



Federal Communications Commission
Washington, D.C. 20554

June 08, 2015

DA 15-669

SENT VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Mr. Oscar Enrique Perez-Zumaeta
c/o William P. Earley
Federal Public Defender-OKC
215 Dean A McGee Ave
Suite 109
Oklahoma City, OK 73102

Re: Notice of suspension and initiation of debarment proceeding
File No. EB-IHD-15-00019209

Dear Mr. Perez-Zumaeta:

The Federal Communications Commission (Commission) has received notice of your conviction for money laundering in violation of 18 U.S.C. § 1957(a) and 18 U.S.C. § 2, in connection with fraudulent claims against the federal Lifeline universal service support mechanism (Lifeline program).¹ Pursuant to its rules, the Enforcement Bureau (Bureau) hereby suspends you from participating in activities associated with the Lifeline program.² The Bureau is also commencing a proceeding to debar you from future participation in the Lifeline program.³

I. Notice of Suspension

Any person who has “defrauded the government or engaged in similar acts through activities associated with or related to the [Lifeline program]” may be prohibited from receiving the benefits associated with that program.⁴ The Lifeline program is a government program that provides support to eligible telecommunications carriers (ETCs) that in turn offer discounts on telephone service for eligible

¹ Any further reference in this letter to “your conviction” refers to your guilty plea and subsequent sentencing in *United States v. Perez-Zumaeta*, Criminal Docket No. 5:14-cr-00165-D-1, Plea Agreement (W.D. Okla. filed Nov. 07, 2014) (*Plea Agreement*). See also *Lifeline & Link Up Reform & Modernization*, WC Docket No. 11-42, CC Docket No. 96-45, WC Docket No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (2012) (*Lifeline Reform Order*).

² 47 C.F.R. § 54.8.

³ *Id.*; 47 C.F.R. § 0.111 (delegating to the Bureau authority to resolve universal service suspension and debarment proceedings). In 2007, the Commission extended the debarment rules to apply to all federal universal service support mechanisms, including Lifeline. See *Comprehensive Review of the Universal Serv. Fund Mgmt., Admin., & Oversight*, Report and Order, 22 FCC Rcd 16372, 16410–12 (2007) (*Program Management Order*) (renumbering Section 54.521 of the universal service debarment rules as Section 54.8 and amending subsections (a)(1), (a)(5), (c), (d), (e)(2)(i), (e)(3), (e)(4), and (g)).

⁴ *Program Management Order*, 22 FCC Rcd at 16387, para. 32. The Commission’s debarment rules define a “person” as “[a]ny individual, group of individuals, corporation, partnership, association, unit of government or legal entity, however organized.” 47 C.F.R. § 54.8(a)(6).

low-income consumers.⁵ An ETC may receive reimbursement in connection with the Lifeline program only if it certifies as part of its reimbursement request that it is in compliance with the Lifeline rules.⁶

You owned and managed PSPS Sales LLC (PSPS), a California entity that recruited low-income individuals to apply for Lifeline telephone service through Icon Telecom, Inc. (Icon).⁷ On June 12, 2014, Icon pled guilty to knowingly making a false statement to the Universal Service Administrative Company in connection with fraudulent claims against the Lifeline program.⁸ According to court records, you were charged with directing PSPS workers to enroll fictitious customers and falsify Lifeline recertification forms for use in Icon's fraudulent scheme.⁹ On November 7, 2014, you pled guilty to one count of money laundering for depositing a \$52,390.00 check from Icon into a PSPS bank account, despite knowing that more than \$10,000.00 of those funds was the result of criminal fraud against the Commission.¹⁰

Pursuant to Section 54.8(b) of the Commission's rules,¹¹ your conviction requires the Bureau to suspend you from participating in any activities associated with or related to the Lifeline program, including receiving funds or discounted services through the Lifeline program, or consulting with, assisting, or advising applicants or service providers regarding the Lifeline program.¹² Your suspension becomes effective upon either your receipt of this letter or its publication in the Federal Register, whichever comes first.¹³

In accordance with the Commission's suspension and debarment rules, you may contest this suspension or its scope by filing arguments, with any relevant documents, within thirty (30) calendar days of your receipt of this letter or its publication in the Federal Register, whichever comes first.¹⁴ Such requests, however, will not ordinarily be granted.¹⁵ The Bureau may reverse or limit the scope of a suspension only upon a finding of extraordinary circumstances.¹⁶ The Bureau will decide any request to reverse or modify a suspension within ninety (90) calendar days of its receipt of such request.¹⁷

⁵ See *Lifeline Reform Order*, 27 FCC Rcd at 6662–67, paras. 11–18; see also 47 C.F.R. §§ 54.400–54.422.

⁶ See 47 C.F.R. § 54.407(d).

⁷ *United States v. Perez-Zumaeta*, Criminal Docket No. 5:14-cr-00165-D-1, Indictment at 1–2 (W.D. Okla. filed June 03, 2014) (*Indictment*).

⁸ *United States v. Icon Telecom, Inc.*, Criminal Docket No. 5:14-cr-00170–D, Plea Agreement (W.D. Okla. filed June 12, 2014).

⁹ *Indictment* at 8–10.

¹⁰ *Plea Agreement* at 2; *Indictment* at 16–17; see also UNITED STATES ATTORNEY'S OFFICE, WESTERN DISTRICT OF OKLAHOMA, Press Release, *Final Defendant Sentenced to Serve 42 Months in Prison for Money Laundering in Connection with Federal Wireless Telephone Program Subsidies*, Apr. 23, 2015, available at <http://www.justice.gov/usao-wdok/pr/final-defendant-sentenced-serve-42-months-prison-money-laundering-connection-federal>.

¹¹ 47 C.F.R. § 54.8(a)(4); see *Program Management Order*, 22 FCC Rcd at 16387, para. 32.

¹² 47 C.F.R. §§ 54.8(a)(1), (d).

¹³ *Id.* § 54.8(e)(1).

¹⁴ *Id.* § 54.8(e)(4).

¹⁵ *Id.*

¹⁶ *Id.* § 54.8(f).

¹⁷ *Id.* §§ 54.8(e)(5), (f).

II. Initiation of Debarment Proceedings

In addition to your immediate suspension from the Lifeline program, your conviction is cause for debarment as defined in Section 54.8(c) of the Commission's rules.¹⁸ Therefore, pursuant to Section 54.8(b) of the Commission's rules, your conviction requires the Bureau to commence debarment proceedings against you.¹⁹

As with the suspension process, you may contest the proposed debarment or its scope by filing arguments and any relevant documentation within thirty (30) calendar days of receipt of this letter or its publication in the Federal Register, whichever comes first.²⁰ The Bureau, in the absence of extraordinary circumstances, will notify you of its decision to debar within ninety (90) calendar days of receiving any information you may have filed.²¹ If the Bureau decides to debar you, its decision will become effective upon either your receipt of a debarment notice or publication of the decision in the Federal Register, whichever comes first.²²

If and when your debarment becomes effective, you will be prohibited from participating in activities associated with or related to the Lifeline program for three years from the date of debarment.²³ The Bureau may set a longer debarment period or extend an existing debarment period if necessary to protect the public interest.²⁴

Please direct any response, if sent by messenger or hand delivery, to Marlene H. Dortch, Secretary, Federal Communications Commission, 445 12th Street, S.W., Room TW-A325, Washington, D.C. 20554 and to the attention of Celia Lewis, Paralegal Specialist, Investigations and Hearings Division, Enforcement Bureau, Room 4-A422, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554 with a copy to Kalun Lee, Deputy Chief, Investigations and Hearings Division, Enforcement Bureau, Room 4-C237, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554. All messenger or hand delivery filings must be submitted without envelopes.²⁵ If sent by commercial overnight mail (other than U.S. Postal Service (USPS) Express Mail

¹⁸ "Causes for suspension and debarment are 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, the high-cost support mechanism, the rural health care support mechanism, and the low-income support mechanism." 47 C.F.R. § 54.8(c). Associated activities "include the receipt of funds or discounted services through [the federal universal service] support mechanisms, or consulting with, assisting, or advising applicants or service providers regarding [the federal universal service] support mechanisms." *Id.* § 54.8(a)(1).

¹⁹ *Id.* § 54.8(b).

²⁰ *Id.* § 54.8(e)(3).

²¹ *Id.* § 54.8(e)(5).

²² *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. *Id.* § 54.8(f).

²³ *Id.* § 54.8(d), (g).

²⁴ *Id.* § 54.8(g).

²⁵ See FCC *Public Notice*, DA 09-2529 for further filing instructions (rel. Dec. 3, 2009).

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and Priority Mail), the response must be sent to the Federal Communications Commission, 9300 East Hampton Drive, Capitol Heights, Maryland 20743. If sent by USPS First Class, Express Mail, or Priority Mail, the response should be addressed to Celia Lewis, Paralegal Specialist, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Room 4-A422, Washington, D.C. 20554, with a copy to Kalun Lee, Deputy Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Room 4-C237, Washington, D.C. 20554. You shall also transmit a copy of your response via e-mail to Celia Lewis, Celia.Lewis@fcc.gov, and Kalun Lee, Kalun.Lee@fcc.gov.

If you have any questions, please contact Ms. Lewis via U.S. postal mail, e-mail, or by telephone at (202) 418-7456. If Ms. Lewis is unavailable, you may contact Kalun Lee, Deputy Chief, Investigations and Hearings Division, by telephone at (202) 418-0796 or at the e-mail address noted above.

Sincerely yours,

Jeffrey J. Gee
Chief
Investigations and Hearings Division
Enforcement Bureau

cc: Johnnay Schrieber, Universal Service Administrative Company (via e-mail)
Rashann Duvall, Universal Service Administrative Company (via e-mail)
Chris M. Stevens, United States Attorney's Office, Western District of Oklahoma (via e-mail)
Scott E. Williams, United States Attorney's Office, Western District of Oklahoma (via e-mail)