



FEDERAL COMMUNICATIONS COMMISSION

[DA 25-333; FR ID 290735]

Notice of Suspension and Commencement of Proposed Debarment Proceedings; Schools and Libraries Universal Service Support Mechanism

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: The Enforcement Bureau (the “Bureau”) gives notice of the suspension of Susan Klein from the schools and libraries universal service support mechanism (or “E-Rate Program”) and all universal service support mechanisms. Additionally, the Bureau gives notice that debarment proceedings are commencing against Ms. Klein. Ms. Klein, or any person who has an existing contract with or intends to contract with Ms. Klein to provide or receive services in matters arising out of activities associated with or related to the schools and libraries support, 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 [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION DATE IN THE *FEDERAL REGISTER*], 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 Thomas may be contacted by phone at (202) 418–1879 or email at Christina.Thomas@fcc.gov. If Ms. Thomas is unavailable, you may contact Mr. Christopher J. Sova, Chief, Investigations and Hearings Division, by telephone at (202) 418-1868 or by email at 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 schools and libraries mechanism pending resolution of the debarment process. Attached is the suspension letter, DA 25-333, which was mailed to Ms. Klein and released on [INSERT DATE OF PUBLICATION DATE IN THE *FEDERAL REGISTER*]. 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-25-333A1.pdf>.

Federal Communications Commission.

Christopher J. Sova,

*Chief, Investigations and Hearings Division,
Enforcement Bureau.*



Federal Communications Commission

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

April 16, 2025

DA 25-333

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Ms. Susan Klein
c/o Justine A. Harris, Esq.
Sher Tremonte LLP
90 Broad Street FL 23
New York, NY 10004-2283

**Re: Notice of Suspension and Initiation of Debarment Proceeding
File No. EB-IHD-24-00036792**

Dear Ms. Klein:

The Enforcement Bureau (Bureau) of the Federal Communications Commission (Commission or FCC) received notice of your conviction of conspiracy to commit wire fraud, in violation of 18 U.S.C. § 371, arising out of activities associated with the federal schools and libraries universal service support mechanism (E-Rate program).¹ The conspiracy involved “transmit[ting] false documents and certifications across state lines via the internet to obtain payment from the Universal Service Administrative Company (USAC), a non-profit corporation which is in turn regulated and funded by the Commission, under the E-Rate program.”² Consequently, pursuant to 47 CFR § 54.8, this letter constitutes official notice of your suspension from the E-Rate program and all federal universal service support mechanisms.³ While suspended, you are prohibited from participating in or receiving any benefit associated with all federal universal service support mechanisms, including the E-Rate program. Additionally, in accordance with its rules, the Bureau is commencing a proceeding to debar you from future participation in all federal universal service support mechanisms for three years.⁴

I. Notice of Suspension

The Commission has established procedures to prevent persons who have “defrauded the government or engaged in similar acts through activities associated with or related to the [E-Rate

¹ Any further reference in this letter to “your conviction” refers to your guilty plea and subsequent sentencing in *United States v. Goldbrener et al.*, Case No. 7:18-cr-00614, Plea Agreement (S.D.N.Y., filed Jul. 18, 2022) (*Plea Agreement*).

² *United States v. Goldbrener et al.*, Case No. 7:18-cr-00614, Indictment (S.D.N.Y., filed Aug. 27, 2018). (*Indictment*).

³ 47 CFR § 54.8.

⁴ *Id.*; 47 CFR § 0.111 (delegating to the Enforcement Bureau authority to resolve universal service suspension and debarment proceedings). The Commission adopted debarment rules for the E-Rate program in 2003. *See Schools and Libraries Universal Service Support Mechanism*, Second Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202 (2003) (*Second Report and Order*) (adopting section 54.521 to suspend and debar parties from the E-Rate program). In 2007, the Commission extended the debarment rules to apply to all federal universal service support mechanisms. *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)).

program]” from receiving the benefits associated with that program.⁵ The statutory provisions and Commission rules relating to the E-Rate program are designed to ensure E-Rate funds are used for their intended purpose.⁶ Schools may receive E-Rate program funding for eligible goods and services by filing application forms, seeking competitive bids, and selecting the most cost-effective vendor.⁷ The E-Rate program rules prohibit an E-Rate vendor or anyone associated with an E-Rate vendor from participating in the application process or vendor selection.⁸ Solicitations for E-Rate services must be based on fair and open competitive bidding free from any conflicts of interest.⁹

You pleaded guilty to a wire fraud conspiracy that involved knowingly and willfully devising a scheme to obtain money from the E-Rate program fraudulently.¹⁰ For more than five years, you and your co-conspirators charged the E-Rate program for services and equipment supposedly provided to certain private and religious schools in Rockland County, New York, and other areas.¹¹ You and your co-conspirators controlled corporations that bypassed the fair bidding process by falsifying E-Rate documents and FCC forms, resulting in them being awarded numerous contracts. Together, you and your co-conspirators materially overbilled for services and equipment provided through E-Rate funds, requested hundreds of thousands of dollars of technology equipment for the schools, and falsely claimed that the equipment and services were provided to the schools.¹² However, in some instances, the schools never received millions of dollars’ worth of equipment and services that you attested to providing. Your scheme resulted in the fraudulent award of more than \$14 million paid to corporations which in turn paid hundreds of thousands of dollars to co-conspirators for participating in the scheme.¹³ You enriched yourself at the expense of the underprivileged children the program was designed to serve by accepting millions of dollars for services and equipment you did not provide.¹⁴

In June 2022, the United States District Court for the Southern District of New York sentenced you to a term of “time served” followed by one year of supervised release.¹⁵ The court also ordered you to pay \$1,144,288.37 in restitution and a \$100 special assessment fee.¹⁶

Pursuant to section 54.8(d) of the Commission’s rules,¹⁷ your conviction requires the Bureau to suspend you from: (a) participating in any activities associated with or related to the E-Rate program, including the receipt of funds or discounted services through the E-Rate program, or consulting with, assisting, or advising applicants or service providers regarding the E-Rate program; and (b) participating in any activities associated with or related to all federal universal service support mechanisms.¹⁸ Your suspension becomes effective upon either your receipt of this letter or its publication in the Federal Register, whichever comes first.¹⁹

In accordance with the Commission’s suspension and debarment rules, you may contest this suspension or the scope of this suspension by filing arguments, with any relevant documents, within thirty (30) calendar days of your receipt of this letter or its publication in the Federal Register, whichever comes

⁵ *Second Report and Order*, 18 FCC Rcd at 9225, para. 66; *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).

⁶ *NEC-Business Network Solutions, Inc.*, Notice of Debarment and Order Denying Waiver Petition, 21 FCC Rcd 7491, 7493, para. 7 (2006).

⁷ 47 CFR §§ 54.503, 54.504(a), 54.511(a).

⁸ *Id.* §§ 54.503, 54.511(a); *see also* USAC, *Open & Fair Process*, <https://www.usac.org/e-rate/applicant-process/competitive-bidding/open-fair-process/> (last visited April 2, 2025).

⁹ 47 CFR §§ 54.503, 54.511(a).

¹⁰ *Plea Agreement*, *supra* note 1, at 1.

¹¹ *Indictment*, *supra* note 2, at 6.

¹² *Id.* at 6-8.

¹³ *Id.* at 5.

¹⁴ *See generally id.*

¹⁵ *Plea Agreement*, *supra* note 1, at 2-3.

¹⁶ *Id.* at 6. The restitution amount in its entirety is payable to USAC.

¹⁷ 47 CFR § 54.8(d); *see Second Report and Order*, *supra* note 4, at 9225-27, paras. 67-74.

¹⁸ 47 CFR § 54.8(a)(1), (d).

¹⁹ *Id.* § 54.8(e)(1); *Second Report and Order*, *supra* note 4, at 9226, para. 69.

first.²⁰ Such requests, however, will not ordinarily be granted.²¹ The Bureau may reverse or limit the scope of a suspension only upon a finding of extraordinary circumstances.²² The Bureau will decide any request to reverse or modify a suspension within ninety calendar days of its receipt of such request.²³

II. Initiation of Debarment Proceedings

In addition to requiring your immediate suspension from all federal universal service support mechanisms, including the E-Rate program, your conviction is cause for debarment as defined in section 54.8(c) of the Commission's rules.²⁴ Therefore, pursuant to section 54.8(b) of the Commission's rules, your conviction requires the Bureau to commence debarment proceedings against you.²⁵

As with the suspension process, you may contest the proposed debarment or the scope of the proposed debarment by filing arguments and any relevant documentation within thirty calendar days of receipt of this letter or its publication in the Federal Register, whichever comes first.²⁶ The Bureau, in the absence of extraordinary circumstances, will notify you of its decision to debar within ninety calendar days of receiving any information you may have filed.²⁷ If the Bureau decides to debar you, its decision will become effective upon either your receipt of a debarment notice or publication of the decision in the Federal Register, whichever comes first.²⁸

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 E-Rate program for three (3) years from the date of debarment.²⁹ The Bureau may set a longer debarment period or extend an existing debarment period if necessary to protect the public interest.³⁰ 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 calendar days of receipt of notice or publication in the Federal Register of such debarment, whichever is earlier.³¹

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, 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

²⁰ 47 CFR § 54.8(e)(4).

²¹ *Id.*

²² *Id.* § 54.8(f).

²³ *Id.* § 54.8(e)(5), (f); *Second Report and Order*, *supra* note 4, at 9226, para. 70.

²⁴ "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." 47 CFR § 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).

²⁵ *Id.* § 54.8(b).

²⁶ *Id.* § 54.8(e)(3); *Second Report and Order*, *supra* note 4, at 9226, para. 70.

²⁷ 47 CFR § 54.8(e)(5); *Second Report and Order*, *supra* note 4, at 9226, para. 70.

²⁸ 47 CFR § 54.8(e)(5). 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).

²⁹ 47 CFR § 54.8(d), (g); *Second Report and Order*, *supra* note 4, at 9225, para. 67.

³⁰ 47 CFR § 54.8(g).

³¹ *Id.* § 54.8(e)(4).

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, 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.

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 or (202) 418-1879.

Sincerely,

Christopher J. Sova
Chief
Investigations and Hearings Division
Enforcement Bureau

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