



UNITED STATES GOVERNMENT
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF INSPECTOR GENERAL

MEMORANDUM

September 8, 2022

Advisory Regarding Provider Enrollments of Multiple ACP Households Based on the Same Child/Dependent

FCC-OIG's statutory mandate is to protect the integrity of the Commission's programs and operations by combating fraud, waste, and abuse. From time to time, our office issues advisories to alert stakeholders to ongoing fraud schemes and other threats to program integrity.

OIG issues this advisory to alert consumers and providers to an improper and fraudulent enrollment practice by some providers of Affordable Connectivity Program (ACP) services. Most households are eligible for ACP support based on the subscriber's own participation in a qualifying federal program like SNAP or Medicaid. However, many other subscribers are eligible through a Benefit Qualifying Person (BQP)—another household member, such as a child or dependent, who meets one of the ACP eligibility requirements.¹

Subscribers who apply for ACP support based on a BQP's eligibility are required to furnish certain information about the BQP to the National Verifier and NLAD as part of the ACP verification and enrollment processes.² The required information includes the BQP's first and last names, date of birth, and how they will prove the BQP's identity.³ The last four digits of a BQP's Social Security Number (L4SSN) are frequently furnished during this process.

OIG's analyses of the BQP PII furnished by applicants during the verification and enrollment processes clearly show that a number of providers and their agents have

¹ <https://www.usac.org/about/affordable-connectivity-program/acp-processes/manage-acp-subscribers/common-transactions-in-nlad/>; See also 47 CFR § 54.1800(j).

² <https://www.usac.org/about/affordable-connectivity-program/acp-processes/check-consumer-eligibility/> and <https://www.usac.org/about/affordable-connectivity-program/acp-processes/manage-acp-subscribers/common-transactions-in-nlad/>.

³ Id.

enrolled many households into the ACP based on the eligibility of a single BQP. A single BQP cannot be used to qualify multiple households for ACP support simultaneously.⁴

In the most egregious example identified, more than one thousand Oklahoma households were enrolled based on the eligibility of a single BQP, a 4-year old child who receives Medicaid benefits. The child’s first and last names, date of birth and L4SSN were used over and over again—often several times each day—to complete new ACP enrollment transactions beginning in December 2021. The chart below shows a mock example using dummy PII to demonstrate the pattern we observed.

Enrollment Date	Subscriber Last Name	Subscriber First Name	Subscriber DOB	BQP Last Name	BQP First Name	BQP DOB	BQP L4SSN
12/10/2021	Adams	Andrew	2/3/1954	Doe	John	1/1/2018	1234
12/10/2021	Baker	Beth	7/8/1969	Doe	John	1/1/2018	1234
12/11/2021	Campbell	Cathy	4/5/1936	Doe	John	1/1/2018	1234
12/11/2021	Douglas	Daniel	10/11/1982	Doe	John	1/1/2018	1234
12/11/2021	Evans	Emily	3/4/2005	Doe	John	1/1/2018	1234
12/12/2021	Ford	Frank	12/13/1974	Doe	John	1/1/2018	1234

Three ACP providers claimed more than \$365,000 in program reimbursements in connection with the 1000+ enrollments based on the 4-year old BQP. For context, no more than \$750 should have been disbursed to any provider for providing ACP-subsidized equipment and broadband service to a single non-tribal household (\$1,225 for a tribal household) since the program began in May 2021. This is not an isolated example. One ACP provider collected nearly \$230,000 for providing service to 997 ACP households enrolled based on the eligibility of the same 18-year old Medicaid recipient.

As illustrated by the chart below, a dozen BQPs were used more than one hundred times each to enroll households into the ACP. Many more BQPs were used to support dozens of household enrollments.

BQP	Number of Household Enrollments/Transfers	Number of Providers Involved	Amount Collected by Provider(s)	Primary State
BQP A	1,042	3	\$365,324.13	OK
BQP B	997	1	\$229,925.00	TX
BQP C	892	2	\$311,280.63	OK
BQP D	578	2	\$73,490.00	AL
BQP E	511	1	\$89,080.00	TX
BQP F	448	1	\$99,650.00	TX
BQP G	382	1	\$45,910.00	OH
BQP H	368	1	\$58,020.00	TX
BQP I	340	1	\$70,640.00	TX

⁴ 47 CFR § 54.1805(b) (“In addition to meeting the qualifications provided in paragraph (a) of this section, in order to qualify to receive an affordable connectivity benefit from a participating provider, *neither the eligible household nor any member of the household may already be receiving another affordable connectivity benefit* from that participating provider or any other participating provider.”) (emphasis added).

BQP J	212	1	\$28,180.00	TX
BQP K	141	1	\$27,750.00	TX
BQP L	135	1	\$17,560.00	TX

Providers have collected tens (and sometimes hundreds) of thousands of dollars in ACP reimbursements for providing broadband service to multiple households who qualified based on the eligibility of the same BQP. Approximately a dozen providers have claimed ACP program reimbursement in connection with these fraudulent enrollments.

While the amount of improper payments disbursed to providers in connection with these fraudulent enrollments remains low compared to overall program disbursements, the data show use of this flagrant technique is steady to increasing, particularly for certain providers. In addition to sharing our findings with the Commission, we issue this advisory to put providers on notice of this fraudulent conduct. As the Commission has repeated time and again, providers are responsible for implementing policies and procedures for ensuring that a household is eligible under Program rules.⁵

Fraud, waste, and abuse remains a serious problem for Commission programs. OIG is committed to our mandate and will continue to use a full range of tools to expose and combat fraud, waste and abuse in FCC programs. OIG encourages anyone with information regarding fraud, waste or abuse in any FCC program, to report such allegations via the OIG hotline.

FCC OIG Hotline

Report Waste, Fraud & Abuse
 Telephone: (202) 418-0473
 Toll Free: (888) 863-2244
 FAX: (202) 418-2811
 E-Mail: hotline@fcc.gov

⁵ See e.g. ACP Order at ¶ 48, January 14, 2022; FCC Enforcement Advisory, Lifeline Providers Remain Liable For Ensuring The Eligibility Of Their Subscribers To Receive Lifeline Service, No. 2019-07, December 9, 2019