

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

Judy Green

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File No. EB-08-IH-1139

NOTICE OF DEBARMENT

Adopted: May 11, 2009

Released: May 12, 2009

By the Commission:

I. INTRODUCTION

1. In this Notice, we debar Judy Green (“Ms. Green”) from all activities associated with the schools and libraries universal service support mechanism (also known as the “E-Rate program”).¹ Ms. Green was convicted of twenty-two counts of fraud, collusion, aiding and abetting, and conspiracy to commit wire and mail fraud, in connection with her leadership of multiple schemes to defraud the E-Rate program.² Based on the record in this proceeding, we debar Ms. Green from participation in the E-Rate program for ten (10) years from the effective date of this Notice. We find that the ten-year debarment period imposed against Ms. Green is necessary to protect the public interest and guard against waste, fraud, and abuse in the E-Rate program, consistent with section 254 of the Communications Act of 1934, as amended (the “Act”).³

II. BACKGROUND

A. The Act and the Commission’s Rules

2. The E-Rate program is one of several federal programs designed to promote and support the goal of universal service, *i.e.*, making telecommunications available to all Americans.⁴

¹ See 47 C.F.R. §§ 0.111(a), 54.8.

² Any further reference in this letter to “Green’s conviction” refers to the judgment on conviction of twenty-two counts entered in Federal District Court earlier this year. *United States v. Judy Green*, Criminal Docket No. 3:05-CR-00208-WHA-007, Judgment (N.D. Cal. Filed and entered March 19, 2008) (“Judy Green Judgment”).

³ 47 U.S.C. § 254. The Telecommunications Act of 1996 amended the Communications Act of 1934. See Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996).

⁴ See *id.* §§ 254(b), (h)(1)(B).

These programs are funded by the federal Universal Service Fund (“USF”). The Commission appointed the Universal Service Administrative Company (“USAC”) to administer the USF.⁵ The resources for the E-Rate program in particular are designed to fulfill the principle expressed in section 254(b)(6) of the Act that “[e]lementary and secondary schools and classrooms, . . . and libraries should have access to advanced telecommunications services.”⁶

3. As part of an effort to protect the resources of the E-Rate program from waste, fraud, and abuse, the Commission in 2003 adopted rules for suspending and debarring persons convicted of, or held civilly liable for, the commission or attempted commission of fraud and other similar offenses arising out of participation in the E-Rate program.⁷ The purpose of suspension and debarment is to prevent such persons from further participation in the E-Rate program for a certain period of time, and thereby protect the public interest and USF.⁸ In 2007, the Commission extended the debarment rules to apply to all of the federal universal service mechanisms.⁹

4. Pursuant to our rules, the Commission “shall suspend and debar” persons convicted of, or held civilly liable for, certain fraud-related offenses involving any of the USF mechanisms, including the E-Rate program, “absent extraordinary circumstances.”¹⁰ Such offenses include the “attempt or commission of criminal fraud, theft, embezzlement, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, obstruction of justice and other fraud or criminal offense arising out of activities associated with or related to the schools and libraries support mechanism.”¹¹ Upon learning that a person has been convicted of or found liable for one of these offenses, our rules contemplate that the Commission will immediately suspend the person from the E-Rate program, provide “prompt notice” to that effect, and initiate debarment proceedings.¹² Thereafter, our rules provide the suspended person 30 days to contest suspension or the proposed debarment, or seek to limit its scope, but state that relief from suspension “will not ordinarily be granted.”¹³ Once we have debarred a person, our rules state that the person will be prohibited from involvement with the E-Rate program for three years,

⁵ *Id.*

⁶ 47 U.S.C. § 254(b)(6).

⁷ 47 C.F.R. § 54.8(c). *See Schools and Libraries Universal Service Support Mechanism*, Second Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202 (2003) (“*Second Report and Order*”).

⁸ *Second Report and Order*, 18 FCC Rcd at 9225, ¶ 66.

⁹ *Comprehensive Review of the Universal Service Fund Management, Administration, and Oversight; Federal-State Joint Board on Universal Service; Schools and Libraries Universal Service Support Mechanism; Lifeline and Link Up; Changes to the Board of Directors for the National Exchange Carrier Association, Inc.*, Report and Order, 22 FCC Rcd 16372, 16410-12 (2007) (“*Program Management Order*”) (renumbering section 54.521 of the universal service debarment rules as section 54.8 and amending subsections (a)(1), (5), (c), (d), (e)(2)(i), (3), (e)(4), and (g)).

¹⁰ 47 C.F.R. § 54.8(b). The rule defines a “person” as any individual, group of individuals, corporation, partnership, association, unit of government or legal entity, however organized. 47 C.F.R. § 54.8(a)(6). Opting for a stringent debarment rule, the Commission explicitly rejected a government-wide standard providing that an entity “may” be debarred based on a conviction or civil judgment. *See Second Report and Order*, 18 FCC Rcd at 9227, ¶ 74.

¹¹ 47 C.F.R. § 54.8(c).

¹² 47 C.F.R. § 54.8(e).

¹³ 47 C.F.R. § 54.8(e)(4).

although the rules contemplate that the Commission might modify the period in particular circumstances if necessary to protect the public interest, including setting a longer period of debarment.¹⁴ Further, if multiple convictions or judgments have been rendered, the Commission shall determine based on the facts before it whether debarments shall run concurrently or consecutively.¹⁵

5. Since the debarment rule became effective, there have been convictions of twenty individuals and four corporations related to their participation in the E-Rate program.¹⁶ After each conviction following the enactment of the rule, the Commission initiated debarment proceedings against the perpetrators. To date, the Commission has debarred twenty individuals¹⁷ and four corporations.¹⁸

B. Judy Green's Criminal Activity and Conviction

6. Judy Green worked as a consultant from 1998 through 2004, advising school districts on computer network design and obtaining government funding, including applying for funds through the E-Rate program.¹⁹ Ms. Green also worked as a sales representative for Video Network Communications, Inc. ("VNCI") from 1999 until 2002.²⁰ VNCI manufactured video

¹⁴ 47 C.F.R. § 54.8(g) (providing that the debarment period set forth in the rule may be lengthened or extended if necessary to protect the public interest).

¹⁵ 47 C.F.R. § 54.8(g).

¹⁶ See FCC, *Universal Service Fund Enforcement*, at <http://www.fcc.gov/eb/usfc/> (providing links to all Universal Service Fund suspension and debarment actions).

¹⁷ *Id.* Several debarments involved individuals connected to the fraudulent schemes described in the instant proceeding. See Letter from Maureen F. Del Duca, Chief, Investigations and Hearings Division, Enforcement Bureau, to Duane Maynard, Howe Electric, Inc., Notice of Debarment, 18 FCC Rcd 26729 (Inv. & Hearings Div., Enf. Bur. 2003); Letter from Hillary S. DeNigro, Chief, Investigations and Hearings Division, Enforcement Bureau, to Allan Green, Notice of Debarment, 23 FCC Rcd 11960 (Inv. & Hearings Div., Enf. Bur. 2008); Letter from Hillary S. DeNigro, Chief, Investigations and Hearings Division, Enforcement Bureau, to Earl Nelson, 23 FCC Rcd 11966, Notice of Debarment (Inv. & Hearings Div., Enf. Bur. 2008); Letter from Hillary S. DeNigro, Chief, Investigations and Hearings Division, Enforcement Bureau, to George Marchelos, Notice of Debarment 23 FCC Rcd 11972 (Inv. & Hearings Div., Enf. Bur. 2008); Letter from Hillary S. DeNigro, Chief, Investigations and Hearings Division, Enforcement Bureau, to William Holman, 23 FCC Rcd 11978, Notice of Debarment (Inv. & Hearings Div., Enf. Bur. 2008). Ms. Green has been suspended from participation in the E-Rate program in connection with her involvement in these schemes, and her debarment will become final upon the effective date of this Notice. See *infra* note 40.

¹⁸ See *NEC-Business Network Solutions, Inc.*, Notice of Debarment and Order Denying Waiver Petition, 21 FCC Rcd 7491 (2006) ("*NEC Debarment Order*"); *Inter-Tel Technologies, Inc.*, Notice of Debarment, 21 FCC Rcd 7506 (2006) ("*Inter-Tel Debarment Order*"); *NextiraOne, LLC.*, Notice of Debarment and Order Denying Waiver Petition, 22 FCC Rcd. 1005 (2007); *Premio, Inc.*, Notice of Debarment, 22 FCC Rcd 1019 (2007) ("*Premio Debarment Order*"). Three of the four corporate debarments have been issued against companies involved in the fraudulent schemes described in the instant proceeding. See *infra* note 23.

¹⁹ See *United States v. Video Network Communications, Inc. et al.*, Criminal Docket No. 3:05-CR-00208-CRB, Superseding Indictment (N.D. Cal. filed Dec. 8, 2005 and entered Dec. 12, 2005), also available at <http://www.usdoj.gov/atr/cases/f213600/213626.htm> (accessed May 1, 2008) ("*VNCI Superseding Indictment*") (Ms. Green was joint owner, along with her husband, Allan Green, of ADJ Consultants, Inc. where she provided consulting services to schools and vendors looking to participate in the E-Rate program.)

²⁰ See VNCI Superseding Indictment at ¶¶ 4-5, 15. VNCI was formerly known as Objective Communications and was a Delaware corporation with its principal place of business in Portsmouth, New Hampshire. *Id.*

teleconferencing switches and provided equipment and services for E-Rate funded projects.²¹ Ms. Green performed marketing for VNCI products to educational institutions and local school districts, including those receiving E-Rate funds.²²

7. Ms. Green used her positions as both an independent school consultant and sales representative at VNCI to perpetrate a massive fraud on the E-Rate program, involving more than 25 separate E-Rate projects in schools located throughout seven states,²³ with an impact of more than \$57 million on the E-Rate fund. She was a ring leader and orchestrator of three separate and overlapping schemes that originated in 1998 and continued until 2004.²⁴ On March 19, 2008, Ms. Green was convicted of 22 counts of fraud, collusion, aiding and abetting, and conspiracy to commit wire and mail fraud in connection with her participation in the E-Rate program, in the United States District Court in San Francisco (“District Court”). She was sentenced to serve seven and a half years in prison.²⁵ Specifically, the schemes that formed the basis of Ms. Green’s conviction involved conspiring with various individuals and businesses for the purpose of fraudulently obtaining funds for unlawful enrichment by assessing unauthorized fees and receiving payments for such fees, submission of materially false information to USAC regarding the cost and eligibility of equipment and services,²⁶ intentionally misrepresenting schools’ ability and

²¹ *Id.*

²² *Id.*

²³ The schemes targeted California, Michigan, Arkansas, South Carolina, Wisconsin, Pennsylvania, and New York. See *VNCI Superseding Indictment* at ¶¶ 138,150 (Counts 21 and 22).

²⁴ VNCI Superseding Indictment. See also Department of Justice, Press Release (March 19, 2008), available at http://www.usdoj.gov/opa/pr/2008/March/08_at_219.html (last accessed Oct. 6, 2008) (“DOJ March 19, 2008 Judy Green Sentencing Press Release”). As previously noted, we have debarred several individuals in connection with their roles in these schemes. See *supra* note 17. The Commission may initiate debarment proceedings against an additional individual in connection with its role in these schemes, following the commencement of pending criminal proceedings. See *United States v. Video Network Communications, Inc. et al.*, Criminal Docket No. 3:05-CR-00208-CRB-10, Steven Newton (Commission action is pending the outcome of sentencing scheduled for Feb. 4, 2009). We have also debarred various companies involved in these schemes. See *NEC Debarment Order*, 21 FCC Rcd 7491; *Inter-Tel Debarment Order*, 21 FCC Rcd 7506; *Premio Debarment Order*, 22 FCC Rcd 1019. The Commission may initiate debarment proceedings against an additional company for its role in these schemes, following the commencement of pending criminal proceedings. See *United States v. Video Network Communications, Inc. et al.*, Criminal Docket No. 3:05-CR-00208-CRB-2, Howe Electric, Inc. Plea Agreement (N.D. Cal. filed and entered June 18, 2008) (Commission action is pending the outcome of sentencing scheduled for June 23, 2010). The Department of Justice dropped charges against the following defunct companies involved in the instant proceeding: Video Network Communications, Inc., ADJ Consultants, Inc., Digital Connect Communications, Inc., and SEMA4, Inc. See Department of Justice, Federal Bureau of Investigation Press Release (Sept. 14, 2007), available at <http://sanfrancisco.fbi.gov/dojpressrel/2007/sf091407.htm> (accessed Sept. 8, 2008) (“FBI Sept. 14, 2007 Press Release”). An additional company, Expedition Networks, Ltd., pled guilty and was sentenced to a fine of \$5 million. *Id.* Shortly thereafter, this company filed Chapter 7 Bankruptcy. See *United States v. Expedition Networks Inc.*, Bankruptcy Docket No. 1:05-bk-14931-KT, Voluntary Petition Chapter 7 (C.D. Cal. filed and entered July 20, 2005).

²⁵ See Judy Green Judgment at 2 (ordering Judy Green to be committed to the custody of the United States Bureau of Prisons for a total term of 90 months). See generally *VNCI Superseding Indictment* (imposing convictions for violation of 15 U.S.C. § 1 and 18 U.S.C. §§ 2, 371, 1343). See also DOJ March 19, 2008 Judy Green Sentencing Press Release at 1.

²⁶ These misrepresentations included inflating the costs of eligible telecommunications equipment and services in applications to cover the cost of ineligible equipment and services. See *VNCI Superseding Indictment* at ¶¶ 12-78. See also DOJ March 19, 2008 Judy Green Sentencing Press Release at 1.

willingness to pay their portion of the E-Rate projects, and allocating fraudulently obtained funds among co-conspirators.²⁷ The schemes also involved conspiracy for the purpose of engaging in conduct in restraint of competition by submitting collusive, noncompetitive, or rigged bids for telecommunications services eligible for E-Rate subsidies and ensuring telecommunications services contracts were awarded to conspirators and bids from non-conspirators were disqualified.²⁸

8. Ms. Green was convicted on four counts of fraud and conspiracy for her involvement in the first set of schemes that took place between 1998 and 2001 and involved a total of two separate school districts, four individuals, and three companies.²⁹ During this time Ms. Green used her position as a consultant and as an employee with VNCI, along with several co-conspirators, to defraud the USF by, among other things, including costs of ineligible equipment, marketing fees, and management fees in E-Rate applications for the two school districts.³⁰ Additionally, Ms. Green engaged her co-conspirators in persuading district officials to award contracts to designated entities in exchange for a fee.³¹ Finally, Ms. Green also made material misrepresentations and provided fraudulent invoices to the Commission and USAC, resulting in overpayments from the USF. These payments were used to fund the school districts' E-Rate projects over and above the allowed amounts and in violation of the Commission's rules.³² These funds were also allocated among Ms. Green and the co-conspirators.³³

9. Ms. Green was convicted on fifteen counts of fraud and conspiracy for her involvement in the second set of schemes that took place from 1999 through 2001 and involved eight additional school districts, four individuals, and two corporations.³⁴ During this time, and with the help of her co-conspirators, Ms. Green continued overstating invoices and invoicing for ineligible equipment, steering bids toward co-conspirators, and allocating payments among conspirators at the expense of school districts across the country.³⁵

²⁷ See VNCI Superseding Indictment at ¶¶ 8-11, 79-82, 124-26, 140-43, 150-51; see also DOJ March 19, 2008 Judy Green Sentencing Press Release.

²⁸ See VNCI Superseding Indictment at ¶¶ 79-151. See also DOJ March 19, 2008 Judy Green Sentencing Press Release at 1.

²⁹ See VNCI Superseding Indictment at ¶¶ 12-30, 79-93 (Counts 1, 2, 12, and 13: The West Fresno and Highland Park Schemes and Conspiracies). These schemes involved the following individuals and companies: Judy Green; George Marchelos; Earl Nelson; Steven Newton; ADJ Consultants, Inc.; Video Network Communications, Inc.; Howe Electric, Inc. *Id.*

³⁰ See VNCI Superseding Indictment at ¶¶ 12-30, 79-93 (Counts 1, 2, 12, and 13).

³¹ *Id.*

³² *Id.*; See also 47 C.F.R. §§ 54.500-523 (setting forth rules governing the schools and libraries universal service support mechanism).

³³ *Id.*

³⁴ See VNCI Superseding Indictment at ¶¶ 31-61, 62-71, 94-131 (Counts 3, 4, 5, 6, 7, 8, 9, 10, 14, 15, 16, 17, 18, 19 and 20: The Covert, Lee County, Jasper County, Ecorse, Ceria Travis, San Francisco, and W.E.B. Dubois Schemes and Conspiracies). These schemes involved the following individuals and companies: Judy Green; William Holman; George Marchelos; Earl Nelson; Video Network Communications, Inc.; Howe Electric, Inc. *Id.*

³⁵ See VNCI Superseding Indictment at ¶¶ 31-61, 62-71, 94-131 (Counts 3, 4, 5, 6, 7, 8, 9, 10, 14, 15, 16, 17, 18, 19 and 20).

10. Ms. Green was convicted on three counts of fraud and conspiracy for her involvement in the third set of schemes, which took place between 2000 and 2004.³⁶ These schemes impacted fifteen school districts and involved four individuals and five companies.³⁷ During the course of these schemes Ms. Green marketed herself to school districts as a consultant and expert in network solutions and obtaining government funding.³⁸ Through her employment at VNCI and her work as a consultant, Ms. Green continued her fraudulent schemes and controlled bidding, prepared fraudulent applications and invoices, obtained and distributed ineligible funds for equipment, and created sham foundations for the purpose of misleading the Commission and USAC.³⁹

C. Procedural History

11. On May 19, 2008, consistent with the Commission's debarment rule, the Enforcement Bureau ("Bureau") issued a Notice of Suspension and Proposed Debarment to Ms. Green, which immediately suspended her from participating in the E-Rate program, and initiated the instant debarment proceedings.⁴⁰ The Notice of Suspension was published in the Federal Register on June 25, 2008.⁴¹ The Notice of Suspension suspended Ms. Green from the schools and libraries universal service support mechanism and described the basis for initiation of debarment proceedings against Ms. Green, the applicable debarment procedures, and the effect of debarment.⁴² Pursuant to the Commission's rules, any opposition to Ms. Green's suspension or its scope or to the proposed debarment of Ms. Green or its scope had to be filed with the Commission no later than 30 calendar days from the earlier date of Ms. Green's receipt of the Notice of Suspension or publication of the Notice of Suspension in the Federal Register.⁴³ No such opposition was filed.

III. DISCUSSION

12. **Basis for Debarment.** Based on the record in these proceedings, we debar Ms. Green from participation in the E-Rate program. Under section 54.8(c) of the Commission's rules, conviction for commission of criminal fraud, theft, forgery, bribery, falsification, making false statements, making false claims and other fraud or criminal offense arising out of an association with the E-Rate program is justification for immediate suspension from participation in the E-Rate

³⁶ See VNCI Superseding Indictment at ¶¶ 72-78, 132-151 (Counts 11, 21, and 22: The Luther Burbank Scheme, and The 2003-2004 Projects Conspiracies). These schemes involved the following individuals and companies: Judy Green; Allan Green; George Marchelos; Steven Newton; ADJ Consultants, Inc.; Video Network Communications, Inc.; SEMA4, Inc.; Digital Connect Communications, Inc.; Expedition Networks, Ltd. *Id.*

³⁷ VNCI Superseding Indictment at ¶¶ 72-78, 132-151 (Counts 11, 21, and 22).

³⁸ *Id.* See also VNCI Superseding Indictment at ¶¶ 4-5, 15.

³⁹ See *supra* note 35.

⁴⁰ Letter from Hillary S. DeNigro, Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, to Ms. Judy Green, Notice of Suspension and Initiation of Debarment Proceedings, 23 FCC Rcd 8223 (Inv. & Hearings Div., Enf. Bur. 2008) ("Notice of Suspension").

⁴¹ 73 Fed. Reg. 36084 (June 25, 2008).

⁴² See Notice of Suspension, 23 FCC Rcd at 8824-26.

⁴³ See 47 C.F.R. §§ 54.8(e)(3) and (4). That date occurred no later than July 25, 2008. See *supra* note 26.

program and initiation of debarment proceedings.⁴⁴ As previously noted, the District Court sentenced Ms. Green to serve seven and a half years in prison following her conviction on 22 counts of fraud, collusion, aiding and abetting, and conspiracy to commit wire and mail fraud in association with her involvement in the E-Rate program.⁴⁵ Based on the conviction, the Bureau immediately suspended Ms. Green from participation in the E-Rate program and commenced debarment proceedings against her. No parties contested the proposed debarment. We find that Ms. Green's convictions unequivocally constitute the basis for her debarment from the E-Rate program under section 54.8(c).

13. ***Period of Debarment.*** We also find that several factors provided in the record establish that an extended debarment period is warranted in the instant matter. While the Commission's rules include a three-year debarment period, the Commission may set a longer period of debarment where it is necessary to protect the public interest, and where multiple convictions or judgments have been rendered, the Commission may determine that debarments will run consecutively rather than concurrently.⁴⁶ We conclude that the scope and breadth of Ms. Green's conduct, including her orchestration of multiple schemes to defraud the E-Rate program, the \$57 million impact on the program, her subsequent conviction on multiple counts of violating federal criminal statutes, and the resulting prison term, justify the imposition of a ten-year debarment period.

14. In determining the period for debarment for this case, we consider the best means to protect the E-Rate program in the future. A number of factors inform our decision, including the magnitude of the harm Ms. Green inflicted on the program, the scope and duration of her criminal enterprise, and her pivotal role as architect of the fraudulent schemes involving multiple school districts and service providers.⁴⁷ Ms. Green's criminal conduct here plainly demonstrates that she poses a greater danger to the E-Rate program in the future than any other individual or corporate entity debarred from the program to date. For these reasons, and based on the facts before us, we find that the public interest supports debarring Ms. Green for ten years.

15. Ms. Green's pivotal role as architect of the fraudulent schemes is demonstrated by the evidence presented at trial resulting in her conviction on 22 counts of fraud-related offenses. Although multiple other companies and individuals played a role in these schemes as co-conspirators, Ms. Green was the catalyst in all of them.⁴⁸ Ms. Green is therefore capable of

⁴⁴ 47 C.F.R. § 54.8(c).

⁴⁵ See *supra* para. 7.

⁴⁶ 47 C.F.R. § 54.8(g).

⁴⁷ We note that the government-wide debarment rules, which the Commission used for guidance in adopting its own rules for suspension and debarment, also inform, in part, our decision here. See 2 C.F.R. §§ 180.800-880. These rules set forth several factors that may be considered in debarment proceedings, including, for example, the actual or potential harm or impact that results or may result from the wrongdoing, the duration of the wrongdoing, the positions held by the individual involved in the wrongdoing, and the extent to which one planned, initiated, or carried out the wrongdoing. 2 C.F.R. § 180.860.

⁴⁸ See VNCI Superseding Indictment at ¶¶ 5, 15, 16, 71, 75, 82, 133, 135, 137, 139-42, 151. See also Department of Justice, Press Release at 2 (April 7, 2005), available at http://www.usdoj.gov/opa/pr/2005/April/05_at_169.htm (last accessed Oct. 10, 2008) ("DOJ April 7, 2005 Judy Green Press Release"); see also Department of Justice, Press Release (June 18, 2008), available at <http://sanfrancisco.fbi.gov/dojpressrel/2008/sf061808a.htm> (last accessed Oct. 6, 2008) ("DOJ June 18, 2008 Howe Electric Press Release") (the article states:

concocting and carrying out multiple schemes simultaneously to defraud the E-Rate program on a widespread basis. Ms. Green used her positions and contacts to take an active role in bringing together the individuals and companies necessary to effectuate the fraudulent schemes for her personal financial gain.⁴⁹ In total, her schemes directly involved 25 school districts throughout California, Michigan, Arkansas, South Carolina, Wisconsin, Pennsylvania, and New York.⁵⁰ Ms. Green knowingly defrauded the E-Rate program with intentional disregard for Commission rules and the E-Rate program requirements on multiple occasions over an extended period of time.⁵¹ As previously noted, her actions defrauded the E-Rate program of more than \$57 million.⁵²

16. Further, our decision here is also guided by the number of federal criminal violations Ms. Green has been convicted of, as well as the District Court's sentencing of Ms. Green to a substantial term of imprisonment in connection with the fraudulent schemes discussed herein.⁵³ It is our goal to protect the program from future fraud by Ms. Green. For the foregoing reasons, we find that imposition of a ten-year debarment period is necessary to protect the E-Rate program, its participants, and the public interest against future risk of fraud.

17. ***Additional Conditions to Debarment.*** We also propose additional conditions restricting Ms. Green's participation in the E-Rate program. Ms. Green will be subject to a three-year probationary period following the expiration of the specified ten-year debarment period as a further protection against waste, fraud and abuse of the E-Rate program. Should Ms. Green seek to participate in the E-Rate program in any capacity during the probationary period, she must first notify the Commission and USAC of her intention. Moreover, USAC shall review with heightened scrutiny any applications in which Ms. Green is involved during her probation period, and shall conduct automatic annual audits on Ms. Green's E-Rate activities during each of the first three funding years, upon her re-entry into the E-Rate program.

IV. CONCLUSION

18. Based on the foregoing and to protect the integrity of the E-Rate program, Judy Green is hereby debarred from the E-Rate program for ten years, effective upon the earlier date of Ms. Green's receipt of this Notice of Debarment or its publication date in the Federal Register.⁵⁴

Howe Electric entered into agreements with a co-conspirator, former education consultant Judy N. Green, whereby Howe Electric was awarded contracts for the E-Rate projects...in exchange for awarding subcontracts to other vendors. The co-conspirator vendors had...agreed with Green not to compete in exchange for the award of the subcontracts. In both conspiracies, Green arranged for the schools' projects to be awarded to Howe Electric, which then used the vendors as subcontractors).

⁴⁹ See VNCI Superseding Indictment at ¶¶ 82 and 141 (showing that in some instances, Ms. Green carved out special awards and set aside extra funds for her role in organizing and carrying out the schemes). The schemes involved six companies and six individuals. See DOJ April 7, 2005 Judy Green Press Release; see also *supra* notes 17, 18 and 23.

⁵⁰ See VNCI Superseding Indictment at ¶¶ 138,150 (Counts 21 and 22 listing the areas impacted). See also DOJ April 7, 2005 Judy Green Press Release at 1-2.

⁵¹ See generally VNCI Superseding Indictment (showing the schemes were carried out over a six year period).

⁵² See *supra* para. 7.

⁵³ See DOJ March 19, 2008 Judy Green Sentencing Press Release at 1 (Reporting that Judy Green was sentenced to seven and a half years in prison). See also DOJ June 18, 2008 Howe Electric Press Release.

⁵⁴ See 47 C.F.R. §54.8(e)(1),(g). See also Notice of Suspension, 23 FCC Rcd at 8225.

Debarment excludes Ms. Green, for the debarment period, from engaging in activities “associated with or related to the schools and libraries support mechanism,” including “the receipt of funds or discounted services through the schools and libraries support mechanism, or consulting with, assisting, or advising applicants or service providers regarding the schools and libraries support mechanism.”⁵⁵ Consistent with this Notice, Ms. Green is also subject to the additional, probationary actions specified herein.

V. ORDERING CLAUSES

19. Accordingly, IT IS ORDERED, pursuant to section 54.8 of the Commission’s rules, 47 C.F.R. § 54.8, that Judy Green, IS DEBARRED from the schools and libraries universal service support mechanism for ten (10) years, effective upon the earlier of receipt of this Notice of Debarment or publication in the Federal Register.

20. IT IS FURTHER ORDERED that Judy Green will serve PROBATION from the schools and libraries service support mechanism for three (3) years, effective upon the expiration of the specified debarment period. Judy Green must notify the Chief, Investigations and Hearings Division, Enforcement Bureau, at the Commission, and the Vice President, Schools & Libraries Division, Universal Service Administrative Company, of her intention to participate in the E-Rate program in any capacity during the probationary period. In the event Judy Green participates in the E-Rate program during the three-year probationary period, USAC shall review with heightened scrutiny Ms. Green’s applications submitted and shall conduct automatic annual audits of Ms. Green’s E-Rate activities, during the first three funding years upon her re-entry into the E-Rate program.

21. IT IS FURTHER ORDERED that the Enforcement Bureau staff shall send, by certified mail/return receipt requested, a copy of this Notice of Debarment to Philip H. Stillman, Esq., 224 Birmingham Drive, Suite 2A, Cardiff, CA 92007.

⁵⁵ See 47 C.F.R. §§ 54.8(a)(1), 54.8(a)(5), 54.8(d); Notice of Suspension, 23 FCC Rcd at 8225-26.

22. IT IS FURTHER ORDERED, pursuant to section 54.8 of the Commission's rules, 47 C.F.R. § 54.8, that this Notice SHALL BE PUBLISHED in the Federal Register.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary