DORCHESTER SCHOOL DISTRICT FOUR

500 Ridge Street

Saint George, South Carolina 29477

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## Morris Ravenell, Ed.D. Superintendent

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**LETTER OF APPEAL**

March 19, 2018

FCC, Office of the Secretary

445 12th Street SW

Washington, DC 20554

Billed Entity: Dorchester School District Four (Billed Entity Number 127184)

Contact Person: Elixzina B. Goodwin

Contact Person's Address: 288 South Metts Street, St. George, SC 29477

Contact Person's Phone Number: (843) 563-5906

Contact Person's email address: [egoodwin@dd4.k12.sc.us](mailto:egoodwin@dd4.k12.sc.us)

Form 471 Application Number: 286555

Funding Year: Applicant's Form Identifier: 2002 Network Products 1

Billed Entity Number: 127184

FCC Registration Number: 0011968336

SPIN: 143006687

SPIN Name: Systems & Services, LLC

Service Provider Contact Person: Michelle Creel

FRN Numbers: 734281, 734282

CC Docket No. 02-6

To Whom It May Concern:

I am writing to appeal the "Notification of Improperly Disbursed Funds Recovery Letter" dated June 5, 2017 for Funding Year 2002: July 1, 2002-June 30, 2003.

1.       The District is requesting the FCC to grant an appeal of USAC’s decision to levy a commitment adjustment against the District for funds disbursed to the district from fiscal year 2002-2003.

2.       The District presents the following claims to substantiate the appeal

a.       KPMG conducted an audit of the District’s E-Rate compliance in January, 2005, and found that equipment was procured with E-Rate funds, but could not be located at the time of the audit.

b.      At the time of the audit, the District informed the auditors that the District had never received the products from the vendor referenced in the commitment adjustment (8 of 27 switches and 25 of the 47 components for switches). The District relies on the vendor to file invoices for products and services under the SPI method. Today, the District maintains the belief that the equipment was never sold to the District or installed on their network.

c.       After the District notified the auditors of the discrepancy in their findings, the auditors never followed up with the District on the claim or investigated the service provider to determine if an error or abuse of the program occurred.

d.      The service provider's business, Systems & Services, LLC, has since closed and are unavailable for any recourse.

3.       Since being issued the Commitment Adjustment on June 5, 2017, the District has requested invoice documents from USAC via the Customer Service Bureau, however the representative confirmed USAC does not keep invoice records from 2002.

a.       The Client Services Bureau representative recommended the District utilize the Data Retrieval Tool to search for information, but the data provided in that tool does not provide sufficient information to determine if the service provider invoiced the District for service they did not receive. (See Customer Service Ticket Number 189082)

b.      Citing the FCC’s document retention rule at the time of the audit, the District no longer has a hard copy or digital copy of the invoice.

4.       The District maintains the position that the products referenced in the Commitment Adjustment were never received from the vendor, and the vendor utilized the SPI invoicing method to intentionally or unintentionally abuse or defraud the program.

a.       The District recognizes the fact that as the applicant, it carries the liability of commitment adjustments where E-Rate compliance is not met. However, because USAC waited 12 years to act upon the findings of the audit and did not contact the district until June, 2017, the District now bears all of the liability and has no legal recourse against the service provider, the agent responsible for the lapse in compliance.

b.      The District in no way attempted to defraud the E-Rate program or waste or abuse E-Rate funds.

5.       The District maintains the position that KPMG mismanaged the audit and USAC mismanaged the commitment adjustment. The District also maintains the position that the mismanagement of this issue will negatively impact the District’s ability to provide adequate services to students in rural South Carolina. (An unexpected notification in June, 2017, to pay back $22,560.66)

a.       Specifically, the cost in terms of dollars is significant to a rural school district and will greatly impact the District’s broadband connectivity and “one to one” device implementation program.

b.      Additionally, the mismanagement of the program will deter the District from participating in the E-Rate program for future funding requests noting the extremely high risk of participating in the program.

lease consider the aforementioned circumstances and grant Dorchester School District Four this appeal in the recoupment of funds totaling $22,560.66.

Sincerely,

Elixzina B. Goodwin

Director of Technology

Dorchester School District Four