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For Immediate Release

FCC SETTLES INVESTIGATION INTO TRUPHONE FOR FAILING TO ACCURATELY DISCLOSE FOREIGN OWNERSHIP STAKE

Company to Pay \$600,000 Penalty, Fully Divest Russian Ownership Interests, and Ensure All Foreign Investment Complies with Treasury Department's Sanctions List

WASHINGTON, October 20, 2022—The FCC's Enforcement Bureau today announced a settlement with Truphone to resolve the Commission's Notice of Apparent Liability issued against it earlier this year for failing to disclose accurate ownership stakes held by foreign entities and transferring control of FCC licenses and international section 214 authorization without Commission approval to do so. Because of its inaccuracies, control of the company's FCC licenses were transferred repeatedly to unvetted foreign individuals and entities without accurate disclosure to and review by the Commission and Executive Branch agencies for national security, law enforcement, foreign policy, or trade policy concerns as required by law.

In addition to admitting the violations, the company will pay a civil penalty of \$600,000 and enter into a robust compliance plan. The agreement requires any stake in Truphone held by Alexander Abramov, Alexander Frolov, or Roman Abramovich to be divested. Truphone also agrees to file all overdue and incomplete forms for the Commission to conduct a thorough review of its ownership structure so as to assess whether it warrants a referral to the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector, known informally as Team Telecom. Furthermore, Truphone agrees to take the necessary steps to ensure that it has a process in place so that no individuals or entities designated by the Treasury Department's Office of Foreign Asset Control, through its Specially Designated Nationals and Blocked Persons List ("sanctions list), have any ownership or investment interests in the company at any time.

"Pursuing unauthorized transactions that impact foreign ownership, control, or investment in entities that possess FCC authorizations or licenses is one of our top priorities," said Loyaan A. Egal, Acting Chief of the Enforcement Bureau. "The terms reached in this settlement agreement reflect the Enforcement Bureau's continued efforts to work closely with our colleagues in the FCC's International Bureau and our partners in the Team Telecom Committee and throughout the interagency to ensure that access to the telecommunications services market in the United States remains consistent with U.S. national security and law enforcement interests."

Truphone failed to accurately report its ownership structure and obtain prior approval before vesting control of the company in certain of its owners. It also failed to obtain Commission approval before an unvetted foreign individual/entity acquired more than five percent of Truphone. Among these transfers, Truphone has stated that, as of March 15, 2022, a 22.8

percent interest in the Company is indirectly held by a trust established for the benefit solely of the family members of Roman Abramovich, who is a citizen of Israel, Portugal and Russia.

The settlement, formally called a Consent Decree, is available at:
<https://docs.fcc.gov/public/attachments/DA-22-1072A1.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).