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For Immediate Release

**COMMISSIONER GEOFFREY STARKS CALLS FOR WITHDRAWAL
OF DRAFT SPRINT/T-MOBILE MERGER ORDER BASED ON
SERIOUS MISCONDUCT ALLEGATIONS**

*Unprecedented scale of apparent Lifeline violations
raises questions about the future of proposed merger*

Washington, DC - September 24, 2019 - Today, FCC Chairman Ajit Pai announced an investigation into Sprint's alleged misappropriation of Lifeline support for 885,000 ineligible accounts. The following statement can be attributed to Commissioner Geoffrey Starks of the Federal Communications Commission:

"The misconduct alleged today, if true, amounts to corporate malfeasance. A single company apparently misappropriated funds for nearly 10 percent of the entire Lifeline program. I am outraged. Our universal service dollars are precious. Every dollar must get to its intended recipient. This is particularly true for our Lifeline program, which makes communications services affordable for the most vulnerable communities. Addressing internet inequality is one of the FCC's most pressing and important responsibilities, and Lifeline and our other universal service programs are our most powerful tools to do so, particularly for Americans in rural areas and communities of color.

"Moreover, this announcement directly impacts our review of the proposed merger between Sprint and T-Mobile, one of the largest wireless transactions in FCC history. Given the enormity of the apparent wrongdoing committed here, we must pause our Commission review. The draft order relies heavily on information submitted by Sprint, a company alleged to have over-collected Lifeline support, and inaccurately accounted for nearly 1 million inactive Lifeline accounts. How the merging parties were going to handle Lifeline was a prominent part of their merger pitch, so I am alarmed and concerned about such a massive inaccuracy in a core part of the transaction. And why was it that an outside party brought this issue to the FCC's attention – shouldn't the FCC have uncovered this? Such apparent misconduct raises serious questions about the accuracy and completeness of both the company's filings in the merger proceeding and our review.

"There is no credible way that the merger before us can proceed until this Lifeline investigation is resolved and responsible parties are held accountable. Without the benefit of the findings of this investigation into what appears to be the worst case of Lifeline violations in FCC history, it is impossible for us to trust in the integrity and completeness of the record, evaluate the character and fitness of the applicants, and exercise our statutorily defined obligation to grant only license transfers that serve the public interest. I call for our staff to conduct a thorough review during this pause – the integrity of our merger review process is at stake.

“As a former enforcement official, I’m acutely aware of the Commission’s history of strong penalties against carriers that have violated the program’s rules. While I’m gratified that we are investigating Sprint’s apparent misconduct, I’m outraged that Sprint appears to have unlawfully obtained at least tens of millions of dollars that should have gone to our lowest-income communities. Rather than working to strengthen the Lifeline program, Sprint apparently failed to remove accounts that went unused for longer than the program rules allow and, nevertheless, continued to collect subsidy payments. Continuing to collect and retain payments for these accounts could undermine policymakers’ confidence in the Lifeline program overall.

“Finally, with this latest disclosure, the Commission now has multiple high-profile investigations implicating Sprint and/or T-Mobile that, to this date, remain unresolved including allegations of the dangerous and unlawful disclosure of wireless customer geolocation information, and the submission of inaccurate coverage data in the agency’s Mobility Fund II proceeding.”

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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).