

# **EXHIBIT 11**

**YONKERS PUBLIC SCHOOLS***copy**Achieving Excellence Together*

28 Wells Avenue, Bldg. #2  
Yonkers, New York 10701  
Tel. 914 376-8090  
Fax 914 376-8676

**Ahunna Margaux Akoma**  
Assistant to the Superintendent  
Technology and Information Systems

October 18, 2002

Gaurangi Shah  
Schools & Libraries Division  
80 South Jefferson Road  
Whippany, New Jersey 07981

Dear Ms. Shah:

I am writing in response to your inquiry about why certain vendors on New York State Contract were chosen over others to supply our District with their products and services. As per the Yonkers Public Schools' Policy and Procedures, we are entitled to use vendors that are on the New York State Contract. These vendors have been chosen by the State as acceptable and authorized vendors to participating agencies, based on competitive bidding. See attached. This Policy and Procedure also coincides with General Municipal Law 103.

In addition, the vendors we selected from State Contract listings are the ones that have shown, based on past experience, to be responsive to and meet the District's needs with respect to their products, and the fit of their products and services with our District's Technology goals. Furthermore, the proximity of the vendors to our schools is also considered in our decision-making because the closer the vendor, the shorter the response time to our service needs and requests.

Finally, when we consider vendors, we not only examine the cost factor but also evaluate if the vendor chosen will be the best provider to the District. If you need additional information, please feel free to contact me. Thank you.

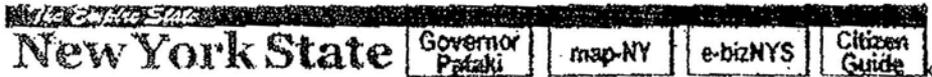
Sincerely,

A handwritten signature in black ink, appearing to read "A. Margaux Akoma".

Ahunna Margaux Akoma  
Assistant to the Superintendent  
Technology Support Services

Attach.

Cc: Joe L. Farmer  
Bernard P. Pierorazio  
C. James Grosso  
Frank Lutz  
Robert Haines



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## Procurement Services

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We establish thousands of individual contracts each year for a multitude of diverse commodities, services, telecommunications and information technologies. The total value of our contracting program is about \$2 billion per year.

We are composed primarily of 16 teams that focus on various contracting areas such as computer hardware & software, building supplies, vehicles & heavy equipment, clothing & furniture communications services and others. Because our purchasing professionals specialize in different commodity, service and technology areas, they tend to become real experts in their fields. We provide training and information to state agency purchasing people through our State Purchasing Forum. We provide training and information to other contract users on request.

### ***How can we better serve you?***

- Contact one office for all of your commodity, service and technology contract needs. If you receive OGS contracts through the mail and are not getting the contracts your office requires, contact our Customer Services Unit by e-mail, fax 518-474-2437 or phone 518-474-6717.
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- Visit our "Alerts and Bulletins" page, and browse the website frequently to view updates and enhancements as well as special announcements.

### **OGS Procurement Services**

**responsive - competitive - innovative**

# **EXHIBIT 12**



28 Wells Avenue, Building #2  
Yonkers, New York 10701  
Tel. 914 376-8090/8091  
Fax: 914 376-8676

May 30, 2002

A. Margaux Akoma  
Assistant to the Superintendent for Technology

Gaurangi Shah  
Schools & Libraries Division  
80 South Jefferson Road  
Whippany, New Jersey 07981

Dear Mr. Shah:

It is my pleasure to provide you with the documents you requested in order to process Yonkers Public Schools' E-Rate Year-5 application. They are arranged in the order you requested and are as follows:

**Information Regarding the Competitive Bidding Process and Vendor Selection**

1. **Copies of all contracts relating to Funding Year 5 Form(s) 471.** Please see the attached Contract Summary and Exhibit-A (1 through 24), which contains the contracts and scopes of work.
2. **Copies of all RFPs Invitation to Bid, Request for Bids, etc. for Services Requested.** See Exhibit-B (1 and 2), for the RFPs and Requests for Bids on all services and/or products for all items that were not under New York State's contract. Exhibit-B (1) is the RFP used in obtaining the provider for our Connected Classrooms and Communities Project. Exhibit-B (2) is used in obtaining the provider for Internet access.
3. **Copies of all Bids received.** See Exhibit-C (sets 1 and 2). Exhibit-C, set 1, outlines the process for the selection of our connected classrooms and communities project service providers—E-Chalk and Edmin. They were the two providers that responded to the connected classrooms and communities RFP. Exhibit-C, set 2, outlines the process for selecting the Internet Service Provider.
4. **Complete Documentation of the Selection Process.** The service providers were selected based on New York State's procurement regulations governed by Section 103-109 of New York State General Municipal Law. In part this obligates the District to competitively bid for goods and services or provide for the purchase of goods and services or utilize publicly bid centralized procurement contracts administered by the State's Office of General Services (NYS OGS Contract.) The district can also afford itself the use of cooperative bid contracts administered by the States Boards of Cooperative Education Services (BOCES). As the State, regional BOCES or other State agencies have competitively procured similar goods and services, Yonkers can take advantage of that competitive process and procure the required services through these sources without the need for going through the bidding process. On

non-State contract purchases, Yonkers Public Schools selected vendors based on best features and satisfactory demonstration of product, as well as price based on the RFP response. See Exhibit-D (1 and 2) for complete documentation of the process used to select providers from the responses received—RFP analysis sheets.

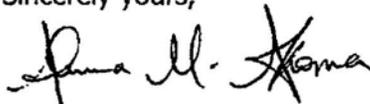
5. Copies of Consulting Agreements. No consulting contracts exist.
6. Copies of Correspondence regarding the Competitive Bidding Process and the Application Process. See Exhibit-C for attached cover letters, which accompanied the RFP/Bid responses.

#### **Information Regarding Item 25 Certification.**

1. Documentation of Ability to pay for Share of E-Rate. See Budget Sheets.
2. Estimates of Hardware, Software, Professional Development, Retrofitting and Maintenance. See attached sheets of estimates.
3. Copy of Yonkers Public Schools' Technology Plan. See binder.
4. An Estimate of the Technology Level of all Yonkers Public Schools following E-Rate. See attached.

Please call my office at 914-376-8090 if you need more information. Thank you.

Sincerely yours,



Ahunna Margaux Akoma  
Assistant to the Superintendent for Technology

Cc: Joe L. Farmer  
Bernard P. Pierorazio  
C. James Grosso  
Frank Lutz

Attach.

# **EXHIBIT 13**



YONKERS PUBLIC SCHOOLS

*Achieving Excellence Together*

**Technology and Information Systems**

28 Wells Avenue, Building #2  
Yonkers, New York 10701  
Tel. 914 376-8090/8091  
Fax: 914 376-8676  
amakoma@yonkerspublicschools.org

**Angelo Petrone**  
Interim Superintendent of Schools

**A. Margaux Akoma**  
Assistant to the Superintendent  
Technology and Information Systems

December 24, 2002

Ms. Gaurangi Shah  
Selective Review Team  
USAC of the Schools and Libraries Division  
80 South Jefferson Road  
Whippany, New Jersey 07981

Dear Ms. Shah:

Attached please find the information you requested regarding vendor selection for E-rate services.  
Thank you.

Sincerely,

A. Margaux Akoma  
Assistant to the Superintendent  
Technology and Information Systems

AMA:ama

Cc: C. J. Grosso  
F. Lutz  
B. P. Pierorazio  
A. Petrone

**Yonkers Public Schools E-Rate Program Year 5 - Bids and Vendor Selection (123703)**

<b>Item #</b>	<b>Service provider</b>	<b>Service</b>	<b># of Responses</b>	<b>Selection Criteria and Order of Importance</b>
1	ARCH	Paging Service	NY State Contract	Cost effectiveness, past experience, quality of product
2	AT&T	Long Distance Service	NY State Contract	Cost effectiveness, past experience, reliability of service
3	AT&T Wireless	Wireless Phone Service	NY State Contract	Cost effectiveness, past experience, reliability of service
4	Verizon	Local telephone Service	NY State Contract	Cost effectiveness, past experience, reliability of service
5	Verizon Wireless	Wireless Phone Service	NY State Contract	Cost effectiveness, past experience, reliability of service
6	Echalk	Internet Intranet	3	Result of an RFP/bid
7	Edmin	Internet Intranet	3	Result of an RFP/bid
8	Verizon	internet access	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
9	Verizon	Switches	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
10	Verizon	Switches and wiring	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
11	Verizon	Maintenance of Switches and Routers	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
12	Verizon	Maintenance of Switches and Routers	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
13	Verizon	CAT 5 wire installation and Mtc	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
14	Verizon	T-1 upgrades	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
15	A+	Server OS upgrade	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
16	A+	System OS (software)	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
17	Compaq	Exchange Servers	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
18	A+	Exchange Cluster Config & Install	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
19	A+	File server install	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
20	A+	Server Maintenance	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
21	Integra	Wireless equipment	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
22	Compaq	File servers	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
23	A+	Interactive TV System	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities
24	A+	Wireless installation	NY State Contract	Cost effectiveness, past experience, qualified personnel, management capabilities

# **EXHIBIT 14**



**YONKERS PUBLIC SCHOOLS**

*Achieving Excellence Together*

December 10, 2003

Schools and Libraries Division  
Box 125 – Correspondence Division  
80 South Jefferson Rd.  
Whippany, NJ 07981

One Larkin Center  
Yonkers, New York 10701  
Tel. 914 376-8090  
Fax: 914-969-0215

**Angelo Petrone**  
Superintendent of Schools

**Christopher M. Carvalho**  
Director  
Technology and Information Systems

Re: Operational Spin Change

Subject: Yonkers Public Schools  
Billed Entity Number 294946  
Application Number 123703  
Program Year 5

To Whom It May Concern:

Yonkers Public Schools herein requests an Operational Spin Change for the following FRN's (See Attached for Detailed list)

Original service Provider:

Integra Consulting and Computer Services, Inc  
SPIN 143022770  
Hal Blum  
Ph # 516.797.1300  
hal@integraservices.com

New Service Provider

A+ Technology Solutions, Inc.  
SPIN 143005900  
David Antar  
516.797.6100  
david@aplus-edu.com

"I certify that (1) all SPIN changes requested in this letter are allowed under all applicable state and local procurement rules, (2) the SPIN changes are allowable under the terms of the contract, if any, between the applicant and its original service provider, and (3) the applicant has notified its original service provider of its intent to change service providers."

Thank you in advance for your consideration in this regard. If you have any questions please contact Christopher M. Carvalho, Director of Technology at 914-376-8090

Sincerely

Christopher M. Carvalho  
Yonkers Public Schools  
Director of Technology

CMC:jg

Cc: Mr. Angelo Petrone  
Mr. Bernard Pierorazio

	Billed Entity #	FRN	Original SPIN #	One Time Pre Discount Amount, Original Service Provider	New SPIN #	One Time Pre Discount Amount, New Service Provider	Effective Date of Change	Last Day of Service for New Provider
Provide Wireless Access Points, Antenna's and Spectrum 24 Cards								
	294946	794889	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	794909	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	794916	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	794921	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	794933	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	794937	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	794946	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	794954	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	794957	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	794985	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	794990	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	795009	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	795013	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	795023	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	795042	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	795056	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	795091	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	795099	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	795144	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	795170	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	795188	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	795208	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	795215	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04
	294946	795230	143022770	\$122,613.75	143005900	\$122,613.75	12/01/03	9/30/04

**Carvalho, Chris**

---

**From:** SLDClient Operations [SLDClientOperations@sl.universalservice.org]  
**Sent:** Thursday, January 08, 2004 3:52 PM  
**To:** ccarvalho@yonkerspublicschools.org  
**Subject:** SPIN Changes for FY5 - 471# 294946 Multiple FRNs

YONKERS PUBLIC SCHOOL DISTRICT  
28 Wells Ave. Bldg. 2  
YONKERS, NY 10701

Attention: Ahunna Margaux Akoma Phone: (914) 376-8090

Re: Universal Service Administrator's Confirmation of SPIN Change/Correction

The request to change / correct the Service Provider has been granted.  
Form 471 Application Number: 294946

The new Service Provider will receive a Funding Commitment Decision Letter (FCDL). PLEASE NOTE: While this FCDL will contain more detailed information on the FRNs listed below, it will show the ORIGINAL COMMITMENT amount, rather than the amount that remains undisbursed for this FRN.

THIS E-MAIL IS FOR ADVISORY PURPOSES ONLY. REPLIES WILL NOT BE RECEIVED. IF YOU HAVE QUESTIONS REGARDING THE SUBJECT OF THIS ADVISORY E-MAIL, PLEASE CALL OUR CLIENT SERVICE BUREAU AT 1-888-203-8100.

Funding Request No. (FRN): 794889  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 794909  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 794916  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 794921  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 794933  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 794937  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 794946  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 794954  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 794957  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00

CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 794985  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 794990  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 795009  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 795013  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 795023  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 795042  
Original Service Provider: Integra Consulting and Computer Services Inc.

Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 795056  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 795091  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 795099  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 795144  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 795170  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004

A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 795188  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 795208  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 795215  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

Funding Request No. (FRN): 795230  
Original Service Provider: Integra Consulting and Computer Services Inc.  
Original SPIN: 143022770  
New Service Provider: A+ Technology Solutions, inc.  
New SPIN: 143005900  
Original Commitment Amount: \$122,613.  
Disbursement Amount: \$0.00  
CAP Remaining: \$122,613.  
Date of Change: 1/8/2004  
A Form 486 has been filed for this FRN: Yes  
This FRN includes Non-Recurring Services: Yes

# **EXHIBIT 15**



## Universal Service Administrative Company

Wayne M. Scott  
Vice President, Internal Audit Division

July 13, 2005

Chris Carvalho  
Yonkers Public School District  
1 Larkin Center  
Yonkers, NY 10701-5655

Dear Mr. Carvalho,

We have hired KPMG LLP to assist the Universal Service Administrative Company's (USAC) Internal Audit Division and the Federal Communications Commission Office of Inspector General (FCC OIG) in their audits of recipients of the Schools & Libraries (S&L) Support Mechanism (E-Rate) fund. We plan to conduct a performance audit (PA) of the Yonkers Public School District (Beneficiary Number: 123703) located in Yonkers, New York, between the months of August/September. It is anticipated that fieldwork for the PA will take approximately two (2) weeks; however, the efficiency of the audit will depend on the availability of your staff and the condition of the documentation made available prior to and/or during the course of the audit.

For your information and use, the audit will be managed by the below USAC and KPMG personnel.

NAME	COMPANY	POSITION	PHONE NUMBER	EMAIL	ON-SITE
Wayne M. Scott	USAC	Vice President, Internal Audit	202-776-0200	<a href="mailto:wscott@universalservice.org">wscott@universalservice.org</a>	No
Leslie Bellavia	USAC	Manager, Internal Audit	202-776-0200	<a href="mailto:lbellavia@universalservice.org">lbellavia@universalservice.org</a>	No
Thomas Bennett	FCC OIG	Assistant Inspector General	202-418-0477	<a href="mailto:thomas.bennett@fcc.gov">thomas.bennett@fcc.gov</a>	No
Joe Crostic	KPMG	Lead Eng Partner	703-747-5306	<a href="mailto:jcrostic@kpmg.com">jcrostic@kpmg.com</a>	Yes
Carolyn Hoopes	KPMG	Eng Partner	703-286-8550	<a href="mailto:choopes@kpmg.com">choopes@kpmg.com</a>	Yes
Laura Price	KPMG	Concurring Review Partner	303-295-8827	<a href="mailto:lprice@kpmg.com">lprice@kpmg.com</a>	No
Julie Albright	KPMG	Engagement Director	703-286-8244	<a href="mailto:jalbright@kpmg.com">jalbright@kpmg.com</a>	Yes
John Fenstermaker	KPMG	Engagement Manager	703-286-8341	<a href="mailto:jfenstermaker@kpmg.com">jfenstermaker@kpmg.com</a>	Yes

Additionally, KPMG will have 2-3 other auditors actually performing the audit work. These individuals will be identified, as we get closer to the site visit.

The scope of the audit is Funding Year 2002. Emphasis will be placed on eligible services and technology, discounts, technology plans, ability to support reimbursement and other related areas. Please find attached a listing of documents KPMG will need to facilitate our audit. In addition, for KPMG to perform their audit efficiently and successfully, your assistance in providing the below support will be appreciated:

- Requested documents, to arrive at KPMG LLP by two weeks of receipt of this letter.

KPMG LLP  
1660 International Drive  
McLean, VA 22102  
ATTN.: John Fenstermaker

- Office space for approximately 5 auditors to perform their audit (to include Internet connectivity).
- Access to office space for a minimum 10-hour period during the workday, if possible.
- Notification of any days the building that KPMG will be working in will not be available, due to holidays or other reasons.
- Advice on the dress code for your office.

Please recognize that KPMG has equal access as USAC IAD and FCC OIG to request and view documents.

A KPMG manager (or other designated team member) will contact you directly to inform you of the date they are planning to be on-site. At this time, they will discuss the attached document requests so that any questions/issues can be addressed before the auditors are on site. Also, KPMG will conduct a "kick-off" meeting during the first day of being on-site, if possible, to discuss the audit, project objectives, coordination, etc. with those key individuals that are involved in your E-Rate program / process.

At the completion of KPMG's audit, KPMG will conduct a final closing meeting to discuss the results of the audit. The results of KPMG's work, as well as your comments received during the final meeting, will be presented in a draft report to USAC and the FCC OIG. Upon review and approval of the report by USAC Management and the FCC OIG, the report will be distributed to appropriate parties.

The following URL provides some additional information to assist your understanding of this audit: <http://www.sl.universalservice.org/reference/bestpractices.asp>

If there are any matters or issues that you would like to make us aware of, or if you have any questions or concerns, please feel free to call Leslie Bellavia or myself using the contact information above.

Sincerely,

Wayne M. Scott  
Vice President, Internal Audit Division  
Universal Service Administrative Company

**2 Attachments:**

List of Documentation to be Provided to KPMG by Two (2) Weeks of Receipt of This Letter  
List of Review Documentation to be Provided to KPMG Upon Arrival

CC: KPMG LLP

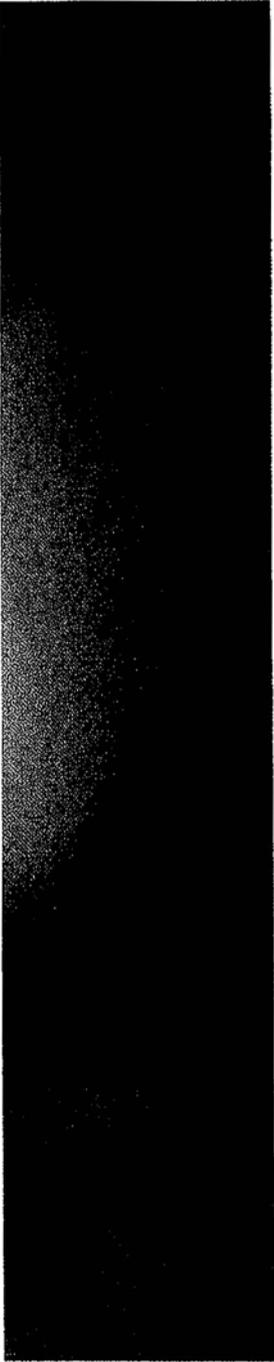
**DOCUMENTS DUE TO KPMG LLP BY TWO WEEKS FROM THE DATE OF RECEIPT OF  
THE ANNOUNCEMENT LETTER**

1. Technology plan and approval letter (letters certifying technology plans, required in all cases, except for requests for basic local and long distance telephone services only) related to Funding Year 2002 (if not evident from the plan, also provide a statement describing who was involved in its preparation).
2. Funding Year 2002-2003 technology budgets.
3. Copies of audited financial statements, if E-Rate activity is clearly identifiable, that address Funding Year 2002 activity.
4. A copy of each OMB A-133 report that addresses the E-Rate funding year 2002, if your location is required to have a Single Audit (if the funding year is different than the E-Rate Year, please provide the two reports which cover the E-Rate Year <i>plus</i> the subsequent year, if available)
5. Method used and documentation supporting the discount calculation. Please, identify each entity included in your supporting documentation with the Entity Number assigned by USAC, as it is included in your FCC Forms 471.
6. General description of the information technology environment and a high-level network diagram. The description should include how E-Rate funding for internal connections is being used in the IT environment.
7. General description of E-Rate inventory, change/field orders and how total E-Rate funding is affected, and how excess inventory is accounted for.
8. Fixed asset or other records listing reflecting E-Rate equipment for the year under review. This listing should include the following items: <ul style="list-style-type: none"><li>• Make</li><li>• Model</li><li>• Serial number (if available)</li><li>• Physical location (including room number)</li><li>• Date installed</li><li>• FRN</li><li>• Customer bill reference number(s)</li></ul>
9. List of all individuals / consulting firms, including phone numbers and business addresses, that assisted in the preparation of E-Rate documentation (if applicable).
10. List of all endowments in place (as of the Funding Year 2002).
11. Record Retention Policy (i.e., that applies to and/or was followed for E-Rate related documentation).

**DOCUMENTS DUE TO KPMG LLP UPON ARRIVAL TO PERFORM FIELDWORK**

■ Copies of the following Forms (if applicable) for Funding Year 2002:	
12. Form 470 (Description of Services Requested and Certification Form)	
13. The Following FCC Form 471 (Services Ordered and Certification Form)	
<b>FCC Form 471</b>	<b>FRNs</b>
o No. 294946	794073, 794087, 794105, 794134, 794155, 794158, 794174, 794180, 794232, 794909, 794916, 795318, 795324, 794328, 794933, 795374
14. Form 486 (Receipt of Service Confirmation Form)	
15. Form 472 (Billed Entity Applicant Reimbursement Form, or "BEAR")	
16. Form 474 (Service Provider Invoice Form)	
17. Form 500 (Extension of Service Form), if applicable	
18. All documentation associated with above FCC forms 471 and selected FRNs to include, but not all inclusive of, copies of canceled checks (front and back) by the Beneficiary validating payment to the Service Provider	
19. Proof of deposit (BEAR applicants) of USAC reimbursement funds from the Service Provider (deposit slips, bank statements).	
20. In association with the above 471 FCC Forms, copies of: (A) All RFPs, (B) all bids received (both winning and losing), (C) all contracts, (D) documentation verifying the date of receipt of equipment / services, (E) all invoices and supporting documentation for the above FRNs, and (F) all documented correspondence (including documentation of informal communications) with potential / selected service providers (i.e. competitive bidding, service issues, etc.).	
21. Overview of the applicant's Service Provider selection process.	
22. Policies and meeting notices regarding the application and procurement process.	
23. Copies of local and state procurement regulations applicable to the Beneficiary (if different from SLD policy) as they relate to contracting for the purchases of internal connections, telephone service and Internet access.	
24. Copy of all Board of Education minutes for the funding year under review and six months prior (i.e., to identify discussions of E-Rate related activity). Copy of all Board resolutions for each awarded E-Rate contract.	
25. Copy of any minutes from Beneficiary meetings that include E-Rate as an agenda item.	
26. General description of process in place (if any) to ensure removal of ineligible products/services prior to billing.	
27. General description of the billing process for E-Rate.	
28. Internet Safety Policy and a general description of how the policy was made public.	

# **EXHIBIT 16**



**Schools and Libraries  
Universal Service Support  
Mechanism –  
Performance Audit**

**Exit Conference  
Yonkers Public School District**

October 12, 2005

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# Agenda

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- Opening Comments
- Summary of Audit Procedures Performed:
  - Application Process
    - Finding and Other Matter Noted
    - Recommendations Noted
    - Management Response
  - Service Provider Process
  - Reimbursement Process
    - Other Matters Noted
    - Recommendations Noted
    - Management Response
- Questions and Answers

# Application Process – Overview

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Our Audit Work Addressed the Following Application Process Related Areas:

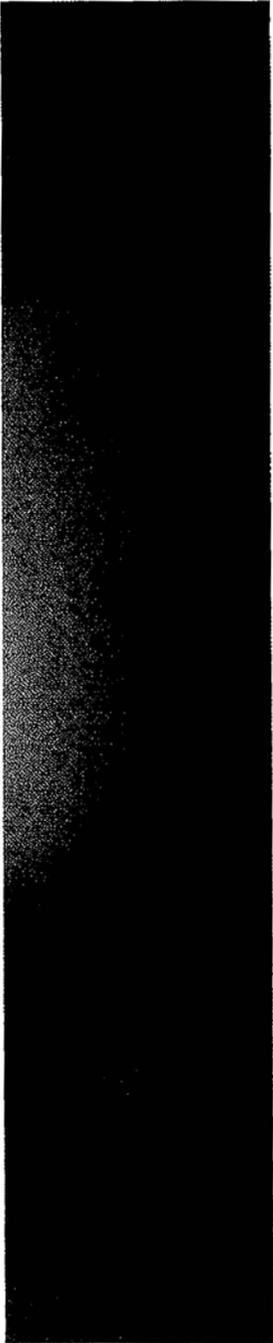
- Technology Plan
- E-Rate Budget (Financial Resources Allocated) to Cover the Non-discounted Portion of the Total E-Rate Funds Requested
- FCC Form 470 Application
- Discount Calculations Sought for and Applied to E-Rate Eligible Schools

# Service Provider Selection Process – Overview

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Our Audit Work Addressed the Following Service Provider Selection Process Related Areas:

- Competitive Bidding Process
- 28-Day Waiting Period for Service Provider Selection and Contracting
- Form 471 Completion
- Descriptions of Requested Assets and or Services
- Contracted Items vs. Eligibility Standards



## **Service Provider Process – Findings**

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We did not Identify any Findings within the Service Provider Selection Process.

# TANDBERG

## E-rate Funding Program Overview



**TANDBERG WORLD HEADQUARTERS**  
Philip Pedersens vei 22  
1386 Lysaker, Norway  
Tel: +47 67 125 125  
Fax: +47 67 125 234  
Video: +47 67 117 777  
E-mail: [tandberg@tandberg.net](mailto:tandberg@tandberg.net)

200 Park Avenue, Suite 2005  
New York, NY U.S.A. 10166  
Tel: +1 212 692 6500  
Tel: +1 800 538 2884 (toll free in the U.S.)  
Fax: +1 212 692 6501  
Video: +1 212 692 6535  
E-mail: [tandberg@tandbergusa.com](mailto:tandberg@tandbergusa.com)

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

### E-RATE PROGRAM OVERVIEW

Today, America's K-12 entities are constantly plagued with diminishing resources and shrinking budgets. Schools are challenged with obtaining the necessary technology to keep up with today's rising standards of child education and development.

Through the E-rate program, the Schools & Libraries Division (SLD) of the Universal Service Administration Company (USAC) provides schools and libraries with discounts for advanced telecommunications technology and internet access. Every year E-rate awards more than \$2 billion in discounts to eligible schools and libraries!

### CRITERIA

- Eligible Applicants: K-12 public and private schools and most public libraries
- Eligible Purchases: Telecommunications connectivity, internet access, and qualified distance learning equipment
- Funding Timeline: Please refer to the TANDBERG E-rate Guide for current application deadlines and funding timeframe
- Discounts: School discounts range from 20% - 90% based on the number of students eligible for the school's free and reduced lunch program

In support of the E-rate program, TANDBERG proudly partners with our customers to offer interactive distance learning video solutions which meet the criteria outlined by the SLD. We believe in assisting our customers to secure these funding opportunities - our experienced team is devoted to helping you, the educator, successfully bring content and technology into your classroom.

### HOW CAN TANDBERG HELP YOU?

TANDBERG offers consultative assistance and can help answer frequently asked questions, offer application strategy tips and provide valuable feedback. Our dedicated team will work with you to:

- Provide a comprehensive overview of the E-rate program (refer to TANDBERG E-rate Survival Guide)
- Provide needs analysis on which products and services best fit your classroom and library needs
- Discuss and review product eligibility to help determine your ineligible costs
- Arrange consultation(s) with a nationally recognized E-rate consultant to address specific issues and concerns where further assistance from TANDBERG would be in violation of E-rate rules and policies
- Offer preventative guidance on avoiding waste, fraud, and abuse violations

For more information about the E-rate Program and to learn about TANDBERG products and services please contact us directly at [grantservices@tandbergusa.com](mailto:grantservices@tandbergusa.com), or call toll-free: (888) 308-7595 x556.

# **EXHIBIT 17**



1490 North Clinton Avenue • Bay Shore, NY 11706  
631•969•2500 • Fax: 631•969•2613

January 25, 2006

Yonkers Public Schools  
1 Larkin Center  
Yonkers, NY 10701  
Att: Mr. Christopher Carvalho

Re: Clarification of Integra's role in Yonker's FY 2002 application

Dear Mr. Carvalho,

In response to your request for A+ and Integra to clarify their roles in Yonkers E-Rate 470 process as it relates to your FY 2002 E-Rate application. A+ had absolutely no role in the 470 process. Integra, which is a separate legal entity, provided very limited services to the district. They included neutral advice in the following areas:

- Advising of appropriate timelines to meet deadlines
- Advising of acceptable terminology
- Review of the completed and publicly posted Form 470
- Review of the completed and signed 470 certification pages for compliance
- Fedex of the signed and completed certification page
- Tracking of Fedex receipt by the SLD

At no time was any privileged or not publicly known information shared with Integra, nor did Integra have any influence in determining the type of services for which Yonkers was seeking bids. The E-Rate process was solely maintained by Yonkers personnel at all times and Integra had no involvement or control of the procurement process. Integra has always and continues to strongly support the fair and open standards of the E-Rate program and would not compromise those standards for monetary gain.

A+ and Integra are very separate organizations with completely different business focuses. Although they share common offices and ownership there is no other business connection between the two organizations. In addition, Integra has always maintained a completely separate division for E-Rate consulting. This division has always utilized the services of an independent outside contractor for all E-Rate related services. The contractor, Rosanne Sweeney, has been providing E-Rate consulting services as her exclusive role to that division since the early years of the program and was the main person that had limited communications with the district.

Integra is also one of a limited number of companies that holds a NYS OGS contract to provide E-Rate services to schools in the NY area. Public Schools in New York State are subject to strict procurement guidelines inclusive of consulting services.

To address the issue of the A+ Fedex account that was utilized for Yonkers FY 2002 Form 470 certification pages. The contractor inadvertently used the A+ versus the Integra preprinted Fedex bill of lading in submitting paperwork to the SLD.

Integra has completely removed itself from a service provider role and is currently managed by Rosanne Sweeney as President of the organization. Currently Integra performs no other services for education other than E-Rate consulting. Integra has always maintained the highest level of integrity with the E-Rate services that it has and continues to provide. Integra has always maintained its neutrality with regard to the E-Rate consulting services that it provides. Integra has never been involved in the control or procurement process of any district(s) and prides itself on providing the highest level of quality E-rate consulting services to school districts.

Sincerely,



David Antar  
Chairman  
Integra Consulting & Computer Services, Inc.

# **EXHIBIT 18**



1490 North Clinton Avenue • Bay Shore, NY 11706  
631•969•2500 • Fax: 631•969•2613

December 28, 2006

Yonkers Public Schools  
One Larkin Center  
Yonkers, NY 10701

Re: Integra's Response To Your Inquiry

Dear Mr. Carvalho,

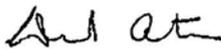
Please find below the information requested to complete your response to Adrian Sewdat of the SLD.

- A) Answered by Yonkers Public Schools
- B) Integra Consulting & Computer Services, Inc "Integra" is a separate sub chapter S corporation. The president in 2001 was David Antar. All day to day E-Rate related consulting services were and are currently performed by Rosanne Sweeney who has been an independent contractor and consultant for the firm.
- C) Integra was organized as an independent business providing E-Rate related consulting services to schools as well as custom programming and support solutions to non school entities.
  - 1) In 2001 the majority of work performed by Integra was E-Rate Consulting with the balance of services provided to non school entities. Any other services that were invoiced by Integra were outsourced. Currently the only service performed and invoiced by Integra is E-Rate consulting. The limited staff that provide E-Rate consulting services are absolutely not engaged in any service provider activities. All E-Rate consulting services provided by Integra are strictly limited to clerical functions assisting school districts in completing forms and meeting deadlines. At no time has Integra been in control of the E-Rate process or did Integra make E-Rate related decisions for any of the districts serviced. In addition Integra has never been listed as contact for a school district, all communications go through and are approved by the school districts.
  - 2) There are definite "walls" between Integra's E-Rate consulting business and any other services that Integra provided. In fact in 2001 and 2002, Integra's consulting business was located in a different building in a different county than the sales and operational personnel.

- 3) Integra has not provided eligible services since 2002 and never actively pursued being a service provider. Integra was listed by Symbol Technology as an approved agent under their NYS Master Contract and therefore received several requests for proposals related to Symbol's State Master Contract for product. The requests for proposals were handled by staff that were not connected to the E-Rate consulting side of the business. Other than several proposals and a single fulfillment of those proposals, Integra has not acted as a service provider in any way.

Integra has always maintained the highest standard in upholding the guidelines of the E-Rate program and will continue to do so as "integrity" is the foundation that this company was build on. If I can be of further assistance please contact me.

Sincerely,



David Antar  
Chairman

# **EXHIBIT 19**



# A+ Technology Solutions, Inc.

1490 NORTH CLINTON AVENUE • BAY SHORE, NEW YORK 11706 • (631) 969-2600 • FAX (631) 969-2400

December 3, 2008

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

Re: Letter of Appeal – Notice of Commitment Adjustment Letter Dated October 7, 2008  
471 # 294946 FRN#'s Various - See Attached List (Attachment 1)  
Billed Entity Name: Yonkers Public Schools  
Billed Entity Number 123703

Dear Sirs,

A+ Technology Solutions, Inc. (A+) disagrees with your findings related to violations of USAC program rules and the resulting Commitment Adjustment Letter (COMAD) that was issued to A+ on October 7, 2008. A+ respectfully requests that USAC rescind the above referenced Notice of Commitment Adjustment.

## **A) Notice received after 5 year period**

Based on FCC 04-190, Fifth Report and Order adopted August 4, 2004 and Released August 13, 2004 the FCC states in paragraph 32:

“Accordingly, we announce our policy that we will initiate and complete any inquiries to determine whether or not statutory or rule violations exist within a five year period after final delivery of service for a specific funding year.”

Prior to the issuance of the COMAD against A+ received on October 8, 2008, A+ had never been contacted directly by USAC related to the issues being presented in the COMAD for Yonkers School District. Many statements in USAC's "Further explanation of commitment adjustment letter" claim that "Integra did not provide evidence" however to the best of our knowledge Integra was never contacted to respond to any allegations related to Yonkers' FY 2002 application. Although USAC did contact Yonkers on many occasions, all responses that were received by USAC were from the Yonkers School District. At Yonkers' request, Integra provided a letter to support their response to a USAC inquiry. A+ had no involvement in Yonkers competitive bid process either through Integra or Yonkers School District. Try it as it may, USAC's findings do not give rise to any statutory or regulatory rule violations.

Based on the Fifth Report and Order the last day for A+ to have received notice from USAC would have been September 30, 2008, which would be five years from September 30, 2003 (normal delivery of service deadline) for Program Year 2002. As a determination, and first contact to A+ was made by USAC on October 7, 2008 and received by A+ on October 8, 2008, this determination was clearly completed after the five year period. We respectfully request the USAC rescind the above mentioned COMAD on this basis.

**B) Multiple Reviews and Audits with no significant finding**

In addition Yonkers School District's FY 2002 application underwent numerous detailed USAC and KPMG reviews:

- 1) Extensive PIA reviews (Andrew Dick PIA TEAM 3) September 2002
- 2) Selective Review (Gaurangi Shah) May 2002 (Attachment 2)
- 3) Full Performance Audit by KPMG July 2005 (Attachment 3 and 4)

All of the above mentioned reviews and audits dealt clearly and specifically with the issue of competitive bidding and E-Rate compliance issues. The document dated May 30, 2002, which is the reply to the Selective Review Competitive Bid Response (attachment 2) and is signed by a Yonkers District Representative, states specifically that service providers were selected based on New York State (NYS) procurement regulations and further attached all relevant documentation as exhibit "C". The extensive information provided by Yonkers was reviewed in detail and accepted with no significant findings revealed to Yonkers or A+. Please see attachment 4 which outlines the finding of KPMG's Performance Audit dated February 7, 2006. The document specifically states in the section titled "Service Provider Selection and Contracting Process": "We indentified no audit findings or other matters in performance of the service provider selection and contracting process audit procedures to be reported herein".

As USAC, their reviewers and auditors had full access to all documentation related to Yonkers FY 2002 application and clearly on every occasion found no improprieties we respectfully request the USAC rescind the above mentioned COMAD on this basis.

**C) USAC's conclusions set forth in its COMAD Letter are based on unfounded, inaccurate, and unsubstantiated assumptions related to a competitive bidding violation. USAC has failed to demonstrate that a competitive violation existed related to the FRNs set forth in it's COMAD.**

**USAC Statement:** A competitive bidding violation and conflict of interest occur when an applicant's consultant provides consulting services which include determining the services for which the applicant will seek funding and/or in selecting the service provider(s); the consultant and/or one of its partners provided those services and was a bidder, and the consultant or one of its partners was selected to provide the services;

**Response:** A+ had absolutely no role in determining the services that Yonkers would include in their FY 2002 application nor did it have any role in selecting the service providers that were chosen by Yonkers. Yonkers' Technology Plan that covered FY 2002 was the outcome of a federally mandated Desegregation Order. All selections of services sought on their Form 470 related to this federally mandated document and were not influenced by third parties. A+ did not have a role in the selection of service providers for Yonkers. It is A+'s understanding that authorized personnel of Yonkers followed strict guidelines in choosing vendors for E-Rate eligible services. In addition, it is also A+'s understanding that Yonkers chose the majority of its services from NYS Office of General Services contracts (State Master Contracts) which had been previously competitively bid by NYS. The fact that these were previously competitively bid by NYS further discredits USAC's claim of alleged competitive rule violations. We respectfully request the USAC rescind the above mentioned COMAD on this basis.

**USAC Statement:** A competitive bidding violation and conflict of interest occur when a service provider provides both eligible and ineligible consulting services, serves as an applicant's consultant and selects itself to provide services without an appropriate separation between the service provider and consulting functions.

**Response:** Integra's consulting division did not provide eligible services to school districts; Integra did not select itself or one of its partners to provide services. There were clear separations (walls) between the service provider and consulting functions of A+ and Integra. The consulting division of Integra did not provide any other services to school districts other than E-Rate consulting. The consulting arm of Integra was clearly separated from A+ and any other services that Integra provided and was located at a different location than the technical and sales staff of A+ (Great River, NY). The majority of clerical consulting services were provided by an independent contractor, Rosanne Sweeney (see attachment 5) who worked out of her home and also at the Massapequa, NY offices of A+ and Integra. Although Yonkers did not contract with Integra for their 2002 E-Rate consulting, Integra's average rates for other customers was \$75 per hour, which further substantiates the clerical and impartial services that were provided to customers. We respectfully request the USAC rescind the above mentioned COMAD on this basis.

**C) Address on Yonkers FY 2002 470 Certification was mailed from A+**

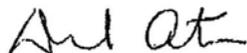
Lastly, the mailing of the signed form 470 does not constitute a rule violation. After the 470 was posted it was publically available for all potential service providers to view and

respond to. The mere mailing of the signed Form 470 does not represent "control" of the 470 process. A+ mailed the form as a courtesy to Yonkers to insure that the form was tracked via a commercial delivery service. Prior experience with USAC not properly recording receipt of documents as well as recommendation of this action by USAC necessitated this action. We respectfully request the USAC rescind the above mentioned COMAD on this basis.

### **CLOSING**

A+ firmly believes that the information presented above clearly demonstrates on multiple levels that a conflict of interest and competitive bidding violations **did not exist**. A+ requests that USAC reverse its COMAD decision.

Sincerely,



David Antar

President

A+ Technology Solutions, Inc.

# **ATTACHMENT 1**

Sheet1

471 Applic: FRN	Applicant Name	Service Provider Name	Total Authorized Disbursement
294946 794158	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$63,750.00
294946 794163	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$12,750.00
294946 794180	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$131,032.60
294946 794223	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794232	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794242	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794246	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794258	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794264	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794286	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794291	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794297	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794324	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794328	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794335	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794344	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794349	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794360	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794369	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794380	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794383	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794407	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794428	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794435	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794448	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794456	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946 794889	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$65,172.38
294946 794909	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$74,889.00
294946 794916	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$114,453.00
294946 794921	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$72,063.00
294946 794933	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$69,237.00
294946 794937	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$69,237.00
294946 794946	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$59,346.00
294946 794954	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$62,172.00
294946 794957	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$74,037.38
294946 794985	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$97,531.88

Sheet1

294946	794990	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$87,606.00
294946	795009	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$58,494.38
294946	795013	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$54,255.38
294946	795023	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$63,619.88
294946	795042	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$79,162.88
294946	795056	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$121,518.00
294946	795091	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$64,146.38
294946	795099	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$58,494.38
294946	795144	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$90,598.50
294946	795170	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$96,084.00
294946	795188	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$114,453.00
294946	795208	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$54,255.38
294946	795215	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$107,388.00
294946	795230	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$77,618.25
294946	795250	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$14,400.00
294946	796958	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$10,080.00
294946	796965	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$10,080.00
294946	796967	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$12,600.00
294946	796968	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$11,025.00
294946	796973	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$9,450.00
294946	796975	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$12,600.00
294946	796976	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$10,395.00
294946	796979	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$11,025.00
294946	796981	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$12,600.00
294946	796988	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$12,600.00
294946	796991	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$12,600.00
294946	796992	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$9,765.00
294946	796994	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$7,875.00
294946	796997	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$11,025.00
294946	797001	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$12,600.00
294946	797002	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$12,600.00
294946	797007	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$11,025.00
294946	797008	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$9,765.00
294946	797016	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$12,600.00
294946	797023	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$12,600.00
294946	797025	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$12,600.00
294946	797033	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$9,450.00

Sheet1

294946	797034	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$12,600.00
294946	797039	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.	\$12,600.00
				\$2,711,125.65

Sheet1

471 Applic. FRN	Applicant Name	Service Provider Name	Total Authorized Disbursement
294946	794566	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794580	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794587	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794593	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794601	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794605	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794613	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794615	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794624	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794653	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794662	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794670	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794677	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794682	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794690	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794697	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794703	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794731	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794739	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794764	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794789	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794809	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794822	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794832	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	794850	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796894	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796898	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796900	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796903	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796905	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796906	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796908	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796909	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796910	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796914	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796915	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.

Sheet1

294946	796916	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796917	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796918	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796921	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796922	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796926	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796928	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796935	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796942	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796944	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796947	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796948	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.
294946	796951	YONKERS PUBLIC SCHOOL DISTRICT	A+ Technology Solutions, inc.

+ ANY ADDITIONAL FRN'S LISTED ON COMAD

## **ATTACHMENT 2**



28 Wells Avenue, Building #2  
Yonkers, New York 10701  
Tel. 914 376-8090/8091  
Fax: 914 376-8676

May 30, 2002

A. Margaux Akoma  
Assistant to the Superintendent for Technology

Gaurangi Shah  
Schools & Libraries Division  
80 South Jefferson Road  
Whippany, New Jersey 07981

Dear Mr. Shah:

It is my pleasure to provide you with the documents you requested in order to process Yonkers Public Schools' E-Rate Year-5 application. They are arranged in the order you requested and are as follows:

### **Information Regarding the Competitive Bidding Process and Vendor Selection**

1. **Copies of all contracts relating to Funding Year 5 Form(s) 471.** Please see the attached Contract Summary and Exhibit-A (1 through 24), which contains the contracts and scopes of work.
2. **Copies of all RFPs Invitation to Bid, Request for Bids, etc. for Services Requested.** See Exhibit-B (1 and 2), for the RFPs and Requests for Bids on all services and/or products for all items that were not under New York State's contract. Exhibit-B (1) is the RFP used in obtaining the provider for our Connected Classrooms and Communities Project. Exhibit-B (2) is used in obtaining the provider for Internet access.
3. **Copies of all Bids received.** See Exhibit-C (sets 1 and 2). Exhibit-C, set 1, outlines the process for the selection of our connected classrooms and communities project service providers—E-Chalk and Edmin. They were the two providers that responded to the connected classrooms and communities RFP. Exhibit-C, set 2, outlines the process for selecting the Internet Service Provider.
4. **Complete Documentation of the Selection Process.** The service providers were selected based on New York State's procurement regulations governed by Section 103-109 of New York State General Municipal Law. In part this obligates the District to competitively bid for goods and services or provide for the purchase of goods and services or utilize publicly bid centralized procurement contracts administered by the State's Office of General Services (NYS OGS Contract.) The district can also afford itself the use of cooperative bid contracts administered by the States Boards of Cooperative Education Services (BOCES). As the State, regional BOCES or other State agencies have competitively procured similar goods and services, Yonkers can take advantage of that competitive process and procure the required services through these sources without the need for going through the bidding process. On

non-State contract purchases, Yonkers Public Schools selected vendors based on best features and satisfactory demonstration of product, as well as price based on the RFP response. See Exhibit-D (1 and 2) for complete documentation of the process used to select providers from the responses received—RFP analysis sheets.

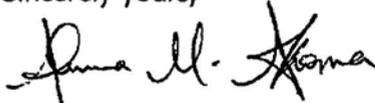
5. Copies of Consulting Agreements. No consulting contracts exist.
6. Copies of Correspondence regarding the Competitive Bidding Process and the Application Process. See Exhibit-C for attached cover letters, which accompanied the RFP/Bid responses.

#### **Information Regarding Item 25 Certification.**

1. Documentation of Ability to pay for Share of E-Rate. See Budget Sheets.
2. Estimates of Hardware, Software, Professional Development, Retrofitting and Maintenance. See attached sheets of estimates.
3. Copy of Yonkers Public Schools' Technology Plan. See binder.
4. An Estimate of the Technology Level of all Yonkers Public Schools following E-Rate. See attached.

Please call my office at 914-376-8090 if you need more information. Thank you.

Sincerely yours,



Ahunna Margaux Akoma  
Assistant to the Superintendent for Technology

Cc: Joe L. Farmer  
Bernard P. Pierorazio  
C. James Grosso  
Frank Lutz

Attach.

## **ATTACHMENT 3**



## Universal Service Administrative Company

Wayne M. Scott  
Vice President, Internal Audit Division

July 13, 2005

Chris Carvalho  
Yonkers Public School District  
1 Larkin Center  
Yonkers, NY 10701-5655

Dear Mr. Carvalho,

We have hired KPMG LLP to assist the Universal Service Administrative Company's (USAC) Internal Audit Division and the Federal Communications Commission Office of Inspector General (FCC OIG) in their audits of recipients of the Schools & Libraries (S&L) Support Mechanism (E-Rate) fund. We plan to conduct a performance audit (PA) of the Yonkers Public School District (Beneficiary Number: 123703) located in Yonkers, New York, between the months of August/September. It is anticipated that fieldwork for the PA will take approximately two (2) weeks; however, the efficiency of the audit will depend on the availability of your staff and the condition of the documentation made available prior to and/or during the course of the audit.

For your information and use, the audit will be managed by the below USAC and KPMG personnel.

NAME	COMPANY	POSITION	PHONE NUMBER	EMAIL	ON-SITE
Wayne M. Scott	USAC	Vice President, Internal Audit	202-776-0200	<a href="mailto:wscott@universalservice.org">wscott@universalservice.org</a>	No
Leslie Bellavia	USAC	Manager, Internal Audit	202-776-0200	<a href="mailto:lbellavia@universalservice.org">lbellavia@universalservice.org</a>	No
Thomas Bennett	FCC OIG	Assistant Inspector General	202-418-0477	<a href="mailto:thomas.bennett@fcc.gov">thomas.bennett@fcc.gov</a>	No
Joe Crostic	KPMG	Lead Eng Partner	703-747-5306	<a href="mailto:jcrostic@kpmg.com">jcrostic@kpmg.com</a>	Yes
Carolyn Hoopes	KPMG	Eng Partner	703-286-8550	<a href="mailto:choopes@kpmg.com">choopes@kpmg.com</a>	Yes
Laura Price	KPMG	Concurring Review Partner	303-295-8827	<a href="mailto:lprice@kpmg.com">lprice@kpmg.com</a>	No
Julie Albright	KPMG	Engagement Director	703-286-8244	<a href="mailto:jalbright@kpmg.com">jalbright@kpmg.com</a>	Yes
John Fenstermaker	KPMG	Engagement Manager	703-286-8341	<a href="mailto:jfenstermakcr@kpmg.com">jfenstermakcr@kpmg.com</a>	Yes

Additionally, KPMG will have 2-3 other auditors actually performing the audit work. These individuals will be identified, as we get closer to the site visit.

The scope of the audit is Funding Year 2002. Emphasis will be placed on eligible services and technology, discounts, technology plans, ability to support reimbursement and other related areas. Please find attached a listing of documents KPMG will need to facilitate our audit. In addition, for KPMG to perform their audit efficiently and successfully, your assistance in providing the below support will be appreciated:

- Requested documents, to arrive at KPMG LLP by two weeks of receipt of this letter.

KPMG LLP  
1660 International Drive  
McLean, VA 22102  
ATTN.: John Fenstermaker

- Office space for approximately 5 auditors to perform their audit (to include Internet connectivity).
- Access to office space for a minimum 10-hour period during the workday, if possible.
- Notification of any days the building that KPMG will be working in will not be available, due to holidays or other reasons.
- Advice on the dress code for your office.

Please recognize that KPMG has equal access as USAC IAD and FCC OIG to request and view documents.

A KPMG manager (or other designated team member) will contact you directly to inform you of the date they are planning to be on-site. At this time, they will discuss the attached document requests so that any questions/issues can be addressed before the auditors are on site. Also, KPMG will conduct a "kick-off" meeting during the first day of being on-site, if possible, to discuss the audit, project objectives, coordination, etc. with those key individuals that are involved in your E-Rate program / process.

At the completion of KPMG's audit, KPMG will conduct a final closing meeting to discuss the results of the audit. The results of KPMG's work, as well as your comments received during the final meeting, will be presented in a draft report to USAC and the FCC OIG. Upon review and approval of the report by USAC Management and the FCC OIG, the report will be distributed to appropriate parties.

The following URL provides some additional information to assist your understanding of this audit: <http://www.sl.universalservice.org/reference/bestpractices.asp>

If there are any matters or issues that you would like to make us aware of, or if you have any questions or concerns, please feel free to call Leslie Bellavia or myself using the contact information above.

Sincerely,

Wayne M. Scott  
Vice President, Internal Audit Division  
Universal Service Administrative Company

**2 Attachments:**

List of Documentation to be Provided to KPMG by Two (2) Weeks of Receipt of This Letter  
List of Review Documentation to be Provided to KPMG Upon Arrival

CC: KPMG LLP

# **ATTACHMENT 4**



KPMG LLP  
1660 International Drive  
McLean, VA 22102

RECEIVED  
TECHNOLOGY SERVICES DEPT.  
2006 FEB 29 PM 12:05  
YONKERS PUBLIC SCHOOLS

February 7, 2006

Mr. D. Scott Barash, Acting Chief Executive Officer  
Mr. Wayne Scott, Vice President - Internal Audit Division  
Universal Service Administrative Company  
2000 L Street, N.W., Suite 200  
Washington, DC 20036

Mr. William A. Hill, Jr., Acting Assistant Inspector General for USF Oversight  
Office of Inspector General  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

KPMG LLP is pleased to submit this performance audit relative to Yonkers Public School District, Beneficiary No. 123703 ("Beneficiary"), for Funding Year ("FY") 2002, in accordance with our contract with Universal Service Administrative Company ("USAC"). USAC engaged us to perform a series of performance audits for FYs 2002 and 2003 to meet the objectives identified in the Objectives and Scope section of this report.

We conducted our audit from September 19, 2005 through February 7, 2006, in accordance with *Government Auditing Standards (2003 Revision)* issued by the Comptroller General of the United States. The purpose of this report is to communicate the results of our efforts. As such, we have captured in the Conclusion; Audit Findings; Other Matters; and Beneficiary and SLD Responses section of this report a detailed discussion of the audit findings and other matters identified during this performance audit, along with responses to our audit findings and other matters from the USAC Schools and Libraries Division and the Beneficiary, with which we shared the results of our audit.

Since February 7, 2006, we have not performed any additional audit procedures with respect to this report and have no obligation to update this report or to revise the information contained therein to reflect events occurring subsequent to February 7, 2006.

**KPMG LLP**

## **Executive Summary**

We were engaged by Universal Service Administrative Company (“USAC”) to conduct performance audits for Funding Years (“FY”) 2002 and 2003. The objectives of our audits were: (1) to provide an independent assessment of selected beneficiaries’ compliance with the regulations governing the *Schools and Libraries Universal Service Support Mechanism* (“SLSM” or “E-Rate”), set forth in 47 C.F.R. Part 54, and certain USAC implementing procedures which were established consistent with 47 C.F.R. Part 54 and other existing laws or regulations (collectively, “the Rules”); (2) to identify selected beneficiaries’ noncompliance, if any, with certain other USAC implementing procedures related to the SLSM; (3) to identify other beneficiary-specific or SLSM-related conditions that we believe warrant the selected beneficiaries’ or USAC’s attention in an effort to provide greater E-Rate program effectiveness or consistency among beneficiaries; and (4) to identify improper payments made from the Universal Service Fund related to the selected beneficiaries for the years under audit.

### **Scope of Audit**

This report relates to the performance audit conducted relative to Yonkers Public School District, Beneficiary No. 123703 (“Beneficiary”), for FY 2002. The Beneficiary is located in Yonkers, New York. This performance audit was conducted in accordance with *Government Auditing Standards (2003 Revision)*.

We collaborated with USAC and the Federal Communications Commission Office of Inspector General to develop our basic work plan, and included other procedures when determined necessary to meet the engagement objectives. The scope of this engagement included, but was not limited to, reviewing the Beneficiary’s processes for program application, service provider selection and contracting, and program cost reimbursement.

For FY 2002, amounts totaling \$5,690,157 were disbursed by SLSM on behalf of the Beneficiary under 110 Funding Request Numbers (“FRN”). Those FRNs included amounts for telecommunication services, Internet access and internal connections.

### **Summary of Testwork**

We performed audit procedures on a Beneficiary-wide level related to the application process for participation in the E-Rate program. Those procedures included reading the Beneficiary's audited financial statements, other financial information associated with the E-Rate Program (i.e., other audit reports, budget data, etc.) and technology plan for FY 2002 and evaluating the Beneficiary's calculations of E-Rate discount percentages for which it applied. Our audit was conducted during the period of September 19, 2005 through February 7, 2006.

We selected 14 FRNs, representing 56% of the total amounts disbursed by SLSM for the Beneficiary for FY 2002, and performed audit procedures related to the Beneficiary's service provider selection and contracting and program cost reimbursement processes. To test the Beneficiary's reimbursement process, we selected eight reimbursement forms from the selected FRNs, which represented 76% of the total disbursed amount under those FRNs. Further, we performed site visits at four of the Beneficiary's 40 schools and one administrative building. We determined that the selected sites currently had Internet access and telephone service, which were services funded for FY 2002 under selected Beneficiary-wide FRNs.

### **Summary of Results**

Based on the procedures performed and for the transactions tested, we conclude that the Beneficiary was generally compliant with the Rules identified above for FY 2002 and we identified no improper payments. In addition, the results of our audit procedures disclosed one audit finding, one SLSM-related other matter and two beneficiary-specific other matters, which are reported herein.

## Background

Universal Service Administrative Company (“USAC”) is an independent not-for-profit corporation that operates under the direction of the Federal Communications Commission (“FCC”) pursuant to 47 C.F.R. Part 54. The purpose of USAC is to administer the Universal Service Fund (“USF”), which was created by The Telecommunications Act of 1996 to ensure that consumers in all regions of the United States have access to quality telecommunications and information services at affordable rates. The USF is comprised of four support mechanisms to ensure that its objectives are met. USAC has engaged KPMG to perform a series of performance audits for Funding Years (“FY”) 2002 and 2003, including the performance audit to which this report relates.

The USAC Schools and Libraries Division (“SLD”) administers the *Schools and Libraries Universal Service Support Mechanism* (“SLSM”), which makes advanced telecommunications affordable for the nation’s schools and libraries. Also known as “E-Rate”, this mechanism provides discounts on the cost of telecommunication services, Internet access and internal connections, with the highest discounts going to entities serving the most disadvantaged sections of the population. In both FYs 2002 and 2003, over 100,000 schools and libraries were funded by the USF.

Yonkers Public School District, Beneficiary No. 123703 (“Beneficiary” or “the District”), the subject of this audit, is comprised of 40 schools, and serves approximately 25,500 students. The Beneficiary is located in Yonkers, New York. For FY 2002, SLD received requests for \$15,310,807 for telecommunication services, Internet access and internal connections from the Beneficiary, and committed and disbursed \$11,446,014 and \$5,690,157, respectively, as summarized in Table 1 below:

**TABLE 1: FY 2002 Dollars Requested, Committed and Disbursed**

Service Category	Requested			Committed			Disbursed		
	# FRNs	Dollars	%	# FRNs	Dollars	%	# FRNs	Dollars	%
Telecommunications	6	\$ 1,314,274	8.6%	6	\$ 1,311,712	11.5%	6	\$ 813,915	14.3%
Internet Access	3	\$ 468,113	3.0%	2	\$ 287,339	2.5%	2	\$ 116,422	2.0%
Internal Connections	249	\$ 13,528,420	88.4%	153	\$ 9,846,963	86.0%	102	\$ 4,759,820	83.7%
<b>Totals</b>	<b>258</b>	<b>\$ 15,310,807</b>	<b>100.0%</b>	<b>161</b>	<b>\$ 11,446,014</b>	<b>100.0%</b>	<b>110</b>	<b>\$ 5,690,157</b>	<b>100.0%</b>

## Objectives and Scope

The performance audit was conducted in accordance with *Government Auditing Standards (2003 Revision)*.

The workplan was developed in coordination with USAC and the Federal Communications Commission Office of Inspector General (“FCC OIG”). The objectives of the performance audit were:

- (1) to provide an independent assessment of selected beneficiaries’ compliance with the regulations governing the *Schools and Libraries Universal Service Support Mechanism* (“SLSM” or “E-Rate”), set forth in 47 C.F.R. Part 54, and certain USAC implementing procedures which were established consistent with 47 C.F.R. Part 54 and other existing laws or regulations (collectively, “the Rules”);
- (2) to identify selected beneficiaries’ noncompliance, if any, with certain other USAC implementing procedures related to the SLSM;
- (3) to identify other beneficiary-specific or SLSM-related conditions that we believe warrant the selected beneficiaries’ or USAC’s attention in an effort to provide greater E-Rate program effectiveness or consistency among beneficiaries; and
- (4) to identify improper payments made from the Universal Service Fund related to the selected beneficiaries for the years under audit.

For purposes of this report, the following definitions are provided:

<b>Audit finding</b>	a condition that, in our judgment, evidences non-compliance with the Rules
<b>Other matter</b>	a condition that, in our judgment, evidences non-compliance with USAC implementing procedures not considered in the definition of the Rules or is a condition we believe warrants the Beneficiary’s or USAC’s attention, in an effort to provide greater E-Rate program effectiveness or consistency among beneficiaries
<b>Improper payment</b>	a reimbursement made that, in our judgment, was not in accordance with the Rules

Following is the timeline and phases for this performance audit:

- Planning September 19 – 23, 2005
- Fieldwork September 26 – October 12, 2005
  - Entrance Conference September 26, 2005
  - Exit Conference October 12, 2005
- Wrap-Up / Reporting October 13, 2005 – February 7, 2006

Throughout the fieldwork phase, status updates were provided to the Beneficiary, allowing timely discussions and follow-up on potential audit findings and other matters. Upon completion of fieldwork, an exit conference was held with the Beneficiary to discuss the results of the audit and the beneficiary response process. Beneficiary responses are included in the "Conclusion; Audit Findings; Other Matters; and Beneficiary and SLD Responses" section of this report.

We performed the audit procedures described in this report primarily at the Beneficiary's location and by using information provided to us by USAC and the Beneficiary in advance of our visit to the Beneficiary. As part of the scope of our performance audit, we obtained an understanding of the specific internal controls relevant to the E-Rate program. Because of inherent limitations, a study and evaluation made for the limited purpose of the performance audit would not necessarily disclose all material weaknesses in the internal control structure. Further, this performance audit was not designed to, and does not include a conclusion or opinion on the Beneficiary's internal control processes.

The performance audit procedures were classified in the following categories: General Procedures; Application Process; Service Provider Selection and Contracting Process; and Reimbursement Process. Following is a summary of the audit procedures performed:

#### **General Procedures**

General procedures are those audit procedures that address matters that are not related to any of the identified processes, or those that may have related to all of the identified processes.

*FRN Selection for Testing*

We judgmentally selected 14 Funding Request Numbers (“FRN”) related to the Beneficiary for FY 2002. An FRN is the tracking number assigned by SLD to an E-Rate application for funding. The number of FRNs selected was determined based on the time planned to conduct the performance audit, while attempting to achieve the following two objectives: (1) select at least one FRN from each service category for which disbursement was made from USF funds and (2) select enough FRNs to achieve at least 25% coverage of total dollars disbursed, with a bias toward FRNs related to internal connections, the service category for which we have evaluated the risk of non-compliance to be the highest. Table 2 below includes a summary of the amounts disbursed by SLSM related to the Beneficiary for FY 2002 in total and under the selected FRNs for which disbursements were made:

**TABLE 2: FY 2002 Disbursed Dollars in Total and Selected for Testing**

Service Category	# FRNs	Total		Disbursed Dollars for Selected	
		Disbursed Dollars	% of Total Disbursed Dollars by Category	Disbursed Dollars for Selected	% of Total Disbursed Dollars
Telecommunications	6	\$ 813,915	14.3%	3	96.3%
Internet Access	2	116,422	2.0%	1	80.1%
Internal Connections	102	4,759,820	83.7%	10	48.6%
<b>Totals</b>	<b>110</b>	<b>\$ 5,690,157</b>	<b>100.0%</b>	<b>14</b>	<b>56.1%</b>

*Review of Other Audit Reports*

We read the Beneficiary’s Office of Management and Budget (“OMB”) Circular A-133 audit report for the fiscal year including FY 2002 to identify any findings that may have impacted the Beneficiary’s compliance with the Rules, and to determine if the Beneficiary had taken corrective action relative to such findings. No such matters were identified in the Beneficiary’s OMB Circular A-133 audit reports for the fiscal year ended June 30, 2003.

We also inquired of USAC and FCC OIG as to whether any other audits or investigations of the Beneficiary, relative to the E-Rate program, had been, or were being, conducted by their respective audit staffs. No such audits or investigations were identified.

## Application Process

### *Introduction*

To participate in the E-Rate program, a potential beneficiary must meet certain eligibility requirements. For purposes of this audit, we considered the Beneficiary's financial position, compliance with the Rules related to the Beneficiary's technology plan, and the calculation of the Beneficiary's discount percentage upon application to USAC.

### *Summary of Audit Procedures*

We made inquiries of Beneficiary personnel and examined the Beneficiary's audited financial statements, for the fiscal year relevant to FY 2002, to determine if the Beneficiary had endowments exceeding \$50 million, which would have rendered it ineligible for discounts under the E-Rate program.

We obtained and read the Beneficiary's Technology Plan for FY 2002 and determined whether it was properly and timely approved and included the core elements of successful school and library technology initiatives as identified by USAC.

We examined documentation supporting the Beneficiary's E-Rate discount percentage calculation. To validate the accuracy of the discount percentage, we recalculated the discount percentage in accordance with the eligibility rules for the E-Rate program.

Since the Beneficiary used NSLP data as of a date other than as of a date in October 2001, we calculated their discount percentage using NSLP data as of the last business day of October, which was subject to verification for purposes of the United States Department of Agriculture ("USDA") and compared that percentage to the one calculated on the Beneficiary's FY 2002 FCC Form 471. This procedure was performed solely to provide information to USAC, since the Beneficiary had used NSLP data consistent with the instructions on the FCC Form 471.

We determined, by reference to the Beneficiary's fiscal year budgets, or other proof of funding, whether the Beneficiary had all of the necessary funding budgeted / available and approved to pay for its non-discounted portion for the requested products and services for FY 2002.

We examined documentation provided by the Beneficiary to determine whether a staff training program, designed to instruct teachers how to incorporate those goods and services into educational instruction, was in place at the time of application for E-Rate funding.

We determined through inquiry of Beneficiary personnel and observation during our site visits (see “Reimbursement Process – Summary of Audit Procedures” below) whether the Beneficiary had the appropriate hardware and software infrastructure to utilize the goods and services for which E-Rate funding was requested.

By examination of E-Rate related documents provided by both USAC and the Beneficiary, we determined whether the Beneficiary indicated compliance with certain requirements of the Children’s Internet Protection Act (“CIPA”) for FY 2002. Further, we gained an understanding of the Beneficiary’s Internet Safety Policy, and the process by which the Beneficiary communicates and administers that policy. During site visits to a selection of the Beneficiary’s locations (see “Reimbursement Process” below), we tested certain computers to validate the existence of the Beneficiary’s technology protection measure (i.e., filter).

#### *Summary of Audit Findings and Other Matters*

When performing the application process audit procedures, we identified one audit finding related to the Beneficiary not meeting the requirement to have an approved technology budget prior to filing an FCC Form 470, which is reported as Audit Finding No. 123703-F-2002-01 herein. In addition, we identified one SLSM-related other matter regarding the use of NSLP data as of a day other than in October, which is reported as Other Matter No. 123703-M-2002-01 herein.

### **Service Provider Selection and Contracting Process**

#### *Introduction*

The service provider selection and contracting process includes the procurement process and competitive bidding process, when applicable, by which the Beneficiary selected its E-Rate service providers and established its related contracts for eligible goods and/or services. The audit procedures addressed the Beneficiary’s procurement process and the eligibility of goods and services procured using E-Rate funds.

#### *Summary of Audit Procedures*

From the 14 selected FRNs, we selected eight of the related reimbursement forms, representing 76% of the amount disbursed for the selected FRNs, for use in performing the audit procedures related to the service provider selection and contracting and reimbursement processes. The number of reimbursement forms selected was determined based on the time planned to conduct the performance audit, while attempting to achieve the following three objectives: (1) select a minimum number of reimbursement forms, determined as the lesser of five reimbursement forms or 100% of the reimbursement

forms filed related to the selected FRNs; (2) select at least one of each type of reimbursement form submitted; and (3) select enough reimbursement forms to achieve at least 50% coverage of total dollars disbursed under the selected FRNs, with a bias toward selecting reimbursement forms related to internal connections, where we have evaluated the risk of non-compliance to be the highest of the service categories. See Appendix 1 for identification of the selected FRNs and reimbursement forms.

We obtained an understanding of the Beneficiary's service provider selection and contracting process, including the related competitive bidding activities, through discussions with Beneficiary personnel and review of documentation provided by the Beneficiary. We used this information to determine if the design of that process was consistent with the Rules. For the service providers associated with the selected FRNs, we determined whether the Beneficiary followed its service provider selection process procedures, including those for competitive bidding (as applicable), and properly completed and utilized FCC Forms 470 (Services Requested and Certification Form) and 471 (Services Ordered and Certification Form). We also inquired as to what, if any, assistance the Beneficiary received relative to completion of the FCC forms and selection of the winning bidders. Further, we determined whether the selected service providers had properly completed an FCC Form 473 (Service Provider Annual Certification) for FY 2002.

For each product or service acquired under the selected FRNs, we obtained the service provider bills and related contracts, when applicable. The products and/or services identified on such bills and contracts were compared to the FY 2002 Eligible Services List ("ESL") published by SLD to determine if those products or services were appropriate for E-Rate discount under the Rules. The selected products and/or services identified on the service provider bills and contracts, for which discounts were sought, were also compared to the Beneficiary's FCC Form 470 to determine consistency of products and/or services described therein.

#### *Summary of Audit Findings and Other Matters*

We identified no audit findings or other matters in performance of the service provider selection and contracting process audit procedures to be reported herein.

## **Reimbursement Process**

### *Introduction*

The reimbursement process encompasses the Beneficiary's procedures for processing and paying invoices for allowable program disbursements, the Beneficiary and service providers' requests for reimbursement from SLSM, and the receipt of reimbursed discounted amounts by the Beneficiary from the service providers, in cases where the Beneficiary had paid such amounts to the service providers prior to disbursement by SLSM. The audit procedures for this process addressed each of the foregoing and included site visits to selected schools and administrative buildings to determine if the goods and/or services, for which disbursement was made by SLSM, were in place and operational at the time of our visit.

### *Summary of Audit Procedures*

We obtained an understanding of the Beneficiary's cash disbursement process, including invoice review and approval requirements, from discussion with, and documentation provided by, Beneficiary personnel to determine if the design of that process included safeguards to prevent violations of the Rules. For the selected reimbursement forms (identified in Appendix 1), we determined whether the related service provider bills (either in their entirety or for the beneficiary portion only) were paid in accordance with the Beneficiary's cash disbursement process and that the costs for the products and/or services appeared reasonable. If the service provider bills included any substitute products or services, we compared those items to the FY 2002 ESL and to the substitution authorization issued by SLD.

We obtained the selected reimbursement forms prepared by the Beneficiary (FCC Form 472 – Billed Entity Applicant Reimbursement ("BEAR")) or by the service providers (FCC Form 474 – Service Provider Invoice ("SPI")). The discount percentages claimed on those reimbursement forms were compared to those approved by USAC in the Funding Commitment Decision Letters issued to the Beneficiary and verified whether they were applied appropriately. For service provider bills related to the selected reimbursement forms that included products, we compared the information on the service provider bills (including make, model and serial number, where applicable) to the Beneficiary's asset/inventory records to verify inclusion of these items in the Beneficiary's property records.

For selected reimbursements for which SPI forms were submitted by the service providers, we compared the related bills to the SPI forms to determine whether the service provider sought reimbursement for the appropriate amount from SLSM and whether total billed costs (to SLSM and to the Beneficiary) were less than or equal to the total cost of the eligible products and/or services authorized under the FRN.

For selected reimbursements for which the Beneficiary submitted BEAR forms, we compared the related bills to the BEAR forms to determine whether the Beneficiary sought reimbursement for the appropriate amount from SLSM and whether the BEAR form was dated subsequent to the date that the service provider bill was paid by the Beneficiary. We also determined whether the service provider paid the Beneficiary in a timely manner after USAC paid the service provider for the selected BEAR form reimbursements, and we examined evidence of deposit of proceeds by the Beneficiary related to those reimbursements.

We also determined whether the Beneficiary requested reimbursement for less than the amounts committed by USAC under the selected FRNs. If so, and the amount of unused commitment exceeded \$1,000, we determined whether an FCC Form 500 was completed and filed with USAC.

We selected the Beneficiary's schools and administrative building identified in Table 3 below for site visits. The number of locations selected for site visits was determined based on the budgeted time to conduct the site visit component of the performance audit, while attempting to achieve the following two objectives: (1) select at least five of the Beneficiary's locations which received services funded by the USF in FY 2002 under the selected FRNs and (2) include locations in our selection which received relatively higher amounts of E-Rate funding and those which received internal connections funding under the selected FRNs, with a bias toward internal connections because we have evaluated the risk of non-compliance for internal connections to be the highest of the service categories.

**TABLE 3: Locations Selected for Site Visits**

Entity Number	School Name
369887	I Park Data Center (School District)
11081	Museum Junior High School
11080	Museum School 25
11113	Yonkers Middle High School (Burroughs Jr High School)
11089	Enrico Fermi Performing Arts School

For each site visit, personnel with responsibility for overseeing and/or implementing the technology plan were interviewed. The purpose of the interviews were: (1) to determine that the E-Rate funded products and/or services included in the selected FRNs had been received at the location; and (2) to gain an understanding of the use being made of those products and/or services and how the purchased equipment, if any, is safeguarded. We then determined by observing specific items whether the E-Rate funded products and/or services included in the selected FRNs were installed and operational. For site visits to facilities that were administrative buildings, we determined whether the E-Rate funded products and/or services were essential to the transport of information to instructional buildings.

#### *Summary of Audit Findings and Other Matters*

When performing the reimbursement process audit procedures, we identified no audit findings to be reported herein. However, we identified two beneficiary-specific other matters related to the Beneficiary not filing an FCC Form 500 timely, and not paying certain service provider bills timely, which are reported as Other Matter Nos. 123703-M-2002-02 and -03 herein.

### **Conclusion; Audit Findings; Other Matters; and Beneficiary and SLD Responses**

In reaching our conclusion on compliance related to the audit procedures performed and the transactions tested during the performance audit, we considered and based that conclusion on the number of audit findings and the monetary effect of such audit findings.

#### **Conclusion**

Based on the audit procedures performed and for the transactions tested, we conclude that the Beneficiary was generally compliant with the Rules, as defined in the Objectives and Scope section above, for FY 2002. However, the results of our audit procedures disclosed one audit finding related to the requirement to have an approved technology budget prior to filing an FCC Form 470, which is reported below as Audit Finding No. 123703-F-2002-01.

In addition, the results of our audit procedures also disclosed one SLSM-related other matter regarding the use of NSLP data compiled as of a day other than in October and two beneficiary-specific other matters, related to not filing an FCC Form 500 timely and not paying certain service provider bills timely, which are reported below as Other Matter Nos. 123703-M-2002-01 through -03.

**Audit Finding**

***Audit Finding No.***                    ***123703-F-2002-01***

***Condition***                                    The Beneficiary's technology budget was not approved prior to submission of its FY 2002 FCC Form 470 in November 2001. The Beneficiary budgeted sufficiently, and obtained approval for its budget that addressed FY 2002; however, the budget was approved in July 2002, eight months after the submission of its FY 2002 FCC Form 470.

***Criteria***                                        Per FCC Rule 54.504(b)(2)(v), applicable for FY 2002, at the time the Beneficiary submits its FCC Form 470, all of the necessary funding must have been budgeted and approved to pay for its non-discounted portion for the requested assets and services for the funding year.

***Cause***    The budget cycle of the Beneficiary does not lend itself to the timing required by the Rules.

***Effect***    There is no monetary effect from this audit finding, since all non-discounted costs were paid by the Beneficiary to the service providers.

***Recommendation***                        KPMG has no recommendation for the Beneficiary at this time and notes that the above referenced criterion is no longer included in the Rules.

***Beneficiary Response***                    As this rule is no longer in effect, Yonkers Public Schools agrees with the finding.

***SLD Response***

In two places of the application process, the applicant is required to certify to certain information with respect to securing access to the resources necessary to use the services for which discounts are being sought. First, in Item 23 of the FCC Form 470 the applicant acknowledges that it is required to have "...all of the resources, including computers, training, software, internal connections, maintenance, and electrical capacity necessary to use the services purchased effectively." The applicant also certifies "... that some of the aforementioned resources are not eligible for support." Second, in Item 25 of the FCC Form 471, the applicant certifies that it has "secured access, separately or through this program, to all of the resources, including computers, training, software, internal connections, maintenance, and electrical capacity, necessary to use the services purchased effectively....[It] certif[ies] that the Billed Entity will pay the non-discount portion of the cost of the goods and services to the service provider."

Funding Year 2002 Program Rules required that the applicant have the required resources when it filed its FCC Form 470. On August 13, 2004, the FCC changed the Rules and modified this requirement in the *Fifth Report and Order*<sup>1</sup>. The new FCC Rule 54.504(b)(2)(vi) states that "[s]upport under this support mechanism is conditional upon the school(s) and library(ies) securing access to all of the resources, including computers, training, software, maintenance, internal connections, and electrical connections necessary to use the services purchased effectively." Schools and libraries, therefore, are no longer required to have secured access to the necessary resources at the time they file the FCC Form 470.

In the case of Yonkers Public School District, the fact that it paid its non-discounted share indicates the District had the resources; therefore, no recovery is required. SLD management concurs with the audit finding.

<sup>1</sup> See *Fifth Report and Order* at para. 66.

**Other Matters**

***Other Matter No.***                      ***123703-M-2002-01***

***Condition***                                      For its FY 2002 FCC Forms 471, the Beneficiary used National School Lunch Program (NSLP) data as of January 2002 for use in computing its discount percentages. We recomputed the discount percentages using October 2001 NSLP data and identified 17 schools for which the recomputed discount would have been less than that computed on the FCC Form 471, of which 13 schools received goods or services in FY 2002..

***Criteria***    The instructions to FCC Form 471 indicate that the NSLP data should be as of the October 1st prior to the filing of the form, or the most current figures available at the time of filing the application.

***Cause***    USDA Guidelines and instructions for FCC Form 471 are not consistent. The purpose of noting this other matter is to provide USAC information relative to the effect of such inconsistency.

***Effect***    Had the Beneficiary used the NSLP data as of the last working day of October, the amount reimbursed by SLSM would have been \$144,176 less than that reimbursed for FY 2002 when the differences in the percentages were applied to qualified purchases. However, since all 13 of the recomputed percentages for funded schools noted above were 80% instead of the 90% computed on the FCC Form 471, none of those 13 schools would have received funding for internal connections (since 81% was the minimum discount percentage funded for internal connections in FY 2002). Accordingly, the actual effect of using the October 2001 NSLP data would have been that \$1,297,586 less would have been funded by SLSM.

***Recommendation***                                We have no recommendation relative to this other matter since it is presented as information for USAC.

**Beneficiary Response** Regarding the usage of NSLP Data, the Yonkers Public Schools followed FCC Form 471 instructions and provided the most current figures available at the time of filing the application. The 2002 Form 471 was filed in February 2002 and the District used January 2002 NSLP data.

**SLD Response** The FCC Form 471 instructions inform applicants to submit NSLP data from October 1st or the most current data available at the time of filing. This procedure has not been codified into the Commission's relevant rules. In the NPRM, the Commission sought comment on whether the October 1st or most current available date is a reasonable one or whether a different date should be used.<sup>2</sup> The applicant followed the FCC Form 471 Instructions and complied with FCC rules regarding discount calculations.<sup>3</sup> Additionally, there is no indication that the applicant intentionally manipulated its discount percentage. Absent guidance to the contrary from the FCC, USAC will continue to allow applicants to use the most current NSLP data available.

<sup>2</sup> Notice of Proposed Rulemaking (NPRM), CC Docket No. 02-6, FCC 05-124 at para. 42

<sup>3</sup> 47 C.F.R. § 54.505

**Other Matter No.** 123703-M-2002-02

**Condition** The Beneficiary had an excess of \$5,755,858 in total committed funds over total disbursed funds for FY 2002 that were not adjusted in a timely manner by utilizing an FCC Form 500. Total committed funds for E-Rate FY 2002 were \$11,446,014 and total disbursed funds for the same funding year were \$5,690,157.

**Criteria** Per FCC Form 500 and related instructions, the Beneficiary should complete an FCC Form 500 to modify or cancel any FRNs for which funds are not completely expended. By filing an FCC Form 500, the unexpended funds become available so that USAC can reallocate the funds as needed.

**Cause** The Beneficiary was unaware of the need to file an FCC Form 500.

***Effect*** There is no monetary effect on the Beneficiary as a result of this other matter; however, unused amounts for FY 2002 of \$5,755,858 could have, potentially, been utilized for other applicants.

***Recommendation*** The Beneficiary should file an FCC Form 500 when it determines committed funds will not be used during the funding year to release or cancel the FRNs so that the funds committed can be released and reallocated by USAC as needed.

***Beneficiary Response*** The Yonkers Public Schools apologizes for the oversight in not filing an FCC Form 500 to modify or cancel any FRN (s) which were not completely expanded. To remedy this oversight, the District will be filing the appropriate Form 500 within the next 30 days.

***SLD Response*** There is no E-rate Program Rule requiring applicants to complete FCC Form 500 to report unexpended funds. Through outreach and training, USAC will continue to encourage applicants to complete and submit FCC Form 500 when committed funds are not needed. USAC concurs with this matter and recommendation.

***Other Matter No.*** ***123703-M-2002-03***

***Condition*** We reviewed copies of the checks associated with the invoices for the selected FRNs related to internal connections and Internet access, and compared the dates to the dates on the corresponding service provider's bills to the Beneficiary. Per discussion with the Beneficiary's Director of Technology Support Services, processing a payment may take up to 45 days and allowing for any timing issues, invoices paid within 60 days of the invoice date can be considered to have been paid timely. However, we noted that seven of the nine invoices reviewed were not paid within 60 days of the date of the invoices.

<b><i>Criteria</i></b>	Per USAC Implementing Guidelines, the Beneficiary must pay its non-discounted portion of the costs in a timely manner and in accordance to its customary payment procedures/terms.
<b><i>Cause</i></b>	There appears to be a lack of procedures/controls to ensure payments to Service Providers are made timely.
<b><i>Effect</i></b>	There is no monetary effect due to this other matter, since all non-discounted costs were paid by the Beneficiary to the service providers.
<b><i>Recommendation</i></b>	We recommend that the Beneficiary implement procedures/controls to ensure timely payment of invoices related to E-Rate.
<b><i>Beneficiary Response</i></b>	The Yonkers Public Schools appreciates the recommendations outlined above relevant to the timely payment of invoices as related to E-Rate. We have already begun implementing procedures to ensure that all E-Rate vendors are paid in a timely fashion.
<b><i>SLD Response</i></b>	In Funding Year 2002, program rules required that an eligible school, library, or consortium must pay the non-discount portion of services or products purchased with universal service discounts. There was no requirement as to when the applicant must make payment. Ultimately, this applicant did pay the non-discount portion; therefore, no recovery is required. In the FCC's Fifth Report and Order, the FCC clarified that, "failure to pay more than 90 days after completion of service (which is roughly equivalent to three monthly billing cycles) presumptively violates our rule that the beneficiary must pay its share." SLD management concurs with the matter, effect, and recommendation.

### **Improper Payments**

Based on the audit procedures performed and for the transactions tested for FY 2002, we noted no improper payments related to the Beneficiary to be reported herein.

**APPENDIX 1: Selected FRNs, Related Reimbursement Forms, and Reimbursement Forms Selected for Testing**

Selected FRNs	SPIN #	Service Provider	Form Type	Reimbursement Forms for Selected FRNs		Reimbursement Forms Selected for Testing	
				#	\$\$\$	#	\$\$\$
794087 & 794155	143004468	Verizon- New York Inc.	BEAR-472	1	\$ 674,818	1	\$ 403,290
			SPI-474	0	0	0	0
			Total	1	\$ 674,818	1	\$ 403,290
794174	143007617	Hewlett Packard Company	BEAR-472	0	0	0	0
			SPI-474	2	\$ 322,108	2	\$ 322,108
			Total	2	\$ 322,108	2	\$ 322,108
794105	143020189	eChalk, L.L.C.	BEAR-472	0	0	0	0
			SPI-474	1	\$ 93,307	1	\$ 93,307
			Total	1	\$ 93,307	1	\$ 93,307
794073	143001192	AT&T Corp.	BEAR-472	1	\$ 108,757	0	0
			SPI-474	0	0	0	0
			Total	1	\$ 108,757	0	0
794180	143005900	A+ Technology Solutions, inc.	BEAR-472	0	0	0	0
			SPI-474	2	\$ 131,033	2	\$ 131,033
			Total	2	\$ 131,033	2	\$ 131,033
794916 & 794909	143005900	A+ Technology Solutions, inc.	BEAR-472	0	0	0	0
			SPI-474	3	\$ 189,342	0	0
			Total	3	\$ 189,342	0	0
794134	143004468	Verizon Network Integration, Inc.	BEAR-472	0	0	0	0
			SPI-474	1	\$ 108,800	0	0
			Total	1	\$ 108,800	0	0
794158	143005900	A+ Technology Solutions, inc.	BEAR-472	0	0	0	0
			SPI-474	3	\$ 63,750	0	0
			Total	3	\$ 63,750	0	0
794232	143005900	A+ Technology Solutions, inc.	BEAR-472	0	0	0	0
			SPI-474	3	\$ 14,400	0	0
			Total	3	\$ 14,400	0	0
795324 & 795318	143007617	Hewlett Packard Company	BEAR-472	0	0	0	0
			SPI-474	2	\$ 12,164	0	0
			Total	2	\$ 12,164	0	0
794126	143004468	Verizon Network Integration, Inc.	BEAR-472	0	0	0	0
			SPI-474	2	\$ 1,471,828	2	\$ 1,471,828
			Total	2	\$ 1,471,828	2	\$ 1,471,828
<b>Totals</b>				<b>21</b>	<b>\$ 3,190,307</b>	<b>8</b>	<b>\$ 2,421,566</b>

# **ATTACHMENT 5**

**DECLARATION OF ROSANNE SWEENEY**

1. My name is Rosanne Sweeney.
2. I am and was at all times material to this case providing E-Rate related consulting services on behalf of Integra Consulting and Computer Services, Inc. I have served in this capacity for more than nine years.
3. I am competent to execute this declaration, which I do upon personal knowledge.
4. The services I provide to Integra's clients are basic, clerical and administrative in nature and I do not take any involvement in the decision making process of any client nor have I ever had control of the E-Rate process of any client.
5. My clerical work was billed at approximately \$75 an hour pursuant to various contracts with school districts. I provided basic data entry and clerical work in this capacity.
6. I have never been listed as a contact on a FCC Form 470 or FCC Form 471.
7. All of my clients are solely responsible for complying with their local, state and federal competitive bidding requirements and procurement laws related to the selection of services, evaluation of bids and selection of vendors. I did not provide any guidance, advice or involvement to any school district's competitive bidding process, including the selection of services, evaluation of bids, selection of vendors and any other competitive bid responsibilities related thereto.

I HEREBY CERTIFY that the foregoing is true and correct.

Rosanne Sweeney  
Rosanne Sweeney

Date Dec. 3, 2008

# **EXHIBIT 20**

Att: Sharon

0001

ATTACH "G"

### ACCESS CARD REQUEST FORM The Long Island Technology Center

Date Requested: 8/21/00 Date Needed: 8/24/00  
 Company Name: INTEGRA CONSULTING & COMPUTER SERV. INC. Floor(s): \_\_\_\_\_  
 Requested By: SHARON CURLEY/JAMES LOCHRIE Authorized Signature: \_\_\_\_\_

ACCESS CARD TYPE LEGEND N=New L=Lost D=Disable CL=Clearance Level Change						
CARD TYPE (Refer to legend above)	LAST NAME	FIRST NAME	CARD NUMBER		CLEARANCE LEVEL	ADDITIONAL NOTES
			Previous Card Number Issued	New Card Number Issued		
N	ANTAR,	DAVID			FULL	
N	BLUM,	HAL			FULL	
N	LOCHRIE	JIM			FULL	
N	BORRUSO	MATT			FULL	
N	BACH	MICHAEL			FULL	
N	MERLED	MARC			FULL	
N	MARGOLIS	MICHAEL			FULL	
N	KOHSEK	CHRIS			FULL	
N	KALZENSKI	PETE			FULL	
N	ALDEA	ADRIAN			FULL	
N	CARLINO	RON			FULL	
REQUESTS FOR INCIDENT REPORTS/ACCESS REPORTS/EVENT SCHEDULING (Please include a detailed description of the specific report you would like to receive.)						
N	MAIN OFFICE/GUEST				FULL	

Please fax to: Dennis Robertson, 631-859-0202

OFFICE USE ONLY

Completed By: \_\_\_\_\_

Date: \_\_\_\_\_

Work Order #: \_\_\_\_\_

Time: \_\_\_\_\_