December 11, 2017

To whom this may concern,

CC Docket No 02-6

Entity & BEN Archdiocese of Boston : 120529

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Service Provider: CELT

Funding Year: 2008

Application Type: Form 471 Application Number: 600788

FRNs: 1656604

Appeal Reason: Improper Disbursed Funds – REQUEST FOR REVIEW

Appeal Explanation

CELT (Center for Educational, Leadership and Technology) was notified by Universal Service Administrative Company (USAC) via a letter dated, June 2, 2017, of USAC’s decision that CELT improperly disbursed funds. USAC’s notification letter is attached (Exhibit A). In response to the USAC’s decision and notification letter, CELT denies any and all reported violations, and appeals the decision with adequate supporting documentation found herein.

Summary

In 2007 the Archdiocese of Boston (AoB) created a consortium of schools which allowed them to create an RFP for bandwidth services along with a basic firewall service. The total number of schools that signed the contract in 2007 was 23 (see Exhibit B). The original contract was signed in 2007 and continued for three years. School year 2008 was the second year of the original contract.

The agreement between CELT and AoB was clear and straight forward, CELT was to provide bandwidth and firewall services to 23 school sites for three years. (Attachment A) In July 2008 CELT issued AoB an invoice for the 23 sites that were under contract. This invoice corresponded with the signed contract 1 year ago. On July 14, 2008 CELT received a check paying for services provided to each listed site.

USAC has sent CELT a notice of Improperly Disbursed Funds for the year 2008, stating that funds were improperly disbursed for this funding request. According to USAC, funds were disbursed in excess of the cost of products and/or services actually delivered to the applicant. Block 4 of FY 2008 FCC Form 471 # 664943 demonstrated that only 19 entities were identified as recipients of services for this funding request. A short appeal was made on behalf of CELT to explain what really happened with the difference between the 19 sites shown on the form 471 to the 23 sites that are listed on the contract between the AoB and CELT.

On October 20, 2017, CELT received a letter entitled “Administrator’s Decision on Appeal”. The appeal had been denied, and full payment was expected. CELT is bringing this denial to the Federal Communications Commission with a new Appeal document. This document will show that CELT honored its commitment with the Archdiocese of Boston and provided the original 23 school sites with a bundled service of bandwidth and firewall. CELT will show that each school site received these services during the 2008 school year.

Statement of Facts

* AoB filed a 470, # 847950000617010, under section 17, entitled Billed Entities, a list of 27 schools were names for a vendor to issue services to. Since AoB was already under contract with CELT, CELT issued a formal bid that represented the schools under the agreed contract. (Attachment B)
* FCC form 471 numbered 664943 (Attachment C) clearly shows 23 sites listed for services, very different than the sites listed under form 470 asking for services.
* CELT provided 23 school sites with services, and invoiced 23 schools sites. On form 471 Block 2 it clearly shows that service ordered for schools, 7d, states direct broadband services: Number of buildings served at the following speeds – less than 10 mbps = 23. The form 471 was prepared by an E-rate Consultant and approved by AoB prior to certification.
* There are two (2) schools or Billed Entity Numbers (BEN) that CELT will show actually have multiple sites that were listed on the contract and under the control of the billing entity. A Billed Entity defined on the USAC web site states: “An entity is considered a billed entity if it is responsible for making payments directly to a service provider. An entity that receives a bill, but does not make payments to the service provider for that bill, is not a billed entity. Generally, this means that the review will take place at the school district, consortium, or library system or consortium level. In a selective review, USAC requests and reviews information for all FCC Forms 471 that were filed by the billed entity for the current funding year”.
* Our Lady of Perpetual Help / Mission Grammar is a site that was listed on the form 470 with a BEN of 1635. This school is also listed on CELTs list of schools that was to receive services for 2008. For reasons unknown, this school was not listed on the 471. They continue to receive services from CELT to present time.
* ST Patrick Elementary is a site that was listed on the form 470 with a BEN of 1633. This school is also listed on CELTs list of schools that was to receive services for 2008. This school was not listed on the 471.

Conclusion

Since CELT and the AoB have been under contract, with 23 school sites to be served, CELT maintains that all school sites listed under the original contract have had the services / products delivered to them, and their continued usage. The AoB uses an E-rate consultant who files all related USAC forms. CELT feels that the communication between the AoB and their consultant was not engaged in on-going dialogues. Since the e-rate consultant only listed 19 school sites under the 471 block 2 which clearly does not match the site listing on the 470 itemized school site list, miss-communication between AoB and their e-rate consultant had to play a role.

St. Mary Elementary School which was not included on the 471 as a serviceable site. St. Mary Elementary School was in a transitional phase, to be closed at the end of the 2008 – 2009 school year. St. Mary was part of the original contract signed in 2007, and therefore CELT continued to provide them with services in the 2008 year. Education of students was a continuous process while the transition took place. CELT provided St. Mary Elementary school with the bundled services, as they were part of the 3 year contract. This is an oversite by both the Archdiocese of Boston as well as the e-rate consultant.

CELT has always honored their commitment to the schools. We have provided the above services to each school that is listed on the contract (Attachment B). Per the signed contact by both parties, the Archdiocese of Boston and CELT, it clearly states that: “Integrity by CELT and Customer agree to the terms and conditions of this agreement, including the Standard Terms of Service set by Verizon and Comcast which are posted on the Integrity website. Customer shall have the right to terminate Service Order in the event Customer objects to any material change to the Standard Terms of Service that effects the Customers rights under this Agreement by providing Integrity by CELT with written notice within sixty (60) days of such change and provided that Customer pays any unpaid or previously by waved one-time charges”. (Attachment D)

Based on USAC’s response in 2008, this application passed all the process procedures and the Archdiocese of Boston received bandwidth and firewall services for all 23 sites listed on Archdiocese of Boston / CELT contract. A list of schools had been provided by CELT with the 2007 invoice (Exhibit B). Since AoB was under a 3 year contract, and no notification came to CELT regarding the mergers of the school sites, CELT requested payment based on the signed contract.

In 2008 the review process was completed by SLD and monies were funded to CELT by SLD based on that review process. The review process went through many departments, each looking over the applicant’s 471 and could not find fault. The following list shows each step of the process prior to it becoming funded.

The 471 applicant was reviewed for

* Entity Eligibility - approved
* Discount accuracy - approved
* Eligible products and services - approved
* Compliance with Program rules - approved

Went through PIA process and was approved

Went through Heightened Scrutiny Reviews, possible, passed

Went into Initial and Final Review – another check on reviewer - approved

Went into the Quality Assurance review –approved

In the case of 2008, CELT’s invoices only states that services were provided to the contracted schools that was agreed upon by the Archdiocese of Boston for 23 school sites. CELT submitted an invoice Attachment E) for payment based on the “funded commitment letter” which shows a total of $ 131,900.40. Our invoice matched the funding letter.

E-rate Year 2008 - 2009

Report on SLD Funding

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | # of sites | $ Amount | Monthly Total | Yearly Total |
| Integrity Secured Internet Connect | 23 | 590 | $ 13,570.00 | $ 162,840.00 |
| July 1, 2008 – June 30, 2009 |  |  |  |  |
|  |  |  |  |  |
| LESS SLD Discount 84% |  |  |  | $ 131,900.40 |
|  |  |  |  |  |
| Adjusted Invoice from Audit |  |  |  |  |
| Integrity Secured Internet Connect |  |  |  |  |
| July 1, 2008 – June 30, 2009 | 22 | 590 | $ 12,980.00 | $ 155,760.00 |
|  |  |  |  |  |
| LESS SLD Discount 81% |  |  |  | $ 126,165.60 |
|  |  |  |  |  |
| DELTA to SLD |  |  |  | $ 5,734.80 |

As the table above shows, during this extensive appeal process, CELT billed for 23 schools. CELT has identified 22 of those schools, which we have shown to the USAC Appeal Reviewer. The 23rd school, St. Mary’s closed its doors in June 2009, stating financial difficulties. St Mary’s was a school site listed under the original contract for CELT to provide services to. Since CELT was not notified that St. Mary’s was no longer participating in the E-rate program for the 2008-2009 school year, CELT not knowing, continued to provide them with the services, and then billed USAC. St. Mary was in the second year of the three year contract, CELT continued to provide and bill for the used services.

Since CELT followed all SLD guidelines and provided schools listed under the form 470 as well as the signed 3 year contract, CELT feels that asking us to pay for a misrepresentation by the e-rate consultant, by not providing the additional schools on the 471 is unfair. Since the e-rate consultant did not put St. Mary on the 470 and St Mary was not listed on the 471 CELT will provide SLD with a check for the amount of $5,734.80.