



# NEWS

**Federal Communications Commission**  
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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. Cir. 1974).

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## **FCC PROPOSES NEARLY \$33 MILLION IN PENALTIES AGAINST LIFELINE PROVIDERS THAT SOUGHT DUPLICATE PAYMENTS FOR INELIGIBLE SUBSCRIBERS**

Washington, D.C. – Continuing its efforts to combat waste, fraud, and abuse in the Lifeline program, the Federal Communications Commission today proposed \$32.6 million in fines against three companies that apparently violated program rules.

Investigations by the FCC's Enforcement Bureau found that the companies apparently violated the FCC's rules limiting Lifeline subscriptions to one subscriber per household, and received payments for thousands of consumers that already were obtaining Lifeline service from the same company. This duplicate support is expressly prohibited by federal law. Specifically, Notices of Apparent Liability, or NALs, were issued against:

- Conexions Wireless – \$18.4 million for apparent violations over the course of eight months in Arkansas, Maryland, and West Virginia.
- i-wireless – \$8.8 million for apparent violations over seven months in Ohio, Illinois, North Carolina, Tennessee, West Virginia, New York, Indiana, and South Carolina.
- True Wireless – \$5.5 million for apparent violations over eight months in Arkansas, Maryland, Oklahoma, and Texas.

In each case, the carrier knew or should have known, based on internal data, that the consumers were ineligible because they were already receiving service from that carrier. The penalties proposed in today's NALs are in addition to full recovery of the universal service funds paid to the carriers for duplicative Lifeline service.

The FCC also proposed a penalty of \$300,000 against Conexions for its apparent willful and repeated failure to provide timely and complete responses to the FCC's requests for information, noting that Conexions' conduct delayed and impeded the Bureau's investigation.

Since it was launched in 1985, Lifeline has helped ensure that low-income consumers can afford basic telephone service by providing monthly service discounts from the FCC's Universal Service Fund. Over the years, the program has dramatically increased the percentage of low-income households with phone service, providing a communications lifeline, including the ability to quickly reach emergency services, for some of our most vulnerable citizens.

But the program's rules failed to keep pace with changing technology, prompting the FCC to launch comprehensive Lifeline reform in 2010 that culminated in a complete overhaul by January 2012. To protect the integrity of the Lifeline program and preserve it for those who truly need it, the Commission's new rules expressly prohibit, among other things, Lifeline service providers from requesting and/or receiving support for consumers who already receive Lifeline service.

The FCC's Enforcement Bureau has worked aggressively to enforce these new rules since their adoption, taking actions worth over \$15 million, in addition to today's \$32.6 million in proposed forfeitures. Numerous additional investigations are ongoing. Moreover, over 2 million duplicate subscriptions have been eliminated, and the FCC's reforms are on track to save the Fund more \$2 billion over three years. At the same time, the FCC's Office of the Inspector General is working on investigations of Lifeline providers in close coordination with the U.S. Department of Justice.

Conexions NAL: [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-13-145A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-13-145A1.pdf)

i-wireless NAL: [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-13-148A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-13-148A1.pdf)

True Wireless NAL: [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-13-149A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-13-149A1.pdf)

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