

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION**

**NASHVILLE, TENNESSEE**

**IN RE:**

**Q LINK WIRELESS, LLC'S PETITION FOR  
DESIGNATION AS AN ELIGIBLE  
TELECOMMUNICATIONS CARRIER**

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**DOCKET NO.  
22-00037**

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**PETITION TO CONVENE A SHOW CAUSE PROCEEDING**

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Comes now the Tennessee Public Utility Commission ("TPUC" or "Commission") Staff as a party ("Party Staff" or "Petitioner") in accordance with Tenn. Code Ann. §§ 65-2-106 and requests that the Administrative Judge delegated authority by the Commission issue an Order requiring Q LINK Wireless, LLC ("Q LINK" or "Company") to appear before the Commission to show cause why the Commission should not revoke the Company's designation as an Eligible Telecommunications Carrier ("ETC") for purposes of providing Lifeline service.

**JURISDICTION**

The Commission has a duty to ensure that "all laws of this state over which they have jurisdiction are enforced and obeyed, that violations thereof are promptly prosecuted, and all penalties due the state are collected."<sup>1</sup> Further, the Commission is specifically authorized to issue an order requiring a respondent to appear and show cause why the Commission should not take action as may be indicated in the show cause order.<sup>2</sup>

**BACKGROUND, PETITION, AND ORDER**

In accordance with Tennessee law, the Commission annually certifies wireline companies as an Eligible Telecommunications Carrier ("ETC") verifying compliance with federal standards.

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<sup>1</sup> Tenn. Code Ann. § 65-1-113 (2024).

<sup>2</sup> Tenn. Code Ann. § 65-2-106 (2024).

Orders designating wireline companies as ETCs are submitted to the Federal Communications Commission (“FCC”) so that these Tennessee companies can receive federal funding for certain selected services, including Lifeline service. In 2022, Tenn. Code Ann. § 65-4-104 was amended to add a subsection that authorized the Commission to designate non-wireline companies, e.g., wireless or cellular providers, as ETCs, stating:

Notwithstanding § 65-4-101(6)(A)(vi), the Commission may upon petition designate a provider or reseller of domestic public cellular radio telephone service as an eligible telecommunications carrier pursuant to 47 C.F.R. § 54.201 for purposes of providing Lifeline service.<sup>3</sup>

On April 26, 2022, Q LINK filed its *Petition* for the purpose of providing Lifeline service to qualifying Tennessee consumers. In its *Petition*, Q LINK stated that it satisfies all of the statutory and regulatory requirements for designation as an ETC, including Tennessee Code Annotated Section 65-4-104. In support of its *Petition*, Q LINK stated that it is an established wireless carrier, holding ETC status in thirty-one (31) other States, Puerto Rico and the Virgin Islands.<sup>4</sup> In addition, the Company submitted a Compliance Plan that the FCC approved on August 8, 2012.<sup>5</sup>

In its *Petition*, Q LINK made representations to the Commission regarding its adherence with federal and state regulations related to the Lifeline program. These specific representations include:

- a. Q LINK, in its representations regarding “Prevention of Waste, Fraud and Abuse,” indicated its “commitment to being a trusted steward with public resources”<sup>6</sup> and further discussed at length its alleged steps to prevent such waste, fraud and abuse by employing a “state-of-the-art proprietary fraud prevention system;”<sup>7</sup>

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<sup>3</sup> Tenn. Code Ann. §65-4-104(c) (West 2024).

<sup>4</sup> *Petition*, p.4 (April 26, 2022).

<sup>5</sup> *Id.* at 12 & Exh. 3.

<sup>6</sup> *Id.* at 9.

<sup>7</sup> *Id.* at 8.

- b. Q LINK stated that “consistent with federal regulations, [it] would not seek USF reimbursement for inactive subscribers and will de-enroll any subscriber who has not used [its] Lifeline service as set forth in 47 C.F.R. § 54.407(c)(2);”<sup>8</sup>
- c. Q LINK stated that “[a]n account will be considered active if the authorized subscriber establishes usage, as ‘usage’ is defined by 47 C.F.R. § 54.407(c)(2), during the specified time frame, currently a period of thirty (30) days, or during the notice period set forth in 47 C.F.R. § 54.405(e)(3), currently a period of fifteen (15) days;”<sup>9</sup>
- d. Q LINK stated that “[b]y this Petition, Q LINK hereby asserts its willingness and ability to comply with the rules and regulations that the Commission may lawfully impose upon the Company’s provision of service contemplated by this Petition;”<sup>10</sup>
- e. Q LINK stated that “it seeks designation solely to utilize USF funding to provide Lifeline service to qualified low-income consumers;”<sup>11</sup> and,
- f. Q LINK stated that it “remains committed to careful stewardship of the Lifeline program.”<sup>12</sup>

The Commission considered Q LINK’s *Petition* during a regularly scheduled Commission Conference held on June 20, 2022. The voting panel granted the Company’s *Petition*, designating Q LINK as an ETC for the purpose of providing Lifeline service to qualifying Tennessee consumers.<sup>13</sup>

#### **RELEVANT FACTS ALLEGING VIOLATION OF COMMISSION ORDER**

1. Q LINK is a Delaware limited liability company, organized on August 25, 2011, with principal offices located at 499 East Sheridan Street, Suite 400, Dania Beach, Florida 33004.<sup>14</sup>

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<sup>8</sup> *Id.* at 9.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at 19.

<sup>11</sup> *Id.* at 16.

<sup>12</sup> *Id.* at 23.

<sup>13</sup> *Order Designating QLINK Wireless, LLC An Eligible Telecommunications Carrier* (July 8, 2022).

<sup>14</sup> *Id.* at 3.

Its Registered Agent in the state of Tennessee is Incorp Services, Inc., 1585 Mallory Ln., Ste. 104, Brentwood, TN 37027-3036.

2. The Commission found that Q LINK met all federal and state criteria to be designated an ETC, granting the Company's *Petition* for such designation by order dated July 8, 2022.<sup>15</sup>

3. On August 22, 2024, the United States commenced a criminal prosecution against Q LINK and Issa Asad, the CEO of Q LINK with the filing of an Information in the United States District Court, Southern District of Florida. The United States charged both defendants with "Conspiracy to Commit Offenses Against, and to Defraud, the United States (18 U.S.C. § 371)." Further, the United States charged Mr. Asad with Money Laundering (18 U.S.C. § 1957).<sup>16</sup>

4. On October 15, 2024, Issa Asad admitted guilt and entered into a Plea Agreement for conspiracy to defraud the United States in connection with the federal Lifeline program and for money laundering in connection with a scheme to defraud a U.S. Small Business Administration program that provided aid to individuals and businesses damaged by the COVID-19 pandemic.<sup>17</sup> A copy of the Plea Agreement is attached as Exhibit 1.

5. On October 15, 2024, Q LINK admitted guilt and entered into a Plea Agreement for conspiring to defraud and commit offenses against the United States in connection with a years-long scheme to steal over \$100 million from the federal Lifeline program.<sup>18</sup> A copy of the Plea Agreement is attached as Exhibit 2.

6. As part of its Plea Agreement, Q LINK agreed that "it shall not participate in any program administered by the FCC..." as of the date of sentencing, and further agreed that it would

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<sup>15</sup> *Order Designating QLINK Wireless, LLC An Eligible Telecommunications Carrier* (July 8, 2022).

<sup>16</sup> *United States v. Asad & Q Link Wireless LLC*, U.S. Distr. Ct. for the S.D. Fla., Case 1:24-cr-20363-RAR ("U.S. v. Asad/Q Link"), accessed via PACER, Document 1 (Information) (August 22, 2024).

<sup>17</sup> *U.S. v. Asad/Q Link*, Document 21 (Asad Plea Agreement) (October 15, 2024).

<sup>18</sup> *U.S. v. Asad/Q Link*, Document 23 (Q Link Plea Agreement) (October 15, 2024).

“cooperate with the FCC in the transition of all customers of any program administered by the FCC to other telecommunications providers.”<sup>19</sup>

7. In a Factual Proffer executed as part of the Q LINK Plea Agreement, a copy of which is attached as Exhibit 3, Q LINK admitted that:

[It] conspired with others, including Asad and Director of Customer Relations #1, to submit and cause to be submitted false and fraudulent claims to the FCC Lifeline program for customers who were not using their cellphones according to the FCC usage rules. The Defendant and others conspired to mislead and trick the FCC into thinking customers were using their cellphones by manufacturing cellphone activity to pass off as usage and by engaging in coercive marketing techniques to get people to remain Q Link customers.<sup>20</sup>

The Factual Proffer further states that approximately \$109,637,057, which amounts to twenty-one percent (21%) of the funds Q LINK received from the federal Lifeline program between 2013 and 2019, were received as a result of the fraud scheme.<sup>21</sup>

8. As a result of Q LINK’s guilty plea, the Federal Communications Commission (“FCC”) issued a notice suspending Q LINK from the federal Lifeline program and commenced debarment proceedings against Q LINK.<sup>22</sup> A copy of the pages from the Federal Register with the FCC Notice is attached as Exhibit 4. A copy of the Letter from the FCC to Issa Asad giving notice of suspension is attached as Exhibit 5.

#### **ALLEGED VIOLATIONS**

9. The facts alleged in Paragraphs 1 through 8 hereinabove constitute a violation of Tenn. Code Ann. § 65-4-104(c) which requires compliance with 47 C.F.R. § 54.201. In relevant part, 47 C.F.R. § 54.201(c) states:

Upon request and consistent with the public interest, convenience, and necessity, the state commission may, in the case of an area

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<sup>19</sup> *Id.* at 3-4.

<sup>20</sup> *U.S. v. Asad/Q Link*, Document 24 (Q Link Factual Proffer), p. 3 (October 15, 2024).

<sup>21</sup> *Id.* at 24.

<sup>22</sup> *Notice of Suspension and Commencement of Proposed Debarment Proceedings; Federal Lifeline Program*, 89 Fed. Reg. 239, 100487 (F.C.C. December 12, 2024). *See also* Letter from FCC to Issa Asad Re: Notice of Suspension and Initiation of Debarment Proceeding (November 8, 2024).

served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the state commission, so long as each additional requesting carrier meets the requirements of paragraph (d) of this section. Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the state commission shall find that the designation is in the public interest.

10. In addition, Q LINK made material misrepresentations in its *Petition*, asserting that the Company would comply with the rules and regulations of the Commission and that the Company would only utilize USF funding to provide Lifeline service to qualified consumers.

11. Further, because Q LINK has been suspended from participation in the federal Lifeline program and all federal universal support mechanisms, and has agreed, as part of its Plea Agreement, that it will not participate in any program administered by the FCC, Q LINK no longer meets the requisite federal criteria for designation as an ETC.

12. For the foregoing reasons, Party Staff asserts that it is not in the public interest for Q LINK to be designated as an ETC in the state of Tennessee.

**PRAYER FOR RELIEF**

Wherefore, Petitioner respectfully requests the Commission issue an Order requiring Q LINK Wireless, LLC to appear before the Commission to show cause why it should not be found in violation of state law and that the Commission should revoke the designation of Q LINK Wireless as an Eligible Telecommunications Carrier.

Respectfully submitted,



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Aaron J. Conklin, #018597  
Counsel for Commission Staff  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, TN 37243  
(615) 770-6896  
Aaron.conklin@tn.gov

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was serve via U.S. Mail or electronic mail upon:

Q LINK Wireless, LLC  
499 East Sheridan Street, Suite 400  
Dania Beach, FL 3304

Q LINK Wireless, LLC  
c/o InCorp Services, Inc., Registered Agent  
1585 Mallory Ln., Ste. 104  
Brentwood, TN 37027-3036

This the 6<sup>th</sup> day of February, 2025.



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Aaron J. Conklin, TPUC Senior Counsel

# EXHIBIT 1



**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO. 24-20363-CR-RUIZ/LOUIS**

**UNITED STATES OF AMERICA**

**vs.**

**ISSA ASAD,**

**Defendant.**

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**PLEA AGREEMENT**

The United States Attorney's Office for the Southern District of Florida ("this Office") and Issa Asad, (hereinafter referred to as the "Defendant"), enter into the following plea agreement (the "Agreement"):

1. The Defendant understands that he has the right to have the evidence and charges against him presented to a federal grand jury for determination of whether or not there is probable cause to believe he committed the offenses with which he is charged. Understanding this right, and after full and complete consultation with his counsel, the Defendant agrees to waive in open court his right to prosecution by indictment and agrees that the United States may proceed by way of an information to be filed pursuant to Rule 7 of the Federal Rules of Criminal Procedure.

2. The Defendant agrees to plead guilty to a two count information. The Defendant agrees to plead guilty to Count 1, which charges the Defendant with conspiring to (1) commit offenses against the United States, specifically, (a) a violation 18 U.S.C. § 1343 (wire fraud) and (b) 18 U.S.C. § 641 (theft of government funds), and (2) defraud the United States, all in violation of 18 U.S.C. § 371. The Defendant also agrees to plead guilty to Count 2, which charges the Defendant with one count of money laundering, in violation of 18 U.S.C. § 1957. This Agreement

includes only the conduct set forth in the accompanying factual basis and excludes crimes of violence and any tax offenses.

3. The Defendant is aware that the sentence will be imposed by the Court after considering the advisory Federal Sentencing Guidelines and Policy Statements (hereinafter "Sentencing Guidelines"). The Defendant acknowledges and understands that the Court will compute an advisory sentence under the Sentencing Guidelines and that the applicable guidelines will be determined by the Court relying in part on the results of a pre-sentence investigation by the Court's probation office, which investigation will commence after the guilty plea has been entered. The Defendant is also aware that, under certain circumstances, the Court may depart from the advisory Sentencing Guidelines range that it has computed, and may raise or lower that advisory sentence under the Sentencing Guidelines. The Defendant is further aware and understands that the Court is required to consider the advisory guideline range determined under the Sentencing Guidelines, but is not bound to impose a sentence within that advisory range; the Court is permitted to tailor the ultimate sentence in light of other statutory concerns, and such sentence may be either more severe or less severe than the Sentencing Guidelines' advisory range. Knowing these facts, the Defendant understands and acknowledges that the Court has the authority to impose any sentence within and up to the statutory maximum authorized by law for the offenses identified in paragraph 2 and that the Defendant may not withdraw the plea solely as a result of the sentence imposed.

4. The Defendant also understands and acknowledges that, for Count 1, the Court may impose a statutory maximum term of imprisonment of up to five (5) years, followed by a term of supervised release of up to three (3) years. In addition to a term of imprisonment and supervised

release, the Court may impose a fine of up to the greater of \$250,000, pursuant to 18 U.S.C. § 3571(a)(3), or twice the pecuniary gain or loss caused by the offense, pursuant to 18 U.S.C. § 3571(d), and must order restitution.

5. As for Count 2, the Court may impose a statutory maximum term of imprisonment of up to ten (10) years, followed by a term of supervised release of up to three (3) years. In addition to a term of imprisonment and supervised release, the Court may impose a fine of up to the greater of \$250,000, pursuant to 18 U.S.C. § 3571(a)(3), or twice the amount of the laundered funds, pursuant to 18 U.S.C. § 1957(b)(1), and must order restitution.

6. The Defendant further understands and acknowledges that, in addition to any sentence imposed, a special assessment in the amount of \$200 will be imposed.

7. The Defendant agrees that he will owe restitution in the amount of \$109,637,057 to the FCC, owed joint and several with Q Link Wireless LLC, joint and several with co-defendant Q Link Wireless, to be paid in full, immediately before or at the time of sentencing. The Defendant agrees that he will relinquish all claims to funds currently held by the FCC Lifeline program due to the Defendant and that amount will be applied to the restitution due to the FCC. That amount is the greater of \$19,606,868 or the amount held by the FCC Lifeline program at the time of sentencing. The Defendant also understands that this restitution agreement does not preclude an individual from receiving restitution required under the law. The Defendant further agrees that all restitution paid pursuant to the Agreement will be credited toward any separate Civil False Claims Act Settlement covering the same conduct in the Agreement.

8. The Defendant agrees that, upon sentencing, he shall not participate in any program administered by the FCC, nor shall any related, parent or subsidiary companies, including, but not limited to, Q Link Wireless LLC, Quadrant Holdings Group LLC, and QLixar Corporation. The Defendant agrees that he will not: (a) participate directly or indirectly in any contracts or subcontract funded in whole or in part by the FCC, whether acting as a service provider, marketing agent, consultant, or in any other capacity; (b) engage directly or indirectly in any activities related to FCC programs; or (c) receive any commissions, payments or remuneration of any kind related to the provision of FCC administrated programs, no matter how denominated.

9. The Defendant agrees that he will owe restitution in the amount of \$1,758,339.25 to the Small Business Administration as to Count 2.

10. This Office reserves the right to inform the Court and the probation office of all facts pertinent to the sentencing process, including all relevant information concerning the offenses committed, whether charged or not, as well as concerning the defendant and the defendant's background. Subject only to the express terms of any agreed-upon sentencing recommendations contained in this agreement, this Office further reserves the right to make any recommendation as to the quality and quantity of punishment.

11. This Office agrees that it will recommend at sentencing that the Court reduce by two levels the sentencing guideline level applicable to the defendant's offense, pursuant to Section 3E1.1(a) of the Sentencing Guidelines, based upon the defendant's recognition and affirmative and timely acceptance of personal responsibility. If at the time of sentencing the defendant's offense level is determined to be 16 or greater, the government will file a motion requesting an additional one level decrease pursuant to Section 3E1.1(b) of the Sentencing Guidelines, stating that the defendant has assisted authorities in the investigation or prosecution of the defendant's

own misconduct by timely notifying authorities of the defendant's intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the government and the Court to allocate their resources efficiently. This Office, however, will not be required to make this motion and these recommendations if the defendant: (a) fails or refuses to make a full, accurate and complete disclosure to the probation office of the circumstances surrounding the relevant offense conduct; or (b) commits any misconduct after entering into this plea agreement, including but not limited to committing a state or federal offense, violating any term of release, or making false statements or misrepresentations to any governmental entity or official.

12. Acknowledging that the parties' recommendations as to sentencing are not binding on the probation office or the Court, this Office and the defendant agree that, at sentencing, as to Count 1 (conspiracy to commit wire fraud, theft of government funds, and interfere with the lawful function of the FCC):

- (a) Base Offense Level: The Defendant's base offense level is twelve (12), in accordance with U.S.S.G. § 2C1.1(a)(2);
- (b) Loss: The Defendant's offense level shall be increased by twenty-four (24) levels pursuant to U.S.S.G. § 2B1.1(b)(1)(M) because the loss to the government was between \$65,000,000 and \$150,000,000, in accordance with U.S.S.G. § 2C1.1(b)(2); and
- (c) Obstruction of Justice: The Defendant's offense level shall be increased by two (2) levels pursuant to U.S.S.G. § 3C1.1 because the Defendant obstructed or impeded the administration of justice with respect to the investigation or prosecution of the offense.

13. The Defendant acknowledges and understands that additional or different enhancements or provisions of the Sentencing Guidelines might be applicable as to Count 1. The

Office and the Defendant both agree to jointly recommend application of the above guidelines calculations as to Count 1, and furthermore, that the Defendant should receive a sentence of the statutory maximum term of 60 months imprisonment as to Count 1. Defendant further agrees that he will not argue for a downward departure or a variance as to Count 1. Defendant further agrees that, under the factors set forth in 18 U.S.C. § 3553(a), no variance or departure below 60 months imprisonment is warranted as to Count 1.

14. As to Count 2 (money laundering), again acknowledging that the parties' recommendations as to sentencing are not binding on the probation office or the Court, this Office and the defendant agree that, at sentencing:

- (a) Base Offense Level: The Defendant's base offense level is six (6), in accordance with U.S.S.G. § 2S1.1(a)(2);
- (b) Loss: The Defendant's offense level shall be increased by sixteen (16) levels pursuant to U.S.S.G. § 2B1.1(b)(1)(I) because the loss to the victim was between \$1,500,000 and \$3,500,000; and
- (c) 1957: The Defendant's offense level shall be increased by one (1) level pursuant to U.S.S.G. § 2S1.1(b)(2)(A) because the defendant was convicted of money laundering.

15. The Defendant acknowledges and understands that additional or different enhancements or provisions of the Sentencing Guidelines might be applicable as to Count 2. The Office and the defendant both agree to jointly recommend application of the above guidelines calculations as to Count 2. The Office and the Defendant both agree to jointly recommend that the Defendant's sentences for Count 1 and Count 2 must be served concurrently and that the Defendant's total recommended sentence for both counts is 60 months.

16. The Defendant is aware that the sentence has not yet been determined by the Court. The defendant also is aware that any estimate of the probable sentencing range or sentence that the Defendant may receive, whether that estimate comes from the Defendant's attorney, this Office, or the probation office, is a prediction, not a promise, and is not binding on this Office, the probation office or the Court. The Defendant understands further that any recommendation that this Office makes to the Court as to sentencing, whether pursuant to this agreement or otherwise, is not binding on the Court and the Court may disregard the recommendation in its entirety. The defendant understands and acknowledges, as previously acknowledged in paragraph 3 above, that the defendant may not withdraw the Defendant's plea based upon the Court's decision not to accept a sentencing recommendation made by the defendant, this Office, or a recommendation made jointly by the defendant and this Office.

17. The Defendant agrees, in an individual and any other capacity, to forfeit to the United States, voluntarily and immediately, any right, title, and interest to (1) any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of the offense, in violation of 18 U.S.C. §§ 641, 1343, pursuant to 18 U.S.C. § 981(a)(1)(C), as incorporated by 28 U.S.C. § 2461(c), and the provisions of 21 U.S.C. § 853; and (2) any property, real or personal, involved in the commission of the offense, in violation of 18 U.S.C. § 1957, or any property traceable to such property, pursuant to 18 U.S.C. § 982(a)(1)(A), and the provisions of 21 U.S.C. § 853. In addition, the Defendant agrees to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p). The property subject to forfeiture includes, but is not limited to:

- a. a forfeiture money judgment in the sum of \$17,484,118.00 in U.S. currency, which sum represents the value of the property subject to forfeiture (the "Forfeiture Money Judgment");

- b. directly forfeitable and substitute property, including, but not limited to:
  - i. All funds on deposit in the following account at Arab Bank in Jordan  
(the "Jordan Bank Account"):  
  
Accountholders: Issa Asad and Noha Yousef Asad  
Possible IBAN variations:  
IBAN #. 7500  
IBAN #. 7700  
Account number -500  
Other possible account variation: 701  
SWIFT Code: 100
  - ii. the following real properties:

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Sheridan Street #2 and #3, Dania Beach FL 33004.

If the forfeiture money judgment is paid in full within 90 days of the execution of the Agreement, the United States will not pursue forfeiture of the above-mentioned assets. If the forfeiture money judgment is not paid in full within 90 days of the execution of the Agreement, or the Parties do not agree to an extension of the timeframe for such satisfaction, the United States can pursue forfeiture of above-mentioned assets. The amount transferred to the United States will be credited against the Defendant's Forfeiture Money Judgment.

18. The Defendant further agrees that forfeiture is independent of any assessment, fine, cost, restitution, or penalty that may be imposed by the Court. The Defendant knowingly and voluntarily agrees to waive all constitutional, legal, and equitable defenses to the forfeiture, including excessive fines under the Eighth Amendment to the United States Constitution. In addition, the Defendant agrees to waive: any applicable time limits for administrative or judicial



forfeiture proceedings, the requirements of Fed. R. Crim. P. 32.2 and 43(a), and any appeal of the forfeiture.

19. The Defendant also agrees to fully and truthfully disclose the existence, nature and location of all assets in which the Defendant has or had any direct or indirect financial interest or control, and any assets involved in the offense of conviction. The Defendant agrees to take all steps requested by the United States for the recovery and forfeiture of all assets identified by the United States as subject to forfeiture. This includes, but is not limited to, the timely delivery upon request of all necessary and appropriate documentation to deliver good and marketable title, consenting to all orders of forfeiture, and not contesting or impeding in any way with any criminal, civil or administrative forfeiture proceeding concerning the forfeiture.

20. The Defendant is aware that Title 18, United States Code, Section 3742 and Title 28, United States Code, Section 1291 afford the Defendant the right to appeal the sentence imposed in this case. Acknowledging this, in exchange for the undertakings made by the United States in this plea agreement, the Defendant hereby waives all rights conferred by Sections 3742 and 1291 to appeal any sentence imposed, including any restitution order, or to appeal the manner in which the sentence was imposed, unless the sentence exceeds the maximum permitted by statute or is the result of an upward departure and/or an upward variance from the advisory guideline range that the Court establishes at sentencing. The Defendant further expressly waives his right to appeal based on arguments that (a) the statutes to which the Defendant is pleading guilty are unconstitutional and (b) the defendant's admitted conduct does not fall within the scope of the statutes. The Defendant further understands that nothing in this agreement shall affect the government's right and/or duty to appeal as set forth in Title 18, United States Code, Section 3742(b) and Title 28, United States Code, Section 1291. However, if the United States appeals

the Defendant's sentence pursuant to Sections 3742(b) and 1291, the Defendant shall be released from the above waiver of appellate rights. By signing this agreement, the Defendant acknowledges that the Defendant has discussed the appeal waiver set forth in this agreement with the Defendant's attorney.

21. If the Defendant withdraws from this agreement, or commits or attempts to commit any additional federal, state or local crimes, or intentionally gives materially false, incomplete, or misleading testimony or information, or otherwise violates any provision of this agreement, then:

- a. The United States will be released from its obligations under this agreement. The Defendant, however, may not withdraw the guilty plea entered pursuant to this agreement;
- b. The Defendant will be subject to prosecution for any federal criminal violation, including, but not limited to, perjury and obstruction of justice, that is not time-barred by the applicable statute of limitations on the date this agreement is signed. Notwithstanding the subsequent expiration of the statute of limitations, in any such prosecutions, the defendant agrees to waive any statute-of-limitations defense; and
- c. Any prosecution, including the prosecution that is the subject of this agreement, may be premised upon any information provided, or statements made, by the defendant, and all such information, statements, and leads derived therefrom may be used against the defendant. The Defendant waives any right to claim that statements made before, on, or after the date of this agreement, including the statement of facts accompanying this agreement or adopted by the Defendant and any other statements made pursuant to this or any other agreement with the United States, should be excluded or suppressed under Fed. R. Evid. 410, Fed. R. Crim. P.

11(f), the Sentencing Guidelines or any other provision of the Constitution of federal law.

22. This Agreement is limited to this Office, and as such, does not bind other federal, state, regulatory, or local prosecuting authorities.

MARKENZY LAPOINTE  
UNITED STATES ATTORNEY

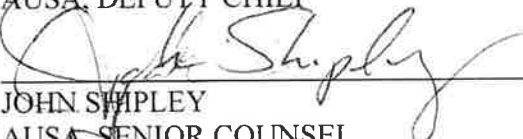
Date: 6/15/24

By:   
DANIEL BERNSTEIN  
ASSISANT UNITED STATES ATTORNEY


Date: 10/15/24

By:   
ELIZABETH YOUNG  
AUSA, DEPUTY CHIEF


Date:

By:   
JOHN SHIPLEY  
AUSA, SENIOR COUNSEL

Date: 10/15/24

By:   
MATTHEW MENCHEL  
MICHAEL SHERWIN  
EVELYN SHEEHAN  
COUNSEL FOR ISSA ASAD

Date: 10/15/24

By:   
ISSA ASAD  
DEFENDANT

# **EXHIBIT 2**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO. 24-20363-CR-RUIZ/LOUIS**

**UNITED STATES OF AMERICA**

**vs.**

**Q LINK WIRELESS LLC,**

**Defendant.**

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**PLEA AGREEMENT**

The United States Attorney's Office for the Southern District of Florida ("this Office") and Q Link Wireless LLC, (hereinafter referred to as the "Defendant"), enter into the following plea agreement (the "Agreement"):

1. The Defendant understands that it has the right to have the evidence and charges against it presented to a federal grand jury for determination of whether or not there is probable cause to believe it committed the offense with which it is charged. Understanding this right, and after full and complete consultation with counsel, the Defendant agrees to waive in open court its right to prosecution by indictment and agrees that the United States may proceed by way of an information to be filed pursuant to Rule 7 of the Federal Rules of Criminal Procedure.

2. The Defendant agrees to plead guilty to a one count information. The Defendant agrees to plead guilty to one count charging the Defendant with conspiring to (1) commit offenses against the United States, specifically, (a) a violation 18 U.S.C. § 1343 (wire fraud) and (b) 18 U.S.C. § 641 (theft of government funds), and (2) defraud the United States, all in violation of 18 U.S.C. § 371.

3. The Defendant agrees to admit that it is fact guilty of the felony offense charged in the information through the actions of its employees, acting with the scope of their employment.

4. The Defendant agrees that this Agreement will be executed by an authorized corporate representative.

5. The Defendant is aware that the sentence will be imposed by the Court after considering the advisory Federal Sentencing Guidelines and Policy Statements (hereinafter "Sentencing Guidelines"). The Defendant acknowledges and understands that the Court will compute an advisory sentence under the Sentencing Guidelines and that the applicable guidelines will be determined by the Court relying in part on the results of a pre-sentence investigation by the Court's probation office, which investigation will commence after the guilty plea has been entered. The Defendant is also aware that, under certain circumstances, the Court may depart from the advisory Sentencing Guidelines range that it has computed, and may raise or lower that advisory sentence under the Sentencing Guidelines. The Defendant is further aware and understands that the Court is required to consider the advisory guideline range determined under the Sentencing Guidelines, but is not bound to impose a sentence within that advisory range; the Court is permitted to tailor the ultimate sentence in light of other statutory concerns, and such sentence may be either more severe or less severe than the Sentencing Guidelines' advisory range. Knowing these facts, the Defendant understands and acknowledges that the Court has the authority to impose any sentence within and up to the statutory maximum authorized by law for the offense identified in paragraph 2 and that the Defendant may not withdraw the plea solely as a result of the sentence imposed.

6. The statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 371 is: (a) a fine of \$500,000 or twice the gross pecuniary gain or

gross pecuniary loss resulting from the offense, whichever is greatest (Title 18, United States Code, Sections 371 and 3571(c) and (d)); (b) five (5) years' probation (Title 18, United States Code, Section 3561(c)(1)); (c) a mandatory special assessment of \$400 (Title 18, United States Code, Section 3013(a)(2)(B)); (d) restitution in the amount ordered by the Court (Title 18, United States Code, Section 3663); and (e) criminal forfeiture as set forth below in Paragraph 14 (Title 18, United States Code, Section 981(a)(1)(C); Title 21, United States Code, Section 853(p); Title 28, United States Code, Section 2461(c)). In this case, the parties agree that the gross pecuniary gain resulting from the offense is \$109,637,057. Therefore, pursuant to Title 18, United States Code, Section 3571(d), the maximum fine that may be imposed is twice the gross gain, or approximately \$219,274,114.

7. **The Defendant agrees that it will owe restitution in the amount of \$109,637,057 to the Federal Communications Commission (FCC), to be paid in full, joint and several with co-defendant Issa Asad, immediately at the time of sentencing.** The Defendant also understands that this restitution agreement does not preclude an individual from receiving restitution required under the law. The Defendant agrees that it will relinquish all claims to funds currently held by the FCC Lifeline program due to the Defendant and that amount will be applied to the restitution due to the FCC. **That amount is the greater of \$19,606,868 or the amount held by the FCC Lifeline program at the time of sentencing.** The Defendant further agrees that all restitution paid pursuant to the Agreement will be credited toward any separate Civil False Claims Act Settlement covering the same conduct in the Agreement.

8. The Defendant agrees that, at the time of sentencing, it shall not participate in any program administered by the FCC, nor shall any related, parent or subsidiary companies, including,

but not limited to, Quadrant Holdings Group LLC, and QLixar Corporation. The Defendant agrees that it will not: (a) participate directly or indirectly in any contracts or subcontract funded in whole or in part by the FCC, whether acting as a service provider, marketing agent, consultant, or in any other capacity; (b) engage directly or indirectly in any activities related to FCC programs; or (c) receive any commissions, payments or remuneration of any kind related to the provision of FCC administered programs, no matter how denominated.

9. The Defendant agrees to cooperate with the FCC in the transition of all customers of any program administered the FCC to other telecommunications providers.

10. This Office reserves the right to inform the Court and the probation office of all facts pertinent to the sentencing process, including all relevant information concerning the offenses committed, whether charged or not, as well as concerning the defendant and the defendant's background. Subject only to the express terms of any agreed-upon sentencing recommendations contained in this agreement, this Office further reserves the right to make any recommendation as to the quality and quantity of punishment.

11. The Office and the Defendant agree that a faithful application of the Sentencing Guidelines to determine the applicable fine range yields the following analysis:

- (a) The November 1, 2023 Sentencing Guidelines are applicable to this matter.
- (b) Offense Level. Based upon U.S.S.G. § 2C1.1 and 2X1.1, the total offense level is 38, calculated as follows:

2C1.1(a)(2)	Base Offense Level	12
2C1.1(b)(2)	Loss (More than \$65 Million)	+24
<b>TOTAL</b>		<b>36</b>



- (c) Base Fine. Based upon U.S.S.G. § 8C2.4(a)(2), the base fine is \$109,637,057 (the pecuniary gain to the Defendant from the offense).
- (d) Culpability Score. Based upon U.S.S.G. § 8C2.5, the culpability score is 7, calculated as follows:

(a) Base Culpability Score	5
(b)(4) 50 or More Employees and High-Level Personnel	+2
(e) Obstruction of Justice	+3
(g)(2) Acceptance	<u>-1</u>
<b>TOTAL</b>	<b>9</b>

Calculation of Fine Range:

Base Fine	\$109,637,057
Multipliers	1.8 (min) / 3.6 (max)
Fine Range	\$197,346,704 (min) / \$394,693,405 (max)

12. The Defendant has made representations to the Office that it has an inability to pay a criminal fine in excess of the agreed upon restitution amount, pursuant to U.S.S.G. § 8C2.2. The Office will conduct an analysis of the accuracy of Defendant's representations before sentencing.

13. The parties agree that the \$109,637,057 in restitution due to the FCC, pursuant to the Agreement, shall be paid as restitution not as forfeiture.

14. The Defendant agrees to forfeit to the United States, voluntarily and immediately, any right, title, and interest to any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of the offense, in violation of 18 U.S.C. §§ 641, 1343, pursuant to 18 U.S.C. § 981(a)(1)(C), as incorporated by 28 U.S.C. § 2461(c), and the provisions

of 21 U.S.C. § 853. In addition, the defendant agrees to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p). The property subject to forfeiture includes, but is not limited to a forfeiture money judgment in the sum of at least \$109,637,057 in U.S. currency, which sum represents the value of the property subject to forfeiture (the “Forfeiture Money Judgment”). The parties further agree that all forfeiture paid pursuant to the Agreement will be credited toward co-defendant Issa Asad’s forfeiture money judgment.

15. The Defendant further agrees that forfeiture is independent of any assessment, fine, cost, restitution, or penalty that may be imposed by the Court. The Defendant knowingly and voluntarily agrees to waive all constitutional, legal, and equitable defenses to the forfeiture, including excessive fines under the Eighth Amendment to the United States Constitution. In addition, the Defendant agrees to waive: any applicable time limits for administrative or judicial forfeiture proceedings, the requirements of Fed. R. Crim. P. 32.2 and 43(a), and any appeal of the forfeiture.

16. The Defendant also agrees to fully and truthfully disclose the existence, nature and location of all assets in which the Defendant has or had any direct or indirect financial interest or control, and any assets involved in the offense of conviction. The Defendant agrees to take all steps requested by the United States for the recovery and forfeiture of all assets identified by the United States as subject to forfeiture. This includes, but is not limited to, the timely delivery upon request of all necessary and appropriate documentation to deliver good and marketable title, consenting to all orders of forfeiture, and not contesting or impeding in any way with any criminal, civil or administrative forfeiture proceeding concerning the forfeiture.

17. The Defendant is aware that Title 18, United States Code, Section 3742 and Title 28, United States Code, Section 1291 afford the Defendant the right to appeal the sentence imposed

in this case. Acknowledging this, in exchange for the undertakings made by the United States in this plea agreement, the defendant hereby waives all rights conferred by Sections 3742 and 1291 to appeal any sentence imposed, including any restitution order, or to appeal the manner in which the sentence was imposed, unless the sentence exceeds the maximum permitted by statute or is the result of an upward departure and/or an upward variance from the advisory guideline range that the Court establishes at sentencing. The Defendant further expressly waives his right to appeal based on arguments that (a) the statutes to which the defendant is pleading guilty are unconstitutional and (b) the defendant's admitted conduct does not fall within the scope of the statutes. The Defendant further understands that nothing in this agreement shall affect the government's right and/or duty to appeal as set forth in Title 18, United States Code, Section 3742(b) and Title 28, United States Code, Section 1291. However, if the United States appeals the Defendant's sentence pursuant to Sections 3742(b) and 1291, the defendant shall be released from the above waiver of appellate rights. By signing this agreement, the Defendant acknowledges that the Defendant has discussed the appeal waiver set forth in this agreement with the defendant's attorney.

18. If the Defendant withdraws from this agreement, or commits or attempts to commit any additional federal, state or local crimes, or intentionally gives materially false, incomplete, or misleading testimony or information, or otherwise violates any provision of this agreement, then the Defendant will be subject to prosecution for any federal criminal violation, including, but not limited to, perjury and obstruction of justice, that is not time-barred by the applicable statute of limitations on the date this agreement is signed.

19. This is the entire agreement and understanding between this Office and the Defendant. There are no other agreements, promises, representations, or understandings.

20. This Agreement is limited to this Office, and as such, does not bind other federal, state, regulatory, or local prosecuting authorities.

MARKENZY LAPOINTE  
UNITED STATES ATTORNEY

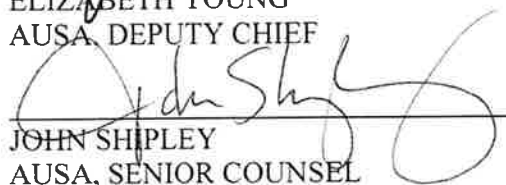
Date: 10/15/24

By:   
DANIEL BERNSTEIN  
ASSISANT UNITED STATES ATTORNEY


Date: 10/15/24

By:   
ELIZABETH YOUNG  
AUSA, DEPUTY CHIEF


Date: 10/15/24

By:   
JOHN SHIPLEY  
AUSA, SENIOR COUNSEL

Date: 10/15/24

By:   
BRIAN HEBERLIG  
WILL DRAKE  
COUNSEL FOR Q LINK WIRELESS LLC

Date: 10/15/24

By:   
ISSA ASAD  
Chief Executive Officer, Q LINK WIRELESS LLC  
DEFENDANT

# **EXHIBIT 3**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO. 24-20363-CR-RUIZ/LOUIS**

**UNITED STATES OF AMERICA**

**vs.**

**Q LINK WIRELESS LLC,**

**Defendant.**

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**FACTUAL PROFFER**

1. The Defendant, Q LINK WIRELESS LLC (hereinafter referred to as the “Defendant”), its counsel, and the United States agree that, had this case proceeded to trial, the United States would have proven the following facts, among others, beyond a reasonable doubt:

**THE COMPANIES**

2. Since 2012, the Defendant has been headquartered in Dania Beach, Florida and is engaged in telecommunications business. The Defendant is 100 percent owned by Quadrant Holdings Group LLC (“Quadrant”). Quadrant is 100 percent owned by the Chief Executive Officer, Issa Asad. Qlixar Corporation (“Qlixar”) is a Puerto Rican company 100 percent owned by Quadrant. Qlixar is a sister cooperation to the Defendant, also in the business of providing telecommunications services.

3. Beginning as early as 2012 and continuing at least as late as June 2021, the Defendant, through its officers and directors, intentionally defrauded a federal government program created to provide a discount on cellphone service for qualifying low-income consumers. This program, called the Lifeline program, administered by the Federal Communications Commission (“FCC”), ensures that all Americans have the opportunities and security that phone

service brings, including being able to connect to jobs, family and emergency services, and allows telecommunications companies like the Defendant to receive reimbursement for phone services provided to qualifying low-income consumers. The Defendant can provide the service free to customers because it obtains reimbursements from a United States Treasury bank account administered by the FCC after submitting documentation as to the customers served and its compliance with usage rules described below.

4. Since 2013, the Defendant has received \$1,067,548,434 from the FCC's Lifeline program.

### **THE FRAUD**

5. The Defendant and its employees, including Asad, understood that, for the Defendant to seek reimbursement under the Lifeline program for customers receiving a free basic service, the customers had to: 1) be beneath a certain income threshold or enrolled in a program such as Medicaid, Food Stamps, and other benefits programs; and that 2) "use" their phones. The Defendant and its employees understood that Q Link was required to de-enroll and stop seeking payment for customers who had not used their cellphones in a 45-day window<sup>1</sup> and that "usage" was defined as the customer completing at least one affirmative act every 45 days such as placing a call, answering a call (from someone other than Q Link), sending a text, or confirming with Q Link that they wanted to keep the service.

6. Asad directed Chief Technology Officer #1 to monitor the Defendant's customers' cellphone usage to ensure that it complied with the FCC usage rules described above before Q Link sought payment for the customers under the Lifeline program. Asad instructed Chief Technology Officer #1 to summarize the cellphone usage in a table for Q Link Compliance

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<sup>1</sup> Before December 1, 2016, this was a 90-day window.

Director #1 before the Defendant sought reimbursement for those customers from the FCC. Asad ultimately approved all the Defendant's customers who were billed to the Lifeline program.

7. The Defendant conspired with others, including Asad and Director of Customer Relations #1, to submit and cause to be submitted false and fraudulent claims to the FCC Lifeline program for customers who were not using their cellphones according to the FCC usage rules. The Defendant and others conspired to mislead and trick the FCC into thinking customers were using their cellphones by manufacturing cellphone activity to pass off as usage and by engaging in coercive marketing techniques to get people to remain Q Link customers.

8. For example, in a practice called an "ESN Swap" directed by Asad, employees in the Defendant's shipping department took lists created by Chief Technology Officer #1 with cellphone numbers of the Defendant's customers who were not using their phones and placed outbound calls by temporarily swapping the customer's electronic serial number ("ESN") assigned to the physical cellphone for the ESN number of a cellphone in the Defendant's shipping department. Asad came up with this scheme, and carried it out between approximately 2013 and 2016, to make it appear in the cellphone records as if the Defendant's customer completed an outbound call, creating cellphone activity that would count as usage under the FCC Lifeline program had it actually happened.

9. In at least in or around March 2020, Asad and Director of Customer Relations #1 devised the following automated script to be played for Q Link customers: "Hello, your Medicaid, Food Stamp and Lifeline benefits are about to get cancelled . To avoid cancelation of these benefits, press 1 now to indicate that you wish to remain enrolled in these government programs. Press 2 if you wish to speak to a representative about your government benefits To opt out of any future calls, press 3."



10. At the instruction of Chief Technology Officer #1 and Asad, a Q Link software engineer (Software Engineer #1) set up auto-dialers to originate a high volume of outbound calls from the Defendant to customers who were not using their cellphones to trick them into answering the phone to assent to the Defendant's Lifeline services, including by using local area codes not facially associated with the Defendant and spoofing the Defendant's customers' own cellphone numbers to deceive customers into thinking the Defendant's representative were was not on the other end. The Defendant engaged in this deceptive call activity, a practice that continued until at least June 2021, in order to trick and mislead customers into pressing a button to agree to remain Q Link customers so that the Defendant could keep billing the Lifeline program.

11. According to Senior Customer Service Manager #1, when a customer tried to cancel their Q Link account, the subscriber had to call Q Link on the phone and could not cancel online. In addition, the Defendant employed a variety of a scrips intended to prevent customers from cancelling their accounts. In one recorded call in which such a script was deployed, a customer who called to cancel due to a non-working cellphone asked the Defendant's customer service representative "do you want me to throw it in the garbage" and the responsive responded: "Just make sure you continue to use the device at least once every 30 days." Customers complained that long wait times made it difficult if not impossible to reach a live representative to cancel services with the Defendant.

#### **FCC INVESTIGATION INTO Q LINK**

12. The Defendant, Asad, and Chief Technology Officer 1, knew that, beginning in 2014, the FCC was investigating whether the Defendant submitted claims to the FCC Lifeline program for customers who were not using their cellphones. As part of this investigation, FCC made various requests to the Defendant, including requests for cellphone records purporting to

document cellphone usage for customers the Defendant received reimbursement for under the Lifeline program.

13. In order to deceive the FCC and continue billing for the Defendant's customers under the Lifeline program, Asad, with the help of others (including Chief Technology Officer #1 and Software Engineer #1) manufactured cellphone activity on behalf of Q Link customers who were not using their cellphones between 2015 and June 2021. The Defendant provided records to the FCC purporting to show cellphone usage for customers who were not using their cellphone, including cellphone records for cellphones in the possession of FCC and provided by customers who were so fed up with the Defendant that they turned the cellphones into the FCC.

14. Further, between in or around 2019, Q Link provided false and manipulated cellphone records to the FCC for at least two customers who were not using their cellphones because their cellphones were at the FCC headquarters. Among other things, the Defendant took records of unchecked voicemails, some of which were left by phone numbers controlled by the Defendant and tried to pass the voicemails off to the FCC as answered voice calls (answered voice calls would have counted as cellphone usage, unchecked voicemails would not). In addition, Asad changed a spreadsheet header from "voicemail" to "voice" to leave the FCC with the false impression that the call records contained voice calls.

15. On January 28, 2020, prompted in large part by the FCC investigation revealing that Defendant was billing for cellphones in the possession of the FCC, the FCC issued an advisory notice stressing the importance of the usage requirements to the Lifeline program. Among other thing, the FCC notice stated that incoming voicemails to customers do not count as usage and reminded Lifeline providers to "take appropriate remedial measures ... including amending past [Lifeline claims]." At no point did Defendant amend past Lifeline claims for customers who were

not using their cellphones or return any of the Lifeline payments.

16. The Defendant knew these tactics interfered with the FCC's oversight of the federal Lifeline program.

17. Based on a review of call detail records, between April 2013 and October 2019, a reasonable estimate of the total actual loss to the FCC and total payments to Q Link that resulted from the conduct of the Defendant and its co-conspirators is \$109,637,057.

18. Between 2013 and 2019, the Defendant received a total of \$618,736,494 from the FCC Lifeline Program. As a result, approximately 21 percent of the Defendant's payments during that time period resulted from the fraud scheme.

19. At no point has the Defendant returned any money to the FCC.

20. Q Link has continued to bill the FCC Lifeline program up until the present, including for customers that Q Link should have stopped billing because the customers were not using their cellphones.

**[THIS SPACE INTENTIONALLY LEFT BLANK]**

21. Based upon the foregoing facts, which establish all the elements of the charges to which the Defendant is pleading guilty, the Government would prove the Defendant's guilt at trial.

MARKENZY LAPOINTE  
UNITED STATES ATTORNEY

Date: 10/15/24

By:



DANIEL BERNSTEIN  
ASSISANT UNITED STATES ATTORNEY

Date: 10/15/24

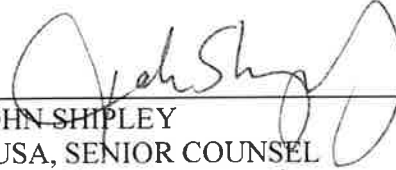
By:



ELIZABETH YOUNG  
AUSA, DEPUTY CHIEF

Date: 10/15/24

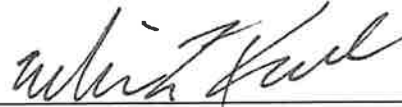
By:



JOHN SHIPLEY  
AUSA, SENIOR COUNSEL

Date: 10/15/24

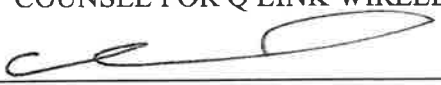
By:



BRIAN HEBERLIG  
WILL DRAKE  
COUNSEL FOR Q LINK WIRELESS LLC

Date: 10/15/24

By:



ISSA ASAD  
Chief Executive Officer, Q LINK WIRELESS LLC  
DEFENDANT

# **EXHIBIT 4**

As with the suspension process, you may contest the proposed debarment or its scope by filing arguments and any relevant documentation within thirty (30) calendar days of receipt of this letter or its publication in the **Federal Register**, whichever occurs first.<sup>23</sup> The Bureau, in the absence of extraordinary circumstances, will notify you of its decision to debar within ninety (90) calendar days of receiving any information it may have filed.<sup>24</sup> If the Bureau decides to debar the you, its decision will become effective upon either your receipt of a debarment notice or publication of the decision in the **Federal Register**, whichever occurs first.<sup>25</sup>

If and when your debarment becomes effective, you will be prohibited from participating in activities associated with or related to all federal universal service support mechanisms, including the Lifeline program for at least three years from the date of debarment.<sup>26</sup> The Bureau may set a longer debarment period or extend an existing debarment period if necessary to protect the public interest.<sup>27</sup> Pursuant to the Commission's rules, should you choose to contest the scope or length of any such debarment, you must file arguments and any relevant documentation within thirty (30) calendar days of receipt of notice or publication in the **Federal Register** of such debarment, whichever is earlier.<sup>28</sup>

### III. Non-Compliance

In the 2012 Lifeline Order, the Commission implemented a compliance plan requirement for any carrier that is seeking to become an ETC without offering service, at least in part, over its own facilities.<sup>29</sup> In its Lifeline compliance plan, a carrier must describe and adhere to certain protections designed to protect consumers and the Universal Service Fund.<sup>30</sup> The Lifeline compliance plan must: (1) outline the measures the carrier will take to comply with program rules, including requirements related to enrollment,

submitting claims for reimbursement, materials related to certifications, and program integrity safeguards, and (2) provide a detailed description of how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier's corporate structure and Lifeline service plan offerings.<sup>31</sup> Q Link submitted a Lifeline compliance plan to receive forbearance from the statute's facilities requirement, and that Lifeline compliance plan was approved on August 8, 2012.<sup>32</sup>

Following an investigation led by the Department of Justice, on October 14, 2024, Q Link pleaded guilty to conspiring to defraud and commit related offenses in connection with a scheme involving the Lifeline program which indicates Q Link has violated and is not in compliance with the terms of its compliance plan. The Commission is also aware [REDACTED]

Corporate operations related to the control of an ETC are material aspects of a Lifeline compliance plan.<sup>33</sup> As such, any change to the control of a non-facilities-based ETC without prior approval from the Wireline Competition Bureau is a violation of the Lifeline compliance plan requirement.<sup>34</sup>

Please direct any response as follows:

*If sent by messenger or hand delivery, or by commercial overnight mail* (other than U.S. Postal Service Priority Mail, Priority Mail Express, and Priority Mail), the response must be sent to Marlene H. Dortch, Secretary, Federal Communications Commission, to the attention of *Christopher J. Sova*, Acting Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 9050 Junction Drive, Annapolis Junction, MD 20701. Hand-delivered or messenger-delivered paper filings for the Commission's Secretary are accepted between 8:00 a.m. and 4:00 p.m. by the FCC's mailing contractor at 9050 Junction Drive, Annapolis Junction, MD 20701. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.

*If sent by First-Class Mail, Priority Mail Express, or Priority Mail*, the response must be sent to *Christopher J. Sova*, Acting Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 45 L Street NE, Washington, DC 20554.

You must also transmit an electronic copy of the response and all Documents produced with the response via email to [IHDTelcom@fcc.gov](mailto:IHDTelcom@fcc.gov). The electronic copy shall be produced in a format that allows the Commission to access and use it, together

with instructions and all other materials necessary to use or interpret the data, including record layouts, data dictionaries, and a description of the data's source. If you have any questions, please contact Christina Thomas at [Christina.Thomas@fcc.gov](mailto:Christina.Thomas@fcc.gov) or (202) 418-1879.

Sincerely,

Christopher J. Sova  
Acting Chief  
Investigations and Hearings Division  
Enforcement Bureau

cc: Fred Theobald, Universal Service  
Administrative Company (via email)  
Matthew Menchel, Esq., Kobre & Kim LLP  
(via email)

Michael Sherwin, Esq., Kobre & Kim LLP (via email)

Evelyn Sheehan, Esq., Kobre & Kim LLP (via email)

[FR Doc. 2024-29140 Filed 12-11-24; 8:45 am]

BILLING CODE 6712-01-P

## FEDERAL COMMUNICATIONS COMMISSION

[DA 24-1130; FR ID 264820]

### Notice of Suspension and Commencement of Proposed Debarment Proceedings; Federal Lifeline Program

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice.

**SUMMARY:** The Enforcement Bureau (Bureau) gives notice of the suspension of Q Link Wireless LLC (Q Link) from the federal Lifeline program (Lifeline Program) and all federal universal service support mechanisms. Additionally, the Bureau gives notice that debarment proceedings are commencing against Q Link. Q Link, or any person who has an existing contract with or intends to contract with Q Link to provide or receive services in matters arising out of activities associated with or related to the Lifeline Program, may respond by filing an opposition request, supported by documentation.

**DATES:** Opposition requests must be submitted within 30 days of receiving the suspension letter or by January 13, 2025, whichever comes first. The Bureau will decide on any opposition request within 90 days.

**ADDRESSES:** Federal Communications Commission, Enforcement Bureau, Investigations and Hearings Division, 45 L Street NE, Washington, DC 20554.

**FOR FURTHER INFORMATION CONTACT:** Christina Thomas, Federal Communications Commission, Enforcement Bureau, Investigations and Hearings Division, 45 L Street NE, Washington, DC 20554. Christina

<sup>23</sup> *Id.* § 54.8(e)(3).

<sup>24</sup> *Id.* § 54.8(e)(5).

<sup>25</sup> *Id.* The Commission may reverse a debarment, or may limit the scope or period of debarment, upon a finding of extraordinary circumstances, following the filing of a petition by you or an interested party or upon motion by the Commission. *Id.* § 54.8(f).

<sup>26</sup> *Id.* § 54.8(d), (g). We note that under the Plea Agreement Q Link shall not participate, directly or indirectly, in any program administered by the FCC as of the time of sentencing currently scheduled for January 15, 2025. Plea Agreement, *supra* note 1, at para. 8.

<sup>27</sup> 47 CFR 54.8(g).

<sup>28</sup> *Id.* § 54.8(e)(4).

<sup>29</sup> See 47 U.S.C. § 214(e)(1)(a); see also *Lifeline and Link Up Reform and Modernization; Lifeline and Link Up; Federal-State Joint Board on Universal Service; Advancing Broadband Availability Through Digital Literacy Training*, WC Docket Nos. 11-42, 03-109, 96-45, and 12-23, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6813, para. 368 (2012) (2012 Lifeline Order) (establishing the Lifeline compliance plan requirement as a condition to receiving forbearance from the statute's requirement that ETCs offer service at least in part over their own facilities).

<sup>30</sup> 2012 Lifeline Order, 27 FCC Rcd at 6816, para. 379.

<sup>31</sup> *Id.*

<sup>32</sup> See Wireline Competition Bureau Approves the Compliance Plans for Birch Communications, Boomerang Wireless, IM Telecom, Q Link Wireless, and TAG Mobile, WC Docket Nos. 09-197 and 11-42, Public Notice, 27 FCC Rcd 9184 (WCB 2012).

<sup>33</sup> See Wireline Competition Bureau Reminds Carriers of Eligible Telecommunications Carrier Designation and Compliance Plan Approval Requirements for Receipt of Federal Lifeline Universal Service Support, WC Docket Nos. 09-197 and 11-42, Public Notice, 29 FCC Rcd 9144, 9145 (WCB 2014).

<sup>34</sup> See *id.*

Thomas may be contacted by phone at (202) 418-1879 or email at [Christina.Thomas@fcc.gov](mailto:Christina.Thomas@fcc.gov). If Ms. Thomas is unavailable, you may contact Mr. Christopher J. Sova, Acting Chief, Investigations and Hearings Division, by telephone at (202) 418-1868 or by email at [Christopher.Sova@fcc.gov](mailto:Christopher.Sova@fcc.gov).

**SUPPLEMENTARY INFORMATION:** The Bureau has suspension and debarment authority pursuant to 47 CFR 54.8 and 47 CFR 0.111(a)(14). Suspensions ensure that suspended parties cannot continue to benefit from the Lifeline Program pending resolution of the debarment process. Attached is the public redacted version of the suspension letter, DA 24-1130, which was mailed to Q Link and released on December 12, 2024. The complete text of the notice of suspension and initiation of debarment proceedings is available on the FCC's website at <https://docs.fcc.gov/public/attachments/DA-24-1130A1.pdf>.

Federal Communications Commission.

**Christopher Sova,**

Acting Chief, Investigations and Hearings Division, Enforcement Bureau.

**November 8, 2024**

**DA 24-1130**

*Via Email*

Mr. Issa Asad, Chief Executive Officer, Q Link Wireless LLC, 499 E Sheridan St., Ste. 400, Dania, FL 33004, [issa@quadrantholdings.com](mailto:issa@quadrantholdings.com)

*Via Email and Hand Delivery*

John T. Nakahata, Esq., HWG LLP, 1919 M Street NW, Eighth Floor, Washington, DC 20036, [JNakahata@hwglaw.com](mailto:JNakahata@hwglaw.com)

Samuel L. Feder, Esq., Jenner & Block LLP, 1099 New York Avenue NW, Suite 900, Washington, DC 20001, [SFeder@jenner.com](mailto:SFeder@jenner.com)

Re: Notice of suspension and initiation of debarment proceeding File No. EB-IHD-24-00037461

Dear Messrs. Asad, Nakahata, and Feder:

The Enforcement Bureau (Bureau) of the Federal Communications Commission (Commission or FCC) has received notice of the conviction of Q Link Wireless, LLC (Q Link or Company) for conspiring to commit offenses against the United States, specifically, (a) wire fraud, (b) theft of government funds, and (c) defrauding the United States, in violation of 18 U.S.C. 1343, 641, and 371, respectively, all in connection with fraudulent claims against the federal Lifeline program (Lifeline program).<sup>1</sup> The

conspiracy involved submitting and causing to be submitted "false and fraudulent claims to the FCC Lifeline program for [Q Link] customers who were not using their cellphones according to the FCC usage rules."<sup>2</sup> Consequently, pursuant to 47 CFR 54.8(e)(1), this letter constitutes official notice of Q Link's suspension from the Lifeline program and all federal universal service support mechanisms as set forth below.<sup>3</sup>

Effective immediately upon receipt of this letter, Q Link is prohibited from participating in or receiving any benefit associated with the Lifeline program as well as any other program funded by federal universal service support mechanisms.

The Bureau hereby is also commencing a proceeding to debar Q Link from future participation in all federal universal support mechanisms.<sup>4</sup> The Commission is required by its rules to debar Q Link "absent extraordinary circumstances," notwithstanding any criminal process to which Q Link is subject.<sup>5</sup>

#### I. Notice of Suspension

Any corporation that has "defrauded the government or engaged in similar acts through activities associated with or related to the [Lifeline program]" may be prohibited from receiving the benefits associated with that program.<sup>6</sup> The Lifeline program is a government program that provides support to eligible telecommunications carriers (ETCs) that in turn offer discounts on telephone and broadband service for eligible low-income consumers.<sup>7</sup> An ETC may receive reimbursement in connection with the Lifeline program only if it certifies as part of its reimbursement request that it is in compliance with the Lifeline rules.<sup>8</sup>

Q Link has participated in the Lifeline program since 2012. On October 15, 2024, Q Link pleaded guilty to "conspiring to defraud and commit offenses against the United States in connection with a years-long

109, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (2012) (*Lifeline Reform Order*).

<sup>2</sup> *United States v. Q Link Wireless LLC*, Criminal Docket No. 1:24-cr-20363-RAR, Factual Proffer, at 3 (S.D. Fla., filed Oct. 15, 2024) (*Proffer*).

<sup>3</sup> 47 CFR 54.8.

<sup>4</sup> *Id.*; 47 CFR 0.111 (delegating to the Bureau authority to resolve universal service suspension and debarment proceedings). In 2007, the Commission extended the debarment rules to apply to all federal universal service support mechanisms, including Lifeline. See *Comprehensive Review of the Universal Service Fund Management, Administration, & Oversight*, Report and Order, 22 FCC Rcd 16372, 16410-12 (2007) (*Program Management Order*) (renumbering Section 54.521 of the universal service debarment rules as Section 54.8 and amending subsections (a)(1), (a)(5), (c), (d), (e)(2)(i), (e)(3), (e)(4), and (g)).

<sup>5</sup> 47 C.F.R. § 54.8(b); *Plea Agreement* at 3-4.

<sup>6</sup> *Program Management Order*, 22 FCC Rcd at 16387, para. 32. The Commission's debarment rules define a "person" as "[a]ny individual, group of individuals, corporation, partnership, association, unit of government or legal entity, however organized." 47 CFR 54.8(a)(6).

<sup>7</sup> See *Lifeline Reform Order*, *supra* note 1, 27 FCC Rcd at 6662-67, paras. 11-18; see also 47 CFR 54.400-54.424.

<sup>8</sup> See 47 CFR 54.407(d).

scheme to steal over \$100 million from a celebrated federal program providing discounted phone service to people in need."<sup>9</sup> Q Link's misleading practices, deceptive call activity, falsified documents and threatening customer service scripts coerced customers into accepting Lifeline services and agreeing to remain its customers.<sup>10</sup> Q Link knew that the Lifeline usage requirements required it to disenroll and stop seeking reimbursement for customers who had not used their cellphones in a 45-day window (90-day window for 2016), yet it continued to bill the Lifeline program for Q Link customers that were no longer eligible because they were not using, and in some instances, no longer even had their cellphones.<sup>11</sup> Between 2013 and 2019, Q Link received \$618,736,494 from the Lifeline program.<sup>12</sup> Approximately 21 percent of Q Link's payments during this period were due to its fraudulent scheme.<sup>13</sup>

Pursuant to Section 54.8(b) of the Commission's rules,<sup>14</sup> Q Link's conviction requires the Bureau to suspend it, absent extraordinary circumstances, from: (a) participating in any activities associated with or related to the Lifeline program, including receiving funds or discounted services through the Lifeline program, or consulting with, assisting, or advising applicants or service providers regarding the Lifeline program; and (b) participating in any activities associated with or related to all federal universal service support mechanisms.<sup>15</sup> Q Link's suspension becomes effective upon either (i) its receipt of this letter, or (ii) publication of the suspension in the *Federal Register*, whichever occurs first.<sup>16</sup>

In accordance with the Commission's suspension and debarment rules, Q Link may contest this suspension or its scope by filing arguments, with any relevant documents, within thirty (30) calendar days of its receipt of this letter or publication of the suspension in the *Federal Register*, whichever occurs first.<sup>17</sup> Such requests, however, will not ordinarily be granted.<sup>18</sup> The Bureau may reverse or further limit the scope of a suspension only upon a finding of extraordinary circumstances.<sup>19</sup> The Bureau will decide any request to reverse or modify a suspension within ninety (90) calendar days of its receipt of such request.<sup>20</sup>

<sup>9</sup> United States Attorney's Office, Southern District of Florida, Press Release, *Nationwide Telecommunications Provider and its CEO Plead Guilty to Massively Defrauding Federal Government Programs Meant to Aid the Needy*, October 15, 2024, <https://www.justice.gov/usao-sdfl/pr/nationwide-telecommunications-provider-and-its-ceo-plead-guilty-massively-defrauding> (last visited Oct. 22, 2024).

<sup>10</sup> *Proffer*, *supra* note 2, at 2-5.

<sup>11</sup> See generally *Proffer*, *supra* note 2.

<sup>12</sup> *Id.*, at 6.

<sup>13</sup> *Id.*

<sup>14</sup> 47 CFR 54.8(a)(4); see *Program Management Order*, *supra* note 4, 22 FCC Rcd at 16387, para. 32.

<sup>15</sup> 47 CFR 54.8(a)(1), (d).

<sup>16</sup> *Id.* § 54.8(e)(1).

<sup>17</sup> *Id.* § 54.8(e)(4).

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* § 54.8(f).

<sup>20</sup> *Id.* §§ 54.8(e)(5), (f).

<sup>1</sup> Any further reference in this letter to "conviction" refers to Q Link's guilty plea agreement and factual proffer in *United States v. Q Link Wireless LLC*, Criminal Docket No. 1:24-cr-20363-RAR, Plea Agreement (S.D. Fla., filed Oct. 15, 2024) (*Plea Agreement*). See also *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, CC Docket No. 96-45, WC Docket No. 03-

## II. Initiation of Debarment Proceedings

In addition to Q Link's immediate suspension from all universal service support mechanisms as described above, including the Lifeline program, its conviction is cause for debarment as defined in Section 54.8(c) of the Commission's rules.<sup>21</sup> Therefore, pursuant to Section 54.8(b) of the Commission's rules, Q Link's conviction requires the Bureau to commence debarment proceedings against it.<sup>22</sup>

As with the suspension process, Q Link may contest the proposed debarment or its scope by filing arguments and any relevant documentation within thirty (30) calendar days of receipt of this letter or its publication in the **Federal Register**, whichever occurs first.<sup>23</sup> The Bureau, in the absence of extraordinary circumstances, will notify Q Link of its decision to debar within ninety (90) calendar days of receiving any information it may have filed.<sup>24</sup> If the Bureau decides to debar the Company, its decision will become effective upon either Q Link's receipt of a debarment notice or publication of the decision in the **Federal Register**, whichever occurs first.<sup>25</sup>

If and when Q Link's debarment becomes effective, it will be prohibited from participating in activities associated with or related to all federal universal service support mechanisms, including the Lifeline program, for at least three years from the date of debarment.<sup>26</sup> The Bureau may set a longer debarment period or extend an existing debarment period if necessary to protect the public interest.<sup>27</sup> Pursuant to the Commission's rules, should Q Link choose to contest the scope or length of any such debarment, it must file arguments and any relevant documentation within thirty (30) calendar days of receipt of notice or publication in the **Federal Register** of such debarment, whichever is earlier.<sup>28</sup>

<sup>21</sup> "Causes for suspension and debarment are conviction of or civil judgment for attempt or commission of criminal fraud, theft, embezzlement, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, obstruction of justice and other fraud or criminal offense arising out of activities associated with or related to the schools and libraries support mechanism, the high-cost support mechanism, the rural healthcare support mechanism, and the low-income support mechanism." *Id.* § 54.8(c). Associated activities "include the receipt of funds or discounted services through [the federal universal service] support mechanisms, or consulting with, assisting, or advising applicants or service providers regarding [the federal universal service] support mechanisms." *Id.* § 54.8(a)(1).

<sup>22</sup> *Id.* § 54.8(b), (e)(1).

<sup>23</sup> *Id.* § 54.8(e)(3).

<sup>24</sup> *Id.* § 54.8(e)(5).

<sup>25</sup> *Id.* The Commission may reverse a debarment, or may limit the scope or period of debarment, upon a finding of extraordinary circumstances, following the filing of a petition by you or an interested party or upon motion by the Commission. *Id.* § 54.8(f).

<sup>26</sup> *Id.* § 54.8(d), (g). We note that under the Plea Agreement Q Link shall not participate, directly or indirectly, in any program administered by the FCC as of the time of sentencing currently scheduled for January 15, 2025. Plea Agreement, *supra* note 1, at para. 8.

<sup>27</sup> 47 CFR 54.8(g).

<sup>28</sup> *Id.* § 54.8(e)(4).

## III. Non-Compliance

In the 2012 Lifeline Order, the Commission implemented a compliance plan requirement for any carrier that is seeking to become an ETC without offering service, at least in part, over its own facilities.<sup>29</sup> In its Lifeline compliance plan, a carrier must describe and adhere to certain protections designed to protect consumers and the Universal Service Fund.<sup>30</sup> The Lifeline compliance plan must: (1) outline the measures the carrier will take to comply with program rules, including requirements related to enrollment, submitting claims for reimbursement, materials related to certifications, and program integrity safeguards, and (2) provide a detailed description of how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier's corporate structure and Lifeline service plan offerings.<sup>31</sup> Q Link submitted a Lifeline compliance plan to receive forbearance from the statute's facilities requirement, and that Lifeline compliance plan was approved on August 8, 2012.<sup>32</sup>

Following an investigation led by the Department of Justice, on October 14, 2024, Q Link pleaded guilty to conspiring to defraud and commit related offenses in connection with a scheme involving the Lifeline program. The Commission is also aware that [REDACTED]

Corporate operations related to the control of an ETC are material aspects of a Lifeline compliance plan.<sup>33</sup> As such, any change to the control of a non-facilities-based ETC without prior approval from the Wireline Competition Bureau is a violation of the Lifeline compliance plan requirement.<sup>34</sup> Given these concerns and Q Link's recent criminal plea, Q Link is not in compliance with the terms of its approved Lifeline compliance plan.

Please direct any response as follows:

*If sent by messenger or hand delivery, or by commercial overnight mail (other than U.S. Postal Service Priority Mail, Priority Mail Express, and Priority Mail), the*

<sup>29</sup> See 47 U.S.C. § 214(e)(1)(a); see also *Lifeline and Link Up Reform and Modernization; Lifeline and Link Up; Federal-State Joint Board on Universal Service; Advancing Broadband Availability Through Digital Literacy Training*, WC Docket Nos. 11–42, 03–109, 96–45, and 12–23, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6813, para. 368 (2012) (2012 Lifeline Order) (establishing the Lifeline compliance plan requirement as a condition to receiving forbearance from the statute's requirement that ETCs offer service at least in part over their own facilities).

<sup>30</sup> 2012 Lifeline Order, 27 FCC Rcd at 6816, para. 379.

<sup>31</sup> *Id.*

<sup>32</sup> See *Wireline Competition Bureau Approves the Compliance Plans for Birch Communications, Boomerang Wireless, IM Telecom, Q Link Wireless, and TAG Mobile*, WC Docket Nos. 09–197 and 11–42, Public Notice, 27 FCC Rcd 9184 (WCB 2012).

<sup>33</sup> See *Wireline Competition Bureau Reminds Carriers of Eligible Telecommunications Carrier Designation and Compliance Plan Approval Requirements for Receipt of Federal Lifeline Universal Service Support*, WC Docket Nos. 09–197 and 11–42, Public Notice, 29 FCC Rcd 9144, 9145 (WCB 2014).

<sup>34</sup> See *id.*

response must be sent to Marlene H. Dortch, Secretary, Federal Communications Commission, to the attention of Christopher J. Sova, Acting Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 9050 Junction Drive, Annapolis Junction, MD, 20701. Hand-delivered or messenger-delivered paper filings for the Commission's Secretary are accepted between 8:00 a.m. and 4:00 p.m. by the FCC's mailing contractor at 9050 Junction Drive, Annapolis Junction, MD, 20701. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.

*If sent by First-Class Mail, Priority Mail Express, or Priority Mail*, the response must be sent to Christopher J. Sova, Acting Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 45 L Street NE, Washington, DC 20554.

You must also transmit an electronic copy of the response and all Documents produced with the response via email to [IHDTelcom@fcc.gov](mailto:IHDTelcom@fcc.gov). The electronic copy shall be produced in a format that allows the Commission to access and use it, together with instructions and all other materials necessary to use or interpret the data, including record layouts, data dictionaries, and a description of the data's source. If you have any questions, please contact Christina Thomas at [Christina.Thomas@fcc.gov](mailto:Christina.Thomas@fcc.gov) or (202) 418–1879.

Sincerely,  
Christopher J. Sova,  
Acting Chief, Investigations and Hearings Division, Enforcement Bureau.

cc: Fred Theobald, Universal Service Administrative Company (via email)  
Matthew Menchel, Esq., Kobre & Kim LLP (via email)  
Michael Sherwin, Esq., Kobre & Kim LLP (via email)  
Evelyn Sheehan, Esq., Kobre & Kim LLP (via email)

[FR Doc. 2024–29155 Filed 12–11–24; 8:45 am]

BILLING CODE 6712–01–P

## FEDERAL COMMUNICATIONS COMMISSION

[OMB 3060–1219; FR ID 267681]

### Information Collection Being Reviewed by the Federal Communications Commission Under Delegated Authority

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice and request for comments.

**SUMMARY:** As part of its continuing effort to reduce paperwork burdens, and as required by the Paperwork Reduction Act (PRA) of 1995, the Federal Communications Commission (FCC or the Commission) invites the general public and other Federal agencies to



# **EXHIBIT 5**



**Federal Communications Commission**

Enforcement Bureau  
Investigations and Hearings Division  
45 L Street, NE  
Washington, DC 20554

**November 8, 2024**

**DA 24-1130**

**VIA E-MAIL**

Mr. Issa Asad  
Chief Executive Officer  
Q Link Wireless LLC  
499 E Sheridan St., Ste 400  
Dania, FL 33004  
[issa@quadrantholdings.com](mailto:issa@quadrantholdings.com)

**VIA E-MAIL and HAND DELIVERY**

John T. Nakahata, Esq.  
HWG LLP  
1919 M Street NW, Eighth Floor  
Washington, DC 20036  
[JNakahata@hwglaw.com](mailto:JNakahata@hwglaw.com)

Samuel L. Feder, Esq.  
Jenner & Block LLP  
1099 New York Avenue, NW  
Suite 900  
Washington, DC 20001  
[SFeder@jenner.com](mailto:SFeder@jenner.com)

Re: Notice of suspension and initiation of debarment proceeding  
File No. EB-IHD-24-00037461

Dear Messrs. Asad, Nakahata, and Feder:

The Enforcement Bureau (Bureau) of the Federal Communications Commission (Commission or FCC) has received notice of the conviction of Q Link Wireless, LLC (Q Link or Company) for conspiring to commit offenses against the United States, specifically, (a) wire fraud, (b) theft of government funds, and (c) defrauding the United States, in violation of 18 U.S.C. §§ 1343, 641, and 371, respectively, all in connection with fraudulent claims against the federal Lifeline program (Lifeline program).<sup>1</sup> The

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conspiracy involved submitting and causing to be submitted “false and fraudulent claims to the FCC Lifeline program for [Q Link] customers who were not using their cellphones according to the FCC usage rules.”<sup>2</sup> Consequently, pursuant to 47 C.F.R. § 54.8(e)(1), this letter constitutes official notice of Q Link’s suspension from the Lifeline program and all federal universal service support mechanisms as set forth below.<sup>3</sup>

Effective immediately upon receipt of this letter, Q Link is prohibited from participating in or receiving any benefit associated with the Lifeline program as well as any other program funded by federal universal service support mechanisms.

The Bureau hereby is also commencing a proceeding to debar Q Link from future participation in all federal universal support mechanisms.<sup>4</sup> The Commission is required by its rules to debar Q Link “absent extraordinary circumstances,” notwithstanding any criminal process to which Q Link is subject.<sup>5</sup>

## **I. Notice of Suspension**

Any corporation that has “defrauded the government or engaged in similar acts through activities associated with or related to the [Lifeline program]” may be prohibited from receiving the benefits associated with that program.<sup>6</sup> The Lifeline program is a government program that provides support to eligible telecommunications carriers (ETCs) that in turn offer discounts on telephone and broadband service for eligible low-income consumers.<sup>7</sup> An ETC may receive reimbursement in connection with the Lifeline program only if it certifies as part of its reimbursement request that it is in compliance with the Lifeline rules.<sup>8</sup>

Q Link has participated in the Lifeline program since 2012. On October 15, 2024, Q Link pleaded guilty to “conspiring to defraud and commit offenses against the United States in connection with a years-long scheme to steal over \$100 million from a celebrated federal program providing discounted

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<sup>6</sup> *Program Management Order*, 22 FCC Rcd at 16387, para. 32. The Commission’s debarment rules define a “person” as “[a]ny individual, group of individuals, corporation, partnership, association, unit of government or legal entity, however organized.” 47 C.F.R. § 54.8(a)(6).

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<sup>8</sup> See 47 C.F.R. § 54.407(d).

phone service to people in need.”<sup>9</sup> Q Link’s misleading practices, deceptive call activity, falsified documents and threatening customer service scripts coerced customers into accepting Lifeline services and agreeing to remain its customers.<sup>10</sup> Q Link knew that the Lifeline usage requirements required it to disenroll and stop seeking reimbursement for customers who had not used their cellphones in a 45-day window (90-day window for 2016), yet it continued to bill the Lifeline program for Q Link customers that were no longer eligible because they were not using, and in some instances, no longer even had their cellphones.<sup>11</sup> Between 2013 and 2019, Q Link received \$618,736,494 from the Lifeline program.<sup>12</sup> Approximately 21 percent of Q Link’s payments during this period were due to its fraudulent scheme.<sup>13</sup>

Pursuant to Section 54.8(b) of the Commission’s rules,<sup>14</sup> Q Link’s conviction requires the Bureau to suspend it, absent extraordinary circumstances, from: (a) participating in any activities associated with or related to the Lifeline program, including receiving funds or discounted services through the Lifeline program, or consulting with, assisting, or advising applicants or service providers regarding the Lifeline program; and (b) participating in any activities associated with or related to all federal universal service support mechanisms.<sup>15</sup> Q Link’s suspension becomes effective upon either (i) its receipt of this letter, or (ii) publication of the suspension in the Federal Register, whichever occurs first.<sup>16</sup>

In accordance with the Commission’s suspension and debarment rules, Q Link may contest this suspension or its scope by filing arguments, with any relevant documents, within thirty (30) calendar days of its receipt of this letter or publication of the suspension in the Federal Register, whichever occurs first.<sup>17</sup> Such requests, however, will not ordinarily be granted.<sup>18</sup> The Bureau may reverse or further limit the scope of a suspension only upon a finding of extraordinary circumstances.<sup>19</sup> The Bureau will decide any request to reverse or modify a suspension within ninety (90) calendar days of its receipt of such request.<sup>20</sup>

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<sup>9</sup> UNITED STATES ATTORNEY’S OFFICE, SOUTHERN DISTRICT OF FLORIDA, Press Release, *Nationwide Telecommunications Provider and its CEO Plead Guilty to Massively Defrauding Federal Government Programs Meant to Aid the Needy*, October 15, 2024, <https://www.justice.gov/usao-sdfl/pr/nationwide-telecommunications-provider-and-its-ceo-plead-guilty-massively-defrauding> (last visited Oct. 22, 2024).

<sup>10</sup> *Proffer*, *supra* note 2, at 2-5.

<sup>11</sup> See generally *Proffer*, *supra* note 2.

<sup>12</sup> *Id.* at 6.

<sup>13</sup> *Id.*

<sup>14</sup> 47 C.F.R. § 54.8(a)(4); see *Program Management Order*, *supra* note 4, 22 FCC Rcd at 16387, para. 32.

<sup>15</sup> 47 C.F.R. §§ 54.8(a)(1), (d).

<sup>16</sup> *Id.* § 54.8(e)(1).

<sup>17</sup> *Id.* § 54.8(c)(4).

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* § 54.8(f).

<sup>20</sup> *Id.* §§ 54.8(c)(5), (f).

## II. Initiation of Debarment Proceedings

In addition to Q Link's immediate suspension from all universal service support mechanisms as described above, including the Lifeline program, its conviction is cause for debarment as defined in Section 54.8(c) of the Commission's rules.<sup>21</sup> Therefore, pursuant to Section 54.8(b) of the Commission's rules, Q Link's conviction requires the Bureau to commence debarment proceedings against it.<sup>22</sup>

As with the suspension process, Q Link may contest the proposed debarment or its scope by filing arguments and any relevant documentation within thirty (30) calendar days of receipt of this letter or its publication in the Federal Register, whichever occurs first.<sup>23</sup> The Bureau, in the absence of extraordinary circumstances, will notify Q Link of its decision to debar within ninety (90) calendar days of receiving any information it may have filed.<sup>24</sup> If the Bureau decides to debar the Company, its decision will become effective upon either Q Link's receipt of a debarment notice or publication of the decision in the Federal Register, whichever occurs first.<sup>25</sup>

If and when Q Link's debarment becomes effective, it will be prohibited from participating in activities associated with or related to all federal universal service support mechanisms, including the Lifeline program, for at least three years from the date of debarment.<sup>26</sup> The Bureau may set a longer debarment period or extend an existing debarment period if necessary to protect the public interest.<sup>27</sup> Pursuant to the Commission's rules, should Q Link choose to contest the scope or length of any such debarment, it must file arguments and any relevant documentation within thirty (30) calendar days of receipt of notice or publication in the Federal Register of such debarment, whichever is earlier.<sup>28</sup>

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<sup>21</sup> "Causes for suspension and debarment are conviction of or civil judgment for attempt or commission of criminal fraud, theft, embezzlement, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, obstruction of justice and other fraud or criminal offense arising out of activities associated with or related to the schools and libraries support mechanism, the high-cost support mechanism, the rural healthcare support mechanism, and the low-income support mechanism." *Id.* § 54.8(c). Associated activities "include the receipt of funds or discounted services through [the federal universal service] support mechanisms, or consulting with, assisting, or advising applicants or service providers regarding [the federal universal service] support mechanisms." *Id.* § 54.8(a)(1).

<sup>22</sup> *Id.* § 54.8(b), (e)(1).

<sup>23</sup> *Id.* § 54.8(e)(3).

<sup>24</sup> *Id.* § 54.8(e)(5).

<sup>25</sup> *Id.* The Commission may reverse a debarment, or may limit the scope or period of debarment, upon a finding of extraordinary circumstances, following the filing of a petition by you or an interested party or upon motion by the Commission. *Id.* § 54.8(f).

<sup>26</sup> *Id.* § 54.8(d), (g). We note that under the Plea Agreement Q Link shall not participate, directly or indirectly, in any program administered by the FCC as of the time of sentencing currently scheduled for January 15, 2025. Plea Agreement, *supra* note 1, at para. 8

<sup>27</sup> 47 C.F.R. § 54.8(g).

<sup>28</sup> *Id.* § 54.8(e)(4).

### III. Non- Compliance

In the *2012 Lifeline Order*, the Commission implemented a compliance plan requirement for any carrier that is seeking to become an ETC without offering service, at least in part, over its own facilities.<sup>29</sup> In its Lifeline compliance plan, a carrier must describe and adhere to certain protections designed to protect consumers and the Universal Service Fund.<sup>30</sup> The Lifeline compliance plan must: (1) outline the measures the carrier will take to comply with program rules, including requirements related to enrollment, submitting claims for reimbursement, materials related to certifications, and program integrity safeguards, and (2) provide a detailed description of how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier's corporate structure and Lifeline service plan offerings.<sup>31</sup> Q Link submitted a Lifeline compliance plan to receive forbearance from the statute's facilities requirement, and that Lifeline compliance plan was approved on August 8, 2012.<sup>32</sup>

Following an investigation led by the Department of Justice, on October 14, 2024, Q Link pleaded guilty to conspiring to defraud and commit related offenses in connection with a scheme involving the Lifeline program which indicates Q Link has violated and is not in compliance with the terms of its compliance plan. The Commission is also aware that [REDACTED]

Corporate operations related to the control of an ETC are material aspects of a Lifeline compliance plan.<sup>33</sup> As such, any change to the control of a non-facilities-based ETC without prior approval from the Wireline Competition Bureau is a violation of the Lifeline compliance plan requirement.<sup>34</sup>

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<sup>29</sup> See 47 U.S.C. § 214(c)(1)(a); see also *Lifeline and Link Up Reform and Modernization; Lifeline and Link Up: Federal-State Joint Board on Universal Service; Advancing Broadband Availability Through Digital Literacy Training*, WC Docket Nos. 11-42, 03-109, 96-45, and 12-23, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6813, para. 368 (2012) (*2012 Lifeline Order*) (establishing the Lifeline compliance plan requirement as a condition to receiving forbearance from the statute's requirement that ETCs offer service at least in part over their own facilities).

<sup>30</sup> *2012 Lifeline Order*, 27 FCC Rcd at 6816, para. 379.

<sup>31</sup> *Id.*

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<sup>33</sup> See *Wireline Competition Bureau Reminds Carriers of Eligible Telecommunications Carrier Designation and Compliance Plan Approval Requirements for Receipt of Federal Lifeline Universal Service Support*, WC Docket Nos. 09-197 and 11-42, Public Notice, 29 FCC Rcd 9144, 9145 (WCB 2014).

<sup>34</sup> See *id.*

Please direct any response as follows:

*If sent by messenger or hand delivery, or by commercial overnight mail (other than U.S. Postal Service Priority Mail, Priority Mail Express, and Priority Mail), the response must be sent to Marlene H. Dortch, Secretary, Federal Communications Commission, to the attention of Christopher J. Sova, Acting Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 9050 Junction Drive, Annapolis Junction, MD, 20701. Hand-delivered or messenger-delivered paper filings for the Commission's Secretary are accepted between 8:00 a.m. and 4:00 p.m. by the FCC's mailing contractor at 9050 Junction Drive, Annapolis Junction, MD, 20701. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.*

*If sent by First-Class Mail, Priority Mail Express, or Priority Mail, the response must be sent to Christopher J. Sova, Acting Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 45 L Street, NE, Washington, DC 20554.*

You must also transmit an electronic copy of the response and all Documents produced with the response via e-mail to [IHDTelecom@fcc.gov](mailto:IHDTelecom@fcc.gov). The electronic copy shall be produced in a format that allows the Commission to access and use it, together with instructions and all other materials necessary to use or interpret the data, including record layouts, data dictionaries, and a description of the data's source. If you have any questions, please contact Christina Thomas at [Christina.Thomas@fcc.gov](mailto:Christina.Thomas@fcc.gov) or (202) 418-1879.

Sincerely,



Christopher J. Sova  
Acting Chief  
Investigations and Hearings Division  
Enforcement Bureau

cc: Fred Theobald, Universal Service Administrative Company (via e-mail)  
Matthew Menchel, Esq., Kobre & Kim LLP (via e-mail)  
Michael Sherwin, Esq., Kobre & Kim LLP (via e-mail)  
Evelyn Sheehan, Esq., Kobre & Kim LLP (via e-mail)