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For Immediate Release**FCC PROPOSES \$63 MILLION FINE FOR LIFELINE VIOLATIONS*****Largest USF-Related Penalty Proposed for Apparently Seeking Federal Lifeline Funds for Ineligible Accounts, Including Deceased Subscribers, While Company Ownership Spent Those Funds on Luxury Personal Items***

WASHINGTON, October 23, 2018—The Federal Communications Commission today proposed a \$63,465,500 fine against American Broadband and Telecommunications Company, a wireless reseller based in Ohio, for apparent repeated, systematic, and large-scale violations of FCC rules governing the Lifeline program, which helps make communications services more affordable for low-income Americans.

The Lifeline program provides a \$9.25 discount on broadband and phone services for low-income consumers. Service providers participating in the program receive funds for each eligible Lifeline subscriber and must pass the savings on to those subscribers.

The FCC found that American Broadband, through its sales agents, apparently improperly sought and received Lifeline funding by creating numerous ineligible Lifeline subscriber accounts. For example, the company created fake accounts by enrolling deceased individuals and by manipulating the personal information (names, dates of birth, and social security numbers) of existing Lifeline subscribers. In addition, the company apparently filed inaccurate forms with the Lifeline program administrator and apparently failed to de-enroll subscribers it knew or should have known were ineligible to receive Lifeline support.

The Commission based today's proposed fine on 42,309 apparently improper Lifeline claims made in August 2016, after the company had told the Commission it had fixed its systems and processes to ensure compliance with FCC rules. In August 2016 alone, American Broadband apparently sought and received Lifeline support for more than 12,000 deceased individuals.

The \$63.5 million proposed fine is the largest ever proposed for violations of rules governing carriers seeking to receive support from the federal Universal Service Fund, which pays for Lifeline and three other support programs. This action is part of the FCC's ongoing effort to combat waste, fraud, and abuse in the Lifeline program.

In today's action, the Commission also found the company's owner, Jeffrey Ansted, liable for the proposed penalty. Rather than using Lifeline funds to cover the cost of service for eligible subscribers, in many instances Mr. Ansted apparently used these funds for his personal benefit, including to pay for a Ferrari convertible, a \$1.3 million condominium in Florida, landscaping work, yacht club and country club memberships, and an \$8 million Cessna jet.

The proposed action, formally called a Notice of Apparent Liability for Forfeiture, or NAL, contains only allegations that advise a party on how it has apparently violated the law and may set forth a proposed monetary penalty. The Commission may not impose a greater monetary penalty in this action than the amount proposed in the NAL. Neither the allegations nor the proposed sanctions in the NAL are final Commission actions. The party will be given an opportunity to respond and the Commission will consider the party's submission of evidence and legal arguments before acting further to resolve the matter.

Action by the Commission October 23, 2018 by Notice of Apparent Liability for Forfeiture (FCC 18-144). Chairman Pai, Commissioners O'Rielly, Carr, and Rosenworcel approving. Chairman Pai, Commissioners Carr and Rosenworcel 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).