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**For Immediate Release****T-MOBILE WILL PAY \$200 MILLION CIVIL PENALTY  
TO RESOLVE SPRINT LIFELINE INVESTIGATION*****Largest Fixed-Amount Penalty To Be Paid in Commission History***

WASHINGTON, November 4, 2020—The Federal Communications Commission’s Enforcement Bureau today announced that T-Mobile will pay a \$200 million penalty to the U.S. Treasury to resolve an investigation of its subsidiary Sprint’s compliance with the Commission’s rules regarding waste, fraud, and abuse in the Lifeline program for low-income consumers. The payment is the largest fixed-amount settlement the Commission has ever secured to resolve an investigation. The settlement comes after an Enforcement Bureau investigation into reports that Sprint, prior to its merger with T-Mobile, was claiming monthly subsidies for serving approximately 885,000 Lifeline subscribers even though those subscribers were not using the service, in potential violation of the Commission’s “non-usage” rule. The matter initially came to light as a result of an investigation by the Oregon Public Utility Commission. In addition to paying a \$200 million civil penalty, Sprint agreed to enter into a compliance plan to help ensure future adherence to the Commission’s rules for the Lifeline program.

“Lifeline is key to our commitment to bringing digital opportunity to low-income Americans, and it is especially critical that we make the best use of taxpayer dollars for this vital program,” said Chairman Ajit Pai. “I’m pleased that we were able to resolve this investigation in a manner that sends a strong message about the importance of complying with rules designed to prevent waste, fraud, and abuse in the Lifeline program. In addition to the great work of our Enforcement Bureau team, I would like to thank the Oregon Public Utility Commission for its efforts in this case. States play an important role in helping low-income consumers get access to affordable communications through Lifeline and making sure the program is run efficiently.”

The Lifeline program helps make phone and broadband service more affordable for low-income consumers. Providers participating in the program receive a \$9.25 monthly subsidy for most Lifeline subscribers, which they must pass along to consumers as a discount. For most mobile Lifeline consumers served by Sprint and many other providers, the subsidy makes the service free to the consumer.

The Bureau’s investigation concerned Sprint’s compliance with Commission Lifeline rules, including the “non-usage” rule. Under this rule, providers of “free” service may only be reimbursed for a Lifeline subscriber if that subscriber has used the service at least once in the past 30 days, and such providers must de-enroll subscribers who don’t use their phones after giving them 15 days’ notice. The rule is meant to protect Lifeline from wasting taxpayer funds

on service that isn't used to benefit individual consumers. The FCC developed this and other rules after investigations showed that companies were aggressively selling free Lifeline service, knowing that they would get paid each month even if consumers didn't use their phones. Since there was no bill, consumers had no incentive to relinquish the subscription.

Sprint provides wireless Lifeline service under the Assurance Wireless brand to millions of low-income households nationwide. Earlier this year, Sprint and T-Mobile merged, with Sprint continuing as a wholly-owned subsidiary of T-Mobile.

The consent decree is available at: <https://docs.fcc.gov/public/attachments/DA-20-1295A1.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).*