

Federal Communications Commission Enforcement Bureau Investigations and Hearings Division 445 12th Street, S.W., Suite 4-C330 Washington, D.C. 20554

June 23, 2005

DA 05-1729

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Ronald R. Morrett, Jr. 1809 Holly Drive Harrisburg, PA 17110

Re: Notice of Suspension and of Proposed Debarment

File No. EB-03-IH-0615

Dear Mr. Morrett:

The Federal Communications Commission ("FCC" or "Commission") has received notice of your May 16, 2005 conviction for conspiracy to engage in bribery in a federally funded program, in violation of 18 U.S.C. § 371. Consequently, pursuant to 47 C.F.R. § 54.521, this letter constitutes official notice of your suspension from the schools and libraries universal service support mechanism (or "E-Rate program"). In addition, the Enforcement Bureau ("Bureau") hereby notifies you that we are commencing debarment proceedings against you.²

I. Notice of Suspension

Pursuant to section 54.521(a)(4) of the Commission's rules,³ your conviction requires the Bureau to suspend you from participating in any activities associated with or related to the schools and libraries support mechanism, including the receipt of funds or discounted services

¹Any further reference in this letter to "your conviction" refers to your December 8, 2003 guilty plea for conspiracy and conviction therefor. *See United States v. Morrett*, Criminal Docket No. 03-337, Information at 4 (M.D.Pa. filed December 8, 2003) ("*Morrett Information*"); *United States v. Morrett*, Criminal Docket No. 03-337, Plea Agreement at 1-2 (M.D.Pa. filed Dec. 8, 2003) ("*Morrett Plea Agreement*"); *United States v. Morrett*, Criminal Docket No. 03-337, Judgment (M.D.Pa. filed May 16, 2005 and entered May 18, 2005).

²47 C.F.R. § 54.521; 47 C.F.R. § 0.111(a)(14) (delegating to the Enforcement Bureau authority to resolve universal service suspension and debarment proceedings pursuant to 47 C.F.R. § 54.521).

³47 C.F.R. § 54.521(a)(4). *See Schools and Libraries Universal Service Support Mechanism*, Second Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202, 9225-9227, ¶¶ 67-74 (2003) ("Second Report and Order").

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through the schools and libraries support mechanism, or consulting with, assisting, or advising applicants or service providers regarding the schools and libraries support mechanism.⁴ Your suspension becomes effective upon the earlier of your receipt of this letter or publication of notice in the Federal Register.⁵

Suspension is immediate pending the Bureau's final debarment determination. You may contest this suspension or the scope of this suspension by filing arguments in opposition to the suspension, with any relevant documentation. Your request must be received within 30 days after you receive this letter or after notice is published in the Federal Register, whichever comes first. Such requests, however, will not ordinarily be granted. The Bureau may reverse or limit the scope of suspension only upon a finding of extraordinary circumstances. Absent extraordinary circumstances, the Bureau will decide any request for reversal or modification of suspension within 90 days of its receipt of such request.

II. Notice of Proposed Debarment

A. Reasons for and Cause of Debarment

The Commission has established procedures to prevent persons who have "defrauded the government or engaged in similar acts through activities associated with or related to the schools and libraries support mechanism" from receiving the benefits associated with that program. As provided by your December 8, 2003 plea agreement upon which your conviction is based, you pleaded guilty to a felony information charging you with conspiracy in violation of 18 U.S.C. § 371. The felony information alleges that in 2000, the Harrisburg (Pennsylvania) School District awarded a multi-million dollar E-Rate contract to you and EMO Communications, Inc. ("EMO") for the development and installation of an educational technology system for the school district; that a grant from the E-Rate program funded a substantial portion of the cost of this contract; that you and EMO received payments from the E-Rate program only after John Weaver, Information Technology Director for the school district, certified that you and EMO had performed specified work under the contract; and that you agreed to make kickback payments of more than \$1.9 million to Weaver while he processed certifications that were essential to you in obtaining E-Rate funded payments on the contract. The felony information charges you.

⁴Second Report and Order, 18 FCC Rcd at 9225, ¶ 67; 47 U.S.C. § 254; 47 C.F.R. § 54.502-54.503; 47 C.F.R. § 54.521(a)(4).

⁵Second Report and Order, 18 FCC Rcd at 9226, ¶ 69; 47 C.F.R. § 54.521(e)(1).

⁶Second Report and Order, 18 FCC Rcd at 9226, ¶ 70; 47 C.F.R. § 54.521(e)(4).

⁷Second Report and Order, 18 FCC Rcd at 9226, ¶ 70.

⁸47 C.F.R. § 54.521(f).

⁹See Second Report and Order, 18 FCC Rcd at 9226, ¶ 70; 47 C.F.R. §§ 54.521(e)(5), 54.521(f).

¹⁰Second Report and Order, 18 FCC Rcd at 9225, ¶ 66.

¹¹See Morrett Plea Agreement at 1.

¹²Morrett Information at 2-3.

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Weaver, and others with conspiring to corruptly give, offer, and agree to give things of value with the intent to influence an agent of the Harrisburg School District and in furtherance of that conspiracy, causing more than \$1.9 million in payments to be made to Weaver. Pursuant to your plea agreement, you have pleaded guilty to the charge of conspiracy set forth in the felony information. These actions constitute the conduct or transactions upon which this debarment proceeding is based. Moreover, your conviction on the basis of these acts falls within the categories of causes for debarment defined in section 54.521(c) of the Commission's rules. Therefore, pursuant to section 54.521(a)(4) of the Commission's rules, your conviction requires the Bureau to commence debarment proceedings against you.

B. Debarment Procedures

You may contest debarment or the scope of the proposed debarment by filing arguments and any relevant documentation within 30 calendar days of the earlier of the receipt of this letter or of publication in the Federal Register. Absent extraordinary circumstances, the Bureau will debar you. Within 90 days of receipt of any opposition to your suspension and proposed debarment, the Bureau, in the absence of extraordinary circumstances, will provide you with notice of its decision to debar. If the Bureau decides to debar you, its decision will become effective upon the earlier of your receipt of a debarment notice or publication of the decision in the Federal Register.

C. Effect of Debarment

If and when your debarment becomes effective, you will be prohibited from participating in activities associated with or related to the schools and libraries support mechanism for at least

¹³Morrett Information at 4-5.

¹⁴Second Report and Order, 18 FCC Rcd at 9226, ¶ 70; 47 C.F.R. § 54.521(e)(2)(i).

¹⁵"Causes for suspension and debarment are the conviction of or civil judgment for attempt or commission of criminal fraud, theft, embezzlement, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, obstruction of justice and other fraud or criminal offense arising out of activities associated with or related to the schools and libraries support mechanism." 47 C.F.R. § 54.521(c). Such activities "include the receipt of funds or discounted services through the schools and libraries support mechanism, or consulting with, assisting, or advising applicants or service providers regarding schools and libraries support mechanism described in this section ([47 C.F. R.] § 54.500 *et seq.*)." 47 C.F.R. § 54.521(a)(1).

¹⁶See Second Report and Order, 18 FCC Rcd at 9226, ¶ 70; 47 C.F.R. §§ 54.521(e)(2(i), 54.521(e)(3).

¹⁷Second Report and Order, 18 FCC Rcd at 9227, ¶ 74.

¹⁸See Id., 18 FCC Rcd at 9226, ¶ 70; 47 C.F.R. § 54.521(e)(5).

¹⁹*Id.* The Commission may reverse a debarment, or may limit the scope or period of debarment upon a finding of extraordinary circumstances, following the filing of a petition by you or an interested party or upon motion by the Commission. 47 C.F.R. § 54.521(f).

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three years from the date of debarment.²⁰ The Bureau may, if necessary to protect the public interest, extend the debarment period.²¹

Please direct any responses to the following address:

Diana Lee Federal Communications Commission Enforcement Bureau, Investigations and Hearings Division Room 4C-330 445 12th Street, S.W. Washington, D.C. 20554

If you submit your response via hand-delivery or non-United States Postal Service delivery (e.g., Federal Express, DHL, etc.), please send the response to Ms. Lee at the following address:

Federal Communications Commission 9300 East Hampton Drive Capitol Heights, MD 20743

If you have any questions, please contact Ms. Lee via mail, by telephone at (202) 418-1420 or by e-mail at <u>diana.lee@fcc.gov</u>. If Ms. Lee is unavailable, you may contact Eric Bash by telephone at (202) 418-1420 and by e-mail at <u>eric.bash@fcc.gov</u>.

Sincerely yours,

William H. Davenport Chief Investigations and Hearings Division Enforcement Bureau

cc: Brian Perry, Esq., Nealson & Gover Kristy Carroll, Esq., USAC (E-mail) Marty Carlson, Esq., Assistant United States Attorney, Middle District of Pennsylvania (E-mail)

²⁰Second Report and Order, 18 FCC Rcd at 9225, ¶ 67; 47 C.F.R. §§ 54.521(d), 54.521(g).

 $^{^{21}}Id$