

**STATEMENT OF
COMMISSIONER AJIT PAI**

Re: Easy Telephone Services d/b/a Easy Wireless; Assist Wireless, LLC; Icon Telecom, Inc.; TracFone Wireless, Inc.; and UTPhone, Inc.

Today, the FCC makes it clear that we are serious about combatting the rampant waste, fraud, and abuse plaguing the Lifeline program. By proposing forfeitures totaling more than \$14 million against five providers for apparent Lifeline fraud, we begin the process of regaining the public's trust and showing that we do not take responsible stewardship of public funds lightly.

From 2008 through 2012, the annual disbursements of the low-income component of the Universal Service Fund grew from \$817 million to \$2.2 billion.¹ Some of that growth may have been organic, but we know that a significant amount was due to increased waste, fraud, and abuse within the program. That's why the Commission adopted some reforms in early 2012 to prohibit such abuse.² And that's why today's action, enforcing those reforms, is so important.

The substantial abuses of the Lifeline program deserve a significant response. The instant NALs meet that standard. I am especially pleased that my colleagues agreed to my request to increase fiftyfold the proposed forfeitures against Easy Wireless, Icon Telecom, Assist Wireless, UTPhone, and TracFone Wireless. A slap on the wrist is not sufficient when the same company seeks Lifeline support more than once in the same month for the same person.

Unfortunately, these intracompany duplicates are just the tip of the iceberg. We know that the Universal Service Administrative Company has already found tens of thousands of duplicate subscribers in the Lifeline system—and that's just subscribers brazen enough to get Lifeline service from the same company more than once. Many more have gotten Lifeline benefits from multiple companies. Back in

¹ Compare USAC, 2009 Second Quarter Appendices, Appendix M03 – January 1, 2008 through December 31, 2008 – Cash Basis, with USAC, 2013 Second Quarter Appendices, Appendix M03 – January 1, 2012 through December 31, 2012 – Cash Basis, available at <http://www.usac.org/about/tools/fcc/filings/2013/q2.aspx>.

² See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (2012).

April, for example, the Commission issued notices to 37 Easy Wireless subscribers, each of whom had at least *five* Lifeline accounts in his or her name.³ The American people won't stand for that kind of waste, fraud, and abuse, and neither will I.

³ See *L*** McKoy: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0509, Citation and Order, 28 FCC Rcd 5044 (2013); *S*** Richardson: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0511, Citation and Order, 28 FCC Rcd 5050 (2013); *J*** Clardy: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0512, Citation and Order, 28 FCC Rcd 5053 (2013); *E*** Gardner: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0514, Citation and Order, 28 FCC Rcd 5059 (2013); *L*** Johnson: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0515, Citation and Order, 28 FCC Rcd 5062 (2013); *C*** Smith: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0516, Citation and Order, 28 FCC Rcd 5065 (2013); *C*** Cordova: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0517, Citation and Order, 28 FCC Rcd 5068 (2013); *A*** Butler: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0518, Citation and Order, 28 FCC Rcd 5071 (2013); *T*** Relf: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0519, Citation and Order, 28 FCC Rcd 5074 (2013); *T*** Rolland: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0520, Citation and Order, 28 FCC Rcd 5077 (2013); *C*** Norton: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0521, Citation and Order, 28 FCC Rcd 5080 (2013); *F*** Chatkehoodle: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0522, Citation and Order, 28 FCC Rcd 5083 (2013); *B*** Wilson: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0523, Citation and Order, 28 FCC Rcd 5086 (2013); *B*** Crumpton: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0371, Citation and Order, 28 FCC Rcd 4415 (2013); *S*** Hayes: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0375, Citation and Order, 28 FCC Rcd 4427 (2013); *M*** Estrada: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0376, Citation and Order, 28 FCC Rcd 4430 (2013); *R*** Jimenez: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0377, Citation and Order, 28 FCC Rcd 4433 (2013); *R*** Acuff: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0378, Citation and Order, 28 FCC Rcd 4436 (2013); *T*** Knox: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0379, Citation and Order, 28 FCC Rcd 4444 (2013); *R*** Villareal: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0380, Citation and Order, 28 FCC Rcd 4447 (2013); *T*** Hinman: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0382, Citation and Order, 28 FCC Rcd 4453 (2013); *F*** Marshall: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0383, Citation and Order, 28 FCC Rcd 4456 (2013); *W*** Thompson: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0384, Citation and Order, 28 FCC Rcd 4459 (2013); *L*** Johnson: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0385, Citation and Order, 28 FCC Rcd 4465 (2013); *R*** Smart: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0387, Citation and Order, 28 FCC Rcd 4471 (2013); *A*** Daniel: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0389, Citation and Order, 28 FCC Rcd 4477 (2013); *T*** Turner: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0391, Citation and Order, 28 FCC Rcd 4483 (2013); *J*** Barnett: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0394, Citation and Order, 28 FCC Rcd 4492 (2013); *O*** Acosta: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0396, Citation and Order, 28 FCC Rcd 4498 (2013); *R*** Gynells: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0399, Citation and Order, 28 FCC Rcd 4507 (2013); *R*** Rivas: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0400, Citation and Order, 28 FCC Rcd 4510 (2013); *N*** Scott: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0401, Citation and Order, 28 FCC Rcd 4513 (2013); *N*** Herrera: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0402, Citation and Order, 28 FCC Rcd 4516 (2013); *S*** Taylor: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0403, Citation and Order, 28 FCC Rcd 4519 (2013); *F*** Fernandez: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0405, Citation and Order, 28 FCC Rcd 4525 (2013); *T*** Emery: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0407, Citation and Order, 28 FCC Rcd 4531 (2013); *E*** Allen: Illegal Receipt of Duplicate Support*, File No. EB-13-IH-0410, Citation and Order, 28 FCC Rcd 4540 (2013).