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**For Immediate Release**

**FCC CHARGES TOTAL CALL MOBILE WITH OVERBILLING THE  
LIFELINE PROGRAM, PLANS \$51 MILLION FINE**  
*Company Received Reimbursements from Universal Service Fund for Apparently Enrolling  
Tens of Thousands of Ineligible and Duplicate Consumers in Lifeline Program*

WASHINGTON, April 7, 2016 – The Federal Communications Commission today announced that it plans to fine Total Call Mobile \$51,070,322 for apparently enrolling tens of thousands of duplicate and ineligible consumers into the Lifeline program. Lifeline provides discounted phone service to low-income consumers so that they have access to the communications tools necessary to connect with jobs, family, and emergency services.

The Commission alleges that since 2014, Total Call has requested and received an estimated \$9.7 million dollars in improper payments from the Universal Service Fund for duplicate or ineligible consumers despite repeated and explicit warnings from its own employees, in some cases compliance specialists, that company sales agents were engaged in widespread enrollment fraud. Lifeline providers are required to ensure their employees do not commit fraud within the program. This is the largest fine that the Commission has proposed against a Lifeline provider.

“We reserve the strongest sanctions for those who defraud or abuse federal programs,” said Enforcement Bureau Chief Travis LeBlanc. “Any waste, fraud, or abuse in the Lifeline program diverts scarce funds from the consumers they are meant to serve and undermines the public’s trust in the program and its stewardship.”

The Enforcement Bureau’s Universal Service Fund Strike Force conducted the investigation of the California-headquartered Total Call, which provides Lifeline services in at least 19 states and territories. The Strike Force’s investigation found that Total Call apparently engaged in systematic and egregious misconduct, including:

- Total Call sales agents enrolled tens of thousands of duplicate consumers.
- Total Call was aware of a systematic problem of duplicate enrollments as early as November 2013, a full year before the Universal Service Fund administrator raised the issue with the company.
- During the fourth quarter of 2014, 99.8 percent of Total Call’s enrollments nationwide involved overriding the third-party verification system designed to catch duplicate enrollments.

- Sales agents shared eligibility documents, such as Supplemental Nutrition Assistance Program (SNAP) cards, in order to use the documents to conduct multiple enrollments.
- Employees staffing an internal sales agent help line advised agents on how to get around or disguise defective identification or eligibility documentation for applicants. For example, in one instance a help line employee counseled a sales agent to put his or her finger over the word “void” on an eligibility document.
- As early as May 2014, employees told Total Call management that they were aware of increasing instances of eligibility fraud, such as the repeated use of single SNAP cards with no name or other identifying information to enroll ineligible or duplicate consumers. Despite this, no meaningful changes to employee training or verification procedures were made.
- One sales agent used the identification from a stolen wallet to register 10 Lifeline cell phones in the name of the wallet’s owner without his/her permission. When that agent was arrested and charged with identity theft, he/she possessed not only the wallet but 12 additional Total Call-issued Lifeline cell phones.

Among the Enforcement Bureau’s guiding mandates is its role in policing the integrity of Commission funds, programs and services. In addition to today’s proposed fine and in light of the egregiousness of the conduct alleged, the Commission indicated in its formal notice that it may initiate proceedings to revoke Total Call’s authorizations to operate as a Lifeline provider and a common carrier.

Under the current Lifeline program rules, eligible telecommunications carriers receive \$9.25 per month for each qualifying low-income consumer receiving phone service, and are required to pass a discount equal to the reimbursement along to the consumer. Lifeline providers may seek reimbursement for providing service to a consumer only after confirming the consumer’s eligibility and that the consumer is not already receiving Lifeline service. The Lifeline program is funded through contributions assessed on telecommunication providers.

Last week, the Commission adopted the 2016 Lifeline Reform rules, modernizing the Lifeline program. Among other reforms, the rules establish an independent National Eligibility Verifier to determine the eligibility of consumers enrolling in Lifeline in order to stop abuses of the type alleged in today’s proposed fine. This new national verifier puts an independent party in control of determining subscriber eligibility thereby removing that obligation from self-interested providers.

A copy of today’s Notice of Apparent Liability is available at [https://apps.fcc.gov/edocs\\_public/attachmatch/FCC-16-44A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/FCC-16-44A1.pdf).

An NAL details the Commission’s allegations of unlawful conduct, and proposes a monetary forfeiture for such conduct. The description of the NAL set forth herein and the apparent violations found in the NAL should be treated as allegations. Members of the public who have information related to this matter may provide it at <https://consumercomplaints.fcc.gov/>.

Action by the Commission April 7, 2016, by Notice of Apparent Liability for Forfeiture (FCC 16-44). Chairman Wheeler and Commissioner Rosenworcel approving. Commissioner Clyburn approving in part and concurring in part. Commissioners Pai and O’Rielly approving in part and dissenting in part. Commissioners Clyburn, Pai and O’Rielly issuing separate statements.

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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. Cir. 1974).*