

**Media Contact:**

Will Wiquist, (202) 418-0509  
will.wiquist@fcc.gov

**For Immediate Release**

**FCC VOTES TO CREATE NEW FRAUD DIVISION WITHIN THE  
ENFORCEMENT BUREAU**

***Expert Team To Focus on Fighting Waste, Fraud, & Abuse in Universal Service  
Fund Programs***

WASHINGTON, February 4, 2019—The Federal Communications Commission has voted to create a Fraud Division within its Enforcement Bureau. This action codifies and reiterates the importance of ongoing work by FCC enforcement staff to combat misuse of taxpayer funds.

“Protecting taxpayer dollars as we use Universal Service Fund programs to bridge the digital divide lies at the heart of our work at the FCC,” said Rosemary Harold, chief of the Enforcement Bureau. “To ensure we are effective in that work, it is vital that we maintain a steady eye on these programs to address the unfortunate reality that, over the years, too much money that should have gone to connect American consumers and businesses has been lost, stolen, or misused. Establishing a Fraud Division within the Bureau will help us combat waste, fraud, and abuse in these important connectivity programs.”

The new Fraud Division will be dedicated to investigating and prosecuting fraud in the Universal Service Fund (USF). This team will work closely with the FCC’s Office of Inspector General, the U.S. Department of Justice, and other law enforcement agencies to prosecute unlawful conduct. The Fraud Division will be established following review and approval by the Office of Management and Budget and the House and Senate Appropriations Committees, as well as publication of the Order in the Federal Register.

The USF consists of four programs: (1) the High Cost program, providing financial support to eligible telecommunications carriers serving high cost areas; (2) the Schools and Libraries Program (also known as the E-Rate program), providing discounted communications services to eligible schools and libraries; (3) the low-income program (also known as Lifeline), assisting low-income consumers pay for telephone and broadband services; and (4) the Rural Health Care Program, providing discounted telecommunications and broadband services to rural healthcare providers. The Commission is responsible for implementing and overseeing the USF.

The FCC has strong rules against the misuse of funds in these programs. The Enforcement Bureau is tasked with pursuing those that fail to abide by those rules. Among its recent USF-related enforcement actions, the Commission proposed a fine of more than [\\$63 million](#) against American Broadband for apparent large-scale violations in the Lifeline program, including apparently creating fake accounts by enrolling deceased individuals and manipulating the personal information of existing Lifeline subscribers. The Commission also recently [proposed](#) an \$18.7 million fine against DataConnex for apparently defrauding the Rural Health Care

Program, including apparent use of forged, false, misleading, and unsubstantiated documents to improperly seek funding from the Fund.

###

**Office of Media Relations: (202) 418-0500**  
**ASL Videophone: (844) 432-2275**  
**TTY: (888) 835-5322**  
**Twitter: @FCC**  
**[www.fcc.gov/media-relations](http://www.fcc.gov/media-relations)**

*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).*