



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 21, 2024

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Samuel Day, Public Utility Analyst II, Office of Industry Development & Market Analysis *SD*

RE: Docket No. 20240081-TP – Petition for designation as an eligible telecommunications carrier in the State of Florida, by Telrite Corporation d/b/a Life Wireless.

Attached includes correspondence from Telrite Corporation d/b/a Life Wireless answering staff questions. Also attached are FCC orders that relate to the company, as referenced in the correspondence. Please add to docket file.

If you have any questions, please contact me at (850)413-6734.

RECEIVED-FPSC
2024 MAY 21 PM 2:00
COMMISSION
CLERK

Samuel Day

From: Susan J. Berlin <sberlin@fh2.com>
Sent: Thursday, May 9, 2024 2:54 PM
To: Samuel Day
Cc: Greg Fogleman; 'leah.gsell@telrite.com'; 'ASimoneaux@fhh2.com'
Subject: RE: FPSC: Telrite Corporation's ETC Petition Docket 20240081
Attachments: 2012-04-18 Consent Decree.pdf; 2017-12-29 FCC Consent Decree.pdf

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi Sam. Here are responses to your questions.

- Does the company agree not to change Lifeline customers a number-portability charge consisted with 47 CFR § 54.401(e)?

Yes. Telrite does not charge Lifeline customers a number portability charge.

- In accordance with Section 364.105, Florida Statutes, will the company offer Transitional Lifeline service?

Yes. We would note that the statutory requirement is only for "local exchange telecommunications companies" but Telrite and its affiliates agree to voluntarily comply with this requirement for as long as it remains required of local exchange telecommunications companies.

- Florida administrative code 25-4.0665(3) requires companies to participate in the Lifeline Promotion Process (i.e. downloading qualified customer contact information from the FPSC). Will the company commit to meet these requirements?

Yes.

- Has the company been subject to enforcement actions or ETC revocations proceedings at any state commission? If yes, please explain.

Yes, one time only and Telrite recovered its ETC designation in that matter. On July 30, 2013, the Nebraska Public Service Commission ("PSC"), entered an Order to Show Cause in 2013, ordering Telrite to show cause as to why the PSC should not revoke its ETC designation. The order stemmed from Telrite's failure to contact the PSC before beginning operations in Nebraska, failure to use the enlistment form approved by the PSC, and the fact that it handed out flyers that failed to state that the PSC made final eligibility determinations. See *Telrite Corporation v. Nebraska Public Service Commission*, 288 Neb. 866, 870-872 (2014). On September 17, 2013, the PSC entered an Order revoking Telrite's ETC status in Nebraska. Telrite timely filed an appeal of the Revocation Order and on August 22, 2014, the Nebraska Supreme Court reversed the Revocation Order and remanded the matter back to the PSC. Telrite soon after entered into a Stipulation whereby it agreed to make voluntary charitable contributions and its ETC status was fully reinstated, as required by the court. Telrite has operated as an ETC in good standing in Nebraska since that time.

- Has the company been involved in any FCC or USAC enforcement actions? If yes, please explain.

Yes.

In 2012 Telrite entered into a Consent Decree (attached) with the FCC's Enforcement Bureau to resolve a matter that went back to whether Telrite accurately reported revenue data in 2006. This pertained to Telrite as an interexchange carrier, not an ETC.

On Dec. 17, 2017 the FCC approved a Consent Decree to resolve an investigation into whether Telrite received support for ineligible, duplicative subscribers. Attached please find the Order.


- Has the company filed for any form of bankruptcy? If yes, what chapter of bankruptcy and when was it filed?

No.

Please let us know if you have any additional questions or would like additional information.

Thanks,
Susan

Susan J. Berlin, Senior Counsel
Friend, Hudak & Harris, LLP

 P 770.399.9500 Ext. 115
D 770.771.6815
E SBerlin@fh2.com
C 404.956.6235 F 770.395.0000

From: Samuel Day <SDay@psc.state.fl.us>

Sent: Monday, May 6, 2024 3:04 PM

To: Susan J. Berlin <sberlin@fh2.com>; 'ASimoneaux@fhh2.com' <ASimoneaux@fhh2.com>

Cc: Greg Fogleman <GFoglema@PSC.STATE.FL.US>; 'leah.gsell@telrite.com' <leah.gsell@telrite.com>

Subject: FPSC: Telrite Corporation's ETC Petition Docket 20240081

Importance: High

Hi Susan,

The Florida Public Service Commission has received and reviewed Telrite Corporation's ETC Petition. Below are our follow-up questions:

- Does the company agree not to change Lifeline customers a number-portability charge consisted with 47 CFR § 54.401(e)?
- In accordance with Section 364.105, Florida Statutes, will the company offer Transitional Lifeline service?
- Florida administrative code 25-4.0665(3) requires companies to participate in the Lifeline Promotion Process (i.e. downloading qualified customer contact information from the FPSC). Will the company commit to meet these requirements?
- Has the company been subject to enforcement actions or ETC revocations proceedings at any state commission? If yes, please explain.
- Has the company been involved in any FCC or USAC enforcement actions? If yes, please explain.

- Has the company filed for any form of bankruptcy? If yes, what chapter of bankruptcy and when was it filed?

Thank you,

Sam Day

Public Utility Analyst II



Office of Industry Development

& Market Analysis | (850) 413-6734

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	File No.: EB-05-IH-2348
)	
Telrite Corporation	)	Acct. No.: 200832080084
)	
	)	FRN: 0007-9604-20
)	

ORDER

Adopted: April 18, 2012

Released: April 18, 2012

By the Commission:

1. In this Order, we adopt the attached Consent Decree between the Enforcement Bureau (Bureau) of the Federal Communications Commission (Commission) and Telrite Corporation (Telrite). The Consent Decree terminates an investigation and Notice of Apparent Liability for Forfeiture (NAL) by the Commission against Telrite for possible violations of Sections 9(a)(1), 225(b)(1), 251(e)(2), and 254(d) of the Communications Act of 1934, as amended (Act),¹ and Sections 1.1154, 1.1157(b)(1), 52.17(a), 52.17(b), 52.32(a), 52.32(b), 54.706, 54.711, 64.604(c)(5)(iii)(A), and 64.604(c)(5)(iii)(B) of the Commission's rules² concerning the payment of annual regulatory fees; contributions to the Universal Service Fund and Telecommunications Relay Services Fund; contributions to cost-recovery mechanisms for North American Numbering Plan and Local Number Portability administration; and the submission of information as set forth on the Telecommunications Reporting Worksheets (*i.e.*, FCC Forms 499-A and 499-Q).

2. A copy of the Consent Decree negotiated by the Commission and Telrite is attached hereto and incorporated herein by reference.

3. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree and terminating the investigation.

4. In the absence of material new evidence relating to this matter, we conclude that our investigation raises no substantial or material questions of fact as to whether Telrite possesses the basic qualifications, including those related to character, to hold or obtain any Commission license or authorization.

¹ 47 U.S.C. §§ 159(a)(1), 225(b)(1), 251(e)(2), 254(d).

² 47 C.F.R. §§ 1.1154, 1.1157(b)(1), 52.17(a), 52.17(b), 52.32(a), 52.32(b), 54.706, 54.711, 64.604(c)(5)(iii)(A), 64.604(c)(5)(iii)(B).

5. Accordingly, **IT IS ORDERED** that, pursuant to Sections 4(i) and 503(b) of the Act,³ and Sections 0.111 and 0.311 of the rules,⁴ the Consent Decree attached to this Order **IS ADOPTED**.

6. **IT IS FURTHER ORDERED** that the above-captioned investigation **IS TERMINATED**.

7. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by first class mail and certified mail, return receipt requested, to David H. Solomon, Wilkinson Barker Knauer, LLP, 2300 N Street, N.W., Suite 700, Washington, DC 20037.

FEDERAL COMMUNICATIONS COMMISSION

P. Michele Ellison
Chief
Enforcement Bureau
Federal Communications Commission

³ 47 U.S.C. §§ 154(i), 503(b).

⁴ 47 C.F.R. §§ 0.111, 0.311.

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
	)	File No.: EB-05-IH-2348
Telrite Corporation)	
	)	Acct. No.: 200832080084
)	
	)	FRN: 0007-9604-20
)	

CONSENT DECREE

1. The Federal Communications Commission and Telrite Corporation, by their authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Commission's investigation into whether Telrite violated Sections 9(a)(1), 225(b)(1), 251(e)(2), and 254(d) of the Communications Act of 1934, as amended,⁵ and Sections 1.1154, 1.1157(b)(1), 52.17(a), 52.17(b), 52.32(a), 52.32(b), 54.706, 54.711, 64.604(c)(5)(iii)(A), and 64.604(c)(5)(iii)(B) of the Commission's rules,⁶ concerning the following issues: (1) the submission of information as set forth on the Telecommunications Reporting Worksheets (*i.e.*, FCC Forms 499-A and 499-Q); (2) contributions to the Universal Service Fund and Telecommunications Relay Services Fund; (3) contributions to the cost-recovery mechanisms for North American Numbering Plan and Local Number Portability administration; and (4) payment of annual regulatory fees.

I. DEFINITIONS

2. For the purposes of this Consent Decree, the following definitions shall apply:
- (a) "Act" means the Communications Act of 1934, as amended, 47 U.S.C. § 151 *et seq.*
 - (b) "Adopting Order" means an Order of the Commission adopting the terms of this Consent Decree without change, addition, deletion, or modification.
 - (c) "Bureau" means the Enforcement Bureau of the Federal Communications Commission.
 - (d) "Commission" and "FCC" mean the Federal Communications Commission and all of its bureaus and offices.
 - (e) "Communications Laws" means collectively, the Act, the Rules, and the published and promulgated orders and decisions of the Commission to which Telrite is subject by virtue of its business activities.
 - (f) "Compliance Plan" means the plan described in this Consent Decree at paragraph 14.
 - (g) "Covered Employees" means all employees and agents of Telrite who perform, or supervise, oversee, or manage the performance of, duties that relate to Telrite's

⁵ 47 U.S.C. §§ 159(a)(1), 225(b)(1), 251(e)(2), 254(d).

⁶ 47 C.F.R. §§ 1.1154, 1.1157(b)(1), 52.17(a), 52.17(b), 52.32(a), 52.32(b), 54.706, 54.711, 64.604(c)(5)(iii)(A), 64.604(c)(5)(iii)(B).

responsibilities under the Communications Laws, including the Federal Regulatory Reporting and Contribution Rules.

- (h) “Effective Date” means the date on which the Commission releases the Adopting Order.
- (i) “Federal Regulatory Reporting and Contribution Rules” means Sections 9, 225, 251(e)(2), and 254(d) of the Act,⁷ Sections 1.1154, 1.1157, 52.17, 52.32, 54.706, 54.711, and 64.604 of the Rules,⁸ and other provisions of the Act, the Rules, and Commission orders governing related federal regulatory reporting and contribution obligations.
- (j) “Investigation” means the investigation commenced by the Bureau’s Letters of Inquiry to Telrite dated December 15, 2005,⁹ June 9, 2006,¹⁰ and November 8, 2006,¹¹ seeking to determine whether Telrite had violated, among other requirements, Sections 54.706 and 54.711 of the Commission’s rules by failing to fulfill the USF reporting and contribution obligations applicable to telecommunications carriers.¹²
- (k) “LNP” means Local Number Portability.
- (l) “NANP” means the North American Numbering Plan.
- (m) “Parties” means Telrite Corporation and the Commission, each of which is a “Party.”
- (n) “Rules” means the Commission’s regulations found in Title 47 of the Federal Regulations.
- (o) “Telrite” or “the Company” means Telrite Corporation and its predecessors-in-interest and successors-in-interest.
- (p) “TRS” means Telecommunications Relay Services.
- (q) “USF” means the Universal Service Fund.

⁷ 47 U.S.C. §§ 159, 225, 251(e)(2), 254(d).

⁸ 47 C.F.R. §§ 1.1154, 1.1157, 52.17, 52.32, 54.706, 54.711, 64.604.

⁹ Letter from Hillary S. DeNigro, Deputy Chief, Investigations & Hearings Division, Enforcement Bureau, FCC, to Telrite Corporation (Dec. 15, 2005) (Initial LOI).

¹⁰ Letter from Hillary S. DeNigro, Deputy Chief, Investigations & Hearings Division, Enforcement Bureau, FCC, to Michael Geoffroy, Corporate Counsel, Telrite Corporation (June 9, 2006) (Second LOI).

¹¹ Letter from Trent Harkrader, Deputy Chief, Investigations & Hearings Division, Enforcement Bureau, FCC, to Michael Geoffroy, Corporate Counsel, Telrite Corporation (November 8, 2006) (Third LOI).

¹² 47 C.F.R. §§ 54.706 and 54.711.

II. BACKGROUND

A. Federal Regulatory Reporting and Contribution Obligations

3. Pursuant to Section 254(d) of the Act and Sections 54.706 and 54.711 of the Rules, telecommunications service providers that provide interstate telecommunications services are required to file annual and quarterly Telecommunications Reporting Worksheets (FCC Form 499-A and FCC Form 499-Q) and contribute to the federal USF.¹³

4. Pursuant to Section 225(b)(1) of the Act and Section 64.604 of the Rules, providers of interstate telecommunications services are required to contribute to the TRS Fund.¹⁴

5. Pursuant to Section 251(e) of the Act and Sections 52.17 and 52.32 of the Rules, telecommunications service providers are required to contribute to the costs of establishing numbering administration and local number portability.¹⁵

6. Pursuant to Section 9(a)(1) of the Act and Sections 1.1154 and 1.1157 of the Rules, interstate telecommunications carriers are required to pay regulatory fees.¹⁶

B. Investigation

7. Telrite is a Georgia-based toll reseller providing interstate and information services to residential and business customers nationwide, and is subject to the requirements discussed in paragraphs 3 through 6, above. Following Telrite's purchase of Onestar Long Distance, Inc. in 2004, the Universal Service Administrative Company (USAC) referred Telrite to the Bureau for potential enforcement action, alleging that Telrite had failed to comply with the Commission's USF contribution and reporting rules. The Bureau issued Letters of Inquiry to Telrite dated December 15, 2005,¹⁷ June 9, 2006,¹⁸ and November 8, 2006,¹⁹ seeking information about Telrite's compliance with its regulatory obligations. Telrite submitted responses to the Bureau's inquiries, and on July 10, 2006, Telrite admitted that it had failed to accurately report revenue data on its annual Form 499-A filed in March 2006.²⁰

8. On April 17, 2008, the Commission released a Notice of Apparent Liability for Forfeiture & Order finding Telrite apparently liable for a forfeiture of \$924,212.²¹ Telrite filed a Statement Seeking Reduction of Proposed Forfeiture on June 2, 2008.²²

¹³ See 47 U.S.C. § 254(d); 47 C.F.R. §§ 54.706, 54.711.

¹⁴ See 47 U.S.C. § 225(b)(1); 47 C.F.R. § 64.604.

¹⁵ See 47 U.S.C. § 251(e); 47 C.F.R. §§ 52.17, 52.32.

¹⁶ See 47 U.S.C. § 159(a)(1); 47 C.F.R. §§ 1.1154, 1.1157.

¹⁷ See Initial LOI, n.5, *supra*.

¹⁸ See Second LOI, n.6, *supra*.

¹⁹ See Third LOI, n.7, *supra*.

²⁰ Letter from Michael G. Geoffroy, Corporate Counsel, Telrite Corporation, to Christopher Shields, Enforcement Bureau, Federal Communications Commission (July 10, 2006).

²¹ Telrite Corporation, *Notice of Apparent Liability for Forfeiture and Order*, 23 FCC Rcd 7231(2008) (NAL).

²² Telrite Corporation's Statement Seeking Reduction of Proposed Forfeiture (June 2, 2008).

9. As of the Effective Date, Telrite has paid all invoiced amounts to the USF, TRS Fund, cost recovery mechanisms for NANP and LNP administration, and regulatory fees, as discussed above.

III. TERMS OF AGREEMENT

10. **Adopting Order.** The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Commission by incorporation of such provisions by reference in the Adopting Order.

11. **Jurisdiction.** Telrite agrees that the Commission has jurisdiction over it and the matters contained in this Consent Decree and has the authority to enter into and adopt this Consent Decree.

12. **Effective Date; Violations.** The Parties agree that this Consent Decree shall become effective on the Effective Date. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other Order of the Commission. Any violation of the Adopting Order or of the terms of this Consent Decree shall constitute a separate violation of a Commission Order, entitling the Commission to exercise any rights and remedies attendant to the enforcement of a Commission order.

13. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Commission agrees to terminate its Investigation. In consideration for the termination of said Investigation, Telrite agrees to the terms, conditions, and procedures contained herein. The Commission further agrees that, in the absence of new material evidence, the Commission will not use the facts developed in this Investigation through the Effective Date, or the existence of this Consent Decree, to institute, on its own motion, any new proceeding, formal or informal, or take any action on its own motion against Telrite concerning the matters that were the subjects of the Investigation. The Commission also agrees that it will not use the facts developed in this Investigation through the Effective Date, or the existence of this Consent Decree, to institute on its own motion any proceeding, formal or informal, or take any action on its own motion against Telrite with respect to Telrite's basic qualifications, including its character qualifications, to be a Commission licensee or hold Commission authorizations.

14. **Compliance Plan.** For purposes of settling the matters set forth herein, Telrite agrees to develop and implement a Compliance Plan to help ensure future compliance with the Communications Laws, including the Federal Regulatory Reporting and Contribution Rules, and with the terms and conditions of this Consent Decree. The Compliance Plan must include, without limitation, the following components:

- (a) **Compliance Officer.** Within thirty (30) calendar days of the Effective Date, Telrite will designate a senior corporate manager with the requisite corporate and organizational authority to serve as a Compliance Officer and to discharge the duties set forth below. The person designated as the Compliance Officer shall be responsible for developing, implementing, and administering the Compliance Plan and ensuring that Telrite complies with the terms and conditions of the Compliance Plan and this Consent Decree. In addition to the general knowledge of the Communications Law necessary to discharge his/her duties under this Consent Decree, the Compliance Officer shall have specific knowledge of the Federal Regulatory Reporting and Contribution Rules.
- (b) **Compliance Manual.** Within sixty (60) calendar days of the Effective Date, the Compliance Officer will develop and distribute a Compliance Manual to all Covered Employees. The Compliance Manual shall explain Communications Laws that apply to Telrite and the Federal Regulatory Reporting and Contribution Rules, including (i)

the payment of annual regulatory fees; (ii) contributions to the USF and TRS Fund; (iii) contributions to cost-recovery mechanisms for NANP and LNP administration; and (iv) the submission of information as set forth on the Telecommunications Reporting Worksheets. The Compliance Manual will also set forth a schedule of filing and payment dates associated with these regulatory reporting and contribution obligations. Telrite will create compliance notifications that alert Telrite personnel to upcoming filing and payment dates. The Compliance Manual will require personnel to contact Telrite's Compliance Officer, and if appropriate, regulatory legal counsel, with any questions or concerns that arise with respect to Telrite's federal regulatory reporting and contribution obligations. Telrite shall periodically review and revise the Compliance Manual as necessary to ensure that the information set forth therein remains current and accurate. Telrite shall distribute any revisions to the Compliance Manual promptly to Covered Employees.

- (c) **Compliance Training Program.** Telrite shall establish and conduct a training program on compliance with the Federal Regulatory Reporting and Contribution Rules and other Communications Laws. As part of the Compliance Training Program, Covered Employees shall be advised of Telrite's obligation to report any noncompliance with the Regulatory Reporting and Contribution Rules under paragraph 15 of this Consent Decree and shall be instructed on how to disclose noncompliance to the Compliance Officer. All Covered Employees shall be trained pursuant to the Compliance Training Program within sixty (60) calendar days after the Effective Date, except that any person who becomes a Covered Employee at any time after the Effective Date shall be trained within thirty (30) calendar days after the date such person becomes a Covered Employee. Telrite shall repeat the compliance training on an annual basis, and shall periodically review and revise the Compliance Training Program as necessary to ensure that it remains current and complete and to enhance its effectiveness.

15. **Reporting Noncompliance.** Telrite shall report any noncompliance with the Federal Regulatory Reporting and Contribution Rules and with the terms and conditions of this Consent Decree within fifteen (15) calendar days after discovery of such noncompliance. Such reports shall include a detailed explanation of (i) each instance of noncompliance; (ii) the steps that Telrite has taken or will take to remedy such noncompliance; (iii) the schedule on which such remedial actions will be taken; and (iv) the steps that Telrite has taken or will take to prevent the recurrence of any such noncompliance. All reports of noncompliance shall be submitted to the Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, Room 4-C330, 445 12th Street, S.W. Washington, D.C. 20554, with a copy submitted electronically to Theresa Z. Cavanaugh at Terry.Cavanaugh@fcc.gov and to Mindy Littell at Mindy.Littell@fcc.gov. The reporting obligations set forth in this paragraph 15 of the Consent Decree shall expire thirty-six (36) months after the Effective Date.

16. **Compliance Reports.** Telrite shall file compliance reports with the commission ninety (90) calendar days after the effective date, twelve (12) months after the Effective Date, and twenty-four (24) months after the Effective Date, and thirty-six (36) months after the Effective Date.

- (a) Each compliance report shall include a detailed description of Telrite's efforts during the relevant period to comply with the terms and conditions of this Consent Decree and the Federal Regulatory Reporting and Contribution Rules. In addition, each Compliance Report shall include a certification by the Compliance Officer, as an agent of and on behalf of Telrite, stating that the Compliance Officer has personal knowledge that Telrite (i) has established and implemented the Compliance Plan and (ii) is not aware of any instances of noncompliance with the terms and conditions of

this Consent Decree, including the reporting obligations set forth in paragraph 15 of this Consent Decree.

- (b) The Compliance Officer's certification shall be accompanied by a statement explaining the basis for such certification and must comply with Section 1.16 of the Rules²³ and be subscribed to as true under penalty of perjury in substantially the form set forth in Section 1.16.
- (c) If the Compliance Officer cannot provide the requisite certification, the Compliance Officer, as an agent of and on behalf of Telrite, shall provide the Commission with a detailed explanation of the reason(s) why and describe fully (i) each instance of noncompliance; (ii) the steps that Telrite has taken or will take to remedy such noncompliance, including the schedule on which proposed remedial actions will be taken; and (iii) the steps that Telrite has taken or will take to prevent the recurrence of any such noncompliance, including the schedule on which such preventive action will be taken.
- (d) All Compliance Reports shall be submitted to the Chief, Investigations & Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554, with a copy submitted electronically to Theresa Z. Cavanaugh at Terry.Cavanaugh@fcc.gov and to Mindy Littell at Mindy.Littell@fcc.gov.
- (e) **Termination Date.** Unless state otherwise, the requirements of this Compliance Plan shall expire thirty-six (36) months after the Effective Date.

17. **Section 208 Complaints: Subsequent Investigations.** Nothing in this Consent Decree shall prevent the Commission or its delegated authority from adjudicating complaints filed pursuant to Section 208 of the Act²⁴ against Telrite or its affiliates for alleged violations of the Act, or for any other type of alleged misconduct, regardless of when such misconduct took place. The Commission's adjudication of any such complaint will be based solely on the record developed in that proceeding. Except as expressly provided in this Consent Decree, this Consent Decree shall not prevent the Commission from investigating new evidence of noncompliance by Telrite with the Communications Laws.

18. **Voluntary Contribution.** Telrite agrees that it will make a voluntary contribution to the United States Treasury in the amount of five hundred and twenty-five thousand dollars (\$525,000). The contribution will be made within thirty (30) calendar days after the Effective Date of the Adopting Order. The payment must be made by check or similar instrument, payable to the Order of the Federal Communications Commission. The payment must include the NAL/Acct. No. and FRN No. referenced above. Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payments by wire transfer may be made to ABA Number 021030004, receiving bank Federal Reserve Bank of New York, and account number 27000001. An FCC Form 159 (Remittance Advice) must be submitted with the payment. When completing the FCC Form 159, enter the NAL/Account number in block number 23A (call sign/other ID), and enter the letters "FORF" in block number 24A (payment type code). Telrite will also send electronic notification to Theresa Z. Cavanaugh at

²³ 47 C.F.R. § 1.16.

²⁴ See 47 U.S.C. § 208.

Terry.Cavanaugh@fcc.gov, Pamela S. Kane at Pamela.Kane@fcc.gov, and Mindy Littell at Mindy.Littell@fcc.gov on the date said payment is made.

19. **Waivers.** Telrite waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order, provided the Commission issues the Adopting Order adopting the Consent Decree without change, addition, modification, or deletion. Telrite shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Adopting Order, neither Telrite nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and Telrite shall waive any statutory right to a trial *de novo*. Telrite hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act,²⁵ relating to the matters addressed in this Consent Decree.

20. **Invalidity.** In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

21. **Subsequent Rule or Order.** The Parties agree that if any provision of the Consent Decree conflicts with any subsequent rule or order adopted by the Commission (except an order specifically intended to revise the terms of this Consent Decree to which Telrite does not expressly consent) that provision will be superseded by such Commission rule or order.

22. **Successors and Assigns.** Telrite agrees that the provisions of this Consent Decree shall be binding on its successors, assigns, and transferees.

23. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the parties. The Parties further agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding any compliance or noncompliance with the requirements of the Communications Laws.

24. **Modifications.** This Consent Decree cannot be modified without the advance written consent of both Parties.

25. **Paragraph Headings.** The headings of the paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

26. **Authorized Representative.** The individual signing this Consent Decree on behalf of Telrite represents and warrants that he is authorized by Telrite to execute this Consent Decree and to bind Telrite to the obligations set forth herein. The FCC signatory represents that she is signing this Consent Decree in her official capacity and that she is authorized to execute this Consent Decree.

²⁵ See 5 U.S.C. § 504; 47 C.F.R. Part 1, Subpart K.

27. **Counterparts.** This Consent Decree may be signed in any number of counterparts (including by facsimile), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

P. Michele Ellison
Chief
Enforcement Bureau
Federal Communications Commission

Date

R. P. McFarland
Chief Executive Officer
Telrite Corporation

Date

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of)	
)	
Telrite Corporation d/b/a Life Wireless	)	File No.: EB-IHD-13-00010674 ¹
	)	Acct. No.: 201432080013
	)	FRN: 0007960420
)	
)	

ORDER

Adopted: Decemeber 22, 2017

Released: December 29, 2017

By the Commission: Commissioner Clyburn approving in part, dissenting in part, and issuing a statement.

1. The Federal Communications Commission (Commission) has entered into a Consent Decree to resolve its investigation into whether Telrite Corporation d/b/a Life Wireless (Telrite) violated the Commission’s rules by requesting and/or receiving support from the Lifeline program of the Universal Service Fund (USF or Fund) for ineligible, duplicative subscribers, as identified by the Universal Service Administrative Company (USAC) through periodic in-depth validations (IDVs). To settle this matter, Telrite will implement a compliance plan to ensure that it adheres to the Commission’s rules and will pay a one million and twenty-five thousand dollar (\$1,025,000) settlement amount.

2. After reviewing the terms of the Consent Decree and evaluating the facts before us, including that USAC has recovered the overpayments for ineligible duplicate support received by Telrite for the time periods covered by the IDVs conducted by USAC, we find that the public interest would be served by adopting the Consent Decree and resolving the Notice of Apparent Liability for Forfeiture (NAL) regarding Telrite’s compliance with the Lifeline program rules set forth in Sections 54.407, 54.409, and 54.410 of the Commission’s rules.²

3. In the absence of material new evidence relating to this matter, we do not set for hearing the question of Telrite’s basic qualifications to hold or obtain any Commission license or authorization.³

4. Accordingly, **IT IS ORDERED** that, pursuant to Sections 4(i) and 503(b) of the Act⁴, the attached Consent Decree **IS ADOPTED** and its terms incorporated by reference.

5. **IT IS FURTHER ORDERED** that the above-captioned matter **IS TERMINATED** and the NAL **IS RESOLVED** in accordance with the terms of the attached Consent Decree.

¹ This investigation, initiated under file no. EB-13-IH-0202, was subsequently assigned to file no. EB-IHD-13-00010674.

² 47 CFR §§ 54.407, 54.409, 54.410.

³ See 47 CFR § 1.93(b).

⁴ 47 U.S.C. §§ 154(i), 503(b).

6. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by first class mail and certified mail, return receipt requested, to Brian Lisle, President, Telrite Corporation d/b/a Life Wireless, 4113 Monticello Street, Covington, GA 30014, and to John J. Heitmann, Counsel for Telrite Corporation d/b/a Life Wireless, Kelley Drye & Warren LLP, 3050 K Street, N.W., Suite 400, Washington, D.C. 20007-5108.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Telrite Corporation d/b/a Life Wireless	)	File No.: EB-IHD-13-00010674 ⁵
	)	Acct. No.: 201432080013
	)	FRN: 0007960420
)	
)	

CONSENT DECREE

1. The Federal Communications Commission (Commission) and Telrite Corporation d/b/a Life Wireless (Telrite), by their authorized representatives, hereby enter into this Consent Decree for the purpose of settling the Commission's investigation, as defined below, into whether Telrite violated Sections 54.407, 54.409, and 54.410 of the Commission's rules by requesting and/or receiving support from the Lifeline program of the Universal Service Fund (USF or Fund) for ineligible subscribers.

I. DEFINITIONS

2. For the purposes of this Consent Decree, the following definitions shall apply:
- (a) "Act" means the Communications Act of 1934, as amended.⁶
 - (b) "Adopting Order" means an order of the Commission adopting the terms of this Consent Decree without change, addition, deletion, or modification.
 - (c) "Agents" means all contractors and/or subcontractors acting on behalf of the Company with respect to the sales, marketing, enrollment of new customers, and other duties related to the Company's responsibilities under the Lifeline Rules.
 - (d) "Bureau" means the Enforcement Bureau of the Federal Communications Commission.
 - (e) "Commission" and "FCC" mean the Federal Communications Commission and all of its bureaus and offices.
 - (f) "Communications Laws" means collectively, the Act, the Rules, and the published and promulgated orders and decisions of the Commission to which Telrite is subject by virtue of its business activities.
 - (g) "Compliance Plan" means the compliance obligations, program, and procedures described in this Consent Decree at paragraph 14.
 - (h) "Covered Employees" means all employees of Telrite who perform, or supervise, oversee, or manage the performance of, duties that relate to Telrite's responsibilities under the Lifeline Rules.
 - (i) "Covered Third Party" means any non-employee Person, as defined herein, that performs services involving the enrollment and de-enrollment of Lifeline consumers, or any duties that relate to the Lifeline eligibility and de-enrollment

⁵ This investigation, initiated under file no. EB-13-IH-0202, was subsequently assigned to file no. EB-IHD-13-00010674.

⁶ 47 U.S.C. § 151, *et seq.*

rules, pursuant to a contractual relationship or agreement with Telrite, including any person performing work related to the Lifeline Rules on behalf of Telrite.

- (j) “Effective Date” means the date by which both the Bureau and Telrite have signed the Consent Decree.
- (k) “ETC” means an eligible telecommunications carrier designated under, or operating pursuant to, Section 214(e) of the Communications Act, as amended, 47 U.S.C. § 214(e), as eligible to offer and receive support for one or more services that are supported by the federal universal support mechanisms.
- (l) “Investigation” means the investigation commenced by the Bureau in File Nos. EB-13-IH-0202 and EB-IHD-13-00010674, and in *Telrite Corporation d/b/a Life Wireless*, Notice of Apparent Liability for Forfeiture, 28 FCC Rcd 17108 (2013), regarding whether Telrite violated the Lifeline Rules.
- (m) “Lifeline Rules” means Title 47, Code of Federal Regulations, Sections 54.400–54.423, Section 254 of the Act, and Commission orders related to Lifeline service to low-income consumers.
- (n) “Operating Procedures” means the standard internal operating procedures and compliance policies established by Telrite to implement the Compliance Plan.
- (o) “Parties” means Telrite and the Commission, each of which is a “Party.”
- (p) “Person” shall have the same meaning defined in Section 153(39) of the Communications Act, as amended, 47 U.S.C. § 153(39).
- (q) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.
- (r) “Telrite” or “Company” means Telrite Corporation d/b/a/ Life Wireless, and its affiliates, subsidiaries, predecessors-in-interest, and successors-in-interest.
- (s) “USAC” means the Universal Service Administrative Company, which serves as the administrator for the federal Universal Service Fund.⁷

II. BACKGROUND

3. Lifeline is a Universal Service Fund (USF) program that helps qualifying consumers connect to jobs, family members, and emergency services.⁸ Lifeline service is provided by designated eligible telecommunications carriers (ETCs) pursuant to the Communications Act of 1934, as amended (Act).⁹ An ETC may generally request Federal Lifeline support in the amount of \$9.25 per month for each qualifying low-income consumer it serves, provided the ETC passes through the support amount to the consumer.¹⁰ To request reimbursement, ETCs must certify to the Universal Service Administrative

⁷ See 47 CFR § 54.701.

⁸ *Lifeline & Link Up Reform & Modernization*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6662–67, paras. 11–18 (2012) (*Lifeline Reform Order*); see 47 CFR §§ 54.400–54.423.

⁹ 47 U.S.C. § 254(e) (providing that “only an eligible telecommunications carrier designated under section 214(e) of this title shall be eligible to receive specific Federal universal service support”); 47 U.S.C. § 214(e) (prescribing the method by which carriers are designated as ETCs).

¹⁰ See 47 CFR § 54.403(a)(1)–(2). ETCs may receive additional federal Lifeline support of up to \$25 per month for providing Lifeline service to an eligible resident of Tribal lands, as defined in 47 CFR § 54.409(e). See 47 CFR § 54.403(a)(3).

Company (USAC) that they have followed the Rules relating to Lifeline.¹¹ Section 54.407 of the Rules specifies that the support provided to an ETC is limited to “the number of actual qualifying low-income customers” it serves.¹² Additionally, pursuant to Sections 54.407 and 54.410 of the Rules, ETCs must obtain certification of every subscriber’s eligibility and certify their own compliance with the Rules.¹³

4. Furthermore, Section 54.410(a) of the Rules requires ETCs to implement policies and procedures for ensuring that their subscribers are eligible to receive Lifeline service.¹⁴ Among other things, the Commission’s Rules define an eligible, or “qualifying low-income consumer,” as one who is not already receiving a Lifeline service and where no one else in the household is a Lifeline subscriber.¹⁵ The Commission has made clear that “qualifying low-income consumers may receive no more than a single Lifeline benefit.”¹⁶ In February 2012, the FCC defined “duplicative support” as “when a Lifeline subscriber is receiving two or more Lifeline services concurrently or two or more subscribers in a household are receiving Lifeline services or Tribal Link Up support concurrently.”¹⁷ Therefore, ETCs generally must implement procedures designed to ensure that they are not seeking support from the Lifeline program for duplicate subscribers.¹⁸

5. In 2011, USAC began conducting in-depth data validations (IDVs) to identify subscribers who were improperly receiving duplicative Lifeline support.¹⁹ If USAC determined that a subscriber was the recipient of multiple Lifeline benefits from that same ETC (*e.g.*, intra-company duplicates), it notified the ETC of the instances of duplicate support, recouped duplicate payments, and directed the ETC to de-enroll the intra-company duplicate subscribers.²⁰

6. Telrite is a Georgia corporation that provides wireline and wireless telephone services, and that has offered Lifeline service to customers since October 2010.²¹ At the time of the release of the

¹¹ See 47 CFR § 54.407(d). USAC administers the Lifeline program and is responsible for support calculation and disbursement payments to ETCs. See 47 CFR § 54.702(b).

¹² 47 CFR § 54.407(a)–(b).

¹³ See 47 CFR §§ 54.407(d), 54.410(b)–(c), 54.416. To receive reimbursement, ETCs must file an FCC Form 497 with USAC, on which they must certify compliance with the Rules. See *Lifeline Reform Order*, 27 FCC Rcd at 6698, 6714, paras. 91, 125.

¹⁴ 47 CFR § 54.410(a). See also *Lifeline Reform Order*, 27 FCC Rcd at 6879, App. A.

¹⁵ 47 CFR §§ 54.400(a); 54.409(c).

¹⁶ See *Lifeline & Link Up Reform & Modernization*, Report and Order, 26 FCC Rcd 9022, 9022–23, para. 2 (2011) (*Lifeline Duplicates Order*). See also *Lifeline & Link-Up*, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 8302, 8306, para. 4 (2004); see also 47 CFR § 54.409(c) (qualifying Lifeline customers must not already be receiving a Lifeline service); 47 CFR § 54.401 (defining Lifeline); 47 CFR § 54.400(h) (defining “household” as “any individual or group of individuals who are living together at the same address as one economic unit”); *Lifeline Reform Order*, 27 FCC Rcd at 6760, para. 241 (noting that the costs of wireless handsets are not supported by Lifeline).

¹⁷ See generally *Lifeline Reform Order*, 27 FCC Rcd 6656; 47 CFR § 54.400(g). The Lifeline Reform Order also required ETCs, upon notification from USAC, to de-enroll subscribers who were found to have received duplicative support. 47 CFR § 54.405(e)(2).

¹⁸ 47 CFR § 54.410.

¹⁹ See *Lifeline Duplicates Order*, 26 FCC Rcd at 9023, para. 2, nn.4–5; Letter from Sharon E. Gillett, Chief, Wireline Competition Bureau, FCC, to D. Scott Barash, Acting CEO, USAC, WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45, 26 FCC Rcd 8588 (WCB 2011).

²⁰ *Id.*

²¹ *Telrite Corporation d/b/a Telrite*, Notice of Apparent Liability for Forfeiture and Order, 28 FCC Rcd 17108, 1710, para. 8 (2013) (*Telrite NAL*); see also Georgia Secretary of State, Business Filing Dept., *Telrite Corporation*,

(continued....)

Telrite NAL, Telrite was designated as an ETC in Arkansas, Georgia, Illinois, Louisiana, Maryland, Minnesota, Missouri, Rhode Island, and West Virginia.²² To receive reimbursement for Lifeline services provided, Telrite was required to file claims regularly with USAC.²³ USAC conducted IDVs of the Lifeline support requested by Telrite for its subscribers in the following nine states for the months specified: Arkansas (August 2012, February 2013, and April 2013); Georgia (August 2012 and March 2013); Illinois (November 2012 and April 2013); Louisiana (March 2013); Maryland (June 2012 and March 2013); Minnesota (February 2013); Missouri (February 2013); Rhode Island (July 2012 and March 2013); and West Virginia (June 2012, December 2012, and April 2013).²⁴ Based on USAC's analysis Telrite allegedly had 4,387 intra-company duplicate lines for which Telrite sought Lifeline reimbursement support.²⁵ According to USAC, these requests allegedly resulted in \$41,587 in overpayments to Telrite over the months covered by the IDVs.²⁶

7. On December 11, 2013, the Commission issued a Notice of Apparent Liability for Forfeiture proposing a forfeiture penalty of \$22,399,761 against Telrite for alleged willful and repeated violations of Sections 54.407, 54.409, and 54.410 of the Rules²⁷ by allegedly requesting and/or receiving Lifeline support for allegedly ineligible subscriber lines identified in the IDVs.²⁸ The Company submitted a response to the *Telrite NAL* on February 20, 2014, denying the allegations and seeking cancellation or reduction of the proposed forfeiture.²⁹ The Parties negotiated the following terms and conditions of settlement and hereby enter in this Consent Decree as provided below.

III. TERMS OF AGREEMENT

8. **Adopting Order.** The provisions of this Consent Decree shall be incorporated by the Commission in an Adopting Order.

9. **Jurisdiction.** Telrite agrees that the Commission has jurisdiction over it and the matters contained in this Consent Decree and has the authority to enter into and adopt this Consent Decree.

10. **Effective Date.** The Parties agree that this Consent Decree shall become effective on the Effective Date as defined herein. As of the Effective Date, the Parties agree that this Consent Decree shall have the same force and effect as any other order adopted by the Commission.

11. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Commission agrees to terminate the Investigation. In consideration for the termination of the Investigation, Telrite agrees to the terms, conditions, and procedures contained herein. Telrite further agrees that it will not challenge, and the Commission agrees that it will not pursue an investigation or action related to, USAC's

(Continued from previous page) _____
Control No. 0005243 (entity created Feb. 1, 2000); *see also* Telrite Corporation Compliance Plan, WC Docket Nos. 09-197 and 11-42, at 24 (last revised Dec. 19, 2012).

²² *Telrite NAL*, 28 FCC Rcd at 17111, para. 8. Other service areas served by Telrite are not at issue in this enforcement action.

²³ *Telrite NAL*, 28 FCC Rcd at 17110, para. 6. *See also* 47 CFR § 54.407; *Lifeline Reform Order*, 27 FCC Rcd at 6786-87, paras. 302-03.

²⁴ *Telrite NAL*, 28 FCC Rcd at 17111, para. 9.

²⁵ *Id.*

²⁶ *Id.*

²⁷ *See generally Telrite NAL.* *See also* 47 CFR §§ 54.407, 54.409, 54.410.

²⁸ *See generally Telrite NAL.*

²⁹ Letter from John J. Heitmann, Counsel to Telrite Telecom, Inc., to Marlene H. Dortch, Secretary, FCC (Feb. 20, 2014) (on file in EB-IHD-13-00010674).

determinations regarding Telrite's Lifeline reimbursement requests identified in Attachment 1 hereto, and Telrite hereby withdraws all pending appeals of the same. The Commission further agrees that, in the absence of new material evidence, it will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, to institute, on its own motion, any new proceeding, formal or informal, or take any action on its own motion against Telrite concerning the matters that were the subject of the Investigation. The Commission also agrees that, in the absence of new material evidence, it will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, to institute, on its own motion, any proceeding, formal or informal, or to set for hearing the question of Telrite's basic qualifications to be a Commission licensee or hold Commission licenses or authorizations.³⁰

12. **Stipulation.** Telrite stipulates for the purpose of this Consent Decree and for Commission civil enforcement purposes, and in express reliance on the provisions in paragraph 11 herein, that it sought reimbursement for certain subscribers who had improperly certified eligibility in violation of the Commission's rules prohibiting duplicative support. This Consent Decree shall not be used as evidence or precedent in any action or proceeding, except an action to enforce this Consent Decree, and does not constitute a finding of law or fact. The Parties agree this Consent Decree is for settlement purposes only and does not constitute an adjudication on the merits or a factual or legal determination regarding compliance or non-compliance.

13. **Compliance Officer.** Within thirty (30) calendar days after the Effective Date, Telrite shall designate a senior corporate manager with the requisite corporate and organizational authority to serve as a Compliance Officer and to discharge the duties set forth below. The person designated as the Compliance Officer shall be responsible for developing, implementing, and administering the Compliance Plan, including the Compliance Training Program, and ensuring that Telrite complies with the terms and conditions of the Compliance Plan and this Consent Decree. The Compliance Officer shall regularly assess the compliance efforts and performance of Telrite and any Covered Third Party. In addition to the general knowledge of the Communications Laws necessary to discharge his or her duties under this Consent Decree, the Compliance Officer shall have specific knowledge of the Lifeline Rules prior to assuming his/her duties. The Compliance Officer's salary or bonus shall not be related in any manner to sales. Any vendor that Telrite uses to perform tasks associated with compliance with the Lifeline Rules will be subject to the Compliance Officer's oversight.

14. **Compliance Plan.** For purposes of settling the matters set forth herein, Telrite agrees that it shall, within sixty (60) calendar days after the Effective Date, develop and implement a Compliance Plan designed to ensure future compliance with the Lifeline Rules and with the terms and conditions of this Consent Decree. With respect to the Lifeline Rules, Telrite will implement, at a minimum, the following procedures:

- (a) **Operating Procedures.** Within sixty (60) calendar days after the Effective Date, Telrite shall establish Operating Procedures that all Covered Employees and Covered Third Parties must follow to help ensure Telrite's compliance with the Lifeline Rules. Telrite's Operating Procedures shall include internal procedures and policies specifically designed to ensure that applicants for Lifeline service and Covered Employees and Covered Third Parties have not violated the Commission's Rules prohibiting duplicate support. Telrite shall also develop a Compliance Checklist that describes the steps a Covered Employee and Covered Third Party must follow to ensure compliance with the Lifeline Rules, including those prohibiting duplicate support. Telrite's Operating Procedures also shall include the following:

³⁰ See 47 CFR § 1.93(b).

- i. Agent Identifiers: All Covered Employees and Covered Third Parties involved with sales, marketing, and/or enrollment of new Lifeline customers shall be required to have individual numerical codes or other identifiers, which must be recorded when a Covered Employee or Covered Third Party processes a Telrite Lifeline customer enrollment form.³¹
 - ii. Responsibility for Agents: Telrite will accept legal responsibility with respect to compliance with the Lifeline Rules for the sales, marketing, and/or enrollment activities of all Telrite Lifeline personnel and its Agents.
 - iii. Agent Phishing: All Covered Employees and Covered Third Parties shall be expressly prohibited from signing themselves up for Lifeline, or entering their own information into NLAD.
 - iv. Whistleblowers: Telrite will create procedures for Covered Employees and Covered Third Parties to anonymously report wrongdoing by the company by providing the Commission Whistleblower Hotline's phone number to all employees.
- (b) **Compliance Manual.** Within sixty (60) calendar days after the Effective Date, the Compliance Officer shall develop and distribute a Compliance Manual to all Covered Employees and Covered Third Parties. The Compliance Manual shall explain the Lifeline Rules and set forth the Operating Procedures that Covered Employees and Covered Third Parties shall follow to help ensure Telrite's compliance with the Lifeline Rules. Telrite shall periodically review and revise the Compliance Manual as necessary to ensure that the information set forth therein remains current and accurate. Telrite shall distribute any revisions to the Compliance Manual promptly to all Covered Employees and Covered Third Parties.
- (c) **Compliance Training Program.** Telrite shall establish and implement a Compliance Training Program on compliance with the Lifeline Rules, including eligibility and self-certification requirements for Lifeline consumers, and the Operating Procedures. As part of the Compliance Training Program, Covered Employees shall be advised of Telrite's obligation to report any noncompliance with the Lifeline Rules under paragraph 15 of this Consent Decree and shall be instructed on how to disclose noncompliance to the Compliance Officer. All Covered Employees and Covered Third Parties shall be trained pursuant to the Compliance Training Program within ninety (90) calendar days after the Effective Date, except that any person who becomes a Covered Employee or Covered Third Party at any time after the initial Compliance Training Program shall be trained within thirty (30) calendar days after the date such person becomes a Covered Employee or Covered Third Party and, in any event, before such person is permitted to engage in sales transactions. Telrite shall repeat compliance training on an annual basis, and shall periodically review and revise the Compliance Training Program as necessary to ensure that it remains current and complete and to enhance its effectiveness.

15. **Reporting Noncompliance.** Telrite shall report any noncompliance with the Lifeline Rules and with the terms and conditions of this Consent Decree within fifteen (15) calendar days after discovery of such noncompliance. Such reports shall include a detailed explanation of: (i) each instance of noncompliance; (ii) the steps that Telrite has taken or will take to remedy such noncompliance; (iii) the

³¹ When Telrite begins to use the National Lifeline Eligibility Verifier in a geographic area in which it provides Lifeline service, this obligation will be superseded.

schedule on which such remedial actions will be taken; and (iv) the steps that Telrite has taken or will take to prevent the recurrence of any such noncompliance. All reports of noncompliance shall be submitted to the Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW, Room 4-C224, Washington, DC 20554, with a copy submitted electronically to Jeffrey.Gee@fcc.gov, Kalun.Lee@fcc.gov and to Pam.Slipakoff@fcc.gov.

16. **Compliance Reports.** Telrite shall file compliance reports with the Commission one-hundred and twenty (120) calendar days after the Effective Date, twelve (12) months after the Effective Date, twenty-four (24) months after the Effective Date, and thirty-six (36) months after the Effective Date.

- (a) Each Compliance Report shall include a detailed description of Telrite's efforts during the relevant period to comply with the terms and conditions of this Consent Decree and the Lifeline Rules. In addition, each Compliance Report shall include a certification by the Compliance Officer, as a representative of and on behalf of Telrite, stating that the Compliance Officer has personal knowledge that Telrite: (1) has established and implemented the Compliance Plan; (2) has utilized the Operating Procedures since the implementation of the Compliance Plan; and (3) is not aware of any instances of noncompliance with the terms and conditions of this Consent Decree, including the reporting obligations set forth in paragraph 15 of this Consent Decree.
- (b) The Compliance Officer's certification shall be accompanied by a statement explaining the basis for such certification and shall comply with Section 1.16 of the Rules and be subscribed to as true under penalty of perjury in substantially the form set forth therein.³²
- (c) If the Compliance Officer cannot provide the requisite certification, the Compliance Officer, as a representative of and on behalf of Telrite, shall provide the Commission with a detailed explanation of the reason(s) why and describe fully: (1) each instance of noncompliance; (2) the steps that Telrite has taken or will take to remedy such noncompliance, including the schedule on which proposed remedial actions will be taken; and (3) the steps that Telrite has taken or will take to prevent the recurrence of any such noncompliance, including the schedule on which such preventive action will be taken.
- (d) All Compliance Reports shall be submitted to the Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW, Room 4-C224, Washington, DC 20554, with a copy submitted electronically to Jeffrey.Gee@fcc.gov, Kalun.Lee@fcc.gov, and Pam.Slipakoff@fcc.gov.

17. **Termination Date.** The requirements set forth in paragraphs 13 through 16 of this Consent Decree shall expire thirty-six (36) months after the Effective Date.

18. **Section 208 Complaints; Subsequent Investigations.** Nothing in this Consent Decree shall prevent the Commission or its delegated authority from adjudicating complaints filed pursuant to Section 208 of the Act³³ against Telrite or its affiliates for alleged violations of the Act, or for any other type of alleged misconduct, regardless of when such misconduct took place. The Commission's adjudication of any such complaint will be based solely on the record developed in that proceeding. Except as expressly provided in this Consent Decree, this Consent Decree shall not prevent the

³² 47 CFR § 1.16.

³³ 47 U.S.C. § 208.

Commission from investigating new evidence of noncompliance by Telrite with the Communications Laws.

19. **Settlement Amount.** Telrite agrees to pay a settlement amount to the United States Treasury in the amount of one million and twenty-five thousand Dollars (\$1,025,000). Such payment shall be made in 36 installments (each an Installment Payment). The first Installment Payment in the amount of twenty-eight thousand four hundred eighty dollars (\$28,480.00) payable to the United States Treasury is due within thirty (30) calendar days of the Effective Date. Thereafter, subsequent Installment Payments of twenty-eight thousand four hundred seventy-two dollars (\$28,472.00) will be due on the first calendar day of each subsequent month. Telrite acknowledges and agrees that upon execution of this Consent Decree, the settlement and each Installment Payment shall become a “Claim” or “Debt” as defined in 31 U.S.C. § 3701(b)(1).³⁴ Upon an Event of Default (as defined below), all procedures for collection as permitted by law may, at the Commission’s discretion, be initiated.

Telrite shall send electronic notification of the payment to the Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW, Room 4-C224, Washington, DC 20554, with a copy submitted electronically to Jeffrey.Gee@fcc.gov, Kalun.Lee@fcc.gov, and Pam.Slipakoff@fcc.gov on the date said payment is made. The payment must be made by check or similar instrument, wire transfer, or credit card, and must include the respective Account Number and FRN referenced above. Regardless of the form of payment, a completed FCC Form 159 (Remittance Advice) must be submitted.³⁵ When completing the FCC Form 159, enter the Account Number in block number 23A (call sign/other ID) and enter the letters “FORF” in block number 24A (payment type code). Below are additional instructions that should be followed based on the form of payment selected:

- Payment by check or money order must be made payable to the order of the Federal Communications Commission. Such payments (along with the completed Form 159) must be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.
- Payment by wire transfer must be made to ABA Number 021030004, receiving bank TREAS/NYC, and Account Number 27000001. To complete the wire transfer and ensure appropriate crediting of the wired funds, a completed Form 159 must be faxed to U.S. Bank at (314) 418-4232 on the same business day the wire transfer is initiated.
- Payment by credit card must be made by providing the required credit card information on FCC Form 159 and signing and dating the Form 159 to authorize the credit card payment. The completed Form 159 must then be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.

Questions regarding payment procedures should be addressed to the Financial Operations Group Help Desk by phone, 1-877-480-3201, or by e-mail, ARINQUIRIES@fcc.gov.

³⁴ Debt Collection Improvement Act of 1996, Pub. L. No. 104-134, 110 Stat. 1321, 1358 (Apr. 26, 1996).

³⁵ An FCC Form 159 and detailed instructions for completing the form may be obtained at <http://www.fcc.gov/Forms/Form159/159.pdf>.

20. **Event of Default.** Telrite agrees that an Event of Default shall occur upon the failure by Telrite to pay the full amount of any Installment Payment on or before the due date specified in this Consent Decree.

21. **Interest, Charges for Collection, and Acceleration of Maturity Date.** After an Event of Default has occurred under this Consent Decree, the then unpaid amount of the settlement amount shall accrue interest, computed using the U.S. Prime Rate in effect on the date of the Event of Default plus 4.75 percent, from the date of the Event of Default until payment in full. Upon an Event of Default, the then unpaid amount of the settlement amount, together with interest, any penalties permitted and/or required by the law, including but not limited to 31 U.S.C. § 3717 and administrative charges, plus the costs of collection, litigation, and attorneys' fees, shall become immediately due and payable, without notice, presentment, demand, protest, or notice of protest of any kind, all of which are waived by Telrite.

22. **Waivers.** As of the Effective Date, Telrite waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order. Telrite shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Consent Decree or the Adopting Order, neither Telrite nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and Telrite shall waive any statutory right to a trial de novo. Telrite hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act³⁶ relating to the matters addressed in this Consent Decree.

23. **Severability.** The Parties agree that if any of the provisions of the Consent Decree shall be held unenforceable by any court of competent jurisdiction, such unenforceability shall not render unenforceable the entire Consent Decree, but rather the entire Consent Decree shall be construed as if not containing the particular unenforceable provision or provisions, and the rights and obligations of the Parties shall be construed and enforced accordingly.

24. **Invalidity.** In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

25. **Subsequent Rule or Order.** The Parties agree that if any provision of the Consent Decree conflicts with any subsequent Rule or Order adopted by the Commission (except an Order specifically intended to revise the terms of this Consent Decree to which Telrite does not expressly consent) that provision will be superseded by such Rule or Order.

26. **Successors and Assigns.** Telrite agrees that the provisions of this Consent Decree shall be binding on its successors, assigns, and transferees.

27. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties with respect to the Investigation. The Parties further agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding regarding any compliance or noncompliance with the requirements of the Communications Laws.

28. **Modifications.** This Consent Decree cannot be modified without the advance written consent of both Parties.

29. **Paragraph Headings.** The headings of the paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

30. **Authorized Representative.** Each Party represents and warrants to the other that it has full power and authority to enter into this Consent Decree. Each person signing this Consent Decree on

³⁶ See 5 U.S.C. § 504; 47 CFR §§ 1.1501–1.1530.

behalf of a Party hereby represents that he or she is fully authorized by the Party to execute this Consent Decree and to bind the Party to its terms and conditions.

31. **Counterparts.** This Consent Decree may be signed in counterpart (including electronically or by facsimile). Each counterpart, when executed and delivered, shall be an original, and all of the counterparts together shall constitute one and the same fully executed instrument.

Rosemary C. Harold, Chief
Enforcement Bureau

Date

Kelly Jesel
Chief Financial Officer
Telrite Corporation d/b/a Life Wireless

Date

ATTACHMENT 1

Telrite		
IDV Phase(s)	Data Month and State	Date Appeal was Filed
Phase 16	Feb. 2013 (MN)	Dec. 30, 2013
Phase 17	Mar. 2013 (GA, LA, MD, and RI)	
Phase 19	Apr. 2013 (AR, IL, and WV)	Jan. 17, 2014
Phase 21	Apr. 2013 (LA and MD)	

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN
APPROVING IN PART AND DISSENTING IN PART**

Re: *Telrite Corporation d/b/a Life Wireless*, Order, EB-IHD-13-00010674

Waste, fraud, and abuse must not be tolerated in any of our Universal Service programs, which is why I will vote to approve these consent decrees. This company has repaid what it wrongfully claimed from USF and voluntarily agreed to remit to the Treasury several multiples of the harm done to the Fund. This investigation and its overall finding represent an efficient use of the Commission's resources, and we eliminate uncertainty for these companies while strongly reinforcing our expectations of Lifeline providers.

However, I am forced to also register a dissent in this case, because while I believe the Commission should have taken strong and decisive action, the Enforcement Bureau under this Chairman continues to show bias. It essentially gives hall passes to large, well-known corporations when wrongdoing is found, while it fines little-known small businesses and individuals substantial sums of money for harms which are often substantially narrower. When a company or an individual violates our rules, they should be punished, but that punishment should fit the offense. Any wrongdoing committed by a provider that has accepted an obligation to serve the public, should be fairly and consistently met with forfeitures and negotiated settlements that are more than a mere slap on the wrist. Large corporations simply view relatively meager fines as a mere nuisance expense. My wish for the season? That we stop this seemingly preferential trend that consistently benefits one class of provider, and that the Commission's rules are vigorously and fairly enforced for all.