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For Immediate Release**BLUE JAY WIRELESS TO PAY \$2 MILLION, ENDING INVESTIGATION INTO ITS TRIBAL LIFELINE REIMBURSEMENTS IN HAWAII**

WASHINGTON, July 15, 2016 – The Federal Communications Commission’s Enforcement Bureau today announced that it has reached a settlement with Blue Jay Wireless to resolve an investigation into whether the company improperly enrolled several thousand Hawaiian customers as eligible for enhanced Tribal support reimbursements from the FCC’s Lifeline program.

The Lifeline program provides a discount on phone service so that low-income consumers have access to the communications tools necessary to connect with jobs, family, and emergency services. Qualifying low-income consumers who reside on Tribal lands, which include Hawaiian Home Lands in the State of Hawaii, are eligible for higher support from the Lifeline program (up to an additional \$25 per month). Under the settlement, Blue Jay will reimburse the Universal Service Fund approximately \$2 million and adopt substantial compliance procedures.

“The Lifeline program is vital to millions of consumers in cities, rural areas, and tribal lands who rely upon it every day to connect with loved ones, interview for jobs, and contact emergency services,” said Enforcement Bureau Chief Travis LeBlanc. “This settlement makes clear that no Lifeline provider should turn a blind eye to potential fraud on the program.”

The Enforcement Bureau’s Universal Service Fund Strike Force conducted the investigation of Blue Jay, which is headquartered in Texas and is eligible to participate in Lifeline in 17 states and Puerto Rico. The investigation found that Blue Jay had incorrectly requested and received Lifeline Tribal reimbursements for enrolled consumers who did not reside on Hawaiian Home Lands.

In 2014, Hawaii Public Utilities Commission staff informed Blue Jay that the number of Tribal consumers it was claiming appeared to exceed the number of households on Hawaiian Home Lands. Despite knowing that Blue Jay could be improperly claiming enhanced Tribal support reimbursements, Blue Jay continued to seek reimbursement for those improper consumers while it sought to gather more accurate information about its Hawaiian Home Lands Tribal consumers.

Today’s settlement ensures a total of \$2,002,000 in reimbursements by Blue Jay to the Universal Service Fund, including the company’s forfeiture of \$918,010 in Lifeline disbursements that the

Commission has already frozen. Blue Jay also will develop and implement a compliance plan to ensure appropriate procedures are incorporated into its business practices to prevent the enrollment of ineligible Tribal consumers, including the use of an approved software tool to identify and verify the accuracy of consumers' self-certification of their residency on Tribal Lands.

Last year, the Commission sought public comment on whether to require additional evidence of residency on Tribal lands beyond self-certification and how carriers should provide proof of eligibility to prevent waste, fraud and abuse of enhanced support. More information can be found here: <http://go.usa.gov/xCHNT>.

This is the second Lifeline enforcement action this year. In April, the Commission announced that it planned to fine Total Call Mobile \$51 million for apparently enrolling tens of thousands of ineligible and duplicate consumers in the Lifeline program. A copy of the Total Call Mobile Notice of Apparent Liability can be found here: <http://go.usa.gov/xCH5R>.

Today's Consent Decree with Blue Jay Wireless can be found here:
https://apps.fcc.gov/edocs_public/attachmatch/DA-16-790A1.pdf.

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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).