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For Immediate Release

FCC PROPOSES \$20 MILLION PENALTY AGAINST Q LINK AND HELLO MOBILE FOR APPARENTLY FAILING TO PROTECT CUSTOMER DATA

Companies' Apparent Violations of FCC's CPNI Authentication Requirements Placed Consumer Data at Risk

WASHINGTON, July 28, 2023—The FCC's Privacy and Data Protection Task Force today announced the Commission's adoption of a proposed fine for apparent failure to protect the privacy and security of subscribers' personal data. Specifically, the Commission adopted a proposed fine of \$20 million against Q Link Wireless LLC and Hello Mobile Telecom LLC for apparent violations of FCC rules that require carriers to authenticate customers' identity before providing online access to Customer Proprietary Network Information (CPNI). The Enforcement Bureau's investigation found that both companies—which are affiliated mobile carriers—apparently relied upon practices that placed customer information at risk of unauthorized access and disclosure.

“Today's action is an important step in our commitment to protect the privacy and security of consumer information,” **said FCC Chairwoman Jessica Rosenworcel**. “Consumers rely on their carriers to keep their personal information secure, and the Commission must effectively use our tools for enforcing privacy protections. This is why I established the Commission's first-ever Privacy and Data Protection Task Force, which convenes technical and legal experts from across the agency to coordinate our efforts to use the law to get results.”

The Bureau's investigation revealed apparent violations of three provisions of section 64.2010 of the Commission's rules. The investigation found that the companies relied on readily available biographical information and account information to control online access to CPNI, which apparently violated the CPNI rules and placed customers' sensitive personal data at risk. The investigation also found that the companies also apparently violated the Commission's rules by failing to employ reasonable data security standards, placing customers at increased risk for privacy violations and bad actors' potential misuse of their sensitive personal data.

“Because of the volume of information they possess and the nature of the services they provide, telecommunications companies are high-value targets for cybercriminals and foreign adversaries,” said Loyaan A. Egal, FCC Enforcement Chief and Head of the Privacy and Data Protection Task Force. “With this enforcement action, all telecommunications service providers are on notice that protecting customers' data should be their highest priority, and we will use our authorities to ensure that they comply with their obligations to do so.”

The proposed action, formally called a Notice of Apparent Liability for Forfeiture, or NAL, contains only allegations that advise a party on how it has apparently violated the law and may set forth a proposed monetary penalty. The Commission may not impose a greater monetary

penalty in this case than the amount proposed in the NAL. Neither the allegations nor the proposed sanctions in the NAL are final Commission actions. The party will be given an opportunity to respond and the Commission will consider the party's submission of evidence and legal arguments before acting further to resolve the matter.

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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).