



# NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.  
See MCI v. FCC, 515 F.2d 385 (D.C. Circ 1974).

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## **TWO OKLAHOMA LIFELINE PROVIDERS TO PAY MORE THAN \$1 MILLION TO RESOLVE FCC INVESTIGATION**

### ***Enforcement Action Brought Under New FCC Lifeline Rules That Eliminated \$214 Million in Waste, Fraud, and Abuse in 2012***

Washington, D.C. – Two affiliated Oklahoma companies participating in the FCC’s Lifeline program for low-income consumers – TerraCom, LLC and YourTel America, Inc. – have agreed to pay more than \$1 million in reimbursements and voluntary contributions to the U.S. Treasury. The payments resolve an FCC Enforcement Bureau investigation into whether the companies violated program rules.

The enforcement action was brought under the FCC’s new Lifeline rules guarding against waste, fraud, and abuse, which made clear that only one Lifeline subscription is allowed per household and initiated a process to scrub carrier rolls for duplicates.

“Today’s enforcement action sends a clear message: the FCC will not tolerate waste or fraud in the Lifeline program,” said Enforcement Bureau Chief Michele Ellison. “Fundamental reforms of the program’s rules are allowing us to vigorously pursue those who had abused the system – and safeguard this vital program for low-income Americans who truly need it.”

An FCC examination of subscriber rolls in Oklahoma in the summer of 2012 revealed that TerraCom and YourTel customers had received duplicative wireline and wireless support. The Enforcement Bureau then launched an investigation into the companies’ practices, including into whether the companies submitted inaccurate information to the program administrator. To resolve the investigation, TerraCom and YourTel must reimburse the FCC’s Lifeline program \$416,000 plus interest for duplicative payments. The companies have also agreed to make a voluntary contribution to the U.S. Treasury of \$600,000.

In order to prevent future violations, TerraCom and YourTel have agreed to a robust compliance plan that will govern their receipt of Lifeline funds for the next three years. Among other things, the companies must establish internal procedures to ensure accurate record keeping and appropriate claims for Lifeline support; provide annual training to their employees on compliance with FCC rules; develop and distribute a detailed compliance manual; and file regular compliance reports with the FCC describing and certifying to their compliance efforts.

The companies will also designate a senior corporate manager to oversee the process as compliance officer, and must report any non-compliance within 15 days of discovery.

Since it was launched in 1985, Lifeline has helped ensure that low-income consumers can afford basic telephone service by providing monthly service discounts. Over the years, the program has succeeded in increasing the percentage of low-income households with phone service from 80% to over 90%, providing a communications lifeline for some of our most vulnerable citizens to jobs, family, emergency services and more. However, changes in 2005 and 2008 allowed discounts on low-cost wireless plans without adequate safeguards, causing rapid growth in the program and leading to significant waste, fraud, and abuse.

The FCC began reforming Lifeline in 2010, culminating in a complete overhaul in January 2012. To date, the FCC's new rules have eliminated more than 1.1 million duplicate subscriptions, saved nearly \$214 million in 2012, and are on track to save over \$2 billion by the end of 2014. The reforms will preserve Lifeline for those who truly need it.

YourTel Consent Decree and Order: [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DA-13-286A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-13-286A1.pdf)

Terracom Consent Decree and Order: [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DA-13-285A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-13-285A1.pdf)

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