



October 4, 2007

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

CC Docket No. 02-6
CC Docket No. 96-45

**Request for Review to overturn Funding Commitment Decision for 471 Application # 586498
Funding Request Number 1627803**

Entity Number: 16028589
Entity Name: Cornerstones of Care
Funding Year: 2007
471 Application Number: 586498
Funding Request Number: 1627803

This is an appeal in response to the Administrators Decision on Appeal dated October 1, 2007 (Included).

After Selective Review of 471 Application # 586498, USAC made a Funding Commitment Decision to deny funding for Funding Request Number 1627803 based on "all of the Letters of Agency or other documentation authorizing the filing of the Form 471 did not authorize the services requested on the Form 471." We strongly feel that USAC made an error in judgment in interpreting the contents of the executed Letter of Agency between Cornerstones of Care and Tariff Affiliates, Inc. for the reasons listed on the following two documents dated August 30, 2007 & May 14, 2007.

Based on the included documentation, this is a formal request that the decision to deny funding for 471 Application Number 586498, Funding Request Number 1627803 be overturned and funding be approved in the amount of \$168,802.40 as stated on Form 471 Number 586498.

If you require additional information, please contact me directly.

Ross Wheadon

A handwritten signature in black ink, appearing to read "RW", is written over the printed name "Ross Wheadon".

E Rate Operations Manager
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rwheadon@tariffaffiliates.com

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Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2007-2008

October 01, 2007

COPY

Ross Wheadon
Tariff Affiliates, Inc.
50 Victor Heights Parkway
Victor, NY 14564

Re: Applicant Name: CORNERSTONES OF CARE
Billed Entity Number: 16028589
Form 471 Application Number: 586498
Funding Request Number(s): 1627803
Your Correspondence Dated: August 30, 2007

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2007 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1627803
Decision on Appeal: **Denied**
Explanation:

- During the Appeal review USAC thoroughly assessed the facts presented in the appeal letter, the relevant documentation on file, and the FCC Rules and Procedures before making its determination on your appeal. The record shows that during Consortium Review, the Reviewer asked the consortium leader to provide copies of documentation that confirms Cornerstones of Care's authorization to represent all of the entities featured on the Form 471. The record also shows that the Letters of Agency (LOA) were submitted as evidence that establishes their authorization to represent all of the entities featured on the Form 471. The Schools and Libraries Support Mechanism requires that a LOA must contain the following information: type of service covered. The LOA you submitted on February 19, 2007, failed to include Internal Connections as a service category. The agreement authorized for the procurement of

Telecommunications Service only. Since the LOA that Cornerstones of Care provided did not meet this guideline, the LOA cannot be accepted as valid documentation to support the requested discount for Internal Connections. On appeal, you failed to provide any evidence that USAC has erred in its initial decision. Program guidelines state, the type of service is one of five required elements that must be included on the Letter of Agency. Consequently, your appeal is denied. Please refer to:
<http://www.universalservice.org/sl/tools/reference/letters-of-agency.aspx>.

- During the Program Integrity Assurance review of your FCC Form 471 application you were asked to provide evidence of your authority to file FCC Forms 471 on behalf of, or evidence of the membership of, all the members included in the consortium. USAC denied your FRN because you failed to provide proof of your authorization to represent all entities in filing for Internal Connections. In your appeal, you did not show that the USAC's determination was incorrect. Consequently, your appeal is denied.
- You failed to provide evidence of your authority to file FCC Forms 471 on behalf of, or evidence of, the membership of all the members included in this consortium. FCC Rules require that the FCC Form 471 shall be signed by the person authorized to order telecommunications and other supported services for the eligible schools or libraries or the consortium. The FCC Form 471 shall include that person's various certifications under oath, submitted on behalf of eligible entities applying for discounts. See 47 C.F.R. sec. 54.504 (c)(1). During the course of the application review, USAC may seek documentation to confirm the consortium leader's authorization to represent all entities in the application, proof of each entity's membership in the consortium and their knowledge of filing of the applicable FCC Form(s) 471 on their behalf. The FCC has affirmed USAC's authority to require consortia leaders to produce Letters of Agency from each of its members expressly authorizing the consortium leader to submit an application on its behalf. See Request for Review by Project Interconnect, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., CC Docket Nos. 96-45 and 97-21, Order, DA 01-1620 paras. 8-9 (rel. Jul. 11, 2001) See Instructions for Completing the Schools and Libraries Universal Service, Services Ordered and Certification Form (FCC Form 471), OMB 3060-0806 at Item 33.

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company



COPY

August 30, 2007

Letter of Appeal
 Schools and Libraries Division
 Box 125 – Correspondence Unit
 80 South Jefferson Road
 Whippany, NJ 07981

Appeal to overturn Funding Commitment Decision for 471 Application # 586498 Funding Request Number 1627803

Entity Number: 16028589
Entity Name: Cornerstones of Care
Funding Year: 2007
471 Application Number: 586498
Funding Request Number: 1627803

After Selective Review of 471 Application # 586498, USAC made a Funding Commitment Decision to deny funding for Funding Request Number 1627803 based on "all of the Letters of Agency or other documentation authorizing the filing of the Form 471 did not authorize the services requested on the Form 471." We strongly feel that USAC made an error in judgment in interpreting the contents of the executed Letter of Agency between Cornerstones of Care and Tariff Affiliates, Inc. for the following reasons.

- The LOA executed between Cornerstones of Care and Tariff Affiliates, Inc. was provided by USAC and had been acceptable for use in Funding years prior. A copy of the executed LOA is included for review.
- In a discussion with the Selective Reviewer (Christopher Jarrett) the reviewer referred us to a newer version of a LOA that is available on the USAC website (<http://www.usac.org/res/documents/sl/pdf/loa-sample-clean.pdf>) This LOA is similar in nature, but provides more detail. At no time did USAC provide notification in any way that this new sample LOA was available and *should* be used. If there is no notification of a preferred change in process, how is a consultant such as Tariff Affiliates supposed to be aware of such changes and include them to adhere to FCC/USAC program rules?
 - In addition to the referral to the new LOA template provided on the USAC website, the reviewer (Christopher Jarrett) also informed us that that the old LOA is acceptable for use, but the LOA "needs to be tweaked" and that "I would like to see" specific service categories (Telecommunications Services, Internet Access, Internal Connections, etc.) within the LOA. This conversation is summarized in the May 14, 2007 correspondence with Mr. Jarrett.
- The BEN was fully aware of the eligible products and services being sought after for funding through SLD to include Telecommunications Services, Internet Access, Internal Connections and Basic Maintenance of Internal Connections. Paul Gemeinhardt-CEO of Cornerstones of Care, Mark Richards-Vice President Information Technology and Steve Fitzpatrick-MIS Director all authorized and were aware of the products and services being sought after for funding through E Rate and all stakeholders involved in the E Rate process were aware of and authorized to apply for funding through filing Forms 470 and 471.
- In lieu of a formal policy regarding LOA contents and notification to the community and/or a USAC provided standardized, Letter of Agency template mandated for use between applicant and consultant; it is inappropriate for USAC to make judgments on these matters regarding funding decisions.
- Because in the prior year Cornerstones of Care was denied funding because in error, Tariff Affiliates did not renew our service agreement with Cornerstones of Care (but did execute a compliant LOA and followed all other program rules). Both Cornerstones of Care and Tariff Affiliates made sure that the first order of business in kicking off the 2007-2008 E Rate process was to execute a service agreement and LOA between the two parties.
- Both Cornerstones of Care and Tariff Affiliates worked very hard to ensure that all compliance standards and program rules were followed to increase the probability that funding would be approved.

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 WEBSITE: WWW.TARIFFAFFILIATES.COM



- As an E Rate consultant, Tariff Affiliates processes numerous 471 applications each funding year. Due to the complexity of some of the larger applications and the coinciding dollar amount, we experience many applications that fall under increased scrutiny by both the Program Integrity Assurance group and more so the Selective Review group.

Specific to the Selective Review group, we have worked extensively on applications with Christopher Jarrett on applications pertinent to Cornerstones of Care and other BENs under contract with Tariff Affiliates. Although he appears to be very qualified and pays close attention to detail in implementing USAC policy we have found Mr. Jarrett at times to go above and beyond the standard review to determine eligibility and compliance in an effort to deny funding as opposed to working with the applicants to maintain compliance. This holds especially true in the matter regarding Cornerstones of Care. It appeared from our perspective that Mr. Jarrett went out of his way to find the most obscure reason to deny necessary funding to an eligible entity requesting funding for eligible products and services. We have had the same experience with Mr. Jarrett regarding other Tariff Affiliates clients, but do not feel it appropriate to discuss those matters here.

We have requested the opportunity to address this matter concerning Mr. Jarrett with his direct supervisors in the past regarding this matter and others very similar. This and all other requests to escalate in the organization have been denied.

Tariff Affiliates works very hard to maintain a process that is designed to eliminate the possibility of waste, fraud and abuse within the E Rate program. Our clients require these eligible products and services to increase and enhance the educational experience for the student body. Because of the complexity of the E Rate program, both large and small entities need the assistance of consultants such as Tariff Affiliates to assist them in obtaining funding for eligible products and services.

As you can see, I have included a substantial amount of supporting documentation with this Letter of Appeal. None of this is new documentation and all was submitted with either the Form 471 as an Item 21 attachment or upon request by Program Integrity Assurance and/or Selective Review.

The reason for providing you with this multitude of documentation is not to request that you review in detail; but to at a glance you will see not only clear intent and adequate authorization to procure the products and services requested. Additionally, you will see a meticulously detailed process with a leading edge support system designed to eliminate waste, fraud and abuse and submit compliant applications on our customers' behalf within the Universal Service Program.

Based on the aforementioned facts and included documentation this is a formal request that the decision to deny funding for 471 Application Number 586498, Funding Request Number 1627803 be overturned and funding be approved in the amount of \$168,802.40 as stated on Form 471 Number 586498.

If you require additional information, please contact me directly.

Ross Wheadon

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May 14, 2007

Christopher Jarrett
 Consortia Review
 USAC, Schools and Libraries Division
 100 South Jefferson Road
 P.O. Box 902 Whippany, New Jersey 07981

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Mr. Jarrett,

We do not believe it is appropriate for USAC to make any definitive pronouncements in the absence of an FCC/USAC issued standard Letter of Agency (LOA) form/template that focuses on individual service offerings. As a result, we do not authorize you to modify 471 Applications 558254 and 586498 as described in your May 9, 2007 correspondence for the following reasons:

- The Letter of Agency (LOA) provided previously explicitly authorizes Tariff Affiliates to "submit FCC Form 470, FCC Form 471, and other E Rate forms to the school and library division on behalf of the undersigned school district." The record before us is essentially a semantic debate over the term "telecommunications services". Because the LOA provided was originally obtained from USAC, contained these terms AND it was the intent of both the applicant and Tariff Affiliates that all E Rate eligible telecommunications products and services desired by the applicant would be applied for under the USAC provided LOA template as well as any alternative support documents such as a Consulting Services Agreement or Scope of Work.
- The term "telecommunications services" is a broad classification especially in an ever changing environment focused on technology convergence and network ubiquity. We at Tariff Affiliates and our customers, view telecommunications services as the broad classification; specific sub-categories of the classification "telecommunications services" are Local Voice Service, Long Distance Voice Service, Wireless Voice Services, Internet Access, Internal Connections or Basic Maintenance of Internal Connections. These definitions are consistent with industry standard definitions and all of which are components of or required for effective use of "telecommunications services."
- An LOA template currently available from USAC (<http://www.universalservice.org/res/documents/sl/pdf/loa-sample-clean.pdf>) contains very similar language to that which was previously provided with additional details. Our records as well as published news archives located within <http://www.universalservice.org/sl/tools/latest-news.aspx> indicate that no notification from the FCC/USAC was made regarding the issue and required use of the sample LOA currently provided by USAC. The previously provided LOA as stated earlier, was provided by USAC and acceptable in terms of compliance in years past.
- Per our phone conversation on the morning of Thursday May 10, 2007 at approximately 10:40am, you stated that sometimes the LOA "needs to be tweaked" and that "I would like to see" specific service categories (Telecommunications Services, Internet Access, Internal Connections, etc.) within the LOA. This leads us to believe that since a standard USAC provided LOA does not exist and an example is given by USAC for guideline purposes only, that it is the responsibility of the consultant and client to develop an LOA that is sufficient for both parties. Until USAC publishes and releases a standardized document for use, this requirement is open to interpretation by the author so as the primary points of authorization and contact information are contained within.

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- The request for discounts through the Universal Service Fund is facilitated first by defining in detail a Technology Plan that contains elements to support eligible E Rate services and having the aforementioned plan certified by an authorized technology plan approver. Cornerstones of Care complied with the development, internal approval and formal approval by The Paideia School, Kathy Bailey-Chairperson, Technology Plan Review Committee (an USAC authorized Technology Plan Approver). The services sought within Form 471's 558254 and 586498 are clearly defined in and consistent with the approved Technology Plan.
- It is Form 470 and 471; NOT the LOA that are the vehicles used by applicants to specify and request discounts on E Rate eligible services. Tariff Affiliates was authorized to file these forms on behalf of Cornerstones of Care and did so per the services documented within the approved technology plan.

Mr. Jarrett, you also committed to forward a copy of the FCC policy regarding Letters of Agency that is relevant to your proposed actions. I have not yet received this and would appreciate a response.

Thank you for your prompt review of this matter.

A handwritten signature in black ink, appearing to read "RW", is written over a horizontal line.

Ross Wheadon
E Rate Operations Manager
Tariff Affiliates, Inc.
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CORNERSTONES OF CARE



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**Tariff Affiliates, Inc.
Letter of Agency
Funding Year 10 (2007-2008)**

Paul Gemeinhardt
*President
Chief Executive Officer*

This is to confirm our school's participation in the Tariff Affiliates E Rate Assistance Program for the procurement of Universal Service Administrative Company E Rate Reimbursements for telecommunications services. I hereby authorize Tariff Affiliates, Inc. to submit FCC Form 470, FCC Form 471, and other E-rate forms to the school and library division on behalf of the undersigned school district.

I understand that in submitting these forms on our behalf, you are making certifications for our school district. By signing this letter of agency, I make the following certifications.

Board of Directors

John D. Dunbar
Chairman

John Taylor
Vice Chairman

Elaine Stansfield
Secretary

Charles L. Bacon, Jr.
Treasurer

James E. Bird
Immediate Past Chairman

Bret Boeger

Marcia Charney

Keith B. Cox

Neil A. Grant

Melvin Gross

William F. Koenigsdorf

Beth Manley

Allison M. Murdock

- (a) I verify that the schools in our district are all schools under the statutory definitions of elementary and secondary schools found in the Elementary and Secondary Education Act of 1965, do not operate as for-profit businesses, and do not have endowments exceeding \$50 million.
- (b) I certify that the schools in our district have secured access to all of the resources, including computers, training, software, maintenance and electrical connections necessary to make effective use of services purchased as well as to pay the discounted charges for eligible services.
- (c) I certify that schools in our district are all covered, or will be covered at the time funded services are provided; by E-rate approved technology plans (unless discounts are only being requested for basic local and long distance service).
- (d) I certify that our school district is complaint, or will be complaint at the time funded services are provided, with Children's' Internet protection Act (unless discounts are only being requested for telecommunication services).
- (e) I certify that the services that our school district purchases using E-Rate discounts (as described in the law 47 U.S.C. Sec. 254) will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value.
- (f) I certify that entities eligible for support that I am representing have complied with all applicable state and local laws regarding procurement of services for which support is being sought.
- (g) I certify that our school district has complied with all E-Rate program rules and I acknowledge that failure to do so may result in denial of discount funding and/or cancellation of funding commitments.
- (h) I understand that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the service, receive an appropriate share of the benefits from those services.
- (i) I certify that I am authorized to sign this letter of agency and, to the best of my knowledge, information, and belief, all information provided to [name of Consortium] for E-Rate submission is true.

I understand that persons willfully make false statements on E-Rate forms or through this letter of agency can be punished by fine or forfeiture under the communications Act, 47 U.S.C. Secs 52, 503(b), or fine or imprisonment under Title 18 of United States Code, 18 U.S.C. Sec. 1001.

PO Box 480227 Kansas City, MO 64148-0227 PHONE: 816.508.3700 FAX: 816.508.3799
WWW.CORNERSTONESOFCARE.ORG

Building a Foundation for Children and Families

Consortium: Cornerstones of Care

Date: 11/1/06

Signature: 

Name: Paul Gemeinhardt

Title: President/CEO

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CORNERSTONES OF CARE



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Tariff Affiliates, Inc. E-Rate Consulting Agreement 2007-2008 (Funding Year 10)

Paul Gemeinhardt
President
Chief Executive Officer

This Agreement is made effective as of October 30, 2006 by and between Tariff Affiliates, Inc. with principal offices located at 50 Victor Heights Parkway Victor, NY 14564 (herein TA), and Cornerstones of Care with principle offices located at 421 East 137th St, Kansas City, MO 64145 (herein "Client"). The term of this agreement will extend from the date executed by TA and will terminate upon fulfillment of the final funding request of the 2007-2008 funding year after final payment to TA has been received.

Board of Directors

John D. Dunbar
Chairman

John Taylor
Vice Chairman

Elaine Starsfield
Secretary

Charles L. Bacon, Jr.
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Immediate Past Chairman

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Beth Manley

Allison M. Murdock

TA will provide the following services as it relates to full service E Rate consulting for Client:

- Preparation of E Rate funding applications to include, but not limited to:
 - Form 470
 - Form 471
 - Form 486
 - Form 472
- In the event that USAC does not fund a reimbursement request, TA will prepare, submit and follow through to final decision any letters of appeal;
- In the event that there is a change to telecommunications services that results in an adjustment of the funding amount, TA will prepare, submit and follow through to final decision any associated forms, letters or documentation to substantiate and obtain approval on any adjustments to funding requests;
- Process and forward all reimbursement funds received within 24 hours of delivery at TA;
- Provide accurate and detailed reporting to client as it relates to all application filing, funding amounts and disbursements

The compensation to TA for all E-Rate Assistance Services, implemented by TA will be 10% of the total received funding and billed as funds are received or credits are applied to the associated Client invoice. If Client decides to engage TA to provide full service E-Rate Consulting for subsequent school years, a supplemental agreement will be drafted and executed at that time and will be exclusive of any account setup fees.

In witness whereof, the parties have caused this Agreement to be executed by duly authorized officers as of the date set forth above.

Cornerstones of Care

Signature

Paul Gemeinhardt
Printed Name

President/CEO
Title
11/1/06
Date

Tariff Affiliates, Inc.

Signature

Nick Farthing
Printed Name

Director of Operations
Title
11/7/2006
Date

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WWW.CORNERSTONESOFCARE.ORG

Building a Foundation for Children and Families