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For Immediate Release

FCC Reaches Settlement With New York City Dept. of Education In E-rate Investigation

Washington, D.C. (December 23, 2015) – The Federal Communications Commission’s Enforcement Bureau and the New York City Department of Education (NYC DOE) have reached a settlement resolving an FCC investigation into whether the school system violated the competitive bidding rules of the FCC’s E-rate program, which subsidizes telecommunications, Internet access and Wi-Fi services for schools and libraries.

NYC DOE will pay \$3 million under the terms of the settlement agreement. It will also withdraw funding requests for 2011-2013, which were frozen by the FCC in June of 2011. In addition NYC DOE has agreed to withdraw claims to any further E-rate funding for services it purchased from 2002-2010.

“This settlement makes clear that the FCC is committed to enforcing its E-Rate rules,” said Enforcement Bureau Chief Travis LeBlanc. “Any misuse of E-rate funds denies students and citizens of the educational opportunities and access to information that robust broadband in schools and libraries provides.”

To ensure NYC DOE’s compliance with the E-rate competitive bidding rules going forward, the settlement contains a detailed compliance plan, which includes appointment of an E-rate compliance officer to oversee compliance efforts; an independent compliance examiner to review all E-rate program forms prior to their submission to the FCC; and an independent compliance monitor to review policies and procedures to ensure compliance with fair and open competitive bidding requirements.

In addition to quarterly and annual compliance reporting and an annual independent audit, NYC DOE will also be required to provide extensive employee training in E-rate rule compliance.

The Consent Decree is available at https://apps.fcc.gov/edocs_public/attachmatch/DA-15-1434A1.pdf

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).