speculations.”

TURKMENISTAN Turkmenistan's government long claimed it has prevented anyone in the country from being infected with the coronavirus, but evidence revealed that the government was lying. An RFE/RL Turkmen Service correspondent in Turkmenistan was able to get exclusive video from a cemetery outside of the capital, Ashgabat, which showed hundreds of fresh graves. They spoke to a gravedigger who said that the graves appeared during the previous 10 days and the bodies were wrapped in “thick plastic bags.” RFE/RL's Turkmen Service Director appeared on Al Jazeera English to participate in discussion and analysis about the state of COVID-19 in Turkmenistan. Working for RFE/RL is illegal in Turkmenistan, and correspondents contributed the information at great personal risk.

IMPACT OBJECTIVE 2

Impact Performance Goal 2.3: Reach audiences in environments targeted by state-sponsored disinformation campaigns

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
Increase or maintain weekly audiences in: ¹						
The Russian Federation	4.9% (Jun 2016)	4.9% (Jun 2016)	7.7% (May 2018)	7.7% (May 2018)	9%	7.7% (May 2018)
Ukraine	18.0% (Jun 2016)	18.0% (Jun 2016)	18.0% (Jun 2016)	18.0% (Jun 2016)	20%	24.4% (May 2019)
Moldova	32.1% (Feb 2016)	32.1% (Feb 2016)	32.1% (Feb 2016)	32.1% (Feb 2016)	15%	32.2% (Nov 2019)
Kazakhstan	0.9% (Jan 2011)	9.6% (Nov 2016)	9.6% (Nov 2016)	9.6% (Nov 2016)	10%	9.6% (Nov 2016)
Tajikistan	11.4% (Jun 2016)	10.8% (Jun 2017)	10.8% (Jun 2017)	10.8% (Jun 2017)	11%	10.8% (Jun 2017)
Estonia	5.2% (Aug 2015)	5.1% (Jun 2016)	5.1% (Jun 2016)	5.1% (Jun 2016)	7%	12.9% (Nov 2019)
Latvia	7.2% (Aug 2015)	5.2% (Jul 2016)	5.2% (Jul 2016)	5.2% (Jul 2016)	7%	14.3% (Oct 2019)
Lithuania	10.0% (Aug 2016)	10.0% (Jul 2016)	10.0% (Jul 2016)	10.0% (Jul 2016)	10%	11.7% (Oct 2019)

¹ The countries and regions listed were selected by USAGM experts and represent a subset of those that USAGM networks target with programming that provides news and information to counter state-sponsored propaganda.

IMPACT INDICATOR:

Weekly audience is defined under Impact Performance Goal 1.1.

ANALYSIS OF RESULTS:

Of the listed countries, new survey data were available for Ukraine, Moldova, Estonia, Latvia, and Lithuania. In Moldova, audiences remained high at 32 percent. The other four countries experienced significant audience growth that exceeded targets.

CONTEXTUAL INDICATORS:

Freedom House Rankings	# of USAGM target countries ranked		
	Not Free	Partly Free	Free
2020 Freedom in the World (political)	49	55	22

Reporters Without Borders Rankings	# of USAGM target countries ranked				
	Very Bad	Bad	Problematic	Fairly Good	Good
2020 World Press Freedom Index	23	44	45	11	2

Note:

Freedom House discontinued its Freedom of the Press Rankings in 2018. USAGM is now using Reporters Without Borders' World Press Freedom Index to track press freedom in its target countries.

A CLOSER LOOK:

Examples of USAGM impact in environments targeted by state-sponsored disinformation campaigns

One of the major themes for state-sponsored disinformation during the past year has involved COVID-19. USAGM networks continued to counter that disinformation. OCB's Martís aired reports debunking Havana's propaganda that the coronavirus is a CIA-terror weapon. VOA's Polygraph.info addressed false claims about the pandemic by authoritarian regimes, particularly China. It also dispelled a recurring theme in Russian news coverage that the coronavirus was a result of American efforts to engineer biological weapons in U.S.-funded laboratories based in Georgia and Ukraine. And VOA Russian's digital video series Context, which analyzes and debunks propaganda, has recorded more than 5 million views since its launch in 2019.



RFE/RL's "Footage vs. Footage" host Andrey Cherkasov.

Similarly, RFE/RL continues to focus on countering authoritarian regime conspiracy theories with fact-based reporting and analysis. On Current Time, Footage vs. Footage addresses disinformation by juxtaposing examples of television news coverage to demonstrate how different countries cover a

particular issue. In FY 2020, Footage vs. Footage highlighted the disinformation campaigns waged on Russian state-run media on issues ranging from the war in Donbas, the Iranian downing of a Ukrainian passenger jet, and Kremlin efforts to promote humanitarian aid shipments to the United States and Italy during the COVID-19 pandemic for propaganda purposes rather than address the needs of Russia's medical workers.

Impact Objective 3:

Overcome censorship to connect audiences in closed societies

Over the past seven decades, U.S. international broadcasting has fought censorship in all its forms. Today, even as the global media environment undergoes a dynamic revolution, access to a free press is actually in decline globally. Jamming of radio and television broadcasts continues in a number of countries. Journalists suffer harassment and violence daily. Media laws often restrict free flows of information, limiting the ability of international news organizations to distribute their content. The internet in particular is under assault as audiences increasingly access and share USAGM content on digital platforms and via social media. The agency upholds the right of citizens everywhere to receive and impart information without restriction. USAGM works on many fronts to make news and information accessible to its global audiences with the aim of enabling not only unfettered access to agency products, but also the full spectrum of independent news sources on the internet.

USAGM will:

- Lead in assisting people around the world to gain access to information on all platforms, advocating on the international stage and coordinating within the U.S. government and with international broadcasters and other allies.
- Help audiences understand through journalistic reports the practices and policies of internet censorship and circumvention.
- Fund technologies that counter internet censorship and internet blocking and allow citizens and journalists to operate securely online.
- Increase effective use of social media and digital platforms to combat censorship.
- Provide in-house digital expertise to address real-time censorship and jamming issues in targeted regions.
- Cultivate information-sharing relationships on internet freedom matters with other federal agencies, nonprofits, and the private sector.

IMPACT OBJECTIVE 3

Impact Performance Goal 3.1: Increase usage of internet freedom products

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
Weekly unique users on Psiphon	NA	649,040	967,763	621,392	615,000	415,057
Weekly unique users on nthLink	NA	NA	NA	NA	30,000	140,386
Weekly visits to USAGM web sites through Psiphon	NA	8,794,243	8,452,100	7,092,592	3,725,000	3,436,223
Weekly visits to USAGM web sites through nthLink	NA	NA	NA	NA	180,000	171,719
Weekly visits to USAGM web sites through NewNode ¹	NA	NA	NA	NA	200,000	NA
Proxy traffic through Psiphon	11,048 TB	15,402 TB	21,725 TB	15,875 TB	17,500 TB	13,452 TB
Proxy traffic through nthLink	NA	NA	NA	NA	1,000 TB	2,287 TB

¹ NewNode has been integrated into apps by RFE/RL and MBN; however, data on NewNode usage through these apps is available for only a small portion of FY 2020. It will be reported for the first time for FY 2021.

IMPACT INDICATORS:

Aspects of usage of USAGM-supported proxy tools

The measures for this performance goal reflect various aspects of usage of various USAGM-supported proxy tools for circumventing internet censorship: Psiphon, nthLink, and NewNode. Metrics include average number of weekly unique users on the tools, average weekly visits to USAGM websites through the tools

(measured as the number of landing pages served), and annual proxy traffic through the tools.

In FY 2020, Psiphon supported VOA Afaan Oromoo, Afghan, Amharic, Azerbaijani, Burmese, Chinese, Persian, Russian, Tibetan, Tigrigna, Urdu, Uzbek, Vietnamese, and English; RFE/RL Azeri, Belarussian, Chechen, Crimean, Farda (Persian), Kazakh, Kyrgyz, Russian, Tajik, Turkmen, Ukraine, and Uzbek; RFA Cantonese, Mandarin, Tibetan, Uyghur, and Vietnamese; MBN Alhurra and Radio Sawa; and OCB Martí. NthLink supported VOA Mandarin, Persian, and Urdu; RFE/RL Farda (Persian); and RFA Mandarin.

ANALYSIS OF RESULTS:

Weekly unique users

In FY 2020, weekly unique users fell short of the target by 33 percent (19,943 users) on Psiphon, but exceeded the target on nthLink by 386 percent (110,385 users).

Weekly visits to USAGM web sites

In FY 2020, weekly visits to USAGM sites fell short of the targets by 8 percent (288,777 visits) on Psiphon and 5 percent on nthLink (8,281 visits). NewNode traffic could only be tracked to RFE/RL sites and not to the other USAGM networks.

Proxy Traffic

In FY 2020, proxy traffic fell short of the target through Psiphon by 23 percent (4,048 TB of proxy traffic), but exceeded the target by 129 percent (2,287 TB of proxy traffic) through nthLink.

Contextual Indicator:

Freedom House Rankings	# of countries with customized USAGM-sponsored circumvention tools ranked as:		
	Not Free	Partly Free	Not Ranked
2020 Freedom on the Net	11	1	4

A CLOSER LOOK:

Development of new technologies and activities to counter internet censorship and blocking

USAGM is committed to funding both open- and closed-source anti-censorship tools, providing digital security and circumvention tools trainings for journalists, and working with USAGM staff to promote circumvention tools. To that end, in August 2020, USAGM revived its Office of Internet Freedom (OIF). OIF's mission is to support the testing, deployment, and management of technologies that circumvent internet blocking, filtering, and other censorship techniques principally used by repressive regimes, such as those in China and Iran. OIF has a track record of ensuring that U.S. taxpayer dollars allocated for internet freedom projects are maximized. Through a competitive bidding process, OIF awarded several contracts for the deployment of secure and effective anti-censorship technologies, which will enable individuals around the world to more safely access and share news content and other digital information online. The two initial awardees were Psiphon and ACI, which use powerful anti-censorship tools like VPN, SSH, and HTTP proxies. At the time of publication, OIF was in the process of launching another round of competitive bidding to fund additional internet freedom technology.

Engagement on the international stage to combat satellite and radio jamming

USAGM collaborates with other international broadcasters, broadcasting organizations, international telecommunication organizations, and other government agencies to oppose jamming.

In FY 2020, numerous instances of what is officially termed “purposeful interference” have been attributed to Iran. There were isolated instances of such activity that were geolocated to areas near Iran, but there was insufficient data to determine the exact origin of the interfering signals that negatively impacted Voice of America and Radio Free Asia programming.

USAGM remains diligent in pursuing regulatory, technical, political, and public communications avenues to address satellite and radio jamming of its content.

Impact Objective 4:

Optimize program delivery by market and expand engagement on digital platforms

It is essential that USAGM reach audiences on their preferred media platforms. USAGM is aligning how it delivers content with how consumers access it now and in the future. USAGM will continue growing and enhancing new distribution methods, with specific attention to social and mobile platforms. On traditional media, USAGM is continually migrating to the most effective broadcast channels, including satellite and broadcast television and FM radio. The agency is aggressively expanding and improving on its successful model of affiliations and syndication of content on all platforms. Ultimately, USAGM seeks to utilize the platforms that work best for the market at hand to get content to as many users as possible.

USAGM will:

- Increase distribution on platforms that USAGM knows audiences are using – FM, satellite and broadcast television, and mobile devices – continuing migration away from legacy platforms that no longer effectively reach audiences.
- Expand reach and engagement on digital platforms, including new streaming and over-the-top platforms.
- Find creative ways to penetrate closed societies, through flash drives, DVDs, and other alternative delivery means.
- Expand local distribution through affiliation with strong local television and FM radio stations and digital platforms and, where possible, installation of FM transmitters.
- Draw on research and other inputs to tailor format and presentation styles to audience needs and media usage habits, creating content that can break through ever-increasing clutter.
- Exploit the falling cost of video production to support growing audience appetite for television and video by updating USAGM broadcasting facilities.

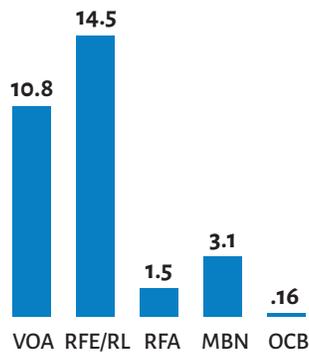
Impact Performance Goal Overview

4.1

Increase web traffic

WEEKLY WEB AND MOBILE VISITS

in millions

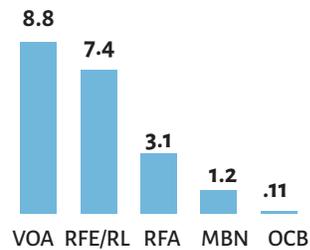


4.2

Increase audience interaction via social media

DIGITAL ENGAGEMENT

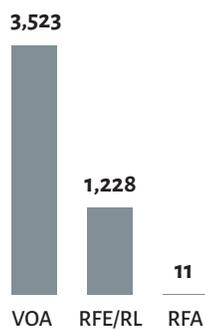
in millions



4.3

Build strong affiliate relationships

AFFILIATES



IMPACT OBJECTIVE 4

Impact Performance Goal 4.1:
Increase web traffic

Average weekly visits to web and mobile sites	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
VOA	6,957,800	8,810,700	8,850,000	9,383,700	9,571,400	10,832,000
RFE/RL	7,500,200	8,464,600	9,751,200	10,990,200	11,539,700	14,466,500
RFA	848,700	901,200	1,010,900	1,267,000	1,330,400	1,468,100
MBN	490,300	1,092,400	854,500	1,028,100	1,182,300	3,076,900
OCB	162,800	172,500	142,600	136,100	149,700	163,900

Note:

- Data in the chart above should be compared across years and not across broadcasters, in part because broadcasters are measuring different numbers of web and mobile sites and languages, ranging from one to over 40.
- Data pulled from Adobe Analytics from 10/1/2019 to 9/5/2020.

IMPACT INDICATOR:

Average weekly visitors:

This indicator measures the number of visits to USAGM websites over a 52-week period and creates an average based on 52 weeks of data coinciding with the fiscal year. Average weekly visits are derived from online analytic data tracked in Adobe Analytics. Unlike measured weekly audience reported above, average weekly visits to websites are not unduplicated, meaning one individual could account for multiple visits.

ANALYSIS OF RESULTS:

VOA	Target: 9,571,400	Actual: 10,832,000
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VOA's web and mobile traffic exceeded its target set for FY 2020, and experienced an increase of nearly one and a half million weekly visits from FY 2019.

RFE/RL	Target: 11,539,700	Actual: 14,466,500
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RFE/RL's web and mobile traffic significantly exceeded the target set for FY 2020. The number of weekly visits to RFE/RL websites grew by over 30 percent.

RFA	Target: 1,330,400	Actual: 1,468,100
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RFA's web and mobile traffic continued to grow in FY 2020, exceeding its 5 percent growth target. RFA continued its strong focus on growth in social media traffic. Surveys and qualitative research suggest that, for many online audience members, direct consumption of RFA via its branded websites has been outstripped by consumption of content on YouTube, Facebook, and other social media platforms.

MBN	Target: 1,182,300	Actual: 3,076,900
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MBN's weekly web traffic in FY 2020 was significantly above target and likely reflects, in part, enhanced focus on alhurra.com and radiosawa.com websites.

OCB	Target: 149,700	Actual: 163,900
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OCB's web and mobile traffic increased from FY 2019 and exceeded the target set for FY 2020.

IMPACT OBJECTIVE 4

Impact Performance Goal 4.2: Increase audience interaction via social media

Digital engagement action (average weekly)	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
		Without Instagram			With Instagram		
VOA	Baselines not established	4,937,600	4,126,700	3,520,500	5,494,700	5,714,500	8,830,100
RFE/RL		2,106,100	2,261,300	2,131,100	4,100,800	4,305,800	7,415,500
RFA		1,125,300	823,200	1,130,900	1,130,900	1,176,100	3,056,600
MBN		646,700	883,000	501,000	516,400	526,700	1,244,100
OCB ¹		32,200	70,700	69,900	70,000	77,000	113,600

¹OCB's FY 2018 Actual was previously reported incorrectly in the FY 2018 Performance and Accountability Report and FY 2020 Congressional Budget Justification, due to a calculation error; it has been corrected here.

Note: Data pulled from Socialbakers from 10/1/2019 to 9/5/2020.

IMPACT INDICATOR:

Digital Engagement Actions:

This indicator measures the weekly average number of engagement actions on currently measurable platforms, currently Facebook, Twitter, YouTube, and Instagram. Engagement actions include measurable actions that demonstrate an activity beyond just consuming content – either reacting to a USAGM post by liking, “favoriting,” commenting, sharing, or retweeting or liking or following a USAGM account or profile for the first time. These actions are tracked through Socialbakers, a third-party vendor.

ANALYSIS OF RESULTS:

VOA Target: 5,714,500 Actual: 8,830,100

VOA social media engagement greatly exceeded the target set for FY 2020, with an increase of 60 percent from FY 2019.

RFE/RL Target: 4,305,800 Actual: 7,415,500

Engagement with RFE/RL content posted to the social media accounts increased substantially in FY 2020. RFE/RL social media engagement grew substantially, rising 72 percent compared to the previous year.

RFA Target: 1,176,100 Actual: 3,056,600

RFA far exceeded its social media engagement target, fueled by extraordinary growth in comments, likes, shares, and reactions on RFA posts, especially on RFA Burmese Service’s Facebook page.

MBN Target: 526,700 Actual: 1,244,100

MBN’s digital engagement actions are above target and likely reflect, in part, strong engagement on localized social media accounts, such as Maghreb Voices, Irfaasawtak (Raise Your Voice) for Iraq and the Levant, and El Saha for Egypt.

OCB Target: 77,000 Actual: 113,600

In FY 2020, OCB social media engagement exceeded its target, increasing 62 percent from the previous year.

IMPACT OBJECTIVE 4

Impact Performance Goal 4.3: Build strong affiliate relationships

Number of affiliations (broadcast, online, and mobile)	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
USAGM ¹	NA	NA	NA	3,729	3,850	4,174
VOA ²	2,265	2,411	2,247	3,151	3,200	3,523
RFE/RL	761	798	777	1,140	1,200	1,228
RFA ³	35	7	11	10	11	11

¹ USAGM reported a consolidated number of affiliations for the first time in FY 2019. This number is unduplicated, meaning that a station or outlet is counted only once, even if it retransmits content from more than one USAGM network. For this reason, the total number of USAGM affiliations is lower than the sum of the individual network affiliations.

² The FY 2019 Actual for VOA presented here includes previously unreported stations or outlets that also retransmit RFE/RL or RFA content. In FY 2019, the number of USAGM affiliates that retransmitted only VOA content was 2,586, as reported in the PAR. Going forward, USAGM will report the full number of VOA affiliations, bringing it in line with the other networks.

³ The drop in RFA affiliates in FY 2017 reflects the loss of affiliates in Cambodia and the correction of an accidental over count in previous years.

IMPACT INDICATOR:

Affiliations

Affiliates – broadcast stations and digital platforms that carry USAGM content – are a primary conduit between the USAGM networks and their end users. Counting the number of affiliates, then, offers a measure of the appeal of agency programming. As shortwave usage wanes in parts of the world, the importance of affiliations with local FM radio and television stations grows. With the growth of digital and mobile technology, there are new forms of affiliations, including online and mobile. The affiliation indicator counts all stations or outlets that regularly retransmit content from the USAGM networks.

ANALYSIS OF RESULTS:

USAGM Affiliates **Target: 3,850** **Actual: 4,174**

With 4,174 USAGM affiliates, USAGM exceeded its target of 3,850 affiliations in FY 2020.

VOA Affiliates **Target: 3,200** **Actual: 3,523**

With 3,523 VOA affiliates, USAGM exceeded its target of 3,200 affiliations in FY 2020.

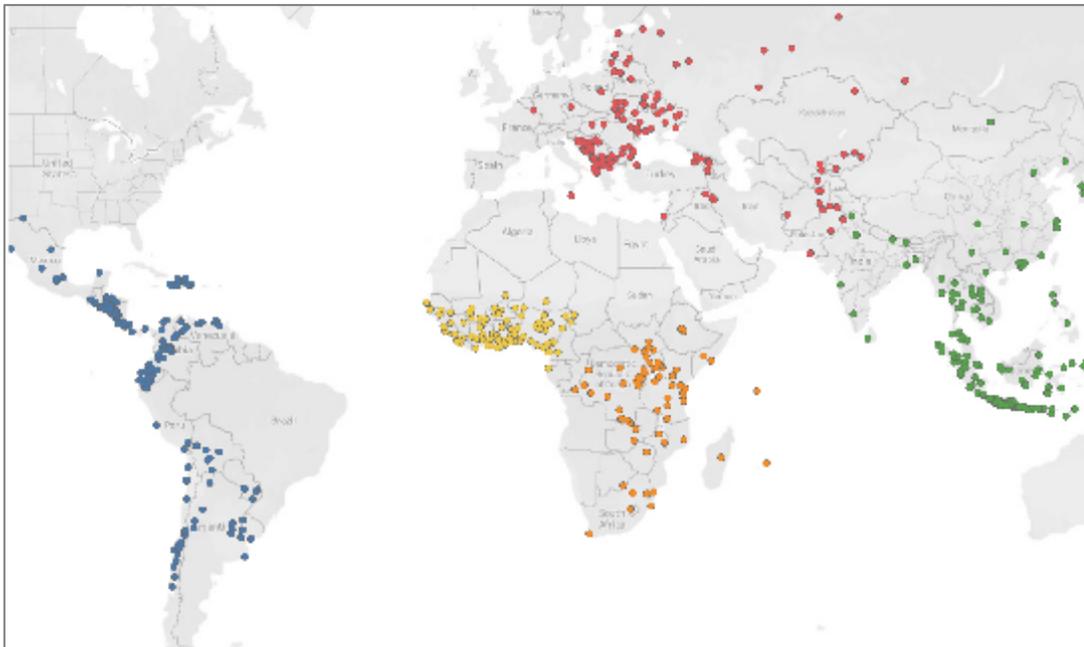
RFE/RL Affiliates **Target: 1,200** **Actual: 1,228**

With 1,228 RFE/RL affiliates, USAGM exceeded its target of 1,200 affiliations in FY 2020.

RFA Affiliates **Target: 11** **Actual: 11**

With 11 RFA affiliates, up from 10 last year, USAGM met its affiliate target in FY 2020.

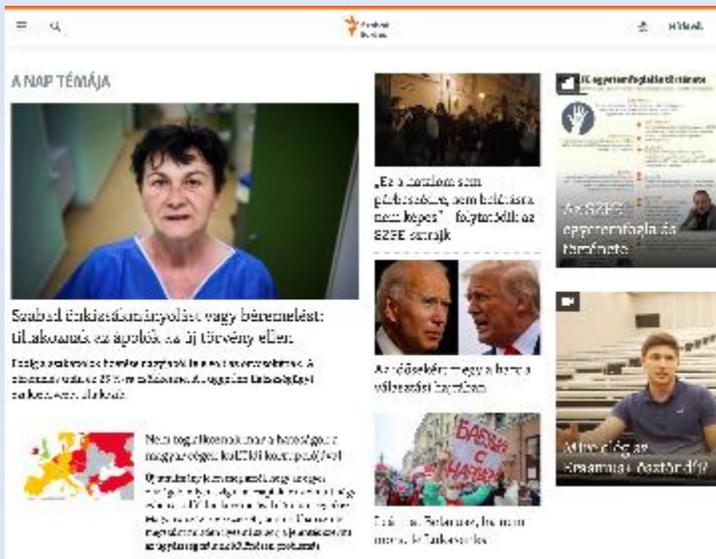
MAP OF USAGM AFFILIATES BY REGION



A CLOSER LOOK:

Shifting platforms to respond to changing audience preferences

In early 2020, RFE/RL marked the first anniversary of its relaunched fully-digital Bulgarian and Romanian language services. Later in the year, RFE/RL returned to the Hungarian media market as well, with the launch of its all-digital Hungarian Service. All three have demonstrated strong impact with their respective audiences.



Relaunched on September 8, 2020 to counter the appearance of Russian and Chinese disinformation in Hungary, RFE/RL's Hungarian Service was swift in its ability to cover weighty issues that resonated with audiences – including

a popular back-to-school feature on the digital divide between well-off children in urban centers and their counterparts in poverty-stricken rural areas. The Service has also taken on issues otherwise not addressed in the Hungarian media, such as the exposure of Hungarian residents to Chinese digital surveillance efforts, as revealed in the Zhenhua Data database leak.

RFE/RL's Bulgarian Service, despite its extremely limited resources, delivers high-quality investigative reporting, live news coverage, and exclusives within its market. As Bulgaria faced months of anti-government protests in 2020, the Service has brought audiences into the action via live social media coverage and investigated the government corruption underlying the protests. As a result, audience engagement with the Service has risen, and numerous media outlets have picked up the RFE/RL reporting.

All of USAGM networks have experienced a significant increase in digital and social media engagement due to COVID-19. RFA Mandarin, for example, saw a nearly 400 percent rise in audience engagement and an 800 percent increase in video views on Facebook in FY 2020 as a result of its coverage of the coronavirus and the Hong Kong political crisis. Meanwhile, RFA Vietnamese transitioned to a full online service because its shortwave radio broadcasts were regularly jammed by the Vietnam government. As result, the service's Facebook video views have increased by more than 635 million – 460 percent growth since 2019, with YouTube views increasing by 48 percent. And VOA's Eurasia Division expanded U.S. coverage with new cross-platform programming in Russian, Serbian, and Georgian, introducing viewers to prominent diaspora personalities who are making significant contributions to American society.

Recognizing the market for audio listening apps such as Spotify, Google Podcast, and iTunes, VOA's East Asia and Pacific Division language services have ramped up their audio app product development, expanding digital reach and audience engagement in the region. Recent launches include VOA Khmer's podcast, "Envision Cambodia," which features expert opinions on what Cambodia might look like in 2040. VOA Vietnamese added two new podcasts: "Vietnam in Focus," which features news, analysis, and public opinion on Vietnam-related topics as well as human interest stories, and "VOA Talk Shows," in which the host interviews experts and engages the audience in live Q&As on U.S. immigration, education, health and the economy.

RFA saw significant growth on digital platforms in FY 2020. The RFA Burmese Service's customized and better timed posts on top domestic news attracted 114 million Facebook engagement actions, overwhelmingly from inside Burma (Myanmar). Two other Southeast Asian Facebook pages (Khmer and Vietnamese) also garnered more than 15 million engagement actions each, despite more aggressive government attempts to control digital conversations in both target countries. Hong Kong's protests and the imposition of a new National Security Law helped RFA Cantonese more than double engagement on Facebook and YouTube and nearly double on Twitter. Although Beijing blocks of all Western social media, RFA Mandarin's Facebook engagement also grew 457 percent compared to FY 2019, with compelling posts including explainer videos and

exclusive coverage of the COVID-19 pandemic and South China Sea military developments.

MBN sought to maximize its digital impact by using popular news aggregators, creating short excerpts of its programming for social media, cross-posting across its Facebook properties, and targeting younger audiences on Instagram. In addition, Alhurra's HD channel was added on two new satellite systems, Eutelsat 8 and Yahsat, in addition to existing transmission on Nilesat, Arabsat, and Eutelsat 7.

Using alternative, creative ways to deliver content

In FY 2020, USAGM networks continued their history of experimenting with and utilizing new platforms and formats to deliver content to audiences around the world.

Several USAGM language services use the Telegram messaging app for news distribution. RFE/RL's Radio Farda and Uzbek Service, for example, have cultivated a dedicated following on the platform over the years and use it to push news updates as well as to solicit user-generated content. Current Time and RFE/RL's Russian Service also use Telegram for news distribution and have acquired more than 10,600 and 27,800 followers, respectively. And in FY 2020, VOA LatAm Digital created a social media delivery channel using Telegram to provide Venezuelans audio, video, and text content.

VOA's WhatsApp-Venezuela Digital Project has more than 2,000 subscribers who receive programs, video, audio, and text content. This and other efforts have led to high audience numbers as seen in a recent VOA survey in Venezuela that concluded VOA Spanish is used by 16 percent of adults each week, nearly 90 percent higher than in 2016 and approaching the reach of CNN Spanish and Colombia's NTN24.



Because 60 percent of RFE/RL Georgian's audience is below the age of 34, the service maximizes Instagram to engage younger audiences who prefer the platform to consume information. The service is recognized by independent media experts for swiftly incorporating the platform's new features, including interactive tools. RFE/RL Georgian's Instagram feed

features unique content created specifically for the platform, and engages audiences through user-generated content.

VOA Turkish uses affiliate EKOTURK's vMix video streaming software in its daily live remote. The technology enables VOA Turkish to anchor the program remotely, transforming the show's format in response to COVID-19. The software allows the affiliate to control four remotes simultaneously, with one of the remotes being the VOA host.

Impact Objective 5:

Serve as an authoritative source of information on U.S. news, policy, and society

Representing America and presenting and discussing U.S. policy are legislated mandates for the agency and, thus, constitute mission imperatives. Carrying them out requires sensitivity and creativity. Currents of anti-Americanism still run strong in some parts of the world, necessitating deft outreach that stresses dialogue, not monologue. The way people interact with media today, with emphasis on interaction, further affirms this approach. At the same time, America's still-dominant role on the global stage makes it a focal point of international attention, and its national language is the one that tens of millions of people around the world seek to learn. VOA, in particular, is uniquely mandated and positioned to leverage these advantages to connect with diverse international audiences, serving as a U.S. news bureau for affiliate partners and providing English-learning programming.

USAGM will:

- Serve as a hub for media outlets across the world that wish to engage with us for news, analysis, and perspectives from the United States – on the model that has succeeded in Ukraine, Latin America, Nigeria, Indonesia, and elsewhere.
- Portray the breadth and diversity of the American experience, with particular attention to diaspora communities and Americans outside of big cities.
- Emphasize English learning as a vehicle for positive audience engagement and interaction as well as information on American society and culture.
- Meet the global interest in American politics with in-depth coverage and analysis of national elections and coverage of other political events to impart the news and to elucidate the democratic process, with stories localized to make them interesting to specific target regions.
- Satisfy the world's growing appetite for learning English through television and radio programs, online instruction, printed instructional materials, and innovative short-form videos designed for social media.

IMPACT OBJECTIVE 5

Impact Performance Goal 5.1: Provide programming that increases audiences' understanding of the United States

Understanding of American society ¹ – percentage of weekly audience who report that the broadcasts have increased their understanding of American society somewhat or a great deal	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
	Simple average	Weighted average				
VOA	62	67	62	56	56	56
MBN	45	44	42	44	55	38
OCB	NA	85	85	85	85	85

¹ Beginning with FY 2017, the scores for understanding of American society are weighted averages, based on audience size, of all understanding of American society scores obtained by an entity. In previous years, these scores were simple averages of the scores by country. Scores from FY 2016 and prior years are not comparable to the FY 2017 and subsequent scores. The FY 2017 weighted averages were first reported in the performance section of the FY 2019 Congressional Budget Justification.

Understanding of U.S. foreign policy ¹ – percentage of weekly audience who report that the broadcasts have increased their understanding of U.S. foreign policy somewhat or a great deal	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
	Simple average	Weighted average				
VOA	60	68	60	54	54	53
MBN	43	43	42	44	46	47
OCB	NA	89	89	89	89	89

¹ Beginning with FY 2017, the scores for understanding of U.S. foreign policy are weighted averages, based on audience size, of all understanding of U.S. foreign policy scores obtained by an entity. In previous years, these scores were simple averages of the scores by country. Scores from FY 2016 and prior years are not comparable to the FY 2017 and subsequent scores. The FY 2017 weighted averages were first reported in the performance section of the FY 2019 Congressional Budget Justification.

IMPACT INDICATORS:

Understanding of American Society:

Representative surveys ask weekly listeners/viewers/online users of a USAGM network’s broadcasts in a particular language to report whether the broadcasts have “increased their understanding of American society.” The answers are registered on a four-point scale: “a great deal,” “somewhat,” “very little,” or “not at all.” The understanding indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey (excluding those who did not respond or did not know) who chose “a great deal” or “somewhat.”

Understanding of U.S. Foreign Policy:

Representative surveys ask weekly listeners/viewers/online users of a USAGM network’s broadcasts in a particular language to report whether the broadcasts have “increased their understanding of U.S. foreign policy.” The answers are registered on a four-point scale: “a great deal,” “somewhat,” “very little,” or “not at all.” The understanding indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey (excluding those who did not respond or did not know) who chose “a great deal” or “somewhat.”

ANALYSIS OF RESULTS:

Understanding of American Society

VOA	Target: 56	Actual: 56
-----	------------	------------

VOA met its target score for understanding of American society of 56 percent for FY 2020. This score is identical to that of FY 2019, a plateau in a three-year downward trend, after three years of scores in the 60s. Notable decreases in this score have been measured in Mexico and increases in Ukraine.

MBN	Target: 55	Actual: 38
-----	------------	------------

MBN’s score for understanding of American society was below target in FY2020. MBN had set an ambitious target for this indicator as a result of increasing focus on U.S. issues with the 2018 relaunch. While large percentages of audiences in Lebanon, Morocco, and the Palestinian Territories ranked Alhurra high on this indicator, audiences in Libya, Iraq, Egypt, Qatar, Saudi Arabia, and Kuwait did not. Severe domestic crises and political unrest in Libya, Iraq, and Egypt likely led audiences to focus much more on domestic than external issues.

OCB

Target: 85

Actual: 85

USAGM did not commission a survey in Cuba in FY 2020, so OCB's understanding of American society score remains unchanged in FY 2020.

Understanding of U.S. Foreign Policy

VOA

Target: 54

Actual: 53

VOA narrowly missed its target score for increasing understanding of U.S. foreign policy. It is difficult to know whether this is a continuation or slowing of the downward trend, when it dropped 14 points from 68 to 54 from FY 2017 to FY 2019. Scores for this metric continue to reflect several markets where VOA was down last year and has no new data this year. The relatively low score among the massive audience in Mexico (45 percent), where the question was asked for the first time in 2019, remains a significant driver of the decrease, given the large size of the audience there.

MBN

Target: 46

Actual: 47

MBN's score for understanding of U.S. foreign policy was on target. While relatively low, it reflects audiences' greater interest in local and regional issues.

OCB

Target: 89

Actual: 89

USAGM did not commission a survey in Cuba in FY 2020, so OCB's understanding of U.S. foreign policy score remains unchanged in FY 2020.

IMPACT OBJECTIVE 5

Impact Performance Goal 5.2: Provide exceptional news and information

Uniqueness' Percentage of weekly audience reporting that broadcaster presents information they cannot get from other media	FY 2016 Actual	Weighted average				
	Simple average	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
VOA	25	29	31	28	28	28

'Beginning with FY 2017, the scores for uniqueness are weighted averages, based on audience size, of all uniqueness scores obtained by an entity. In previous years, these scores were simple averages of the scores by country. Scores from FY 2016 and prior years are not comparable to the FY 2017 and subsequent scores. The FY 2017 weighted averages were first reported in the performance section of the FY 2019 Congressional Budget Justification. Uniqueness scores for the other networks are presented in Impact Performance Goal 6.2: Serve as a surrogate news operation, delivering information otherwise not available in local markets.

IMPACT INDICATORS:

Uniqueness

This indicator is determined by a question in representative surveys asking past week listeners/viewers/online users of any language how much of the information provided by the entity is also available from other sources on the radio, television, or internet. The answers are registered on a four-point scale: “All of it is available elsewhere,” “Some of it is available elsewhere,” “Very little of it is available elsewhere,” or “None of it is available elsewhere.” The unique information indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey who chose “very little” or “none.”

ANALYSIS OF RESULTS:

Uniqueness

VOA	Target: 28	Actual: 28
------------	-------------------	-------------------

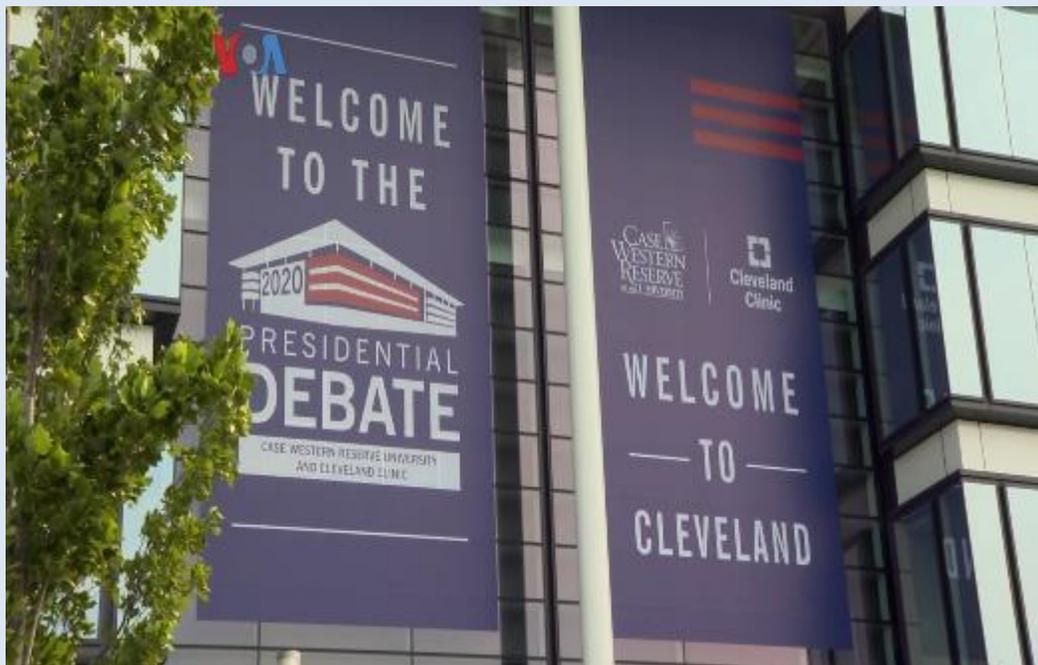
VOA’s met its target score for uniqueness, which is identical to its FY 2019 score.

A CLOSER LOOK:

Successful deployment of the U.S. bureau model

Many of VOA's language services act as U.S. bureaus for their affiliate partners, providing news and analysis of major developments in the United States that can be inserted directly into affiliate news programming.

Pursuant to its Charter, VOA continues to explain the U.S. political process to the world, for example, by supplying media outlets around the world coverage of this year's U.S. presidential and vice presidential debates. All of VOA's Africa Division language services, for example, provided comprehensive coverage of the first presidential debate between President Donald Trump and former Vice President Joe Biden, including livestreaming the debate on digital platforms. Two major television affiliates, the Uganda-based NBS and Kenyan channel KTN, carried the debate live. VOA Mandarin covered the first presidential debate with a two-hour television special.



VOA Indonesian coverage of U.S. Presidential Debate

VOA Indonesian generated 19 live reports on the first presidential debate for Indonesian affiliates, including for Metro TV's live event on the debate and newscasts for MetroTV, iNews, state broadcaster TVRI, RRI, Elshinta, MNC,

Sonora, Suara Surabaya, and MOST. VOA Eurasia Division language services served as U.S. election coverage desks for more than 50 television affiliates in the region, including major national networks in Ukraine, the South Caucasus, and the Balkans, providing real-time, comprehensive reports of and insights into the debate. And more than 200 media partners in Central and Latin America relied on VOA for live coverage of the first presidential debate.

Exceptional and unique coverage of important U.S. news stories

VOA continued to cover U.S. issues of interest to foreign audiences and provide programming that tells America's story. It explains the United States to international audiences in terms that are relevant and relatable.

Across VOA's language services, coverage of the 2020 U.S. election cycle has been a prominent theme. For countries and areas such as Venezuela, Russia, and Central Asia, where elections are undemocratic, coverage has focused on this topic, above all else. Content has included explainers of the U.S. electoral process, closely following the political campaigns and focusing on issues of interest to the region: U.S. foreign policy, trade and immigration policies, and the role of immigrants in American society. VOA Russian's election coverage, for example, includes a special Election Road Show, examining battleground states and immigrant communities and their participation in the U.S. political process.

VOA Indonesian tells the story of the U.S. electoral process and American political culture to the world's largest Muslim country, from explaining primaries and caucuses to discussing hot-button issues like possible trade wars. On broadcast and digital media, Indonesians learn how elections work in a democracy, through the eyes of the Indonesian diaspora.



Alhurra covers the U.S. Presidential primaries in Virginia.

Alhurra tells America's story better than any other Arabic-language media outlet targeting the Middle East. Through its reporting, Alhurra provides an undistorted line of communication with the people of the Middle East and North Africa providing them a better understanding of America. It has the most comprehensive coverage of U.S. foreign policy in the region with

dedicated correspondents in the White House, Congress, State Department, and Pentagon, and daily newscasts and weekly discussion programs dedicated to coverage of the U.S. and its foreign policy.

Impact Objective 6:

Serve as a surrogate news operation, delivering information otherwise not available in local markets

In environments where state-run media are dominant and independent media are either not allowed or not fully established, the USAGM networks, particularly RFE/RL and RFA, often play a surrogate role, acting as local media outlets would if they were free to operate. In this role, the networks emphasize domestic news for their geographically-defined audiences and cover developments specific to defined target markets, especially in countries without a free press or in transition. They focus on local news events not covered in state-controlled domestic media, as well as other sensitive topics, including religion, science, and locally-banned literature and music. They give voice to dissidents and opposition movements while maintaining balanced coverage and serve as platforms for a range of opinions and voices from these countries.

USAGM will:

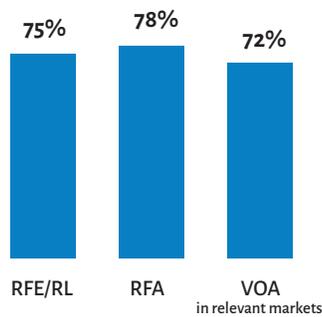
- Build reliable and responsive networks of local stringers across target regions.
- Where possible, maintain an on-the-ground bureau presence to report local news from a local perspective.
- Where in-country access is limited, cultivate networks of trusted contributors and closely monitor official and alternative media.
- Use social media and other interactive tools to gather information from closed societies, amplifying voices of those struggling for free expression.
- Provide platforms for free expression of various viewpoints and work to help people bridge traditional divides, including class, ethnicity, religion, etc.

Impact Performance Goal Overview

6.1

Provide programming that increases audiences' understanding of current events in target countries

PROGRAMMING PROVIDES UNDERSTANDING OF CURRENT EVENTS IN TARGET COUNTRIES

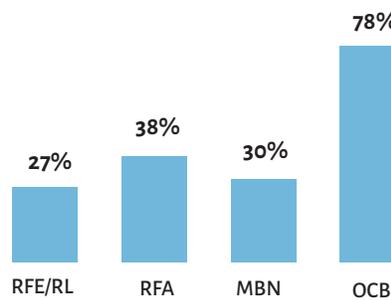


(% of weekly audience)

6.2

Provide exceptional news and information

PROGRAMMING PROVIDES EXCEPTIONAL NEWS AND INFORMATION



(% of weekly audience)

IMPACT OBJECTIVE 6

Impact Performance Goal 6.1: Provide programming that increases audiences’ understanding of current events in target countries

Understanding of current events in target country. Percentage of weekly audience who report that the broadcasts have increased their understanding of current events in the target country somewhat or a great deal	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
VOA in relevant markets	NA	NA	NA	NA	72
RFE/RL	83	77	75	75	75
RFA	86	83	83	78	78
MBN	NA	NA	NA	NA	NA
OCB	NA	NA	NA	NA	NA

Note:

This was a new measure in FY 2018. Actuals are not available for FY 2016 and only available for a small number of language services for FY 2017-2020. There is no data to report for MBN and OCB. The question will be incorporated into the core USAGM questionnaire going forward.

IMPACT INDICATORS:

Understanding of current events in target country

This indicator is determined by a question in representative surveys asking past week listeners/viewers/online users of [language] whether the broadcasts have “increased their understanding of current events in [target country].” The answers are registered on a four-point scale: “a great deal,” “somewhat,” “very little,” or “not at all.” The understanding indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey (excluding those who did not respond or did not know) who chose “a great deal” or “somewhat.”

ANALYSIS OF RESULTS:

VOA

Target: NA

Actual: 72

VOA only has scores from eight markets for this new metric, and it will take several years to complete surveys to cover enough markets to establish anything like a baseline or set a realistic target. It is worth noting here, however, that among those markets included in the FY 2020 score, Ukraine scored the highest, with 86 percent of the weekly audience claiming greater understanding of current events in their own country due to VOA content.

RFE/RL

Target: 75

Actual: 75

Based on data from 17 countries and regions, RFE/RL's score regarding understanding of current events in the target country in FY 2020 was 75 percent, meeting its target. RFE/RL continues to increase the understanding of current events in the target area through its surrogate broadcasting among a significant portion of its audience with three in four weekly listeners, viewers, or online users reporting that its programs increased their understanding of current events in the target area.

RFA

Target: 78

Actual: 78

Based on data from Burma and Cambodia, RFA's score for understanding of current events in the target country was 78 percent, meeting its target. This metric was not measured in China. Cambodia figures from the most recent national survey were lower than in past cycles, perhaps influenced by fear of openly expressing support for RFA, which Cambodian Prime Minister Hun Sen has denounced and attempted to discredit with increasing ferocity.

A CLOSER LOOK:

Coverage of important local news stories that other media are not covering

RUSSIA While most media outlets cover the news from Russia's major cities, RFE/RL provides unique coverage of important local news across the Russian Federation. Current Time's "Unknown Russia" and "Person on the Map" television



Current Time's "Person on the Map"

series take audiences across the country, telling the stories of people who carve out unique lives. This type of documentary journalism is almost never seen on Russian state television, which sensationalizes

problems in lesser developed parts of the country, rather than showcasing the diversity of Russian society. RFE/RL's Tatar-Bashkir Service and North Caucasus Service have strong reporting expertise in local minority rights issues – an essential theme as Moscow pursues Russification policies to suppress regional cultural heritage. RFE/RL also features several locally-focused websites – Northern.Realities, Siberian.Realities, Idel.Realities, and Kavkaz.Realities – that offer regional Russian-language reporting on discrete parts of the country.

IRAQ Alhurra had extensive coverage of the months-long protests in Iraq. It followed the escalation of protests against Iranian interference in Iraq, including in Karbala where there was violence between the demonstrators who besieged the Iranian consulate and security forces that led to deaths and injuries. The network covered the accusations that Iraqi authorities launched a campaign of arresting protestors as well as the U.N.'s condemnation of clashes between security forces and demonstrators and its warning against the use of live ammunition. Alhurra also reported the arrests of Iraqis who posted messages of solidarity with the protesters on Facebook.

AFRICA To debunk false claims on local websites, VOA stepped up efforts to counter Russian disinformation in the Central African Republic by launching a 30-minute radio program with balanced reporting on domestic and international news. Efforts to counter Russia's disinformation also included reporting on Moscow's cyber interference in Africa.

IMPACT OBJECTIVE 6

Impact Performance Goal 6.2: Provide exceptional news and information

Uniqueness' Percentage of weekly audience reporting that broadcaster presents information they cannot get from other media	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
	Simple average	Weighted average				
RFE/RL	25	22	25	26	26	27
RFA	NA	NA	40	40	50	38
MBN	NA	20	32	29	40	30
OCB	NA	78	78	78	80	78

¹ Beginning with FY 2017, the scores for uniqueness are weighted averages, based on audience size, of all uniqueness scores obtained by an entity. In previous years, these scores were simple averages of the scores by country. Scores from FY 2016 and prior years are not comparable to the FY 2017 and subsequent scores. The FY 2017 weighted averages were first reported in the performance section of the FY 2019 Congressional Budget Justification.

IMPACT INDICATORS:

Uniqueness

This indicator is determined by a question in representative surveys asking past week listeners/viewers/online users of any language how much of the information provided by the entity is also available from other sources on the radio, TV, or internet. The answers are registered on a four-point scale: “All of it is available elsewhere,” “Some of it is available elsewhere,” “Very little of it is available elsewhere,” or “None of it is available elsewhere.” The unique information indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey who chose “very little” or “none.”

ANALYSIS OF RESULTS:

Uniqueness

RFE/RL

Target: 26

Actual: 27

RFE/RL’s uniqueness score of 27 percent slightly exceeded the target of 26 percent. RFE/RL continues to provide unique information to a significant proportion of its audience with one-quarter of weekly listeners, viewers, or online users reporting that “very little” or “none” of the information provided by RFE/RL is available elsewhere.

RFA

Target: 50

Actual: 38

RFA’s uniqueness score, based on Burma and Cambodia, did not meet the target, due to a lower than anticipated uniqueness score in Cambodia (35.1 percent). However, in the same survey, 83 percent of RFA’s weekly audience in Cambodia expressed that RFA provides information about Cambodia that they cannot get otherwise.

MBN

Target: 40

Actual: 30

MBN’s uniqueness score is lower than targeted, but consistent with previous years. Providing content audiences find unique traditional has been a significant challenge in the Arab world where audiences have access to hundreds of well-funded TV and radio stations and digital media sources.

OCB

Target: 80

Actual: 78

USAGM did not commission a survey in Cuba in FY 2020, so OCB’s uniqueness score remains unchanged in FY 2020.

Impact Objective 7:

Engage local media and empower citizen information gathering and exchange

Local media affiliates are the primary means through which USAGM networks now reach their target audiences in most markets. However, the relationship with these media partners is about much more than just content delivery. By developing these media networks and connecting our affiliates to one another, USAGM fosters rich, open-media ecosystems. USAGM leads by example in its journalistic practices, but it also increasingly partners with affiliates on content co-creation, sometimes even participating in daily editorial meetings. USAGM also provides training to indigenous media on topics ranging from journalistic principles to business practices. In a similar way, USAGM works to connect audiences to one another, and to foster the free flow of information, often through a wide array of web, mobile, and social media tools. These tools have made media personal, moving the power from centralized broadcasters to a new class of bloggers, activists, videographers, and a content-generating public. They are using media not only to tell their stories on a digital world stage, but also to connect with one another to chart the future of their communities and build new forms of civil society.

USAGM will:

- Deepen relationships with key local media affiliates, providing editorial guidance, training and technical assistance, and other resources to strengthen local, independent media sectors.
- Nurture citizen journalism and channel user-generated content from inside repressive states.
- Link citizens within repressive societies to one another and to external audiences through social media networks.
- Facilitate dialogue across religious, national, and ethnic divides.

Impact Performance Goal Overview

7.1

Increase engagement with local media outlets

Number of USAGM affiliates that air custom or interactive segments

99

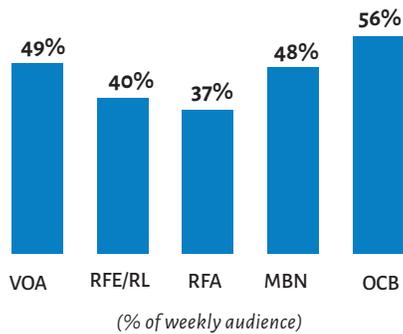
Number of weekly downloads from affiliate content distribution portal, Direct

3,662

7.2

Increase sharing of USAGM programming

Percentage of weekly audience who shared something heard/read/seen on broadcaster weekly



IMPACT OBJECTIVE 7

Impact Performance Goal 7.1: Increase engagement with local media outlets.

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
Number of USAGM affiliates with national reach that air custom or interactive segments during primetime ¹	50	60	68	NA	NA
Number of USAGM radio and TV affiliates that serve multiple markets ¹	NA	NA	452	475	540
Number of USAGM affiliates that air custom or interactive segments ¹	NA	NA	80	85	99
Number of weekly downloads from affiliate content distribution portal, Direct	1,650	2,750	2,815	3,250	3,662

¹ In FY 2019, USAGM changed the performance metrics for this goal to emphasize affiliates that are multi-market, rather than national, and to focus on those who air custom or interactive segments.

Note:

These were new measures in FY 2017. Actuals for FY 2016 are not available.

IMPACT INDICATOR:

The indicators for increasing engagement with local media outlets include: the number of USAGM radio and television affiliates that serve multiple markets, the number of USAGM affiliates that air custom or interactive segments, and the average number of weekly downloads (audio, video, text, or photos) from Direct, the affiliate content distribution portal. USAGM is discontinuing use of the metric measuring the number of USAGM affiliates (radio or television) with national reach that air custom or interactive segments (also known as “bureau” reports, produced jointly with the USAGM networks) during primetime.

ANALYSIS OF RESULTS:

All of these affiliate engagement metrics in the chart above showed large increases and exceeded the targets set for FY 2020. The number of weekly downloads from USAGM Direct showed a 30 percent increase from last year, which can be attributed to a shift to online workflows as a result of COVID-19, as well as strong interest in coronavirus and election-related coverage.

A CLOSER LOOK:

Substantive engagement with key local media affiliates

Through its Office of Business Development, USAGM strengthened its partnerships with local media providers in FY 2020. Key accomplishments included further placement of Current Time, which now has more than 201 distributors in 22 countries and an additional 62 affiliates in 15 countries. USAGM's Eurasia Regional Marketing Office also successfully negotiated an agreement to make Current Time available in more than 15,000 hotel rooms across Europe.

VOA launched "StartUP Africa," a self-narrated video series that features 30-minute profiles of young African tech entrepreneurs in e-pay, ride share, health tech, e-learning, trucking, and agritech. The season finale revisits these innovators during the coronavirus pandemic and explores how it has changed their outlook.



The series is co-produced with five leading broadcasters in key media markets – Channels Television in Nigeria, Citi TV in Ghana, RTV in Rwanda, NBS TV in Uganda, and KTN in Kenya.

USAGM's Office of Business Development trained more than 600 media professionals in Africa, Asia, South and Central America, Central Europe, and Eurasia during FY 2020 to build capacity and goodwill with affiliate partners. Onsite and online training sessions in English and local languages focused on essential journalistic topics, audience development, and financial literacy in addition to digital security and physical safety for the journalists.

IMPACT OBJECTIVE 7

Impact Performance Goal 7.2:
Increase sharing of USAGM programming

Sharing ¹ - Percentage of weekly audience who shared something heard/read/seen on broadcaster weekly	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Actual
	Simple average	Weighted average				
VOA	55	45	46	49	49	49
RFE/RL	44	48	44	41	45	40
RFA	64	49	41	41	42	37
MBN	52	67	67	62	55	48
OCB	NA	56	56	56	60	56

¹Beginning with FY 2017, the scores for sharing are weighted averages, based on audience size, of all sharing scores obtained by an entity. In previous years, these scores were simple averages of the scores by country. Scores from FY 2016 and prior years are not comparable to the FY 2017 and subsequent scores. The FY 2017 weighted averages were first reported in the performance section of the FY 2019 Congressional Budget Justification.

IMPACT INDICATOR:

Sharing of programming

This indicator is determined by a question in representative surveys asking weekly listeners/viewers/online users in any language how often they share news that they have heard, seen, or read from a USAGM network with friends or relatives, or with their social network. The answers are registered on a five-point range: “daily or most days per week,” “at least once a week,” “at least once a month,” “less than once a month,” or “never.” The sharing indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey who chose “Daily or most days per week” or “At least once a week.”

ANALYSIS OF RESULTS:

VOA

Target: 49

Actual: 49

VOA met its FY 2020 target for weekly sharing of its news by users, with nearly half of all its users (49 percent, as in FY 2019) reporting they share something they have seen or heard from VOA with their personal network. More and more VOA audiences around the world are consuming VOA on social media platforms, which clearly enhances the ability for them to share content.

RFE/RL

Target: 45

Actual: 40

RFE/RL's score for weekly sharing of programming was 40 percent in FY 2020, not meeting its target of 45 percent.

RFA

Target: 42

Actual: 37

RFA's score for weekly sharing of content was 37 in FY 2020, missing its target of 42 because a drop in the sharing indicator measured in the national survey in Cambodia that was completed in FY 2020. Cambodia's Prime Minister has repeatedly attacked RFA and its reporters and detained or threatened citizens for online activity, which Freedom House and other media freedom organizations have criticized. However, it is unclear if the reported drop in sharing reflects actual reductions in sharing RFA content. Respondents may be sharing less often because of fear of retribution or they may be sharing but reluctant to disclose that they have shared RFA content in a survey. (RFA's Digital Analytics suggest there was a 53 percent increase in sharing on the RFA Khmer Facebook page and 425 percent growth in RFA Khmer YouTube engagement in FY 2020.) In addition to the new data from Cambodia, the FY 2020 score was derived from older surveys in Burma and Vietnam.

MBN

Target: 55

Actual: 48

MBN's score for weekly sharing of programming was below target but is not surprising. Qualitative research in the Arab world indicates audiences in the region are reluctant to share information via digital media in part because of increased government controls and penalties for sharing what governments consider politically sensitive information.

OCB

Target: 60

Actual: 56

USAGM did not commission a survey in Cuba in FY 2020, so OCB's sharing score remains unchanged in FY 2020.

A CLOSER LOOK:

Citizen journalism and user-generated content

USAGM networks use citizen journalists and user-generated content (UGC) to gather and present information from repressive environments and present diverse perspectives to their audiences.

The VOA News Center collaborates with the agency's Extremism Watch Desk to vet UGC from target countries, carefully ruling out material that does not meet VOA editorial standards. Map applications, online research, and personal expertise are employed to authenticate the videos VOA uses and to ensure they accurately reflect the situation on ground. Each video is identified as UGC and carries a disclaimer that despite VOA's best efforts, it cannot be independently verified.

VOA presented UGC in its coverage of Iran's 2020 parliamentary elections. When the regime claimed a large voter turnout, VOA aired carefully-vetted Iranian viewer contributions that showed many polling stations with few or no voters. As COVID-19 began to take hold in Iran, VOA reported on the growing fears of ordinary Iranians. VOA Persian coverage included social media postings and contributions from citizen journalists in Iran, whose accounts belied official statements claiming there were only a few coronavirus cases. When the virus erupted in the Chinese city of Wuhan, VOA Mandarin worked closely with Chinese citizen journalist Chen Qiushi, who was later detained by the Beijing government for providing information to the outside world. His first-person account and the video he provided VOA gave a rare view of the struggle Wuhan residents faced. In addition, VOA's China Branch started advertising a dedicated email account in mid-January, asking people to submit stories of their lives in the time of the coronavirus. This project yielded powerful, first-hand narratives from inside China for VOA's web, social media, and TV programs.

In May 2020, RFA Vietnamese aired a citizen-produced video showing life under quarantine near Vietnam's border with China. Since then, the video has been viewed by 11 million people on Facebook, and shared more than 35,000 times. That same month, RFA's Lao Service shared a user-generated video of Lao truckers complaining that Chinese immigration officials preventing them from

transporting goods into China due to coronavirus concerns, while Chinese trucks easily crossed into Laos despite only 19 officially-confirmed cases of COVID-19 in the country. The video received more than 750,000 views and nearly 5,000 shares on Facebook.

RFE/RL's Radio Farda has been able to report on a range of sensitive topics from within Iran, due to the bravery of those willing to send video in to RFE/RL. Among the sensitive social topics revealed on-camera from within the country were: footage from across Iranian cities showing how people were handling the COVID-19 crisis; a firsthand look into the lives of Iran's Afghan immigrants, who sought a better life but instead found only hardship and discrimination; a daring short feature about Iran's #MeToo movement and the sexual abuse against women in Iran; and other features where Farda's rare original camera footage from Iran tells the story of brave individuals who were willing to speak up about difficult situations within the country.

USAGM-facilitated dialogue across religious, national, and ethnic divides

In covering China's oppression of Uyghurs, RFA sought to facilitate dialogue and understanding across cultural divides. RFA Mandarin produced a three-part Xinjiang video series in 2019 to promote understanding between Han Chinese and Uyghurs. The network also airs two weekly radio feature programs focused on Tibet and Uyghur issues as well as publishes a weekly column and commentaries by Tibetan and Uyghur writers.

MBN also highlighted the situation of the Uyghurs in its programming. Due to China's foreign investments in the Middle East and its growing influence in the region, few Arabic-language media outlets will address this issue head on and the humanitarian crisis is largely unknown in the region. MBN regularly covers statements from the Administration and Congress regarding the plight of the Uyghur population. Alhurra reported on Uyghur activists who announced they documented the presence of approximately 500 camps and prisons run by the Chinese government; it also aired the investigative documentary Inside China, which showed undercover footage from China's restricted Xinjiang region.

RFE/RL's Radio Free Afghanistan produced a special audio-visual project "Peace: 101 Women" that interviewed 101 women across the country in Dari and Pashto. The project gave them a voice on the ongoing peace process and talks with the Taliban, whose regime in the 1990s deprived most women the right to an education and to work outside of the home.



VOA received a 2020 Online Journalism Award for its documentary, "Shoura," named after a small Iraqi village where two groups living side-by-side are working

toward reconciliation – the victims of the Islamic State and the families of those who joined the jihadist militants. The 25-minute film combines on-the-ground

video with animation to tell stories of the sometimes explosive tension in the village. Because many of the stories were highly personal and could not have been visually documented during the Islamic State's control of the region, VOA combined audio from the interviews with computer-drawn art to recount individual stories of brutality, personal conflict, and the ongoing attempt to rebuild a community impacted by the Islamic State.

PERFORMANCE OVERVIEW

Mission:

To inform, engage, and connect people around the world in support of freedom and democracy

Strategic Goals:

Expand freedom of information and expression
Communicate America's democratic experience and values

Objectives:

Impact Objectives
(see page 24)

Agility Objectives

USAGM's Strategic Goals are supported by Impact Objectives, which focus on performance on the mission, and Agility Objectives, which focus on the management of the agency.

Each objective is broken down into measurable performance goals. USAGM sets targets for these goals annually. Following is the five-year historical data for each performance goal, an explanation of the indicator and how it is measured, and a detailed analysis of the results.

AGILITY OBJECTIVES:

<p>1 Run USAGM as a nimble, resilient, cost-effective, and state-of-the-art media enterprise</p>	<p>AGILITY OBJECTIVE 1 121</p> <p>PERFORMANCE GOALS:</p> <ul style="list-style-type: none"> 1.1 Streamline program delivery 122 Ability to nimbly react to a rapidly changing environment 1.2 Automate and streamline key business processes 126 1.3 Leverage cloud services and other technologies to boost workforce effectiveness and efficiency 128 1.4 Strengthen resilience and risk posture of the agency 130 Resilience in the face of cyber threats Projects to improve workplace safety and security 1.5 Migrate to High Definition (HD) video production and transmission 135
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Agility Objective 1:

Run USAGM as a nimble, resilient, cost-effective, and state-of-the-art media enterprise

By virtue of historical circumstance, today's USAGM is a complex amalgam of diverse media outlets and respective support organizations, operating under different legal and administrative frameworks. The result is an organization that has sometimes lacked the agility to operate in a rapidly evolving global media environment and the standardization that enables rational resource allocations. However, in recent years, the agency has begun a fundamental transformation in order to appropriately fulfill its charter and meet the challenges of growing geopolitical instability and substantial budgetary constraints.

USAGM will:

- Pursue an efficient and effective organizational structure.
- Enhance the agency's technological platforms and workflows, enabling it to continually adapt to global standards in content acquisition, management, and distribution, as well as audience consumption behaviors.
- Automate and streamline business processes and workflows.
- Enhance and improve its proven shortwave radio capabilities with modernized supporting and controls technology, upgrading from analog to digital and performing long-overdue life extension work to existing facilities.
- Employ cloud-based technologies to achieve nimbleness, resilience, and cost savings.
- Protect USAGM from persistent threats from state and non-state actors through enhancements to its cybersecurity posture.

AGILITY OBJECTIVE 1

Agility Performance Goal 1.1: Streamline program delivery

Transition to internet and fiber optic content distribution to stations and uplinks, migrating away from more costly satellite distribution	
FY 2016 Actual	<p>USAGM owned/operated uplink facilities have MPLS or internet connectivity for content distribution.</p> <p>40% of satellite-based distribution feeds (including OCB, VOA Persian, and VOA China TV) have been transferred to terrestrial circuits.</p>
FY 2017 Actual	<p>50% of satellite-based distribution feeds transferred to terrestrial fiber.</p>
FY 2018 Actual	<p>USAGM is in the process of transferring feeds and expects 75% of satellite based distribution feeds transferred to terrestrial circuits by Q3 FY 2019.</p> <p>50% of MPLS network transferred from Hub and Spoke to any-to-any mesh network.</p> <p>40% of contribution feeds are now leveraging public internet for Primary or Back-up.</p>
FY 2019 Actual	<p>100% of satellite-based distribution feeds converted to terrestrial fiber.</p> <p>75% of contribution feeds moved off satellite for either primary or secondary connections; costly satellite backups eliminated where possible.</p>
FY 2020 Target	<p>100% of satellite contribution feeds converted to terrestrial circuits.</p> <p>100% of DTH content migrated to DTH multiplex platforms housed with like news and current affairs services in same language.</p>
FY 2020 Actual	<p>100% of contribution feeds to Cohen Bldg. converted to terrestrial circuits.</p> <p>91% of DTH content migrated to DTH multiplex platforms housed with like news and current affairs services in same language.</p> <p>Pilot use of cloud-based, on-premises live streaming Software-Defined Video Platform (Zixi) that enables broadcast-quality video delivery over IP.</p>

Optimize remaining shortwave distribution, taking advantage of the strategic location and lower operating cost of Kuwait Transmitting Station	
FY 2016 Actual	NA
FY 2017 Actual	Closed Sri Lanka Transmitting Station
FY 2018 Actual	Poro Transmitting Station closed. Installation of new antenna at Kuwait Transmitting Station underway, expected to be complete in Q2 FY 2019.
FY 2019 Actual	Poro Transmitting Station handed over in September 2019. The installation of the new SW antenna at Kuwait Transmitting Station has been delayed due to contracting and logistical issues. It is now expected in Q3 FY 2020. Restored 4 (of 15) antennas on CNMI Transmitting Station to service.
FY 2020 Target	Maintenance and repair efforts to USAGM transmission facilities focused on functionality and protecting human life and property. Complete design and installation of new SW arrays at Kuwait Transmitting Station to serve Africa. Restore 4 more (total 8 of 14) antennas on CNMI Transmitting Station to service. Review all transmission leases to identify further opportunities for savings.
FY 2020 Actual	At Kuwait Transmitting Station, new SW antenna for Middle East completed in Q2 FY 2020. Contract for design and installation of new SW antenna arrays for Africa awarded Q4. Restored 3 more (total 7 of 15) antennas on CNMI Transmitting Station to service. Broad cross-agency business review of all SW and MW transmission begun, with recommendations for cuts and reductions made.

Expand FM transmissions, to match audience preferences	
FY 2016 Actual	5 FMs installed: 1 in Niger, 4 in Dem. Rep. of Congo (DRC)
FY 2017 Actual	All 5 FMs in progress; contract actions completed, installations will fall into FY 2018
FY 2018 Actual	New FMs installed in Brazzaville and Pointe Noire, Rep. of Congo; Mbuji-Mayi and Katanga, DRC Mogadishu FM is underway, expected on air in Q1 FY 2019
FY 2019 Actual	FMs successfully installed in Mogadishu, Somalia; Lomé, Togo; and Mombasa, Kenya.
FY 2020 Target	FMs installed in Lusaka, Zambia and in refugee camps in NE Kenya. Additional FM erected in eastern Democratic Republic of Congo. Full-time lease established in Kampala, Uganda.
FY 2020 Actual	Lusaka, Zambia FM installed and on-air in Q2 FY 2020. One FM was installed in the Kakuma refugee camp and went on the air in Q4 FY 2020. The other FM at the Dadaab camp was vandalized and is therefore anticipated for Q1 FY 2021. Ugandan communications commission rejected USAGM application to purchase existing frequency. If new frequencies become available in future, may reapply.

ANALYSIS OF RESULTS:

USAGM made progress in its goal of streamlining program delivery with most targets met and others showing significant progress.

A CLOSER LOOK:

Ability to nimbly react to a rapidly-changing environment

From its ability to produce impactful news coverage to its ability to deliver content to information deprived audiences, USAGM's response to the coronavirus pandemic is a prime example of how the agency quickly and effectively responded to fast-moving global events during FY 2020.

Audiences trust USAGM's networks to bring them the truth about developing and uncertain situations. During the COVID-19 pandemic, the VOA News Center's fact-checking Polygraph.info website, which originally was established to identify and expose Russian disinformation, quickly pivoted to address false claims related to the virus by authoritarian regimes around the world, particularly China. These reports were broadcast across VOA's global network.

Throughout the COVID-19 pandemic, USAGM's Emergency Action Committee (EAC) coordinated the agency's overall response and communications based on guidance from agency leadership. The EAC followed official guidance from federal, state, and local authorities in developing and implementing agency-specific policies and guidance. The group held regular coordination calls with senior representatives from USAGM, VOA, and OCB; flagged issues and decision points for senior management; and communicated guidance to all agency personnel.

Because of the federal government's rapid and unprecedented move to telework in response to COVID-19, TSI developed and supported workflows for using Microsoft Teams to handle what had largely been in-person and on-premises activities at VOA headquarters, such as editorial meetings, script lifecycle management, and recording interviews. TSI even enabled agency-wide town hall meetings to be held, accommodating hundreds of users simultaneously. TSI also accelerated plans to boost Cloud-based services and significantly increased its network connections to and from the Wilbur J. Cohen Building (USAGM and Voice of America headquarters facility), while rolling out workflows that allowed broadcasters to work effectively from home and other remote locations.

AGILITY OBJECTIVE 1

Agility Performance Goal 1.2: Automate and streamline key business processes

Complete business process reengineering and automation of business and media workflows	
FY 2016 Actual	Automated Time and Attendance System rolled out to 85% of federal entities, with a projected completion in Q1 FY 2017. Automated Time and Attendance system now being incorporated into existing payroll (DFAS) system. Procure to Pay has been put on hold, pending funding.
FY 2017 Actual	Completed integration of payroll and time and attendance systems. Completed rollout of electronic performance management system. Deployed electronic invoice payment system for domestic invoices; foreign invoices to be added in FY 2018.
FY 2018 Actual	Consolidation of support team efforts, including IT help desk, building facilities, Network Control Center, and telecoms, into integrated Solutions Center (now named TSI Help Center) has begun. Expected completion in Q1 FY 2019.
FY 2019 Actual	<p>Majority of Help Center services consolidated. Full rollout not achieved due to new requirement to support VOA technology suite.</p> <p>Continued to participate in effort to identify a new HR management system.</p> <p>Agency transitioned to Teams unified communications tools across 100% of agency desktops and mobile devices. Telephony integrated with Teams rolled out for 20% of workforce.</p>
FY 2020 Target	<p>Help Center 100% consolidated.</p> <p>Replacement of help desk tracking and assignment tool, Footprints, with a more robust, adaptable tool to help improve outcomes and response times.</p> <p>Continue to refine and improve USAGM's suite of key business process tools.</p>
FY 2020 Actual	<p>Help Center 50% consolidated. In FY 2020 USAGM focused Help Center consolidation specifically on integrating the support of Voltron, cross-training, building out new resources and implementation of new workflows.</p> <p>Completion of phase 1 Dataminer rollout for NCC; proof of concept allows local operations and monitoring processes to be centralized and monitored from any location.</p>

ANALYSIS OF RESULTS:

USAGM made progress in business process improvements and anticipates the full consolidation of the Help Center in FY 2021.

AGILITY OBJECTIVE 1

Agility Performance Goal 1.3: Leverage cloud services and other technologies to boost workforce effectiveness and efficiency

Migrate onsite systems to cloud for enhanced effectiveness and efficiency.	
FY 2017 Actual	<p>Transitioned onsite digital archive system to a private cloud with recovery capability.</p> <p>Completed migration of intranet content to cloud-based platform.</p> <p>Upgraded IT infrastructure with more storage, bandwidth, and security.</p>
FY 2018 Actual	<p>Migration of onsite workstation/user storage to cloud for enhanced portability and a more robust backup/disaster recovery profile nearly complete (80%). Full completion expected in Q2 FY 2019.</p> <p>Transition of some broadcast operations to cloud-based playout and switching systems has not yet begun.</p>
FY 2019 Actual	<p>Completed migration of onsite workstation/user storage to cloud for enhanced portability and a more robust backup/disaster recovery profile.</p> <p>Continued transition of radio broadcast operations to cloud-based playout and switching systems.</p> <p>Implementation of off-site, carrier neutral Data Center begun with contract award.¹</p> <p>Matured and expanded support for business analytics suite that drives USAGM increased utilization of data-driven strategy and decision-making.</p>
FY 2020 Target	<p>Relocate USAGM headquarters network core to offsite data center to replace current core and to facilitate potential building relocation.</p> <p>Leverage Data Center-hosted storage systems to replace current on-premises storage.</p> <p>Implement Managed Service Provider (MSP) service model for 24 x 7 x 365 network support.</p> <p>Complete transition of radio broadcast operations to cloud-based playout and switching systems.</p> <p>Extend business analytics suite and AI to assist journalists by automating a number of translation and simple story posting tasks.</p>
FY 2020 Actual	<p>Datacenter services enabling over tenfold increase of external data communication capacity.</p> <p>Content distribution over the public Internet has replaced agency-provided satellite uplinks with geographically diverse internet and dedicated commercial media service provider content delivery.</p> <p>Consolidation of agency cloud connections to rationalize the agency's cloud service portfolio.</p> <p>Implemented Virtual Desktop capability to support the rapid growth of telework community on a secure, more scalable platform.</p> <p>Accelerated a reduced rollout of remote monitoring capability to accommodate COVID-19 remote operations (using VPN to access existing multiviewer).</p>

¹ Implementation of off-site Data Center was incorrectly reported in the FY 2019 PAR and FY 2021 Congressional Budget Justification. It has been corrected here.

Note:

This was a new measure in FY 2017. Actuals are not available for FY 2016.

ANALYSIS OF RESULTS:

USAGM has progressed on schedule to meet its cloud services utilization targets for FY 2020.

AGILITY OBJECTIVE 1

Agility Performance Goal 1.4: Strengthen resilience and risk posture of the agency

Strengthen USAGM'S cybersecurity posture	
FY 2017 Actual	USAGM implemented cybersecurity measures that extend high-level DHS cybersecurity protection to agency-specific gaps, such as email, the network, and end points.
FY 2018 Actual	Made progress toward defined level of maturity of IT Information Security Program. Piloted DHS CDM (Department of Homeland Security Continuous Diagnostics and Mitigation) tools to enhance the agency's ability to identify and mitigate the impact of cyber threats. Full rollout expected in Q1 FY 2019
FY 2019 Actual	Completed, received approval for, and published several dozen information security and privacy strategies, policies, and procedures. Completed first phase of multifactor authentication (MFA), as well as deployment of DHS monitoring tools and dashboard.
FY 2020 Target	Continue to mature IT Information Security Program policies and strategies. Implement SSL traffic monitoring capabilities and defenses. Pilot DHS's Privileged Account Management and Usage Monitoring Program. Implement multifactor authentication (MFA) for all users accessing the agency network, systems, applications, and cloud services.
FY 2020 Actual	Pilot program launched to implement multifactor authentication (MFA) for all users accessing the agency network, systems, applications, and cloud services. COVID-19 pandemic delayed agency-wide deployment. Launched a Data Loss Prevention pilot program to better protect information from accidental or malicious exfiltration. This pilot will also provide secure means for staff to share information with external partners for legitimate business needs. Adjusted IT security architecture, tools, and procedures to extend operations and monitoring to a de-centralized operations model during the COVID-19 pandemic, which increased the agency's ability to detect and prevent data loss, data exfiltration, and compromise of credentials. Built an Information Security Risk Management Program and IT Governance Program.

Use Enterprise Risk Management ¹ to manage risks and optimize costs related to the achievement of USAGM objectives	
FY 2017 Actual	USAGM created an IT risk management division within the Office of the CIO.
FY 2018 Actual ²	USAGM stood up the Office of Risk Management (ORM) responsible for agency-wide risk management activities, including Enterprise Risk Management (ERM). ORM developed and documented agency-level ERM framework, governance structure, and risk identification process.
FY 2019 Actual	Identified, assessed and analyzed enterprise risks and developed the agency's FY 2019 ERM Risk Profile that reflects significant risks to the achievement of USAGM's mission. The risk owners developed and implemented appropriate risk responses and corresponding efforts and performance measures to the profile risks. Drafted, documented, and received approval for agency-wide Information Security Risk Management (ISRM) Strategy and Framework in accordance with FISMA and NIST guidelines.
FY 2020 Target	Continue the implementation of the FY 2019 Risk Profile risk response strategies, and analyze performance measures to track their progress and effectiveness. Implement agency-wide ISRM strategy and framework, including the development of an agency-wide FY 2020 IT risk register. Develop agency-wide business continuity and disaster recovery plans to mitigate disruption to agency's operations during and after unforeseen events. Identify, assess and analyze enterprise risks and develop the FY 2020 ERM Risk Profile that reflects significant risks to the achievement of agency mission and determine appropriate responses to the Risk Profile.
FY 2020 Actual	Implemented the FY 2019 ERM Profile risk response strategies, and monitored performance measures to track control effectiveness. Implemented agency-wide ISRM strategy and framework, including the development of an FY 2020 IT Security Risk Register that includes IT Security risks from federal and grantee networks. Conducted agency-wide Business Impact Analysis (BIA) across USAGM and the federal broadcast networks. Developing agency-wide Business Continuity Plan to mitigate disruption to agency operations during and after unforeseen events. Completed the FY 2020 ERM Cycle that culminated in the FY 2020 ERM Profile.

¹Enterprise Risk Management (ERM) is an effective agency-wide approach to addressing the full spectrum of the organization's significant risks by understanding the combined impact of risks as an interrelated portfolio, rather than addressing risks only within silos. ERM provides an enterprise-wide, strategically-aligned portfolio view of organizational challenges that provides better insight about how to most effectively prioritize and manage risks to mission delivery (from OMB Circular A-11, Section 270.26).

²The FY 2018 Actual has been amended to reflect the creation of the Office of Risk Management.

Note:

This was a new measure in FY 2017. Actuals are not available for FY 2016.

ANALYSIS OF RESULTS:

USAGM achieved its targets in the defined level of maturity of its IT Information Security Program, as determined by the OIG, in FY 2020.

During FY 2020, USAGM further matured its Enterprise Risk Management (ERM) program by conducting an agency-wide Business Impact Analysis (BIA) across USAGM and the federal broadcast networks to develop an agency-wide Business Continuity Plan, as well as continuing to produce a Risk Profile, identify risk owners, and implement risk responses.

A CLOSER LOOK:

Resilience in the face of cyber threats

In FY 2020, USAGM continued to bolster its IT security posture to protect USAGM from persistent threats from nation-state actors seeking to attack government institutions like Voice of America (VOA). The agency's Office of Technology, Services, and Innovation (TSI) leveraged offerings from the Department of Homeland Security and key vendors to further strengthen USAGM's IT security defenses. TSI also continued to collaborate with USAGM's Office of Risk Management (ORM) to integrate information security and privacy concerns and review enterprise-level contingency and disaster recovery solutions.

TSI completed security assessments and continued developing a comprehensive Information Security Architecture. It also improved the maturity of the agency's Information Security and Privacy Program so that USAGM information assets and resources are better protected against nation-state and other malicious actor threats and are highly available to support the agency's mission. TSI developed and began implementing a strategy to elevate the agency's information security program from "defined" to "fully implemented."

The COVID-19 pandemic prompted identifying and establishing security controls that are place-agnostic. Prior to the pandemic, operations and monitoring focused on the protection of agency data in the Wilbur J. Cohen Building headquarters and on the federal network. USAGM is also focusing on indicators of compromise in these new decentralized conditions and its response to them. In FY 2020, TSI began to configure tools to extend protection and monitoring to all government-furnished equipment and data being used remotely. These changes have enabled the agency to more effectively detect and block cyberattacks remotely using existing tools, while automation and alerting protocols have reduced response and resolution times.

A CLOSER LOOK:

Projects to improve workplace safety and security

USAGM has taken swift steps to address the severe and systemic personnel suitability and vetting breakdowns that have occurred at the agency for at least the past decade. Agency senior leadership has ordered a comprehensive inquiry into USAGM's personnel operations, requested briefings with the Chairmen and Ranking Members of the agency's Congressional oversight committees, implemented a surge team of security experts at USAGM to overhaul security protocols, and carried out appropriate personnel actions to address the situation.

USAGM's Emergency Action Committee worked with leadership, managers, and personnel across USAGM, VOA, and OCB on efforts to protect, support, and inform the entire workforce – particularly those at higher risk for severe illness from COVID-19 and those who care for higher risk family members – about the agency's response and preparedness measures, including plans for returning staff to the workplace. Plans implemented across all agency facilities include maximized telework, work scheduling and leave flexibility, increased cleaning and sanitation protocols, mandatory use of personal protective equipment and social distancing practices by personnel performing essential duties, curtailed official travel, and procedures for COVID-19 risk and exposure reporting, contact tracing, and self-quarantine.

AGILITY OBJECTIVE 1

Agility Performance Goal 1.5: Migrate to High Definition (HD) video production and transmission

Upgrade program production and delivery systems to HD capable	
FY 2017 Actual	<p>All TV studios fully HD capable.</p> <p>Automated HD TV channel set up for testing.</p>
FY 2018 Actual	<p>Both the satellite and terrestrial networks have been modified to incorporate HD delivery capability.</p> <p>Preparations completed to enable upgrade of Digital Asset Management System to make HD production and archiving more efficient.</p> <p>Onsite storage capacity to accommodate HD files expanded and upgraded.</p> <p>Global delivery of HD content direct-to-home and to affiliates enabled.</p>
FY 2019 Actual	<p>Completed all IT infrastructure and preparatory training required to transition to upgraded Media Asset Management system, Galaxy.</p> <p>Through USAGM's Office of the CIO, the CIO Council, and the Digital Governance Council directed by the Agency's Chief Technology Officer, began working with broadcast networks to identify more IT services and systems that can be shared and unified in order to gain efficiencies and cost savings.</p> <p>Continued to evolve global network and agency IT environment utilizing the most cost-effective mix of onsite technology infrastructure with cloud-based and other services to maximize compatibility, sustainability, security, serviceability, reliability, and global accessibility of IT systems.</p>
FY 2020 Target	<p>Launch the new Dalet Galaxy system and, within six months of launch, migrate the entire agency. This clears the path for a complete integrated workflow between the Galaxy Archive and Production systems.</p> <p>Continue to evolve global network and agency IT environment utilizing the most cost-effective mix of onsite technology infrastructure with cloud-based and other services to maximize compatibility, sustainability, security, serviceability, reliability, and global accessibility of IT systems.</p> <p>Unify IT systems and services across the agency where possible in order to gain efficiencies and cost savings.</p>
FY 2020 Actual	<p>COVID-19 pandemic delayed Dalet Galaxy full implementation to early FY 2021.</p>

% of video streams transmitted in HD ¹	
FY 2017 Actual	20%
FY 2018 Actual	50%
FY 2019 Target	100%

¹ USAGM anticipates that the SD to HD transition for most target audiences will take several more years. Each HD stream will have a corresponding SD stream until that time.

Note:

This was a new measure in FY 2017. Actuals are not available for FY 2016.

ANALYSIS OF RESULTS:

The planned launch of the new Dalet Galaxy system was delayed, due to the pandemic, and is now planned for early FY 2021.

Agility Objective 2:

Enhance strategic cooperation among USAGM networks and with support elements

USAGM is one of the world's largest news-gathering and reporting enterprises with more than 50 overseas news bureaus, 3,500 employees, and 1,500 stringer reporters. Each of the agency's five networks generates original reporting every day from in and around the world's hotspots – the Sahel and Central Africa, the Afghanistan-Pakistan border region, Burma, China, Egypt, Iran, North Korea, Russia, Syria, Yemen, et al – primarily in vernacular languages for target audiences in these areas. Too little of this rich content is translated and shared across USAGM to augment international news coverage for other USAGM vernacular services or made available to other global audiences in English. USAGM is remedying this by facilitating coordination among broadcast entities and support elements through the International Coordinating Committee (ICC), comprised of the heads of each of our five networks, and reinforcing their unique and respective mission-driven legislated roles in areas served by multiple broadcasters. USAGM will also continue to collaborate with other U.S. government entities on areas of mutual concern.

USAGM will:

- Ensure coordinated and complementary mission-driven operations and content in markets served by two USAGM media entities.
- Build and sustain internal content-sharing mechanisms, aligning internal editorial support and coordination, as needed.
- Employ new bridge editors and other content-sharing mechanisms to channel original reporting from the language services to the central newsrooms and across USAGM to get maximum mileage out of the content the agency currently produces.
- Better leverage news gathering, including stringer and correspondent networks or rotating correspondents, across USAGM to ensure required editorial coordination and avoid redundancy.

- Align all support functions to USAGM priorities, strategies, and goals.
- Participate in inter-agency meetings, committees, and strategies in support of U.S. government priorities to ensure that USAGM capabilities, expertise, actions, and impact are fully and accurately shared with other government entities.

AGILITY OBJECTIVE 2

Agility Performance Goal 2.1:
Increase opportunities for sharing
content across USAGM language services
and networks

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
Establish and employ systems for sharing content across language services and networks, including bridge editors and rotating correspondents	Established editorial coordinating committee	Launched a joint reporting project on China, <i>The Dragon's Reach</i> , involving all five networks	VOA and RFE/RL launched 24/7 Persian-language news channel.	Begin modernization of network Content Management Systems (CMS), starting with VOA.	Audit and review of new CMS systems begun. VOA transitioned English, Spanish, Persian, and Korean to new CMS. MBN completely transitioned.

Note:

This was a new measure in FY 2017. Actuals from FY 2016 are not available.

ANALYSIS OF RESULTS:

In FY 2020, VOA transitioned four services – English, Spanish, Persian, and Korean – to Voltron, its new CMS. MBN transitioned to the new system completely. In addition, USAGM launched an audit and review of the new CMS systems.

A CLOSER LOOK:

Original reporting shared across language services and networks

USAGM broadcasters share content within and across networks to better inform solid journalism and to enhance operational efficiency.

Alhurra regularly uses reports produced by VOA to incorporate into its daily newscast *From the Capital*, including topics such as Somali teacher honored for her work in elementary schools in suburban Minneapolis; the 25th anniversary of the approval of an HIV drug that revolutionized the fight against AIDS; and how struggling restaurants in San Francisco are connecting with seniors and disabled who were cut off from their usual food sources. Alhurra shares its weekly series, *Alhurra Investigates* with VOA for use of its language services. The investigative series has examined corruption in Iraq and Lebanon, the trafficking of Yazidi children, a look at who is ruling Sudan from behind-the-scenes and Syrian refugees being sent to Greece from Turkey.

During FY 2020, VOA Mandarin partnered with VOA's English language News Center to leverage its network of stringers around the world to closely cover China's moves to expand its economic, political and military influence throughout Asia, Africa, and Latin America.

VOA Portuguese produced a five-part series on the Islamic insurgency in Mozambique's Cabo Delgado province, using footage from VOA stringers who interviewed survivors and displaced civilians in region. This material was produced for worldwide English use by VOA's Extremism Watch Desk in a collaborative effort across the agency. VOA's Afghan service produced several success stories that explained how young people in the region overcame obstacles to become entrepreneurs and professionals. Many of these reports also were shared in English and published by the Extremist Watch Desk.

Across RFE/RL, language services focused original reporting on global China issues, including coverage of Beijing's efforts to expand its sphere of influence. For example, an exclusive investigation by RFE/RL Romanian revealed corruption when it documented how a company managed by the Chinese Communist Party received special treatment from Romania's former government to win a contract to build highways in Romania. A Balkan Service investigation

revealed that three of the eight Chinese companies sanctioned by the United States for human rights violations are operating in Serbia. RFE/RL's Tatar-Bashkir Service launched a special project focused on China's Belt and Road Initiative and its economic, social, and ethno-political impact on the Volga-Ural region, mapping out Chinese investments, businesses, and networks that seek to influence public opinion in the region. RFE/RL's reporting also highlighted growing discontent with China's influence in Central Asia with original reporting shared throughout the region.

AGILITY OBJECTIVE 2

Agility Performance Goal 2.2:
Enhance working-level coordination among networks and with support offices

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
Building on ICC success, establish cross-agency working groups to leverage resources and expertise across networks and support offices	Editorial coordinating committee established	CIO Council and Digital Governance Council established; CTO appointed	Acquired programming working group established. Data taxonomy standards established through Digital Governance Council.	Review of acquired programming across networks by working group. Implement data taxonomy standards.	Review of acquired programming not conducted. Two networks began implementation of data taxonomy standards.

Note:

This was a new measure in FY 2017. Actuals from FY 2016 are not available.

ANALYSIS OF RESULTS:

The planned review of acquired programming was not conducted in FY 2020, in part because the efforts were overtaken by broader examination of potential efficiency gains and cross-network reforms targeting redundancies across grantees.

In FY 2020, two networks began implementation of data taxonomy standards that were established by the Digital Governance Council in FY 2019. MBN incorporated these standards into their newsroom management system / media asset management (MAM) project and RFE/RL in their media archive.

A CLOSER LOOK:

Coordination and planning among networks and with support offices

VOA, RFA, TV Martí, and Alhurra are participating in a USAGM umbrella project to roll out a video-on-demand platform. Over-the-Top, or OTT, will deliver a Netflix-like experience that will enable audiences who are members of a diaspora community, those who are not served by an affiliate station, or those who simply want to receive USAGM content to access programs on multiple devices.

In FY 2020, USAGM programming was made available on Apple and Android phones and tablets as well as on Apple TV, Roku, Amazon Fire, and an array of smart TVs. These video-on-demand apps are branded by each USAGM network and are available in English, Russian, Ukrainian, Arabic, Farsi, Mandarin, Cantonese, French, Spanish, Korean, Khmer, Vietnamese, Urdu, Indonesian, and Kurdish. Uyghur, Tibetan, Burmese, Lao, and Turkish are in development and are slated for launch in FY 2021.

USAGM maintains relationships with thousands of affiliates and partner organizations, and even more personnel contacts within those companies. To improve communication and grow USAGM's affiliate base, the agency's Office of Business Development has upgraded to the Salesforce customer relationship management tool, which has enabled USAGM to consolidate its thousands of contacts into a single database, where staff can instantly communicate new opportunities, new developments in specific markets, and keep team members apprised of individual conversations. As a result, USAGM has been better able to determine where affiliation coverage is lacking, as well as levels of program carriage – providing invaluable information for content creators and decision-makers across USAGM broadcast entities.

AGILITY OBJECTIVE 2

Agility Performance Goal 2.3:
Ensure complementary coverage in markets served by more than one USAGM network

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
Conduct periodic content analysis of services that serve the same market	Conducted content analysis of VOA and RFE/RL coverage in Iran	Conducted content analysis of VOA and RFA coverage in Burma	Conducted external content review of OCB programming in Spanish.	Conduct content analyses in other markets served by multiple networks.	Began central oversight of network program reviews, including examination of strategic benefit of each language service including where they operate in the same market.

Note:

This was a new measure in FY 2017. Actuals from FY 2016 are not available.

ANALYSIS OF RESULTS:

In FY 2020, USAGM began central oversight of the network program review process, with established standards that the reviews must follow. All of the networks submitted their program review reports for review and discussion with the CEO. This oversight included an examination of strategic benefit of each language service including where they operate in the same market.

Agility Objective 3:

Enable greater impact and accountability through rigorous assessment and evaluation

USAGM's mission is more than reaching audiences. The agency utilizes a comprehensive Impact Model to capture effects of USAGM programming on audience members, the local media sector, and foreign governments. The Impact Model comprises a set of indicators tied to the agency mission, including: uniqueness of information, opinions on content trustworthiness, likelihood of content sharing and use, changes in understanding of current events, improvements in journalistic practices, and attention from public officials. In addition to continuous data collection, successful deployment of the Impact Model includes providing results to decision-makers and content providers throughout the agency and its networks.

Even as it holds networks accountable for advancing USAGM's mission, the agency simultaneously implements rigorous employee oversight. USAGM has renewed its focus on federal personnel appraisals and is currently undertaking several initiatives that will strengthen this important accountability tool.

USAGM will:

- Continue to implement and refine USAGM's Impact Model with incremental improvements.
- Offer briefings to U.S. government groups, other international broadcasters, and other interested organizations to share lessons learned from the path-breaking Impact Model.
- Feed impact data into planning and decision-making at all levels of the agency.
- Within the federal workforce, shift to a five-tier personnel performance appraisal system, tied to performance awards, and hold managers accountable for completing performance appraisals.

AGILITY OBJECTIVE 3

Agility Performance Goal 3.1: Strengthen research and evaluation program

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
Number of USAGM target countries/regions with full USAGM media surveys conducted in the current or prior fiscal year	33	18	15	12	12
Percentage of surveys used to report performance data that were conducted in the current or prior fiscal year	71%	19%	26%	50%	33%

Note:

This was a new measure in FY 2017. Actuals are not available for FY 2016.

ANALYSIS OF RESULTS:

For Agility Performance Goal 3.1, USAGM achieved one of two indicator target levels. Due to the coronavirus pandemic, many planned research studies had to be changed from face-to-face to phone surveys. Fieldwork was delayed and the results of these surveys were not available during FY 2020, but are anticipated in FY 2021.

A CLOSER LOOK:

Organizational learning through the use of research and evaluation

DEMAND-DRIVEN RESEARCH PROJECTS USAGM launched several cross-functional project teams to dig into specific programming and distribution questions at the request of network or agency leadership. These teams come together to compile data from a variety of sources – the agency’s own research and analytics, external resources, and expert interviews – and propose concrete courses of action. During FY 2020, project teams convened to investigate disinformation, the future of content distribution, opportunities and risks associated with TikTok, and opportunities to better target programming to Romania. RFE/RL launched a Hungarian Service, following up on a similar project from the previous year.

UPDATING USAGM’S IMPACT MODEL In FY 2020, USAGM updated the digital metrics in its Impact Model while emphasizing efficiency and automation through the use of commercial off the shelf products and services for reporting. Working with digital leads and research directors across all of USAGM’s networks, and drawing on industry best practices, the team examined the existing metrics and proposed a range of new ones, incorporating new platforms that have emerged since the Impact Model was first developed. The revamped metrics have helped to standardize reporting across USAGM and provide senior leaders a better understanding of digital performance across the agency.

STREAMLINING DATA COLLECTION USAGM research continued its multi-year effort to improve its standard research questionnaire, making it faster, cheaper, and more reliable. The new questionnaire was designed and tested through split samples in three markets – Cambodia, Tanzania, and Moldova. The results of these surveys were incorporated into a new draft questionnaire and field testing in four of the agency’s largest language markets – Russian, Arabic, Spanish, and English – has been contracted for early FY 2021.

Pilot projects to bring research data and evaluation products to senior leaders and other key decision makers

MAKING DATA MORE ACCESSIBLE In FY 2020, USAGM continued to strengthen and improve its data ecosystem. USAGM's data portal (data.usagm.gov) hosts its Strategic Management Audience Research Tool (SMART), a one-stop source of USAGM information showcasing business intelligence, research, and strategy for all five networks. The tool is accessible to agency, network, and interagency personnel with login.gov credentials. Continued construction resulted in a beta-version social media metrics database that ran for several weeks as a successful proof of concept.

GREATER OVERSIGHT OF NETWORK PROGRAM REVIEWS In FY 2020, USAGM reinforced its program review process by instituting central USAGM oversight into the process. Program reviews are evaluations of the quality of a selection of programming of each language service based on internal and external feedback. The review aims to provide network leadership and USAGM an independent evaluation of the work of each language service and identify areas where further attention is needed to achieve the service's goals. This year, for the first time, networks were required to adhere to common standards and submit the results of these reviews for discussion with USAGM's CEO, which resulted in a better understanding of network opportunities and challenges among senior leadership.

AGILITY OBJECTIVE 3

Agility Performance Goal 3.2:
Improve personnel evaluation processes

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
Strengthen personnel evaluation processes and compliance in the federal workforce	<p>Transitioned to 5-tier electronic personnel system, 40% of employees have personnel evaluations completed</p> <p>Provided managers with training on performance management</p>	<p>77% of managers trained in performance management. Additional training for remaining managers scheduled for Q1 FY 2019</p> <p>76% of employees had personnel evaluations completed</p>	82% of all eligible employees had personnel evaluations completed on-time.	92% of all eligible employees have personnel evaluations completed on-time.	100% of all eligible employees have personnel evaluations completed on-time.

Note:

This was a new measure in FY 2017. Actuals are not available for FY 2016.

ANALYSIS OF RESULTS:

USAGM made progress in personnel evaluations in FY 2020, exceeding its target and achieving 100 percent completion for eligible employees.

AGILITY OBJECTIVE 3

Agility Performance Goal 3.3: Improve performance culture of the agency

Results-oriented performance culture index (from Federal Employee Viewpoint Survey)	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
USAGM	47	48	51	51	51	NA
Government-wide (for comparison)	53	54	56	57	NA	NA

INDICATOR:

Results-oriented Performance Culture Index

This indicator is an index derived from the Federal Employee Viewpoint Survey (FEVS) and combines questions dealing with recognition, supervision, safety, work connection, and performance.

ANALYSIS OF RESULTS:

Results-oriented Performance Culture Index Target: 51 Actual: NA

The 2020 FEVS was delayed due to COVID-19. Data collection began in September 2020.

Agility Objective 4:

Foster employee engagement, development, and productivity

USAGM's diverse, multi-cultural, and multi-talented workforce offers a rich range of experience and expertise to carry out the agency's mission. Key to success in a rapidly changing, highly competitive global media environment is flexibility to develop innovative products for the agency's target countries consistent with emerging priorities, programming formats, and advances in technology.

Enhanced skill sets are required to program for and transmit via multiple media platforms – radio, TV, internet, mobile, and through social media. USAGM employees are most effective when they are well motivated, trained, and led.

Continued efforts to equip and energize the entire USAGM workforce are critical as the agency confronts mounting competitive pressures worldwide.

USAGM will:

- Promote human capital planning and management as a top priority for senior executives, managers, and supervisors throughout the agency.
- Consistently communicate organizational goals, objectives, priorities, and performance expectations in a timely manner to staff at all levels in the agency.
- Ensure a safe and secure work environment for all employees.
- Implement manager training curriculum focusing on performance management, human capital planning and processes, communication, and financial and administrative management.
- Improve the consistency and credibility of agency performance management processes.
- Develop cross-training and internal development standards and procedures, as applicable.
- Foster employee participation in agency health and wellness programs.

AGILITY OBJECTIVE 4

Agility Performance Goal 4.1: Strengthen internal communications

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
Establish/enhance two-way communication channels for better lateral and vertical communication	Improved communication by establishing and promoting internal social media, town halls, suggestion boxes, and focus groups.	Maintained communication over established channels and introduced an internal social media channel accessible to staff at all five networks.	90% of USAGM network staff using agency-wide communication channels for networking and events.	95% of USAGM network staff using agency-wide communication channels for networking and events.	98% of USAGM network federal staff use agency-wide digital communication channels for networking and engagement events.
Improve transparency and accountability using internal communication initiatives	Provided an intranet page, weekly internal newsletter, and regular senior leadership announcements to all staff	Increased visits to CEO intranet page with weekly CEO Flash Report. Hosted internal networking events to strengthen engagement and communication.	3 out of 5 USAGM broadcast network senior managers use the channels to raise awareness and share agency news.	Continue to evaluate and manage internal communication processes to increase staff morale and engagement.	USAGM broadcast network senior managers use the channels to raise awareness and share agency news.

Note:

This was a new measure in FY 2017. Actuals are not available for FY 2016.

Analysis of Results:

In March 2020, the majority of USAGM network staff began working remotely because of COVID-19. As a result, the agency saw a dramatic increase in staff using digital internal communication channels (Microsoft Teams and Workplace by Facebook), estimated at 98 percent for FY 2020. Both digital platforms provide data to help measure engagement.

The types of virtual communication that occur on both channels include CEO messages, daily responsive networking, town halls, awareness campaigns, and Office of Civil Rights events. All network senior leaders have participated in virtual lunches and town hall events accessible to all USAGM network staff.

AGILITY OBJECTIVE 4

Agility Performance Goal 4.2:
Improve employee training
and development.

Percentage of employees who believe that their work unit has the job-relevant knowledge and skills necessary to accomplish organizational goals (from Federal Employee Viewpoint Survey)	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2020 Actual
USAGM	53	56	70	71	73	NA
Government-wide (for comparison)	69	71	80	81	NA	NA

Note: In FY 2018, the wording of this question changed from “The workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals” to “My work unit has the job-relevant knowledge and skills necessary to accomplish organizational goals.”

INDICATOR:

Workforce Knowledge and Skills

This indicator is taken from the Federal Employee Viewpoint Survey and measures the percentage of employees with positive responses to the statement that their work unit has the job-relevant knowledge and skills necessary to accomplish organizational goals.

ANALYSIS OF RESULTS:

Workforce Knowledge and Skills

Target: 73

Actual: NA

The 2020 FEVS was delayed due to the coronavirus pandemic. Data collection began in September 2020.

A CLOSER LOOK:

Employee training, development, and mentoring

USAGM's Office of Workforce Support and Development (OWSD) is committed to providing employee support, development, expansion of skills learning and training infrastructure services to the agency. OWSD has been able to achieve this by leveraging interagency agreements with other federal agencies. This includes USAGM's Learning Management System (LMS), AgLearn. Federal agencies are required to use an LMS for federal training record keeping. The LMS also serves as a portal to most online agency learning opportunities such as various varieties of learning software, and government compliance courses. The LMS also hosts agency specific online learning and has been vital in the delivery of needed training courses during the COVID-19 pandemic.

With high numbers of retirement eligible employees and evolving workplace challenges, USAGM succession planning has become vitally important. The agency has placed increased emphasis on identifying and developing its next generation of leaders and preparing them to assume higher levels of responsibility.

USAGM's Office of Workforce Support and Development (OWSD) is adopting more formal and informal coaching opportunities for leadership that extend beyond the traditional classroom setting. Because managers often arrive at their positions with varied experiences and skillsets, and their positions often present different challenges, OWSD will continue to expand leadership support mechanisms and development to help managers fortify their learned skills in real-time situations.

OWSD has improved the effectiveness of the course material of the "Foundations of Leadership" training for agency supervisors, for example, and introduced a non-supervisory class "Leadership Fundamentals" to aide in the growth of agency non-supervisory employees to create enhanced opportunities for succession planning and leadership development. USAGM plans amplify these themes with the relaunch of a formal mentoring program in FY 2021.

Verification and Validation of Performance Measures

USAGM performance indicators are the product of a competitive, multi-million dollar research operation. Since FY 2017, USAGM has relied on 15 of the international media research firms to implement data collection in its markets worldwide. In addition to reducing costs through competition, the multiple-vendor approach ensures that the agency utilizes technical and regional experts to conduct research in the world's most challenging and sensitive environments.

USAGM contractually obligates research vendors to exercise quality controls during fieldwork data collection, such as daily checks of interview audio recordings; time stamps on survey administration; and consistent training for survey field teams. After research vendors deliver data, USAGM contracts yet another third-party vendor to conduct rigorous data validation procedures, resulting in the elimination of duplicate or insufficient data. When assurance procedures are complete, USAGM's Office of Policy and Research (OPR) calculates performance values, which are then sent to research directors for verification at the network level.

In terms of data limitations, the agency's audience reach estimates are weighted using available figures published annually by the Population Reference Bureau (PRB). Because the PRB is released once each year, and USAGM conducts research on a rolling basis, there are a few cases where audience estimates are based on population figures from the previous year. Since population figures tend to make larger shifts over the longer term, the agency has determined that smaller census differences from one year to the next are sufficient for audience estimates.

A larger data limitation is related to the decreasing number of recent omnibus and national surveys that comprise performance data. Since FY 2017 the portion of surveys conducted in the last two fiscal years has dropped from 71 to 33 percent. In other words, for FY 2020 two-thirds of performance indicators are based on data that is more than three years old, which likely results in less accurate audience numbers. To mitigate the risk in this approach the agency has acquired a new research service that will double the number of omnibus surveys conducted in the next fiscal year. While this effort was planned for FY 2020,

many of the surveys had to be delayed due to the coronavirus pandemic. Results will be presented in the FY 2021 PAR.

In 2020, USAGM continued its initiative to revise its standard national survey questions. This effort represents the first time any international broadcaster will forgo traditional questions about platform engagements and instead investigate audience engagement with brands regardless of platforms; this change is being made to better reflect the way people think about their individual media consumption today. Testing of the new questionnaire entails systemic interviews with respondents to probe understanding and statistical analysis of question performance to ensure question validity. Testing has already occurred in three markets – Cambodia, Tanzania, and Moldova – and will continue in the markets representing four of the agency’s largest languages – Russian, Spanish, Arabic, and English – throughout FY 2021.

USAGM continues to explore alternative methods for measuring audience reach, such as integrating digital analytics and commercial ratings data.

Through its leadership in the Conference of International Broadcasting Audience Researchers (CIBAR) and other industry communities of practices, USAGM participates in setting and enforcing international media research standards, including transparency in data collection and continuous learning throughout research implementation.

Evidence Building

USAGM conducts a range of activities to build evidence and support organizational learning throughout the agency and its networks.

RESEARCH AND ANALYTICS

USAGM undertakes quantitative, qualitative, evaluative, digital, and ad hoc research projects every year to directly support decisions on programming and strategy. Since FY 2002, USAGM has used a consolidated contract to procure audience and market research for all USAGM broadcast services. The agency maintains an extensive database of audience and market data that consolidates research results. The archive covers over 90 countries and contains socioeconomic and demographic data as well as strategically important information on local media, competition, and audience preferences and needs.

USAGM uses several enterprise digital analytics tools to track the performance of its content on web and social platforms. The research and analytics data guides USAGM strategic planning at all levels, specifically on-air program development, program reviews, and the agency's comprehensive annual strategic review of all language services.

LANGUAGE SERVICE REVIEW

The Annual Language Service Review (LSR) is a Board directed, comprehensive assessment of the languages in which USAGM networks broadcast. The process fulfills the Congressional mandate in the U.S. International Broadcasting Act of 1994 to “review, evaluate, and determine, at least annually, after consultation with the Secretary of State, the addition or deletion of language services.”

USAGM analyzes data in key areas that shape priorities, including press freedom, political freedom, civil liberties, economic freedom, instability, and human development indices from nongovernmental organizations (e.g., Freedom House, Reporters Without Borders, The Heritage Foundation and The Wall Street Journal, and the United Nations Development Programme). These indicators are combined into a prioritization index, together with the State Department's global ranking of USAGM language services relative to U.S. foreign policy priorities. This

process enables USAGM to evaluate changing conditions worldwide and adjust broadcast languages accordingly.

As part of the Language Service Review, USAGM considers how the agency's mission is carried out by the networks in each target country and region. Informed by research and analysis on competitive landscapes, USAGM language services set priority goals for the coming year.

The results of this strategy review include summaries of the political context, media environments, target audiences, foreign policy elements, and USAGM objectives in each country and region. It also includes goals and performance targets, based on USAGM's Impact Model, for each USAGM target area for the coming year. As progress toward these goals and targets is tracked, USAGM has the opportunity to monitor performance and take corrective actions.

PROGRAM REVIEW

USAGM networks conduct yearly reviews of their language services and their programming in order to maintain high-quality broadcasts and to help the language services progress toward their strategic goals. These program reviews are evaluations of the quality of a selection of programming of each language service based upon both internal and external feedback. The reviews aim to provide network leadership and USAGM an independent evaluation of the work of each language service and identify areas where further attention is needed in order to achieve the service's goals. In FY 2020, USAGM reinforced its program review process by instituting central USAGM oversight with established standards into the process.

IMPACT MODEL

USAGM has developed a robust Impact Model, tied directly to its mission, which provides a comprehensive tool for measuring impact in the varied and complicated media environments in which USAGM networks operate. The model looks beyond sheer audience size to assess the concrete change that the news and information USAGM networks provided has made in the lives of audience members, in the local media sector, and among governments. USAGM has now aligned all internal and external reporting with this model. All of the indicators

used in language service strategies and for Impact Objectives come from the Impact Model.

USAGM has made impact a key priority. USAGM’s research staff and network research directors continue to develop and refine the Impact Model and use it as a communications tool and accountability measure.

OTHER EVALUATIONS

The Office of the Inspector General (OIG) provides USAGM and Congress with systematic and independent evaluations of the operations of USAGM, designed to prevent and detect waste, fraud, and abuse. OIG inspections also generally review whether policy goals and objectives are being effectively achieved. However, 22 USC 6203(a)(3)(B) states that the OIG “shall respect the journalistic integrity of all the broadcasters and may not evaluate the philosophical or political perspectives reflected in the content of broadcasts.”

The Government Accountability Office (GAO) audits agency operations to determine whether federal funds are being spent efficiently and effectively, including investigating allegations of illegal and improper activities, reporting on how well government programs and policies are meeting their objectives, and performing policy analyses and outlining options for Congressional consideration. GAO also advises Congress and the heads of executive agencies about ways to make government more efficient, effective, ethical, equitable, and responsive.

As mentioned in the CEO’s message, multiple GAO and IG findings were identified whose recommendations were either superficially addressed or left unaddressed by prior agency leadership. Prior agency leadership failed to adequately address, specifically, GAO findings through process, personnel training, and management practices. Current senior leadership will be resolute in its responsibility to exert good governance and to meet or, ideally, exceed the high standards demanded of every agency by the American people. It will inform Congress of its action plans moving forward as it works to bring the agency into statutory and regulatory compliance.

Section 3: Financial Information

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Message from the Chief Financial Officer



U.S. AGENCY FOR
GLOBAL MEDIA

330 Independence Avenue SW | Washington, DC 20237 | usagm.gov

Message from the Chief Financial Officer

I am pleased to present the Fiscal Year (FY) 2020 financial statements for the U.S Agency for Global Media (USAGM). The Performance and Accountability Report is our principal report to the President, the Congress, and the American people on our stewardship of the public funds with which we have been entrusted and which are essential for achieving our important mission to inform, engage, and connect people around the world in support of freedom and democracy.

The Agency has once again received an unmodified audit opinion on the FY 2020 and FY 2019 financial statements. Over the past year, we have worked diligently to meet the reporting, audit, and compliance requirements that the Office of Management and Budget, the Treasury, and the Congress have put in place to improve federal financial management, business practices, and accountability. During FY 2020, USAGM has continued to strengthen financial management in numerous ways, including rollout of Momentum, its financial management system, to two overseas transmitting stations in order to improve financial system reliability and functionality for Agency users.

In FY 2020 USAGM made progress in strengthening USAGM's assessment of the OMB Circular A-123, Appendix A, Internal Controls by better aligning assessment of significant business processes with our fully developed enterprise risk management program. Last completed in FY 2017/2018, the agency is moving away from evaluation every three years to rotational assessment. Currently, we have substantially completed the updated evaluation of significant business processes, and will proceed to update risk assessments, and perform prescriptive testing of transaction level controls on a rotational basis beginning in FY 2021 pending the availability of resources. We completed the data requirements and validated the files as required by the Digital Accountability and Transparency Act (DATA) of 2014.



PUBLIC SERVICE MEDIA

Additionally, USAGM leadership has focused resources on continuing progress in improving the oversight of its grants. Consistent with the agency Standard Operating Procedures for Monitoring Grants and identified risk mitigation efforts, USAGM has worked with a contractor to ensure fiscal responsibility in the compensation its grantee networks provide to their employees by conducting a compensation comparability study. USAGM has also worked to draft the requirements to award a contract to develop a grants oversight program that is fully inclusive of the 2 CFR Title 2, Subtitle A, Chapter II, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awardoversight requirements.

The USAGM continues to seek opportunities to modernize business systems and improve operational effectiveness and efficiency. We acknowledge that there is additional work to be done, and we look forward to partnering with the independent financial auditors and the Office of the Inspector General in the year ahead.

Thomas Layou Digitally signed by Thomas
Layou
Date: 2020.11.13 10:49:33 -05'00'

Thomas Layou
Acting Chief Financial Officer

Independent Auditor's Report



Office of Inspector General
United States Department of State

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November 16, 2020

The Honorable Michael Pack
Chief Executive Officer
U.S. Agency for Global Media
330 Independence Ave., SW
Suite 3300
Washington, DC 20037

Dear Mr. Pack:

An independent external auditor, Kearney & Company, P.C., was engaged to audit the financial statements of the U.S. Agency for Global Media (USAGM) as of September 30, 2020, and for the year then ended; to provide a report on internal control over financial reporting; and to report any reportable noncompliance with laws, regulations, contracts, and grant agreements it tested. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget audit guidance. In its report *Independent Auditor's Report on the U.S. Agency for Global Media FY 2020 Financial Statements* (AUD-FM-IB-21-10), Kearney & Company found

- the financial statements as of and for the fiscal year ended September 30, 2020, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America;
- no material weaknesses¹ in internal control over financial reporting;
- one significant deficiency² in internal control over financial reporting, specifically in the area of grantee monitoring; and
- two instances of reportable noncompliance with laws, regulations, contracts, and grant agreements, specifically Federal grant regulations and the Federal Managers' Financial Integrity Act.

Kearney & Company is responsible for the enclosed auditor's report, which includes the Independent Auditor's Report; the Report on Internal Control Over Financial Reporting; and the Report on Compliance With Laws, Regulations, Contracts, and Grant Agreements, dated

¹ A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

² A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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November 16, 2020, and the conclusions expressed in the report. The Office of Inspector General (OIG) does not express an opinion on USAGM's financial statements or conclusions on internal control over financial reporting and compliance with laws, regulations, contracts, and grant agreements.

USAGM's comments on the auditor's report are attached to the report.

OIG appreciates the cooperation extended to it and Kearney & Company by USAGM managers and staff during this audit.

Sincerely,

A handwritten signature in blue ink that reads "Matthew S. Klimow". The signature is written in a cursive style with a large initial "M" and a long horizontal stroke at the end.

Ambassador Matthew S. Klimow
Acting Inspector General

Enclosure: As stated.

cc: Kelly E. Gorrell, Kearney & Company, P.C.

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INDEPENDENT AUDITOR'S REPORT
AUD-FM-IB-21-10

To the U.S. Agency for Global Media Chief Executive Officer and the Acting Inspector General

Report on the Financial Statements

We have audited the accompanying financial statements of the U.S. Agency for Global Media (USAGM), which comprise the consolidated balance sheet as of September 30, 2020; the related consolidated statements of net cost and changes in net position and the combined statement of budgetary resources for the year then ended; and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 19-03, "Audit Requirements for Federal Financial Statements." Those standards and OMB Bulletin No. 19-03 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion on the Financial Statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USAGM as of September 30, 2020, and its net cost of operations, changes in net position, and budgetary resources for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Year Financial Statements

USAGM's financial statements as of and for the year ended September 30, 2019, were audited by other auditors whose Independent Auditor's Report dated November 19, 2019, expressed an unmodified opinion on those financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Deferred Maintenance sections (hereinafter referred to as "required supplementary information") be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by OMB Circular A-136, "Financial Reporting Requirements," and the Federal Accounting Standards Advisory Board, which consider the information to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing it for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information in the Message from the United States Agency for Global Media [Chief Executive Officer], the Introduction, the Performance Information, the Message from the Chief Financial Officer, and the Other Information sections of USAGM's Performance and Accountability Report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on the information.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards* and OMB Bulletin No. 19-03, we have also issued reports, dated November 16, 2020, on our consideration of USAGM’s internal control over financial reporting and on our tests of USAGM’s compliance with certain provisions of applicable laws, regulations, contracts, and grant agreements for the year ended September 30, 2020. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 19-03 and should be considered in assessing the results of our audit.

A handwritten signature in blue ink that reads "Kearney & Company".

Alexandria, Virginia
November 16, 2020

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING**

To the U.S. Agency for Global Media Chief Executive Officer and the Acting Inspector General

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 19-03, "Audit Requirements for Federal Financial Statements," the financial statements and the related notes to the financial statements of the U.S. Agency for Global Media (USAGM) as of and for the year ended September 30, 2020, and have issued our report thereon dated November 16, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered USAGM's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of USAGM's internal control. Accordingly, we do not express an opinion on the effectiveness of USAGM's internal control. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 19-03. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982,¹ such as those controls relevant to ensuring efficient operations.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described below, as an item that we consider to be a significant deficiency.

¹ Federal Managers' Financial Integrity Act of 1982, Pub. L. No. 97-255, 96 STAT 814 (September 8, 1982).



Significant Deficiency

Grantee Monitoring

USAGM has four grantees that it funds through annual grant agreements: Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), the Middle East Broadcasting Networks (MBN), and the Open Technology Fund (OTF).² In FY 2020, the four grantees collectively received over \$290 million from USAGM in Federal grant awards, which represents approximately one-third of USAGM's total funding.

USAGM is responsible for monitoring the use of those funds to ensure that grantees adhere to applicable laws and regulations as well as to terms and conditions specified in the grant agreements. To aid in the grants monitoring process, USAGM approved and issued standard operating procedures (SOP)³ for grantee monitoring in February 2019, which present information and procedures that USAGM is supposed to use to monitor all stages of a grant's lifecycle.

We selected 15 control activities identified in the SOP to test whether USAGM had effectively implemented grantee monitoring. For RFE/RL, RFA, and MBN, we found that 8 of 15 controls tested were operating effectively. The remaining 7 control activities were not implemented by USAGM for RFE/RL, RFA, and MBN in FY 2020. For example, USAGM had not reviewed the allowability of grantee costs, performed grant close-outs, conducted formal documented site visits, or monitored equipment purchased by grantees. Furthermore, we found that 4 of 14⁴ control activities were operating effectively for OTF. In addition to the 7 controls that were not implemented for RFE/RL, RFA, and MBN, USAGM had not reviewed OTF's statements of obligations and disbursements, obtained an understanding of OTF's accounting processes for purposes of calculating an advance, or assessed OTF performance to prepare a required Performance Project Report.

USAGM officials stated that they have not fully implemented several of the key monitoring activities included in USAGM's SOP due to personnel and resource limitations. In FY 2020, to address these limitations, USAGM planned to engage contractor support to perform grantee monitoring activities, but a contract was not issued because of funding constraints. Office of the Chief Financial Officer (OCFO) officials stated that they will review available funding during the first quarter of FY 2021. Additionally, OCFO officials indicated that their ability to properly monitor OTF was impaired by active litigation between OTF and USAGM.

² OTF was established in FY 2019.

³ USAGM OCFO, "Standard Operating Procedures for Monitoring Grants," February 2019.

⁴ One of the 15 control activities selected for testing—approval of prior year carryforward funds—was not applicable because OTF did not have carryforward funds at the beginning of FY 2020.



Because USAGM continued to lack effective grantee oversight, there is an increased risk of waste, fraud, and abuse of Federal funds. Because USAGM is the primary funding source for the grantees, an organized and documented approach to oversight is needed to demonstrate accountability and mitigate risk. Weaknesses in controls over grantee monitoring have been reported each year since the audit of USAGM's FY 2013 financial statements.

During the audit, we noted additional matters involving internal control over financial reporting that we will report to USAGM management in a separate letter.

Status of Prior Year Findings

In the Independent Auditor's Report on Internal Control Over Financial Reporting, included in the audit report on USAGM's FY 2019 financial statements,⁵ USAGM's prior auditor reported an issue related to internal control over financial reporting. The status of this issue is summarized in Table 1.

Table 1. Status of Prior Year Finding

Control Deficiency	FY 2019 Status	FY 2020 Status
Grantee Monitoring	Significant Deficiency	Significant Deficiency

USAGM's Response to Findings

USAGM management has provided its response to our findings in a separate letter included in this report as Appendix A. We did not audit management's response, and accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and the results of that testing and not to provide an opinion on the effectiveness of USAGM's internal control. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 19-03 in considering the entity's internal control over financial reporting. Accordingly, this report is not suitable for any other purpose.

Alexandria, Virginia
November 16, 2020

⁵ OIG, *Independent Auditor's Report on the U.S. Agency for Global Media FY 2019 Financial Statements* (AUD-FM-IB-20-06, November 2019).

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS,
REGULATIONS, CONTRACTS, AND GRANT AGREEMENTS**

To the U.S. Agency for Global Media Chief Executive Officer and the Acting Inspector General

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 19-03, "Audit Requirements for Federal Financial Statements," the financial statements, and the related notes to the financial statements, of the United States Agency for Global Media (USAGM) as of and for the year ended September 30, 2020, and have issued our report thereon dated November 16, 2020.

Compliance

As part of obtaining reasonable assurance about whether USAGM's financial statements are free from material misstatement, we performed tests of USAGM's compliance with certain provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material impact on the determination of financial statement amounts. We limited our tests of compliance to these provisions and did not test compliance with all laws, regulations, contracts, and grant agreements applicable to USAGM. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and OMB Bulletin No. 19-03 and which are summarized as follows:

- *Federal Grants Regulations.* In each year since USAGM's FY 2013 financial statement audit, independent auditors have identified substantial noncompliance with Federal grant regulations. USAGM is responsible for monitoring the use of funds provided to its grantees to ensure that they adhere to relevant laws and regulations. As noted in our Independent Auditor's Report on Internal Control Over Financial Reporting, USAGM has not fully implemented many of its designed grantee monitoring controls. As a result, USAGM continued to be in substantial noncompliance with the Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," which provides guidance to agencies for grant oversight.



- *Federal Requirements Related to Internal Controls.* The Federal Managers' Financial Integrity Act¹ (FMFIA) and OMB regulations² require executive branch agencies to establish and maintain effective internal control. Heads of agencies must annually evaluate and report on the effectiveness of the internal control and financial management systems that protect the integrity of Federal programs. We found that USAGM did not have a fully implemented program to assess the effectiveness of its internal controls over operations, reporting, and compliance. USAGM engaged a contractor during FY 2020 to strengthen its internal control program. However, as of September 30, 2020, the contractor had not begun to implement the newly designed program.

USAGM's Response to Findings

USAGM management has provided its response to our findings in a separate letter included in this report as Appendix A. We did not audit management's response, and accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 19-03 in considering the entity's compliance. Accordingly, this report is not suitable for any other purpose.

Alexandria, Virginia
November 16, 2020

¹ Federal Managers' Financial Integrity Act, Pub. L. No. 97-255 (September 8, 1982).

² OMB Circular A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control," July 15, 2016, and OMB Circular A-123, Appendix A, "Management of Reporting and Data Integrity Risk," June 6, 2018.

Response to the Audit



U.S. AGENCY FOR
GLOBAL MEDIA

330 Independence Avenue SW | Washington, DC 20237 | usagm.gov

November 16, 2020

The Honorable Ambassador Matthew S. Klimow
Acting Inspector General
U.S. Department of State

Dear Mr. Klimow:

The U.S. Agency for Global Media (USAGM) is committed to maintaining fiscal responsibility and transparency for the taxpayer funds entrusted by Congress to pursue its global mission to inform, engage, and connect people around the world in support of freedom and democracy. The Performance and Accountability Report (PAR) is a key part of maintaining this commitment, providing a comprehensive account of the USAGM's financial activities.

I am pleased to report that USAGM continues to receive an unmodified opinion for this fiscal year's financial statement audit. USAGM is committed to working towards greater efficiency, effectiveness, and accountability in financial operations. With programming in 62 languages, thousands of media partners, and on-the-ground reporting capabilities around the world,

USAGM operations are global and complex. USAGM recognizes that our strength as an organization requires a strong fiscal foundation and effective stewardship over the resources entrusted to us by the American people. With continued investments in grantee oversight, I am confident we will improve compliance in this area during FY 2021.

We thank Kearney & Company for their continued efforts and dedication to working through the complex issues associated with the global nature of USAGM's financial processes.

Sincerely

Thomas Layou

Digitally signed by Thomas
Layou
Date: 2020.11.16 14:41:34 -05'00'

Thomas Layou
Acting Chief Financial Officer

Financial Statements

**U.S. Agency for Global Media
Consolidated Balance Sheet
As of September 30, 2020 and 2019**
(in thousands)

	FY 2020	FY 2019
Assets (Note 2):		
Intragovernmental:		
Fund Balance with Treasury (Note 3)	\$ 250,954	\$ 245,805
Accounts Receivable (Note 5)	242	48
Other (Note 8)	-	245
Total Intragovernmental	251,196	246,098
Cash and Other Monetary Assets (Note 4)	3	3
Accounts Receivable, Net (Note 5)	71	79
Advances to Surrogate Broadcasters (Note 6)	85,500	78,000
General Property, Plant and Equipment, Net (Note 7)	58,705	69,540
Other (Note 8)	697	1,521
Total Assets	\$ 396,172	\$ 395,241
Liabilities (Note 9):		
Intragovernmental:		
Accounts Payable	\$ 2,561	\$ 1,849
Accrued FECA Liability (Note 9)	1,350	1,452
Other (Note 12)	2,704	2,110
Total Intragovernmental	6,615	5,411
Accounts Payable	17,512	19,457
Actuarial FECA Liabilities (Note 9)	8,080	8,345
Accrued Payroll and Benefits	11,681	11,039
Foreign Service Nationals After-Employment Benefits (Note 9 and 10)	6,586	6,253
Environment and Disposal Liabilities (Note 9 and 11)	735	920
Accrued Annual and Compensatory Leave (Note 9)	21,338	16,582
Other (Note 12)	6,505	2,663
Total Liabilities	\$ 79,052	\$ 70,670
Commitment and Contingencies (Note 9, 13 and 14)		
Net position:		
Unexpended Appropriations	\$ 284,723	\$ 269,907
Cumulative Results of Operations	32,397	54,664
Total Net Position	\$ 317,120	\$ 324,571
Total Liabilities and Net Position	\$ 396,172	\$ 395,241

The accompanying notes are an integral part of these statements.

U.S. Agency for Global Media
Consolidated Statement of Net Cost
For the Years Ended September 30, 2020 and 2019
(in thousands)

	FY 2020	FY 2019
Voice of America (VOA)		
Gross Costs	\$ 430,132	\$ 426,464
Less: Earned Revenues	(1,231)	(1,055)
Net Program Costs	428,901	425,409
Office of Cuba Broadcasting (OCB)		
Gross Costs	38,402	41,561
Less: Earned Revenues	-	-
Net Program Costs	38,402	41,561
Surrogate Broadcasters and Internet Freedom		
Gross Costs	356,324	363,996
Less: Earned Revenues	(3,044)	(2,249)
Net Program Costs	353,280	361,747
Total Gross Costs	824,858	832,021
Less: Total Earned Revenues	(4,275)	(3,304)
Net Cost of Operations	\$ 820,583	\$ 828,717

The accompanying notes are an integral part of these statements.

U.S. Agency for Global Media
Consolidated Statement of Changes in Net Position
For the Years Ended September 30, 2020 and 2019
(in thousands)

	FY 2020	FY 2019
Unexpended Appropriations:		
Beginning Balance	\$ 269,907	\$ 266,944
Adjustments (+/-)		
Corrections of Errors (+/-)	-	-
Beginning Balance as Adjusted	<u>269,907</u>	<u>266,944</u>
Budgetary Financing Sources:		
Appropriations Received	810,396	807,896
Appropriations Transferred In/Out (+/-)	360	-
Other Adjustments (+/-)	(8,600)	(1,956)
Appropriations Used	<u>(787,340)</u>	<u>(802,977)</u>
Total Budgetary Financing Sources	<u>14,816</u>	<u>2,963</u>
Total Unexpended Appropriations	<u>284,723</u>	<u>269,907</u>
Cumulative Results from Operations:		
Beginning Balances	\$ 54,664	\$ 67,038
Adjustments: (+/-)		
Corrections of Errors (+/-)	-	-
Beginning Balance as Adjusted	<u>54,664</u>	<u>67,038</u>
Budgetary Financing Sources:		
Other Adjustments (+/-)	-	-
Appropriations Used	787,340	802,977
Other Financing Sources (Nonexchange):		
Imputed Financing	11,320	13,369
Other (+/-)	<u>(344)</u>	<u>(3)</u>
Total Financing Sources	798,316	816,343
Net Cost of Operations (+/-)	<u>820,583</u>	<u>828,717</u>
Net Change	<u>(22,267)</u>	<u>(12,374)</u>
Cumulative Results of Operations	<u>32,397</u>	<u>54,664</u>
Net Position	<u>\$ 317,120</u>	<u>\$ 324,571</u>

The accompanying notes are an integral part of these statements.

U.S. Agency for Global Media
Combined Statement of Budgetary Resources
For the Years Ended September 30, 2020 and 2019
(in thousands)

	FY 2020	FY 2019
Budgetary Resources:		
Unobligated Balance from Prior Year Budget Authority, Net	\$ 83,764	\$ 82,361
Appropriations (Discretionary and Mandatory)	810,864	808,364
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	<u>7,572</u>	<u>2,271</u>
Total Budgetary Resources	<u>\$ 902,200</u>	<u>\$ 892,996</u>
Status of Budgetary Resources:		
New Obligations and Upward Adjustments (Total)	\$ 818,778	\$ 815,674
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	43,316	29,803
Unapportioned, Unexpired Accounts	<u>13,015</u>	<u>20,674</u>
Unexpired Unobligated Balance, End of Year	56,331	50,477
Expired Unobligated Balance, End of Year	<u>27,091</u>	<u>26,845</u>
Unobligated Balance, End of Year (Total)	<u>83,422</u>	<u>77,322</u>
Total Budgetary Resources	<u>\$ 902,200</u>	<u>\$ 892,996</u>
Outlays, Net:		
Outlays, Net (Total) (Discretionary and Mandatory)	797,485	814,340
Distributed Offsetting Receipts	<u>-</u>	<u>-</u>
Agency Outlays, Net (Discretionary and Mandatory)	<u>\$ 797,485</u>	<u>\$ 814,340</u>

The accompanying notes are an integral part of these statements.

United States Agency for Global Media Notes to Principal Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

On October 1, 1999, the United States Agency for Global Media (USAGM), originally the Broadcasting Board of Governors (BBG) became the independent, autonomous entity responsible for all U.S. Government and government-sponsored, non-military, international broadcasting. This was the result of the 1998 Foreign Affairs Reform and Restructuring Act (Public Law 105-277). The Fiscal Year 2017 National Defense Authorization Act made several significant reforms to the Agency's management structure. Primarily, the act authorized the position of a Presidentially-nominated, Senate-confirmed Chief Executive Officer (CEO). Under the new statutory structure, the CEO serves as agency head, assuming all leadership, management, and operational authorities. The six media organizations that comprise the USAGM complement and reinforce one another in a shared mission vital to U.S. national interests: to inform, engage and connect people around the world in support of freedom and democracy. USAGM's mission is supported by two overarching strategic goals: (1) expanding freedom of information and expression and (2) communicating America's democratic experience and values. Together, USAGM networks communicate each week with more than 354 million people across the globe. The federal agency is composed of two components:

- Voice of America (VOA)
- Office of Cuba Broadcasting (OCB)

The CEO and oversight and support offices including the International Broadcasting Bureau (IBB) and Office of Technology Services and Innovation (TSI) do not engage in the development of news content. The CEO provides overall governance for USAGM and has authority to make grants to carry out its statutorily defined broadcasting mission. The oversight and support offices of TSI maintain the global distribution network over which all USAGM-funded news and information programming is distributed. IBB and other offices provide administrative functions which are governed by federal laws and

regulations. The VOA and OCB are the components of the agency that develop news content along with four grantees: Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), Middle East Broadcasting Networks (MBN), and as of September 2019, the Open Technology Fund (OTF). All USAGM broadcast services adhere to the standards and principles of the International Broadcasting Act of 1994, as amended, and support the USAGM mission.

The grantees – RFE/RL, RFA, MBN, and OTF – are independent non-federal entities who receive the majority of their funding from USAGM. They are organized and managed as private, independent, non-profit corporations and considered disclosure entities in accordance with Statement of Federal Financial Accounting Standards (SFFAS) No. 47, Reporting Entity (See Note 18).

B. Basis of Presentation and Accounting

These financial statements have been prepared to report the financial position, net cost, changes in net position, and budgetary resources of USAGM, consistent with the Chief Financial Officers' Act of 1990 and the Government Management Reform Act of 1994. These financial statements have been prepared from the books and records of USAGM in accordance with U.S. generally accepted accounting principles (GAAP) for federal entities and presented in accordance with the form and content requirements of the Office of Management and Budget (OMB) Circular No. A-136, *Financial Reporting Requirements, revised*. GAAP for federal entities, as prescribed by the Federal Accounting Standards Advisory Board (FASAB); FASAB's SFFAS No. 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*, which incorporates the GAAP hierarchy into FASAB's authoritative literature is the designated standard-setting body for the Federal Government.

Financial transactions are recorded in the financial system, using both an accrual and a budgetary basis of accounting. Under the accrual method, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to the receipt or payment of cash. Budgetary accounting facilitates compliance with legal requirements and mandated controls over the use of federal funds. It generally differs from the accrual basis of accounting in that obligations are recognized when new orders are placed or contracts awarded. In Accordance with SFFAS 56, accounting standards allow certain presentations

and disclosures to be modified, if needed, to prevent the disclosure of classified information.

C. Assets and Liabilities

Assets and liabilities presented on USAGM's balance sheet includes both entity and non-entity balances. Entity assets are assets that USAGM has authority to use in its operations. Non-entity assets are held and managed by USAGM, but are not available for use in operations.

Intragovernmental assets and liabilities arise from transactions between USAGM and other federal entities. All other assets and liabilities result from activity with non-federal entities. Liabilities covered by budgetary or other resources are those liabilities of USAGM for which Congress has appropriated funds or funding is otherwise available to pay amounts due. Liabilities not covered by budgetary or other resources represent amounts owed in excess of available congressionally appropriated funds or other amounts. The liquidation of liabilities not covered by budgetary or other resources is dependent on future congressional appropriations or other funding.

D. Fund Balance with Treasury

Fund Balance with Treasury (FBWT) includes several types of funds available to pay current liabilities and finance authorized purchases.

General Funds

These consist of expenditure accounts used to record financial transactions arising from congressional appropriations, as well as receipt accounts.

Trust Funds

These are used for the acceptance and administration of funds contributed from public and private sources and programs.

Other Fund Types

These include miscellaneous receipt accounts, deposit and clearing accounts maintained to track receipts and disbursements awaiting proper classification.

USAGM does not maintain cash in commercial bank accounts for the funds reported in the balance sheet, except for Imprest Funds under section E.

Treasury processes domestic receipts and disbursements. Two Department of State financial service centers, located in Bangkok, Thailand and Charleston, South Carolina, provide financial support for USAGM operations overseas. The U.S. disbursing officer at each center has the delegated authority to disburse funds on behalf of the Treasury.

E. Imprest Fund

USAGM operates an imprest fund in the amount of \$3,000 at USAGM Robert E. Kamosa Transmitting Station in the Commonwealth of the Northern Mariana Islands. Due to the remote location and 24 hour continuous operation of the mission, these funds are necessary and used to pay for time sensitive expenditures required to be paid in cash to local vendors. USAGM has Treasury approved delegation of disbursing authority for the establishment and operation of the imprest fund.

F. Accounts Receivable

Accounts receivable consists of amounts owed to USAGM by other federal agencies and the public. Intragovernmental accounts receivable represents amounts due from other federal agencies for reimbursable activities. Accounts receivable from the public represent amounts due from common carriers for unused airline tickets, and from vendors for erroneous or duplicate payments. These receivables are stated net of any allowances for estimated uncollectible amounts. The allowance, if any, is determined by the nature of the receivable and an analysis of aged receivable activity. Aged receivables more than 120 days without payment arrangements in place are sent to Treasury for collection through the Treasury Offset Program (TOP).

G. Advances and Prepayments

Payments made in advance of the receipt of goods and services are recorded as advances or prepayments, and recognized as expenses when the related goods and services are received. Advances are made principally for: official travel to some USAGM employees; salary advances to some USAGM employees, often for employees transferring to overseas assignments; advance payments to other Federal entities as part of a reimbursable agreement; prepaid leases; and

miscellaneous prepayments and advances to surrogate broadcasters for future services. Advances to surrogate broadcasters receiving grant awards are described further in Note 6.

H. Personnel Compensation and Benefits

Annual, Sick and Other Leave Program

Annual, sick and other leave time are accrued when earned, reduced when taken, and adjusted for changes in compensation rates. An unfunded liability is recognized for earned but unused annual leave as these balances will be funded from future appropriations in the year that leave is taken. Sick leave is expensed when taken, and no liability is recognized as employees are not vested in unused sick leave.

Retirement Plans

Civil Service employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). Employees covered under CSRS contribute 7.00 percent of their salary; USAGM contributes 7.00 percent. Employees covered under CSRS also contribute 1.45 percent of their salary to Medicare insurance; USAGM makes a matching contribution. On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984, were allowed to join FERS or remain in CSRS. Employees participating in FERS contribute 0.80 percent of their salary, with USAGM making contributions of 16.00 percent. FERS employees also contribute 6.20 percent to Old Age Survivor and Disability Insurance (OASDI) and 1.45 percent to Medicare insurance. USAGM makes matching contributions to both.

Effective January 1, 2013, pursuant to Public Law 112-96, Section 5001, new employees (as designated in the statute) pay higher FERS employee contributions (3.10 percent instead of 0.80 percent) with USAGM making contributions of 14.20 percent. These employees are covered under the FERS as Revised Annuity Employees (RAE), FERS-RAE. Effective January 1, 2014, Section 401 of the “Bipartisan Budget Act of 2013,” signed into law by the President on December 26, 2013, made another change to the Federal Employees’ Retirement System (FERS). New employees (as designated by that statute) pay higher FERS employee

contributions (4.40 percent instead of 0.80 percent) with USAGM making contributions of 14.20 percent. These employees are covered under the FERS as Further Revised Annuity Employees (FRAE), FERS-FRAE.

Employees covered by CSRS and FERS are eligible to contribute to the U.S. Government's Thrift Savings Plan (TSP), administered by the Federal Retirement Thrift Investment Board. USAGM makes a mandatory contribution of 1 percent of basic pay for FERS-covered employees. In addition, USAGM makes matching contributions, of up to 5 percent of basic pay, for FERS employees who contribute to the Thrift Savings Plan. Contributions are matched dollar for dollar for the first 3 percent of pay contributed each pay period and 50 cents on the dollar for the next 2 percent of pay. For CSRS participants, there is no governmental matching contribution. The maximum amounts that either FERS or CSRS employees may contribute to the plan in calendar year 2020 is \$19,500. Those who are of age fifty and older may contribute an additional \$6,500 in catch-up contributions.

Foreign Service employees participate in either the Foreign Service Retirement and Disability System (FSRDS) or the Foreign Service Pension System (FSPS). The FSRDS is the Foreign Service equivalent of CSRS as described in chapter 83 of Title 5, U.S.C. Employees covered under FSRDS contribute 7.25 percent of their salary; USAGM contributes 7.25 percent. Employees covered under FSRDS also contribute 1.45 percent of their salary to Medicare insurance; USAGM makes a matching contribution. The FSPS is the Foreign Service equivalent of the FERS, as described in chapter 84 of Title 5, U.S.C. In general, all Foreign Service eligible participants hired after December 31, 1983, participate in the FSPS. Most employees hired after December 31, 1983, are automatically covered by FSPS and Social Security. Employees hired prior to January 1, 1984, were allowed to join FSPS or remain in FSRDS. Employees participating in FSPS contribute 1.35 percent of their salary, with USAGM making contributions of 20.22 percent. FSPS employees also contribute 6.20 percent to OASDI and 1.45 percent to Medicare insurance. USAGM makes matching contributions to both. A primary feature of FSPS is that it offers a TSP into which USAGM automatically contributes 1 percent of pay and matches employee contributions up to an additional 4 percent. FSRDS-covered employees may make voluntary contributions to the TSP, but without the employer 1 percent contribution or employer-matching contributions. Effective January 1, 2013, pursuant to Public Law 112-96, Section

5001, new employees (as designated in the statute) pay higher FSPS employee contributions (3.65 percent instead of 1.35 percent) with USAGM making contributions of 17.92 percent. These employees are covered under FSPS as Revised Annuity Employees (RAE), FSPS-RAE. The Department of State manages the FSRDS and FSPS plans.

Health Insurance

Most of USAGM's employees participate in the Federal Employees Health Benefits Program (FEHB), a voluntary program that provides protection for enrollees and eligible family members in case of illness, accident, or both. Under FEHB, USAGM contributes the employer's share of the premium as determined by the U.S. Office of Personnel Management (OPM).

Life Insurance

Unless specifically waived, employees are covered by the Federal Employees Group Life Insurance Program (FEGLI). FEGLI automatically covers eligible employees for basic life insurance in amounts equivalent to an employee's annual pay. Enrollees and their family members are eligible for additional insurance coverage, but the enrollee is responsible for the cost of the additional coverage. Under FEGLI, USAGM contributes the employer's share of the premium, as determined by OPM.

Workers' Compensation

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered federal civilian employees injured on the job, to employees who have incurred work-related occupational diseases, and to beneficiaries of employees whose deaths are attributable to job-related injuries or occupational diseases. The FECA program is administered by the U.S.

Department of Labor (DOL), which initially pays valid claims. The FECA liability consists of two components. First is a current liability amount based on actual claims paid by DOL but not yet reimbursed by USAGM. Timing of USAGM's reimbursement to DOL is dependent on appropriated funds made available for this purpose and generally occurs two to three years after actual claims had been paid. The second FECA component is the actuarial estimate of future benefit payments for death, disability, medical, and miscellaneous costs. This estimate is determined using a method that analyzes historical benefit payment patterns related to a specific period in order to predict the ultimate payments related to

the current period. The estimated liability is not covered by budgetary resources and will require future funding.

Federal Employees Post-Employment Benefits

USAGM does not report CSRS, FERS, FEHB or FEGLI assets, accumulated plan benefits, or unfunded liabilities applicable to its employees; OPM reports this information. As required by Statements of Federal Financial Accounting Standards (SFFAS) No.5, *Accounting for Liabilities of the Federal Government*, USAGM reports the full cost of employee benefits for the programs that OPM administers. USAGM recognizes an expense and imputed financing source for the annualized unfunded portion of CSRS, post-retirement health benefits, and life insurance for employees covered by these programs. The additional costs are not actually owed or paid to OPM, and thus are not reported as liabilities on the balance sheet. For each fiscal year the Office of Personnel Management (OPM) calculates the U.S. Government's service costs for covered employees, which is an estimate of the amount of funds that, if accumulated annually and invested over an employee's career, would be enough to pay that employee's future benefits. Since the U.S. Government's estimated FY 2020 service cost exceeds contributions made by employer agencies and covered employees, the plan is not fully funded by USAGM and its employees. For FY 2020 USAGM recognized \$11.3 million as an imputed cost and as an imputed financing source for the difference between the estimated service cost and the contributions made by USAGM and its employees.

Foreign Service Nationals (FSN) After-Employment Benefits

USAGM employs approximately 280 FSN employees at 26 overseas posts. Many of these posts offer after-employment benefits that are based on the employment laws and prevailing wage practices in that host country. These benefits may include annuity-based defined benefit plans, defined contribution plans, and lump sum voluntary severance and retirement benefits. Descriptions of these after-employment benefits and projected plan benefits are presented in fuller details in Note 10.

Personal Services Contractors

Beginning in June 2019, Personal Service Contractors (PSCs) became a part of USAGM's workforce. VOA relies on the specialized skills of over 500 contractors to develop and deliver content to its worldwide audience. USAGM is exploring

different approaches to streamline management of these contractors and increase the agility with which leadership can leverage its contractor resources to complement its robust federal workforce. Previously managed by staffing service procurements, PSCs are currently managed directly in accordance with individual personnel service contract agreements with the agency. The agency has a procurement contract to administer payroll and associated benefits on the agency's behalf. PSCs are eligible to participate in a voluntary benefits program that offers health, dental, vision, disability, and life insurance benefits for enrollees and eligible family members, to which USAGM contributes some of these benefits. USAGM also pays the employer's portion of Workers' Compensation premiums due to Federal and State authorities. PSCs do not participate in after-employment benefits, and there is no post-employment liability related to PSCs.

I. Contingent Liabilities

A loss contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible loss which should ultimately be resolved when a future event occurs or fails to occur. Contingencies are accrued in the financial statements where the liability is probable and the cost is measurable. Contingencies that do not meet any of the conditions for liability recognition, but for which there is at least a reasonable possibility that a liability may be incurred, are disclosed but not accrued, as presented in Note 14.

J. Revenues and Financing Sources

USAGM operations are financed through congressional appropriations, reimbursement for the provision of goods or services to other federal agencies and the public, transfers and donations. Financing sources are received in direct annual and no-year appropriations; these appropriations may be used, within statutory limits, for operating and capital expenditures.

Work performed for other federal agencies under reimbursable agreements is initially financed through either an advance of funds received or the Bureau providing the service, and is subsequently reimbursed. Reimbursements are recognized as revenue when earned, i.e., goods have been delivered or services rendered, and the associated costs have been incurred. Occasionally, earned

revenues occur when USAGM provides goods or services to the public in which case the revenue is recognized when collected.

An imputed financing source is recognized to offset costs incurred by USAGM and funded by another federal source, in the period in which the cost was incurred. The types of costs offset by imputed financing are employees' pension benefits, health insurance, life insurance, and other post-retirement benefits for employees. Funding from other federal agencies is recorded as an imputed financing source.

K. Net Position

USAGM's net position contains the following components:

Unexpended Appropriations

This is the sum of undelivered orders and unobligated balances. Undelivered orders represent the amount of obligations incurred for goods or services ordered, but not yet received. An unobligated balance is the amount available after deducting cumulative obligations from total budgetary resources. As obligations for goods or services are incurred, the available balance is reduced.

Cumulative Results of Operations

These include (1) the accumulated difference between revenues and financing sources less expenses since inception; (2) USAGM's investment in capitalized assets financed by appropriation; (3) donations; and (4) unfunded liabilities, for which liquidation may require future congressional appropriations or other budgetary resources.

L. Management's Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions affecting the reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingent liabilities. Actual results could differ from these estimates.

M. Statement of Net Cost Presentation

The cost and revenue information presented in the Statement of Net Cost is aligned to the two federal broadcasting entities, displayed separately, and the four grantees, or surrogate broadcasters, displayed in the aggregate. Costs of oversight and support offices are allocated between the broadcasting entities. The two overarching strategic goals outlined in the Strategic Plan are (1) Expand freedom of information and expression, and (2) Communicate America's democratic experience. Both federal entities and all four grantees carry out activities to achieve these goals. VOA's mission aligns directly with USAGM's second goal, and its efforts are largely focused on achieving this goal, while the other entities are primarily focused on achieving the first goal.

NOTE 2: ENTITY / NON-ENTITY ASSETS

Entity and Non-Entity assets of USAGM have been combined on the balance sheet. Non-entity assets relate primarily to state and local taxes and other employee payroll withholdings included under FBWT deposit accounts and are currently held by but not available to USAGM. The funds are restricted by nature and will be forwarded to Treasury or other entities at a future date.

Non-entity assets as of September 30, 2020 and 2019 are summarized as follows:

Non-Entity Assets (in thousands)	2020	2019
Intragovernmental:		
Fund Balance with Treasury	\$ 2,945	\$ 2,966
Total Intragovernmental	2,945	2,966
Total Non-Entity Assets	2,945	2,966
Total Entity Assets	393,227	392,275
Total Assets	\$ 396,172	\$ 395,241

NOTE 3: FUND BALANCE WITH TREASURY

Treasury performs cash management activities for all federal agencies. The Fund Balance with Treasury (FBWT) represents the right of USAGM to draw down funds from Treasury for expenses and liabilities. The balances in Note 3 are reconciled to Treasury and primarily consist of appropriated, trust, deposit and clearing funds.

Appropriated funds are general fund expenditure accounts established to record amounts appropriated by law for the general support of Federal Government activities and the subsequent expenditure of these funds. It includes spending from both annual and permanent appropriations.

Trust fund balances consist primarily of (1) Foreign Service National Separation Liability Trust; and (2) Miscellaneous Trust.

Other Fund types consist of Deposit and Clearing accounts with balances held but not available by USAGM. Deposit fund examples are: Withheld State and Local Taxes (payroll); Other Federal Payroll Withholdings; Collections of receivables from Canceled Accounts; and General Funds Proprietary Receipts, Not Otherwise Classified. Clearing fund examples are: Proceeds of Sales, Personal Property; and Budget Clearing Account (Suspense).

The Status of Fund Balance with Treasury as of September 30, 2020 and 2019, consists of the following:

Status of Fund Balance with Treasury (in thousands)	2020	2019
Unobligated Balance		
Available	\$ 56,331	\$ 50,477
Unavailable	27,091	26,845
Obligated Balance Not Yet Disbursed	164,554	165,515
Non-Budgetary Fund Balance with Treasury	2,978	2,968
Total	\$ 250,954	\$ 245,805

The status of the fund balance may be classified as unobligated available, unobligated unavailable, obligated balance not yet disbursed, and non-budgetary Fund Balance with Treasury. Unobligated available funds, depending on budget authority, are generally available for new obligations in the current fiscal year. The unobligated unavailable amounts are those appropriated in prior fiscal years but not available to fund new obligations; however they are available to increase

existing prior year obligations. The obligated but not yet disbursed balance represents amounts designated for payment of goods and services ordered but not yet received, or goods and services received but for which payment has not yet been made.

Canceled funds returned to Treasury as of September 30, 2020 and 2019 totaled \$8.6 million and \$2.0 million, respectively.

NOTE 4: CASH AND OTHER MONETARY ASSETS

Cash consists of funds held outside of Treasury and the Federal Reserve by authorized fiscal officers or agents. Cash includes all monetary resources on hand or on deposit with a financial institution, including coins, paper currency, and readily negotiable instruments such as checks and money orders. USAGM’s use of unrestricted cash consists of funds on deposit with a Treasury designated financial institution, for use by the transmitting stations of the Commonwealth of the Northern Mariana Islands, as delegated by Treasury.

Cash and Other Monetary Assets as of September 30, 2020 and 2019 consists of the following:

Cash and Other Monetary Assets (in thousands)	2020	2019
Cash	\$ 3	\$ 3
Total Cash and Other Monetary Assets	\$ 3	\$ 3

NOTE 5: ACCOUNTS RECEIVABLE, NET

Accounts receivable as of September 30, 2020 and 2019, are as follows:

Accounts Receivable (in thousands)	2020	2019
Intragovernmental	\$ 242	\$ 48
Public	76	84
Allowance for Uncollectable Accounts	(5)	(5)
Total Accounts Receivable, Net	\$ 313	\$ 127

An allowance for Uncollectable accounts is established on an individual account basis based on an overall assessment of the debtor's willingness and ability to pay. Delinquent debts are referred to Treasury in accordance with the Debt Collection Improvement Act of 1996.

NOTE 6: ADVANCES TO SURROGATE BROADCASTERS

The advance to surrogate broadcasters (or grantees) represents an amount in which USAGM has disbursed funds but for which goods and services have not been delivered or performed. Grant funds are issued periodically throughout the year on an advance basis and liquidated based on actual expenses incurred by the grantee. The grant advance liquidation approach utilizes expenses as recorded in the grantee's preliminary unaudited Trial Balances through September of the year being audited. In some instances, grantees provided estimates for expenses and year-end adjustments for activity incurred but not recorded in the preliminary trial balance due to timing and availability. The grantee advance accrual does not account for grantee executed vendor contracts awarded where services have not been received by the grantee as of year-end.

Advances to surrogate broadcasters for the years ended September 30, 2020 and 2019 are \$85.5 million and \$78.0 million, respectively.

NOTE 7: PROPERTY, PLANT, AND EQUIPMENT, NET

Property, plant, and equipment (PP&E) consist of equipment, buildings, vehicles, and land. There are no restrictions on the use of property, plant, and equipment. USAGM capitalizes property, plant, and equipment with a useful life of two years or more that meet the established capitalization thresholds. In FY 2017, USAGM updated the PP&E policy for capitalization. The thresholds for capitalization are as follows for property acquired on or after October 1, 2016: equipment costing \$75,000 or more, buildings and capital leases costing \$100,000 or more, and other structures and facilities costing \$100,000 or more. In addition, ADP software costing \$250,000 or more, and all land, land rights, and vehicles are capitalized, regardless of cost.

The thresholds for capitalization are as follows for property acquired before October 1, 2016: equipment costing \$25,000 or more, buildings and capital leases costing \$100,000 or more, and other structures and facilities costing \$50,000 or more. In addition, ADP software costing \$250,000 or more, and all land, land rights, and vehicles are capitalized, regardless of cost.

Expenditures for normal repairs and maintenance are expended unless the expenditure is equal to or greater than \$75,000 and the improvement increases the asset's useful life by two years or more, in which case the amounts are capitalized.

Depreciation or amortization is computed using the straight-line methodology over the assets' useful lives ranging from three to thirty years. Amortization of capitalized software begins on the date it is put in service, if purchased, or when the module or component has been successfully tested if developed internally.

Property, plant, and equipment consists of property used in operations and consumed over time. The following table summarizes cost and accumulated depreciation/ amortization of property, plant, and equipment as of September 30, 2020 and 2019.

PP&E (in thousands)		2020			2019		
Property Category	Useful Life (Years)	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Land	N/A	\$ 3,416	\$ -	\$ 3,416	\$ 3,416	\$ -	\$ 3,416
Construction-in-Progress	N/A	633	-	633	633	-	633
Building	30	24,279	(20,669)	3,610	24,279	(20,087)	4,192
Other Structures	20	6,217	(5,921)	296	6,217	(5,887)	330
Equipment	6-30	296,412	(253,714)	42,698	298,618	(247,176)	51,442
Vehicles	6	5,728	(4,103)	1,625	5,554	(3,870)	1,684
Assets under Capital Lease Leasehold	10	-	-	-	-	-	-
Improvements	10-20	7,472	(2,519)	4,953	7,472	(1,958)	5,514
Software	3-6	7,511	(6,037)	1,474	7,511	(5,182)	2,329
Software-in-Development	N/A	-	-	-	-	-	-
Total		\$ 351,668	\$ (292,963)	\$ 58,705	\$ 353,700	\$ (284,160)	\$ 69,540

Depreciation and amortization expense as of September 30, 2020 and 2019 is \$12.4 million and \$12.4 million, respectively.

On October 24th, 2018, Super Typhoon Yutu made landfall on Saipan and Tinian, the largest islands of the Commonwealth of the Northern Marianas

Islands (CNMI). It severely damaged USAGM’s transmitting infrastructure (collectively called the Robert E. Kamosa Transmitting Station, or REKTS). As a Category 5 Super Typhoon, Yutu devastated the facilities at both sites, and all shortwave broadcasts from CNMI to North Korea, China, and other target countries in East Asia were disrupted. Operations were impacted, but the transmission infrastructure was not destroyed. While the curtain antennas and screens were shredded and/or knocked down by the wind, the towers remained largely intact. REKTS immediately began making repairs and successfully restored broadcast capabilities. By the end of FY 2020, five of sixteen shortwave antennas systems were fully restored. Parts for two additional antennas have been received and the station is currently working on re-building both antenna systems. In addition, a contract was awarded for an additional four antennas with two expected to be delivered on site by December 2020. If there are no delays, we expect to have nine antenna systems fully restored by the end of FY 2021. Total assets held in CNMI have an approximate book value of \$6.4 million as of September 30, 2020.

NOTE 8: OTHER ASSETS

Other assets consist of (a) leases and other expenses that are paid in advance; and, (b) advances and prepayments to USAGM employees for official travel, miscellaneous prepayments, and salary advances to USAGM employees transferring to overseas assignments. Other assets consist of the following as of September 30, 2020 and 2019:

Other Assets (in thousands)	2020	2019
Prepaid Leases	\$ 675	\$ 1,095
Prepaid Audit Fee	-	245
Travel & Salary Advances	22	426
Total	\$ 697	\$ 1,766

NOTE 9: LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

USAGM’s liabilities are classified as liabilities covered by budgetary resources, liabilities not covered by budgetary resources, or liabilities not requiring budgetary resources. Liabilities not covered by budgetary resources are liabilities for which Congressional action is needed before budgetary resources can be provided. They include the annual leave, workers compensation, pensions and other retirement benefits, contingent liabilities, and environmental liabilities. Liabilities not requiring budgetary resources are for liabilities that have not in the past required nor will they in the future require the use of budgetary resources. Liabilities Not Covered by Budgetary Resources as of September 30, 2020 and 2019 are summarized below.

Liabilities Covered / Not Covered by Budgetary Resources (in thousands)	2020	2019
Intragovernmental		
Accrued FECA Liability	\$ 1,350	\$ 1,452
Total Intragovernmental	<u>1,350</u>	<u>1,452</u>
Public		
Actuarial FECA Liability	8,080	8,345
Accrued Annual and Compensatory Leave	21,338	16,582
Contingent Liabilities	4,389	547
Foreign Service National After-Employment Benefits	6,586	6,253
Environmental and Disposal Liabilities	735	920
Total Liabilities Not Covered by Budgetary Resources	<u>42,478</u>	<u>34,099</u>
Total Liabilities Covered by Budgetary Resources	34,458	34,455
Total Liabilities Not Requiring Budgetary Resources	<u>2,116</u>	<u>2,116</u>
Total Liabilities	<u>\$ 79,052</u>	<u>\$ 70,670</u>

NOTE 10: FOREIGN SERVICE NATIONALS (FSN) AFTER-EMPLOYMENT BENEFITS

USAGM operates overseas in 26 countries and employs approximately 280 local nationals known as Foreign Service Nationals (FSNs). FSNs do not qualify for federal civilian benefits, and therefore cannot participate in any of the federal civilian retirement plans. Instead, FSN employees participate in a variety of plans established by the Department of State based upon prevailing wage and compensation practices in the host country, unless the Department of State makes a public interest determination to do otherwise. In general, USAGM follows host country (i.e., local) practices and conventions in compensating FSNs.

The end result is that compensation for FSNs is often not in accordance with what would otherwise be offered or required by statute and regulations for federal civilian employees.

FSN after-employment benefits are included in the Post's Local Compensation Plan (LCP). The LCP may include defined benefit plans, defined contribution plans, and retirement and voluntary severance lump sum payment plans. These plans are typically in addition to or in lieu of participating in the host country's local social security system. These benefits form an important part of USAGM's total compensation and benefits program that is designed to attract and retain highly skilled and talented FSN employees. USAGM has implemented various local arrangements with third party providers for defined contribution plans for the benefit of FSNs.

Defined Benefit Plans

USAGM has implemented various arrangements for defined benefit pension plans for the benefit of FSNs in 4 countries. Some of these plans supplement the host country's equivalent to U.S. social security and others do not. While none of these supplemental plans are mandated by the host country, some are substitutes for optional tiers of a host country's social security system. Such arrangements include (but are not limited to) conventional defined benefit plans with assets held in the name of trustees of the plan who engage plan administrators, investment advisors and actuaries, and plans offered by insurance companies at predetermined rates or with annual adjustments to premiums. USAGM deposits funds under various fiduciary-type arrangements, purchases annuities under group insurance contracts or provides reserves to these plans. Benefits under the defined benefit plans are typically based either on years of service and/or the employee's compensation (generally during a fixed number of years immediately before retirement). The range of assumptions that are used for the defined benefit plans reflects the different economic and regulatory environments within the various countries. The net defined benefit liability is comprised of the present value of the defined benefit obligation less the fair value of plan assets.

Retirement and Voluntary Severance Lump Sum Payments

In 11 countries, FSN employees are provided a lump-sum separation payment when they resign, retire, or otherwise separate through no fault of their own. The

amount of the payment is generally based on length of service, rate of pay at the time of separation, and the type of separation.

The cost method used for the valuation of the liabilities associated with these plans is the Projected Unit Credit actuarial cost method. The participant's benefit is first determined using both their projected service and salary at the retirement date. The projected benefit is then multiplied by the ratio of current service to projected service at retirement in order to determine an allocated benefit. The Projected Benefit Obligation (PBO) for the entire plan is calculated as the sum of the individual PBO amounts for each active member. Further, this calculation requires certain actuarial assumptions be made, such as voluntary withdraws, assumed retirement age, death and disability, as well as economic assumptions. These are done by the Department of State and its actuaries whose results are provided to the federal agencies for their use. USAGM relies on the actuarial reports to obtain required financial information.

The economic assumptions used for the Retirement and Voluntary Severance Lump Sum Payment Liability as of September 30, 2020 and 2019 are:

Economic Assumptions	2020	2019
Discount Rate	2.74%	2.78%
Rate of Inflation	1.69%	1.73%
Salary Increase	6.55%	6.18%

The total liabilities reported for the FSN After-employment Benefits as of September 30, 2020 and 2019 are as follows:

After-Employment Benefit Liability (in thousands)	2020	2019
Defined Benefits Plans	\$ 168	\$ 543
Voluntary Severance	2,230	1,960
Supplemental Retirement Lump Sum	4,188	3,750
Total After-Employment Benefit Liability	\$ 6,586	\$ 6,253

NOTE 11: ENVIRONMENTAL AND DISPOSAL LIABILITIES

Environmental and disposal liabilities result from hazardous and potentially hazardous materials at current operating locations and abandoned facilities that

create a public health or environmental risk. The related cleanup cost to remove, contain or dispose of any hazardous materials or properties is recognized as an environmental and disposal liability until the end of the useful life of the PP&E or until the operations at the PP&E locations cease either permanently, temporarily, or until a voluntary remediation approach is adopted.

Federal, state, and local statutes and regulations require environmental cleanup. Some of these statutes include the Comprehensive Environmental Response, Compensation, and Liability Act; The Resource Conservation and Recovery Act; as well as State and Local laws.

Through an internal survey to comply with SFFAS 5, *Accounting for Liabilities of the Federal Government*, SFFAS 6, *Accounting for Property, Plant and Equipment*, FASAB Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-related Cleanup Costs* and Federal Financial Accounting and Auditing (FFAA) Technical Release 2, *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*, Technical Release 10, *Implementation Guidance on Asbestos*.

USAGM recognizes an estimated \$215 thousand in cleanup cost to remove hazardous materials from a transmitter facility. The estimate was received in previous years and the facility disposition has not changed.

Cleanup Costs Associated with Facilities and Installed Equipment, and Technical Release 11, *Implementation Guidance on Cleanup Costs Associated with Equipment*, USAGM in FY 2013 identified offices and building facilities that contained non-friable and friable asbestos. Based on this survey, USAGM has recognized an estimated asbestos cleanup liability in the amount of \$520 thousand for three of its overseas facilities. The total estimate is based on the vendor quotes provided for asbestos cleanup-efforts adjusted for September 30, 2020 currency exchange rates. Contractor work was completed on the roof replacement at the Rasom Site transmitter plant building in Thailand on September 11, 2020. The total estimated potential environmental liability including removal of hazardous materials and asbestos for USAGM in FY 2020 is \$735 thousand.

NOTE 12: OTHER LIABILITIES

Other liabilities consist of the following as of September 30, 2020:

Other Liabilities (in thousands)	Current	2020 Total
Intragovernmental		
Advances and Prepayments	\$ 42	\$ 42
Employer Contribution/Payroll Taxes	2,662	2,662
Total Intragovernmental	\$ 2,704	\$ 2,704
Public		
Contingent Liabilities	4,389	4,389
Deposit and Suspense Liabilities	2,116	2,116
Total Other Liabilities	\$ 9,209	\$ 9,209

NOTE 13: OPERATING LEASE LIABILITY

USAGM leases real property in overseas and domestic locations under operating leases that expire in various years. The threshold for operating lease review and disclosure is \$50,000 in total lease payments. USAGM has three real property leases with the General Services Administration that are cancelable with a four month notice. Minimum future lease payments under non-cancelable and cancelable operating leases having remaining terms in excess of one year as of September 30, 2020 for each of the next 5 years and in aggregate follows:

Non-Cancelable Operating Leases (in thousands)			
Fiscal Year	Federal	Non-Federal	Total
2021	\$ 324	\$ 1,399	\$ 1,723
2022	313	973	1,286
2023	304	550	854
2024	304	418	722
2025	304	251	555
2026 and there after	1,017	747	1,764
Total Future Lease Payments	\$ 2,566	\$ 4,338	\$ 6,904

Cancelable Operating Leases (in thousands)			
Fiscal Year	Federal	Non-Federal	Total
2021	\$ 16,788	\$ -	\$ 16,788
2022	16,788	-	16,788
2023	16,788	-	16,788
2024	16,788	-	16,788
2025	16,788	-	16,788
2026 and there after	52,720	-	52,720
Total Future Lease Payments	\$ 136,660	\$ -	\$ 136,660

NOTE 14: CONTINGENT LIABILITIES

USAGM is a party in various administrative proceedings, legal actions, and tort claims that may ultimately result in settlements or decisions adverse to the Federal Government. These include legal cases that have been settled but not yet paid, and claims where the amount of potential loss is probable and estimable. No amounts have been accrued in the financial records for claims where the amount of potential loss cannot be estimated or the likelihood of an unfavorable outcome is less than probable. The accrued and potential contingent liabilities as of September 30, 2020 and 2019 are as follows. The Agency does not have any material environmental or other contingent liabilities to disclose.

Legal Contingent Liabilities (in thousands)				
	FY 2020	Accrued Liabilities	Estimated Range of Loss	
			Lower End of Range	Upper End of Range
Probable		\$ 4,389	\$ 4,389	\$ 4,389
Reasonably Possible		-	-	475
	FY 2019	Accrued Liabilities	Estimated Range of Loss	
			Lower End of Range	Upper End of Range
Probable		\$ 547	\$ 547	\$ 547
Reasonably Possible		-	-	224

NOTE 15: UNDELIVERED ORDERS AT THE END OF THE PERIOD

Budgetary resources obligated for undelivered orders for the years ended September 30, 2020 and 2019 are \$224.1 million and \$215.6 million, respectively.

Undelivered Orders at the End of the Period (in thousands)	2020	2019
Federal		
Paid	\$ -	\$ 245
Unpaid	2,682	1,183
Total Federal Undelivered Orders at the end of the period	\$ 2,682	\$ 1,428
Public		
Paid	\$ 86,197	\$ 79,523
Unpaid	135,261	134,622
Total Public Undelivered Orders at the end of the period	\$ 221,458	\$ 214,145
Undelivered Orders at the end of the period	\$ 224,140	\$ 215,573

NOTE 16: EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE US GOVERNMENT

A comparison between the FY 2020 Statement of Budgetary Resources and the FY 2020 actual numbers presented in the FY 2022 Budget cannot be performed as the FY 2022 Budget is not yet available. The FY 2022 Budget is due to be published in February 2021 and will be available at:

<https://www.whitehouse.gov/omb/budget/>

USAGM reconciled the amounts of the FY 2019 column on the statement of Budgetary Resources (SBR) to the actual amounts for FY 2019 in the FY 2021 President’s Budget for budgetary resources, obligations incurred, distributed offsetting receipts and net outlays published in February 2020, as presented below.

For the Fiscal Year Ended September 30, 2019 (in millions)	Budgetary Resources	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 893	\$ 816	\$ -	\$ 814
Expired Accounts	(29)	(2)	-	-
Rounding	(1)	-	-	(1)
Budget of the United States Government	\$ 863	\$ 814	\$ -	\$ 813

NOTE 17: RECONCILIATION OF NET COST OF OPERATIONS TO NET OUTLAYS

There are inherent differences in timing and recognition between the accrual proprietary accounting method used to calculate net cost and the budgetary accounting method used to report net outlays and obligations. A required reconciliation between budgetary and financial accounting information established by Statement of Federal Financial Accounting Standards (SFFAS) 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting* has been amended by SFFAS 53: *Budget and Accrual Reconciliation*. This Statement provides for the budget and accrual reconciliation (BAR). The BAR explains the relationship between the entity's net outlays on a budgetary basis and the net cost of operations during the reporting period. The reconciliation of net cost to net outlays as of September 30, 2020 and 2019 is as follows:

Reconciliation of Net Operating Cost and Net Budgetary Outlays (in thousands)	Intragovernmental	With the Public	Total FY2020	Intragovernmental	With the Public	Total FY2019
Net Operating Cost (SNC)	\$ 102,030	\$ 718,553	\$ 820,583	\$ 99,154	\$ 729,563	\$ 828,717
Components of Net Operating Cost Not Part of the Budgetary Outlays						
Property, plant, and equipment depreciation	-	(12,444)	(12,444)	-	(12,449)	(12,449)
Property, plant, and equipment disposal & reevaluation	-	(306)	(306)	-	(2,331)	(2,331)
Other	344	2,021	2,365	3	4,636	4,639
Increase/(decrease) in assets:						
Accounts receivable	194	(8)	186	7	(51)	(44)
Other assets	(245)	6,674	6,429	245	6,649	6,894
(Increase)/decrease in liabilities not affecting Budget Outlays:						
Accounts payable	(668)	1,945	1,277	1,198	2,503	3,701
Salaries and benefits	(638)	(663)	(1,301)	(1,778)	428	(1,350)
Environmental and disposal liabilities	-	184	184	-	(33)	(33)
Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	102	(8,665)	(8,563)	72	(402)	(330)
Other financing sources						
Federal employee retirement benefit costs paid by OPM and imputed to agency	(11,320)	-	(11,320)	(13,369)	-	(13,369)
Transfers out (in) without reimbursement	395	-	395	295	-	295
Total Components of Net Operating Cost Not Part of the Budget Outlays	(11,836)	(11,262)	(23,098)	(13,327)	(1,050)	(14,377)
Components of the Budget Outlays That Are Not Part of Net Operating Cost						
Other	-	-	-	-	-	-
Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost	-	-	-	-	-	-
Total Other Temporary Timing Differences	-	-	-	-	-	-
Net Outlays (Calculated Total)	\$ 90,194	\$ 707,291	\$ 797,485	\$ 85,827	\$ 728,513	\$ 814,340
Related Amounts on the Statement of Budgetary Resources						
Outlays, net			797,485			814,340
Distributed offsetting receipts						-
Agency Outlays, Net			<u>\$ 797,485</u>			<u>\$ 814,340</u>

NOTE 18: DISCLOSURE ENTITIES AND RELATED PARTIES

Under SFFAS 47, agencies must disclose certain information for entities that must be included, but not consolidated, in their financial statements referred to as “disclosure entities” or related parties. USAGM has four such disclosure entities.

USAGM broadcast services include four USAGM-sponsored grantees: Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), the Middle East Broadcasting Networks (MBN), and the Open Technology Fund (OTF). RFE/RL, RFA, MBN are surrogate networks that receive the majority of their funding from USAGM, but are organized and managed as private non-profit corporations. The grantees are also responsible for developing broadcast content (radio and television news programs), which is distributed by USAGM. OTF focuses on projects supported by USAGM’s internet freedom budget. The grantees are funded through annual grant agreements. In FY 2020, the four grantees combined received \$290 million in grant funding.

RFE/RL, Inc. is a private, nonprofit, multimedia broadcasting corporation that serves as a surrogate media source in 27 languages and in 23 countries, including Afghanistan, Russia, Bulgaria, Hungary, and Ukraine.

With its broadcasting headquarters in Prague, 21 local bureaus (including Moscow, Kabul, and Kyiv), over 1,200 employees and core bureau staff, as well as an extensive freelance network throughout its broadcast region, RFE/RL’s unmatched proximity to its audiences facilitates the production of compelling, locally-oriented programming in a cost-effective manner. Reaching more than 38.1 million people each week, RFE/RL provides what many people cannot get locally: uncensored local and regional news, responsible discussion, and open debate via radio, television, and digital media.

Radio Free Asia (RFA) is headquartered in Washington, D.C., with six bureaus and offices overseas. RFA is a private, nonprofit, multimedia news corporation with approximately 269 employees. RFA has an estimated audience of 49.5 million people and supports nine languages. Radio Free Asia’s mission is to provide accurate and timely news and information to Asian countries whose governments prohibit access to a free press. RFA brings award-winning, domestic journalism and uncensored content to people in six Asian countries that restrict free speech, freedom of the press, and access to reliable information beyond their

borders. RFA also provides educational and cultural programming, as well as forums for audiences to engage in open dialogue and freely express opinions.

Middle East Broadcasting Network (MBN) is an Arabic-language news organization that broadcasts news and current affairs programming to audience in the Middle East and North Africa reaching more than 25.7 million people in 22 countries. MBN consists of two television networks (Alhurra and Alhurra-Iraq); Radio Sawa; Alhurra.com; RadioSawa.com; Irfaasawtak.com; Maghreb Voices; ElSaha.com and various social media platforms. The networks broadcast news and information from their headquarters in Northern Virginia, along with bureaus in Cairo, Dubai, Jerusalem, Beirut, Erbil, Rabat, Baghdad, and Washington, D.C. MBN has an estimated 700 employees including correspondents throughout the Middle East and North Africa. The mission of the Middle East Broadcasting Networks is to expand the spectrum of ideas, opinions and perspectives available in the media of Middle East and North Africa; provide objective, accurate, and relevant news and information; and, accurately represent America, Americans, and American policies.

Open Technology Fund (OTF) was incorporated as an independent non-profit organization and became a non-federal grantee of USAGM in September 2019.

USAGM is party to some grantee lease commitments for land and buildings, and may have a financial commitment in the event of lease termination. However, for most ongoing grantee lease and employee benefit commitments, USAGM and the US Government does not have an explicit agreement to support or commitment to fund upon any termination of the current relationship.

The risks resulting from USAGM involvement with the grantee entities during the period include:

- The financial commitment made each year through the current grant agreement
- Potential termination costs resulting from the termination of certain grantee leases

The USAGM's benefits resulting from USAGM's involvement with grantee entities include:

- Support in development of common content and delivery
- Access to office space in certain markets

The primary financial asset existing between grantees and USAGM is the grant advance.

Approximately 99% of the grantees' revenue for the years ended September 30, 2020 and 2019 was derived from grants from USAGM through federal appropriations. USAGM has no contractual or statutory provisions requiring future support, however there is no reason to believe that the relationships with these grantees will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect the grantees' ability to finance ongoing operations.

USAGM does not believe there is any material financial exposure to gain or loss resulting from its involvement with the grantees.

Each of the grantee's annual financial reports can be obtained from the Federal Audit Clearinghouse which operates on behalf of the Office of Management and Budget (OMB) to maintain a public database of completed audits. The website can be located at: <https://harvester.census.gov/facweb/>

Required Supplementary Information

DEFERRED MAINTENANCE

Deferred maintenance is maintenance that was not performed when it should have been, that was scheduled and not performed, or that was delayed for a future period. Maintenance is the act of keeping property, plant, and equipment (PP&E) in acceptable operating condition and includes preventive maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve the asset so that it can deliver acceptable performance and achieve its expected life. Maintenance excludes activities aimed at expanding the capacity of an asset or otherwise upgrading it to serve needs different from or significantly greater than those needs originally intended to be met by the asset.

USAGM has an ongoing maintenance and repair plan for its PP&E that allows it to prioritize required maintenance on its assets and schedule that maintenance appropriately. The maintenance plan is developed and updated by an inspection of its assets to determine current conditions and to estimate costs to correct any deficiencies. It is the policy of USAGM to maintain and preserve all PP&E regardless of recorded values and it does not differentiate between PP&E that is capitalized versus those that are expensed.

USAGM reviewed its FY 2020 maintenance and repair plan and identified those projects where maintenance or repair had been planned and/or required but nevertheless was not performed in 2020. For those projects where maintenance was not performed and where the current condition level required maintenance to return them to an acceptable level, in accordance with the amended SFFAS Deferred Maintenance Repairs No. 42, USAGM estimates and discloses deferred maintenance cost.

Deferred Maintenance (in thousands)		
PP&E Category	FY 2020 Estimated Cost to Return to Acceptable Condition	FY 2019 Estimated Cost to Return to Acceptable Condition
Equipment	\$ 869	\$ 450
Other Structures & Facilities	106	-
Total	\$ 975	\$ 450

Section 4: Other Information

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Inspector General’s Statement on Management and Performance Challenges



Office of Inspector General
United States Department of State

Inspector General Statement on the U.S. Agency for Global Media’s Major Management and Performance Challenges

FISCAL YEAR 2020

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INTRODUCTION

Each year, in accordance with the Reports Consolidation Act of 2000,¹ the Office of Inspector General (OIG) for the U.S. Agency for Global Media (USAGM) identifies the most significant management and performance challenges facing the agency and briefly assesses progress in addressing those challenges. The resulting report is included in the agency's annual performance and accountability report.

Our oversight work provides a unique window to the challenges facing USAGM, and OIG concludes that the following were the most important challenges in FY 2020:

- Information security and management
- Financial and property management
- Grant management

These issues go to the core of USAGM's programs and operations and have been crucial challenges for the past 6 years. Continued attention to these concerns will improve USAGM's operations and, accordingly, its ability to fulfill its underlying mission. OIG provides this report so that, taken together with the work OIG produces through the year, USAGM can institute appropriate measures to improve operational efficiency and effectiveness.

¹ The Reports Consolidation Act of 2000, § 3, Pub. L. 106-531 (amending 31 U.S.C. § 3516).

INFORMATION SECURITY AND MANAGEMENT

USAGM depends on information systems and electronic data to carry out essential mission-related functions. These information systems are subject to serious threats that may exploit vulnerabilities to compromise the information those systems process, store, and transmit. This, in turn, can lead to adverse effects on operations, organizational assets, and personnel.

In the FY 2019 Federal Information Security Modernization Act audit of USAGM's information security program, an independent auditor identified security weaknesses in all eight metric domains, which consist of risk management, configuration management, identity and access management, data protection and privacy, security training, information security continuous monitoring, incident response, and contingency planning.²

Deficiencies occurred for several reasons. For example, although USAGM defined its Enterprise Risk Management Framework and security risk management strategy, it had not completely implemented these policies. Furthermore, USAGM had not implemented tools to successfully automate monitoring information systems and devices on the network. In addition, USAGM did not fully implement various IT security policies and procedures and had not fully devoted additional resources to IT security, in line with the results from a skill gap assessment.³

USAGM's information systems and electronic data depend on the confidentiality, integrity, and availability of USAGM's comprehensive and interconnected IT infrastructure. Therefore, managing information security risks effectively throughout USAGM is critical to achieving its mission.

FINANCIAL AND PROPERTY MANAGEMENT

In FY 2020, OIG reported an unmodified opinion (the best possible opinion) on USAGM's FY 2019 financial statements.⁴ In addition, OIG found that USAGM complied with improper payments requirements for the FY 2019 reporting period⁵ and our review of USAGM's purchase card data led to the conclusion that the risk of illegal, improper, or erroneous use in the USAGM purchase card

² *Audit of the U.S. Agency for Global Media Information Security Program* (AUD-IT-IB-20-02, October 2019).

³ *Ibid.*

⁴ OIG, *Independent Auditor's Report on the U.S. Agency for Global Media FY 2019 Financial Statements* (AUD-FM-IB-20-06, November 2019).

⁵ OIG, *Audit of U.S. Agency for Global Media FY 2019 Compliance With Improper Payments Requirements* (AUD-FM-IB-20-28, May 2020).

program is “very low.”⁶ However, OIG continues to highlight financial management as a challenge.

This year, OIG reported deficiencies in internal controls related to financial reporting. In the audit of USAGM’s financial statements, an independent auditor stated that 8 of 79 unliquidated obligations (ULOs) tested were considered invalid because of either a lack of supporting documentation or an inability of USAGM to document continued bona fide need. Although USAGM implemented a quarterly analysis to identify potentially invalid ULOs, USAGM limited its FY 2019 review to ULOs valued at more than \$40,000. According to USAGM officials, they focused on larger dollar obligations due to a lack of resources. Without effective control activities to monitor all inactive ULOs, USAGM may not detect opportunities to repurpose unused obligations from inactive or expired contracts and other obligation vehicles.⁷

Another audit issued in FY 2020 stated that the quality of USAGM’s Digital Accountability and Transparency Act data was at the best quality level.⁸ Nevertheless, the audit identified exceptions related to completeness, accuracy, and timeliness. The audit identified several control issues that led to the deficiencies. For example, according to USAGM officials, Contract Specialists were able to bypass certain steps in the accounting system and were not always aware of contract awards that required approval in the accounting system. Furthermore, the audit found that USAGM’s Data Quality Plan needed improvement to become more useful. Although USAGM data were considered to be in the best category, more attention would allow for additional improvements to data quality.⁹

GRANT MANAGEMENT

USAGM has four grantees that it funds through annual grant agreements: Radio Free Europe/Radio Liberty, Radio Free Asia, the Middle East Broadcasting Networks, and the Open Technology Fund (OTF). Because the grantees perform significant operational activities for USAGM, weaknesses in grant management can have a substantial effect on USAGM’s overall operations. Without effective oversight of grantees, the risk of waste, fraud, and abuse of Federal funds increases.

⁶ OIG, *Information Report: United States Agency for Global Media 2019 Charge Card Risk Assessment* (AUD-CGI-IB-20-07, November 2019).

⁷ *Management Letter Related to the Audit of the U.S. Agency for Global Media, FY 2019 Financial Statements* (AUD-FM-IB-20-16, January 2020).

⁸ OIG, *Audit of the U.S. Agency for Global Media’s FY 2019 Implementation of the Digital Accountability and Transparency Act of 2014* (AUD-FM-IB-20-10, December 2019).

⁹ *Ibid.*

OIG has reported significant weaknesses in USAGM's controls over grant monitoring since the audit of the FY 2013 financial statements. Moreover, the lack of grantee monitoring and oversight controls results in USAGM's noncompliance with Federal grant regulations. During the audit of USAGM's FY 2019 financial statements, an independent external auditor tested whether USAGM had effectively implemented grantee monitoring by examining control activities identified in its standard operating procedures.¹⁰ In doing so, the auditor found that USAGM had not implemented all control activities. For example, USAGM had not performed risk assessments or conducted formal documented site visits as warranted by program needs.

USAGM revised its standard operating procedures for grantee monitoring in February 2019. Despite this effort, according to USAGM management, implementation of critical monitoring activities, detailed in the updated procedures, were delayed due to changes in USAGM's leadership team and a lack of staff resources.¹¹

¹⁰ AUD-FM-IB-20-06, November 2019.

¹¹ *Ibid.*

Agency Response to the Management and Performance Challenges

October 29, 2020

Mr. Matthew S. Klimow
Acting Inspector General
Office of Inspector General
U.S. Department of State

Dear Mr. Klimow:

The U.S. Agency for Global Media (USAGM) has reviewed the Office of Inspector General's (OIG) Fiscal Year (FY) 2020 Statement on the USAGM's Major Management and Performance Challenges. The agency appreciates the OIG's work in identifying crucial challenges to operations, and was troubled to read that some of these issues have lingered for several years.

Since the beginning of the new leadership's tenure in June 2020, USAGM has made it a top priority to correct precisely the sorts of management issues that OIG has identified. The OIG has the agency's commitment that it will ensure USAGM rectifies the issues the OIG identifies involving information security, financial management, and grants oversight.

USAGM has made progress on these management challenges since they were identified as continuing issues in inspection and audit reports over the last fiscal year. The agency continues to implement and satisfy OIG recommendations across the spectrum of information security management, financial management, and grants monitoring. USAGM intends to ensure that progress on all fronts accelerates. Below are some examples of progress and some of agency plans for continued improvement.

INFORMATION SECURITY AND MANAGEMENT

Over the past year, the Office of the CIO has continued to implement its IT security policies and strengthen USAGM's information security program, while augmenting USAGM's remote technology capabilities to meet USAGM's needs

during the COVID-19 pandemic. While there is still room for improvement in this area, many of the deficiencies mentioned in the management challenges statement have been remediated or are in the process of being remediated.

One of the specific deficiencies mentioned in the management challenges statement was that USAGM had not fully implemented its Enterprise Risk Management Framework and Information Security Risk Management Strategy. At this point in time, both of these policies are fully implemented. Understanding that risk management is fundamental to a mature information security program, USAGM's Chief Information Officer (CIO) and Chief Risk Officer (CRO) have taken several key steps to enhancing the agency's information security and risk management posture.

USAGM has: established and fully implemented its Enterprise Risk Management (ERM) Framework; enhanced the ERM Framework by developing a process for generating the Enterprise Risk Profile, bringing the Agency in compliance with OMB and NIST guidance; approved and implemented a Policy on Risk Management and Chief Risk Officer (CRO) Responsibilities that strengthens the Agency's internal controls and planning needs to respond to future risks, and; established and implemented an Information Security Risk Management (ISRM) Strategy. USAGM expects that the fiscal year 2020 FISMA audit will reflect continued progress and maturity in ERM and ISRM activities.

Regarding the OIG's observation that USAGM has not implemented tools to successfully automate monitoring information systems and devices on the agency's network, this is unfortunately accurate. USAGM had planned to deploy Continuous Diagnostics and Monitoring tools provided by the Department of Homeland Security (DHS). However, USAGM's CIO has identified issues with these automated tools that have not been remedied by DHS. The CIO is searching for alternative solutions and will create a plan to implement such solutions at the earliest opportunity, but no later than the close of FY 2021.

In addition, the CIO and CRO have continued to complete open items on USAGM's Corrective Action Plan (CAP) to address outstanding OIG recommendations in prior year FISMA audits. USAGM expects the CAP will be fully implemented in November 2021. Internally, the agency will focus on adding the necessary resources, both human capital as well as financial, to the OCIO so

that they can effectively expand their implementation of critical risk and information security efforts.

FINANCIAL AND PROPERTY MANAGEMENT

The agency was glad to see that the Management Challenges Statement included some positive news regarding financial management, such as OIG's unmodified opinion (the best possible opinion) on USAGM's FY 2019 financial statements, OIG's finding that USAGM complied with improper payments requirements, OIG's finding that risk associated with USAGM's purchase card program is very low, and that USAGM's Digital Accountability and Transparency (DATA) Act data was at the best quality level. However, it is understood that USAGM could still improve in these areas.

USAGM has made considerable progress in reviewing obligations for validity and de-obligating funding where appropriate. USAGM plans to continue this progress through FY 2021 by implementing training for appropriate staff regarding unliquidated obligations and ensuring that staff have the tools and information needed to carry out these responsibilities in an effective and timely manner.

USAGM has also taken steps to address the deficiencies mentioned in the Management Challenges Statement related to improving USAGM's financial reporting and data under the DATA Act. USAGM's Financial Management System has been configured to prevent Contract Specialists from bypassing steps related to reporting procurement data, which should improve data quality and timeliness.

In accordance with the OIG's recommendation to improve the agency's data quality plan, USAGM has recently finalized and started implementing an updated plan.

GRANTS MANAGEMENT

During FY 2020, USAGM senior leadership focused attention on continuing progress in improving grants oversight. USAGM has issued a Grants Standard Operating Procedure that explains processes for grants oversight and updated those procedures to include a new grants closeout process. However, USAGM

acknowledges that it has not yet fully implemented all oversight controls outlined in those Grants Standard Operating Procedures, such as closing out prior year grants, conducting risk assessments, or conducting site visits. These and other issues led USAGM's Risk Management Council to identify grantee oversight as one of the top risks in the Agency's risk profile for FY 2020, a step that should help strengthen the visibility and accountability of efforts to mitigate risks in this area. The agency is committed to ensuring that grants policies are followed, management controls are implemented, and that USAGM oversees its grantees effectively.

USAGM would like to take this opportunity to thank you and all of your staff at the OIG for your professionalism and for highlighting important management challenges for attention. The agency looks forward to partnering with you as it works to resolve the issues highlighted in this year's Management Challenges Statement.

Sincerely,

A handwritten signature in black ink that reads "Michael Pack". The signature is written in a cursive, flowing style.

Michael Pack
Chief Executive Officer
U.S. Agency for Global Media

Summary of Financial Statement Audit and Management Assurances

TABLE 1

Summary of Financial Statement Audit

Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
<i>Total Material Weaknesses</i>	<i>0</i>				<i>0</i>

TABLE 2

Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Statement of Limited Assurance					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
<i>Total Material Weaknesses</i>	<i>N/A</i>					
Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Statement of Limited Assurance					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
<i>Total Material Weaknesses</i>	<i>N/A</i>					
Conformance with financial management system requirements (FMFIA § 4)						
Statement of Assurance	Statement of Limited Assurance					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
<i>Total Non-Conformances</i>	<i>N/A</i>					

Reporting on Payment Integrity

To improve the integrity and accuracy of the Federal Government's payments, OMB issued Memorandum M-18-20, Appendix C to OMB Circular No.A-123, *Requirements for Payment Integrity Improvement*. An improper payment is defined in 31 U.S.C. § 3321 as any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and includes any payment to an ineligible recipient, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), and any payment that does not account for credit for applicable discounts. Incorrect amounts are overpayment or underpayments that are made to eligible recipients (including inappropriate denials of payment). In addition, when an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation, this payment must also be considered an improper payment.

The Payment Integrity Information Act of 2019 requires agencies to periodically review all programs and activities, identify those that may be susceptible to significant improper payments, estimate annual improper payments in susceptible programs and activities, and report the results of their improper payment activities.

The USAGM is dedicated to maintaining the strength of our improper payments program to ensure payments are legitimate, processed accurately and efficiently. The Office of Chief Financial Officer (OCFO) performs the processes and procedures to comply with the requirements of OMB Circular A-123 Appendix C and reports the USAGM's improper payments annually. A more detailed information on improper payments and information that is not included in the FY 2020 PAR is available at <https://paymentaccuracy.gov>.

To comply with OMB Circular A-123, Appendix C, USAGM performs a quantitative risk assessment on all of its major programs and activities on a three-year rotational cycle. None of the programs tested in FY 2020 were determined to be susceptible to significant improper payments. Significant improper payments

are defined as gross annual improper payments exceeding both 1.5 percent of program outlays and \$10,000,000 of all program or activity made during the fiscal year or \$100,000,000 regardless of the improper payment percentage of total program outlays. The level of risk of an erroneous payment was determined to be low based on the results of the quantitative risk assessment testing conducted during FY 2020. USAGM also conducts a qualitative risk assessment of all programs at least once every three (3) years unless a program experiences a significant change.

Agencies are required to conduct payment recapture audits for each program and activity that expends \$1 million or more annually, unless the agency determines that a payment recapture audit program would not be cost-effective. Based on the results of the USAGM's qualitative and quantitative risk assessments, data mining efforts, and the USAGM's payment composition (large volume, low dollar payments), the USAGM determined that it would not be cost effective to pursue a recapture audit program.

With the concurrence of the Department of State Office of Inspector General, OMB granted a recapture audit waiver on June 2, 2015, which remains in effect.

FRAUD REDUCTION REPORT

The Fraud Reduction and Data Analytics Act of 2015 (Pub. L. 114-186, 31 USC § 3321 note) requires agencies to report on their progress in implementing financial and administrative controls to identify and assess fraud risks. The agency uses OMB Circular A-123, as revised, GAO-14-704G, The Standards for Internal Control in the Federal Government (the Green Book), GAO-15-593SP, A Framework for Managing Fraud Risks in Federal Programs, and the Association of Government Accountant's Fraud Prevention Tool as a guide for its fraud reduction efforts. USAGM is committed to implementing financial and administrative controls by combating fraud and fostering an atmosphere of ethical integrity and accountability. We are continuing our progress on fraud reduction efforts.

During FY 2019, the USAGM's Office of Risk Management (ORM) developed and submitted the agency's first Enterprise Risk Management (ERM) risk profile which is a prioritized list of the top enterprise risks to the Agency's objectives. The

Agency has now produced an ERM Risk Profile the last two years and is in its third ERM cycle for FY 2021. The Agency has documented and is currently implementing appropriate risk response mitigation strategies to identify enterprise risks, including an evaluation of fraud risk, documentation of controls in place, and mitigating activities.

The agency uses a risk-based approach to design and implement financial and administrative controls. USAGM has controls in place to address identified fraud risks related to payroll, grants, large procurements, information technology and security, safeguarding assets, and purchase and travel cards. Current financial and administrative controls to monitor and mitigate potential fraud include documented system authorization procedures, oversight and approval of transactions, and separation of duties. Financial activity is tracked, monitored, and reviewed or reconciled on a periodic (monthly or quarterly) basis. The agency utilizes resources such as Treasury's Do Not Pay (DNP) Initiative, GSA's System for Award Management (SAM), and the Treasury Offset Program (TOPS) to facilitate data analytics. To safeguard assets, the agency has tracking processes in place, conducts an annual physical inventory, and maintains equipment in a secure location. There are comprehensive controls in place to address information technology and security fraud risks to include automated system controls. Payroll is tested for improper payments under the Payment Integrity Information Act of 2019.

Finally, the USAGM works closely with the OIG to identify and address fraud. The USAGM had no reported instances of financial fraud in FY 2020.

Grants Program

USAGM broadcast services include four USAGM-sponsored grantees: Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), the Middle East Broadcasting Networks (MBN), and the Open Technology Fund (OTF).

The grantees are organized and managed as private, independent, non-profit corporations. Grant funds are issued periodically throughout the year on an advance basis and liquidated based on actual expenses incurred by the grantee. The chart below denotes the number of open grants related to the three designated grantees.

CATEGORY	2-3 Years	>3-5 Years	>5 Years
Number of Grants/Cooperative Agreements with Zero Dollar Balances	6	6	47
Number of Grants/Cooperative Agreements with Undisbursed Balances	-0-	-0-	-0-
Total Amount of Undisbursed Balances	-0-	-0-	-0-

If the grantee has carryover funds, they request approval from USAGM to retain the funds. USAGM reviews the request and makes a determination on the request. Because the nature of the grant is continuous, both for funding and execution of the mission, USAGM does not close out these grant agreements even though there are no undisbursed balances to the grantee remaining.



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