

**DISSENTING STATEMENT OF  
COMMISSIONER MIGNON L. CLYBURN**

Re: *Verizon New York et al.*, File No.: EB-IHD-1300010704

For the past several years, the Chairman has waxed eloquent about how Lifeline fraud is an incredible threat to the integrity of the universal service fund. But, when faced with an egregious set of facts that causes over \$50 million of harm to the universal service fund, the Commission is content to settle for a fraction of that harm and imposes no penalty whatsoever.

Indeed, in the *Total Call Mobile NAL*, the Commission proposed a forfeiture of \$51 million based on a loss to the Fund of \$9.7 million. Chairman Pai and I both believed the proposed forfeiture should have been higher. In the twelve Lifeline duplicate NALs issued in 2013-2014, the Commission proposed combined forfeitures of over \$94 million for duplicate benefits totaling around \$340,000. Yet here the Commission says for over \$50 million in harm to the Fund, we do not even want all of our money back—just 34 cents on the dollar. Will the Commission settle all twelve Lifeline NALs for just \$115,000? Not likely.

The timing is particularly concerning since we recently received a letter from Congress expressing “concern about the lack of sufficient resources in the reformed High-Cost mechanism.” If we had just said “we want our money back,” much less assessed a penalty for improper conduct, we could have used the returned money to fund over 11,000 high cost rate-of-return locations for a year. This is a missed opportunity and a waste of consumer dollars.

For all of these reasons, I must respectfully dissent.