



CALIFORNIA LIFELINE PROGRAM PERFORMANCE AUDIT

American Broadband & Telecommunications
Company (U-4457-C)

July 1, 2020, through June 30, 2021

Utility Audits, Risk and Compliance Division
Utility Audits Branch
June 16, 2023



MEMBERS OF THE TEAM

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Transmitted via e-mail

June 16, 2023

Mr. Jeffrey Ansted, President
American Broadband & Telecommunications Company
1480 Ford Street
Maumee, OH, 43537

Dear Mr. Ansted:

Final Report Transmittal Letter—Audit of American Broadband & Telecommunications Company's California LifeLine Program for the Period of July 1, 2020, through June 30, 2021

The Utility Audits Branch (UAB) of the California Public Utilities Commission (CPUC) has completed its audit of American Broadband & Telecommunications Company's (American Broadband) California LifeLine program claims for the period of July 1, 2020, through June 30, 2021. The final audit report is enclosed.

American Broadband's response to the draft report findings and our evaluation of the response are incorporated into this final report. We will post the final audit report on our website at [Audit Reports by Industry \(ca.gov\)](https://www.cpuc.ca.gov/AuditReportsbyIndustry).

Please provide a Corrective Action Plan (CAP) addressing the findings and recommendations by July 31, 2023, which is 45 days from the issuance of this final audit report. The CAP should include specific steps and target dates to correct the findings identified. Please submit the CAP to the Utility Audits Branch at UtilityAudits@cpuc.ca.gov.

We appreciate American Broadband's assistance and cooperation during the engagement. If you have any questions regarding this report, please contact Sharmin Wellington, Supervisor, at (916) 928-9838.

Sincerely,

Angie Williams

Angie Williams, Director
Utility Audits, Risk and Compliance Division

cc: See next page

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EXECUTIVE SUMMARY

The Utility Audits Branch (UAB) of the California Public Utilities Commission (CPUC) conducted a performance audit of the California LifeLine program's claims reported by American Broadband & Telecommunications Company (American Broadband) for the audit period of July 1, 2020, through June 30, 2021.

Our audit objective was to determine whether American Broadband's claims from the California LifeLine Fund were accurate, properly supported, for eligible consumers, and for allowable costs and activities, in accordance with General Order (GO) 153 sections 5 and 9, applicable Public Utilities (PU) Code sections, the CPUC Decisions (D.) 14-01-036 and D. 10-11-033, and other applicable California LifeLine program's rules, regulations, and requirements.

Based on the procedures performed, samples tested, and evidence gathered, we found instances of noncompliance with requirements for the audit period July 1, 2020, through June 30, 2021. These instances are described in the Findings and Recommendations section of this audit report. The audit findings are summarized as follows:

- Finding 1: American Broadband overclaimed LifeLine funds totaling \$13,806 for 1,540 subscribers that were not timely de-enrolled from the LifeLine program for non-usage. The associated penalty interest incurred is \$498 as of May 25, 2023.
- Finding 2: American Broadband did not obtain required household worksheets for 2,289 subscribers with multiline at the same address, which resulted in our inability to determine subscribers' eligibility.

We issued a draft report on May 30, 2023. American Broadband's President responded by email dated June 5, 2023, agreeing with the audit results except for the cause component of each finding. American Broadband's response is included in this final report as an attachment in Appendix A—Utility's Response to Draft Audit Report and our evaluation of the response is included in Appendix B—UAB's Evaluation of Utility's Response.

AUDIT REPORT

Background

California LifeLine Program

In 1987, the CPUC created the Universal LifeLine Telephone Service program (now known as the California LifeLine program) pursuant to the Moore Universal Service Telephone Act, which was intended to offer high quality basic telephone service at affordable rates to California residents. The goal of the California LifeLine program (LifeLine) is to make high-quality, telephone service affordable to all qualified California households through discounts on eligible telecommunications services. Only one California LifeLine discounted phone is allowed per household (except for teletypewriter (TTY) users and for Deaf and Disabled Telecommunications program participants). The program is funded by a surcharge on all end-user customer billings for intrastate telecommunication services, except for those enrolled in the LifeLine program. The Universal LifeLine Telephone Service Trust Administrative Committee Fund in part is a repository of California LifeLine surcharge monies used to reimburse Service Providers for the costs associated with the provision and administration of the California LifeLine program.

The CPUC's GO 153 provides rules and procedures for the administration and implementation of the California LifeLine program that apply to all LifeLine Service Providers operating in California. Service Providers apply the eligible discounts on LifeLine services to eligible customers and subsequently submit reimbursement claims to the CPUC. Discounts offered include, but are not limited to, monthly cell phone service discount, service connection discount, and discount from paying the public purpose program surcharges, CPUC's user fees, and certain taxes associated with phone service. Each program participant receives up to a set amount of discount from the California LifeLine program in addition to a set amount from the Federal LifeLine program. The CPUC's Communications Division (CD) resets the Specific Support Amount (SSA) annually, effective January 1 of each year, which is the rate that Service Providers use to compute and file claims for reimbursement. The Service Providers file reimbursement claims monthly to CD for review and determination of whether claims should be paid. A California LifeLine Service Provider may recover from the California LifeLine Fund up to the SSA per each eligible subscriber claimed, LifeLine non-recurring charges, applicable taxes/surcharges, interest, and administrative costs as set forth in the GO.

Third-Party Administrator

The CPUC is responsible for the oversight of the California LifeLine program and maintaining an independent third-party administrator (TPA) to provide clearinghouse services for the LifeLine program. The CPUC contracted with Maximus as the TPA during the audit period. The role of the TPA is to qualify new applicants and to verify the continued eligibility of existing LifeLine subscribers. To remain eligible to participate in the LifeLine program, each calendar year, all subscribers must verify that they are still eligible for the program.¹ In addition to qualifying and verifying continued eligibility of California LifeLine subscribers, Maximus collected, maintained, and provided important information such as the California LifeLine subscriber weighted average counts, new connection counts, and disconnection and de-enrollment counts for eligible telecommunication carriers to prepare and submit their monthly California LifeLine reimbursement claims to the CPUC for the costs of providing

¹ In May 2020, during our audit period, the CPUC approved D.20-05-043 which temporarily suspended the LifeLine renewal process and other actions to address the COVID-19 emergency and to ensure continued access to affordable communications services during the COVID-19 emergency.

discounted services to LifeLine subscribers. We reviewed the information provided by the TPA; however, we did not audit the TPA.

American Broadband & Telecommunications Company

American Broadband & Telecommunications Company (American Broadband) is a Delaware corporation with principal offices in Ohio. The company provides data and long-distance services through multiple subsidiaries in numerous states.

American Broadband was designated by the CPUC as an Eligible Telecommunications Carrier in 2017 and authorized as a California LifeLine Provider to offer prepaid wireless telephone services supported by both the Federal Lifeline program and the California LifeLine Program throughout California. In California, American Broadband is a reseller of commercial services through Sprint and AT&T and offers the LifeLine program in California through its subsidiaries American Assistance and Your Call Wireless.

American Broadband claimed and was reimbursed a total of \$13,108,958 in subsidy from the California LifeLine Fund during the audit period of July 1, 2020, through June 30, 2021, for subscribers ranging approximately between 40,000 and 76,000 per month. Expenses claimed for reimbursement are based on specific service recovery cost categories as shown in the table below:

Service Recovery Cost Categories	Amounts Claimed
Allowable SSA Federal and CA	\$ 10,199,178
Allowable SSA CA-only eligibility	117,526
Connection Charges Federal and CA	2,413,788
Connection Charges CA-only eligibility	30,654
Incremental Administrative Expenses	347,812
Total Claimed and Reimbursed	<u>\$ 13,108,958</u>

Audit Authority

The UAB conducted this audit under the general authority outlined in the PU Code sections 270-274, 314.5, 314.6, 581, 582, and 584. Furthermore, pursuant to CPUC's D.14-01-036, the UAB is authorized to verify the California LifeLine program claims for the purposes of ensuring regulatory compliance of the LifeLine program.

Objective and Scope

Our audit objective was to determine whether American Broadband's claims from the California LifeLine Fund were accurate, properly supported, for eligible consumers, and for allowable costs, and activities; in accordance with GO 153 sections 5 and 9, applicable PU Code sections, CPUC's D.14-01-036 and D.10-11-033, and other applicable California LifeLine program's rules, regulations, and requirements.

The scope of our audit covered American Broadband's LifeLine program claims from the California LifeLine Fund totaling \$13,108,958 for the audit period of July 1, 2020, through June 30, 2021. The scope did not include the TPA Maximus.

Methodology

In planning our audit, we gained an understanding of the California LifeLine program and American Broadband's operations and identified relevant criteria, by reviewing American Broadband's policies and procedures, relevant PU Code sections, rules, regulations, CPUC decisions, resolutions, orders, directives, and interviewing American Broadband's personnel.

We conducted a risk assessment, including evaluating whether American Broadband's key internal controls relevant to our audit objective were properly designed, implemented, and operating effectively. Our assessment included conducting interviews, observing processes, or performing walkthroughs, and testing transactions. Deficiencies in internal control that were identified during our audit and determined to be significant within the context of our audit objective are included in this report.

Additionally, we assessed the reliability of the data extracted from American Broadband's subscriber database. Our assessment included examining extracted reports, tracing data between differing report formats to verify completeness, and tracing report data to source documents. We determined the data to be sufficiently reliable to address the audit objective.

We developed specific methods for gathering evidence to obtain reasonable assurance to address the audit objective. To achieve our audit objective, we did the following:

- Reviewed applicable CPUC decisions, resolutions, orders, and advice letters to gain an understanding of the LifeLine program, including the eligibility criteria and claim filing process.
- Reviewed American Broadband's background information including its policies and procedures to gain an understanding of the nature of the utility and its responsibility over the LifeLine program.
- Obtained an understanding of the TPA's weighted average reports (WAR) and connections reports which are provided to and used by Service Providers when submitting claims for reimbursement.
- Assessed significance by performing analyses of reimbursement claims data and evaluating program requirements.
- Obtained an understanding of American Broadband's key internal controls relevant to the Lifeline program, such as reviewing the subscriber enrollment and eligibility processes, administrative expenses, and reimbursement claims, and assessed the design, implementation, and operating effectiveness of selected controls that are significant to the audit objective by:
 - interviewing key personnel and administering an internal control questionnaire;
 - reviewing American Broadband's policies and procedures, and assessing their implementation pertaining to recording and reporting of LifeLine claims data;
 - performing walkthroughs of the enrollment system; and
 - tracing selected transactions to source documents.

- Conducted a risk assessment to determine the nature, timing, and extent of substantive testing.
- Analyzed and evaluated subscriber data information for four out of the twelve months by using data analytics tools to compare subscriber data for the audit period retrieved from the TPA's WAR and connections reports, and American Broadband's customer data reports. In analyzing the subscriber data, we:
 - sorted subscriber information for the months of July 2020, February 2021, March 2021, and April 2021 to identify any variances;
 - searched for duplicative information; and
 - used Excel randomize function to assist in sample selection.
- Analyzed and evaluated subscribers' data information for de-enrollment due to non-usage to compare subscribers' data retrieved from the TPA's WAR and events file, and American Broadband's Customer Data Reports Last Qualifying Usage list. In analyzing the subscribers' data, we:
 - reviewed the Federal Communications Commission's (FCC) LifeLine program DA 21-229 on COVID-19 waivers and extensions to gain an understanding of the LifeLine usage requirements; and
 - assessed whether approximately 29,000 subscribers were removed in a timely manner from the LifeLine program based on the subscribers' last qualifying call usage.
- Performed analytical procedures on American Broadband's subscriber data retrieved from American Broadband's customer data report with household worksheets and the TPA's Event File. In analyzing the subscriber data, we:
 - searched for duplicative information to determine any variances;
 - verified whether a single subscriber was associated with a duplicate address; and
 - assessed 42,200 households with multiline using data analytics to determine whether the household worksheets were maintained in the American Broadband's database to support the multiline consumer household eligibility criteria.
- Traced American Broadband's claims for reimbursement for July 2020, February 2021, March 2021, and April 2021 to the TPA's WAR and connections reports.
- Performed testing of the claimed Federal and California (CA) Allowable SSA, CA-Only Allowable SSA, and Connection Charges by judgmentally selecting a non-statistical sample of subscribers' data included in the monthly claims for July 2020, February 2021, March 2021, and April 2021, totaling the claimed amounts listed in the table below:

Months Tested	Allowable SSA Federal and CA	Allowable SSA CA Only	Connection Charges Federal and CA	Total
July 2020	\$ 562,673	\$ 4,552	\$ 181,662	
February 2021	1,003,783	12,719	282,672	
March 2021	1,081,693	13,388	281,736	
April 2021	<u>1,118,277</u>	<u>14,009</u>	<u>186,147</u>	
Total Evaluated	3,766,426	44,668	932,217	4,743,311
Total Claimed	<u>\$10,199,178</u>	<u>\$ 117,526</u>	<u>\$ 2,413,788</u>	<u>\$12,730,492</u>
% Evaluated*	<u>36.93%</u>	<u>38.01%</u>	<u>38.62%</u>	<u>37.26%</u>

* For the selected samples, errors found, if any, were not projected to the intended (total) population.

- For the sampled subscriber information, we selected subscribers from the same sampled four months referenced above to perform the following:
 - validated LifeLine program eligibility for 200 subscribers by reviewing and verifying that each subscriber's LifeLine application and supporting documentation, such as benefits identification card or medi-cal card, met the eligibility criteria;
 - validated American Broadband's eligibility to receive up to a maximum SSA or a prorated amount per month based on the claimed subscribers' number of days active divided by a constant of 30 days; and
 - verified the weighted average subscriber count American Broadband claimed to compute the service connection/activation reimbursement rate to ensure it matched the number of subscribers included in the TPA's connections report.
- Performed testing of the claimed Incremental Administrative Expenses by judgmentally selecting a non-statistical sample of significant transactions for July 2020, February 2021, March 2021, and April 2021 as shown in the table below:

Months Tested	Incremental Administrative Expenses
July 2020	\$ 19,191
February 2021	34,226
March 2021	36,871
April 2021	38,124
Total Tested	128,412
Total Claimed	\$ 347,812
% Tested*	36.92%

* For the selected samples, errors found, if any, were not projected to the intended (total) population.

- For the sampled Incremental Administrative Expenses, we performed the following:
 - traced sampled transactions to supporting invoices to ensure amounts were accurate and properly supported; and
 - evaluated the administrative expenses claimed to ensure they were equal to or less than the administrative rate allowable.

We did not audit American Broadband's financial statements. Our audit scope was limited to planning and performing audit procedures necessary to obtain reasonable assurance that American Broadband's claims from the California LifeLine Fund were accurate, properly supported, for eligible consumers, and for allowable costs and activities in accordance with the applicable criteria. We considered American Broadband's internal controls only to the extent necessary to plan the audit and achieve our audit objective.

We conducted this performance audit in accordance with generally accepted government auditing standards, except for obtaining an external peer review. The UAB was unable to obtain an external peer review timely due to delays caused by the COVID-19 pandemic. However, this does not affect the UAB's adherence to all other GAGAS requirements. GAGAS standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Conclusion

Based on the procedures performed, samples tested, and evidence gathered, we found instances of noncompliance with requirements for the audit period of July 1, 2020, through June 30, 2021. These instances are described in the Findings and Recommendations section of this audit report.

Follow-up on Prior Audit Findings

We have not previously conducted an audit of American Broadband's California LifeLine program claims. Furthermore, American Broadband did not identify any prior engagements that are significant within the context of our audit objective that would require us to determine if appropriate corrective action have been taken to address the findings and recommendations.

Views of Responsible Officials

We issued a draft report on May 30, 2023. American Broadband's President responded by email dated June 5, 2023, agreeing with the audit results except for the cause component of each finding. American Broadband's response is included in this final report as an attachment in Appendix A—Utility's Response to Draft Audit Report and our evaluation of the response is included in Appendix B—UAB's Evaluation of Utility's Response.

Restricted Use

This audit report is intended solely for the information and use of American Broadband and the CPUC; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this audit report, which is a matter of public record and will be available on the CPUC website at [Audit Reports by Industry \(ca.gov\)](#).

Angie Williams

Angie Williams, Director
Utility Audits, Risk and Compliance Division

FINDINGS AND RECOMMENDATIONS

Finding 1: Overclaimed LifeLine Funds for Non-usage

Condition:

American Broadband overclaimed LifeLine funds totaling \$13,806 for 1,540 subscribers that were not timely de-enrolled from the LifeLine program for non-usage. During our testing of subscribers' de-enrollment, we noted that 1,540 subscribers had Last Qualifying Usage (LQU) dates during the audit period. These subscribers should have been de-enrolled from the LifeLine program for non-usage. However, these subscribers remained in the program beyond the allowable 45-day period as follows:

- 867 subscribers were still enrolled in the program beyond our audit period ending June 30, 2021. All 867 subscribers were not timely de-enrolled from the LifeLine program, resulting in American Broadband overclaiming reimbursement of \$13,124 for approximately 26,349 non-usage days beyond the allowable 45-day period.
- 673 subscribers were de-enrolled during our audit period but were not de-enrolled timely within the 45 days following non-usage. As a result, American Broadband overclaimed \$682 for approximately 1,376 non-usage days beyond the allowable 45-day period.

Based on the total overclaimed LifeLine funds of \$13,806, the associated penalty interest incurred is \$498 as of May 25, 2023. CPUC's CD will update the penalty interest amount as of the date of the remittance of the overclaimed LifeLine funds.

Criteria:

CPUC Resolution T-17366 states, in part, that:

The California LifeLine Program's de-enrollment rules will be modified to conform to the Federal Communications Commission (FCC), section 54.405 de-enrollment rules. Eligible telecommunications carriers (ETCs) must terminate any subscriber that do not use the LifeLine service for 30² consecutive days after providing notice and time to cure the non-usage.

FCC's DA-21-229 states, in part, that:

However, we declined to further extend the existing waiver of the Commission's Lifeline usage requirement beyond May 1, 2021... Eligible Telecommunications Carriers (ETC) must send notice to subscribers who have not used their service in the previous 30 days and notify those subscribers that they have 15 days to cure their non-usage.

GO 153, section 13.4, states, in part, that:

California LifeLine Service Providers that promptly reimburse the California LifeLine Fund for an overpayment of California LifeLine claims found by a Commission audit shall pay interest on the amount of overpayment based on the Three-Month Commercial Paper Rate,

² FCC shorten the non-usage period from 60 to 30 days, along with a corresponding reduction in the time allotted for service providers to notify their subscribers of possible termination from 30 to 15 days.

unless there is malfeasance on the part of such entity, in which case the rate of interest shall depend on the law and circumstances existing at the time the malfeasance is discovered.

Cause:

American Broadband stated that it was unaware that the COVID-19 waiver, as it related to de-enrollment for non-usage, was not extended. American Broadband lacked adequate policies and procedures to ensure compliance with LifeLine criteria relating to de-enrollment for non-usage and did not de-enroll subscribers for non-usage timely.

Effect:

- Failure to timely de-enroll subscribers for non-usage resulted in an overpayment of \$13,806 from the California LifeLine Fund.
- Noncompliance with the LifeLine program rules and regulations could cause the ratepayers to reimburse costs for ineligible subscribers.
- Lack of controls to ensure de-enrollment of subscribers occurs timely could have a material impact on reimbursements received from the LifeLine fund.

Recommendations:

American Broadband should:

- Remit \$13,806 of overpaid LifeLine funds and associated interest penalty back to the CPUC, and work with CPUC's CD to reimburse the appropriate amount;
- Develop and implement policies and procedures to ensure that management is aware of changes to criteria affecting the LifeLine program;
- Develop and implement policies and procedures to perform routine non-usage checks and to de-enroll subscribers timely to prevent overstated claims from the LifeLine fund; and
- Work with the TPA to timely de-enroll all ineligible subscribers due to non-usage.

Finding 2: Lack of Required Household Worksheets**Condition:**

American Broadband did not obtain and retain required household worksheets for 2,289 subscribers that receive multiline services using the same address. During our testing of multiline services, American Broadband did not provide the required certification forms or household worksheets for households with multiline addresses. Without this critical supporting documentation, we are unable to determine the subscribers' eligibility for the LifeLine program. American Broadband stated that the household data provided to support the subscribers are reliant upon if there was a duplicate address at the time of enrollment within its system. American Broadband stated it cannot access other provider's records; therefore, it relies on the TPA to ensure the subscribers have the proper household worksheets to support duplicate addresses.

Criteria:

PU Code 878 (a) states:

A lifeline telephone service subscriber shall be provided with one lifeline subscription, as defined by the commission, at the subscriber's principal place of residence, and no other member of that subscriber's family or household who maintains residence at that place is eligible for lifeline telephone service. GO 153 section 2.29 defines a Household as any individual or group of individuals who are living together as one economic unit in the same residence.

FCC's DA-14-785, states, in part, that:

The FCC granted a waiver of sections 54.407(d), 54.410(c) that governs the requirements for LifeLine administrators to provide LifeLine subscriber certification forms to ETCs and for ETCs to obtain such forms prior to seeking reimbursement from the federal universal fund.

47 Code of Federal Regulations (CFR) sections 54.407(d) and 54.410(c) state, in part, that:

(d) In order to receive universal service support reimbursement, an officer of each eligible telecommunications carrier must certify, as part of each request for reimbursement, that:

(1) The eligible telecommunications carrier is in compliance with all of the rules in this subpart; and

(2) The eligible telecommunications carrier has obtained valid certification and recertification forms to the extent required under this subpart for each of the subscribers for whom it is seeking reimbursement.

(c) An eligible telecommunications carrier must securely retain all information and documentation provided by the state Lifeline administrator or other state agency consistent with section 54.417.

Cause:

American Broadband lacked procedures to ensure all subscribers with duplicable addresses complete the household worksheets and relied on the TPA to determine eligibility.

Effect:

- Without proper documentation of household worksheets, the eligibility of subscribers with the same address enrolled in the LifeLine program is uncertain.
- Noncompliance with the LifeLine program rules and regulations could cause the ratepayers to reimburse costs for ineligible subscribers.

Recommendations:

American Broadband should:

- Develop procedures to ensure all subscribers with duplicate addresses complete the household worksheets;
- Request and retain the LifeLine subscriber application and all certification forms used to qualify a subscriber for the LifeLine program; and
- Work with the TPA to ensure subscribers' household worksheets are requested and retained.

APPENDIX A—UTILITY'S RESPONSE TO DRAFT AUDIT REPORT

Finding 1:

American Broadband asserts that it was aware of the COVID 19 Pandemic waiver end, and took all necessary steps to de-enroll subscribers in a timely manner. While during the audit period, due to the Pandemic and the associated waivers, there were issues with the Third Party Administrator (TPA), Maximus, de-enrolling subscribers that were disconnected due to non-usage, AMBT asserts that it has the policies and procedures in place to de-enroll subscribers due to non-usage, as well as, ensure that they are de-enrolled by the TPA as well.

AMBT has a software detection system in place for non-usage. Our software and database platform, BeQuick (BQ), has a system in place to detect when any subscriber has gone 45 days or more with no qualifying usage and subsequently disconnect and de-enroll any such subscribers from the Lifeline program as per the program rules. Further, on a monthly basis, we internally audit the records we received from the TPA on a monthly basis to ensure that any subscribers that we indicate to the TPA to de-enroll were properly de-enrolled.

Finding 2:

American Broadband asserts that the auditing procedure used was flawed due to the way that the CPUC and Third Party Administrator (TPA) have set up the process for requesting and retaining Duplicate Household Worksheets. At this time, all documentation is stored within the TPA as was stated to the auditors, and in any case where documentation is needed, the TPA produces the requested documentation for the provider.

AMBT does not have the capability to access the databases of other carriers. Due to this, for any subscriber that requires a Duplicate Household Worksheet, the TPA will contact the subscriber in question and send them a worksheet to complete. If the subscriber does not complete and return the worksheet in a timely manner, the TPA will not approve the subscriber for Lifeline benefits and notify the ETC (AMBT). In this way there is no extraneous work placed on the ETC, and since the TPA retains all documentation for all ETCs providing Lifeline Benefits in CA, all documentation is therefore retained and can be provided upon request.

When AMBT brought this up with the auditing team, they stated that they were explicitly told that they could not use the TPA's information and that all documentation should be provided by AMBT. Due to the processes and procedures in place, this means that auditors were only able to look at some of the puzzle pieces while missing key pieces to be able to complete the entire puzzle.

APPENDIX B—UAB'S EVALUATION OF UTILITY'S RESPONSE

We appreciate American Broadband's comments. American Broadband provided comments regarding the cause component of each finding. Below is our assessment of American Broadband's responses.

Finding 1: Overclaimed LifeLine Funds for Non-usage

In its response, American Broadband asserts it was aware of the COVID-19 pandemic waiver ending, and it took all necessary steps to de-enroll subscribers in a timely manner. American Broadband also asserts that it has policies and procedures in place to de-enroll subscribers due to non-usage. We acknowledge American Broadband's assertions; however, American Broadband overclaimed from the LifeLine Fund due to not having sufficient procedures to ensure non-usage subscribers were timely de-enrolled. American Broadband has procedures in place to identify subscribers that needed to be de-enrolled; however, procedures were lacking to ensure the subscribers were de-enrolled timely.

Finding 2: Lack of Required Household Worksheets

American Broadband asserts that the TPA has the process for requesting and retaining the duplicate household worksheets and American Broadband does not have the capability to access other carriers' databases. We acknowledge American Broadband's assertions; however, American Broadband should develop procedures to request and retain subscribers' certification forms from the TPA. 47 Code of Federal Regulations (CFR) section 54.410 (c) states, in part, that an eligible telecommunications carrier must securely retain all information and documentation provided by the state Lifeline administrator or other state agency consistent with section 54.417.

Our findings and recommendations remain unchanged.