

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

In the Matter of
IK Communications, Inc. and IK Communications Corporation, d/b/a Amantel
File No.: EB-IHD-20-00031696
NAL/Account No.: 202232080005
FRN: 0018324327

NOTICE OF APPARENT LIABILITY FOR FORFEITURE

Adopted: February 17, 2022

Released: February 17, 2022

By the Enforcement Bureau:

I. INTRODUCTION

1. Under the Federal Communications Commission's (FCC or Commission) rules and orders, telecommunications service providers and certain telecommunications providers (collectively, service providers) are required to periodically file Telecommunications Reporting Worksheets (Worksheets) with the Universal Service Administrative Company (USAC) in furtherance of the Commission's universal service programs. USAC and the administrators of Telecommunications Relay Service, Local Number Portability, and the North American Numbering Plan rely on information filed in the Worksheets to fairly and accurately determine, as prescribed in Commission rules, each service provider's contributions responsibilities for the Universal Service Fund (USF) and these other federal funding mechanisms. Likewise, the Commission relies on the information filed in Worksheets to assess fair and accurate federal regulatory fees owed by each service provider.

2. Failure to file timely, complete, and accurate Worksheets therefore undermines the Commission's efforts to effectively maintain the USF and these other federal programs arising under the Communications Act of 1934, as amended (Act). The equitable administration of each of these federal payment requirements depends on the timely filing of Worksheets. In this case, IK Communications, Inc. and IK Communications Corporation d/b/a Amantel (collectively, IK Communications or Company) apparently failed repeatedly to file a total of six Annual Telecommunications Reporting Worksheets (Annual Worksheets) between April 1, 2016, and April 1, 2021. The Bureau issued a Letter of Inquiry (LOI) to IK Communications regarding compliance with filing and contribution requirements arising under the Act and the Commission's rules, as well as the Company's corporate structure. After receiving the LOI, IK Communications did not respond. For these apparent violations, we propose in this Notice of Apparent Liability for Forfeiture (NAL) a penalty of \$100,000 against IK Communications for its apparent, willful, and repeated failure to comply with its obligation to timely file its Annual Worksheet due on April 1, 2021, and its apparent failure to respond to the Bureau's LOI.

1 Although the Commission gave the Company an opportunity to clarify its corporate structure and affiliate relationships, we received no response from the Company. As explained below, however, the Commission understands that IK Communications, Inc. and IK Communications Corporation appear to be the same or affiliated business entities. In light of the facts as we understand them, IK Communications, Inc. and IK Communications Corporation are jointly and severally liable for the apparent violations described in this NAL.

## II. BACKGROUND

### A. Legal Framework

3. The Act codifies Congress's historical commitment to promote universal service to ensure that consumers in all regions of the nation have access to affordable, quality telecommunications services. In particular, section 254(d) of the Act requires, among other things, that "[e]very telecommunications carrier [providing] interstate telecommunications services . . . contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service."<sup>2</sup> In implementing this Congressional mandate, the Commission directed all telecommunications carriers providing interstate telecommunications services to contribute to the USF based upon their interstate and international end-user telecommunications revenues.<sup>3</sup> The Commission also requires certain providers of interstate telecommunications, including prepaid calling card providers, to contribute to the USF.<sup>4</sup> When service providers fail to pay their share of obligations to the USF, they undermine the Congressional mandates embodied in section 254(d) of the Act.<sup>5</sup> Delinquent contributors also obtain an unfair competitive advantage over companies that comply with the universal service provisions of the Act and the Commission's rules.<sup>6</sup>

4. The Commission has established specific procedures to administer the USF. Each service provider required to contribute to the USF is required to file annually an FCC Form 499-A, *i.e.*, the Annual Worksheet,<sup>7</sup> and with certain exceptions, to file quarterly an FCC Form 499-Q, also known as the Quarterly Telecommunications Reporting Worksheet (Quarterly Worksheet).<sup>8</sup> USAC uses the revenue projections submitted in the Quarterly Worksheets to determine each service provider's monthly universal service contribution obligation, pursuant to the methodology prescribed by Commission rules.<sup>9</sup> A service provider must timely file Quarterly Worksheets by February 1, May 1, August 1 and November 1 of each year, and Annual Worksheets by April 1 of each year.<sup>10</sup> The Commission's rules explicitly

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<sup>2</sup> 47 U.S.C. § 254(d).

<sup>3</sup> 47 CFR § 54.706(b).

<sup>4</sup> 47 CFR § 54.706(a) ("Entities that provide interstate telecommunications to the public, or to such classes of users as to be effectively available to the public, for a fee will be considered telecommunications carriers providing interstate telecommunications services and must contribute to the universal service support mechanisms. . . . Interstate telecommunications include, but are not limited to . . . [p]repaid calling card providers."); *see* 47 U.S.C. § 254(d) ("Any other provider of interstate telecommunications may be required to contribute to the preservation and advancement of universal service if the public interest so requires.").

<sup>5</sup> *See Telseven, LLC*, Notice of Apparent Liability for Forfeiture, 27 FCC Rcd 6636, 6637, para. 2 (2012) (*Telseven NAL*), *forfeiture issued*, Forfeiture Order, 31 FCC Rcd 1629 (2016).

<sup>6</sup> *See id.*

<sup>7</sup> *See* 47 CFR § 54.711; *Telseven NAL*, 27 FCC Rcd at 6637, para. 2. Within 30 days of beginning to provide service, new service providers must register with the Commission by obtaining an FCC registration number (FRN) from the Commission registration system (CORES) and obtaining a Filer ID from USAC's E-File system. *See, e.g., Wireline Competition Bureau Releases the 2020 Telecommunications Reporting Worksheets and Accompanying Instructions*, Public Notice, 35 FCC Rcd 1350, 1372, Attach. 2, 2020 FCC Form 499-A Instructions, Tbl. 2, Filing Schedule for One-Time Requirements (WCB 2020) (*2020 Form 499 Public Notice*).

<sup>8</sup> *See* 47 CFR § 54.711; *2020 Form 499 Public Notice*, 35 FCC Rcd at 1372; *Telseven NAL*, 27 FCC Rcd at 6637, para. 2.

<sup>9</sup> Individual universal service contribution amounts that are based upon quarterly filings are subject to an annual true-up based on the Annual Worksheets. *See* 47 CFR § 54.711; *Federal-State Joint Board on Universal Service*, Report and Order and Order on Reconsideration, 16 FCC Rcd 5748, 5752-53, para. 12 (2001).

<sup>10</sup> *See 2020 Form 499 Public Notice*, 35 FCC Rcd at 1372.

warn service providers that failure to file timely forms or submit timely USF payments potentially subjects them to enforcement action.<sup>11</sup> The Commission's rules also require that the information contained in the forms must be truthful and that the USF payments must be accurate.<sup>12</sup> The Commission's equitable contribution scheme relies on the timely, complete, and accurate filing of Annual and Quarterly Worksheets by all contributors.<sup>13</sup> A service provider must provide USAC the Worksheets by each filing deadline so that USAC can issue monthly invoices assessing correct USF contribution amounts pursuant to the Commission's rules and orders.<sup>14</sup> A service provider shirking its Worksheet filing obligations therefore frustrates Congress's policy objective to ensure the equitable and non-discriminatory distribution of universal service costs among all service providers.<sup>15</sup>

5. USAC; the administrators of Telecommunications Relay Service, Local Number Portability, and the North American Numbering Plan; and the Commission rely on the Worksheets service providers file to determine liability for, and subsequent billing and collection of, payments for important federal regulatory mechanisms implemented under the Act.<sup>16</sup> The failure of a service provider to file every Quarterly and Annual Worksheet by each filing deadline could result in USAC relying on a smaller base of USF contributions revenues than would otherwise have been reported. The Worksheet filing obligations are therefore necessary to ensure the integrity of the USF. Furthermore, a contributor's failure to comply with these filing requirements can impede the very purpose for which Congress enacted section 254(d) – to ensure that service providers contribute to USF on an equitable and nondiscriminatory basis. The effect on other programs arising under the Act that rely on assessments of the Worksheets is similar. Indeed, a service provider that neglects to submit accurate and the most current revenue information in its Worksheets can evade its federal obligations to contribute fully towards the vital programs linked to the reporting obligations.<sup>17</sup> As a consequence of this failure, other service providers

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<sup>11</sup> 47 CFR § 54.713(c).

<sup>12</sup> *Id.* at §§ 54.711(a), 54.713. An officer of a company completing an Annual Worksheet must certify, in part, as follows: "I have examined the foregoing report and, to the best of my knowledge, information and belief, all statements of fact contained in this Worksheet are true and that said Worksheet is an accurate statement of the affairs of the above-named company for the previous calendar year." *2020 Form 499 Public Notice*, 35 Rcd at 1360, Attach. 1, 2020 Form 499-A. While the Commission permits revisions to Worksheets in certain circumstances, *see id.* at 1373-74, that opportunity does not affect the separate requirement to submit accurate information in the first instance to the best of the filer's knowledge, information and belief. *See id.* at 1350.

<sup>13</sup> *See* 47 CFR § 54.711. The Commission and USAC may review records and documentation underlying revenue reported on a contributor's Worksheets to determine whether the contributor is properly reporting revenue, and thus contributing its fair share to the costs of the universal service program. *See id.* at § 54.711(a); *see also id.* at § 54.706(e).

<sup>14</sup> *See* 47 CFR § 54.711; *2020 Form 499 Public Notice*, 35 FCC Rcd at 1367, n. 17; *Telseven NAL*, 27 FCC Rcd at 6637, para. 2.

<sup>15</sup> *See* 47 U.S.C. § 254(d).

<sup>16</sup> The effective administration of Telecommunications Relay Service, *see* 47 CFR § 64.604; Local Number Portability, *see* 47 CFR § 52.32; the North American Numbering Plan, *see* 47 CFR § 52.17; and federal regulatory fees, *see* 47 CFR §§ 1.1154, 1.1157, requires the timely filing of accurate Worksheets by service providers.

<sup>17</sup> *See, e.g., Unipoint Tech., Inc.*, Notice of Apparent Liability for Forfeiture, 27 FCC Rcd 12751, 12753, para. 5 (2012), *forfeiture issued*, Forfeiture Order, 29 FCC Rcd 1633 (2014) (*Unipoint Forfeiture Order*); *ADMA Telecom, Inc.*, Notice of Apparent Liability for Forfeiture, 24 FCC Rcd 838, 846-47, para. 17 (2009), *forfeiture issued*, Forfeiture Order, 26 FCC Rcd 4152 (2011) (*ADMA Forfeiture Order*); *Local Phone Services, Inc.*, Notice of Apparent Liability for Forfeiture, 21 FCC Rcd 9974, 9977-78, para. 9 (2006), *forfeiture issued*, Order of Forfeiture, 23 FCC Rcd 8952 (2008) (proposed forfeiture reduced from \$529,000 to \$436,765 to account for updated revenue information provided to USAC by the service provider).

might shoulder an unfair burden of the USF and other federal regulatory programs implemented under the Act.<sup>18</sup>

6. All entities subject to Commission jurisdiction are responsible for knowing and abiding by the Commission's rules, and, if they do not, they may be subject to investigation and enforcement action.<sup>19</sup> Section 403 of the Act grants the Commission broad authority to conduct investigations and to compel entities to provide information and documents sought during investigations.<sup>20</sup> Section 0.111(a)(17) of the Commission's rules delegates authority to the Bureau to "conduct investigations ... on its own initiative" of potential violations of the Act and of the Commission's rules.<sup>21</sup> An LOI issued to an entity under investigation by the Bureau constitutes a Commission order, and a failure to respond to a Bureau LOI constitutes a violation of a Commission order.<sup>22</sup> This violation can give rise to a forfeiture penalty under section 503 of the Act.<sup>23</sup>

## B. Factual Background

7. IK Communications is a prepaid calling card provider based in Iselin, New Jersey.<sup>24</sup> IK Communications provides "cheap international calling" services.<sup>25</sup> The Commission granted IK

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<sup>18</sup> *See id.*

<sup>19</sup> It is well settled that ignorance of a rule does not excuse a violation. *See, e.g., Adrian Abramovitch, Marketing Strategy Leaders, Inc. and Marketing Leaders, Inc.*, Forfeiture Order, 33 FCC Rcd 4663, 4674, para. 32 & note 79 (2018) ("[O]ne may not "claim ignorance of the law as a defense" (internal cites omitted); *PTT Phone Cards, Inc.*, Forfeiture Order, 30 FCC Rcd 14701, 14704, para. 10 (2015) ("PTT's purported ignorance of the law certainly does not excuse the fact that it ... [[was] out of compliance with all of the provisions of the Act and the [[Commission's] [r]ules to which it was subject."); *Southern California Broadcasting Co., Memorandum Opinion and Order*, 6 FCC Rcd 4387, para 3 (1991), *recon. denied*, 7 FCC Rcd 3454 (1992) (stating that "inadvertence ... is at best, ignorance of the law, which the Commission does not consider a mitigating circumstance") (internal cite omitted); *see also Townsquare Media of El Paso, Inc.*, Notice of Apparent Liability for Forfeiture, 35 FCC Rcd 6661, 6662, para. 5 & note 37 (EB 2020) ("It is immaterial whether ... violations were inadvertent, the result of ignorance of the law, or the product of administrative oversight.") (internal cites omitted); *Rufus Resources, LLC*, Forfeiture Order, 33 FCC Rcd 6793, 6794, para. 5 (MB 2018) ("It is well settled that ignorance of the [[Commission's] [r]ules does not excuse a violation.") (internal cites omitted).

<sup>20</sup> 47 U.S.C. § 403 ("The Commission shall have full authority and power at any time to institute an inquiry, on its own motion, in any case and as to any matter or thing concerning which complaint is authorized to be made, to or before the Commission by any provision of this chapter, or concerning which any question may arise under any provisions of this chapter, or relating to the enforcement of any of the provisions of this chapter.").

<sup>21</sup> 47 CFR § 0.111(a)(17).

<sup>22</sup> *See, e.g., Aura Holdings of Wisconsin, Inc.*, Notice of Apparent Liability for Forfeiture, 33 FCC Rcd 3688, 3696, para. 21 (2018) (*Aura Holdings NAL*) ("An LOI issued by the [Enforcement] Bureau constitutes a Commission order, and it is well established that a failure to respond to a Bureau LOI constitutes a violation of a Commission Order.") (internal cites omitted), Forfeiture Order, 34 FCC Rcd 2540 (2019).

<sup>23</sup> 47 U.S.C. § 503(b)(1)(B) (any person who is found, in accordance with procedures set forth in section 503, to have willfully or repeatedly failed to comply with provisions of the Act or "any rule, regulation, or order issued by the Commission" shall be liable for a forfeiture penalty).

<sup>24</sup> FCC Form 499 Filer Database, <https://apps.fcc.gov/cgb/form499/499detail.cfm?FilerNum=827492> (last visited Jan. 13, 2022). A prepaid calling card provider shall be liable to the United States for a forfeiture penalty under section 503(b)(2)(B) of the Act, 47 U.S.C. § 503(b)(2)(B), if the Commission finds it failed to comply with any of the provisions of the Act or of any rule, regulation, or order issued by the Commission pursuant to the Act. *See* 47 U.S.C. § 503(b)(1) (authorizing Commission to impose forfeiture penalties); *Locus Telecommunications, Inc.*, Forfeiture Order, 30 FCC Rcd 11805, 11809, 11812 (2015) (finding a prepaid calling card provider "is a common carrier engaged in the business of providing telecommunications service to consumers in the form of prepaid calling cards" and was liable for a forfeiture penalty under section 503(b)(2)(B)), *petition for reconsideration dismissed in part and denied in part*, 31 FCC Rcd 12110 (2016).

Communications, Inc.'s application for authority to provide international facilities-based service and international resale service on June 2, 2010.<sup>26</sup>

8. IK Communications has not filed an Annual Worksheet since April 1, 2015.<sup>27</sup> Between April 1, 2016 and April 1, 2021, IK Communications failed to file any of the six Annual Worksheets required by the Commission's rules. IK Communications did not file the six annual Worksheets due in 2016, 2017, 2018, 2019, 2020, and 2021. The Annual Worksheets were due on April 1<sup>st</sup> of each year.

9. Although USAC contacted IK Communications concerning the Company's missing Worksheets, the Company nonetheless failed to comply with these important filing requirements.<sup>28</sup> Thus, on October 23, 2020, USAC referred IK Communications to the Bureau for investigation into the Company's apparent and repeated failures to comply with section 54.711 of the Commission's rules, which requires service providers to file timely Annual Worksheets.<sup>29</sup>

10. Following USAC's referral, on January 22, 2021, the Bureau issued an LOI to IK Communications concerning the Company's compliance with filing and contribution requirements arising under the Act and the Commission's rules.<sup>30</sup> The Company's response to the LOI was due on February 23, 2021, 30 days after the LOI was issued. The LOI was sent by certified mail to the address the Company submitted to CORES, the Commission Registration System,<sup>31</sup> and by e-mail to the Chief

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<sup>25</sup> *AmanTel We Connect the World*, <https://www.amantel.com/default.aspx> (last visited Jan. 13, 2022).

<sup>26</sup> The section 214 authorization was granted to IK Communications, Inc., which may also be known as IK Communications Corporation, d/b/a Amantel. See *International Authorizations Granted*, Public Notice, 25 FCC Rcd. 7156, 7158 (IB 2010). IK Communications Corporation is doing business as Amantel, and Amantel's website states, "2002-2022 Copyright IK Communications." *AmanTel We Connect the World*, <https://www.amantel.com/default.aspx> (last visited Jan. 21, 2022). IK Communications Corporation is registered as an active company in Iselin, NJ that was incorporated in 2002. State of New Jersey, NJ Department of the Treasury, Division of Revenue and Enterprise Services, *Business Name Search for IK Communications Corporation*, <https://www.njportal.com/DOR/BusinessNameSearch/Search/BusinessName> (last visited Jan. 21, 2022). IK Communications, Inc. is registered with the Commission as a corporation at 21 Holly Road, Iselin, NJ 08830. FCC CORES Database, <https://apps.fcc.gov/cores/searchDetail.do?frn=0018324327&csrfToken=> (last visited Jan. 20, 2022). The application filed by IK Communications, Inc. for Commission approval to provide international telecommunications service under section 214 of the Act, 47 U.S.C. 214, identified the company's address as 21 Holly Road, Iselin, NJ 08830. International Section 214 Application for IK Communications, Inc. (Sept. 30, 2009) (on file at ITC-214-20090930-00435). Thus, although the Company has failed to respond to the LOI, including the Bureau's inquiries concerning the business structure of the Company and its affiliates, these facts indicate that IK Communications, Inc. and IK Communications Corporation are related and apparently the same or affiliated business entities.

<sup>27</sup> FCC Form 499 Filer Database, <https://apps.fcc.gov/cgb/form499/499detail.cfm?FilerNum=827492> (last visited Jan. 13, 2022).

<sup>28</sup> Letter from Tracey Pilsch, Manager of Contributor Operations, 499 Team, Finance, Universal Services Administrative Company, to Victoria Randazzo, Investigations & Hearings Division, FCC Enforcement Bureau (Jan. 8, 2022) (on file in EB-IHD-20-00031696) (USAC Letter).

<sup>29</sup> See *id.* See also 47 CFR § 54.711; 2020 Form 499 Public Notice, 35 FCC Rcd at 1372; *Telseven NAL*, 27 FCC Rcd at 6637, para. 2.

<sup>30</sup> Letter of Inquiry from Jeffrey J. Gee, Chief, Investigations & Hearings Division, FCC Enforcement Bureau, to Ravinder Paul, Chief Executive Officer, IK Communications, Inc. (Jan. 22, 2021) (regarding compliance with 47 U.S.C. §§ 159(a), 222, 251(e)(2), 254(d); 47 CFR §§ 1.1154, 1.1157, 1.7001, 1.8002, 52.17, 52.32, 54.706, 54.711, 54.712, 54.713, 64.604, 64.2009(e), 64.2115) (on file in EB-IHD-20-00031696) (LOI).

<sup>31</sup> See FCC CORES Database, <https://apps.fcc.gov/cores/searchDetail.do?frn=0018324327&csrfToken=> (last visited Jan. 20, 2022).

Executive Officer (CEO).<sup>32</sup> IK Communications received the LOI on January 28, 2021.<sup>33</sup> The Company did not submit its response.

### III. DISCUSSION

11. Based on evidence developed through the Bureau's investigation, we find that the Company apparently, willfully, and repeatedly violated sections 52.17(b), 52.32(b), 54.711 and 64.604(c)(5)(iii)(B) of the Commission's rules by failing to timely file the Company's Annual Worksheets and apparently and willfully violated a Commission order by failing to respond to a Bureau LOI.<sup>34</sup> We propose a forfeiture of \$100,000 for IK Communications' failure to file its Annual Worksheet due on April 1, 2021, and its failure to respond to a Bureau LOI on February 23, 2021.

#### A. IK Communications Apparently Violated Commission Rule's By Failing to Timely File its Annual Worksheets

12. IK Communications apparently failed to file all six Worksheets due between April 1, 2016, and April 1, 2021.<sup>35</sup> As noted above, service providers like IK Communications must timely file Annual Worksheets by April 1 of each year.<sup>36</sup> Between April 1, 2016, and April 1, 2021, IK Communications apparently did not file any of the six required Worksheets. We consider each individual failure to file a timely Annual Worksheet a separate violation of section 54.711 of the Commission's rules.<sup>37</sup> We thus find that the Company apparently, willfully, and repeatedly violated section 54.711 of the Commission's rules by failing to file Annual Worksheets for 2016-21. We find that the Company also apparently, willfully, and repeatedly violated sections 52.17(b), 52.32(b), and 64.604(c)(5)(iii)(B) of the Commission's rules by failing to file its Annual Worksheets for 2016, 2017, 2018, 2019, 2020, and 2021. As explained further below, however, we propose a forfeiture for only one of these apparent violations because the other violations occurred outside of the applicable statute of limitations.

#### B. IK Communications Apparently Violated a Commission Order by Failing to Respond to a Bureau LOI

13. Sections 4(i), 218, and 403 of the Act give the Commission broad power to compel carriers such as IK Communications to provide information and documents sought by the Bureau's LOI.<sup>38</sup> It is long settled that when an entity subject to Commission jurisdiction fails to respond to a Bureau LOI, the entity violates a Commission order.<sup>39</sup>

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<sup>32</sup> See E-mail from Victoria Randazzo, Attorney Advisor, Investigations and Hearings Division, FCC Enforcement Bureau, to Ravinder Paul, CEO, IK Communications Corporation (Jan. 22, 2021 at 16:35 EDT).

<sup>33</sup> See Certified Mail Receipt from Ravinder Paul, CEO, IK Communications Corporation, to Victoria Randazzo, Attorney Advisor, Investigations and Hearings Division, FCC Enforcement Bureau (Jan. 28, 2021) (on file in EB-IHD-20-00031696).

<sup>34</sup> See, e.g., *See GPSPS, Inc.*, Notice of Apparent Liability for Forfeiture, 30 FCC Rcd 2522, para. 20 (2015) (*GPSPS NAL*), Forfeiture Order, 30 FCC Rcd 7814, 7814, para. 2 (2015) (*GPSPS Forfeiture Order*); *Net One Int'l, Net One, LLC, Farrahtel Int'l, LLC*, Notice of Apparent Liability for Forfeiture and Order, 26 FCC Rcd 16493, 16494, para. 5 (EB 2011) (*Net One NAL*), Order of Forfeiture, 29 FCC Rcd 264 (EB 2014) (*Net One Forfeiture Order*).

<sup>35</sup> FCC Form 499 Filer Database, <https://apps.fcc.gov/cgb/form499/499detail.cfm?FilerNum=827492> (last visited Jan. 13, 2022).

<sup>36</sup> E.g., *2020 Form 499 Public Notice*, 35 FCC Rcd at 1372.

<sup>37</sup> Additionally, each individual failure to timely file an Annual Worksheet are separate violations of 47 CFR §§ 52.17(b), 52.32(b), and 64.604(c)(5)(iii)(B).

<sup>38</sup> 47 U.S.C. §§ 154(i), 218, 403.

<sup>39</sup> See *GPSPS, Inc.*, Notice of Apparent Liability for Forfeiture, 30 FCC Rcd 2522, para. 20 (2015) (*GPSPS NAL*),

(continued....)

14. The LOI directed IK Communications to provide, by February 23, 2021, information related to its compliance with sections 1.1154, 1.1157, 1.7001, 1.8002, 52.17, 52.32, 54.706, 54.711, 54.712, 54.713, 64.604, 64.2009(e), and 64.2115 of the Commission's rules regarding compliance with filing and contributions requirements. Although the Company received the LOI,<sup>40</sup> IK Communications did not respond. Accordingly, consistent with well-established precedent, we find IK Communications' failure to respond to the LOI constitutes an apparent and willful violation of a Commission order.

#### IV. PROPOSED FORFEITURE

15. Section 503(b) of the Act authorizes the Commission to impose a forfeiture against any entity that "willfully or repeatedly fail[s] to comply with any of the provisions of [the Act] or of any rule, regulation, or order issued by the Commission."<sup>41</sup> For the violations at issue here, section 503(b)(2)(B) of the Act authorizes us to assess a forfeiture against a service provider such as IK Communications of up to \$220,213 for each violation or each day of a continuing violation, up to a statutory maximum of \$2,202,123 for a single act or failure to act.<sup>42</sup> In exercising our forfeiture authority, we must consider 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 such other matters as justice may require."<sup>43</sup> In addition, the Commission has established forfeiture guidelines, which establish base penalties for certain violations and identify criteria to consider when determining the appropriate penalty in any given case.<sup>44</sup>

16. The Commission may adopt upward or downward adjustments to forfeitures when appropriate.<sup>45</sup> Under section 1.80 of the Commission's rules, we may adjust a forfeiture upward for egregious misconduct, ability to pay and relative disincentive, an intentional violation, substantial harm, prior violations of Commission requirements, substantial economic gain, or repeated or continuous violations.<sup>46</sup> We may adjust a forfeiture downward for a minor violation, good faith or voluntary disclosure, a history of overall compliance, or an inability to pay.<sup>47</sup> The forfeiture guidelines listed in

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Forfeiture Order, 30 FCC Rcd 7814, 7814, para. 2 (2015) (*GPSPS Forfeiture Order*); *Net One Int'l, Net One, LLC, Farrahel Int'l, LLC*, Notice of Apparent Liability for Forfeiture and Order, 26 FCC Rcd 16493, 16494, para. 5 (EB 2011) (*Net One NAL*), Order of Forfeiture, 29 FCC Rcd 264 (EB 2014) (*Net One Forfeiture Order*).

<sup>40</sup> See *supra* para 10, note 33.

<sup>41</sup> 47 U.S.C. § 503(b)(1)(B).

<sup>42</sup> See 47 U.S.C. § 503(b)(2)(B); 47 CFR § 1.80(b)(2). These amounts reflect inflation adjustments to the forfeitures specified in section 503(b)(2)(B) of the Act (\$100,000 per violation or per day of a continuing violation and a statutory maximum of \$1,000,000 for a single act or failure to act). See *Amendment of Section 1.80(b) of the Commission's Rules, Adjustment of Civil Monetary Penalties to Reflect Inflation*, Order, DA 21-1631 (EB 2021); see also *Annual Adjustment of Civil Monetary Penalties to Reflect Inflation*, 87 Fed. Reg. 396 (Jan. 5, 2022) (setting January 5, 2022, as the effective date for the increases).

<sup>43</sup> 47 U.S.C. § 503(b)(2)(E); 47 CFR § 1.80(b)(10)

<sup>44</sup> 47 CFR § 1.80(b)(10), Table 1 to Paragraph (b)(10).

<sup>45</sup> See *Commission's Forfeiture Policy Statement & Amendment of Section 1.80 of the Rules to Incorporate the Forfeiture Guidelines*, Report and Order, 12 FCC Rcd 17087, 17110, para. 53 (1997) (citing 47 U.S.C. § 503(b)(2)(E)) (*1997 Forfeiture Guidelines*), *recon. denied*, Memorandum Opinion and Order, 15 FCC Rcd 303 (1999).

<sup>46</sup> 47 CFR § 1.80(b)(10), Table 3 to Paragraph (b)(10). See also *1997 Forfeiture Guidelines*, 12 FCC Rcd at 17098–99, para. 22 (1997) (noting that "[a]lthough we have adopted the base forfeiture amounts as guidelines to provide a measure of predictability to the forfeiture process, we retain our discretion to depart from the guidelines and issue forfeitures on a case-by-case basis, under our general forfeiture authority contained in Section 503 of the Act").

<sup>47</sup> 47 CFR § 1.80(b)(10), Table 3 to Paragraph (b)(10).



section 1.80 of the Commission's rules specifically "are intended as a guide for frequently recurring violations" and not "a complete or exhaustive list of violations."<sup>48</sup>

17. Section 312(f)(1) of the Act defines "willful" as the "conscious and deliberate commission or omission of [any] act, irrespective of any intent to violate" the law.<sup>49</sup> The legislative history to section 312(f)(1) of the Act clarifies that this definition of willful applies to both sections 312 and 503(b) of the Act,<sup>50</sup> and the Commission has so interpreted the term in the section 503(b) context.<sup>51</sup> We therefore find that the Company's apparent failures to file Worksheets required between April 1, 2016, and April 1, 2021, and failure to respond to a Bureau LOI by February 23, 2021, were willful. Given that the Company apparently failed to timely file six Worksheets between April 1, 2016, and April 1, 2021, we also find that the Company's apparent filing violations were repeated.<sup>52</sup> Section 503(b)(6)(B) of the Act provides that no forfeiture penalty shall be imposed if "the violation charged occurred more than 1 year prior to the date of issuance of the required notice or notice of apparent liability."<sup>53</sup> We therefore propose a forfeiture for the Company's apparent failure to file its Annual Worksheet due April 1, 2021, and its failure to respond to a Bureau LOI due February 23, 2021.

**A. Proposed Forfeiture for Apparent Failure to File Annual Worksheets**

18. Section 1.80 of the Commission's rules specifies a base forfeiture of \$3,000 for failure to file required forms or information.<sup>54</sup> However, as the Commission observed in another USF enforcement action,<sup>55</sup> "the size and scope of the universal service and [other federal regulatory] programs impose a monumental burden on the Commission [and] USAC . . . to verify that each and every carrier has complied with the revenue reporting requirements. By necessity, the Commission and the other entities must rely on carriers' compliance with our rules."<sup>56</sup> USAC relies on the timely filing of Worksheets in order to calculate the correct monthly USF contributions owed by each service provider. The timely filing of accurate Worksheets is crucial to implementing Commission contribution rules based on the Congressional directive to ensure the equitable and non-discriminatory distribution of universal service costs among all service providers. Thus, the Commission has consistently proposed a forfeiture of \$50,000 for each failure of a service provider to file an Annual Worksheet, and do so here for the

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<sup>48</sup> *1997 Forfeiture Guidelines*, 12 FCC Rcd at 17109-10, para. 53.

<sup>49</sup> 47 U.S.C. § 312(f)(1).

<sup>50</sup> H.R. Rep. No. 97-765, 97<sup>th</sup> Cong. 2d Sess. 51 (1982) ("This provision [inserted in section 312] defines the terms 'willful' and 'repeated' for purposes of section 312, and for any other relevant section of the act (e.g., section 503) . . . . As defined[,]. . . 'willful' means that the licensee knew that he was doing the act in question, regardless of whether there was an intent to violate the law. 'Repeated' means more than once, or where the act is continuous, for more than one day. Whether an act is considered to be 'continuous' would depend upon the circumstances in each case. The definitions are intended primarily to clarify the language in sections 312 and 503, and are consistent with the Commission's application of those terms . . . .").

<sup>51</sup> See, e.g., *S. Cal. Broad. Co.*, Memorandum Opinion and Order, 6 FCC Rcd 4387, 4388 (1991).

<sup>52</sup> Under the Act, 47 U.S.C. § 503(b)(1)(B), any service provider that "willfully or repeatedly" fails to comply with provisions of the Act or Commission rules or orders issued pursuant to the Act shall be liable for a forfeiture penalty.

<sup>53</sup> 47 U.S.C. § 503(b)(6)(B).

<sup>54</sup> 47 CFR § 1.80(b)(10), Table 1 to Paragraph (b)(10).

<sup>55</sup> *Globcom, Inc.*, Notice of Apparent Liability for Forfeiture and Order, 18 FCC Rcd 19893 (2003) (*Globcom NAL*), forfeiture issued, Order of Forfeiture, 21 FCC Rcd 4710 (2006) (*Globcom Forfeiture Order*).

<sup>56</sup> *Globcom NAL*, 18 FCC Rcd at 19904, para. 30.

<sup>57</sup> E.g., *PTT Phone Cards NAL*, 29 FCC Rcd at 11543, para. 30 (citing *Unipoint Forfeiture Order*, 29 FCC Rcd at

(continued....)



Company's failure to timely file the Annual Worksheet due on April 1, 2021.<sup>57</sup> We further propose an upward adjustment of \$25,000 for the reasons discussed below.

19. In assessing a forfeiture amount, we consider the nature, extent and gravity of the failure to comply with the Worksheet filing requirements to be very serious.<sup>58</sup> The Commission, USAC, and the administrators of Telecommunications Relay Service, Local Number Portability, and the North American Numbering Plan rely on the data reported in Worksheets to respectively determine the accurate amounts that service providers owe for regulatory fees, the USF, and these other important funding mechanisms arising under the Act.<sup>59</sup> IK Communications' failure to file its Worksheets between April 1, 2016, and April 1, 2021, had serious implications for the administration of these funding mechanisms. The ability of the Commission and the administrators acting on its behalf to assess accurate regulatory fees, and contributions for the USF, and Telecommunications Relay Service, Local Number Portability, and North American Numbering Plan administration, depend on every service provider's compliance with the periodic Worksheet filing requirements. A service provider's failure to timely file its Worksheets impedes the Congressional mandate that each service provider contribute on an equitable and nondiscriminatory basis to the USF,<sup>60</sup> and to these other important funding mechanisms arising under the Act. We have also considered the degree of the Company's culpability and repeated violations.<sup>61</sup> The Company has an important obligation to file an Annual Worksheet every year. IK Communications has apparently failed to comply for nearly six years. The Company is thus highly culpable for the apparent filing failures, which were repeated over several years.

20. Section 1.80 of the Commission's rules provides for an upward adjustment to forfeiture amounts for prior violations of any FCC requirements and for repeated or continuous violations.<sup>62</sup> We apply an upward adjustment of \$25,000, 50% of the \$50,000 forfeiture we have assessed for Worksheet filing violations in previous decisions, and propose here,<sup>63</sup> because of the repeated nature of the Company's violations, including the Company's failures to file six Annual Worksheets from April 1, 2016, and April 1, 2021.<sup>64</sup> Consistent with prior precedent, we thus propose a forfeiture of \$75,000, which includes a \$50,000 forfeiture for failing to file its Annual Worksheet by April 1, 2021, and an upward adjustment of \$25,000 for the Company's repeated failures to file its Annual Worksheets.<sup>65</sup>

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1643, para. 32; *ADMA Forfeiture Order*, 26 FCC Rcd at 4155, 4162, paras. 9, 28; *Globcom Forfeiture Order*, 21 FCC Rcd 4710, 4720-21, 4727, paras. 26-28, 31, 45); *PTT Phone Cards Forfeiture Order*, 30 FCC Rcd at 14707, para. 19.

<sup>58</sup> See 47 U.S.C. § 503(b)(2)(E).

<sup>59</sup> See 47 CFR §§ 1.1154, 1.1157, 52.17(a), 52.32, 54.711, 64.604(c)(5)(iii).

<sup>60</sup> See 47 U.S.C. § 254(d).

<sup>61</sup> See *id.* at § 503(b)(2)(E); 47 CFR § 1.80, Note to Paragraph (b)(10).

<sup>62</sup> 47 CFR § 1.80(b)(10), Table 3 to Paragraph (b)(10).

<sup>63</sup> *E.g.*, *PTT Phone Cards NAL*, 29 FCC Rcd at 11543, para. 30 (citing *Unipoint Forfeiture Order*, 29 FCC Rcd at 1643, para. 32; *ADMA Forfeiture Order*, 26 FCC Rcd at 4155, 4162, paras. 9, 28; *Globcom Forfeiture Order*, 21 FCC Rcd 4710, 4720-21, 4727, paras. 26-28, 31, 45); *PTT Phone Cards Forfeiture Order*, 30 FCC Rcd at 14707, para. 19.

<sup>64</sup> See USAC Letter.

<sup>65</sup> See *Peace Communications, LLC*, Notice of Apparent Liability for Forfeiture, DA 21-875, 2021 WL 3266176, at \*5-6 (EB 2021); *US South Communications, Inc.*, Notice of Apparent Liability for Forfeiture, 35 FCC Rcd 12668, 12676, para. 22 (EB 2020) (forfeiture paid); *Compu-Phone Voice & Data, Inc.*, Notice of Apparent Liability for Forfeiture, 35 FCC Rcd 6573, 6583, para. 23 (EB 2020) (forfeiture paid); *Blue Casa Telephone, LLC*, Notice of Apparent Liability for Forfeiture, 35 FCC Rcd 6333, 6344, para. 25 (EB 2020) (forfeiture paid).

**B. Proposed Forfeiture for Apparent Failure to Respond to a Bureau LOI**

21. Section 1.80 of the Commission's rules establishes a base forfeiture of \$4,000 for failure to respond to Commission communications.<sup>66</sup> Section 1.80 of the Commission's rules also provides for an upward adjustment to forfeiture amounts for egregious misconduct and intentional violations.<sup>67</sup> IK Communications received the LOI, but did not respond. The Company's failure to provide a response to the LOI threatens to compromise the Commission's ability to adequately investigate violations of its rules.<sup>68</sup> An upward adjustment is appropriate given the egregiousness of IK Communications' apparent violation.<sup>69</sup> Given the critical importance of LOI's to the Commission's investigatory and regulatory functions, in prior cases involving investigation targets that failed to respond to Bureau LOI's, we have imposed forfeitures of \$25,000.<sup>70</sup> Consistent with this precedent, we therefore propose a forfeiture of \$25,000 for the Company's failure to respond to the Bureau's LOI.

22. In assessing a forfeiture amount we consider the nature, extent and gravity of the failure to respond to the Bureau's LOI.<sup>71</sup> IK Communications' failure to respond to the LOI had serious implications on the Commission's ability to investigate the Company to ensure compliance with the Commission's requirements to file Worksheets and to comply with contribution obligations consistent with the data reported in the Worksheets. The Company has an important obligation to respond to a Bureau LOI and is thus highly culpable for its failure to comply.

23. Consistent with the Act and the Commission's rules,<sup>72</sup> we have exercised our discretion and considered the specific circumstances related to the Company and the violations it apparently committed, and we therefore find the Company apparently liable for a total proposed forfeiture of one hundred thousand dollars (\$100,000) for apparently, willfully and repeatedly failing to timely comply with the Commission's Worksheet filing requirements and apparently willfully failing to respond to a Bureau LOI.<sup>73</sup>

**V. ORDERING CLAUSES**

24. Accordingly, **IT IS ORDERED** that, pursuant to section 503(b) of the Act, and section 1.80 of the Commission's rules,<sup>74</sup> IK Communications, Inc. and IK Communications Corporation, d/b/a Amantel **IS HEREBY NOTIFIED** of this **APPARENT LIABILITY FOR A FORFEITURE** in the amount of one hundred thousand dollars (\$100,000) for apparently, willfully and repeatedly violating section 54.711 of the Commission's rules and apparently willfully violating a Commission order.<sup>75</sup>

25. **IT IS FURTHER ORDERED** that, pursuant to section 1.80 of the Commission's

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<sup>66</sup> 47 CFR § 1.80(b)(10), Table 1 to Paragraph (b)(10).

<sup>67</sup> *Id.*

<sup>68</sup> See *Neon Phone Service, Inc.*, Notice of Apparent Liability for Forfeiture, 32 FCC Rcd 7964, 7974, para. 24 (2017) (*Neon Phone NAL*).

<sup>69</sup> See 47 U.S.C. § 503(b)(2)(E); 47 CFR § 1.80(b)(10), Note 2 to Paragraph (b)(10).

<sup>70</sup> *GPS/SPS NAL*, 30 FCC Rcd at para. 28 (proposing a \$25,000 forfeiture for failure to respond to an LOI) (forfeiture paid); *Net One NAL*, 26 FCC Rcd at 16496, para. 8 (proposing a \$25,000 forfeiture for failure to respond to an LOI).

<sup>71</sup> See 47 U.S.C. § 503(b)(2)(E).

<sup>72</sup> See 47 U.S.C. § 503(b)(2)(E); 47 CFR § 1.80(b)(10), Note 2 to Paragraph (b)(10).

<sup>73</sup> 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.

<sup>74</sup> 47 U.S.C. § 503(b); 47 CFR § 1.80.

<sup>75</sup> 47 U.S.C. §§ 154(i), 218, 403; 47 CFR § 54.711.

rules,<sup>76</sup> within thirty (30) calendar days of the release date of this Notice of Apparent Liability for Forfeiture and Order, IK Communications, Inc. and IK Communications Corporation, d/b/a Amantel **SHALL PAY** the full amount of the proposed forfeiture or **SHALL FILE** a written statement seeking reduction or cancellation of the proposed forfeiture consistent with paragraph 28 below.

26. IK Communications, Inc. and IK Communications Corporation, d/b/a Amantel shall send electronic notification of payment to Victoria Randazzo, Enforcement Bureau, Federal Communications Commission, at [Victoria.Randazzo@fcc.gov](mailto:Victoria.Randazzo@fcc.gov) on the date said payment is made. Payment of the forfeiture must be made by credit card, ACH (Automated Clearing House) debit from a bank account, or by wire transfer using the Commission's Registration System (the Commission's FRN Management and Financial system)<sup>77</sup>. The Commission no longer accepts Civil Penalty payments by check or money order. Below are instructions that payors should follow based on the form of payment selected:<sup>78</sup>

- Payment by wire transfer must be made to ABA Number 021030004, receiving bank TREAS/NYC, and Account Number 27000001. A completed Form 159 must be faxed to the Federal Communications Commission at 202-418-2843 or e-mailed to [RROGWireFaxes@fcc.gov](mailto:RROGWireFaxes@fcc.gov) on the same business day the wire transfer is initiated.<sup>79</sup> Failure to provide all required information in Form 159 may result in payment not being recognized as having been received. When completing FCC Form 159, enter the Account Number in block number 23A (call sign/other ID), enter the letters "FORF" in block number 24A (payment type code), and enter in block number 11 the FRN(s) captioned above (Payor FRN).<sup>80</sup> For additional detail and wire transfer instructions, go to <https://www.fcc.gov/licensing-databases/fees/wire-transfer>.
- Payment by credit card must be made by using the Commission's Registration System (CORES) at <https://apps.fcc.gov/cores/userLogin.do>. To pay by credit card, log-in using the FCC Username associated to the FRN captioned above. If payment must be split across FRNs, complete this process for each FRN. Next, select "Manage Existing FRNs | FRN Financial | Bills & Fees" from the CORES Menu, then select FRN Financial and the view/make payments option next to the FRN. Select the "Open Bills" tab and find the bill number associated with the NAL Acct. No. The bill number is the NAL Acct. No. with the first two digits excluded (e.g., NAL 1912345678 would be associated with FCC Bill Number 12345678). After selecting the bill for payment, choose the "Pay by Credit Card" option. Please note that there is a \$24,999.99 limit on credit card transactions.
- Payment by ACH must be made by using the Commission's Registration System (CORES) at <https://apps.fcc.gov/cores/paymentFrnLogin.do>. To pay by ACH, log in using the FCC Username associated to the FRN captioned above. If payment must be split across FRNs, complete this process for each FRN. Next, select "Manage Existing FRNs | FRN Financial | Bills & Fees" on the CORES Menu, then select FRN Financial and the view/make payments option next to the FRN. Select the "Open Bills" tab and find the bill number associated with the NAL Acct. No. The bill number is the NAL Acct. No. with the first two digits excluded (e.g., NAL 1912345678 would be associated with FCC Bill Number 12345678). Finally, choose the "Pay from Bank Account" option. Please contact the appropriate financial institution to confirm the

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<sup>76</sup> 47 CFR § 1.80.

<sup>77</sup> Payments made using CORES do not require the submission of an FCC Form 159.

<sup>78</sup> For questions regarding payment procedures, please contact the Financial Operations Group Help Desk by phone at 1-877-480-3201 (option #6), or by e-mail at [ARINQUIRIES@fcc.gov](mailto:ARINQUIRIES@fcc.gov).

<sup>79</sup> FCC Form 159 is accessible at <https://www.fcc.gov/licensing-databases/fees/fcc-remittance-advice-form-159>.

<sup>80</sup> Instructions for completing the form may be obtained at <http://www.fcc.gov/Forms/Form159/159.pdf>.

correct Routing Number and the correct account number from which payment will be made and verify with that financial institution that the designated account has authorization to accept ACH transactions.

27. Any request for making full payment over time under an installment plan should be sent to Chief Financial Officer—Financial Operations, Federal Communications Commission, 45 L Street, NE, Washington, D.C. 20554 and e-mailed to Scott Radcliffe, Revenue & Receivables Operations Group, FCC Office of the Managing Director, at [Scott.Radcliffe@fcc.gov](mailto:Scott.Radcliffe@fcc.gov).<sup>81</sup> If you have questions regarding payment procedures, please contact the Financial Operations Group Help Desk by phone, 1-877-480-3201, or by e-mail, [ARINQUIRIES@fcc.gov](mailto:ARINQUIRIES@fcc.gov).

28. The written statement seeking reduction or cancellation of the proposed forfeiture, if any, must include a detailed factual statement supported by appropriate documentation and affidavits pursuant to sections 1.16 and 1.80(g)(3) of the Commission's rules.<sup>82</sup> The written statement must be mailed to Jeffrey J. Gee, Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 45 L Street, NE, Washington, D.C. 20554, and must include the NAL/Act. No. referenced in the caption. The written statement shall also be e-mailed to Jeffrey J. Gee at [Jeffrey.Gee@fcc.gov](mailto:Jeffrey.Gee@fcc.gov) and to Victoria Randazzo at [Victoria.Randazzo@fcc.gov](mailto:Victoria.Randazzo@fcc.gov).

29. The Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the petitioner submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting principles (GAAP); or (3) some other reliable and objective documentation that accurately reflects the petitioner's current financial status. Any claim of inability to pay must specifically identify the basis for the claim by reference to the financial documentation submitted. Inability to pay, however, is only one of several factors that the Commission will consider in determining the appropriate forfeiture, and we have discretion to not reduce or cancel the forfeiture if other prongs of 47 U.S.C. § 503(b)(2)(E) support that result.<sup>83</sup>

30. **IT IS FURTHER ORDERED** that a copy of this Notice of Apparent Liability for Forfeiture and Order shall be sent by certified mail, return receipt requested, and first-class mail to Ravinder Paul, Chief Executive Officer, IK Communications, Inc. and IK Communications Corporation, d/b/a Amantel, 21 Holly Road, Iselin, NJ 08830, and by e-mail to [paul@amantel.com](mailto:paul@amantel.com).

FEDERAL COMMUNICATIONS COMMISSION

Loyaan A. Egal  
Acting Chief  
Enforcement Bureau

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<sup>81</sup> See 47 CFR § 1.1914.

<sup>82</sup> 47 CFR §§ 1.16, 1.80(g)(3).

<sup>83</sup> *Adrian Abramovich*, Forfeiture Order, 33 FCC Rcd 4663, 4678-79, paras. 44-45 (2018).