



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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FCC CHIEF OF STAFF PRAISES DECISIVE ACTION TO PROSECUTE FRAUD IN VRS PROGRAM

WASHINGTON – Twenty-six people were charged today with engaging in a scheme to steal more than \$50 million from the Video Relay Service (VRS) program.

VRS is an online translation service that allows people with hearing disabilities to communicate through the use of interpreters and Web cameras, at no cost to the user. The VRS program reimburses companies that provide this service, and is funded by fees assessed by telecommunications providers to telephone customers.

The arrests were announced by Assistant Attorney General **Lanny A. Breuer** of the Department of Justice's Criminal Division, Assistant Director of the FBI's Washington Field Office **Joseph Persichini, Jr.**, Deputy Chief Postal Inspector **Zane Hill**, and FCC Chief of Staff **Edward Lazarus**, at a press conference Thursday.

Prepared Remarks of Edward Lazarus, FCC Chief of Staff:

"I would like to thank the Department of Justice, the Federal Bureau of Investigation, and the United States Postal Service for their help and cooperation in this investigation into waste, fraud, and abuse in the Video Relay Service program. I also want to pay tribute to the extraordinary efforts of the FCC's acting Inspector General David Hunt and his team. This is, to my knowledge, the largest investigation that the FCC's Inspector General's Office has ever undertaken, and we could not have effectively pursued the indictments unsealed today without a terrific collaboration across many agencies.

"Today's events represent both a tragedy and an opportunity. The tragedy is the unfortunate truth that a significant number of unscrupulous individuals, at great cost to the nation, have preyed on a very important program for delivering essential telecommunications services to persons with hearing disabilities. The opportunity is the chance to reiterate our commitment to the VRS program and to follow through on efforts, already begun at the FCC, both to safeguard the program against further waste, fraud, and abuse and to improve its delivery of VRS services to consumers.

"With respect to our unwavering commitment to preventing future waste, fraud, and abuse, I am pleased to report that over the past year, the FCC has substantially tightened its oversight of the VRS program, working with the current outside administrator of the program to increase the

scrutiny on call records and identify and act upon irregularities. As a result of this greater oversight, the FCC has withheld payment on nearly 2 million minutes of questionable VRS calls -- an action that will save many millions of dollars.

“The FCC has also initiated and is in the final stages of completing a competitive process for selecting its next TRS Fund Administrator. The new Administrator will operate under much stricter control, including a new auditing regime, to guard against the kind of waste, fraud, and abuse that previously plagued the program. Moreover, to facilitate the early detection and punishment of wrongdoers, our Inspector General Office operates a telephone hotline for reporting fraud. And, finally, now that today’s indictments have become public, the FCC will be moving forward expeditiously with a comprehensive review of the VRS program to ensure that its underlying structure fosters the efficient, effective, and lawful provision of VRS.

“A central mission of the Federal Communications Commission is to make telecommunications available to all Americans, including persons with disabilities. We appreciate how critical VRS has become to fulfilling this mission and we are committed to maintaining and improving the VRS program. I would also emphasize that nothing we do today, or in this investigation, will prevent the processing of legitimate VRS calls. Moving forward, our goal will be simple: to ensure that the VRS program is one that the American people can be proud of, and that the deaf community can rely on.”

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