

suspension letter or November 3, 2003, whichever comes first. The Bureau will decide any opposition request for reversal or modification of suspension or debarment within 90 days of its receipt of such requests.

FOR FURTHER INFORMATION CONTACT: Diana Lee, Federal Communications Commission, Enforcement Bureau, Investigations and Hearings Division, Room 6–C326, 445 12th Street, SW., Washington, DC 20554. Diana Lee may be contacted by phone at (202) 418–1420 or e-mail at diana.lee@fcc.gov.

SUPPLEMENTARY INFORMATION: The Bureau has suspension and debarment authority under 47 CFR 54.521 and 47 CFR 0.111(a)(14). Suspension will help to ensure that the party to be suspended cannot continue to benefit from the schools and libraries mechanism pending resolution of the debarment process. Attached is the suspension letter, *Notice of Suspension and of Proposed Debarment Proceedings*, DA 03–2707, which was mailed to Mr. Angelides and released on August 21, 2003. The letter (1) gives notice of the suspension and proposed debarment; (2) gives the reasons for the proposed debarment; (3) explains the debarment procedures, and (4) describes the potential effect of debarment. The complete text of the suspension letter is available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW., Room CY–A257, Washington, DC, 20554. In addition, the complete text of this letter may be retrieved from the FCC's Web site at <http://www.fcc.gov>. The text may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW., Room CY–B402, Washington, DC, 20554, telephone (202) 863–2893, facsimile (202) 863–2898, or via e-mail qualexint@aol.com.

Federal Communications Commission.

Maureen F. Del Duca,

Chief, Investigations and Hearings Division, Enforcement Bureau.

The suspension letter follows:

**Federal Communications Commission,
Washington, DC 20554**

[DA 03–2707]

August 21, 2003.

Via Certified Mail, Return Receipt
Requested

Mr. John Angelides,
*Chief Executive Officer, Connect2 Internet
Networks, Inc., 26 Bay Street, Staten
Island, NY 10301*

Re: Notice of Suspension and of Proposed
Debarment, File No. EB–03–IHD–0376

Dear Mr. Angelides: The Federal Communications Commission ("FCC" or "Commission") has received notice of your May 22, 2003 conviction under 18 U.S.C. 371 for conspiracy to commit an offense against or to defraud the United States. Specifically, you were convicted of conspiracy to violate the following laws of the United States: (1) 18 U.S.C. 287 (false, fictitious, and fraudulent claims); (2) 18 U.S.C. 1001 (false statements and entries generally); and (3) 18 U.S.C. 1343 (fraud by wire, radio, or television).¹ Consequently, pursuant to 47 CFR 54.521, this letter constitutes official notice of your suspension from the schools and libraries universal service support mechanism. In addition, the Enforcement Bureau ("Bureau") hereby notifies you that we are commencing debarment proceedings against you.²

I. Notice of Suspension

Pursuant to section 54.521(a)(4) of the Commission's rules,³ your conviction requires the Bureau to suspend you from participating in any activities associated with or related to the schools and libraries fund mechanism, including the receipt of funds or discounted services through the schools and libraries fund mechanism, or consulting with, assisting, or advising applicants or service providers regarding the schools and libraries support mechanism.⁴ Your suspension becomes effective upon the earlier of your receipt of this letter or publication of notice in the **Federal Register**.⁵

Suspension is immediate pending the Bureau's final debarment determination. You may contest this suspension or the scope of this suspension by filing arguments in opposition to the suspension, with any relevant documentation. Your request must be received within 30 days after you receive this letter or after notice is published in the **Federal Register**, whichever comes first.⁶ Such requests, however, will not ordinarily be granted.⁷ The Bureau may reverse or limit the scope of suspension only upon a finding of extraordinary circumstances.⁸ Absent extraordinary circumstances, the Bureau will

¹ Any further reference in this letter to "your conviction" refers to your May 22, 2003 guilty plea and conviction on this count based on your fraudulent scheme to obtain schools and libraries E-Rate program funds. See *United States v. Angelides*, Docket No. 1:03cr635, Felony Information (S.D.N.Y. filed May 20, 2003) ("Angelides Felony Information").

² 47 CFR 54.521; 47 CFR 0.111(a)(14) (delegating to the Enforcement Bureau authority to resolve universal service suspension and debarment proceedings pursuant to 47 CFR 54.521).

³ 47 CFR 54.521(a)(4) See Schools and Libraries Universal Service Support Mechanism, Second Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202, 9225–9227, ¶¶ 67–74 (2003) ("Second Report and Order").

⁴ Second Report and Order, 18 FCC Rcd at 9225, ¶ 67; 47 U.S.C. 254; 47 CFR 54.502–54.503; 47 CFR 54.521(a)(4).

⁵ Second Report and Order, 18 FCC Rcd at 9226, ¶ 69 47 CFR 54.521(e)(1).

⁶ Second Report and Order, 18 FCC Rcd at 9226, ¶ 70; 47 CFR 54.521–54.521(e)(4).

⁷ Second Report and Order, 18 FCC Rcd at 9226, ¶ 70.

⁸ 47 CFR 54.521(f).

decide any request for reversal or modification of suspension within 90 days of its receipt of such request.⁹

II. Notice of Proposed Debarment

A. Reasons for and Cause of Debarment

The Commission's rules establish procedures to prevent persons who have "defrauded the government or engaged in similar acts through activities associated with or related to the schools and libraries support mechanism" from receiving the benefits associated with that program.¹⁰ On May 22, 2003, you admitted, among other things, to selling eligible services to certain participating schools through your company Connect2, imposing 100 percent of the cost on the E-Rate program. You admitted to each of the following acts: (1) Falsely representing to the schools that they could participate in the program at no cost to them; (2) falsely representing to fund administrators and Government investigators that the schools would pay or had paid their unsubsidized share; and (3) falsifying documents, as well as attempting to persuade school administrators not to reveal evidence to Government investigators, in order to conceal the scheme.¹¹ These actions constitute the conduct or transactions upon which this debarment proceeding is based.¹²

Moreover, your conviction on the basis of these acts falls within the categories of causes for debarment defined in section 54.521(c) of the Commission's rules.¹³ Therefore, pursuant to section 54.521(a)(4) of the Commission's rules, your conviction requires the Bureau to commence debarment proceedings against you.

B. Debarment Procedures

You may contest debarment or the scope of the proposed debarment by filing arguments and any relevant documentation within 30 calendar days of the earlier of the receipt of this letter or of publication in the **Federal Register**.¹⁴ Absent extraordinary circumstances, the Bureau will debar you.¹⁵ Within 90 days of receipt of any opposition to your suspension and proposed debarment,

⁹ Second Report and Order, 18 FCC Rcd at 9226, ¶ 70; 47 CFR 54.521(e)(5), 54.521(f).

¹⁰ Second Report and Order, 18 FCC Rcd at 9225, ¶ 66.

¹¹ See Angelides Felony Information at 3–11.

¹² Second Report and Order, 18 FCC Rcd at 9226, ¶ 70; 47 CFR 54.521(e)(2)(i).

¹³ "Causes for suspension and debarment are the 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." 47 CFR 54.521(c). Such activities "include the receipt of funds or discounted services through the schools and libraries support mechanism, or consulting with, assisting, or advising applicants or service providers regarding schools and libraries support mechanism described in this section 47 CFR 54.500 et seq.)." 47 CFR 54.521(a)(1).

¹⁴ Second Report and Order, 18 FCC Rcd at 9226, ¶ 70; 47 CFR 54.521(e)(2)(i), 47 CFR 54.521(e)(3).

¹⁵ Second Report and Order, 18 FCC Rcd at 9227, ¶ 74.