

*VIA ECFS*

March 30, 2015

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

**Re: WC Docket 11-42  
Lifeline Biennial Audit of True Wireless, LLC  
Independent Accountant's Report on Applying Agreed-Upon Procedure  
Year Ended December 31, 2013**

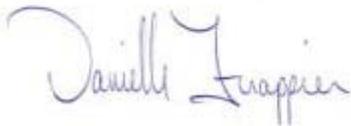
Dear Ms. Dortch:

Last week, pursuant to paragraphs 9 and 15(c) of the FCC's General Standard Procedures for the Lifeline Biennial Audit, True Wireless, LLC ("True Wireless") submitted the final Independent Accountant's Report on Applying Agreed-Upon Procedures for the year ended December 31, 2013 to: (1) Charles Tyler of the Telecommunications Access Policy Division, (2) Thomas Buckley of the Office of the Managing Director, (3) Karen Majcher of the Universal Service Administrative Company; and (4) the relevant state commissions.

True Wireless has since been advised to also file the report in WC Docket 11-42. Accordingly, please see the attached report.

Please contact us if you have any questions.

Sincerely,



Danielle Frappier  
Adam Shoemaker  
*Attorneys for True Wireless, LLC*

**TRUE WIRELESS, LLC  
LIFELINE BIENNIAL AUDIT**

Independent Accountant's Report  
On Applying Agreed-Upon Procedures  
Year Ended December 31, 2013

**McBRIDE, LOCK & ASSOCIATES, LLC**

CERTIFIED PUBLIC ACCOUNTANTS  
KANSAS CITY

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MCBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Managements of True Wireless LLC,  
the Universal Service Administrative Company (USAC), and  
the Federal Communications Commission (FCC or Commission):

We have performed the procedures enumerated in Attachment A, which were agreed to by the FCC's Wireline Competition Bureau (Bureau) and Office of Managing Director (OMD) in the Lifeline Biennial Audit Plan or as otherwise directed by the Bureau,<sup>1</sup> solely to assist you in evaluating True Wireless LLC's compliance with certain regulations and orders governing the Low Income Support Mechanism (also known as the Lifeline Program) of the Universal Service Fund, set forth in 47 C.F.R. Part 54, as well as other program requirements, including any state-mandated Lifeline requirements (collectively, the Rules) detailed in the Lifeline Biennial Audit Plan for the calendar year ended December 31, 2013. True Wireless LLC's management is responsible for compliance with the Rules. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Generally Accepted Government Auditing Standards (GAGAS) issued by the Government Accountability Office (2011 Revision).<sup>2</sup> The sufficiency of these procedures is solely the responsibility of the Bureau and OMD. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment A either for the purpose for which this report has been requested or for any other purpose.

Specific procedures and related results are enumerated in Attachment A to this report. In compliance with the Lifeline Biennial Audit Plan, this report does not contain any personally identifiable information or individually identifiable customer proprietary network information.<sup>3</sup>

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on True Wireless LLC's compliance with the Rules. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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<sup>1</sup> See *Wireline Competition Bureau Announces Release of Final Lifeline Biennial Audit Plan*, WC Docket No. 11-42, Public Notice, DA 14-450 (rel. Apr. 2, 2014).

<sup>2</sup> See U.S. Government Accountability Office, *Government Auditing Standards*, GAO 12-331G (rev. Dec. 2011).

<sup>3</sup> See 18 U.S.C. § 1028(d)(7) (definition of means of identification) and 47 U.S.C. § 222(h)(1) (definition of customer proprietary network information).

This report is intended solely for the information and use of the managements of True Wireless LLC, USAC, and the FCC, and is not intended to be and should not be used by anyone other than these specified parties. This report becomes a matter of the public record upon filing of the final report with the FCC. The final report is not confidential.

*McBride, Lock & Associates, LLC*

McBride, Lock & Associates, LLC  
March 16, 2015

**ATTACHMENT A**

Attachment A enumerates the agreed-upon procedures for True Wireless LLC, the associated results, and any management responses obtained in relation to the exceptions identified.

**Objective 1: Carrier Obligation to Offer Lifeline**

***Procedure 1***

McBride, Lock & Associates, LLC inquired of management on November 26, 2014 and obtained the carrier's policies and procedures in response to Item 4 of Appendix A (Requested Documents) of the Lifeline Biennial Audit Plan for offering Lifeline service to qualifying low-income consumers.

McBride, Lock & Associates, LLC examined the carrier's policies and procedures, and compared those policies and procedures, as well as management's responses to the inquiries, to the Commission's Lifeline rules set forth in Appendix F of the Lifeline Biennial Audit Plan.

McBride, Lock & Associates, LLC noted no discrepancies between the carrier's policies and procedures, management's responses to the inquiries, and the Commission's Lifeline rules.

No exceptions noted.

***Procedure 2***

McBride, Lock & Associates, LLC inspected 4 examples of carrier marketing materials, which were determined to be the entirety of the carrier's marketing materials, describing the Lifeline service (i.e., print, audio, video and web materials used to describe or enroll in the Lifeline service offering, including standard scripts used when enrolling new subscribers, application and certification forms), as provided in response to Items 4, 6 and 7 of Appendix A of the Lifeline Biennial Audit Plan.

McBride, Lock & Associates, LLC noted the inspected marketing materials contained all required information.

No exceptions noted.

***Procedure 3***

McBride, Lock & Associates, LLC randomly selected 10 recorded calls out of the 50 recorded calls, servicing the ETC's Lifeline subscribers, as provided in response to Item 8 of Appendix A.

McBride, Lock & Associates, LLC's review of the recorded calls noted that the telephone number(s) did not involve the use of an interactive voice response (IVR) system. All calls included a live customer care operator. The time spent using the customer care telephone service on each call is as follows:

<u>Call #</u>	<u>Call Duration</u>	<u>Call #</u>	<u>Call Duration</u>
1	6:50	6	3:07
2	9:28	7	3:51
3	12:36	8	2:54
4	2:43	9	6:23
5	5:06	10	4:28

McBride, Lock & Associates, LLC also noted the customer care telephone numbers could be used by subscribers to notify the ETC of the subscriber's intent to cancel service or give notification that the subscriber is no longer eligible to receive service. McBride, Lock & Associates, LLC did not note any statements by an ETC representative in the recorded calls which misled the subscriber or conflicted with the Commission's rules.

No exceptions noted.

***Procedure 4***

McBride, Lock & Associates, LLC inspected applicable policies and procedures regarding de-enrollment from the program, including when the ETC will de-enroll subscribers based on lack of eligibility, duplicative support, non-usage, and failure to recertify, as further described below.

- a. McBride, Lock & Associates, LLC inspected the ETC's policy and procedures for de-enrollment where the ETC has information indicating that a Lifeline subscriber no longer meets the criteria to be considered a qualifying low-income consumer under 47 C.F.R. §54.409, as provided in response to Item 4 of Appendix A.

McBride, Lock & Associates, LLC noted that the ETC does not have a written policy, but the description of procedures detailing the process for communications between the subscriber and ETC regarding de-enrollment, included: (1) notifying subscribers of impending termination of service; (2) allowing subscriber to demonstrate continued eligibility; and (3) termination of service for failure to demonstrate eligibility.

McBride, Lock & Associates, LLC did not identify any areas which were not in compliance with section 54.405(e)(1) of the Commission's rules.

No exceptions noted.

- b. McBride, Lock & Associates, LLC inspected the carrier's policy and procedures for de-enrolling subscribers that are receiving Lifeline service from another ETC or where more than one member of a subscriber's household is receiving Lifeline service (duplicative support).

McBride, Lock & Associates, LLC noted that the ETC does not have a written policy, but the description of procedures stated that the ETC will de-enroll subscribers within five business days of receiving notification from USAC program management that a subscriber or a subscriber's household is receiving duplicative Lifeline support, as required by section 54.405(e)(2) of the Commission's rules.

McBride, Lock & Associates, LLC also noted that the ETC provided a description of additional procedures used to prevent and eliminate duplicative support, such as automatic checks in its subscriber database to determine whether a subscriber with various combinations of the same name, address, date of birth, and/or last-four digits of his or her Social Security Number is already in the database, as well as additional, semi-automated reviews of subscriber lists (sorting the lists using different criteria, including name, address,

date of birth, and last four digits of the Social Security Number) to eliminate any duplicates not automatically eliminated by the database.

No exceptions noted.

- c. McBride, Lock & Associates, LLC inspected the carrier's policy and procedures for de-enrolling subscribers for non-usage (i.e., where a Lifeline subscriber fails to use Lifeline service for 60 consecutive days), including the process of how the carrier monitors and identifies subscribers who are non-users of Lifeline service but enrolled in the program. McBride, Lock & Associates, LLC used the list provided in response to Item 10 in Appendix A, and performed the following:
  - i. For subscribers listed as de-enrolled or scheduled for de-enrollment, McBride, Lock & Associates, LLC selected a sample of 10 accounts and on December 30, 2014 requested copies of the non-usage termination notifications sent to the subscribers.
  - ii. McBride, Lock & Associates, LLC examined the non-usage termination template provided in lieu of the individual notices. McBride, Lock & Associates, LLC verified the termination notification template explained that the subscriber has 30 days following the date of the impending termination notification to use the Lifeline service.

McBride, Lock & Associates, LLC also noted that the non-usage termination template included all information, as required by section 54.405(e)(3) of the Commission's rules.

- iii. McBride, Lock & Associates, LLC has attached the sample non-usage termination template. See Supplemental Information – Non-Usage Template.

No exceptions noted.

- d. McBride, Lock & Associates, LLC reviewed the carrier's policy and procedures for de-enrolling a Lifeline subscriber that does not respond to the carrier's attempts to obtain recertification, as part of the annual eligibility recertification process. For any subscribers identified in Item 9.i and .j of Appendix A, McBride, Lock & Associates, LLC selected a random sample of 30 and on December 30, 2014 requested copies of the notice of impending de-enrollment letters and all other communications sent to the subscribers involving recertification and performed the following:
  - i. McBride, Lock & Associates, LLC inspected the templates of notice of impending de-enrollment letters and any other communications sent to the subscriber regarding recertification provided in lieu of individual notices. McBride, Lock & Associates, LLC verified the communications templates explained that the subscriber has 30 days following the date of the notice of impending de-enrollment letter to demonstrate continued eligibility or the carrier will terminate the subscriber's Lifeline service.

McBride, Lock & Associates, LLC noted no instances of the impending de-enrollment letters which did not include this information.

- ii. McBride, Lock & Associates, LLC reviewed the de-enrollment letters, and other forms of communications, and the carrier's responses to the background questionnaire and verified through observation that the de-enrollment letters, if that form of communication was used, were sent by a method separate from the subscriber's bill (if a customer receives a bill from the carrier).
- iii. McBride, Lock & Associates, LLC attached 2 examples of the impending de-enrollment letter templates which were provided in lieu of individual letters. These were determined to be the entirety of the carrier's communications with the subscriber. See Supplemental Information – Impending De-Enrollment Templates.

No exceptions noted.

## **OBJECTIVE II: Consumer Qualification for Lifeline.**

### ***Procedure 1***

McBride, Lock & Associates, LLC inquired of management on November 26, 2014 and obtained carrier policies and procedures for limiting Lifeline support to a single subscription per household as provided by the carrier in response to Item 4 of Appendix A.

McBride, Lock & Associates, LLC examined the policies and procedures. McBride, Lock & Associates, LLC compared management responses and carrier policies and procedures with the Commission's Lifeline rules set forth in 54.409(c) (Appendix F).

McBride, Lock & Associates, LLC did not note any discrepancies between the policies and procedures and the Commission's rule.

No exceptions noted.

### ***Procedure 2***

McBride, Lock & Associates, LLC reviewed procedures the carrier has in place to ensure it has accurately completed the FCC Form 497. The carrier did not have such procedures. McBride, Lock & Associates, LLC inquired of management to describe the process for completing a FCC Form 497. McBride, Lock & Associates, LLC noted the following:

- The Vice President of Internal Operations is responsible for obtaining data for the FCC Form 497;
- The process for determining which subscribers should be included monthly in the FCC Form 497 does not include the use of cut-off or billing cycle dates. The carrier reviews monthly reports generated from the system to claim all subscribers who received Lifeline service during the month;
- The carrier's President's signature is required for the FCC Form 497;
- A verification process exists to perform an independent review; that is, the person reviewing or validating the form's data, the Vice President of Internal Operations, is different from the person completing the form the carrier's President; and
- The process provided the name of the billing system used to generate completion of the form.

No exceptions noted.

***Procedure 3***

McBride, Lock & Associates, LLC obtained the Subscriber List in response to Item 1 of Appendix A and obtained the carrier's FCC Form 497(s) for study area 439038, 189018 and 449060 in the states of Oklahoma, Maryland and Texas for the selected month of April 2013.

McBride, Lock & Associates, LLC examined the number of subscribers claimed on the Form(s) 497. McBride, Lock & Associates, LLC compared the number of subscribers reported on the Form 497(s) to the number of subscribers contained on the Subscriber List for each study area.

McBride, Lock & Associates, LLC did not note any discrepancies in the number of subscribers.

No exceptions noted.

***Procedure 4***

McBride, Lock & Associates, LLC used computer-assisted audit techniques and examined the Subscriber List to note that there were 37,362 duplicate addresses with different subscribers. McBride, Lock & Associates, LLC created a list reflecting these results.

***Procedure 5***

McBride, Lock & Associates, LLC used the list completed in Procedure 4 above, and randomly selected 30 subscribers from the list and on December 30, 2014 requested copies from the ETC of the one-per-household certification form for each of the selected subscribers.

McBride, Lock & Associates, LLC verified that the selected subscribers certified to only receiving one Lifeline-supported service in his/her household using the one-per household worksheet. McBride, Lock & Associates, LLC did not note any missing or incomplete certifications.

Even if subscribers enrolled in the program prior to June 2012, the effective date of the one-per-household requirement, it was noted that at least one subscriber at each address had completed a one-per-household worksheet.<sup>4</sup>

No exceptions noted.

**OBJECTIVE III: Subscriber Eligibility Determination and Certification.**

***Procedure 1***

McBride, Lock & Associates, LLC inquired of management on November 26, 2014 and obtained carrier policies and procedures for ensuring that its Lifeline subscribers are eligible to receive Lifeline services as provided by the carrier in response to Item 4 of Appendix A.

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<sup>4</sup> The Commission requires that all ETCs collect the one-per-household worksheet when they learn that a subscriber resides in the same address as another Lifeline subscriber. *See Lifeline Reform Order*, 27 FCC Rcd at 6691, 6895-96, para. 78, App. C.

McBride, Lock & Associates, LLC examined the policies and procedures. McBride, Lock & Associates, LLC compared management responses and carrier policies and procedures with the Commission's Lifeline rules set forth in section 54.410 (Appendix F).

McBride, Lock & Associates, LLC did not note any discrepancies between the policies and procedures and the Commission's rule. Specifically, McBride, Lock & Associates, LLC noted that policies and procedures:

- a. included a policy that the ETC does not retain copies of subscribers' proof of income- or program-based eligibility.
- b. included a procedure that the ETC must fully verify the eligibility of each low-income consumer prior to providing Lifeline service to that consumer, and that the ETC or its agents may not provide the consumer with an activated device intended to enable access to Lifeline service until that consumer's eligibility is fully verified and all other necessary enrollment steps have been completed.

No exceptions noted.

***Procedure 2***

McBride, Lock & Associates, LLC examined the ETC's policies and procedures for training employees and agents for ensuring that the ETC's Lifeline subscribers are eligible to receive Lifeline services, including any policies regarding how the company ensures employees and agents have completed the training.

McBride, Lock & Associates, LLC noted that authorized ETC employees interact with the NLAD in accordance with the company's policies as laid out in its Corporate Training Manual. The ETC's policy is to limit access to NLAD to personnel who monitor or manage the ETC's data in the NLAD database. The ETC ensures those personnel have been appropriately trained.

McBride, Lock & Associates, LLC noted that ETC employees are trained on the rules for ensuring subscribers are eligible to receive Lifeline services and have completed all forms necessary to receive service through review of the ETC's Corporate Training Manual.

McBride, Lock & Associates, LLC noted that the ETC's procedure is for each employee to perform the above training before undertaking any of the above tasks. The Corporate Training Manual is updated as necessary to include changes to rules and policies, and each of the ETC's employees is charged with reviewing and following the current version of the company's policies.

No exceptions noted.

***Procedure 3***

McBride, Lock & Associates, LLC randomly selected 100 subscribers from the Subscriber List and for the first 50 of the sampled subscribers, McBride, Lock & Associates, LLC performed the test

described below, for each of the subscriber's certification and recertification forms.<sup>5</sup> After performing the tests described below for the first 50 sampled subscriber, it was determined that the error rate was higher than 5 percent, so McBride, Lock & Associates, LLC applied the same procedure to the remaining 50 subscribers in the sample and recorded the results.

a. McBride, Lock & Associates, LLC examined the subscriber certification and recertification forms, if any, and verified the forms contained the required information. The results are as follows:

i. All subscriber certifications and recertifications disclosed that Lifeline is a federal benefit and that willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.

No exceptions noted.

ii. All subscriber certifications and recertifications disclosed that only one Lifeline service is available per household.

No exceptions noted.

iii. All subscriber certifications and recertifications disclosed that a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses.

No exceptions noted.

iv. All subscriber certifications and recertifications disclosed that a household is not permitted to receive Lifeline benefits from multiple providers;

No exceptions noted.

v. All subscriber certifications disclosed that violation of the one-per-household limitation constitutes a violation of the Commission's rules and will result in the subscriber's de-enrollment from the program. **However, the recertification script did not include this disclosure.**

**Total subscriber support claimed in April 2013 for the 2 subscribers who recertified without this requirement was \$68.50.**

vi. All subscriber certifications and recertifications disclosed that Lifeline is a non-transferable benefit and the subscriber may not transfer his or her benefit to any other person.

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<sup>5</sup> In the event the auditor chooses a sampled subscriber that enrolled in the program prior to June 1, 2012 (before the effective date of section 54.410 of the Commission's rules), the auditor should randomly select another subscriber that enrolled in the program after June 1, 2012. Subscribers enrolled in Lifeline service subsequent to June 1, 2012 are subject to the initial certification process but are not subject to the recertification process for that year.

No exceptions noted.

- vii. Except as noted below, all subscriber certifications and recertifications required each prospective subscriber to provide the following information:
1. The subscriber's full name. No exceptions noted.
  2. The subscriber's full residential address. No exceptions noted.
  3. Whether the subscriber's residential address is permanent or temporary. No exceptions noted.
  4. The subscriber's billing address, if different from the subscriber's residential address. No exceptions noted.
  5. The subscriber's date of birth. No exceptions noted.
  6. The last four digits of the subscriber's social security number, or the subscriber's Tribal identification number, if the subscriber is a member of a Tribal nation and does not have a social security number. No exceptions noted.
  7. If the subscriber was seeking to qualify for Lifeline under the program-based criteria, as set forth in § 54.409, the name of the qualifying assistance program from which the subscriber, his or her dependents, or his or her household receives benefits. No exceptions noted.
  8. If the subscriber was seeking to qualify for Lifeline under the income-based criterion, as set forth in § 54.409, the number of individuals in his or her household. No exceptions noted.
- viii. Except as noted below, all subscriber certifications and recertifications required each prospective subscriber to certify, under penalty of perjury, that:
1. The subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline, provided in § 54.409. No exceptions noted.
  2. The subscriber will notify the ETC within 30 days if for any reason he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the subscriber no longer meets the income-based or program-based criteria for receiving Lifeline service, the subscriber is receiving more than one Lifeline benefit, or another member of the subscriber's household is receiving a Lifeline benefit. No exceptions noted.
  3. If the subscriber is seeking to qualify for Lifeline as an eligible resident of Tribal lands, he or she lives on Tribal lands, as defined in 54.400(e). **Certifications for 58 of 67 subscribers did not require the prospective subscriber to certify to this requirement.**
  4. If the subscriber moves to a new address, he or she will provide that new address to the ETC within 30 days. No exceptions noted.
  5. The subscriber's household will receive only one Lifeline service and, to the best of his or her knowledge, the subscriber's household is not already receiving a Lifeline service. No exceptions noted.
  6. The information contained in the subscriber's certification form is true and correct to the best of his or her knowledge. No exceptions noted.
  7. The subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law. No exceptions noted.

8. The subscriber acknowledges that the subscriber may be required to re-certify his or her continued eligibility for Lifeline at any time, and the subscriber's failure to re-certify as to his or her continued eligibility will result in de-enrollment and the termination of the subscriber's Lifeline benefits pursuant to § 54.405(e)(4). No exceptions noted.

**The monetary effect associated with the above exception is detailed in Objective III – 3 a.xii.**

- ix. McBride, Lock & Associates, LLC compared the ETC's subscriber eligibility criteria on the certification and recertification forms to the federal eligibility criteria listed in per 47 C.F.R. § 54.409. McBride, Lock & Associates did not note any discrepancies.

No exceptions noted.

- x. McBride, Lock & Associates, LLC verified the subscriber completed all the required elements as identified in Objective III – 3 a. above, including signature and initialing/checkbox requirements contained in the certification and recertification forms.

**McBride, Lock & Associates noted that 4 of 100 subscriber's certification or recertification forms showed the subscriber did not complete all the required elements. 3 subscribers did not provide their date of birth on their certification form, and 1 subscriber did not fill out all checkbox requirements on the certification form.**

**Total subscriber support claimed in April 2013 for these 4 subscribers amounted to \$37.00.**

**During the above process, McBride, Lock & Associates, LLC also noted that 1 subscriber did not re-certify to their continued eligibility as required by 54.410(f).**

**There is no monetary effect for April 2013 with this finding.**

- xi. McBride, Lock & Associates, LLC examined the subscriber's initial certification form to verify the initial certification form was dated prior to or on the same day as the Lifeline start date per the Subscriber List. The procedure would not have applied to subscribers enrolled prior to June 2012.

No exceptions noted.

- xii. McBride, Lock & Associates, LLC verified that the 67 subscribers who received Tribal Lifeline support certified to residing on Tribal lands.

**It was noted that 58 of the 67 subscribers receiving Tribal Lifeline support did not make this certification. Additionally, 2 of the 67 certified to not residing on tribal**

**land. Per the ETC, a verification that an applicant's address is located on Federally Recognized Tribal Land, is performed by the ETC at the time of certification.**

**Total tribal support claimed in April 2013 for these 60 subscribers amounted to \$1,500.00.**

- b. McBride, Lock & Associates, LLC reviewed the list of the data source or documentation the ETC reviewed to confirm the subscriber's eligibility. McBride, Lock & Associates, LLC verified the recorded data sources were eligible data sources per 47 C.F.R. § 54.410, such as (1) income or program eligibility databases, (2) income or program eligibility documentation, or (3) confirmation from a state administrator.

No exceptions noted.

***Recommendation:* We recommend the carrier update subscriber eligibility determination and certification procedures to ensure all subscriber certifications and recertifications are made in compliance with 47 CFR 54.410.**

*True Wireless Response:* In response to Objective III, Procedure 3(a)(v): The subscribers received notification of the one-per-household limitation upon sign up in the initial certification form. The lack of this notification in two re-certifications was an oversight.

In response to Objective III, Procedure 3(a)(vii)(3) and 3(a)(xii): The subscribers identified in Objective III, Procedure 3(vii)(3) do in fact reside on tribal land. At the time of these certifications, True Wireless verified (and continues to verify) that an applicant's address is located on Federally Recognized Tribal Land. The result, therefore, is that these subscribers were qualified for the Tribal Benefit.

*McBride, Lock & Associates, LLC Response:* In response to Objective III, Procedure 3(a)(v), no clarification is necessary.

In response to Objective III, Procedure 3(a)(vii)3 and 3(a)(xii), McBride, Lock & Associates, LLC does not disagree that the subscribers reside on tribal land. However, this certification should be made by the subscriber, while under penalty of perjury.

#### **OBJECTIVE IV: Annual Certifications and Recordkeeping by Eligible Telecommunications Carriers.**

##### ***Procedure 1***

McBride, Lock & Associates, LLC inquired of management on November 26, 2014 and obtained carrier policies and procedures for ensuring that the carrier has made and submitted the annual certifications required under sections 54.416 and 54.422 of the Commission's rules, as provided in Item 12 of Appendix A. McBride, Lock & Associates, LLC examined the policies and procedures.

McBride, Lock & Associates, LLC compared management responses and carrier policies and procedures with the Commission's Lifeline rules set forth in sections 54.416 and 54.422 (Appendix F).

McBride, Lock & Associates, LLC noted that the carrier did not have specific written policies related to the certifications required under sections 54.416 and 54.422. Review of carrier policies and management responses did not note any discrepancies with the Commission's rules.

No exceptions noted.

***Procedure 2***

McBride, Lock & Associates, LLC examined the ETC's FCC Form 555 that was filed the January following the audit period.<sup>6</sup> McBride, Lock & Associates, LLC verified the carrier made all of the required certifications. The President of the ETC certified that he understands the Commission's Lifeline rules and requirements and that the carrier:

- a. Has policies and procedures in place to ensure that its Lifeline subscribers are eligible to receive Lifeline services;
- b. Is in compliance with all federal Lifeline certification procedures; and
- c. In instances where an ETC confirms consumer eligibility by relying on income or eligibility databases, as defined in 47 C.F.R. § 54.410(b)(1)(i)(A) or (c)(1)(i)(A), the representative must attest annually as to what specific data sources the ETC used to confirm eligibility.

No exceptions noted.

***Procedure 3***

McBride, Lock & Associates, LLC examined the ETC's organizational chart provided in response to Item 5 of Appendix A. McBride, Lock & Associates, LLC verified that the certifying officer on the FCC Form 555 is an officer per the organizational chart or other publicly available documents.

No exceptions noted.

***Procedure 4***

McBride, Lock & Associates, LLC verified that the subscriber count per the FCC Form 555 agreed with the total subscriber count per the February Form 497.

No exceptions noted.

***Procedure 5***

For the month of February, McBride, Lock & Associates, LLC: randomly selected Oklahoma, which was one of the three states or territories where the ETC received the largest amount of Lifeline support and is responsible for the annual recertification process; and randomly selected Maryland

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<sup>6</sup> For the first biennial audit, the auditor would examine the Form 555 filed January 2014, which represents the subscribers recertified during calendar year 2013.

and Texas as the two additional states or territories where the ETC is responsible for the annual recertification process (Recertification Sample).

Using the Recertification Sample, McBride, Lock & Associates, LLC reviewed the ETC's recertification results of the individual subscribers reported on the FCC Form 555 filed the January following the audit period for those three randomly selected states, as provided in Item 9 of Appendix A.

McBride, Lock & Associates, LLC verified that the data reported on the FCC Form 555 for those states agreed with the detailed recertification results.

No exceptions noted.

***Procedure 6***

The non-usage rule applied to the ETC in the states of Maryland and Texas.

McBride, Lock & Associates, LLC randomly selected February 2013, April 2013, and October 2013 as the three months during the audit period; and reviewed the ETC's detailed non-usage results of the individual subscribers reported on the FCC Form 555 for those three randomly selected months within the two selected states where the non-usage rule applied, as provided in Item 10 of Appendix A (Non-Usage Sample).

McBride, Lock & Associates, LLC verified that the data reported on the FCC Form 555 for the Non-Usage Sample agreed with the detailed non-usage results.

No exceptions noted.

***Procedure 7***

McBride, Lock & Associates, LLC reviewed the carrier's annual ETC certification, as provided in Item 13 of Appendix A.

McBride, Lock & Associates, LLC verified that the ETC reported all the information and made all the certifications required by 47 C.F.R. § 54.422(a)(b).

No exceptions noted.

***Procedure 8***

McBride, Lock & Associates, LLC reviewed any supporting schedules related to the carrier's annual ETC certification, as provided in Item 13 of Appendix A.

McBride, Lock & Associates, LLC noted that none of the ETC's designations were made by the FCC thus no supporting schedules were required.

No exceptions noted.

***Procedure 9***

McBride, Lock & Associates, LLC inquired of management on November 26, 2014 and obtained carrier policies and procedures for maintaining records that document compliance with the Lifeline program rules, as provided by the carrier in response to Item 4 of Appendix A.

McBride, Lock & Associates, LLC examined the policies and procedures. McBride, Lock & Associates, LLC compared the management responses and carrier policies with recordkeeping rules set forth in 47 C.F.R. § 54.417.

McBride, Lock & Associates, LLC did not note any discrepancies between the policies and procedures and the Commission's rule.

No exceptions noted.

**SUPPLEMENTAL INFORMATION**

## **Non-Usage Template**



CONFIDENTIAL - NOT FOR PUBLIC INSPECTION



99999

[REDACTED]

[REDACTED]

Dear True Wireless Customer,

This notice is to inform you that your True Wireless account has been identified for de-enrollment because the phone has not been used in 60 or more days. The cell phone will be completely deactivated 30 days from the date of this notice unless you make a call, receive a call, or purchase additional minutes.

**You can also call 855-526-2536 or visit [www.gotruewireless.com](http://www.gotruewireless.com) to chat with a live representative and confirm your wish to continue receiving your lifeline service.**

If the account is deactivated, you will be required to complete the entire application process in order to receive a lifeline discounted rate plan, even if you want to use the same phone.

**Take action today to continue your lifeline service!**

Sincerely,

TRUE Wireless

## **Impending De-Enrollment Template**



## YEARLY RENEWAL

Dear Lifeline Customer,

Each year you are required to renew your Lifeline eligibility. Please fill out the form included with this notice and mail *immediately* to: **True Wireless PO Box 9040 Toledo, Ohio 43697-9040** or call **1-877-412-1919** to complete the renewal over the phone. You must reply to this notice within 30 days if you want to keep your Lifeline service.

Thank you!



2013 Annual Lifeline Certification Form

Maryland

Full Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ Last 4 digits of SSN/Tribal ID: \_\_\_\_\_

Home Address (no PO Box) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

This is my (check one):  Permanent Address  Temporary Address

Billing Address (if different) \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Multiple households sharing an address:  I certify that I reside at an address occupied by multiple households, including adults who do not contribute income to my household and/or share in my household expenses, and will complete a separate Lifeline Household Form.

I certify, under penalty of perjury, that I continue to remain qualified for the Lifeline program by:

Continuing to participate in the following government assistance program:

- Supplemental Nutrition Assistance Program (food stamps)
 Medicaid
 Supplemental Security Income (SSI)
 National School Lunch Program's Free Lunch Program
 Temporary Cash Assistance (TCA)
 Maryland Energy Assistance program (MEAP)
 Federal Public Housing Assistance (section 8)
 Low-Income Home Energy Assistance Program (LIHEAP)
 Temporary Assistance to Needy Families (TANF)
 Medical Assistance (MA)
 Temporary Disability Assistance Program (TDAP)
 Electric Universal Service Program (EUSP)

Or:

meet the income-based eligibility criteria (household income less than 135% of federal poverty guidelines) Please state the number of household members: \_\_\_\_\_

Please initial the certifications below and sign and date this form.

- I acknowledge that Lifeline is a federal government benefit and that willfully making false statement to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
I acknowledge that only one Lifeline service is available per household, and that, to the best of my knowledge, no other person in my household is receiving a Lifeline service.
I acknowledge that a household is not permitted to receive Lifeline benefits from multiple providers and that violation of this limitation constitutes a violation of the rules of the Federal Communications Commission and will result in de-enrollment from the lifeline program.
I acknowledge that Lifeline is non-transferable and that I may not transfer my benefit to any other person.
I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.
I acknowledge that only Lifeline eligible consumers may enroll in the Lifeline Program.
I will notify True Wireless within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline services, such as no longer participating in any qualifying program, or if I or a member of my household receives another Lifeline benefit.
I acknowledge that I may be required to re-certify to my continued eligibility for Lifeline at any time, and that my failure to re-certify will result in de-enrollment and termination of my Lifeline benefits.
If I move to a new address, I will provide the new address to True Wireless within 30 days.
If I provided a temporary address, I will be required to verify my temporary address every 90 days.
I authorize True Wireless to access any records required to verify my statements on this form and to confirm my eligibility under the Lifeline program.
I certify, under penalty of perjury, that the information contained in this certification is true and correct to the best of my knowledge.

Signature: \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Please mail: True Wireless Lifeline Processing Center, PO Box 9040, Toledo, OH 43697-9040

Customer Service: 877-412-1010

Fax: 1-855-253-6603



## YEARLY RENEWAL

Dear Lifeline Customer,

Each year you are required to renew your Lifeline eligibility. Please fill out the form included with this notice and mail *immediately* to: **True Wireless PO Box 9040 Toledo, Ohio 43697-9040** or call **1-877-412-1919** to complete the renewal over the phone. You must reply to this notice within 30 days if you want to keep your Lifeline service.

Thank you!



2013 Annual Lifeline Certification Form

Oklahoma

Full Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ Last 4 digits of SSN/Tribal ID: \_\_\_\_\_

Home Address (no PO Box) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

I certify that I:  do  do not live on Tribal Land. This is my (check one):  permanent address  temporary address.

Billing Address (if different) \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Multiple households sharing an address:  I certify that I reside at an address occupied by multiple households, including adults who do not contribute income to my household and/or share in my household expenses, and will complete a separate Lifeline Household Form.

I certify, under penalty of perjury, that I continue to remain qualified for the Lifeline program by:

Continuing to participate in the following government assistance program:

- Supplemental Nutrition Assistance Program (food stamps)
 Medicaid
 Supplemental Security Income (SSI)
 National School Lunch Program's Free Lunch Program
 Bureau of Indian Affairs General Assistance
 Food Distribution Program on Indian Reservations
 Head Start (only those households meeting its income qualifying standard)
 Federal Public Housing Assistance (section 8)
 Low-Income Home Energy Assistance Program (LIHEAP)
 Temporary Assistance to Needy Families (TANF)
 Oklahoma Sales Tax Relief
 Vocational Rehabilitation (including hearing impaired)
 Tribally administered Temporary Assistance to Needy Families

Or:

I meet the income-based eligibility criteria (household income less than 135% of federal poverty guidelines) Please state the number of household members: \_\_\_\_\_

Please initial the certifications below and sign and date this form.

- \_\_\_\_\_ I acknowledge that Lifeline is a federal government benefit and that willfully making false statement to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
\_\_\_\_\_ I acknowledge that only one Lifeline service is available per household, and that, to the best of my knowledge, no other person in my household is receiving a Lifeline service. (For purposes of Lifeline, a "household" is any individual or group of individuals who live together at the same address and share income and expenses.)
\_\_\_\_\_ I acknowledge that a household is not permitted to receive Lifeline benefits from multiple providers and that violation of this limitation constitutes a violation of the rules of the Federal Communications Commission and will result in de-enrollment from the lifeline program. If I am participating in another Lifeline program at the time I apply for True Wireless Lifeline service, I agree to cancel that Lifeline service with any other provider.
\_\_\_\_\_ I acknowledge that Lifeline is non-transferable and that I may not transfer my benefit to any other person.
\_\_\_\_\_ I acknowledge that only Lifeline eligible consumers may enroll in the Lifeline Program.
\_\_\_\_\_ I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.
\_\_\_\_\_ I will notify True Wireless within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline services, such as no longer participating in any qualifying program, or if I or a member of my household receives another Lifeline benefit.
\_\_\_\_\_ I acknowledge that I may be required to re-certify to my continued eligibility for Lifeline at any time, and that my failure to re-certify will result in de-enrollment and termination of my Lifeline benefits.
\_\_\_\_\_ If I move to a new address, I will provide the new address to True Wireless within 30 days.
\_\_\_\_\_ If I provided a temporary address, I will be required to verify my temporary address every 90 days. If I do not provide verification within 30 days, I will be de-enrolled from the Lifeline program.
\_\_\_\_\_ I authorize True Wireless to retain a copy of my identification document, and access any records required to verify my statements on this form and to confirm my eligibility under the Lifeline program. I also authorize True Wireless to release any records required for the administration of the Lifeline program (for example, name, telephone number and address), including to the Universal Service Administrative Company, to be used in a Lifeline database and to ensure the proper administration of the Lifeline program. Failure to consent will result in a denial of service.
\_\_\_\_\_ I certify, under penalty of perjury, that the information contained in this certification is true and correct to the best of my knowledge.

Signature: \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Please mail: True Wireless Lifeline Processing Center, PO Box 9040, Toledo, OH 43697-9040

Customer Service: 877-412-1919

Fax: 1-855-253-6693

**Report of Management on Compliance with Applicable  
Requirements of 47 CFR Part 54  
Of the Federal Communications Commission's  
Rules, Regulations and Related Orders**



**Report of Management on Compliance with Applicable Requirements of 47 C.F.R. Part 54 of the Federal Communications Commission's Rules, Regulations and Related Orders**

Management of True Wireless, LLC is responsible for ensuring that the carrier is in compliance with applicable requirements of the Federal Communications Commission (FCC) rules at 47 C.F.R. §§ 54.101, 54.201, and 54.400-54.417 as well as related FCC Orders.

Management has performed an evaluation of the carrier's compliance with the applicable requirements of FCC rules at 47 C.F.R. §§ 54.101, 54.201, and 54.400-54.417, and related FCC Orders with respect to providing discounts to eligible low income consumers and seeking reimbursement from the Universal Service Fund (USF) during the period January 1, 2013 through December 31, 2013 (audit period).

**The Carrier makes the following assertions with respect to the provision of Lifeline service during the audit period:**

A. Carrier Obligation to Offer Lifeline – True Wireless, LLC asserts that it:

1. is an eligible telecommunications carrier (ETC) (47 C.F.R. §§ 54.201(a); *Definition of eligible telecommunications carriers, generally, which discusses carrier eligibility*) and provides the services required for eligibility (54.101(a): *Services designated for support*, and (b): *Requirement to offer all designated services*; which describe the services that an eligible carrier must offer to receive federal universal service support)
2. makes available Lifeline service, as defined in 54.401, to qualifying low-income consumers (47 C.F.R. § 54.405(a): *Carrier obligation to offer lifeline*, which discusses carriers' obligations to offer, publicize, notify and allow lifeline services)
3. publicizes the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service. (47 C.F.R. § 54.405(b): *Carrier obligation to offer lifeline.*) (47 C.F.R. § 54.201(d)(2):

*Definition of eligible telecommunications carriers, generally, which requires the advertising of the availability of services)*

4. indicates on all materials describing the service, using easily understood language, that it is a Lifeline service, that Lifeline is a government assistance program, the service is non-transferable, only eligible consumers may enroll in the program, and the program is limited to one discount per household. For the purposes of this section, the term "materials describing the service" includes all print, audio, video, and web materials used to describe or enroll in the Lifeline service offering, including application and certification forms. (47 C.F.R. § 54.405 (c): *Carrier obligation to offer lifeline.*)
5. discloses the name of the eligible telecommunications carrier on all materials describing the service. (47 C.F.R. § 54.405(d): *Carrier obligation to offer lifeline.*)

B. Consumer Qualification for Lifeline – True Wireless, LLC asserts that it:

1. maintains policies and procedures that are effectively implemented to review and certify consumer eligibility for Lifeline. (47 C.F.R. § 54.409: *Consumer Qualification for Lifeline*, which discusses the certification and verification requirements) This includes that an officer of the carrier:
  - a. asserts that the carrier has implemented policies and procedures for ensuring that their Lifeline subscribers are eligible to receive Lifeline services. (47 C.F.R. § 54.410: *Subscriber eligibility determination and certification*, which also requires compliance with state certification procedures to document consumer eligibility)

C. Submission of Lifeline Worksheet (Form FCC 497) – True Wireless, LLC asserts that it:

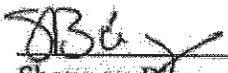
1. submitted materially properly completed FCC Forms 497 for each month, representing discounts actually provided to subscribers, and has the required supporting documentation for the number of subscribers, rates and other information provided on the Form (47 C.F.R. § 54.407: *Reimbursement for offering Lifeline*, which discusses carrier reimbursement for providing Low Income Program support and requires the carrier to keep accurate records in the form directed by USAC and provide the records to USAC)

D. General Recordkeeping and Annual Certification Requirements – True Wireless, LLC asserts that:

1. it maintains records to document material compliance with all Commission and state requirements governing the Lifeline and Tribal Link Up program for the three full preceding calendar years and will provide that documentation to the Commission or Administrator upon request. Notwithstanding the preceding sentence, eligible telecommunications carriers must maintain the documentation required in § 54.410(d) and (f) for as long as the subscriber receives Lifeline service from that eligible telecommunications carrier. (47 C.F.R. § 54.417(a))
2. if it provides Lifeline discounted wholesale services to a reseller, it must obtain a certification from that reseller that it is complying with all Commission requirements governing the Lifeline and Tribal Link Up program. (47 C.F.R. § 54.417(b))
3. it has complied with the annual certifications by eligible telecommunication carriers. (47 C.F.R. §§ 54.416, 54.522)

Dated March 16, 2015

  
\_\_\_\_\_  
Michael Fina  
President

  
\_\_\_\_\_  
Shannon Bing  
Director of Finance  
Regulatory Coordinator