Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Schools and Libraries Universal Service Support Mechanism	)	CC Docket No. 02-6
	)	
Request for Review of a Decision of the Universal Service Administrator and Petition for Waiver	)	File No. SLD-520481 (FY 2006)
	)	
St. Rose of Lima School Maywood, California	)	

ST. ROSE OF LIMA SCHOOL
REQUEST FOR REVIEW AND PETITION FOR WAIVER

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Counsel for the Archdiocese of Los Angeles

November 5, 2012

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St. Rose of Lima School Maywood, California	)	

ST. ROSE OF LIMA SCHOOL
REQUEST FOR REVIEW AND PETITION FOR WAIVER

St. Rose of Lima School ("St. Rose"), pursuant to Section 54.719(c) of the Federal Communications Commission's rules, hereby requests review of a Notification of Commitment Adjustment Letter ("COMAD") issued by the Universal Service Administrative Company ("USAC") on September 4, 2012.[1] USAC has demanded that St. Rose reimburse $94,348 that was disbursed to a service provider under the E-rate program.

The COMAD was issued past the five-year administrative limit applicable to USAC's recovery efforts and should be dismissed. Furthermore, the COMAD was directed to the wrong party. St. Rose came forward years ago and reported to USAC its concern that the subject funding request was part of a scheme by an E-rate consultant and service provider, with St. Rose as an unwitting victim. The COMAD should have been directed to the service provider that received the funds, not to the school that came forward and reported what it believed to be a

[1] *See* Exhibit A. The Billed Entity Name is St. Rose of Lima School and the Billed Entity Number is 101308. The COMAD involves Funding Request Number ("FRN") 1432720 in the post-discount amount of $94,348, for Funding Year 2006.

violation of E-rate rules. Finally, if the Commission rejects these arguments, it should grant a waiver of its rules given the extenuating circumstances of this case, the public interest in encouraging schools to report suspected E-rate abuse, and the significant hardship that would result if a waiver is not granted. USAC encourages whistleblowers to report instances of suspected fraud, waste, and abuse. Yet here, it punishes St. Rose for doing exactly that. The punishment is extreme in this instance. If required to pay the funds that were paid to the service provider, St. Rose may well be forced to shut down the school.

I. BACKGROUND

St. Rose is a Catholic elementary school, with approximately 150 students, within the Roman Catholic Archdiocese of Los Angeles ("Archdiocese"). St. Rose is the only elementary school in the small city of Maywood, California where parents can send their children for an education grounded in Catholic teachings. Because the vast majority of its students live in impoverished households eligible to participate in the National School Lunch Program, St. Rose qualifies for the highest level (90%) of E-rate discounts.

In 2006, St. Rose's newly-hired principal was introduced to Mr. Ramsey Mora, who had offered to assist the school with obtaining E-rate funding at no charge for his services (the school's limited resources prohibited St. Rose from engaging a paid consultant or hiring dedicated technology faculty). The new principal was unfamiliar with the E-rate process, but felt pressured by Mr. Mora to continue the E-rate application process that had been started with the prior principal.[2] Thus, St. Rose relied on Mr. Mora to conduct the Funding Year 2006 E-rate process to fund a wireless data network and cabling for the school. Under Mr. Mora's guidance, a contract was awarded to the Packet Group for $104,831.11 and the services were installed in

[2] *See* Affidavit of Carin Buckel attached as Exhibit B.

December of 2006. St. Rose paid the required non-discounted portion (10%) of the final invoice. The Packet Group submitted a Service Provider Invoice Form to USAC and USAC paid the Packet Group $94,348.

About a year later, the technology committee of another Catholic school alerted the Archdiocese that it had concerns regarding Mr. Mora, who had assisted that school with an E-rate application in Funding Year 2007. The committee was concerned that Mr. Mora had misrepresented himself to the school as a neutral third party when, in fact, he may have been collaborating with a Mr. Stephen Choi of Sapium Inc., which had been selected as the school's E-rate service provider. The Archdiocese immediately engaged outside legal counsel to investigate the matter.

The investigation revealed that Mr. Mora had, without compensation, approached and assisted twelve Archdiocesan elementary schools with E-rate applications. Mr. Mora claimed to review all bids and guided each school to select Sapium or the Packet Group (also sometimes listed as Herman Choi) as the service provider.[3] In St. Rose's case (as with several other schools), Sapium and the Packet Group both allegedly submitted bids in response to the Form 470. It was discovered that Sapium and the Packet Group were headed by brothers (Stephen Choi and Herman Choi, respectively). According to an archived web page, both Ramsey Mora and Herman Choi had both been at one time employed by Sapium, thus establishing a prior relationship between Mr. Mora and both Choi brothers which had not been known by any school.

In November 2007, the Archdiocese's outside legal counsel contacted USAC to discuss these findings. Counsel had follow-up discussions and provided additional written information

[3] The investigation revealed that, in many cases, Mr. Mora had typed a contact email address on the E-rate forms that appeared to be affiliated with the school, but was in fact not known to the school.

to an investigator assigned by USAC. By that time, Mr. Mora had assisted St. Rose and other schools with filing applications for Funding Year 2007. Given the findings of the Archdiocese's investigation, St. Rose voluntarily cancelled its Funding Year 2007 application on February 5, 2008, despite its need for funds to maintain the installed network.[4] In June 2008, Archdiocesan counsel met with USAC legal counsel and a director of the Schools and Libraries Division to relay the results of the Archdiocesan investigation, and explain the discovery of the previously unknown prior relationship between Mr. Mora and the Choi brothers.[5]

More than three years later, in November 2011, USAC commenced a special compliance review of St. Rose's application. Archdiocesan counsel advised USAC's legal counsel of the review and the earlier investigation. USAC's legal counsel acknowledged the earlier investigation and advised that St. Rose answer the reviewer's questions. In September 2012, USAC issued the COMAD finding that St. Rose must pay the full $94,348 that USAC disbursed to the Packet Group because USAC could not determine whether the school considered all bids since it did not produce copies of all bids and a request for proposal. The COMAD failed to acknowledge in any way that St. Rose had **itself** repeatedly brought its concerns to USAC's attention.

II. THE COMAD WAS ISSUED BEYOND THE FIVE-YEAR ADMINISTRATIVE LIMITATIONS PERIOD AND MUST BE DISMISSED

The COMAD was issued outside of the five-year administrative limitations period and the Commission should direct USAC to discontinue its untimely effort to recover funds from St.

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[4] In all, Archdiocesan schools cancelled fourteen outstanding funding requests involving Mr. Mora and provided copies of the cancellations to the USAC investigator.

[5] Archdiocesan counsel subsequently emailed a summary of the status of each implicated E-rate application to USAC counsel and the parties exchanged follow-up emails.

Rose. In 2004, the Commission established that, "USAC and the Commission shall carry out any audit or investigation that may lead to discovery of any violation of the statute or rule within five years of the final delivery of service for a specific funding year."[6] The Commission's stated intention was to provide E-rate applications with certainty and closure in their E-rate application processes.[7] The Commission further described the five year bar as a "time period within which we must bring action to *establish a debt* due to a violation of E-rate program rules or the statutory provision."[8] USAC did not attempt to establish a debt due by St. Rose until the COMAD was issued on September 4, 2012. However, the final date of service for the subject FRN, the beginning of the five-year period, was December 23, 2006 – more than five years prior to the COMAD.[9] USAC disbursed the funds to the Packet Group on January 11, 2007, also more than five years prior to the COMAD.[10] In short, the COMAD is time-barred. St. Rose will

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[6] *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Fifth Report and Order, 19 FCC Rcd 15808, 15819 ¶ 32 (2004).

[7] *Id.*

[8] *Id.* at ¶ 32, fn. 55 (emphasis added).

[9] *See* Exhibit C. St. Rose is aware that the services *could have* been delivered up until September 30, 2007 under E-rate rules. However, the five-year administrative limitations policy provides the applicant with certainty based on when the applicant actually received final service. USAC was aware of the final date of delivery for St. Rose's service and consequently disbursed funds, but failed to issue any COMAD before the five year expiration. In addition, the Commission deliberately selected a five-year administrative limitations period to coincide with the five-year documentation requirement, which commences upon actual delivery of the services. *See* 47 C.F.R. § 54.516(b).

[10] *See* Exhibit D. Not only did USAC exceed the five year administrative limit, the delay is inexplicable. According to the letter attached as Exhibit E, USAC's auditor, BearingPoint, conducted an on-site visit at St. Rose, including a review of the documentation for the FRN, on March 6, 2007. Furthermore, Archdiocese counsel discussed potential issues concerning this application with USAC repeatedly in 2007 and 2008. There is no reason for USAC to have waited until late 2012 to take action.

be deprived of its right to "certainty and closure" if it can be subjected to recovery more than five years after it received service.

III. USAC SOUGHT RECOVERY FROM THE WRONG PARTY

Even if USAC had timely sought recovery, which it did not, it pursued the wrong party. During the special compliance review of St. Rose's application, the most pertinent fact was somehow forgotten – St. Rose had already reported its concerns about the competitive bidding process after it learned of Mr. Mora's prior involvement with the Choi brothers and had even sought USAC's help. Instead of conducting a full-fledged investigation into these matters, or at least a recovery action directed against the Packet Group, a COMAD **against St. Rose** was issued.

The Commission has found that pursuing recovery from a party that is not even aware of the violation is "unrealistic and inequitable."[11] In 2004, based on such considerations, the Commission changed its recovery policies and directed USAC to determine "which party was in a better position prevent the statutory or rule violation, and which party committed the act or omission that forms the basis for the statutory or rule violation."[12] **St. Rose had no knowledge of the prior relationship between the consultant and service provider at the time of filing, and clearly is not the party responsible for the alleged rule violation**. Yet, USAC faults St. Rose for not producing copies of all bids and a request for proposal.

St. Rose had already indicated to USAC in 2007 and 2008 that Mr. Mora had handled the E-rate process. St. Rose produced copies of three bid evaluation summaries that had been

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[11] *Federal-State Joint Board on Universal Service, Changes to the Board of Directors for the National Exchange Carrier Association, Inc., Schools and Libraries Universal Service Support Mechanism*, CC Docket Nos. 96-45, 97-21 and 02-6, Order on Reconsideration and Fourth Report and Order, 19 FCC Rcd 15252, 15256 ¶ 10 (2004).

[12] *Id.*

prepared by Mr. Mora, along with a proposal and contract from the Packet Group. Furthermore, BearingPoint apparently reviewed the records on site at St. Rose in 2007 and USAC sent a follow-up letter stating that it had no further questions at that time.[13] To the extent that USAC found documentation is now missing or did not exist, that failure is directly due to the suspected relationship between Mr. Mora and the service provider.[14] Furthermore, USAC did not ask St. Rose for the documentation until 2011, more than four years after USAC's investigation had commenced, and when the school no longer had any involvement with Mr. Mora.[15] If USAC had any question regarding whether the competitive bidding process complied with the rules, it should have sought recovery from the party responsible for the alleged defects in the process – the Packet Group in this instance.

IV. IF NECESSARY, THE COMMISSION SHOULD GRANT A WAIVER IN THE PUBLIC INTEREST

The COMAD was time-barred and directed to the wrong party. However, if the Commission disagrees with these conclusions, it should grant a waiver of Section 54.511 and such other Commission rules as are necessary is appropriate given the extenuating circumstances

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[13] *See* Exhibit F.

[14] For example, St. Rose is unable to determine whether Mr. Mora actually prepared a request for proposal and provided it to interested parties. As noted above, Mr. Mora listed himself as the contact and created and listed email addresses on the Form 470s, so school personnel did not receive inquiries from interested parties. As a private institution, St. Rose is not required to issue requests for proposals under any local or state regulation. In any event, apparently USAC and its auditor did not raise any concerns about documentation following the 2007 on-site visit.

[15] It appears from USAC's databases, that neither Sapium nor the Packet Group participated in E-rate after 2007.

of this case, the public interest in promoting the reporting of E-rate fraud and the significant hardship that would result if a waiver is not granted.[16]

The Commission is well acquainted with cases of individuals that take advantage of schools, particularly given the complexities of the E-rate process, for personal gain through the E-rate program. USAC encourages the filing of whistleblowing complaints and suspicions and promises to treat "each report of waste, fraud, or abuse as a serious and urgent matter requiring immediate attention."[17] USAC further promises whistleblowers that, "Laws protect you from reprisals (i.e., any action taken against you because you filed this report)."[18] **Quite simply, the COMAD directed at St. Rose is a reprisal for reporting its concerns about service provider involvement in the bidding process**. If allowed to stand, it will have a chilling effect on reports of E-rate fraud, waste and abuse. Why would a school report suspicions regarding consultants or service providers if the school will be required to pay the gains disbursed to the suspected bad actors, without even a complete investigation into the school's concerns? St. Rose notified USAC of its concerns and even cancelled its Funding Year 2007 application to its own detriment. It is simply egregious to penalize St. Rose for doing the right thing. The Commission should encourage such actions and dismiss the COMAD.

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[16] The Commission's authority to grant waivers to further the public interest is well established. *See, e.g.,* 47 C.F.R. § 1.3; *Wait Radio v. FCC*, 418 F.2d 1153 (D.C. Cir. 1969), *affirmed by WAIT Radio v. FCC*, 459 F.2d 1203 (D.C. Cir. 1972). A rule may be waived where the particular facts make strict compliance inconsistent with the public interest. *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) ("*Northeast Cellular*"). The Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis. *WAIT Radio*, 418 F.2d at 1157. Waiver is appropriate if special circumstances warrant a deviation from the general rule, and such deviation would better serve the public interest than strict adherence to the general rule. *Northeast Cellular*, 897 F.2d at 1166; *accord NetworkIP, LLC v. FCC*, 548 F.3d 116, 127 (D.C. Cir. 2008).

[17] *See* http://www.universalservice.org/about/tools/contact/whistleblower.aspx.

[18] *Id.*

In view of the unique and unusual circumstances of this case, it would be inequitable, unduly burdensome and, as shown above, contrary to the public interest to find that St. Rose is responsible for the funds paid to the Packet Group.[19] St. Rose is a small, underfunded school and the possibility of a $95,000 debt is overwhelming.[20] St. Rose has no such funds in its budget, nor could it be expected to have reserved them given that it reported these issues to USAC five years ago. If forced to repay funds that USAC paid to the service provider, St. Rose's only option may be to close down. Such action will greatly impact the community, as students will lose access to the only Catholic elementary school in Maywood and school faculty will lose their jobs. The Commission has granted other E-rate applicants waivers based, in part, on the undue hardship that would follow if the waivers are not granted.[21]

Upon discovering the facts outlined above, the Archdiocese facilitated E-rate training for its schools and engaged a leading E-rate consultant to advise its schools and assist in future management of the E-rate process.[22] Given these factors, the public interest is far better served by a waiver in the instant case, than strict application of a rule.[23]

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[19] *See* 47 C.F.R. § 1.925.

[20] *See* Exhibit B.

[21] *See, e.g., Application for Review of the Decision of the Universal Service Administrator by Aberdeen School District et al., Schools and Libraries Universal Service Support Mechanism*, File No. SLD-297249, *et al.*, CC Docket No. 02-6, Order. 22 FCC Rcd 8757 (Wireline Comp. Bur. 2007); *Request for Review of the Decision of the Universal Service Administrator by Bishop Perry Middle School et al., Schools and Libraries Universal Service Support Mechanism*, File No. SLD-487170, CC Docket No. 02-6, Order, 21 FCC Rcd 5316, 5326 (Wireline Comp. Bur. 2006).

[22] In addition, the Archdiocese appreciated and took USAC up on its offer to conduct a special training session for the Archdiocesan schools in 2008.

[23] *See Northeast Cellular*, 897 F.2d at 1166.

V. CONCLUSION

St. Rose respectfully requests that the Commission reverse USAC's commitment adjustment for Funding Year 2006 and direct USAC to discontinue recovery actions against St. Rose.

Respectfully submitted,

ST. ROSE OF LIMA SCHOOL

By: Donna A. Balaguer

Donna A. Balaguer
Edwin N. Lavergne
Fish & Richardson P.C.
1425 K Street, N.W.
11th Floor
Washington, DC 20005
(202) 783-5070

Counsel to the Archdiocese of Los Angeles

November 5, 2012

CERTIFICATE OF SERVICE

I, Alicia Gartrell, hereby certify that copies of the foregoing Request for Review and Petition for have been served, unless otherwise noted, by U.S. first class mail, postage prepaid, this 5th day of November, 2012 on the following:

Mr. Ramsey Mora
100 N. Barranca Ave., #737
West Covina, CA 91719-1625

The Packet Group
2235 Yosemite Way
West Covina, CA 91791

Letter of Appeal
Schools and Libraries Division
– Correspondence Unit
Universal Service Administrative Company
100 S. Jefferson Road
P.O. Box 902
Whippany, NJ 07981

By: Alicia Gartrell
Alicia Gartrell

EXHIBIT A

USAC
Universal Service Administrative Company

Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2006: July 1, 2006 - June 30, 2007

September 04, 2012

Ramsey Mora
ST ROSE OF LIMA SCHOOL
4420 E 60TH ST
MAYWOOD, CA 90270

Re: Form 471 Application Number:	520481
Funding Year:	2006
Applicant's Form Identifier:	471rose
Billed Entity Number:	101308
FCC Registration Number:	0012288379
SPIN:	143029103
Service Provider Name:	The Packet Group, Inc.
Service Provider Contact Person:	Herman Choi

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.

2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
•Billed Entity Name,
•Form 471 Application Number,
•Billed Entity Number, and
•FCC Registration Number (FCC RN) from the top of your letter.

3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.

4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.

5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Herman Choi
The Packet Group, Inc.

Funding Commitment Adjustment Report for
Form 471 Application Number: 520481

Funding Request Number:	1432720
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143029103
Service Provider Name:	The Packet Group, Inc.
Contract Number:	65079
Billing Account Number:	3235603376
Site Identifier:	101308
Original Funding Commitment:	$94,348.00
Commitment Adjustment Amount:	$94,348.00
Adjusted Funding Commitment:	$0.00
Funds Disbursed to Date	$94,348.00
Funds to be Recovered from Applicant:	$94,348.00

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. On the FY 2006 FCC Form 470, you certified that all bids received would be carefully considered and that the bid selected would be for the most cost-effective service or equipment offering. During a review, USAC could not determine whether you considered all bids submitted since you failed to retain or produce at the request of the representative copies of all bids received and the Request for Proposal for the associated year. FCC rules require that the applicant submits a bona fide request for services by conducting internal assessments of the components necessary to use effectively the discounted services ordered, and by submitting a complete description of services requested so that it may be posted for competing providers to evaluate and certify to certain criteria under penalty of perjury. Additionally, FCC rules require schools and libraries as well as service providers to retain all documents related to the application for, receipt, and delivery of discounted telecommunications and other supported services for at least five years after the last day of service delivered in a particular Funding Year and to produce such records upon a request of an auditor or other authorized representative. Since your compliance with the competitive bidding process could not be determined, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

EXHIBIT B

AFFIDAVIT OF CARIN BUCKEL

I, Carin Buckel, hereby declare and affirm that the following statements are true and correct.

1. I am over 18 years of age and competent to attest to the matters described herein. I have personal knowledge of the facts set forth herein.

2. I am the Principal of St. Rose of Lima School, which is part of the Roman Catholic Archdiocese of Los Angeles, in Maywood, California. I have been the Principal since August 2006.

3. I have read the foregoing Request for Review and Petition for Waiver and affirm the facts contained therein are true and correct.

4. St. Rose serves 156 students of 130 families from Maywood and surrounding areas. Maywood is a small city located in southeast Los Angeles County. It has high poverty levels. Only thirty percent of the city's residents over the age of twenty-five hold a high school diploma and less than three percent have college degrees. Many of the city's residents are immigrants from Mexico and South America who seek better educational opportunities for their children, especially an education based in the Catholic faith. All of St. Rose's staff is bilingual in Spanish and English, and all communications are provided in both Spanish and English. St. Rose is an important part of the local community.

5. Eighty-percent of St. Rose's students receive tuition assistance from foundations, grants or through reduced tuition. Families are also required to participate and complete minimum service hours in events that raise funds for the school.

6. St. Rose of Lima School does not have the funds available or allocated to pay $94,358 to the Universal Service Administrative Company ("USAC"). If the school is required to comply with USAC's recovery demand, it will have a devastating financial impact. St. Rose may be forced close its doors if it has to pay these funds, forcing students to go elsewhere and laying off all faculty.

Signature: Carin Buckel

Name: Carin Buckel

Date: 11/5/12

WITNESS:

Signature: Alicia Salgado

Name: Alicia Salgado

Date: 11/5/12

EXHIBIT C

Service Certification for SLD Invoices

Service Provider Name	Herman Choi
Service Provider SPIN	143029103
Service Provider Invoice #	10301
Undiscounted Invoice Amount	$104,831.11
Discounted Invoice Amount	$94,348.00

Applicant Name	ST ROSE OF LIMA SCHOOL
Representative / Contact Name	Carin Buckel
Representative / Contact Title	Principal
Representative / Contact Phone	(323) 560-3376
Billed Entity Number (BEN)	101308
471 Number	520481
FRN	1432720
Date Goods/Services Delivered	12/23/2006
Date Goods/Services were or will be Installed	12/23/2006
Date Applicant Portion Paid and Check No. or Date will be Paid	January 31, 07 #3079

This is to certify that I am authorized to represent the above named Applicant. This is also to certify the services described on the attached vendor invoice were delivered and/or installed as indicated by the date(s) above.

Or

The charges represented by the above represented invoice are deposits or up-front charges for services, which have not been delivered, and have been agreed to based on the contract between the above referenced Applicant and Service Provider

Copy of detailed vendor invoice must be attached. **Contract with Service Provider above is for** **Delivery only** Yes _____ No _____ **Delivery and Installation** Yes X No _____		**Copy of supporting contract must be attached if indicated below** **Supporting Contract Required YES ____ NO ____**
Signed: Carin Buckel		Signed:
Date: 1/5/07		Date:

Revised 04/05/05

Schools and Library Division (USAC)

DETAILED INVOICE 10301
Entity Name: St. Rose of Lima Catholic School
BEN: 101308
SPIN: 143029103
Contract Number: 65079
471 # 520481
FRN: 1432720
Invoice Date: 12/23/06

BILL OF MATERIALS DELIVERED

PART NUMBER	DESCRIPTION	QUANTITY	UNIT PRICE	EXTENDED NON-RECURRING CHARGE
	FIREWALL EQUIPMENT			
01-SSC-5561	SONICWALL - SonicWALL TZ170 - Firewall	1	$974.50	$974.50
PG-INSTALL-FW	Installation for SonicWALL TZ170 Firewall	1	$750.00	$750.00
	LAN SWITCH EQUIPMENT			
AS-24-SW	Linksys 24 port 10/100 Switch	2	$800.00	$1,600.00
PG-INSTALL-SW	Installation of Switch, Command Line Configuration included	2	$300.00	$600.00
	WIRELESS LAN EQUIPMENT			
AS-AP	Linksys Wireless Access point	16	$275.00	$4,400.00
AS-ANT	Linksys Dipole Antenna	16	$150.00	$2,400.00
PG-INSTALL-AP	Installation of Access Points	16	$350.00	$5,600.00
AS-BRI-P	Dlink Bridge Point-to-Point	2	$2,500.00	$5,000.00
AS-BRI-M	Dlink Bridge Multipoint	2	$2,000.00	$4,000.00
PG-INSTALL-BRI	Installation of Bridges	2	$500.00	$1,000.00
	UNINTERRUPTIBLE POWER SUPPLY			
SUA350R2X122	APC 350 - Uninterruptible Power Supply	2	$75.00	$150.00
PG-INSTALL-UPS	Installation of UPS, installation of software on server	2	$30.00	$60.00
	SERVERS & SERVER SOFTWARE			
CUSTOM-FILESRV	Custom Server (DNS DHCP Server) - P4-3.2 Ghz, 2GB Ram, 15" Monitor, 2 x 80GB HD, 10/100 NIC	2	$9,995.00	$19,990.00
PG-INSTALL-FILESRV	Installation and Configuration of Custom DNS DHCP Server	2	$1,500.00	$3,000.00
CUSTOM-EMAILSRV	Custom Server (Email Server) - P4-3.2 Ghz, 2GB Ram, 15" Monitor, 2 x 80GB HD, 10/100 NIC	1	$9,995.00	$9,995.00
PG-INSTALL-EMAILSRV	Installation and Configuration of Custom Email Server	1	$2,500.00	$2,500.00
T72-00020	Microsoft 2003 Server - Small Business Edition - 25 users	1	$599.00	$599.00
PG-INSTALL-MSSBE	Installation of Microsoft 2003 Server	1	$2,000.00	$2,000.00
T74-00004	Additional CALs for Windows 2003 Server	2	$1,929.00	$3,858.00
RETRO-BACK-ENT	Retrospect Backup Software - Enterprise Edition	1	$950.00	$950.00
	PROFESSIONAL SERVICES			
PG-INSTALL-PRO	Systems Integration - Installation, Setup, Configuration and Testing of the Network System to ensure e-rate eligible equipment is functional as a whole.	50	$95.00	$4,750.00
	INFRASTRUCTURE (Wiring, Drops, Raceway)			
CABLE	Wiring Materials - Including EMT Conduit, EMT Junction Box, Leviton 4 port Faceplates.	40	$155.00	$6,200.00
PG-INSTALL-CABLE	Installation of Wiring Materials to meet EIA 568B Standards, Test to perform 100Mbps, Documentation of Wiring Plan.	40	$275.00	$11,000.00
	MAINTENANCE SERVICES			
PG-CABLE-MAINT	Cabling Maintenance	1	$1,495.00	$1,495.00
PG-EQ-MAINT	Equipment Maintenance (E-rate eligible equipment only, all model numbers listed above)	1	$7,000.00	$7,000.00
			Taxable	$60,116.50
			Non-taxable	$39,755.00
			8.25% Tax	$4,959.61
			Grand Total	$104,831.11
			USAC Discount	$94,348.00
			School Balance	$10,483.11

EXHIBIT D

USAC

Universal Service Administrative Company
Schools & Libraries Division

Quarterly E-Rate Payment Authorization Report
(1st Quarter 2007)

March 31, 2007

ST ROSE OF LIMA SCHOOL
MATHIAS VAIREZ
4420 E 60TH ST
MAYWOOD, CA 90270

Re: Billed Entity Number 101308

In an effort to provide you with timely information to help you track your participation in the Schools and Libraries E-Rate program, enclosed you will find your Quarterly E-Rate Payment Authorization report reflecting payment activity under the program for your billed entity for the period of January 1, 2007 through March 31, 2007.

This report is issued each quarter reflecting the invoice payment authorization activity related to all E-Rate fund years for your billed entity. You may expect your next report in early July 2007 for the 2nd Quarter 2007 payment authorization activity. The payment authorizations are a direct result of invoices submitted by your service provider(s) (FCC Form 474 - Service Provider Invoice) and/or invoices submitted by your billed entity (FCC Form 472 - Billed Entity Applicant Reimbursement.)

Please take the time to review this report and ensure the payment authorization activity is accurate. We want to be sure that you are receiving services and discounts for which payments have been authorized. If you have not received reimbursement from your Service Provider on an approved BEAR payment (indicated as an Applicant invoice) and more than 30 days has passed since the Service Provider was paid, please contact your Service Provider. In addition, you may report it to: serviceprovider@universalservice.org. Please provide the following information:

Applicant Name
Form 471 Application Number
Service Provider Name
Service Provider Identification Number (SPIN)
Funding Request Number (FRN)
Amount of payment
Your name and contact information

Thank you for your continuing interest in the Schools and Libraries E-Rate program.

Schools and Libraries Division
Universal Service Administrative Company

Enclosure

USAC Schools and Libraries
E-Rate Quarterly Disbursements
Authorization Report

Period: 01/01/2007 - 03/31/2007

Billed Entity Number: 101308 Billed Entity Name: ST ROSE OF LIMA SCHOOL

Funding Year	APPL #	FRN #	FRN Committed Amount	FRN Authorized Disbursements To Date	Service Provider Number (SPIN)	Service Provider Name	Disbursement Authorization Date	Authorized Disbursements SPI	BEAR	Total
07/01/2006-06/30/2007	520481	1432720	$94,348.00	$94,348.00	143029103	Herman Choi	01/11/2007	$94,348.00		$94,348.00
							SPIN Total	$94,348.00		$94,348.00
							Application Total	$94,348.00		$94,348.00
							Total Fund Year Applications	$94,348.00		$94,348.00
							Total Applications All Fund Years	$94,348.00		$94,348.00

Disbursement Authorization Date: Date SLD authorized disbursement unit to disburse funds.
SPI: Service Provider Invoice; payments authorized based on this form.
BEAR: Billed Entity Applicant Reimbursement Form; payments authorized based on this form.

EXHIBIT E

BearingPoint

Outreach Project Office
1676 International Drive
McLean, VA 22102-4828

Tel: +1.800.249.7758
Fax: +1.703.940.0203

USAC
Universal Service Administration Company
Helping Keep Americans Connected

www.universalservice.org/el/about/site-visits/

February 19, 2007

Mr. Ramsey Mora
St Rose of Lima School
4420 E 60th Street
Maywood, CA 90270

Re: Funding Year: 2006
Form 471 Number: 520481
FRN: 1432720
Site Reviewer: Matt Markovich

Dear Mr. Ramsey Mora:

Per our conversation earlier, I am writing to confirm that we will be conducting a site visit at the St Rose of Lima School on 3/6/2007 as part of USAC's Site Visit Outreach Initiative. We plan on meeting with you at 9:00 AM at the address listed above.

The purpose of this visit, and our initiative as a whole, is to better understand the impact of Universal Service funding. During this visit, BearingPoint plans to review Universal Service documentation and the different methods you use to manage the application process. BearingPoint will also check the physical equipment and services to see how they are being utilized and maintained.

During this review, we will concentrate on equipment and services related to the FRN listed above. The Site Reviewer must retain a copy of the following documentation during the site visit so please have copies available at the time of the visit for him/her to retain.

- ☐ Copy of the Technology Plan Approval Letter for the Fund Year related to the FRN above, with evidence of approval by a USAC-certified Technology Plan approver. Please note: A print out of a web shot, which lists an effective date and end date, is acceptable.
- ☐ Proof of a formal Competitive Bidding process, i.e., evaluation documentation used during the Competitive Bidding process.
- ☐ For non-tariff services: Copy of the contract or documentation of the use of a state master contract and addenda/modifications with service providers. This documentation should include the signature page with evidence of signature from all interested parties.
- ☐ Customer bills associate with the FRN under review from service provider.
- ☐ Documentation of payment of non-discounted portion.
- ☐ If you are a part of a consortium or retain a consultant, please have a copy of the Letter of Agency, including a copy of the signature page with evidence of signature from all interested parties.

BearingPoint

- ☐ Copy of maintenance agreements. Whenever possible, please have a copy of maintenance logs for maintenance of Universal Service funded equipment that the Site Reviewer can retain.

If the Site Reviewer is unable to obtain copies of the documentation, USAC will be following up with you after the site visit to request that documentation. The 15-day procedure for requesting documentation will apply to these requests. Failure to provide the requested documentation may result in commitment adjustments and recovery of the funds.

Reminder: This documentation is related to the FRN, and associated funding year, listed above.

Please also have the following documentation available for review:

- ☐ Copies of bidding specifications and/or requests for proposals (RFPs), all bids received (both winning and losing) and all contracts with your service provider. Also required will be documentation of the process and any related analyses leading to the selection of the winning bid(s).
- ☐ Evidence of Universal Service program document retention.
- ☐ Asset Registers with make, model, serial numbers and location.
- ☐ Evidence of the receipt of equipment, such as packing slips.

We would also like to conduct the following activities during our visit:

- ☐ Speak with your E-rate contact and have him/her walk us through the processes that he/she uses to manage the Universal Service program and related documentation.
- ☐ View the equipment and services purchased through Universal Service funding.
- ☐ Observe students or patrons using the equipment and services.
- ☐ Discuss any outstanding issues your school or library has with USAC. Please be prepared to provide Funding Year, Form 471 Number, FRN and any associated CSB case numbers to help USAC follow-up on these issues.

The FCC has instructed USAC to report any instances of potential noncompliance with FCC rules. BearingPoint will therefore notify USAC if it finds evidence of noncompliance. In addition, USAC has established a toll free Whistleblowers' Hotline at (888) 203-8100 for you to report instances of waste, fraud or abuse.

If you have any questions, please visit http://www.universalservice.org/sl/about/site-visits/. For additional assistance, please contact the BearingPoint Project Office at (800) 248-7758 to speak with Debbie Cameron, the BearingPoint Site Visit Coordinator.

Sincerely,

Debbie Cameron
Site Visit Coordinator
Site Visit Outreach Initiative
(800) 248-7758
usacsitevisits@bearingpoint.com

EXHIBIT F

USAC
Universal Service Administrative Company
Helping Keep Americans Connected

May 30, 2007

Ramsey Mora
4420 E. 60th Street
Maywood, CA 90270
RE: Recent Site Visit

Dear Ramsey Mora,

Thank you for allowing us to visit St. Rose of Lima School on 3/6/2007.

Your cooperation and support during our recent visit were greatly appreciated and gave us invaluable insight into how you manage and implement the application process. Your assistance along with feedback from other site visits will help us identify areas where USAC can provide improved outreach and support.

In addition, we have received and reviewed the information you provided during the site visit. At this time, we have no further questions for you.

For further information, please contact the Client Service Bureau through our normal channels at:

E-mail:	Use the "Submit a Question" link on the USAC web site.
Fax:	1-888-276-8736
Telephone:	1-888-203-8100

Sincerely,

Irene M. Flannery

Irene Flannery
Senior Vice President, External Relations

2000 L Street, N.W., Suite 200, Washington, DC 20036 Voice: 202.776.0200 Fax: 202.776.0080
Visit us online at: *http://www.universalservice.org*