

July 26, 2017

Ms. Marlene H. Dortch, Secretary  
 Federal Communications Commission  
 Office of the Secretary  
 445 12<sup>th</sup> Street, SW  
 Washington, DC 20554  
 Reference: CC Docket No. 96-45 and CC Docket No 02-6

To Whom It May Concern:

This will serve to formally submit an FCC Appeal as a request to review the attached finding by a USAC Audit. Per the attached documentation, dated June 5, 2017, USAC has incorrectly determined that both the applicant and the service provider acted in conflict with the USAC Program tenets for open and approved funding for FRNs 2062823, 2062866 and 2062845 requests for funding for Internal Connections Maintenance as it pertains to the following applicant information:

- **Billed Entity Name:** Eaton Academy
- **Billed Entity Number:** 16057881
- **Form 471 Application Number:** 763416
- **Application Type:** Priority Two Internal Connections Maintenance
- **FRN:** 2062823, 2062866, 2062845
- **Service Provider:** JRME Enterprises (SPIN: 143034153)
- **Funding Year:** 2010
- **Contact Information:** John Egan, Phone: 480-473-5785, E-mail: john.egan@getfunded.net
- **Appeal Reason:**

**Funding Commitment Adjustment Explanation:** The following is an insert from the USAC denial letter.

"You indicated in response to the Administrator Information Request that you received assistance from service provider JRME Enterprises, Inc., SPIN 143034153, in the form of technical information referenced on your FCC Form 470 for these FRNs. A service provider that participates in the competitive bidding process as a bidder cannot be involved in the preparation or certification of the entity's FCC Form 470. Specifically, you indicated that the service provider assisted you in developing specification sheets, establishing email accounts for vendor responses, as well as informed superintendent of infrastructure needs and provided technical support so that superintendent could make informed decisions on bids and quotes. This action constitutes improper service provider involvement. Program rules state that a service provider must not interfere with the applicants competitive bidding process, such as providing assistance in completing forms, and an applicant should not have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition."

**APPEAL REASON:** The USAC audit team did not properly understand, and therefore did not properly apply, the information provided to them by the applicant.

The basis for the denial came from Eaton Academy's April 21, 2014 response to Question VI. Please describe Robert Matesic's role and responsibilities at the Eaton Academy as they relate to the E-rate funding process for Funding Years 2010, 2011 and 2012 (i.e., July 1, 2010 through June 30, 2013).

With regard to e-rate, Robert Matesic assisted Superintendent Susan Diehl, as needed. Robert Matesic is an independent contractor who has provided IT services to Eaton since about 2001. He was the person with detailed knowledge of Eaton's IT needs, services, capacity, and inventory. Susan Diehl and Robert Matesic had regular communications regarding any IT issue in the schools, both e-rate related and non e-rate related. The type of assistance provided by Robert Matesic included, but is not limited to, developing specification sheets (i.e., how many phone lines, internet connection speed, server speed, server size, server components, etc.), establishing email account for vendor responses, providing inventory of IT equipment, phone/internet systems and lines, internet access, etc., informed superintendent of infrastructure needs; answering technical questions from the Superintendent and staff; and responding to PIAs. He provided the necessary technical support so that the Superintendent could make informed decisions on bids and quotes, the school's technology budget and purchases, the school's technology capacity for educational programs and student needs. At no time did he have a role in evaluating bids nor did he exert any influence over the final selection of a bid.

The response to Question VI was a broad description and does not apply to every year and every FRN; nor does it apply solely to the competitive bidding process. There were 31 FRNs (for P1 and P2) from 2010-2012, most of which were for services not provided by JRMIE. The funding process, as understood by the applicant, encompasses the entire process from bidding through PIA to actual receipt of funding. Therefore, the statement "provided the necessary technical support so that the Superintendent could make informed decisions on bids and quotes" does that mean that the support was given during or prior to the competitive bidding process; nor that the support was given on any service for which the service provider was a bidder.

Nowhere in that response does Eaton Academy indicate that they received assistance from provider JRMIE in the form of technical information referenced on its FCC Form 470 for FRNs 2062823, 2062866, and 2062845. In fact, for FRNs 2062823, 2062866, and 2062845 there was no technical or any other assistance required in any form or format.

### Service or Function: Quantity and/or Capacity:

**Maintenance**  
**Maintenance contract**  
**for all E-Rate eligible items and services**  
**up to 2600 hours onsite technician time per year**

Form 470 was authored by GETFUNDED. JRMIE was not involved in the preparation or certification of our Form 470 in any way. The only parties involved in the development of the forms 470 for each year was our consultant GETFUNDED and Susan Diehl. Further, the only party involved in the authorship of each year's forms 470 was our consultant, GETFUNDED. JRMIE played absolutely no role in either activity. Although JRMIE was asked by Susan Diehl to establish one e-mail account ([sdiehl@westonacademy.com](mailto:sdiehl@westonacademy.com)) for the purpose of receiving and storing all e-rate vendor bids for both P1 and P2, JRMIE never had access to any bid information (in-box information, content, bids, etc.) at any time. Furthermore, in reference to the broad statement above: no specifications sheets were developed for maintenance; no email bids were received from maintenance vendors; no infrastructure needs were discussed for maintenance; and no



technical support was provided to the superintendent for IC Maintenance. Maintenance information was solely authored by GETFUNDED.

Mr. Matesic ("JRMME"), as the incumbent service provider, was NOT prohibited by program rules from bidding on any Form 470 service. JRMME was the incumbent service provider for almost 10 years prior to the school electing to seek e-rate funding. If JRMME wanted to continue to provide IT services to Eaton Academy, they were required to submit a bid in response to Form 470. JRMME submitted a bid and, based on the lowest costs, was selected as the vendor. The JRMME bid for labor was at the exact same hourly rate prior to our applications for E-Rate funding, beginning with the 2010 funding year. For the record, JRMME's labor rate, from 2001 and through the applications for E-Rate, beginning with the 2010 funding year, remained exactly the same. JRMME did not lower their rate to compete for E-Rate funding. They submitted the same contract rate via the E-Rate competitive bidding process as they would have otherwise; the only difference being that it was necessary to submit to this process to be considered an eligible service provider. JRMME's prior relationship with the applicant did not unfairly influence the outcome of the competitive bidding process as the outcome was based on lowest hourly rate. It is unfair and discriminatory to assume that JRMME's prior relationship as the incumbent provider, or any incumbent provider, unfairly influenced the competitive bidding process as the only remedy to the applicant would be to terminate all incumbent providers every year in order to participate in the E-rate program. No provider should be prohibited from the competition.

Also for the record, Eaton Academy is now and has always been, absolutely committed to the adherence to, and support of, all USAC policies regarding the competitive bidding rules and guidelines for the E-Rate program for all years with which we have filed, been approved, and received E-Rate funding. In addition, we employed the expert professional services of a reputable consulting firm, GETFUNDED, to ensure that our school would comply with all E-Rate Program rules. GETFUNDED did their job well and will attest to the fact that no competitive bidding rules were ever violated by the applicant or JRMME, ever.

➤ USAC Forms Development, Authorship & Submittal: Further, and as it specifically pertains to the denial of our petition for the 2010 funding year, and with respect to form 471 number 861327 in its entirety, we worked with our consultant, GETFUNDED (CRN 16057463) in their authorship of all USAC forms, including form **470 number 234840000812274**.

✓ GETFUNDED was the only 3<sup>rd</sup> party or non-school resource who was involved in the authorship and certification of the aforementioned form 470 and any other related USAC forms for the funding year in question and all subsequent funding years.

✓ At no time did any other school resource or non-school resource, including Ms. Diehl or her teammates and also the incumbent BMIC service provider, JRMME Enterprises Inc. (SPIN 143034153), play any role in the development, authorship and certification of the aforementioned form 470 or any other related USAC forms. Only GETFUNDED personnel developed, authored and submitted and managed all USAC forms.

○ We thought that we had previously stated this fact clearly and unambiguously to Ms. Jessica Olsen (Associate Reviewer, Special Compliance) in a 4/21/2014 memorandum for the record regarding the 2010-2012 applications. See first attachment herein, under file name "Eaton USAC Response 4-21-14.pdf", page 2, Roman numeral VI.

○ In addition, the applicant also submitted a statement dated 4-16-2014, to the same USAC reviewer, Ms. Olsen, under filename "Susan Diehl audit response.pdf", pages 2-3, roman numeral II, IV and V, citing:

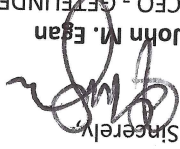
- Only the applicant's selection committee members were involved in the down-selection of all winning bids, and that team never included any personnel from either Funded or JRMME,
- JRMME never saw any competitive bids,

- The role of GETFUNDED personnel and the fact that only GETFUNDED associates developed, authored, and filed all USAC forms for the applicant,
- The leadership and control duties of Ms. Diehl, and that
- At no time did JRM/E play any active or passive role in the selection of any winning bids, including his own, that he provided no influence to same, and that the "...decision making for service provider selections resided strictly with the appropriate members of the Schoolhouse and the school staff itself".
- In addition and in total compliance with FCC rules and regulations, in the development of the information that was and is required for a complete and accurate form 470 (request for bids and proposals) was submitted by GETFUNDED. We requested an E-Rate eligible IT asset inventory validation (of our than-current record keeping) from our than-current IT contractor, JRM/E Enterprises Inc. This information was requested solely to confirm our own records in an effort to ensure that we were providing accurate and complete information for the aforementioned form 470 that was authored and managed by the GETFUNDED team, all for any potential bidders to pursue. This assistance from JRM/E Enterprises Inc. included the following scope of work:
  - ✓ Make, model and quantity information confirmation about the than-current eligible IT asset inventory that we wished to receive competitive bids for Basic Maintenance of Internal Connections – BMIC (break-fix repair) support and JRM/E Enterprises Inc. (SPIN 143034153) was at that timeframe in the best position as our incumbent IT contractor on the maintenance scope of work (who was charged with managing the operational health and welfare at that timeframe and in prior years before we began to petition for E-Rate discounts) to provide that information validation of our own internal records.
  - The technical assistance included, but was limited to the inventory count (e.g., make, model, quantity, version/release, etc.) types of informational updates that pertained to our existing IT infrastructure.
  - In this specific regard, JRM/E Enterprises Inc. simply supplied a validation of the school's IT asset inventory information that we already had on file so that we could supply accurate and complete information for the BMIC request for competitive bids and proposals.
  - At no time did JRM/E Enterprises Inc. ever assist our school or any member of our team, or interact with our E-Rate consultant in any further capacity, as claimed in the FCDL denial documentation.
  - In fact, once JRM/E Enterprises Inc. provided the validation of our own record keeping, we did not interact with them in any form or manner regarding their potential competitive bidder role until after they provided a competitive bid for the BMIC scope of work. At that timeframe, we simply discussed their bid, as we did all other bids from every other bidder, for the sake of clarity and nothing more. In other words, there was no unfair influence that was given to or from the school or JRM/E Enterprises Inc. during the competitive bidding period, as required by USAC rules.
- ✓ In addition and also for the record, JRM/E Enterprises Inc. was paid a fee to manage non-E-Rate eligible scopes of work, including the support of the school's email communications system.
  - For the record, JRM/E Enterprises Inc. was asked to establish E-Rate inboxes or accounts specifically intended for the depositing and routing of all competitive bids and proposals.

- In addition, *JRME Enterprises Inc.* was also responsible for the email system management and end-user support. The end-user support included responding to email system end-user requests for password updates and the resolution of other reported *trouble conditions*.
- But at no time did *JRME Enterprises Inc.* ever have access to any email message informational content or user messaging content in any way, including the aforementioned E-Rate email inboxes identified above.

I trust that this will serve to clarify any past responses received from this school (or its agents) with regard to the roles played by our internal applicant and Schoolhouse Services team membership, our E-Rate consultant GETFUNDED, and any of our contractors, including *JRME Enterprises Inc.* Please contact me if you have any further questions about the application.

Thank you in advance for your consideration in this important matter.

Sincerely,  
  
 John M. Egan

CEO - GETFUNDED

Office: 480-473-5785

Fax: 866-800-5147

E-Mail: [john.egan@getfunded.net](mailto:john.egan@getfunded.net)

[www.getfunded.net](http://www.getfunded.net)