

OFFICE OF INSPECTOR GENERAL

MEMORANDUM

DATE: January 21, 2000

TO: Chairman
Chief, Enforcement Bureau

FROM: Inspector General

SUBJECT: FY 1999 Field Inspection Program

I have attached an Office of Inspector General (OIG) Report entitled "FY 1999 Field Inspection Program – Summary Inspection Report" summarizing the results of field office visits conducted during Fiscal Year (FY) 1999. As part of the FY 1999 Field Inspection Program (FIP), OIG inspectors visited the following field offices:

- Office of Regional Director, Northeast Region
- Chicago Field Office
- New York Field Office
- Detroit Field Office
- Philadelphia Field Office

The scope of each field office inspection included an evaluation of internal controls over payroll, imprest funds, credit cards and other government assets. Inspectors assessed compliance with FCC policy and directives and evaluated the professionalism and performance of field office personnel. Employee feedback was obtained and each employee was afforded the opportunity to raise any topics of concern or interest with the Inspection Team. Additionally, equipment and facilities were assessed and evaluated by the Inspection Team. Inspectors also sought out "best practices" in individual offices that could be adopted on a Bureau-wide basis. Following each inspection, inspectors prepared reports summarizing the detailed results of each visit. Copies of the individual inspection reports are attached to the summary report.

In general, OIG staff was impressed by the professionalism and demeanor exhibited by field office employees. It has been our observation that field office personnel display an overriding pride and resolve to provide meaningful services to customers of the FCC. However, field office employees cited the lack of training, travel funds, state of the art equipment and vehicles, and inaccurate information maintained in FCC information systems as impediments to successful mission

completion. Another issue raised by some employees focused upon concern over their personal safety when responding to interference complaints or unauthorized transmissions. This issue was especially significant as relates to the Detroit District Office and their experience in dealing with militia entities. Inspectors identified some minor payroll and inventory discrepancies that were either resolved on-site or were being resolved at the time this report was prepared. As noted in prior FIP reports, the field clearly feels themselves to be on the Commissions' periphery. In general, they are unaware as to major initiatives being undertaken by other Bureaus and Offices and how, or if, they can contribute to these programs. Given the opportunity to work on high visibility and meaningful projects the staff reacts in an aggressive and highly motivated manner. For example, employees that had the opportunity to participate on "pirate" radio enforcement teams spoke favorably of their experience and the constructive nature of the work performed and the constructive liaison with other field personnel. However, such work appears to be the exception rather than the rule for field personnel.

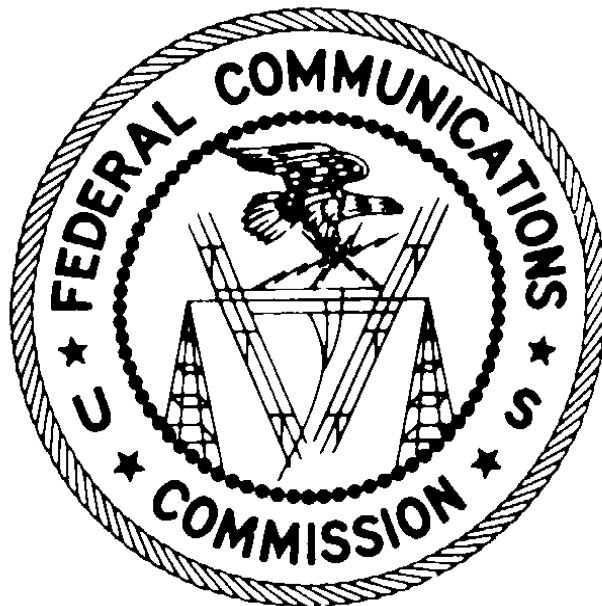
The attached summary report and four individual inspection reports do not contain specific recommendations that would typically be included in a formal audit report. The summary report contains observations that cut across those field offices that were visited or issues that we determined warranted highlighting and individual field inspection reports contain the detailed results of each inspection visit. We would like to thank those offices visited for their courtesy and enthusiastic support for this program. We would be happy to meet with you to discuss the results of this FY 1999 Field Inspection Program. If you have any questions, please contact me at 418-0476.

H. Walker Feaster III

Attachment

cc: Chief of Staff
Managing Director

Federal Communications Commission Office of Inspector General



FY 1999 Field Inspection Program Summary Inspection Report

**Assignment No. 00-AUD-01-15
January 21, 2000**

**H. Walker Feaster III
Inspector General**

EXECUTIVE DIGEST

In 1994, the Office of Inspector General (OIG) established the Field Inspection Program (FIP). The primary objective of the FIP program is to evaluate the operational effectiveness of offices operated by the Compliance and Information Bureau (CIB)¹. Since 1994, the OIG has conducted inspections at ten (10) CIB Field Offices, and three (3) Resident Agent sites. In addition, OIG staff has visited Regional Management in Chicago, Kansas City, and San Francisco. This report summarizes the results of the Fiscal Year (FY) 1999 FIP. As part of the FY 1999 FIP, OIG inspectors visited the following Field Office locations:

- ❑ Office of Regional Director, Chicago
- ❑ Chicago Field Office
- ❑ New York Field Office
- ❑ Detroit Field Office
- ❑ Philadelphia Field Office

OIG inspectors follow a detailed checklist to conduct each office inspection. The scope of the inspection included the evaluation of internal controls over payroll, imprest funds, credit cards and other government assets. The Inspection Team assessed compliance with FCC policy and directives and evaluated the professionalism and performance of field office personnel. Employee feedback was obtained and each employee was afforded the opportunity to raise any topics of concern or interest with the Inspection Team. Additionally, equipment and facilities were assessed and evaluated by the Inspection Team. The team also sought out best practices in individual offices that could be adopted on a Bureau-wide basis. Following each inspection, OIG inspectors prepared reports summarizing the detailed results of each visit. Draft copies of individual Field Office reports were forwarded to each District Director for review and reports were revised based upon the comments provided. Copies of the individual Field Office reports are attached to this document. This report provides a general summary of the results of the FIP program conducted during the FY 1999 fiscal year and contains observations that cut across those District Offices that were visited or identifies issues that we determined warranted highlighting. As this is not a formal audit report, no recommendations for corrective action are developed within the context of this report. We would like to thank those offices visited for their courtesy and enthusiastic support for this program.

In general, OIG staff was impressed by the professionalism and demeanor exhibited by the field employees. It has been our observation that field office personnel display an overriding pride and resolve to provide meaningful services to customers of the FCC. However, in general, employees interviewed cited the lack of training, travel funds, state of the art equipment and vehicles, and inaccurate information maintained in FCC information systems as impediments to successful mission completion. Another issue raised by some employees focused upon concern over their personal safety when responding to interference complaints or unauthorized transmissions. This issue was especially significant as relates to the Detroit District Office and their experience in dealing with militia entities. Internal controls over payroll and government assets were identified, evaluated and tested. OIG inspectors identified some minor payroll and inventory discrepancies that were either resolved on-site or were being resolved at the time this report was prepared. During the inspection, no instances of waste, fraud, abuse or mismanagement were identified.

As noted in prior FIP reports, the field clearly feels themselves to be on the Commissions' periphery. In general, they are unaware as to major initiatives being undertaken by other Bureaus and Offices and how, or if, they can contribute to these programs. Given the opportunity to work on high visibility and meaningful projects the staff reacts in an aggressive and highly motivated manner. For example, employees that had the opportunity to participate on "pirate" radio enforcement teams spoke favorably of

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On November 8, 1999, the FCC created two new Bureaus – the Enforcement Bureau and the Consumer Information Bureau. Effective on that date, Field Office operations became part of the Enforcement Bureau and the Compliance and Information Bureau (CIB) was disbanded. The FIP was conducted a few weeks prior to the formal establishment of the Enforcement Bureau. In preparing this report, reference is made to the existing organizational structure at time the FIP was carried out. Thus, the report includes references to the CIB and the structure that existed within CIB prior to the establishment of the Enforcement Bureau.

their experience and the constructive nature of the work performed and the constructive liaison with other field personnel. However, such work appears to be the exception rather than the rule for field personnel.

BACKGROUND

In 1994, the Office of Inspector General (OIG) established a Field Inspection Program (FIP). The primary objective of the FIP program is to evaluate the operational effectiveness of remote offices operated by the Compliance and Information Bureau (CIB). CIB is responsible for the enforcement of FCC rules and serves as one of the Commission's primary points of contact with the public. Specific objectives of the FIP program are to:

- independently assess field operations and propose specific measures to increase operational effectiveness and efficiency;
- evaluate internal controls and compliance with FCC and other applicable policies and regulations;
- serve as a conduit for the field to communicate their concerns and issues to headquarters;
- identify operational initiatives developed in one office or region which might translate to other field locations;
- detect potential instances of waste, fraud, abuse or mismanagement;
- serve as a conduit or tool to address employee concerns they may not choose to communicate to their immediate supervisor(s); and,
- identify and report upon specific conditions that are adversely effecting the successful discharge of duties at field locations.

Since the initiation of the FIP program in 1994, field operations and the placement of field operations within the Commission's organizational structure has changed significantly. In September 1994, staff from the OIG visited the Regional Office located in Chicago, Illinois and Field Offices located in Chicago, Illinois and Minneapolis-Saint Paul, Minnesota. At that time, field operations within the Commission consisted of six (6) Regional Offices and thirty-five (35) Field offices under the Field Operations Bureau (FOB). FOB staffing was three hundred eighty-four (384) full time equivalent (FTE) positions.

In September 1997, the OIG conducted a second round of field inspection visits. During this round of visits, OIG staff visited Regional Offices in Kansas City, Missouri and San Francisco, California; Field Offices in Tampa, Florida, Kansas City, Missouri, San Francisco, California, and San Diego, California; and Resident Agent sites in Miami, Florida, Norfolk, Virginia, and Houston, Texas. By the time of our 1997 field visits, field operations had gone through a significant reorganization. FOB had been renamed the Compliance and Information Bureau (CIB), FTE's supporting field operations had been reduced to two hundred fifty-four (254), and twelve (12) manned monitoring stations were eliminated. Additionally, nine (9) fully staffed Field Offices were reduced to two (2) person Resident Agent sites. This activity was undertaken in conjunction with the introduction of the National Call Center (NCC) and the adoption of automated monitoring post technology.

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SCOPE

This report summarizes the results of field inspection visits conducted during the period from September 13, 1999 through September 23, 1999. During that period, staff from the Office of Inspector General (OIG) visited the following offices:

- ❑ Office of Regional Director, Chicago
- ❑ Chicago Field Office
- ❑ New York Field Office
- ❑ Detroit Field Office
- ❑ Philadelphia Field Office

In addition to the on-site inspection of Field Offices, representatives of the OIG met with the following senior officials within Headquarters prior to performing field inspections in order to gather information relevant to the FIP.

- ❑ David Solomon, Chief, Enforcement Bureau
- ❑ Jane Mago, Deputy Bureau Chief, Enforcement Bureau
- ❑ George Dillon, Engineering Advisor, Enforcement Bureau
- ❑ Joe Casey, Chief, Technical and Public Safety Division, Enforcement Bureau
- ❑ Pamara Hairston, Deputy Chief, Consumer Information Bureau

A detailed checklist was prepared and utilized in the conduct of each office inspection. The scope of the inspection included the evaluation of internal controls over payroll, imprest funds, credit cards and other government assets. The Inspection Team assessed compliance with FCC policy and directives and evaluated the professionalism and performance of field office personnel. Employee feedback was obtained and each employee was afforded the opportunity to raise any topics of concern or interest with the Inspection Team. Additionally, equipment and facilities were assessed and evaluated by the Inspection Team. Inspection teams also sought out best practices in individual offices that could be adopted on a Bureau-wide basis.

INSPECTION OBSERVATIONS AND CONCLUSIONS

OIG staff prepared reports summarizing the results of each Field Office visit. Draft copies of individual Field Office reports were forwarded to each District Director for review and reports were revised based upon the comments provided. Copies of the individual Field Office are attached to this document. Field Office reports contain the detailed results of each inspection and contain observations that are, in many cases, relevant only to the field office visited. The following inspection observations and conclusions represent observations that cut across those District Offices that were visited or represent issues that we determined warranted highlighting in this report.

Administrative Items

Internal Controls are operating effectively at the Field Offices visited as part of the FY 1999 FIP program. As part of the inspection process, OIG staff examined and tested controls over the following areas:

- Time and Attendance;
- Employee Evaluations;
- Reporting of Outside Employment;
- Reporting of Financial Interests;
- Travel;
- Official Property;
- Seized Property;
- Imprest Fund;
- Credit Cards;
- Motor Vehicles;

OIG inspection teams did not identify any issues related to employee evaluations, reporting of outside employment or financial interests, seized property, management of the imprest fund or credit card program, or motor vehicles. Minor issues were identified during our inspection of time and attendance, travel, and official property. These issues are summarized below and detailed in the attached Field Office Reports.

Time and Attendance - The Inspection Team performed detailed analyses of payroll data over a randomly selected period constituting the first ten (10) pay periods of calendar year 1999. Minimal discrepancies were identified during the review process and we are working with representatives from the Office of the Associate Managing Director – Human Resources Management (AMD-HRM) to resolve these discrepancies. In addition, minor procedural discrepancies were identified during our inspection at the Philadelphia Field Office and these discrepancies were discussed with the District Director.

Travel - Generally, Field Office staff at each office visited indicated that limited travel funds restrict the ability of the Field Office to accomplish all aspects of their mission in an effective manner. One staff member from the New York Field Office cited Cable Television and HDTV Capability Inspections on Long Island as an example. According to this staff member, traffic congestion increases travel time required to get to Cable stations on Long Island and significantly reduces the number of stations that can be inspected without requiring an overnight stay. As a result, Cable stations located further out on Long Island are not inspected as regularly as those located closer to the Field Office. Staff from the Detroit Field Office indicated that, as of September, no visits have been made to Kentucky during the current year and the District Director stated that it is difficult to accomplish work in many parts of Ohio without overnight travel funding. However, although numerous examples were provided of projects that could be accomplished with additional travel funds, we were assured at each Field Office visited that funding for emergency related mission objectives was always available.

Official Property – As part of the inspection process, OIG staff judgmentally selected items from recent inventory records and verified the existence of these selected inventory items. During our inspection at the New York Field Office, we were unable to locate a Tektronix Plug-in Spectrum Analyzer that was listed in inventory records dated September 7, 1999. After returning from the New York Field Office, inspectors followed up with CIB management to resolve this issue. On December 22, 1999, we received an e-mail message from District Director of the New York Field Office indicating that this piece of equipment was located in the Minneapolis-St. Paul Field Office. The District Director was unable to explain how the equipment was reported in New York Field Office inventory records.

Training

Lack of training funds has been a recurring theme in past Field Inspection reports. In general, feedback from staff indicates that this condition has not changed significantly from past inspections. Several Field Office staff stated that it has been a decade since they have received formal training. Staff stated that training is frequently in the form of video training or is “on-the-job” training provided by other CIB Field Office staff. Several Field Office staff indicated that they would like to be able to take more formal training, particularly for new equipment and technologies. Many staff members expressed frustration that courses on new Commission software products (e.g., the Microsoft Office software suite) are being offered by the Information Technology Center (ITC) for Headquarters Staff but that these courses are not videotaped or otherwise made available for Field Office staff.

However, we did receive some positive feedback on training. During our inspection of the Detroit Field Office, the District Director reported that the office has identified a training program at a local community college that offers quality training at low cost. The District Director explained that the program, the Criminal Justice Training Program at Macomb Community College, offers a variety of courses including money laundering, problem resolution, etc. The District Director stated that, in the current fiscal year, training costs for six (6) Detroit Field office employees to attend unlimited courses in the training program was \$540. In addition, the community college offers a variety of high quality computer training classes. With respect to training that is made available, many Field Office staff members indicated that they take advantage of no-cost seminars offered by equipment manufacturers. Staff stated that, although a portion of each seminar is directed at marketing the new equipment, good technical information about the equipment and technological environment is generally provided.

Equipment

During previous field office inspections, concerns have been raised about the age and condition of equipment. Inspectors have been informed that older equipment is not sufficient to address interference and other matters involving newer technologies. Additional concerns have been raised about repairing equipment that is no longer supported by the manufacturer.

As part of the employee interview process we discussed equipment with each employee. In particular, we were interested in determining if the lack of state-of-the-art equipment would hamper the ability of the staff

to meet mission requirements (i.e., respond to safety-related interference cases). Many of those Field Office staff interviewed expressed some concern about equipment. We were informed that much of the equipment is technology from the 1970s and that it is not adequate to support interference cases using newer technologies. One case that was cited was a case involving interference with a Police microwave link. In this case, FCC field office staff members were consulted but were not asked to investigate the interference problem. Field Office personnel stated that available equipment would not have been useful in responding to this incident. There were no instances cited in which the Field Office was not able to respond to an interference case when they were asked to respond. Several Field Office staff members indicated that it is conceivable that an interference issue could arise in which the office was unable to respond with the equipment currently available. Another issue identified with respect to equipment was the lack of adequate staffing at the Columbia, MD lab to calibrate equipment. A Field Office staff member indicated that the quality of available equipment is deteriorating and will continue to deteriorate unless adequate resources are devoted to calibrating equipment.

Chicago Field Office staff noted that the equipment situation has improved somewhat with the receipt of a new direction finding vehicle but that most equipment that is being procured is not high quality as in years past. As such, they believe that the equipment will not function for an extended life period. This equipment is often not state of the art and is manually intensive which results in slow operations. They continue to need more modern vehicles and new equipment such as antennas that can function in upper frequencies. There is also a need for more portable gear that would be less cumbersome and time-consuming than equipment currently in use. This may well cross over towards being a safety related issue as quicker deployment and functionality of assets results in shorter periods of exposure of FCC field employees to potentially adverse scenarios.

Commission Databases

Field Office staff report that Commission Databases do not provide timely and accurate information. Poor quality of data directly impacts the ability of Field Office Staff to perform their official duties in an efficient and effective manner. Staff provided numerous examples of instances in which poor quality of database information resulted in additional work (e.g., physically visit broadcast station and examine license, contact licensee to obtain accurate information, etc.). In addition, staff reported that some commercial web sites (ex. radiostations.com) provide better information about Commission licensees than Commission databases.

During our visit to the Detroit Field Office, we accompanied an Engineer during an examination of antenna structures as part of the 1999 Regional Operation Plan. The objective of this project is to raise antenna structure registration compliance to at least 90% to insure aircraft navigational safety. As part of the examination process, Field Office staff examine antenna structures to determine if painting, lighting, and registration posting requirements are met. In addition, information regarding antenna location (latitude and longitude) and ownership are obtained and compared to information contained in Commission databases. During our examination, we visited an Antenna Structure located at Latitude: 42 21' 52" and Longitude: 083 32' 51" obtained the tower registration number and observed the condition of the tower. After the team returned to the field office, the Detroit Field Office Engineer used the General Menu Reporting System (GENMEN), to conduct a query of Commission databases. During the query, the following anomalies were identified:

- ❖ The "Tow Air" system reported no antenna structures within one (1) square mile of the site visited by the review team.
- ❖ The "Site Results" system reported two (2) antenna structures located on the site visited although the reported latitude and longitude for one of the structures is different from that observed.

The Northeast Region established a task for accumulating information on Commission databases as part of the 1999 Regional Operation Plan. The objective of the task is to "assure through field office submissions

that the databases which are most frequently used by the field office are kept accurate, current and most significant, formatted for field use.”

Concerns About Legal Representation

CIB Headquarters and Regional Management established unlicensed FM, AM and HF Radio Operations (i.e., “Pirate Radio”) as a high priority in FY 1999. As a result, Field Office personnel spend significant amounts of time investigating pirate radio stations and taking steps to stop unlicensed operation including court action (e.g., injunctions) and direct action (e.g., equipment seizures). As a result of this activity, Field Office Staff have been increasingly subject to lawsuits. For example, in the case of LA VOZ RADIO DE LA COMUNIDAD, et al., versus FEDERAL COMMUNICATIONS COMMISSION and JAMES BRIDGEWATER, action was brought against the District Director of the Detroit Field Office. In this matter, the United States District Court for the Western District of Michigan ruled in favor of the Commission and the District Director of the Detroit Field Office. In addition, during our interview with the District Director of the New York Field Office, we were informed that other staff in the Northeastern Region (including the Regional Director and staff from the Philadelphia Field Office) has been sued. Although, to date, no Field Office staff have been held personally liable in any pirate radio action or have been financially damaged as a result of these actions, staff have been affected. For example, the Detroit District Director stated that he recently applied for a loan to refinance his primary residence and was confronted with a question about whether he had ever been sued. He indicated that he had to answer yes to the question. This issue was raised by several of the field office staff that we interviewed and is a source of some concern.

Safety Training

As stated previously, CIB Headquarters and Regional Management established “Pirate Radio” as a high priority in FY 1999. As a result, Field Office personnel spend significant amounts of time investigating pirate radio stations and taking steps to stop unlicensed operation including court action (e.g., injunctions) and direct action (e.g., equipment seizures). Increased activity of this nature increases the safety risk for Field Office staff. As part of the interview process during Field Office visits, we asked Field Office staff about safety issues. During our visit with staff from the Detroit Field Office, we were informed of a number of scenarios during which staff from the office found themselves in a position where safety was a concern. In one instance, Field Office personnel were in the vicinity of a building housing a suspected “Pirate Radio” station when an individual exited the building with a weapon and fired the weapon into the ground. Detroit Field Office staff indicated that they are taking direct action to reduce the risks associated with investigating these matters. For example, the office obtained commercially available range finding binoculars to support activities against unlicensed radio operations. The binoculars allow Field Office agents to physically locate a station site without increasing risk to the agents or requiring law enforcement involvement. Field Office agents locate the station by using Direction Finding equipment to triangulate the signal (commonly referred to as “DFing” the signal) then using the binoculars to determine the specific location of the structure containing the station. Staff further indicated that they coordinate activities heavily with local and federal law enforcement agencies. Field Office staff also made it clear that the Commission’s position has always been “safety first” and that this has been clearly communicated at the Field Office level. However, although measures to reduce risks are being taken, several Field Office staff indicated an interest in obtaining formal safety training.