

Exhibit 2

Hampstead Hill Academy
USAC Letter of Appeal
September 8, 2017

September 8, 2017

Via e-mail to: appeals@sl.universalservice.org

TO: Letter of Appeal - USAC
Schools and Libraries Division - Correspondence Unit

LETTER OF APPEAL
of
Demand Payment Letter
Dated: August 9, 2017

[Please Note: USAC never sent, or Hampstead Hill Academy never received, a Notification of Improperly Disbursed Funds Recovery Letter.]

Appellant: Hampstead Hill Academy
(formerly Hampstead Hill Elementary School)
Billed Entity No.: 23512
FCC Registration No.: 0020676136
Funding Year: 2009

Form 471 Nos.: 693282, 691971
FRNs: 1902674, 1902433, and 1898266.
Service Provider: Neighborhood Computer Center Corp., Inc.
SPIN: 143028072

Form 471 No.: 635081
FRN: 1756678
Service Provider: Friedman Computer Solutions, Inc.
SPIN: 143027179

Letter of Appeal Contact: Matthew Hornbeck
Principal
JMHornbeck@bcps.k12.md.us
410-396-9146

Either USAC never sent, or Hampstead Hill Academy (“HHA”) never received, a Notification of Improperly Disbursed Funds Recovery Letter (“Notification Letter”).¹ Therefore, HHA hereby appeals the decision in USAC’s Demand Payment Letter to seek the recovery of funds from HHA. Presumably, the substance of the Demand Payment Letter mirrors what USAC decided in its Notification Letter. As the Demand Payment Letter was HHA’s first notice of USAC’s intention to initiate an action against it for the recovery of funds, this appeal is effectively an appeal of the Notification Letter and should be treated as such.

SUMMARY

The FCC has directed USAC not to initiate any action for the recovery of funds more than five years from the last date of service, except in the most extraordinary of cases. Here, the last day of service was the last day of the 2009 Funding Year, which was June 30, 2010. That was more than seven years ago. This is by no means an extraordinary case. Therefore, USAC’s recovery action is time barred by the FCC’s directive.

In any event, USAC’s decision to recover FY 2009 E-rate funding from HHA is incorrect. HHA’s service provider, Neighborhood Computer Center Corporation (“NCCC”), had little if any respect for FCC rules governing the delivery of eligible maintenance services and violated those rules in numerous respects -- one of which was by neglecting to invoice HHA for the non-discounted cost of that service.

The rule that requires service providers to invoice applicants for the non-discounted share of the non-discounted price of eligible services and the rule that requires applicants to pay those invoices are two sides of the same coin. Therefore, it makes sense that the FCC would interpret them together. A reasonable interpretation would be that

¹ Together with and on the same day as it received USAC’s Demand Payment Letter, HHA received in the mail copies of Notification of Improperly Disbursed Funds Recovery Letters addressed to the service provider involved in this matter. Both the Demand Payment Letter addressed to HHA and the Notification letters addressed to the service provider were all dated August 9, 2017, leading us to believe that USAC never sent a Notification Letter to HHA.

All of the documents we received from USAC dated August 9, 2017, including the Demand Payment Letter addressed to HHA, are included here as attachments.

not more than one party at a time can be responsible for violating it. In other words, either the service provider violated the rule by not invoicing the applicant for what it owed or the applicant violated the rule for not paying its service provider's invoice. It cannot be both. In this particular instance, NCCC was the rule violator because it never sent any invoices to HHA for the maintenance services it provided, preferring instead to get all of its money from USAC.

Since NCCC was solely responsible for every maintenance-related violation in issue here and, realistically, the only one of the two parties in any position to have prevented them from occurring in the first place, USAC's recovery action for all of the maintenance-related disbursements should be directed exclusively at NCCC.

The only other alleged violation against HHA involves a missing router. HHA did not sell, transfer, move, donate, or in any other fashion dispose of it in violation of program rules. It appears that technicians working for the Baltimore Public School District, of which HHA is a part, took it and neglected to return it.

If, despite all of this, USAC continues to seek recovery from HHA, then USAC needs to reduce the amount of funding that it is seeking to recover from HHA. The amount that USAC is seeking to recover in connection with the "non-payment of discounted share" issue is considerably more than what the FCC's Office of Inspector General ("OIG") found HHA owed and what FCC remedial rules require.

FACTS

After auditing HHA's FY 2009 E-rate applications, OIG issued its Audit Report on December 12, 2012. On August 9, 2017 -- more than seven years after the end of FY 2009 and four years and eight months after OIG issued its Audit Report -- USAC issued Notification of Improperly Disbursed Funds Recovery Letters to the service provider involved, Neighborhood Computer Center Corporation ("NCCC"), and a Demand

Payment Letter to HHA.² HHA never received a Notification of Improperly Disbursed Funds Recovery Letter.

In its Audit Report, OIG found that NCCC had violated program rules in numerous respects: (1) invoiced USAC for a variety of ineligible maintenance services; (2) failed to document sufficiently any of its invoices for E-rate-supported maintenance services; and (3) failed to send invoices to HHA for its ten percent, non-discounted share of the cost of those services. Ultimately, USAC decided that NCCC “did not provide documentation to substantiate that the maintenance performed was eligible for E-rate payment,” and that it would seek full recovery from NCCC, because it was responsible for the rule violation.

Additionally, OIG concluded, as best we can tell, that HHA paid NCCC in full for the maintenance services, but because of a variety of confusing billings and reimbursements, could not manage to document to OIG’s satisfaction that it had paid its full, non-discounted share of every single invoice.

In Finding 3, after calculating how much of its share HHA had failed to pay (*see* Table 3 copied below), OIG reported in the “Effect” section that HHA “did not pay its 10% or \$1,580 share” of \$15,804 worth of invoices, which was less than half of what NCCC had billed to USAC, in total, for maintenance. Accordingly, OIG recommended to USAC that it “seek recovery of the total discounted amount disbursed, \$14,224 [$\$15,804 - \$1,580$]”

USAC decided to seek recovery of \$41,575 however. The reason why OIG’s total amounts disbursed figure of \$14,224 was substantially less than USAC’s \$41,575 figure, it appears, was because OIG reviewed every one of NCCC’s invoices, and where the documentation revealed that HHA had paid its non-discounted share of it, OIG did not include it in its calculation. USAC, on the other hand, included every invoice in its calculation, which was a mistake.

² USAC seeks to recover from HHA the following amounts: \$22,500 for FRN 1898266, \$11,785 for FRN 1902433, \$7290 for FRN1902674, and \$2,245.50 for FRN 1898266,

Finding 3: Failure to Pay Non-Discount Portion

Condition: The School did not pay its non-discount portion for USF support of some BMIC services requested and purchased in FY 2009. The School did not pay for its 10% portion of BMIC services totaling \$15,804, including maintenance services and three warranties (listed on the Form 471 numbers 693282 and 691971 and the Form 474 in Table 3). USAC paid \$14,224 for BMIC services. Table 3 provides a detail of FRNs where the non-discounted portion was not paid.

Table 3 FY 2009 BMIC – Non-Discounted Portion Not Paid						
FRN	Form 474 SPI	SP Bills to the School	Total Amount (included on F474)	Discounted Portion	Non- Discounted Portion	Paid by School
1902674	1347443	ARVNT6-30-2010-03	\$3,105	\$2,795	\$310	\$0
1902433	1347426	ARVB6-30-2010-02	\$2,160	\$1,944	\$216	\$0
1902433	1347426	No Invoice	\$4,320	\$3,888	\$432	\$0
1898266	1347399	ARBM6-30-2010-01	\$1,219	\$1,097	\$122	\$0
1898266	1347399	No Invoice	\$4,480	\$4,032	\$448	\$0
1898266	1347399	No Invoice	\$520	\$468	\$52	\$0
			\$15,804	\$14,224	\$1,580	\$0

The School did not pay the non-discounted portion of \$15,804 or \$1,580.

Cause: The School was not aware that it did not pay its non-discounted portion or 10% of the services received.

Effect: The School received free services in violation of FCC Rules in the amount of \$15,804 because they did not pay its 10% or \$1,580 share.

Recommendations: (4) We recommend the School reconcile USF reimbursements to ensure that its share is paid. (5) We also recommend that USAC seek recovery of all amounts disbursed, \$14,224.

Finally, OIG concluded and USAC agreed that USAC should seek to recover from HHA the \$2,246 in E-rate support that it received for a Cisco router, which OIG could not locate on HHA's premises during the audit. HHA informed OIG that the Baltimore City Public Schools technology staff must have replaced it with a different router while working on its network and never replaced it, and that this was the only possible explanation for its disappearance.

DISCUSSION

1. **USAC May Not Seek Recovery From HHA of FY 2009 Funding Because More Than Five Years Have Past Since The End Of The 2009 Funding Year.**

In its *Fifth Report and Order*, the FCC directed USAC to “finish its investigations and seek recovery within five years of the final delivery of service for a specific funding year.”³ Thereafter, the FCC made clear that the five-year period begins after the last day of the funding year in which the services could be provided.

USAC is seeking to recover from HHA funds disbursed in connection with FY 2009 funding commitments. FY 2009 ended on June 30, 2010. USAC issued its Demand Payment Letter to HHA on August 9, 2017, more than seven years after the last day of the 2009 funding year. FCC policy prohibits USAC from seeking to recover funds more than five years after the last day of the funding year in which the services could be provided. Therefore, USAC may not continue this recovery action against HHA.

In extraordinary cases, the FCC appears to have advised USAC, it may make exceptions to the 5-year limitation on recovery actions. This is not an extraordinary case. There were no novel or complex legal issues for USAC to address, which means there is no good reason for the amount of time that it took USAC to initiate this recovery action. This case involves a very small, public charter school that serves an economically impoverished community in Baltimore, Maryland. HHA, a newcomer to the E-rate program back then, did its best to comply with very complicated program rules, especially where maintenance is concerned. Unfortunately, a service provider that obviously did not know the rules very well and apparently did not care, wound up embroiling itself and HHA in a regulatory mess. Granted, HHA should have done better, but it did the best it could under very difficult circumstances and, during the audit, cooperated fully with OIG. Relative to the amount of funding involved in cases that

³ See *Schools and Libraries Universal Support Mechanism*, CC Docket No. 02-6, *Fifth Report and Order*, para. 32 (specifying that investigations should be complete “within a five year period after final delivery of service for a specific funding year”).

generally trigger, and should trigger, USAC's alarms, it should be pointed out, the amount involved here is very little. Moreover, OIG found no evidence of waste, fraud, or abuse. In short, there is nothing extraordinary about this case. Therefore, FCC policy directive prohibits USAC from proceeding any further with this recovery action against HHA.

2. HHA Could Not Have Violated The FCC Rule Requiring Applicants To Pay Its Share Of The Total Price Of Eligible Maintenance Because NCCC Never Invoiced HHA For That Amount.

NCCC did not, as the rules require, invoice HHA for the non-discounted portion of the total invoice amount. Applicants cannot be expected to pay invoices that they never receive. The regulatory burden is on service providers to provide them.⁴

If and when this particular type of commercial transaction fails to work the way FCC rules require it to work, logically, only one of the two parties involved in it can be responsible for its breakdown. Here, NCCC certified that it would bill USAC in accordance with program rules for the 90% discounted portion of its bill and HHA for the remainder, also in accordance with program rules. NCCC did neither. Therefore, NCCC committed and is one hundred percent responsible for both rule violations. If this scenario had played out differently, that is, if NCCC had invoiced HHA for its 10% share of the total amount due, and HHA never paid it, then HHA would have violated the rule, but that is not what happened.

From what OIG uncovered during its audit, it is clear that NCCC's never invoiced HHA a discounted amount in connection with any of its invoices, and that is the only reason why HHA never paid them. What is important to note here too is that HHA tried to pay its share once, and indeed proved to OIG during the audit that it did, in fact, pay part of what it owed: HHA had paid NCCC's invoices in full originally, but then,

⁴ When a service provider fails to invoice its customer, it follows that the service provider does not care very much, if at all, about ever getting paid, which should make USAC wonder why that's the case. Absent any evidence of collusion or other wrongdoing on the customer's part, the service provider's motives must be suspect.

received back reimbursements that covered not only the discounted amount, but part of the non-discounted amount too.

In short, it was NCCC's fault that this commercial transaction failed to work the way FCC rules required it to work. Therefore, NCCC violated the non-discounted payment rule.

3. Since NCCC Failed To Prove That It Invoiced USAC For Any Eligible Maintenance Services, There Were No Eligible Services For HHA To Pay A Non-Discounted Portion Of.

USAC is seeking recovery from NCCC because it failed to prove that it invoiced USAC for any eligible maintenance service. FCC rules require applicants to pay the non-discounted portion of the total cost of the eligible services that their service provider bills to USAC. Since USAC has found that NCCC did not invoice it for anything eligible, there was no non-discounted portion of any eligible services for HHA to pay. Therefore, HHA could not possibly have violated this rule.

4. USAC Is Improperly Demanding That The Parties, Collectively, Pay Back To USAC More Than What It Disbursed To The Service Provider In The First Place.

In its Notifications to NCCC, USAC informed the service provider that it was responsible for all of the maintenance services violations and that it would therefore seek to recover ALL of what it disbursed to NCCC for those services. That leaves no disbursements left for USAC to recover from HHA.

USAC cannot seek to recover from the parties twice the amount it disbursed. Here, that is exactly what USAC appears to be trying to do. It is seeking to recover the full amount of what it disbursed to NCCC for maintenance service because of its alleged rule violations, and the exact same amount from HHA for exactly the same service except for a different type of alleged rule violation. If both NCCC and HHA were to repay the amounts that USAC is demanding, USAC would wind up receiving twice the amount of money it disbursed. Moreover, even if HHA only paid back the portion of its non-

discounted share, which OIG found HHA never paid, USAC still would wind up receiving more money back than it paid out originally.

Since NCCC was responsible for all of the rule violations in issue here and obviously was in the better, indeed the only, position to have prevented them from occurring in the first place, USAC should be seeking to recover what it paid to NCCC for maintenance services only from NCCC.

5. If USAC Continues To Believe That HHA Violated FCC Rules By Inadvertently Failing to Pay Its Non-Discounted Share, HHA Should Not Be Liable For The full Amount Of What USAC Disbursed To NCCC.

HHA did not fail on purpose to pay the full amount it owed on every invoice. Indeed, it started off paying 100% of NCCC's invoices, but wound up receiving too much back in reimbursements, which resulted in the accounting problem that led to this. In a case like this one especially, where the facts are so old and so confusing, and more than five years have past since the audit began, demanding that HHA repay the full amount because of its service provider's wrongdoing is anything but fair and reasonable.

HHA should not have to pay back any more than the portion of the non-discounted amount that it owed to NCCC originally. Anything more than that would be punitive, and USAC has no authority to mete out punishment. Unless there is fraud involved, which there is not, we cannot believe that the FCC would allow USAC in cases like this one to seek a monetary remedy for more than what the applicant would have had to pay its service provider in the first place.

6. The Amount Of Funding That USAC Is Seeking To Recover From HHA Is Incorrect.

Contrary to USAC, OIG found that the "School did not pay the non-discounted portion of \$15,804 or \$1,580." Therefore, USAC's decision to seek recovery of \$41,575 or even ten percent of that, \$4,158, could not possibly be correct. Therefore, if HHA is liable for anything (which it should not be), it should not be liable for more than the amount of its non-discounted share, which OIG found it failed to pay – i.e., \$1,580.

7. HHA Did Not Dispose Of E-rate-Supported Equipment In Violation Of Program Rules.

During the audit, OIG discovered that an E-rate supported Cisco router was missing. Up until then, HHA had been unaware of that fact.

HHA explained to OIG that the only possible explanation for the router's disappearance was that the public school district's IT staff removed it for some reason while working on the school's network, replaced it with a different router, and did not inform anyone at HHA. That is why there was no record of a router gone missing. And of course it was not obvious to anyone at HHA that the replacement box was, in fact, a replacement.

Since HHA did not purposely let go of its E-rate-supported router, was not complicit in letting it go, and, moreover, had no way of knowing that a swap had even occurred, HHA cannot be held responsible for the router's disappearance.

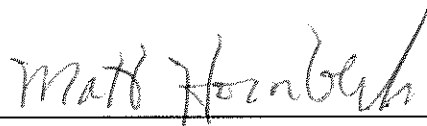
Violating this rule requires intent — that is, selling or transferring the E-rate supported equipment for value or intentionally moving it, with no legitimate justification, from where it is supposed to be. Take, for example, the case of a piece of E-rate equipment that gets destroyed in a flood or is stolen. In neither case is the applicant guilty of a rule violation. That is because the applicant did not dispose of the equipment intentionally.

Here, HHA did not dispose of the equipment intentionally either. The only reason it disappeared was because a third party must have taken it. We are not alleging that the disappearance was due to theft, but the circumstances are certainly similar to theft and the end result was exactly the same. As in the case of theft, HHA was left without its equipment because someone took it and it had no way of getting it back. Furthermore, since the person who took HHA's router, without HHA's knowledge, replaced it with a similar looking router, without HHA's knowledge, it is not surprising that its disappearance would not be noticed. Which is precisely why HHA had nothing in its

records about this particular router not being where it was supposed to be. Therefore, HHA did not violate FCC rules by failing to record its disappearance.

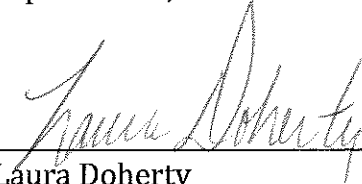
Respectfully submitted,

By: /s/



Matt Hornbeck
Principal
Hampstead Hill Academy
September 8, 2017

By: /s/



Laura Doherty
President
Baltimore Curriculum Project
September 8, 2017



Notification of Improperly Disbursed Funds Recovery Letter

Funding Year 2009: July 1, 2009 - June 30, 2010

August 9, 2017

Imtiaz Mohiuddin
Neighborhood Computer Center Corporation Inc.
18714 Wickham Road
Olney, MD 20832

Re: SPIN: 143028072
Form 471 Application Number: 693282
Funding Year: 2009
FCC Registration Number:
Applicant Name: HAMPSTEAD HILL ELEM SCHOOL
Billed Entity Number: 23512
Applicant Contact Person: Ramona Piskor

Our routine review of Schools and Libraries Program (SLP) funding commitments has revealed certain applications where funds were disbursed in violation of SLP rules.

In order to be sure that no funds are used in violation of SLP rules, the Universal Service Administrative Company (USAC) must now recover these improper disbursements. The purpose of this letter is to inform you of the recoveries as required by SLP rules, and to give you an opportunity to appeal this decision. USAC has determined the service provider is responsible for all or some of the SLP rule violations. Therefore, the service provider is responsible to repay all or some of the funds disbursed in error.

This is NOT a bill. The next step in the recovery of improperly disbursed funds process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>.

TO APPEAL THIS DECISION:

If you wish to appeal the Notification of Improperly Disbursed Funds Recovery decision indicated in this letter to USAC, your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Improperly Disbursed Funds Recovery Letter and the Funding Request Number(s) (FRNs) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
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 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Funding Disbursement Recovery Report that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
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To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Program - Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

For more information on submitting an appeal to USAC, see "Appeals" in the "Schools and Libraries" section of the USAC website.

FUNDING DISBURSEMENT RECOVERY REPORT

On the pages following this letter, we have provided a Funding Disbursement Recovery Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from the application for which recovery is necessary. See the "Guide to USAC Letters" posted at <http://www.usac.org/sl/tools/samples.aspx> for more information on each of the fields in the Report. USAC is also sending this information to the applicant for informational purposes. If USAC has determined the applicant is also responsible for any rule violation on these FRN(s), a separate letter will be sent to the applicant detailing the necessary applicant action.

Schools and Libraries Program
Universal Services Administrative Company

cc: *Matthew Hornbeck*
HAMPSTEAD HILL ELEM SCHOOL

Funding Disbursement Recovery Report
for Form 471 Application Number: 693282

Funding Request Number:	1902674
Contract Number:	23512-BM-09
Services Ordered:	INTERNAL CONNECTIONS MNT
Billing Account Number:	4103969146
Funding Commitment:	\$7,290.00
Funds Disbursed to Date:	\$7,290.00
Funds to be Recovered from Service Provider:	\$7,290.00
Disbursed Funds Recovery Explanation:	

During an audit, it was determined \$7,290.00 was improperly disbursed for the following ineligible items: maintenance charges. The pre-discount cost associated with these items is \$8,100.00, for a total ineligible amount of \$8,100.00. At the applicants 90 percent discount rate, this resulted in an improper disbursement of \$7,290.00. Service Provider did not provide documentation to substantiate that the maintenance performed was eligible for E-Rate payment. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, <http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services-list.aspx> for the Eligible Services List. On the SPAC Form, the authorized person certifies at Item 10 that the service provider has billed its customer for services deemed eligible for support. Therefore, USAC has determined that the service provider is responsible for this rule violation. Accordingly, USAC will seek recovery of \$7,290.00 of improperly disbursed funds from the service provider.

Matthew Hornbeck
HAMPSTEAD HILL ELEM SCHOOL
500 S LINWOOD AVE
BALTIMORE, MD 21224-3856



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To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Program - Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

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Schools and Libraries Program
Universal Services Administrative Company

cc: *Matthew Hornbeck*
HAMPSTEAD HILL ELEM SCHOOL

Funding Disbursement Recovery Report
for Form 471 Application Number: 691971

Funding Request Number:	1898266
Contract Number:	23512-BM-09
Services Ordered:	INTERNAL CONNECTIONS MNT
Billing Account Number:	4103969146
Funding Commitment:	\$22,499.96
Funds Disbursed to Date:	\$22,499.96
Funds to be Recovered from Service Provider:	\$22,499.96

Disbursed Funds Recovery Explanation:

During an audit, it was determined \$22,499.96 was improperly disbursed for ineligible maintenance charges. The pre-discount cost associated with the maintenance charges is \$24,999.96. At the applicants 90 percent discount rate, this resulted in an improper disbursement of \$22,499.96. Service Provider did not provide documentation to substantiate that the maintenance performed was eligible for E-Rate payment. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, <http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services-list.aspx> for the Eligible Services List. On the SPAC Form, the authorized person certifies at Item 10 that the service provider has billed its customer for services deemed eligible for support. Therefore, USAC has determined that the service provider is responsible for this rule violation. Accordingly, USAC will seek recovery of \$22,499.96 of improperly disbursed funds from the service provider.

Matthew Hornbeck
HAMPSTEAD HILL ELEM SCHOOL
500 S Linwood Avenue
BALTIMORE, MD 21224-3856



Notification of Improperly Disbursed Funds Recovery Letter

Funding Year 2009: July 1, 2009 - June 30, 2010

August 9, 2017

Imtiaz Mohiuddin
Neighborhood Computer Center Corporation Inc.
18714 Wickham Road
Olney, MD 20832

Re: SPIN: 143028072
Form 471 Application Number: 693282
Funding Year: 2009
FCC Registration Number:
Applicant Name: HAMPSTEAD HILL ELEM SCHOOL
Billed Entity Number: 23512
Applicant Contact Person: Ramona Piskor

Our routine review of Schools and Libraries Program (SLP) funding commitments has revealed certain applications where funds were disbursed in violation of SLP rules.

In order to be sure that no funds are used in violation of SLP rules, the Universal Service Administrative Company (USAC) must now recover these improper disbursements. The purpose of this letter is to inform you of the recoveries as required by SLP rules, and to give you an opportunity to appeal this decision. USAC has determined the service provider is responsible for all or some of the SLP rule violations. Therefore, the service provider is responsible to repay all or some of the funds disbursed in error.

This is NOT a bill. The next step in the recovery of improperly disbursed funds process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC.' For more information on the Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>.

TO APPEAL THIS DECISION:

If you wish to appeal the Notification of Improperly Disbursed Funds Recovery decision indicated in this letter to USAC, your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Improperly Disbursed Funds Recovery Letter and the Funding Request Number(s) (FRNs) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Funding Disbursement Recovery Report that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

We strongly recommend that you use one of the electronic filing options. To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org or submit your appeal electronically by using the "Submit a Question" feature on the USAC website. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Program - Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

For more information on submitting an appeal to USAC, see "Appeals" in the "Schools and Libraries" section of the USAC website.

FUNDING DISBURSEMENT RECOVERY REPORT

On the pages following this letter, we have provided a Funding Disbursement Recovery Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from the application for which recovery is necessary. See the "Guide to USAC Letters" posted at <http://www.usac.org/sl/tools/samples.aspx> for more information on each of the fields in the Report. USAC is also sending this information to the applicant for informational purposes. If USAC has determined the applicant is also responsible for any rule violation on these FRN(s), a separate letter will be sent to the applicant detailing the necessary applicant action.

Schools and Libraries Program
Universal Services Administrative Company

cc: *Matthew Hornbeck*
HAMPSTEAD HILL ELEM SCHOOL

Funding Disbursement Recovery Report
for Form 471 Application Number: 693282

Funding Request Number:	1902433
Contract Number:	23512-BM-09
Services Ordered:	INTERNAL CONNECTIONS MNT
Billing Account Number:	4103969146
Funding Commitment:	\$11,785.50
Funds Disbursed to Date:	\$11,785.50
Funds to be Recovered from Service Provider:	\$11,785.50
Disbursed Funds Recovery Explanation:	

During an audit, it was determined \$11,785.50 was improperly disbursed for the following ineligible items: maintenance charges. The pre-discount cost associated with these items is \$13,095.00, for a total ineligible amount of \$13,095.00. At the applicants 90 percent discount rate, this resulted in an improper disbursement of \$11,785.50. Service Provider did not provide documentation to substantiate that the maintenance performed was eligible for E-Rate payment. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, <http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services-list.aspx> for the Eligible Services List. On the SPAC Form, the authorized person certifies at Item 10 that the service provider has billed its customer for services deemed eligible for support. Therefore, USAC has determined that the service provider is responsible for this rule violation. Accordingly, USAC will seek recovery of \$11,785.50 of improperly disbursed funds from the service provider.

Matthew Hornbeck
HAMPSTEAD HILL ELEM SCHOOL
500 S LINWOOD AVE
BALTIMORE, MD 21224 3856



Demand Payment Letter
Funding Year 2009: July 1, 2009 - June 30, 2010

August 9, 2017

Matthew Hornbeck
HAMPSTEAD HILL ELEM SCHOOL
500 S LINWOOD AVE
BALTIMORE, MD 21224 3856

Re: Form 471 Application Number:	693282
Funding Year:	2009
Applicant's Form Identifier:	HHA-BMB
Billed Entity Number:	23512
FCC Registration Number:	0020676136
SPIN:	143028072
Service Provider Name:	Neighborhood Computer Center Corporation Inc.
Service Provider Contact Person:	Imtiaz Mohiuddin
Payment Due By:	09/08/2017

You were recently sent a Notification of Improperly Disbursed Funds Recovery Letter informing you of the need to recover funds from you for the Funding Request Number(s) (FRNs) listed on the Funding Disbursement Recovery Report (Report) of that letter. A copy of that Report is also attached to this letter.

The balance of this debt is due within 30 days from the date of this letter. Failure to pay the debt within 30 days from the date of this letter could result in interest, late payment fees, administrative charges, and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>.

If the Universal Service Administrative Company (USAC) has determined that both the applicant and the service provider are responsible for a Program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181), the USAC will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If USAC has determined that both the applicant and the service provider are responsible for a Program rule violation, this was indicated in the Disbursed Funds Recovery Explanation on the Funding Disbursement Recovery Report.

If USAC is attempting to collect all or part of the debt from both the applicant and the service provider, then you should work with your service provider to determine who will be repaying the debt to avoid duplicate payment.

Please note, however, that the debt is the responsibility of both the applicant and service provider. Therefore, you are responsible for ensuring that the debt is paid in a timely manner.

Please remit payment for the full "Funds to be Recovered from Applicant" amount shown in the Report. To ensure that your payment is properly credited, please include a copy of the Report with your check. Make your check payable to the Universal Service Administrative Company (USAC).

Use one of the appropriate addresses listed below to send payments to USAC.

U.S. Postal Service and Standard Mail for Payments:

USAC
PO Box 105056
Atlanta, GA 30348-5056

Courier and Overnight Packages:

USAC
Lockbox 105056
1075 Loop Road
Atlanta, GA 30337
(404) 209-6377

ACH payments:

USAC requests that all ACH payment be sent in CCD+ format to:
ABA Routing #071000039, Account #5590045653

Payment is due within 30 days from the date of this letter.

Complete Program information is posted to the SLP section of the USAC website at www.usac.org/sl/. You may also contact the SLP Client Service Bureau by email using the "Submit a Question" link on the SLP website, by fax at 1-888-276-8736 or by phone at 1-888-203-8100. Contacting SLP for questions does not change the deadline for your response to this Letter.

Universal Service Administrative Company
Schools and Libraries Program

Funding Disbursement Recovery Report
Form 471 Application Number: 693282

Funding Request Number: 1902674
Services Ordered: INTERNAL CONNECTIONS MNT
SPIN: 143028072
Service Provider Name: Neighborhood Computer Center Corporation Inc.
Contract Number: 23512-BM-09
Billing Account Number: 4103969146
Site Identifier: 23512
Funding Commitment: \$7,290.00
Funds Disbursed to Date: \$7,290.00
Funds to be Recovered from Applicant: \$7,290.00

Disbursed Funds Recovery Explanation:

During an audit, it has been determined that funds were improperly disbursed for this funding request. The applicant did not pay any of the non-discounted portion. FCC rules require applicants to pay the non-discounted portion of the products or services purchased with Universal Service discounts. Applicants that do not pay the non-discounted portion more than 90 days after completion of services have violated this rule. Accordingly, USAC will seek recovery of any improperly disbursed funds from the applicant.

PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING

Matthew Hornbeck
HAMPSTEAD HILL ELEM SCHOOL
500 S LINWOOD AVE
BALTIMORE, MD 21224-3856



Demand Payment Letter
Funding Year 2009: July 1, 2009 - June 30, 2010

August 9, 2017

Matthew Hornbeck
HAMPSTEAD HILL ELEM SCHOOL
500 S LINWOOD AVE
BALTIMORE, MD 21224 3856

Re: Form 471 Application Number:	691971
Funding Year:	2009
Applicant's Form Identifier:	HHA-BMA
Billed Entity Number:	23512
FCC Registration Number:	0020676136
SPIN:	143028072
Service Provider Name:	Neighborhood Computer Center Corporation Inc.
Service Provider Contact Person:	Imtiaz Mohiuddin
Payment Due By:	09/08/2017

You were recently sent a Notification of Improperly Disbursed Funds Recovery Letter informing you of the need to recover funds from you for the Funding Request Number(s) (FRNs) listed on the Funding Disbursement Recovery Report (Report) of that letter. A copy of that Report is also attached to this letter.

The balance of this debt is due within 30 days from the date of this letter. Failure to pay the debt within 30 days from the date of this letter could result in interest, late payment fees, administrative charges, and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>.

If the Universal Service Administrative Company (USAC) has determined that both the applicant and the service provider are responsible for a Program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181), the USAC will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If USAC has determined that both the applicant and the service provider are responsible for a Program rule violation, this was indicated in the Disbursed Funds Recovery Explanation on the Funding Disbursement Recovery Report.

If USAC is attempting to collect all or part of the debt from both the applicant and the service provider, then you should work with your service provider to determine who will be repaying the debt to avoid duplicate payment.

Please note, however, that the debt is the responsibility of both the applicant and service provider. Therefore, you are responsible for ensuring that the debt is paid in a timely manner.

Please remit payment for the full "Funds to be Recovered from Applicant" amount shown in the Report. To ensure that your payment is properly credited, please include a copy of the Report with your check. Make your check payable to the Universal Service Administrative Company (USAC).

Use one of the appropriate addresses listed below to send payments to USAC.

U.S. Postal Service and Standard Mail for Payments:

USAC
PO Box 105056
Atlanta, GA 30348-5056

Courier and Overnight Packages:

USAC
Lockbox 105056
1075 Loop Road
Atlanta, GA 30337
(404) 209-6377

ACH payments:

USAC requests that all ACH payment be sent in CCD+ format to:
ABA Routing #071000039, Account #5590045653

Payment is due within 30 days from the date of this letter.

Complete Program information is posted to the SLP section of the USAC website at www.usac.org/sl/. You may also contact the SLP Client Service Bureau by email using the "Submit a Question" link on the SLP website, by fax at 1-888-276-8736 or by phone at 1-888-203-8100. Contacting SLP for questions does not change the deadline for your response to this Letter.

Universal Service Administrative Company
Schools and Libraries Program

Funding Disbursement Recovery Report
Form 471 Application Number: 691971

Funding Request Number: 1898266
Services Ordered: INTERNAL CONNECTIONS MNT
SPIN: 143028072
Service Provider Name: Neighborhood Computer Center Corporation Inc.
Contract Number: 23512-BM-09
Billing Account Number: 4103969146
Site Identifier: 23512
Funding Commitment: \$22,499.96
Funds Disbursed to Date: \$22,499.96
Funds to be Recovered from Applicant: \$22,499.96

Disbursed Funds Recovery Explanation:

During an audit, it has been determined that funds were improperly disbursed for this funding request because the applicant did not pay any of the non-discounted portion. FCC rules require applicants to pay the non-discounted portion of the products or services purchased with Universal Service discounts. Applicants that do not pay the non-discounted portion more than 90 days after completion of services have violated this rule. Accordingly, USAC will seek recovery of any improperly disbursed funds from the applicant.

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CHECK TO ENSURE TIMELY PROCESSING

Matthew Hornbeck
HAMPSTEAD HILL ELEM SCHOOL
500 S LINWOOD AVE
BALTIMORE, MD 21224-3856



Demand Payment Letter
Funding Year 2009: July 1, 2009 - June 30, 2010

August 9, 2017

Matthew Hornbeck
HAMPSTEAD HILL ELEM SCHOOL
500 S LINWOOD AVE
BALTIMORE, MD 21224 3856

Re: Form 471 Application Number:	693282
Funding Year:	2009
Applicant's Form Identifier:	HHA-BMB
Billed Entity Number:	23512
FCC Registration Number:	0020676136
SPIN:	143028072
Service Provider Name:	Neighborhood Computer Center Corporation Inc.
Service Provider Contact Person:	Imtiaz Mohiuddin
Payment Due By:	09/08/2017

You were recently sent a Notification of Improperly Disbursed Funds Recovery Letter informing you of the need to recover funds from you for the Funding Request Number(s) (FRNs) listed on the Funding Disbursement Recovery Report (Report) of that letter. A copy of that Report is also attached to this letter.

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If the Universal Service Administrative Company (USAC) has determined that both the applicant and the service provider are responsible for a Program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181), the USAC will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If USAC has determined that both the applicant and the service provider are responsible for a Program rule violation, this was indicated in the Disbursed Funds Recovery Explanation on the Funding Disbursement Recovery Report.

If USAC is attempting to collect all or part of the debt from both the applicant and the service provider, then you should work with your service provider to determine who will be repaying the debt to avoid duplicate payment.

Please note, however, that the debt is the responsibility of both the applicant and service provider. Therefore, you are responsible for ensuring that the debt is paid in a timely manner.

Please remit payment for the full "Funds to be Recovered from Applicant" amount shown in the Report. To ensure that your payment is properly credited, please include a copy of the Report with your check. Make your check payable to the Universal Service Administrative Company (USAC).

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PO Box 105056
Atlanta, GA 30348-5056

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USAC
Lockbox 105056
1075 Loop Road
Atlanta, GA 30337
(404) 209-6377

ACH payments:

USAC requests that all ACH payment be sent in CCD+ format to:
ABA Routing #071000039, Account #5590045653

Payment is due within 30 days from the date of this letter.

Complete Program information is posted to the SLP section of the USAC website at www.usac.org/sl/. You may also contact the SLP Client Service Bureau by email using the "Submit a Question" link on the SLP website, by fax at 1-888-276-8736 or by phone at 1-888-203-8100. Contacting SLP for questions does not change the deadline for your response to this Letter.

Universal Service Administrative Company
Schools and Libraries Program

Funding Disbursement Recovery Report
Form 471 Application Number: 693282

Funding Request Number: 1902433
Services Ordered: INTERNAL CONNECTIONS MNT
SPIN: 143028072
Service Provider Name: Neighborhood Computer Center Corporation Inc.
Contract Number: 23512-BM-09
Billing Account Number: 4103969146
Site Identifier: 23512
Funding Commitment: \$11,785.50
Funds Disbursed to Date: \$11,785.50
Funds to be Recovered from Applicant: \$11,785.50

Disbursed Funds Recovery Explanation:

During an audit, it has been determined that funds were improperly disbursed for this funding request. The applicant did not pay any of the non-discounted portion. FCC rules require applicants to pay the non-discounted portion of the products or services purchased with Universal Service discounts. Applicants that do not pay the non-discounted portion more than 90 days after completion of services have violated this rule. Accordingly, USAC will seek recovery of any improperly disbursed funds from the applicant.

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Matthew Hornbeck
HAMPSTEAD HILL ELEM SCHOOL
500 S LINWOOD AVE
BALTIMORE, MD 21224-3856



Demand Payment Letter
Funding Year 2008: July 1, 2008 - June 30, 2009

August 9, 2017

Matthew Hornbeck
HAMPSTEAD HILL ELEM SCHOOL
500 S Linwood Avenue
BALTIMORE, MD 21224-3856

Re: Form 471 Application Number:	635081
Funding Year:	2008
Applicant's Form Identifier:	HHA-471B-2008
Billed Entity Number:	23512
FCC Registration Number:	0020676136
SPIN:	143027179
Service Provider Name:	Friedman Computer Solutions, Inc.
Service Provider Contact Person:	Milton Friedman
Payment Due By:	09/08/2017

You were recently sent a Notification of Improperly Disbursed Funds Recovery Letter informing you of the need to recover funds from you for the Funding Request Number(s) (FRNs) listed on the Funding Disbursement Recovery Report (Report) of that letter. A copy of that Report is also attached to this letter.

The balance of this debt is due within 30 days from the date of this letter. Failure to pay the debt within 30 days from the date of this letter could result in interest, late payment fees, administrative charges, and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>.

If the Universal Service Administrative Company (USAC) has determined that both the applicant and the service provider are responsible for a Program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181), the USAC will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If USAC has determined that both the applicant and the service provider are responsible for a Program rule violation, this was indicated in the Disbursed Funds Recovery Explanation on the Funding Disbursement Recovery Report.

If USAC is attempting to collect all or part of the debt from both the applicant and the service provider, then you should work with your service provider to determine who will be repaying the debt to avoid duplicate payment.

Please note, however, that the debt is the responsibility of both the applicant and service provider. Therefore, you are responsible for ensuring that the debt is paid in a timely manner.

Please remit payment for the full "Funds to be Recovered from Applicant" amount shown in the Report. To ensure that your payment is properly credited, please include a copy of the Report with your check. Make your check payable to the Universal Service Administrative Company (USAC).

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Atlanta, GA 30337
(404) 209-6377

ACH payments:

USAC requests that all ACH payment be sent in CCD+ format to:
ABA Routing #071000039, Account #5590045653

Payment is due within 30 days from the date of this letter.

Complete Program information is posted to the SLP section of the USAC website at www.usac.org/sl/. You may also contact the SLP Client Service Bureau by email using the "Submit a Question" link on the SLP website, by fax at 1-888-276-8736 or by phone at 1-888-203-8100. Contacting SLP for questions does not change the deadline for your response to this Letter.

Universal Service Administrative Company
Schools and Libraries Program

Funding Disbursement Recovery Report
Form 471 Application Number: 635081

Funding Request Number: 1756678
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143027179
Service Provider Name: Friedman Computer Solutions, Inc.
Contract Number: 8832
Billing Account Number: 410-396-9146
Site Identifier: 23512
Funding Commitment: \$134,960.99
Funds Disbursed to Date: \$132,891.21
Funds to be Recovered from Applicant: \$2,245.50
Disbursed Funds Recovery Explanation:

During an audit, it has been determined that funds were improperly disbursed for this funding request. The following equipment purchased with the E-Rate discounts for FY 2008, FRN 1756678, could not be located: (4) Holland Agile Demodulators, (1) Encoder Shelf for a cabinet, (1) 48-port Cisco Router, Catalyst 2960-48TT. FCC rules require that the equipment purchased with program discounts be located at an eligible entity and be utilized effectively for educational purposes. The rules require that applicants retain asset and inventory records of equipment purchased and components of supported Internal Connections services sufficient to verify the location of such equipment for five years. Since you did not maintain the related asset and inventory records and the equipment purchased with Universal Service funds could not be located, the above FCC rules were violated. Accordingly, USAC will seek recovery of \$2,245.50 of improperly disbursed funds from the applicant.

PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING

Matthew Hornbeck
HAMPSTEAD HILL ELEM SCHOOL
500 S LINWOOD AVE
BALTIMORE, MD 21224-3856