

State of Florida



# 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-**

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**DATE:** October 23, 2024

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

**FROM:** Gregory D. Fogleman, Public Utilities Supervisor, Office of Industry Development and Market Analysis *GF*

**RE:** Docket No. 20240146-TX- Initiation of show cause proceeding against Q LINK WIRELESS LLC for apparent violation of Order No. PSC-2024-0201-PAA-TP

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Attached is Q Link Wireless's criminal case filing. Please add to the docket file. If you have questions please contact me at 413-6574.

RECEIVED-FPSC  
2024 OCT 23 AM 8:10  
COMMISSION  
CLERK

**Aug 22, 2024**

ANGELA E. NOBLE  
CLERK U.S. DIST. CT.  
S.D. OF FLA. - MIAMI

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

Case No. **24-20363-CR-RUIZ/LOUIS**

18 U.S.C. § 371  
18 U.S.C. § 1957

UNITED STATES OF AMERICA

vs.

ISSA ASAD and  
Q LINK WIRELESS, LLC,

Defendants.

INFORMATION

The United States Attorney charges as follows:

GENERAL ALLEGATIONS

At all relevant times:

1. Defendant **ISSA ASAD** was a resident of Broward County, Florida.
2. Defendant **Q LINK WIRELESS, LLC** ("**Q LINK**") was a telecommunications provider headquartered in Dania Beach, Florida. **Q LINK** was wholly owned by Quadrant Holdings Group LLC ("**Quadrant**"), which itself was wholly owned by **ASAD**. **ASAD** was **Q LINK**'s Chief Executive Officer and controlled its operations.
3. **Q LINK** participated in a federal government benefits program called Lifeline, which was administered by the Federal Communications Commission ("**FCC**"), an agency of the United States government. Lifeline made basic communications services more affordable for low-income consumers. Lifeline provided subscribers a deep discount on qualifying monthly cellphone service, broadband Internet service, or bundled voice-broadband packages purchased from participating telecommunications providers. The discount helped ensure that low-income

consumers could afford 21st century connectivity services and the access they provide to jobs, healthcare, and educational resources..

4. **Q LINK**, as a telecommunications provider, participated in the Lifeline program by offering free telephone and Internet services to low-income customers, and seeking reimbursement for those services from a United States Treasury bank account administered by the FCC, after submitting documentation about its Lifeline customers and affirming its compliance with program rules.

5. Congress created the Paycheck Protection Program during the Covid-19 pandemic to authorize forgivable loans to small businesses for job retention and certain other expenses. Eligible companies could get a second draw on one of these loans if the business experienced a 25 percent reduction in gross receipts between comparable quarters in 2019 and 2020. **ISSA ASAD** applied for, and received, a second draw Paycheck Protection Program loan for **Q LINK**.

**COUNT 1**

**Conspiracy to Commit Offenses Against, and to Defraud, the United States  
(18 U.S.C. § 371)**

1. Paragraphs 1-4 of the General Allegations section of this Information are re-alleged and incorporated by reference as though fully set forth herein.

2. From in or around 2012, and continuing until at least in or around 2021, in Broward Count, in the Southern District of Florida, and elsewhere, the defendants,

**ISSA ASAD and  
Q LINK WIRELESS, LLC,**

did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate and agree with each other and with others:

a. to commit an offense against the United States, that is, to embezzle, steal, purloin, and knowingly convert to their own use or the use of another, any record, voucher, money, or thing of value of the United States or of any department or agency thereof, having an aggregate value of more than \$1000, and to receive, conceal, and retain the same with intent to convert it to their own use and gain, knowing it to have been embezzled, stolen, purloined and converted, in violation of Title 18, United States Code, Section 641;

b. to commit an offense against the United States, that is, to knowingly and with the intent to defraud, devise, and intend to devise, a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that the pretenses, representations, and promises were false and fraudulent when made, and, for the purpose of executing such scheme and artifice, did knowingly transmit and cause to be transmitted, by means of wire communication in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Section 1343; and

c. to defraud the United States and its agencies by impeding, impairing, obstructing, and defeating the lawful governmental functions of the United States.

#### **PURPOSES OF THE CONSPIRACY**

3 It was a purpose of the conspiracy for the defendants and their co-conspirators to unlawfully enrich themselves by: (a) seeking and retaining millions of dollars in Lifeline reimbursement funds to which they were not entitled; (b) using false and fraudulent pretenses, representations, promises, and making material omissions, to obtain and to retain those funds; (c) using those funds for the benefit of the defendants and their co-conspirators; and (d) making false

statements and engaging in other fraudulent activities designed to conceal the commission of the offense.

4 It was an additional purpose of the conspiracy for the defendants and their co-conspirators to interfere, by deceit, craft, and trickery, with the lawful function of the United States and its agencies, including the FCC, to administer and oversee the Lifeline program in the manner consistent with the program's goals and requirements. This government function included but was not limited to (1) ensuring that Lifeline funds, including reimbursements to providers such as **Q LINK**, were spent in furtherance of the program's goals; (2) ensuring that providers accurately reported, when seeking reimbursement, whether and how customers used their phones, and otherwise complied with program rules; and (3) ensuring that customers were given truthful information about their rights under the program, including about the right to decline service from a provider if no longer wanted or needed.

#### **MANNER AND MEANS OF THE CONSPIRACY**

The manner and means by which the defendants and their co-conspirators sought to accomplish the objects and purposes of the conspiracy included, among others, the following:

##### **False Claims to the FCC and to Customers About Lifeline**

5. **Q LINK** participated in the Lifeline program by providing telecommunications services to low-income customers that it claimed qualified for benefits under that program. **Q LINK** then sought reimbursement from the United States government for the services it claimed to provide to Lifeline customers. At all relevant times, **ISSA ASAD** directed **Q LINK**'s activities in connection with the Lifeline program.

6. **Q LINK** and **ISSA ASAD** knew that the Lifeline program contained strict rules for

reporting customer eligibility and activity and for seeking reimbursement. For example, **Q LINK** and its employees, including **ASAD**, understood that, for **Q LINK** to seek reimbursement under the Lifeline program for customers receiving a free basic service, the customers had to: (1) be beneath a certain income threshold or enrolled in a program such as Medicaid, Food Stamps, and other benefits programs; and (2) “use” their phones. **Q LINK** and **ISSA ASAD** understood that **Q LINK** was required to de-enroll and stop seeking payment for customers who had not used their cellphones during a specified time frame, and that “usage” was defined as the customer completing at least one affirmative act within that time frame such as placing a call, answering a call (from someone other than **Q LINK**), sending a text, buying minutes/data, or confirming with **Q LINK** that they wanted to keep the service.

7. **ISSA ASAD** directed employees to monitor **Q LINK**’s customers’ cellphone usage, ostensibly to ensure that it complied with the FCC usage rules described above before **Q LINK** sought payment for the customers under the Lifeline program. **ASAD** ultimately approved all **Q LINK** customers billed to the Lifeline program.

8. **Q LINK** and **ISSA ASAD** submitted and caused to be submitted false and fraudulent claims to the FCC for customers who were not using their cellphones according to the FCC usage rules. **Q LINK**, **ASAD** and others also misled and tricked the FCC into thinking customers were using their cellphones by manufacturing cellphone activity to pass off as usage and by engaging in coercive marketing techniques to get people to remain **Q LINK** customers.

9. As an example, in a practice called an “ESN Swap” directed by **ISSA ASAD**, **Q LINK** employees took lists of Lifeline cellphone numbers for customers who were not using their phones, and placed outbound calls by temporarily swapping the customer’s electronic serial

number (“ESN”) assigned to the physical cellphone for the ESN number of a cellphone in Q LINK’s shipping department. **ASAD** devised this scheme, and carried it out between approximately 2013 and 2016, to make it appear in the cellphone records as if the **Q LINK** customer completed an outbound call and thereby engaged in cellphone activity that would count as usage under the FCC Lifeline program had it actually happened.

10. **ISSA ASAD** and others at **Q LINK** devised scripts to be played automatically for **Q LINK** customers, and to be used in live customer service conversations, which contained false and misleading information about customers’ rights and the Lifeline program, as well as false threats to customers that their other government benefits were at risk if they did not continue as **Q LINK** subscribers.

11. At the instruction of **ISSA ASAD** and another employee, a **Q LINK** software engineer set up auto-dialers to originate a high volume of outbound calls from **Q LINK** to customers who were not using their cellphones to trick them into answering the phone to assent to **Q LINK**’s Lifeline services, including by using local area codes not facially associated with **Q LINK** and spoofing customers’ own cellphone numbers to deceive customers into thinking a **Q LINK** representative was not on the other end. **Q LINK** and **ASAD** engaged in this deceptive call activity, a practice that continued until at least June 2021, in order to trick and mislead customers into pressing a button to agree to remain **Q LINK** customers so that **Q LINK** and **ASAD** could keep billing the Lifeline program.

12. **Q LINK** purposefully made it difficult if not impossible for customers to cancel service. In one recorded customer service call, a customer who called to cancel due to a non-working cellphone asked the **Q LINK** customer service representative “do you want me to throw

it in the garbage?,” and the representative responded: “Just make sure you continue to use the device at least once every 30 days.”

**Obstruction of FCC Investigation**

13. By 2014, **Q LINK** and **ISSA ASAD** knew that the FCC was investigating whether **Q LINK** was submitting claims to the Lifeline program for customers who were not using their cellphones. As part of this investigation, the FCC made various requests to the **Q LINK**, including requests for cellphone records purporting to document cellphone usage for customers as to which **Q LINK** had received reimbursement under the Lifeline program.

14. In order to deceive the FCC and continue billing, **Q LINK** and **ISSA ASAD**, with the help of other individuals, manufactured cellphone activity on behalf of **Q LINK** customers who were not using their cellphones between 2015 and June 2021. **Q LINK** and **ASAD** provided records to the FCC purporting to show this cellphone usage for customers who were not using their cellphones, including records for phones in the physical possession of FCC because frustrated customers had turned the devices in to the agency.

15. Additionally, in or around 2019, **Q LINK** provided false and manipulated cellphone records to the FCC for at least two customers who were not using their cellphones because their cellphones were physically at the FCC’s headquarters. Among other things, **Q LINK** and **ISSA ASAD** took records of unchecked voicemails, some of which were left by phone numbers controlled by **Q LINK** and **ASAD** and tried to pass the voicemails off to the FCC as answered voice calls (answered voice calls would have counted as cellphone usage, unchecked voicemails would not). In addition, **ASAD** changed a spreadsheet header from “voicemail” to “voice” to leave the FCC with the false impression that the call records contained voice calls.



16. In January 2020, prompted in large part by the FCC investigation revealing that **Q LINK** and **ISSA ASAD** were billing for cellphones in the possession of the FCC, the FCC issued an advisory notice stressing the importance to the Lifeline program of the usage requirements. Among other thing, the FCC notice stated that incoming voicemails to customers do not count as usage and reminded Lifeline providers to “take appropriate remedial measures ... including amending past [Lifeline claims].” Despite being aware of this notice, at no point did **Q LINK** or **ASAD** amend past Lifeline claims for customers who were not using their cellphones or return any of the Lifeline payments.

17. Between 2013 and 2019, **Q LINK** received approximately \$618 million from the Lifeline program, approximately \$109 million of which resulted from the fraud scheme. **ISSA ASAD** personally received approximately \$75 million from **Q LINK** between 2013 and the end of 2021. **Q LINK** and **ASAD** never returned any money to the FCC, instead continuing to bill the FCC Lifeline program after 2019, including for customers that **Q LINK** should have stopped billing because the customers were not using their cellphones.

#### OVERT ACTS

In furtherance of the conspiracy and to achieve the objects and purpose thereof, at least one conspirator committed and caused to be committed in the Southern District of Florida, and elsewhere, at least one of the following overt acts, among others:

1. On or about February 10, 2012, **Q LINK** submitted a compliance plan to the FCC agreeing to “implement a non-usage policy whereby it will de-enroll Lifeline customers” who were not using their phones according to the regulations.
2. On or about November 8, 2012, in an FCC Form 497 Lifeline Worksheet for **Q**

**LINK** signed by **ISSA ASAD** as its CEO, **ASAD** certified that “my company is in compliance with all of the Lifeline program rules and, to the extent required, ha[s] obtained valid certifications for each subscriber for whom my company seeks reimbursement.”

3. On or about August 25, 2015, **Q LINK** submitted a petition to the FCC, **ISSA ASAD** cc’ed, to allow **Q LINK** to provide Lifeline services in certain states representing that **Q LINK** “will not seek reimbursement . . . for inactive subscribers who have not used the service for a consecutive 60-day period.”

4. On or about May 9, 2018, in an FCC Form 497 Lifeline Worksheet for **Q LINK** signed by a compliance director, **Q LINK** certified that it “is in compliance with all of the Lifeline program rules and, to the extent required, ha[s] obtained valid certifications for each subscriber for whom my company seeks reimbursement.”

5. On or about March 22, 2019, **ISSA ASAD** changed a cellphone record header from “voicemail” to “voice” and provided it to the FCC through **Q LINK**, in order to give the FCC the false impression that unchecked voicemails on customers’ cellphones were completed calls.

6. On or about September 10, 2019, **Q LINK** received an email from a **Q LINK** customer with the subject “My account incorrectly shows texts used,” stating that: “Since I now suspect your firm is faking usage to get some government funding I will take time later this week to alert various US government agencies (FCC, FTC, IRS, etc).”

7. On or about September 25, 2019, using his personal telephone, **ISSA ASAD** conducted a Google search for an FCC press release titled “Sprint Received Lifeline Subsidies for 885,000 inactive subscribers.”

8. On or about September 26, 2019, using his personal telephone, **ISSA ASAD**

conducted a Google search for “non usage lifeline.”

9. In or around March 2020, **ISSAD ASAD** and another **Q LINK** employee devised the following automated script to be played for **Q LINK** customers, as a means to deceive the customers into remaining enrolled with **Q LINK**:

<p><b>Hello, your Medicaid, Food Stamp and Lifeline benefits are about to get cancelled . To avoid cancelation of these benefits, press 1 now to indicate that you wish to remain enrolled in these government programs. Press 2 if you wish to speak to a representative about your government benefits To opt out of any future calls, press 3.</b></p>	<p><b>Weekend</b></p>
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10. On or about April 26, 2020, **ISSA ASAD** forwarded to another **Q LINK** employee the following email message received by **Q LINK** from a customer: “I informed you early enough that the telephone was stolen and needs to be disconnected. I keep getting usage messages and I don’t have it . . . I have been cheated and scammed!!!”

11. On or about May 14, 2020, **ISSA ASAD** forwarded to another **Q LINK** employee the following email message received by **Q LINK** from a customer: “Never received telephone. I notified two representatives of the company both rude, spoke with two supervisors that same week and both were r[u]der than the reps. Customer Service does not exist at your company . . . how can I have 97 text, see below.”

All in violation of Title 18, United States Code, Section 371.

**COUNT 2**  
**Money Laundering**  
**(18 U.S.C. § 1957)**

1. Paragraphs 1 and 5 of the General Allegations section of this Information are re-

alleged and incorporated by reference as though fully set forth herein.

2. On or about June 23, 2021, in Miami-Dade and Broward Counties, in the Southern District of Florida, and elsewhere,

**ISSA ASAD,**

did knowingly engage and attempt to engage in a monetary transaction affecting interstate commerce, that is, a wire transfer in the approximate amount of \$1,000,000 into the account ending in x7063, by, through and to a financial institution, in criminally derived property of a value greater than \$10,000, such property having been derived from a specified unlawful activity, and knowing that the property involved in the financial transaction represented the proceeds of some form of unlawful activity.

It is further alleged that the specified unlawful activity was wire fraud, in violation of Title 18, United States Code, Section 1343.

All in violation Title 18, United States Code, Sections 1957 and 2.

**FORFEITURE ALLEGATIONS**

1. The allegations of this Information are hereby re-alleged and by this reference fully incorporated herein for the purpose of alleging forfeiture to the United States of America of certain property in which the defendants have an interest.

2. Upon conviction of a conspiracy to commit a violation, of Title 18, United States Code, Sections 641 or 1343, as alleged in this Information, the defendants shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to such offense, pursuant to Title 18, United States Code, Section 981(a)(1)(C).

3. Upon conviction of a violation of Title 18, United States Code, Section 1957, as alleged in this Information, the defendant shall forfeit to the United States any property, real or personal, involved in such offense, and any property traceable to such property, pursuant to Title 18, United States Code, Section 982(a)(1).

All pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(1), and the procedures set forth in Title 21, United States Code, Section 853, as incorporated by Title 28, United States Code, Section 2461(c) and Title 18 United States Code, Section 982(b)(1).



MARKENZY LAPOINTE  
UNITED STATES ATTORNEY



ELIZABETH YOUNG  
DEPUTY CHIEF, ECONOMIC CRIMES SECTION  
ASSISTANT UNITED STATES ATTORNEY



DANIEL BERNSTEIN  
ASSISTANT UNITED STATES ATTORNEY



JOHN C. SHIPLEY  
SENIOR COUNSEL

# MINUTE ORDER

## Magistrate Judge Alicia O. Valle

Atkins Building Courthouse - 9th Floor

Date: 9/17/2024 Time: 1:30 p.m.

Defendant: Issa Asad J#: 36366-511 Case #: 24-CR-20363-RUIZ

AUSA: Elizabeth Young Attorney: Matthey Marchel - Firm

Violation: Conspiracy to commit offenses against and to defraud the U.S. Surr/Arrest Date: 6/17/24 YOB: 1973

Proceeding: Initial Appearance CJA Appt: \_\_\_\_\_

Bond/PTD Held:  Yes  No Recommended Bond: \_\_\_\_\_

Bond Set at: \_\_\_\_\_ Co-signed by: \_\_\_\_\_

- Surrender and/or do not obtain passports/travel docs  
+ wife's & the 2 children co-signing bond
- Report to PTS as directed/or \_\_\_\_\_ x's a week/month by phone: \_\_\_\_\_ x's a week/month in person
- Random urine testing by Pretrial
- Services \_\_\_\_\_
- Treatment as deemed necessary
- Refrain from excessive use of alcohol
- Participate in mental health assessment & treatment
- Maintain or seek full-time employment/education DeFT Released
- No contact with victims/witnesses, except through counsel
- No firearms
- Not to encumber property Deft's & cosigners'
- May not visit transportation establishments
- Home Confinement/Electronic Monitoring and/or
- Curfew \_\_\_\_\_ pm to \_\_\_\_\_ am, paid by \_\_\_\_\_
- Allowances: Medical needs, court appearances, attorney visits, religious, employment
- Travel extended to: within / through out the U.S.
- Other: the corporation is to be sold as part of plea agreement - nothing further as to the

Language: English/Spanish

Disposition:
- <u>Deft present</u>
- <u>Deft advised of rights &amp; charges</u>
- <u>Set \$30 million PSB</u>
<u>Co-signed by wife Mona Asad &amp; hrs</u>
<u>Children Wafa Asad &amp; Adnan Asad</u>
<u>+ \$1 million 10% (due by mon)</u>
<u>(Bond is secured by the</u>
<u>property stated in Open Court)</u>
- <u>Deft Waived Indictment</u>
<u>Information</u>
<u>Reading of Indictment Waived</u>
<u>Not Guilty plea entered</u>
<u>Jury trial demanded</u>
<u>Standing Discovery Order requested</u>
<u>Deft Arraigned</u>
Time from today to _____ excluded
from Speedy Trial Clock

NEXT COURT APPEARANCE Date: \_\_\_\_\_ Time: \_\_\_\_\_ Judge: Corporation at this time Place: \_\_\_\_\_

Report RE Counsel: \_\_\_\_\_

PTD/Bond Hearing: \_\_\_\_\_

Prelim/Arraign or Removal: \_\_\_\_\_

Status Conference RE: \_\_\_\_\_

D.A.R. 14:24:46 || 15:30:36 || 16:02:02 Time in Court: 25 minutes  
s/Alicia O. Valle Magistrate Judge



**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO. 24-20363-CR-RUIZ/LOUIS**

**UNITED STATES OF AMERICA**

**vs.**

**ISSA ASAD,**

**Defendant.**

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**PLEA AGREEMENT**

The United States Attorney's Office for the Southern District of Florida ("this Office") and Issa Asad, (hereinafter referred to as the "Defendant"), enter into the following plea agreement (the "Agreement"):

1. The Defendant understands that he has the right to have the evidence and charges against him presented to a federal grand jury for determination of whether or not there is probable cause to believe he committed the offenses with which he is charged. Understanding this right, and after full and complete consultation with his counsel, the Defendant agrees to waive in open court his right to prosecution by indictment and agrees that the United States may proceed by way of an information to be filed pursuant to Rule 7 of the Federal Rules of Criminal Procedure.

2. The Defendant agrees to plead guilty to a two count information. The Defendant agrees to plead guilty to Count 1, which charges the Defendant with conspiring to (1) commit offenses against the United States, specifically, (a) a violation 18 U.S.C. § 1343 (wire fraud) and (b) 18 U.S.C. § 641 (theft of government funds), and (2) defraud the United States, all in violation of 18 U.S.C. § 371. The Defendant also agrees to plead guilty to Count 2, which charges the Defendant with one count of money laundering, in violation of 18 U.S.C. § 1957. This Agreement



includes only the conduct set forth in the accompanying factual basis and excludes crimes of violence and any tax offenses.

3. The Defendant is aware that the sentence will be imposed by the Court after considering the advisory Federal Sentencing Guidelines and Policy Statements (hereinafter "Sentencing Guidelines"). The Defendant acknowledges and understands that the Court will compute an advisory sentence under the Sentencing Guidelines and that the applicable guidelines will be determined by the Court relying in part on the results of a pre-sentence investigation by the Court's probation office, which investigation will commence after the guilty plea has been entered. The Defendant is also aware that, under certain circumstances, the Court may depart from the advisory Sentencing Guidelines range that it has computed, and may raise or lower that advisory sentence under the Sentencing Guidelines. The Defendant is further aware and understands that the Court is required to consider the advisory guideline range determined under the Sentencing Guidelines, but is not bound to impose a sentence within that advisory range; the Court is permitted to tailor the ultimate sentence in light of other statutory concerns, and such sentence may be either more severe or less severe than the Sentencing Guidelines' advisory range. Knowing these facts, the Defendant understands and acknowledges that the Court has the authority to impose any sentence within and up to the statutory maximum authorized by law for the offenses identified in paragraph 2 and that the Defendant may not withdraw the plea solely as a result of the sentence imposed.

4. The Defendant also understands and acknowledges that, for Count 1, the Court may impose a statutory maximum term of imprisonment of up to five (5) years, followed by a term of supervised release of up to three (3) years. In addition to a term of imprisonment and supervised

release, the Court may impose a fine of up to the greater of \$250,000, pursuant to 18 U.S.C. § 3571(a)(3), or twice the pecuniary gain or loss caused by the offense, pursuant to 18 U.S.C. § 3571(d), and must order restitution.

5. As for Count 2, the Court may impose a statutory maximum term of imprisonment of up to ten (10) years, followed by a term of supervised release of up to three (3) years. In addition to a term of imprisonment and supervised release, the Court may impose a fine of up to the greater of \$250,000, pursuant to 18 U.S.C. § 3571(a)(3), or twice the amount of the laundered funds, pursuant to 18 U.S.C. § 1957(b)(1), and must order restitution.

6. The Defendant further understands and acknowledges that, in addition to any sentence imposed, a special assessment in the amount of \$200 will be imposed.

7. The Defendant agrees that he will owe restitution in the amount of \$109,637,057 to the FCC, owed joint and several with Q Link Wireless LLC, joint and several with co-defendant Q Link Wireless, to be paid in full, immediately before or at the time of sentencing. The Defendant agrees that he will relinquish all claims to funds currently held by the FCC Lifeline program due to the Defendant and that amount will be applied to the restitution due to the FCC. That amount is the greater of \$19,606,868 or the amount held by the FCC Lifeline program at the time of sentencing. The Defendant also understands that this restitution agreement does not preclude an individual from receiving restitution required under the law. The Defendant further agrees that all restitution paid pursuant to the Agreement will be credited toward any separate Civil False Claims Act Settlement covering the same conduct in the Agreement.

8. The Defendant agrees that, upon sentencing, he shall not participate in any program administered by the FCC, nor shall any related, parent or subsidiary companies, including, but not limited to, Q Link Wireless LLC, Quadrant Holdings Group LLC, and QLixar Corporation. The Defendant agrees that he will not: (a) participate directly or indirectly in any contracts or subcontract funded in whole or in part by the FCC, whether acting as a service provider, marketing agent, consultant, or in any other capacity; (b) engage directly or indirectly in any activities related to FCC programs; or (c) receive any commissions, payments or remuneration of any kind related to the provision of FCC administrated programs, no matter how denominated.

9. The Defendant agrees that he will owe restitution in the amount of \$1,758,339.25 to the Small Business Administration as to Count 2.

10. This Office reserves the right to inform the Court and the probation office of all facts pertinent to the sentencing process, including all relevant information concerning the offenses committed, whether charged or not, as well as concerning the defendant and the defendant's background. Subject only to the express terms of any agreed-upon sentencing recommendations contained in this agreement, this Office further reserves the right to make any recommendation as to the quality and quantity of punishment.

11. This Office agrees that it will recommend at sentencing that the Court reduce by two levels the sentencing guideline level applicable to the defendant's offense, pursuant to Section 3E1.1(a) of the Sentencing Guidelines, based upon the defendant's recognition and affirmative and timely acceptance of personal responsibility. If at the time of sentencing the defendant's offense level is determined to be 16 or greater, the government will file a motion requesting an additional one level decrease pursuant to Section 3E1.1(b) of the Sentencing Guidelines, stating that the defendant has assisted authorities in the investigation or prosecution of the defendant's

own misconduct by timely notifying authorities of the defendant's intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the government and the Court to allocate their resources efficiently. This Office, however, will not be required to make this motion and these recommendations if the defendant: (a) fails or refuses to make a full, accurate and complete disclosure to the probation office of the circumstances surrounding the relevant offense conduct; or (b) commits any misconduct after entering into this plea agreement, including but not limited to committing a state or federal offense, violating any term of release, or making false statements or misrepresentations to any governmental entity or official.

12. Acknowledging that the parties' recommendations as to sentencing are not binding on the probation office or the Court, this Office and the defendant agree that, at sentencing, as to Count 1 (conspiracy to commit wire fraud, theft of government funds, and interfere with the lawful function of the FCC):

- (a) Base Offense Level: The Defendant's base offense level is twelve (12), in accordance with U.S.S.G. § 2C1.1(a)(2);
- (b) Loss: The Defendant's offense level shall be increased by twenty-four (24) levels pursuant to U.S.S.G. § 2B1.1(b)(1)(M) because the loss to the government was between \$65,000,000 and \$150,000,000, in accordance with U.S.S.G. § 2C1.1(b)(2); and
- (c) Obstruction of Justice: The Defendant's offense level shall be increased by two (2) levels pursuant to U.S.S.G. § 3C1.1 because the Defendant obstructed or impeded the administration of justice with respect to the investigation or prosecution of the offense.

13. The Defendant acknowledges and understands that additional or different enhancements or provisions of the Sentencing Guidelines might be applicable as to Count 1. The

Office and the Defendant both agree to jointly recommend application of the above guidelines calculations as to Count 1, and furthermore, that the Defendant should receive a sentence of the statutory maximum term of 60 months imprisonment as to Count 1. Defendant further agrees that he will not argue for a downward departure or a variance as to Count 1. Defendant further agrees that, under the factors set forth in 18 U.S.C. § 3553(a), no variance or departure below 60 months imprisonment is warranted as to Count 1.

14. As to Count 2 (money laundering), again acknowledging that the parties' recommendations as to sentencing are not binding on the probation office or the Court, this Office and the defendant agree that, at sentencing:

(a) Base Offense Level: The Defendant's base offense level is six (6), in accordance with U.S.S.G. § 2S1.1(a)(2);

(b) Loss: The Defendant's offense level shall be increased by sixteen (16) levels pursuant to U.S.S.G. § 2B1.1(b)(1)(I) because the loss to the victim was between \$1,500,000 and \$3,500,000; and

(c) 1957: The Defendant's offense level shall be increased by one (1) level pursuant to U.S.S.G. § 2S1.1(b)(2)(A) because the defendant was convicted of money laundering.

15. The Defendant acknowledges and understands that additional or different enhancements or provisions of the Sentencing Guidelines might be applicable as to Count 2. The Office and the defendant both agree to jointly recommend application of the above guidelines calculations as to Count 2. The Office and the Defendant both agree to jointly recommend that the Defendant's sentences for Count 1 and Count 2 must be served concurrently and that the Defendant's total recommended sentence for both counts is 60 months.

16. The Defendant is aware that the sentence has not yet been determined by the Court. The defendant also is aware that any estimate of the probable sentencing range or sentence that the Defendant may receive, whether that estimate comes from the Defendant's attorney, this Office, or the probation office, is a prediction, not a promise, and is not binding on this Office, the probation office or the Court. The Defendant understands further that any recommendation that this Office makes to the Court as to sentencing, whether pursuant to this agreement or otherwise, is not binding on the Court and the Court may disregard the recommendation in its entirety. The defendant understands and acknowledges, as previously acknowledged in paragraph 3 above, that the defendant may not withdraw the Defendant's plea based upon the Court's decision not to accept a sentencing recommendation made by the defendant, this Office, or a recommendation made jointly by the defendant and this Office.

17. The Defendant agrees, in an individual and any other capacity, to forfeit to the United States, voluntarily and immediately, any right, title, and interest to (1) any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of the offense, in violation of 18 U.S.C. §§ 641, 1343, pursuant to 18 U.S.C. § 981(a)(1)(C), as incorporated by 28 U.S.C. § 2461(c), and the provisions of 21 U.S.C. § 853; and (2) any property, real or personal, involved in the commission of the offense, in violation of 18 U.S.C. § 1957, or any property traceable to such property, pursuant to 18 U.S.C. § 982(a)(1)(A), and the provisions of 21 U.S.C. § 853. In addition, the Defendant agrees to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p). The property subject to forfeiture includes, but is not limited to:

- a. a forfeiture money judgment in the sum of \$17,484,118.00 in U.S. currency, which sum represents the value of the property subject to forfeiture (the "Forfeiture Money Judgment");

b. directly forfeitable and substitute property, including, but not limited to:

i. All funds on deposit in the following account at Arab Bank in Jordan

(the "Jordan Bank Account"):

Accountholders: Issa Asad and Noha Yousef Asad

Possible IBAN variations:

IBAN # . 7500

IBAN # . 7700

Account number -500

Other possible account variation: 701

SWIFT Code: <100

ii. the following real properties:

Sheridan Street #2 and #3, Dania Beach FL 33004.

If the forfeiture money judgment is paid in full within 90 days of the execution of the Agreement, the United States will not pursue forfeiture of the above-mentioned assets. If the forfeiture money judgment is not paid in full within 90 days of the execution of the Agreement, or the Parties do not agree to an extension of the timeframe for such satisfaction, the United States can pursue forfeiture of above-mentioned assets. The amount transferred to the United States will be credited against the Defendant's Forfeiture Money Judgment.

18. The Defendant further agrees that forfeiture is independent of any assessment, fine, cost, restitution, or penalty that may be imposed by the Court. The Defendant knowingly and voluntarily agrees to waive all constitutional, legal, and equitable defenses to the forfeiture, including excessive fines under the Eighth Amendment to the United States Constitution. In addition, the Defendant agrees to waive: any applicable time limits for administrative or judicial

forfeiture proceedings, the requirements of Fed. R. Crim. P. 32.2 and 43(a), and any appeal of the forfeiture.

19. The Defendant also agrees to fully and truthfully disclose the existence, nature and location of all assets in which the Defendant has or had any direct or indirect financial interest or control, and any assets involved in the offense of conviction. The Defendant agrees to take all steps requested by the United States for the recovery and forfeiture of all assets identified by the United States as subject to forfeiture. This includes, but is not limited to, the timely delivery upon request of all necessary and appropriate documentation to deliver good and marketable title, consenting to all orders of forfeiture, and not contesting or impeding in any way with any criminal, civil or administrative forfeiture proceeding concerning the forfeiture.

20. The Defendant is aware that Title 18, United States Code, Section 3742 and Title 28, United States Code, Section 1291 afford the Defendant the right to appeal the sentence imposed in this case. Acknowledging this, in exchange for the undertakings made by the United States in this plea agreement, the Defendant hereby waives all rights conferred by Sections 3742 and 1291 to appeal any sentence imposed, including any restitution order, or to appeal the manner in which the sentence was imposed, unless the sentence exceeds the maximum permitted by statute or is the result of an upward departure and/or an upward variance from the advisory guideline range that the Court establishes at sentencing. The Defendant further expressly waives his right to appeal based on arguments that (a) the statutes to which the Defendant is pleading guilty are unconstitutional and (b) the defendant's admitted conduct does not fall within the scope of the statutes. The Defendant further understands that nothing in this agreement shall affect the government's right and/or duty to appeal as set forth in Title 18, United States Code, Section 3742(b) and Title 28, United States Code, Section 1291. However, if the United States appeals



the Defendant's sentence pursuant to Sections 3742(b) and 1291, the Defendant shall be released from the above waiver of appellate rights. By signing this agreement, the Defendant acknowledges that the Defendant has discussed the appeal waiver set forth in this agreement with the Defendant's attorney.

21. If the Defendant withdraws from this agreement, or commits or attempts to commit any additional federal, state or local crimes, or intentionally gives materially false, incomplete, or misleading testimony or information, or otherwise violates any provision of this agreement, then:

- a. The United States will be released from its obligations under this agreement. The Defendant, however, may not withdraw the guilty plea entered pursuant to this agreement;
- b. The Defendant will be subject to prosecution for any federal criminal violation, including, but not limited to, perjury and obstruction of justice, that is not time-barred by the applicable statute of limitations on the date this agreement is signed. Notwithstanding the subsequent expiration of the statute of limitations, in any such prosecutions, the defendant agrees to waive any statute-of-limitations defense; and
- c. Any prosecution, including the prosecution that is the subject of this agreement, may be premised upon any information provided, or statements made, by the defendant, and all such information, statements, and leads derived therefrom may be used against the defendant. The Defendant waives any right to claim that statements made before, on, or after the date of this agreement, including the statement of facts accompanying this agreement or adopted by the Defendant and any other statements made pursuant to this or any other agreement with the United States, should be excluded or suppressed under Fed. R. Evid. 410, Fed. R. Crim. P.

11(f), the Sentencing Guidelines or any other provision of the Constitution of federal law.


22. This Agreement is limited to this Office, and as such, does not bind other federal, state, regulatory, or local prosecuting authorities.

MARKENZY LAPOINTE  
UNITED STATES ATTORNEY

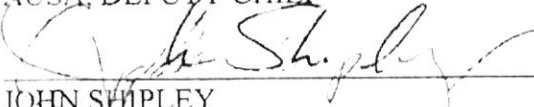
Date: 6/15/24

By:   
DANIEL BERNSTEIN  
ASSISANT UNITED STATES ATTORNEY

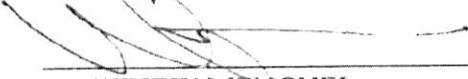
Date: 10/15/24

By:   
ELIZABETH YOUNG  
AUSA, DEPUTY CHIEF

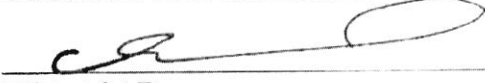
Date:

By:   
JOHN SHIPLEY  
AUSA, SENIOR COUNSEL

Date: 10/15/24

By:   
MATTHEW MENCHEL  
MICHAEL SHERWIN  
EVELYN SHEEHAN  
COUNSEL FOR ISSA ASAD

Date: 10/15/24

By:   
ISSA ASAD  
DEFENDANT

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO. 24-20363-CR-RUIZ/LOUIS**

**UNITED STATES OF AMERICA**

vs.

**ISSA ASAD,**

**Defendant.**

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**FACTUAL PROFFER**

1. The Defendant, ISSA ASAD (hereinafter referred to as the “Defendant”), his counsel, and the United States agree that, had this case proceeded to trial, the United States would have proven the following facts, among others, beyond a reasonable doubt:

**THE COMPANIES**

2. Since 2012, the Defendant was Chief Executive Officer of Q Link Wireless LLC (“Q Link”), a telecommunications company headquartered in Dania Beach, Florida. Q Link is 100 percent owned by Quadrant Holdings Group LLC (“Quadrant”). Quadrant is 100 percent owned by the Defendant. Qlixar Corporation (“Qlixar”) is a Puerto Rican company 100 percent owned by Quadrant. Qlixar is a sister cooperation to Q Link, also in the business of providing telecommunications services.

3. Beginning as early as 2012 and continuing at least as late as June 2021, the Defendant directed a scheme to defraud a federal government program created to provide a discount on cellphone service for qualifying low-income consumers. This program, called the Lifeline program, ensures that all Americans have the opportunities and security that phone service brings, including being able

to connect to jobs, family and emergency services. Q Link can provide the service free to customers because it obtains reimbursements from a United States Treasury bank account administered by the Federal Communications Commission (FCC) after submitting documentation as to the customers served and its compliance with usage rules described below.

4. Since 2013, Q Link has received \$1,067,548,434 from the FCC's Lifeline program.

### **THE FRAUD**

5. The Defendant and others working at Q Link understood that, for Q Link to seek reimbursement under the Lifeline program for customers, the customers had to: (1) be beneath a certain income threshold, typically established by the customer's eligibility for Medicaid, Food Stamps, and other benefits; and that (2) customers must "use" their cellphone. The Defendant and others understood that Q Link was required to unenroll and stop seeking payment for customers who had not used their cellphones in a 45-day window<sup>1</sup>, and that "usage" was defined as the customer completing at least one affirmative act every 45 days such as placing a call, answering a call (from someone other than Q Link,) sending a text, or confirming with Q Link that they wanted to keep the service.

6. The Defendant directed Chief Technology Officer #1 to monitor Q Link customers' cellphone usage. The Defendant told Chief Technology Officer #1 to summarize the cellphone usage in a table for Q Link Compliance Director #1 before Q Link sought reimbursement for those customers from the FCC. The Defendant ultimately approved all Q Link customers who were billed to the Lifeline program.

7. The Defendant conspired with others, including Q Link and Director of Customer Relations #1, to submit and cause to be submitted false and fraudulent claims to the FCC Lifeline

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<sup>1</sup> Before December 1, 2016, this was a 90-day window.

program for customers who were not using their cellphones according to the FCC usage rules. The Defendant and others conspired to mislead and trick the FCC into thinking customers were using their cellphones by manufacturing cellphone activity to pass off as usage and by engaging in coercive marketing techniques to get people to remain Q Link customers.

8. For example, in a practice called an “ESN Swap” directed by the Defendant, Q Link employees in the shipping department took lists created by Chief Technology Officer #1 with cellphone numbers of Q Link customers who were not using their phones and placed outbound calls by temporarily swapping the customer’s electronic serial number (“ESN”) assigned to the physical cellphone for the ESN number of a cellphone in the Q Link shipping department. The Defendant came up with this scheme, and carried it out between approximately 2013 and 2016, to make it appear in the cellphone records as if the Q Link customer completed an outbound call, creating cellphone activity that would count as usage under the FCC Lifeline program had it actually happened.

9. At the instruction of Chief Technology Officer #1 and the Defendant, a Q Link software engineer set up auto-dialers to originate a high volume of outbound calls from Q Link to customers who were not using their cellphones to trick them into answering the phone to assent to Q Link’s Lifeline services, including by using local area codes not facially associated with Q Link and spoofing the Q Link customers’ own cellphone numbers to deceive customers into thinking Q Link was not on the other end. The Defendant engaged in this deceptive call activity, a practice that continued until at least June 2021, in order to trick and mislead customers into pressing a button to agree to remain Q Link customers so that the Defendant could keep billing the Lifeline program.

10. In at least in or around March 2020, the Defendant and Director of Customer Relations #1 devised the following automated script to be played for Q Link customers: “Hello, your Medicaid, Food Stamp and Lifeline benefits are about to get cancelled. To avoid cancelation of these benefits,

press 1 now to indicate that you wish to remain enrolled in these government programs. Press 2 if you wish to speak to a representative about your government benefits To opt out of any future calls, press 3.” The Defendant, Director of Customer Relations #1, and others at Q Link, used this false and threatening script to coerce customers into accepting Lifeline services.

11. According to Senior Customer Service Manager #1, when a customer tried to cancel their Q Link account, the subscriber had to call Q Link on the phone and could not cancel online (even though a subscriber could sign up for services with the click of a button). This created a barrier to customers being able to cancel, especially given that the phone wait times were significant.

12. In addition, Q Link employed a variety of scripts intended to prevent Q Link customers from cancelling their accounts. In one recorded call in which such a script was deployed, a customer who called to cancel due to a non-working cellphone asked the Q Link customer service representative “do you want me to throw it in the garbage” and the responsive responded: “Just make sure you continue to use the device at least once every 30 days.” Customers complained that long wait times made it difficult if not impossible to reach a live representative to cancel Q Link services.

#### **FCC INVESTIGATION INTO Q LINK**

13. The Defendant and Chief Technology Officer 1 knew that, beginning in 2014, the FCC was investigating whether Q Link submitted claims to the FCC Lifeline program for customers who were not using their cellphones. As part of this investigation, FCC made various requests to Q Link, including requests for cellphone records purporting to document cellphone usage for customers Q Link received reimbursement for under the Lifeline program.

14. In order to deceive the FCC and continue billing for Q Link customers under the Lifeline program, the Defendant, with the help of others, manufactured cellphone activity on behalf of Q Link customers who were not using their cellphones between 2015 and June 2021. The

Defendant provided records to the FCC purporting to show cellphone usage for customers who were not using their cellphone, including cellphone records for cellphones in the possession of FCC and provided by customers who were so fed up with Q Link that they turned the cellphones into the FCC.

15. Further, between in or around March 2019, the Defendant caused Q Link to provide false and manipulated cellphone records to the FCC for at least two customers who were not using their cellphones because their cellphones were at the FCC headquarters. Among other things, Q Link took records of unchecked voicemails, some of which were left by Q Link, and tried to pass the voicemails off to the FCC as answered voice calls (answered voice calls would have counted as cellphone usage, unchecked voicemails would not). The Defendant changed a spreadsheet header from “voicemail” to “voice” to leave the FCC with the false impression that the call records contained answered voice calls instead of unanswered voicemails.

16. On January 28, 2020, prompted in large part by the FCC investigation revealing that Q Link was billing for cellphones in the possession of the FCC, the FCC issued an advisory notice stressing the importance of the usage requirements to the Lifeline program. Among other thing, the FCC notice stated that incoming voicemails to customers do not count as usage and reminded Lifeline providers to “take appropriate remedial measures ... including amending past [Lifeline claims].” At no point did Q Link amend past Lifeline claims for customers who were not using their cellphones or return any of the Lifeline payments.

17. The Defendant knew these tactics interfered with the FCC’s oversight of the federal Lifeline program.

18. In total, the Defendant personally received at least \$15,741,355 from Q Link between 2013 and the end of 2021, relating to the Lifeline fraud scheme.

19. Based on a review of call detail records, between April 2013 and October 2019, a

reasonable estimate of the total actual loss to the FCC that resulted from the conduct of the Defendant and his co-conspirators is \$109,637,057.

20. Between 2013 and 2019, Q Link received a total of \$618,736,494 from the FCC Lifeline Program. As a result, approximately 21 percent of Q Link's payments between 2013 and 2019 resulted from fraudulent claims.

21. The FCC currently has \$92,093,923.16 in payments due to Q Link frozen by the FCC.

22. Q Link has continued to bill the FCC Lifeline program up until the present, including for customers that Q Link should have stopped billing because the customers were not using their cellphones.

#### **PPP LOAN 1**

23. On April 3, 2020 the Defendant submitted a first Paycheck Protection Program ("PPP") loan application to City National Bank, on behalf of Q Link, requesting a \$1,984,307.21 loan for payroll, lease, and utilities ("PPP Loan 1"). The Small Business Administration (SBA) approved the loan and funds were deposited into a Q Link account on April 17, 2020. Of this amount, the Defendant transferred \$1,000,000 into his personal account at PNC ending in x7063. From that account, the Defendant transferred proceeds of PPP Loan 1 to two Israel based foreign currency service companies (for a total of \$362,816), including checks with the word "builder" in the memo line (at the time, Defendant was constructing a family home in Beit Hania, Jerusalem). The Defendant also spent the proceeds of PPP Loan 1 on a Land Rover payment, personal Amex card, and rare coins.

24. On February 22, 2021, the Defendant applied for forgiveness for PPP Loan 1, certifying falsely that he spent the loan proceeds on various eligible business expenses and that "for any owner-employee" the compensation was "capped at \$20,8333 per individual in total across all



businesses.” His forgiveness application was granted for PPP Loan 1.

## **PPP LOAN 2**

25. Businesses could apply for a second PPP draw under certain circumstances, but their business had to have less than 300 employees and they had to demonstrate a least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020. On March 26, 2021, the Defendant submitted a second PPP loan application to City National Bank for Q Link requesting \$1,684,852 in additional funds for payroll and the application was approved (“PPP Loan 2”). The Defendant provided a spreadsheet to support the revenue reduction calculation. Financial records and emails obtained via a search warrant proved that the Defendant manipulated the calculations provided to the bank by booking the federal Lifeline revenue for September of 2020, in October of 2020, thereby lowering the third quarter revenue by \$11,288,633. This created the false impression that Q Link’s revenues were 25 percent lower in the third quarter of 2020, as compared to the third quarter of 2019, when they were not. The bank records showed the actual decrease in revenues was only 8.2 percent.

26. Further, Q Link’s audited financial statement corroborated that the company did not experience a 25 percent decrease in revenue from 2019 to 2020, containing the following: “Despite the spread of the COVID-19 Coronavirus, the revenues were not impacted in 2020 due to the nature of the business industry.”

27. Knowing that he was being investigated by the grand jury for fraud related to these PPP loans, the Defendant told the accounting firm preparing his 2020 tax return to remove \$13,616,152 in sales revenue for Q Link that was reflected on the previously prepared 2020 audited financial statements. The Defendant also instructed the accounting firm to remove \$23,282,644 in sales revenue for Quadrant that he had previously disclosed to the accounting firm in financial records. The removal of this sales revenue made it appear as though Q Link experienced a 25 percent

decrease in revenue from 2019 and 2020. The Defendant did this to deceive federal investigators and the grand jury into thinking the revenue comparison on PPP Loan 2 was accurate.

28. The Defendant did not use PPP Loan 2 proceeds for the purposes stated in the loan application. At the end of June 2021, the Defendant moved approximately \$2,700,000 (approximately \$1,000,000 remaining from PPP Loan 1 and \$1,700,000 million from PPP Loan 2) into his personal account at PNC bank from the Q Link account where the PPP loan proceeds were first deposited in a series of three transfers (\$1,000,000 on June 22, 2021, \$1,000,000 on June 23, 2021, and \$700,000 on June 24, 2021). The funds were then moved to a separate personal account at PNC bank on July 1, 2021. The proceeds of PPP Loan 2 were disbursed to pay entities involved in the Defendant's construction project of a new home. Over \$140,000 in funds were used to make donations to Nova University, purchase items at a jewelry store and to pay the Defendant's property taxes on his residence.

29. On August 15, 2022, PPP Loan 2 was forgiven, based on the Defendant's false representations that he spent the proceeds on eligible business expenses of Q Link.

30. With respect to Count 2, the loss amount from which the laundered funds were derived is the amount of Defendant's second draw on the PPP Loan (\$1,684,582). The total amount of restitution due to the SBA, and benefit the Defendant received as a result of his conduct, is \$1,758,229.25.

31. At no point has Q Link returned any money to the FCC or the SBA.

## **FORFEITURE**

32. Between August 3, 2018, and October 7, 2019, the Defendant transferred \$51,806,936 to a bank account in his name and the name of his wife at Arab Bank in Jordan (113x, the "Arab Bank" account). The Arab Bank account was funded through a series of transfers from bank accounts

in the name of Quadrant Holdings (PNC x1905), Qlixar (PNC x9166), and a personal account in the name of the Defendant and his wife (PNC x 7063). The transfers totaling \$51,806,936 were funded by the federal Lifeline Program. The most recent Foreign Bank Account Registration filing for the Arab Bank account was reported in October 2023 for calendar year 2022, listing the bank balance as \$48,061,080.

33. The Defendant owns property and homes located at the following addresses in Broward County: [REDACTED] (the "Broward Properties"). The Defendant used \$142,096 in PPP Loan 1 proceeds on permit fees charged by the Town of Southwest Ranches for the Broward Properties. The Defendant spent the entirety of the PPP Loan 2 proceeds on a Sunrise based general contractor for construction on the Broward Properties. In addition, between November 30, 2022, and April 5, 2023, the Defendant cashed checks from Quadrant Holdings totaling \$9,177,494, and told the owner of the check cashing store that he was using the cash on the Broward Properties.

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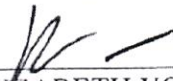
34. Based upon the foregoing facts, which establish all the elements of the charges to which the Defendant is pleading guilty, the Government would prove the Defendant's guilt at trial.

MARKENZY LAPOINTE  
UNITED STATES ATTORNEY

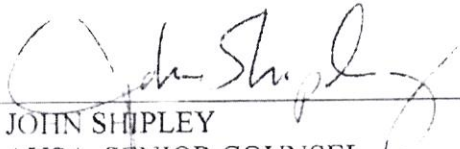
Date: 10/15/24

By:   
DANIEL BERNSTEIN  
ASSISANT UNITED STATES ATTORNEY


Date: 10/15/24

By:   
ELIZABETH YOUNG  
AUSA, DEPUTY CHIEF

Date: 10/15/24

By:   
JOHN SHIPLEY  
AUSA, SENIOR COUNSEL

Date: 10/15/24

By:   
MATTHEW MENCHEL  
MICHAEL SHERWIN  
EVELYN SHEEHAN  
COUNSEL FOR ISSA ASAD

Date: 10/15/24

By:   
ISSA ASAD  
DEFENDANT

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO. 24-20363-CR-RUIZ/LOUIS**

**UNITED STATES OF AMERICA**

**vs.**

**Q LINK WIRELESS LLC,**

**Defendant.**

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**PLEA AGREEMENT**

The United States Attorney's Office for the Southern District of Florida ("this Office") and Q Link Wireless LLC, (hereinafter referred to as the "Defendant"), enter into the following plea agreement (the "Agreement"):

1. The Defendant understands that it has the right to have the evidence and charges against it presented to a federal grand jury for determination of whether or not there is probable cause to believe it committed the offense with which it is charged. Understanding this right, and after full and complete consultation with counsel, the Defendant agrees to waive in open court its right to prosecution by indictment and agrees that the United States may proceed by way of an information to be filed pursuant to Rule 7 of the Federal Rules of Criminal Procedure.

2. The Defendant agrees to plead guilty to a one count information. The Defendant agrees to plead guilty to one count charging the Defendant with conspiring to (1) commit offenses against the United States, specifically, (a) a violation 18 U.S.C. § 1343 (wire fraud) and (b) 18 U.S.C. § 641 (theft of government funds), and (2) defraud the United States, all in violation of 18 U.S.C. § 371.

3. The Defendant agrees to admit that it is fact guilty of the felony offense charged in the information through the actions of its employees, acting with the scope of their employment.

4. The Defendant agrees that this Agreement will be executed by an authorized corporate representative.

5. The Defendant is aware that the sentence will be imposed by the Court after considering the advisory Federal Sentencing Guidelines and Policy Statements (hereinafter "Sentencing Guidelines"). The Defendant acknowledges and understands that the Court will compute an advisory sentence under the Sentencing Guidelines and that the applicable guidelines will be determined by the Court relying in part on the results of a pre-sentence investigation by the Court's probation office, which investigation will commence after the guilty plea has been entered. The Defendant is also aware that, under certain circumstances, the Court may depart from the advisory Sentencing Guidelines range that it has computed, and may raise or lower that advisory sentence under the Sentencing Guidelines. The Defendant is further aware and understands that the Court is required to consider the advisory guideline range determined under the Sentencing Guidelines, but is not bound to impose a sentence within that advisory range; the Court is permitted to tailor the ultimate sentence in light of other statutory concerns, and such sentence may be either more severe or less severe than the Sentencing Guidelines' advisory range. Knowing these facts, the Defendant understands and acknowledges that the Court has the authority to impose any sentence within and up to the statutory maximum authorized by law for the offense identified in paragraph 2 and that the Defendant may not withdraw the plea solely as a result of the sentence imposed.

6. The statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 371 is: (a) a fine of \$500,000 or twice the gross pecuniary gain or

gross pecuniary loss resulting from the offense, whichever is greatest (Title 18, United States Code, Sections 371 and 3571(c) and (d)); (b) five (5) years' probation (Title 18, United States Code, Section 3561(c)(1)); (c) a mandatory special assessment of \$400 (Title 18, United States Code, Section 3013(a)(2)(B)); (d) restitution in the amount ordered by the Court (Title 18, United States Code, Section 3663); and (e) criminal forfeiture as set forth below in Paragraph 14 (Title 18, United States Code, Section 981(a)(1)(C); Title 21, United States Code, Section 853(p); Title 28, United States Code, Section 2461(c)). In this case, the parties agree that the gross pecuniary gain resulting from the offense is \$109,637,057. Therefore, pursuant to Title 18, United States Code, Section 3571(d), the maximum fine that may be imposed is twice the gross gain, or approximately \$219,274,114.

7. The Defendant agrees that it will owe restitution in the amount of \$109,637,057 to the Federal Communications Commission (FCC), to be paid in full, joint and several with co-defendant Issa Asad, immediately at the time of sentencing. The Defendant also understands that this restitution agreement does not preclude an individual from receiving restitution required under the law. The Defendant agrees that it will relinquish all claims to funds currently held by the FCC Lifeline program due to the Defendant and that amount will be applied to the restitution due to the FCC. That amount is the greater of \$19,606,868 or the amount held by the FCC Lifeline program at the time of sentencing. The Defendant further agrees that all restitution paid pursuant to the Agreement will be credited toward any separate Civil False Claims Act Settlement covering the same conduct in the Agreement.

8. The Defendant agrees that, at the time of sentencing, it shall not participate in any program administered by the FCC, nor shall any related, parent or subsidiary companies, including,

but not limited to, Quadrant Holdings Group LLC, and QLixar Corporation. The Defendant agrees that it will not: (a) participate directly or indirectly in any contracts or subcontract funded in whole or in part by the FCC, whether acting as a service provider, marketing agent, consultant, or in any other capacity; (b) engage directly or indirectly in any activities related to FCC programs; or (c) receive any commissions, payments or remuneration of any kind related to the provision of FCC administered programs, no matter how denominated.

9. The Defendant agrees to cooperate with the FCC in the transition of all customers of any program administered the FCC to other telecommunications providers.

10. This Office reserves the right to inform the Court and the probation office of all facts pertinent to the sentencing process, including all relevant information concerning the offenses committed, whether charged or not, as well as concerning the defendant and the defendant's background. Subject only to the express terms of any agreed-upon sentencing recommendations contained in this agreement, this Office further reserves the right to make any recommendation as to the quality and quantity of punishment.

11. The Office and the Defendant agree that a faithful application of the Sentencing Guidelines to determine the applicable fine range yields the following analysis:

- (a) The November 1, 2023 Sentencing Guidelines are applicable to this matter.
- (b) Offense Level. Based upon U.S.S.G. § 2C1.1 and 2X1.1, the total offense level is 38, calculated as follows:

2C1.1(a)(2)	Base Offense Level	12
2C1.1(b)(2)	Loss (More than \$65 Million)	+24
<b>TOTAL</b>		<b>36</b>



- (c) Base Fine. Based upon U.S.S.G. § 8C2.4(a)(2), the base fine is \$109,637,057 (the pecuniary gain to the Defendant from the offense).
- (d) Culpability Score. Based upon U.S.S.G. § 8C2.5, the culpability score is 7, calculated as follows:

(a) Base Culpability Score	5
(b)(4) 50 or More Employees and High-Level Personnel	+2
(e) Obstruction of Justice	+3
(g)(2) Acceptance	<u>-1</u>
<b>TOTAL</b>	<b>9</b>

Calculation of Fine Range:

Base Fine	\$109,637,057
Multipliers	1.8 (min) / 3.6 (max)
Fine Range	\$197,346,704 (min) / \$394,693,405 (max)

12. The Defendant has made representations to the Office that it has an inability to pay a criminal fine in excess of the agreed upon restitution amount, pursuant to U.S.S.G. § 8C2.2. The Office will conduct an analysis of the accuracy of Defendant’s representations before sentencing.

13. The parties agree that the \$109,637,057 in restitution due to the FCC, pursuant to the Agreement, shall be paid as restitution not as forfeiture.

14. The Defendant agrees to forfeit to the United States, voluntarily and immediately, any right, title, and interest to any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of the offense, in violation of 18 U.S.C. §§ 641, 1343, pursuant to 18 U.S.C. § 981(a)(1)(C), as incorporated by 28 U.S.C. § 2461(c), and the provisions

of 21 U.S.C. § 853. In addition, the defendant agrees to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p). The property subject to forfeiture includes, but is not limited to a forfeiture money judgment in the sum of at least \$109,637,057 in U.S. currency, which sum represents the value of the property subject to forfeiture (the "Forfeiture Money Judgment"). The parties further agree that all forfeiture paid pursuant to the Agreement will be credited toward co-defendant Issa Asad's forfeiture money judgment.

15. The Defendant further agrees that forfeiture is independent of any assessment, fine, cost, restitution, or penalty that may be imposed by the Court. The Defendant knowingly and voluntarily agrees to waive all constitutional, legal, and equitable defenses to the forfeiture, including excessive fines under the Eighth Amendment to the United States Constitution. In addition, the Defendant agrees to waive: any applicable time limits for administrative or judicial forfeiture proceedings, the requirements of Fed. R. Crim. P. 32.2 and 43(a), and any appeal of the forfeiture.

16. The Defendant also agrees to fully and truthfully disclose the existence, nature and location of all assets in which the Defendant has or had any direct or indirect financial interest or control, and any assets involved in the offense of conviction. The Defendant agrees to take all steps requested by the United States for the recovery and forfeiture of all assets identified by the United States as subject to forfeiture. This includes, but is not limited to, the timely delivery upon request of all necessary and appropriate documentation to deliver good and marketable title, consenting to all orders of forfeiture, and not contesting or impeding in any way with any criminal, civil or administrative forfeiture proceeding concerning the forfeiture.

17. The Defendant is aware that Title 18, United States Code, Section 3742 and Title 28, United States Code, Section 1291 afford the Defendant the right to appeal the sentence imposed

in this case. Acknowledging this, in exchange for the undertakings made by the United States in this plea agreement, the defendant hereby waives all rights conferred by Sections 3742 and 1291 to appeal any sentence imposed, including any restitution order, or to appeal the manner in which the sentence was imposed, unless the sentence exceeds the maximum permitted by statute or is the result of an upward departure and/or an upward variance from the advisory guideline range that the Court establishes at sentencing. The Defendant further expressly waives his right to appeal based on arguments that (a) the statutes to which the defendant is pleading guilty are unconstitutional and (b) the defendant's admitted conduct does not fall within the scope of the statutes. The Defendant further understands that nothing in this agreement shall affect the government's right and/or duty to appeal as set forth in Title 18, United States Code, Section 3742(b) and Title 28, United States Code, Section 1291. However, if the United States appeals the Defendant's sentence pursuant to Sections 3742(b) and 1291, the defendant shall be released from the above waiver of appellate rights. By signing this agreement, the Defendant acknowledges that the Defendant has discussed the appeal waiver set forth in this agreement with the defendant's attorney.

18. If the Defendant withdraws from this agreement, or commits or attempts to commit any additional federal, state or local crimes, or intentionally gives materially false, incomplete, or misleading testimony or information, or otherwise violates any provision of this agreement, then the Defendant will be subject to prosecution for any federal criminal violation, including, but not limited to, perjury and obstruction of justice, that is not time-barred by the applicable statute of limitations on the date this agreement is signed.

19. This is the entire agreement and understanding between this Office and the Defendant. There are no other agreements, promises, representations, or understandings.

20. This Agreement is limited to this Office, and as such, does not bind other federal, state, regulatory, or local prosecuting authorities.

MARKENZY LAPOINTE  
UNITED STATES ATTORNEY

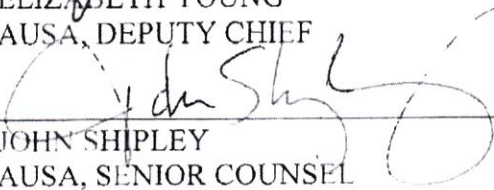
Date: 10/15/24

By:   
DANIEL BERNSTEIN  
ASSISANT UNITED STATES ATTORNEY

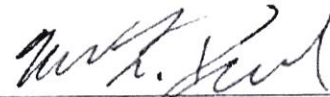
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By:   
ELIZABETH YOUNG  
AUSA, DEPUTY CHIEF


Date: 10/15/24

By:   
JOHN SHIPLEY  
AUSA, SENIOR COUNSEL

Date: 10/15/24

By:   
BRIAN HEBERLIG  
WILL DRAKE  
COUNSEL FOR Q LINK WIRELESS LLC

Date: 10/15/24

By:   
ISSA ASAD  
Chief Executive Officer, Q LINK WIRELESS LLC  
DEFENDANT

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO. 24-20363-CR-RUIZ/LOUIS**

**UNITED STATES OF AMERICA**

**vs.**

**Q LINK WIRELESS LLC,**

**Defendant.**

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**FACTUAL PROFFER**

1. The Defendant, Q LINK WIRELESS LLC (hereinafter referred to as the “Defendant”), its counsel, and the United States agree that, had this case proceeded to trial, the United States would have proven the following facts, among others, beyond a reasonable doubt:

**THE COMPANIES**

2. Since 2012, the Defendant has been headquartered in Dania Beach, Florida and is engaged in telecommunications business. The Defendant is 100 percent owned by Quadrant Holdings Group LLC (“Quadrant”). Quadrant is 100 percent owned by the Chief Executive Officer, Issa Asad. Qlixar Corporation (“Qlixar”) is a Puerto Rican company 100 percent owned by Quadrant. Qlixar is a sister cooperation to the Defendant, also in the business of providing telecommunications services.

3. Beginning as early as 2012 and continuing at least as late as June 2021, the Defendant, through its officers and directors, intentionally defrauded a federal government program created to provide a discount on cellphone service for qualifying low-income consumers. This program, called the Lifeline program, administered by the Federal Communications Commission (“FCC”), ensures that all Americans have the opportunities and security that phone

service brings, including being able to connect to jobs, family and emergency services, and allows telecommunications companies like the Defendant to receive reimbursement for phone services provided to qualifying low-income consumers. The Defendant can provide the service free to customers because it obtains reimbursements from a United States Treasury bank account administered by the FCC after submitting documentation as to the customers served and its compliance with usage rules described below.

4. Since 2013, the Defendant has received \$1,067,548,434 from the FCC's Lifeline program.

### **THE FRAUD**

5. The Defendant and its employees, including Asad, understood that, for the Defendant to seek reimbursement under the Lifeline program for customers receiving a free basic service, the customers had to: 1) be beneath a certain income threshold or enrolled in a program such as Medicaid, Food Stamps, and other benefits programs; and that 2) "use" their phones. The Defendant and its employees understood that Q Link was required to de-enroll and stop seeking payment for customers who had not used their cellphones in a 45-day window<sup>1</sup> and that "usage" was defined as the customer completing at least one affirmative act every 45 days such as placing a call, answering a call (from someone other than Q Link), sending a text, or confirming with Q Link that they wanted to keep the service.

6. Asad directed Chief Technology Officer #1 to monitor the Defendant's customers' cellphone usage to ensure that it complied with the FCC usage rules described above before Q Link sought payment for the customers under the Lifeline program. Asad instructed Chief Technology Officer #1 to summarize the cellphone usage in a table for Q Link Compliance

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<sup>1</sup> Before December 1, 2016, this was a 90-day window.

Director #1 before the Defendant sought reimbursement for those customers from the FCC. Asad ultimately approved all the Defendant's customers who were billed to the Lifeline program.

7. The Defendant conspired with others, including Asad and Director of Customer Relations #1, to submit and cause to be submitted false and fraudulent claims to the FCC Lifeline program for customers who were not using their cellphones according to the FCC usage rules. The Defendant and others conspired to mislead and trick the FCC into thinking customers were using their cellphones by manufacturing cellphone activity to pass off as usage and by engaging in coercive marketing techniques to get people to remain Q Link customers.

8. For example, in a practice called an "ESN Swap" directed by Asad, employees in the Defendant's shipping department took lists created by Chief Technology Officer #1 with cellphone numbers of the Defendant's customers who were not using their phones and placed outbound calls by temporarily swapping the customer's electronic serial number ("ESN") assigned to the physical cellphone for the ESN number of a cellphone in the Defendant's shipping department. Asad came up with this scheme, and carried it out between approximately 2013 and 2016, to make it appear in the cellphone records as if the Defendant's customer completed an outbound call, creating cellphone activity that would count as usage under the FCC Lifeline program had it actually happened.

9. In at least in or around March 2020, Asad and Director of Customer Relations #1 devised the following automated script to be played for Q Link customers: "Hello, your Medicaid, Food Stamp and Lifeline benefits are about to get cancelled . To avoid cancelation of these benefits, press 1 now to indicate that you wish to remain enrolled in these government programs. Press 2 if you wish to speak to a representative about your government benefits To opt out of any future calls, press 3."

10. At the instruction of Chief Technology Officer #1 and Asad, a Q Link software engineer (Software Engineer #1) set up auto-dialers to originate a high volume of outbound calls from the Defendant to customers who were not using their cellphones to trick them into answering the phone to assent to the Defendant's Lifeline services, including by using local area codes not facially associated with the Defendant and spoofing the Defendant's customers' own cellphone numbers to deceive customers into thinking the Defendant's representative were was not on the other end. The Defendant engaged in this deceptive call activity, a practice that continued until at least June 2021, in order to trick and mislead customers into pressing a button to agree to remain Q Link customers so that the Defendant could keep billing the Lifeline program.

11. According to Senior Customer Service Manager #1, when a customer tried to cancel their Q Link account, the subscriber had to call Q Link on the phone and could not cancel online. In addition, the Defendant employed a variety of a scripts intended to prevent customers from cancelling their accounts. In one recorded call in which such a script was deployed, a customer who called to cancel due to a non-working cellphone asked the Defendant's customer service representative "do you want me to throw it in the garbage" and the responsive responded: "Just make sure you continue to use the device at least once every 30 days." Customers complained that long wait times made it difficult if not impossible to reach a live representative to cancel services with the Defendant.

#### **FCC INVESTIGATION INTO Q LINK**

12. The Defendant, Asad, and Chief Technology Officer 1, knew that, beginning in 2014, the FCC was investigating whether the Defendant submitted claims to the FCC Lifeline program for customers who were not using their cellphones. As part of this investigation, FCC made various requests to the Defendant, including requests for cellphone records purporting to



document cellphone usage for customers the Defendant received reimbursement for under the Lifeline program.

13. In order to deceive the FCC and continue billing for the Defendant's customers under the Lifeline program, Asad, with the help of others (including Chief Technology Officer #1 and Software Engineer #1) manufactured cellphone activity on behalf of Q Link customers who were not using their cellphones between 2015 and June 2021. The Defendant provided records to the FCC purporting to show cellphone usage for customers who were not using their cellphone, including cellphone records for cellphones in the possession of FCC and provided by customers who were so fed up with the Defendant that they turned the cellphones into the FCC.

14. Further, between in or around 2019, Q Link provided false and manipulated cellphone records to the FCC for at least two customers who were not using their cellphones because their cellphones were at the FCC headquarters. Among other things, the Defendant took records of unchecked voicemails, some of which were left by phone numbers controlled by the Defendant and tried to pass the voicemails off to the FCC as answered voice calls (answered voice calls would have counted as cellphone usage, unchecked voicemails would not). In addition, Asad changed a spreadsheet header from "voicemail" to "voice" to leave the FCC with the false impression that the call records contained voice calls.

15. On January 28, 2020, prompted in large part by the FCC investigation revealing that Defendant was billing for cellphones in the possession of the FCC, the FCC issued an advisory notice stressing the importance of the usage requirements to the Lifeline program. Among other thing, the FCC notice stated that incoming voicemails to customers do not count as usage and reminded Lifeline providers to "take appropriate remedial measures ... including amending past [Lifeline claims]." At no point did Defendant amend past Lifeline claims for customers who were

not using their cellphones or return any of the Lifeline payments.

16. The Defendant knew these tactics interfered with the FCC's oversight of the federal Lifeline program.

17. Based on a review of call detail records, between April 2013 and October 2019, a reasonable estimate of the total actual loss to the FCC and total payments to Q Link that resulted from the conduct of the Defendant and its co-conspirators is \$109,637,057.

18. Between 2013 and 2019, the Defendant received a total of \$618,736,494 from the FCC Lifeline Program. As a result, approximately 21 percent of the Defendant's payments during that time period resulted from the fraud scheme.

19. At no point has the Defendant returned any money to the FCC.

20. Q Link has continued to bill the FCC Lifeline program up until the present, including for customers that Q Link should have stopped billing because the customers were not using their cellphones.

**[THIS SPACE INTENTIONALLY LEFT BLANK]**

21. Based upon the foregoing facts, which establish all the elements of the charges to which the Defendant is pleading guilty, the Government would prove the Defendant's guilt at trial.

MARKENZY LAPOINTE  
UNITED STATES ATTORNEY

Date: 10/15/24

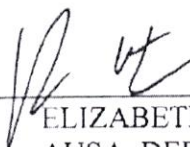
By:



DANIEL BERNSTEIN  
ASSISANT UNITED STATES ATTORNEY

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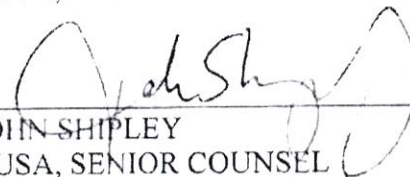
By:



ELIZABETH YOUNG  
AUSA, DEPUTY CHIEF

Date: 10/15/24

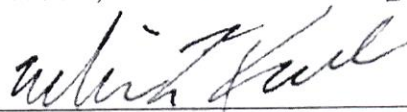
By:



JOHN SHIPLEY  
AUSA, SENIOR COUNSEL

Date: 10/15/24

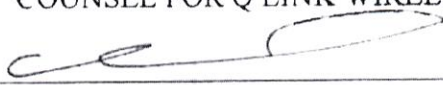
By:



BRIAN HEBERLIG  
WILL DRAKE  
COUNSEL FOR Q LINK WIRELESS LLC

Date: 10/15/24

By:



ISSA ASAD  
Chief Executive Officer, Q LINK WIRELESS LLC  
DEFENDANT

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO. 24-CR-20363-RAR**

**UNITED STATES OF AMERICA**

vs.

**ISSA ASAD, and  
Q LINK WIRELESS, LLC,**

Defendants.

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**ORDER SETTING DATE, TIME, AND PROCEDURES FOR SENTENCING HEARING**

**THIS CAUSE** came before the Court upon Defendants' Change of Plea hearing held on Tuesday, October 15, 2024. Accordingly, it is hereby

**ORDERED AND ADJUDGED** that a sentencing hearing is set in this matter for **Wednesday, January 15, 2025, at 1:30 P.M.**, in Courtroom 11-2, 11th Floor, at the Wilkie D. Ferguson, Jr. United States Courthouse, 400 North Miami Avenue, Miami, Florida 33128, before the Honorable Judge Rodolfo A. Ruiz II.

**SENTENCING PROCEDURES**

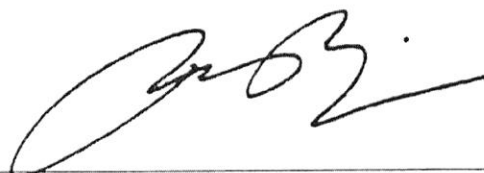
1. The Probation Office shall disclose the Draft Presentence Investigation Report ("PSR") no later than **35 days** prior to the sentencing hearing.
2. Each party shall file its objections, if any, to the Draft PSR and any motions for sentencing departures or variances no later than **14 days** after the disclosure of the Draft PSR. The non-moving party will then have **7 days** to respond. The non-moving party must respond to each objection to the PSR, as well as to any motion for a variance or departure, even if the non-moving party plans to concede the objection, variance, or departure.

3. The Probation Office shall disclose the Final PSR and Addendum no later than **7 days** before the sentencing hearing. Any party that has previously filed an objection to the PSR shall, no later than **3 days** before the sentencing hearing, file a notice setting forth those previously filed objections, if any, that have been resolved and those that remain outstanding.

4. The Court has set aside **30 minutes** for this hearing. If any party requires more than 30 minutes, counsel for that party shall file, no later than **14 days** prior to the hearing, a motion for more time in which the moving party shall lay out exactly how much time will be needed and why.

5. If on Bond, the Defendant should be prepared to self-surrender at the conclusion of the sentencing hearing.

**DONE AND ORDERED** in Miami, Florida, this 15th day of October, 2024.



**RODOLFO A. RUIZ II**  
**UNITED STATES DISTRICT JUDGE**

cc: counsel of record