

December 13, 2021

The Honorable Jessica Rosenworcel
Chairwoman
Federal Communications Commission
45 L Street, NE
Washington, DC 20554

Dear Chairwoman Rosenworcel:

We are troubled by the recent Federal Communications Commission (FCC) Office of Inspector General (OIG) finding of fraud and abuse in the Emergency Broadband Benefit (EBB) program. The FCC needs to make improvements to prevent further fraud and abuse in this program, particularly as the agency considers changes to transition the EBB to the Affordable Connectivity Program (ACP).

Last month, the FCC OIG found that broadband providers have been fraudulently enrolling households in the EBB program.¹ The providers falsely claimed that certain customers' households had children attending schools participating in the National School Lunch Program's Community Eligibility Provision (CEP) in order to obtain EBB funds.² The OIG found that in some CEP schools, the number of households enrolled in the EBB program far exceeded the number of students actually attending the school. In one case, the number of households enrolled was nine times greater than the number of students at the school.

This is not the first time a federal watchdog has found fraud and abuse in an FCC program. In 2017, the Government Accountability Office (GAO) stated that it could not verify the eligibility of 1.2 million Lifeline subscribers, and a potential annual subsidy amount of \$1.2 million could have resulted from potentially ineligible or fictitious individuals receiving Lifeline benefits.³ Similarly, a 2020 GAO report found that the FCC's oversight of its E-Rate program was "insufficient...to identify potential fraud risks."⁴ The OIG's recent findings, combined with these reports, raise serious questions about the FCC's ability to oversee and manage its programs.

The upcoming transition of the EBB to the ACP provides further reason for concern. Congress created the EBB to address the connectivity needs of low-income families during the

¹ https://www.fcc.gov/sites/default/files/oig_advisory_cep_11222021.pdf

² *Id.*

³ <https://www.gao.gov/assets/gao-17-538.pdf>

⁴ <https://www.gao.gov/products/gao-20-606>

COVID-19 pandemic, and the Infrastructure Investment and Jobs Act made the program permanent by transitioning it to the ACP.⁵ Unlike other FCC subsidy programs, the ACP will be funded through appropriations, rather than Universal Service Fund contributions. We are concerned that the FCC may proceed with rules for a permanent ACP that do not adequately protect American taxpayers or best serve eligible households.

To help Congress ensure that the FCC is appropriately administering and overseeing the EBB program, we ask that you provide the following information by January 7, 2022.

1. When did your office become aware of fraud or abuse in the EBB program?
 - a. Did your office alert other Commissioners when you were made aware of potential fraud or abuse? If not, please explain why.
 - b. Please share the timeline of actions taken at the Commission related to this fraud or abuse, including when the other offices and bureaus were notified.
2. Have you identified the providers who committed fraud or abuse? If yes, please provide the names of the providers to our committees.
 - a. What enforcement actions can the FCC take against providers who commit fraud or abuse?
 - b. Has the FCC taken action against these providers? If so, please describe those actions. If not, please detail what action you anticipate taking.
 - c. Will these providers be permitted to participate or continue participating in other FCC programs?
 - d. What steps will the FCC take to ensure providers do not continue these fraudulent practices?
 - e. Has the FCC determined the total amount of funds that were disbursed households that were fraudulently enrolled?
 - f. How does the FCC plan to recover the fraudulently disbursed funds?
 - g. Have you considered referring the matter to the Department of Justice? If not, why not?
3. What steps will the FCC take to confirm the eligibility of current EBB recipients?
 - a. What additional rule changes are you contemplating to ensure the ACP is appropriately targeted to eligible households, particularly for enrollees meeting the eligibility criteria using information provided by another Federal agency?

⁵ P.L. 117-58, div. F, tit. V § 60502(a).

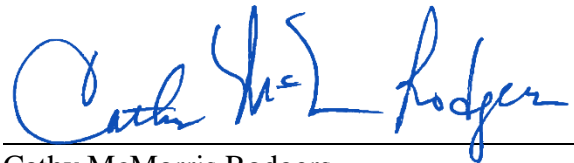
4. What steps will the FCC take to ensure future enrollees, specifically those enrolling based on a dependent child attending a CEP school, are eligible for ACP?
 - a. What level of educational information was given to providers in the past about EBB eligibility, and have you updated providers since the OIG report?
 - b. What additional rule changes are you contemplating to prevent fraudulent enrollments?
5. Does the FCC plan to seek comment on draft rules for the ACP from other Commissioners and the public? If not, why not?
6. What new measures, if any, will the FCC enact to combat fraud and abuse across all of its subsidy programs?

Thank you for your attention to this matter.

Sincerely,



Roger F. Wicker
Ranking Member
Committee on Commerce, Science
and Transportation
U.S. Senate



Cathy McMorris Rodgers
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives



John Thune
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