

## Goal: Getting Payments Right

Program or Activity  
Universal Service Funds - Lifeline

Reporting Period  
Q1 2020

Change from Previous FY (\$M)

-\$118M

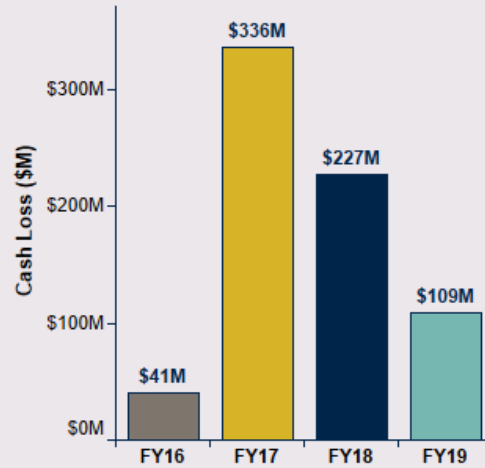


Universal Service Funds - Lifeline

### Brief Program Description:

Lifeline is a federal program that lowers the monthly cost of phone and internet. Eligible customers will get at least \$7.25 toward their bill; residents of federally-recognized Tribal lands may receive an additional \$25 per month.

### Cash Loss by FY (\$M)



Key Milestones		Status	ECD
1	Develop mitigation strategies to get the payment right the first time	Completed	Oct-19
2	Evaluate the ROI of the mitigation strategy	Completed	Oct-19
3	Determine which strategies have the best ROI to prevent cash loss	Completed	Oct-19
4	Implement new mitigation strategies to prevent cash loss	Completed	Oct-19
5	Analyze results of implementing new strategies	Completed	Oct-19

Quarterly Progress Goals			Status	Notes	ECD
1	Q1 2020	Establish a data connection with 1 additional territory to automate eligibility checking for the National Verifier (total of 2 federal connections and 16 automated state/territory connections).	At Risk	Expected by end of Q1	Nov-19
2	Q1 2020	Lifeline subscribers for entry in the National Verifier for 15 states (total of 53 states that have begun automated checks of current subscribers [reverification]).	On-Track	9 states successfully begun automated checking, with 6 more expected by March.	Dec-19

Recent Accomplishments		Date
1	Began automated eligibility checking of current Lifeline subscribers for entry in the National Verifier for 11 states (total of 38 states that have begun automated checks of current subscribers [reverification]).	Oct-19
2	Began manual eligibility checking of current Lifeline subscribers in the National Verifier for 22 states (total of 38 states that have begun manual checks of current subscribers [reverification]).	Dec-19

Amt(\$)	Root Cause	Root Cause Description	Mitigation Strategy	Anticipated Impact of Mitigation
\$109M	Other reason	Missing Certifications - Carrier omitted or failed to collect an enrollment certification.	Missing Certifications - Universal Forms went into effect on 7/1/18. All Eligible Telecom Carriers (ETCs) are required to use the Universal Forms, regardless of whether the ETC is in a state that has transitioned to the National Verifier.	Missing Certifications - Resolving improper forms that the ETCs are using through the Universal Forms will resolve the vast majority of the issue. Full launch of all states in the National Verifier in 20..
		Inadequate Certifications - Carrier provided an inadequate enrollment certification.	Inadequate Certifications - Universal Forms went into effect on 7/1/18. All Eligible Telecom Carriers (ETCs) are required to use the Universal Forms, regardless of whether the ETC is in a state that has transitioned to the National Verifier.	Ineligible Certifications - Resolving improper forms that the ETCs are using through the Universal Forms will resolve the vast majority of the issue. Full launch of all states in the National Verifier in 20..
		Inadequate Independent Economic Household (IEH) Forms - Carrier failed to collect or retain a proper IEH form	Inadequate Independent Economic Household (IEH) Forms - USAC independently collects, reviews, and retains IEH forms for subscribers entering the National Verifier.	Inadequate Independent Economic Household (IEH) Forms - Full launch of all states in the National Verifier in 2020 resolves the issue.

**Cash Loss** - Cash loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.