

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of)
Components Specialties, Inc. d/b/a Speco) File No.: EB-SED-19-00029064
Technologies)

CITATION AND ORDER

ILLEGAL MARKETING OF UNAUTHORIZED RADIO FREQUENCY DEVICES

Adopted: December 29, 2020

Released: December 29, 2020

By the Chief, Spectrum Enforcement Division:

I. NOTICE OF CITATION

1. This CITATION AND ORDER (Citation), notifies Components Specialties, Inc. d/b/a Speco Technologies ("Speco" or "Company") that it unlawfully marketed several models of radio frequency devices that were capable of operating on restricted frequencies, lacked equipment authorizations, and lacked the appropriate labeling and user information disclosures. Specifically, Speco marketed models AP224, M24GHK, M24GLK, O2C1 (O2C2, WIFIMOD),1 AS1, AA1 and ZIPK4W2 in violation of section 302(b) of the Communications Act, as amended (Act), and sections 2.803(b), 15.19, 15.21, 15.201, 15.205(a) of the Commission's rules.2 We therefore direct Speco to take immediate steps to comply with the Commission's equipment authorization and marketing rules and to cease marketing any unauthorized radio frequency devices in the United States. If the Company fails to comply with these laws, it may be liable for significant fines up to \$20,489 per day for each unauthorized model marketed, as well as other sanctions.3

2. Notice of Duty to Comply with the Law: We issue this Citation pursuant to section 503(b)(5) of the Communications Act of 1934, as amended (Act), which states that the Commission may not impose monetary forfeitures against non-regulatees who violate Commission rules or the Act unless and until: (a) the Commission issues a citation to the violator; (b) the Commission provides the violator a reasonable opportunity to respond; and (c) the violator subsequently engages in conduct described in the citation.4 Accordingly, Speco is hereby on notice that it must comply with section 302(b) of the Act and sections 2.803(b), 15.19, 15.21, 15.201, and 15.205(a) of the Commission's rules. If Speco subsequently engages in any conduct of the type this Citation describes, specifically any violation of section 302(b) of the Act and sections 2.803(b), 15.19, 15.21, 15.201, and 15.205(a) of the Commission's rules, Speco may

1 The O2C1, O2C2 and WIFIMOD models are under the same authorization.

2 47 U.S.C. § 302a(b); 47 CFR §§ 2.803(b), 15.19, 15.21, 15.201, 15.205(a).

3 See 47 U.S.C. § 503(b)(2)(D); 47 CFR § 1.80(b)(7). The forfeiture amounts stated here, which became effective upon publication in the Federal Register, reflect the current annual inflation adjustments to the forfeiture amounts originally specified in section 503(b)(2) of the Act. Amendment of Section 1.80(b) of the Commission's Rules, Adjustment of Civil Monetary Penalties to Reflect Inflation, Order, 34 FCC Rcd 12824 (EB 2019) (2020 Inflation Order); FCC Annual Adjustment of Civil Monetary Penalties to Reflect Inflation, 85 Fed. Reg. 2318 (Jan. 15, 2020). The 2015 Inflation Adjustment Act provides that the new penalty levels shall apply to penalties assessed after the effective date of the increase, "including [penalties] whose associated violation predated such increase[.]" See Pub. L. No. 114-74, § 701, 129 Stat. 584, 599 (2015) (2015 Inflation Adjustment Act).

4 See 47 U.S.C § 503(b)(5).

be subject to civil penalties, including but not limited to, substantial monetary forfeitures. In assessing such forfeitures, the Commission may consider both the conduct that led to this Citation and the conduct following it.⁵ Speco should take immediate steps to ensure that all radio frequency equipment in its inventory that is marketed to U.S. consumers is authorized for sale in the United States and compliant with all applicable rules.

II. BACKGROUND

3. To best accommodate the diversity of radio communication needs, the Commission partitions radio frequency spectrum, and creates different radio services, each with different operating parameters. The Commission also implements an equipment authorization process designed to ensure that radio frequency devices that intentionally emit radio waves meet various operating requirements, including power levels, frequency, and channel bandwidth. Unlicensed radio frequency devices must operate within the technical parameters established in the Commission's rules because they can cause interference to federal government and licensed communications systems. For example, unlicensed radio frequency devices are restricted from operating in specific frequency bands because they could cause harmful interference to authorized services—including public safety services—in those bands.⁶ Additionally, the Commission's labeling and user information disclosure rules inform consumers that radio frequency devices on the market meet the Commission's technical requirements.

4. Speco is a New York corporation located in Amityville, New York. The Spectrum Enforcement Division (SED) received a complaint alleging that certain wireless devices were capable of transmitting in the Satellite Digital Audio Radio Service (SDARS) band (2320-2345 MHz), and in some cases, causing interference with services in that band. One such device mentioned in the complaint was the AP224 wireless access point (AP224) sold by Speco. SED subsequently sent Speco a letter of inquiry (LOI) on August 6, 2019, and a follow-up letter of inquiry on January 28, 2020.⁷ SED received Speco's LOI responses on November 4, 2019, and February 4, 2020, respectively.⁸

5. The LOI responses revealed that Speco purchased the AP224 from TodaAir, a Chinese company that designed, developed, and manufactured the device. On April 25, 2019, Speco received a letter from an entity suggesting that the operation of the AP224 caused interference in the SDARS band. The Company immediately ceased advertising and selling the product. Speco then contacted TodaAir about the interference claim. TodaAir confirmed that under certain configurations, the AP224 could broadcast within the SDARS band. TodaAir updated the AP224's firmware to fix the problem and sent the firmware to Speco on June 21, 2019. After installing the new firmware on the AP224, Speco tested the devices using spectrum analyzers, and confirmed that the models could only broadcast within 2412-2462 MHz—the approved range in its equipment authorization.

6. Speco also applied for its own equipment authorization for the AP224 model and, upon receiving the equipment authorization, relabeled the devices with the newly granted FCC ID. Speco also

⁵ See S. Rep. No. 95-580, 95th Cong., 1st Sess. at 9 (1977) (If a person or entity that has been issued a citation by the Commission thereafter engages in the conduct for which the citation of violation was sent, the subsequent notice of apparent liability “would attach not only for the conduct occurring subsequently *but also for the conduct for which the citation was originally sent.*”) (emphasis added).

⁶ See 47 CFR § 15.205.

⁷ Letter of Inquiry from Elizabeth Y. Mumaw, Chief, Spectrum Enforcement Division, FCC Enforcement Bureau, to Todd Keller, Chief Executive Officer, Component Specialties, Inc. d/b/a Speco Technologies (Aug. 06, 2019) (LOI); Follow-up Letter of Inquiry from Elizabeth Y. Mumaw, Chief, Spectrum Enforcement Division, FCC Enforcement Bureau, to Mr. John J. McDonough, Counsel to Component Specialties, Inc. d/b/a Speco Technologies (Jan. 28, 2020) (Follow-up LOI).

⁸ See Response to Letter of Inquiry, from John J. McDonough and Thomas J. Fisher, Counsel for Speco Technologies to Jane Kelly, Spectrum Enforcement Division, FCC Enforcement Bureau (November 4, 2019) (LOI Response); Response to Follow-up Letter of Inquiry, from John J. McDonough and Thomas J. Fisher, Counsel to Speco Technologies, to Jane Kelly, Spectrum Enforcement Division, FCC Enforcement Bureau (Feb. 4, 2020) (Follow-up LOI Response).

updated the packaging and user manual for the device to ensure compliance with the Commission's labeling and user information disclosure requirements.⁹ Upon receipt of the FCC's LOI, Speco ceased marketing the AP224 pending final resolution of the issue with the FCC.¹⁰

7. The LOI responses also revealed that Speco came into compliance with the labeling and user information disclosure rules after it started marketing six additional models of radio frequency devices. These models are M24GHK and M24GLK (wireless microphones); O2C1 (O2C2, WIFIMOD) (wireless cameras); AS1 and AA1 (audio streamers); and ZIPK4W2 (wireless camera kit).¹¹ Additionally, Speco disclosed that it began marketing AS1 and AA1 in June 2018, but did not obtain authorizations for the devices until July 24, 2019.¹² Speco does not manufacture any of these six models; rather, it imports them from China, Samoa, and South Korea, where they are manufactured.¹³

III. APPLICABLE LAW and VIOLATIONS

8. The Communications Act and the Commission's rules require that most radio frequency devices be properly authorized, identified, and labeled before they can be marketed in the United States. Section 302(b) of the Act states that "[n]o person shall manufacture, import, sell, offer for sale, or ship devices or home electronic equipment and systems, or use devices, which fail to comply with regulations promulgated pursuant to this section."¹⁴ Section 2.803(b) of the Commission's rules provides that:

No person may market a radio frequency device unless . . . [f]or devices subject to authorization under certification, the device has been authorized in accordance with the rules in subpart J of this chapter and is properly identified and labeled as required by § 2.925 and other relevant sections in this chapter.¹⁵

9. Unlicensed RF equipment capable of operating within the restricted bands listed under section 15.205(a) of the Commission's rules (other than spurious emissions)¹⁶ cannot be legally operated, marketed, or sold in the United States¹⁷ because they have the potential to interfere with the operation of authorized radio services,¹⁸ including aviation communications.¹⁹ Intentional radiators, such as the models at issue here, must be approved through the equipment authorization procedures and properly

⁹ LOI Response at 5, Response to Question 8.

¹⁰ *Id.* at 4-5, Response to Question 8. Marketing "includes sale or lease, or offering for sale or lease, including advertising for sale or lease, or importation, shipment, or distribution for the purpose of selling or leasing or offering for sale or lease." 47 CFR § 2.803(a).

¹¹ LOI Response at 5-6, Response to Question 9; *id.* at 12-13, Response to Questions 13(c) and 13(d).

¹² LOI Response at 7, Response to Question 11(b); *id.* at 9, Response to Question 11(h).

¹³ *Id.* at 10, Response to Question 12.

¹⁴ 47 U.S.C. § 302a(b).

¹⁵ 47 CFR § 2.803(b).

¹⁶ Some intentional radiators are exempt from the requirements under section 15.205(a) of the Commission's rules. *See* 47 CFR § 15.205(d).

¹⁷ Unlicensed radio frequency devices can operate anywhere outside of these restricted frequencies if they adhere to the general conducted and radiated emission limits set forth in sections 15.207 and 15.209 of the Commission's rules or the band-specific operating conditions outlined in the remainder of Subparts C, D, E, F and H of Part 15. 47 CFR §§ 15.207, 15.209. *See also* 47 CFR Part 15, Subpart C (intentional radiators).

¹⁸ For example, the SDARS band (2320-2345 MHz) falls under the 2310-2390 MHz restricted frequency band listed under section 15.205(a).

¹⁹ 47 CFR § 87.173 (spectrum allocations for aviation services). *See also* 47 CFR § 15.205 (restricted bands of operation, including 108-121.94). *See* 47 CFR §§ 15.217-257 (providing alternatives for intentional radiators operating in specified frequency bands); *see generally* 47 CFR pt. 15 (rules governing operation of unlicensed devices).

labeled prior to marketing.²⁰ Sections 15.19, and 15.21 of the Commission's rules set forth the labeling and user information disclosure requirements for devices requiring Commission authorization.²¹

10. After examining the information and documents Speco provided in response to the letters of inquiry, the Division determined that the Company marketed seven models (AP224, M24GHK, M24GLK, O2C1 (O2C2, WIFIMOD), AS1, AA1, and ZIPK4W2) of radio frequency devices in violation of section 302(b) of the Act and sections 2.803(b), 15.19, 15.21, 15.201, 15.205(a) of the Commission's rules.²²

A. Model AP224

11. The record reflects that Speco marketed a wireless access point—model AP224—that was capable of transmitting in the SDARS band (2320-2345 MHz) despite having an equipment authorization to operate only in 2412-2462 MHz.²³ The Company confirmed through the model's manufacturer, TodaAir, that the device was capable of operating in the SDARS band while it was marketed by Speco from July 2017 through April 2019.²⁴ TodaAir subsequently provided a firmware fix to Speco who verified that, with the updated firmware installed, the device operated consistent with its authorization and could no longer operate in the SDARS band.²⁵

12. Speco also failed to provide the proper labeling and user information disclosures with the device. The record shows that Speco marketed the noncompliant device for approximately 22 months before coming into compliance with the Commission's rules. Specifically, the Company began sales of the AP224 in July 2017, but the model lacked the proper labels and user information disclosures until May 2019.²⁶

13. We find that Speco violated section 302(b) of the Act and sections 2.803(b) and 15.205(a) of the Commission's rules because it marketed a device that was capable of operating in restricted spectrum beyond the parameters of its authorization. Speco also violated sections 15.19, and 15.21 of the Commission's rules by failing to provide the proper labels and user information disclosures with the device. The Company ceased marketing the AP224 in August 2019.

B. Models M24GHK, M24GLK, O2C1 (O2C2, WIFIMOD), AS1, AA1 and ZIPK4W2

14. Documentation provided by Speco indicated that the Company marketed models M24GHK, M24GLK, O2C1 (O2C2, WIFIMOD), AS1, AA1 and ZIPK4W2 during various periods between 2015 and 2019, without proper labeling and user information disclosures.²⁷ The Division compared the dates on which Speco began marketing each device with the dates on which each device came into compliance with the labeling and user information disclosure requirements. Based on this comparison, the Division determined that models M24GHK, M24GLK, AS1, AA1, and ZIPK4W2 were brought into compliance with the labeling and user information disclosure requirements after Speco began

²⁰ See 47 CFR § 15.201(b).

²¹ 47 CFR §§ 15.19, 15.21.

²² 47 U.S.C. § 302a(b); 47 CFR §§ 2.803(b), 15.19, 15.21, 15.201, 15.205(a).

²³ See *Grant of Equipment Authorization* (October 26, 2016) https://apps.fcc.gov/tcb/GetTcb731Report.do?applicationId=G%2FOzW%2BpFw%2B5jytnkGw3ZYA%3D%3D&cc_id=2AJ6DTODAAIR24G (FCC ID 2AS9JSPECOAP24).

²⁴ LOI Response at 5, Response to Question 8.

²⁵ *Id.* at 4-5, Response to Question 8. After the manufacturer of the device updated the firmware to prevent it from operating in the SDARS band and after Speco received its own FCC authorization for the device, Speco resumed marketing the AP224 on July 11, 2019. After receiving the LOI from the FCC on August 15, 2019, Speco again ceased marketing the AP224. See *id.* at 5, Response to Question 8.

²⁶ *Id.* at 12-13, Response to Questions 13(c) and 13(d).

²⁷ LOI Response at 12-13, Response to Question 13(c).

marketing the models.²⁸ Models O2C1, O2C2, and WIFIMOD also lacked the proper labeling and user information disclosures while they were marketed by Speco but the Company ceased selling the models on 2/15/2019, 5/1/2019, 9/16/2016, respectively.²⁹

15. In addition, Speco marketed models AS1 and AA1 before obtaining equipment authorizations for the devices. The Company began marketing the devices in June 2018 but did not obtain equipment authorizations for the devices until July 2019.³⁰

16. Speco is therefore in violation of section 302(b) of the Act and sections 2.803(b), 15.19, 15.21, and 15.201 of the Commission's rules for failing to provide proper labels and user information disclosures for seven models and for failing to properly authorize two models before marketing them in the United States.

IV. OPPORTUNITY TO RESPOND TO THIS CITATION

17. Speco may respond to this Citation within 30 calendar days from the release date of this Citation by any of the following methods: (1) a written statement, (2) a teleconference interview, or (3) a personal interview at the Commission Field Office nearest to Speco's place of business. The Commission Field Office nearest to Speco is located in New York, New York.

18. If Speco requests a teleconference or personal interview, it must contact Jane Kelly at jane.kelly@fcc.gov or 202-418-2832. We note that such teleconference or interview must take place within 30 calendar days of the release date of this Citation. If Speco prefers to submit a written response with supporting documentation, it must send the response within 30 calendar days of the release date of this Citation to the contact and address provided in the paragraph below.

19. All written communications should be sent via e-mail to jane.kelly@fcc.gov and to EB-SED-Response@fcc.gov, and the subject line of the e-mail should specify the Company name and its investigation File Number, **EB-SED-19-00029064**. Due to network file size restrictions, the Company should partition the response into separate e-mails of less than 10 MB, including attachments. The Company should seek guidance in sufficient advance of the response deadline if it requires an alternative method of delivery.

20. Upon request, the Commission will make reasonable accommodations for persons with disabilities. If applicable, Speco should provide a description of the accommodation required, and include as much detail as possible, and provide a telephone number and other contact information. Speco should allow at least five business days advance notice; last minute requests will be accepted but may be impossible to fill. Speco should send an e-mail to fcc504@fcc.gov or call the FCC's Consumer & Governmental Affairs Bureau:

For sign language interpreters, CART, and other reasonable accommodations:
202-418-0530 (voice), 202-418-0432 (tty);

For accessible format materials (braille, large print, electronic files, and audio format):
202-418-0531 (voice), 202-418-7365 (tty).

21. We advise Speco that it is a violation of section 1.17 of the Commission's rules³¹ for any person to make any false or misleading written or oral statement of fact to the Commission. Specifically, no person shall:

²⁸ For a table that compares the date each device was first marketed with the date the device became compliant with the labeling and user information disclosure requirements, *see* Attachment, "Devices Marketed by Speco-Dates of Marketing and Compliance."

²⁹ *See* LOI Response at 8, Response to Question 11(d); *id.* at 12-13, Response to Questions 13(c) and 13(d).

³⁰ *Id.* at 7, Response to Question 11(b); *id.* at 11, Response to Question 13(a).

³¹ 47 CFR § 1.17.

(1) In any written or oral statement of fact, intentionally provide material information that is incorrect or intentionally omit material information that is necessary to prevent any material factual statement that is made from being incorrect or misleading; and

(2) In any written statement of fact, provide material factual information that is incorrect or omit material information that is necessary to prevent any material factual statement that is made from being incorrect or misleading without a reasonable basis for believing that any such material factual statement is correct and not misleading.

22. Further, the knowing and willful making of any false statement, or the concealment of any material fact, in reply to this Citation is punishable by fine or imprisonment.³²

23. Violations of section 1.17 of the Commission's rules or the criminal statute referenced above may result in further legal action, including monetary forfeitures pursuant to section 503 of the Act.

24. Finally, we warn Speco that, under the Privacy Act of 1974,³³ Commission staff will use all relevant material information before it, including information disclosed in interviews or written statements, to determine what, if any, enforcement action is required to ensure Speco's compliance with the Act and the Commission's rules.³⁴

V. FUTURE VIOLATIONS

25. If, after receipt of this Citation, Speco again violates section 302(b) of the Act and/or sections 2.803(b), 15.19, 15.21, 15.201, and/or 15.205(a) of the Commission's rules by engaging in conduct of the type described herein, the Commission may impose sanctions for each such violation. For example, the Commission may impose monetary forfeitures not to exceed \$20,489 for each such violation or each day of a continuing violation, and up to \$153,669 for any single act or failure to act.³⁵ The Commission may further adjust the forfeiture reflecting enumerated statutory factors, which include the nature, circumstances, extent, and gravity of the violation, and with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and other such matters as justice may require.³⁶ Further, as discussed above, the Commission may assess forfeitures on both the conduct that led to this Citation and the conduct following it.³⁷

VI. ORDERING CLAUSES

26. Accordingly, **IT IS ORDERED** that, pursuant to sections 4(i) and 4(j) of the Act,³⁸ Speco must cease and desist from marketing noncompliant radio frequency devices in violation of section 302(b) of the Communications Act and sections 2.803(b), 15.19, 15.21, 15.201, 15.205(a) of the Commission's rules.³⁹

³² 18 U.S.C. § 1001.

³³ 5 U.S.C. § 552a(e)(3).

³⁴ Any entity that is a "Small Business Concern" as defined in the Small Business Act (Pub. L. 85-536, as amended) may avail itself of rights set forth in that Act, including rights set forth in 15 U.S.C. § 657, "Oversight of Regulatory Enforcement," in addition to other rights set forth herein.

³⁵ See 47 U.S.C. § 503; 47 CFR § 1.80(b). This amount is subject to further adjustment for inflation. See 47 CFR § 1.80(b)(9).

³⁶ See 47 U.S.C. § 503(b)(2)(E); 47 CFR § 1.80(b)(8).

³⁷ See *supra* paragraph 2.

³⁸ 47 U.S.C. §§ 154(i), 154(j).

³⁹ 47 U.S.C. § 302a(b); 47 CFR §§ 2.803(b), 15.19, 15.21, 15.201, 15.205(a).

27. **IT IS FURTHER ORDERED** that a copy of this Citation and Order shall be sent by first class mail and certified mail, return receipt requested, to Todd Keller, Chief Executive Officer, Speco Technologies, 200 New Highway, Amityville, NY, 11701 and John J. McDonough, Counsel to Component Specialties, Inc. d/b/a Speco Technologies, 1200 19th Street NW, Washington, D.C., 20036.

FEDERAL COMMUNICATIONS COMMISSION

Elizabeth Y. Mumaw
Chief
Spectrum Enforcement Division
Enforcement Bureau

ATTACHMENT

Devices Marketed by Speco-Dates of Marketing and Compliance⁴⁰

Model	Description of Device	Date of First Sale	Date Ceased Selling	Date of Compliance with FCC labeling and user information disclosure rules
AP224	Wireless Access Point	07/24/2017	08/15/2019	05/27/2019
M24GHK	Wireless Microphone	3/31/2015	N/A	9/15/2019
M24GLK	Wireless Microphone	3/31/2015	N/A	9/15/2019
O2C1, O2C2, WIFIMOD	Wireless Cameras	5/26/2015 8/4/2016 9/16/2016	2/25/2019 5/1/2019 08/23/2019	Discontinued
AS1	Audio Streamer	7/12/2018	N/A	7/24/2019
AA1	Audio Streamer	7/10/2018	N/A	7/24/2019
ZIPK4W2	Wireless Camera Kit	2/14/2019	N/A	9/24/2019

⁴⁰ LOI Response at 8, Response to Question 11(d); *id.* at 12-13, Response to Question 13(c); *id.* at 9, Response to Question 11(h). N/A indicates that Speco continues to sell the identified product.