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United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
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February 25, 2015

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Wheeler:

I write amid new reports of blatant fraud and abuse within the Lifeline program, which reinforce the program's reputation as one of the most corrupt federal programs in recent memory, and which is supported by taxes paid by individuals and small businesses across America. The FCC's failure to conduct appropriate oversight and enforcement of the rules promulgated by the FCC is unacceptable and appalling.

Recent reports from Colorado document the blatant abuse of this cell phone welfare program by a nationwide cell phone company, Total Call Mobile. News investigators were able to receive taxpayer-subsidized cell phones from this company under clearly fraudulent circumstances. The investigators found Total Call Mobile agents deliberately circumventing Lifeline program rules by allowing non-eligible individuals to sign up for free phones using food stamp cards that were not their own, which undoubtedly violates federal law. This case makes obvious the need for the FCC to immediately prioritize enforcement of the program rules and regulations. Without aggressive enforcement of Lifeline's eligibility rules, fraud will continue to plague this taxpayer subsidized welfare program.

The FCC must hold vendors, each of which receive millions of dollars per year in government subsidies through Lifeline, accountable for deliberately circumventing the rules. In a letter to you last year, I emphasized the need for additional criminal investigators to provide program oversight. Instead, you decided to rely on the FCC's "strike force." Unfortunately, your decision has clearly been ineffective in limiting abuse and deterring ongoing fraud.

Again, I urge you to take action to increase accountability within Lifeline and administer quick enforcement against vendors who violate the rules. By Wednesday, March 18, 2015, please provide me with your specific plan to enforce eligibility rules and what penalties Total Call Mobile will face for deliberately allowing illegal behavior as part of its business strategy. More than two years have passed since the FCC's initial push to curb fraud and abuse within Lifeline, yet instances of fraud similar to Total Call Mobile continue to be uncovered. Far more needs to be done. Your response can be directed to Drew Feeley on the Committee's staff at drew_feeley@sbc.senate.gov and (202) 224-3497.

Sincerely,

David Vitter
Chairman
U.S. Senate Committee on Small Business and Entrepreneurship