

Payment Integrity Scorecard

Program or Activity
Universal Service Funds - Lifeline

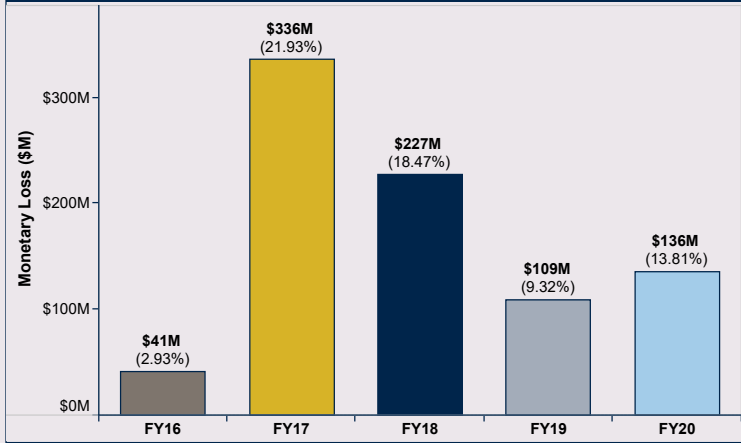
Reporting Period
Q2 2021

Change from Previous FY (\$M) **\$27M**

FCC
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.

Monetary Loss (\$M)
(Overpayment as Percentage of Total Outlays)



Key Milestones	Status	ECD
1 Develop mitigation strategies to get the payment right the first time	Completed	Nov-20
2 Evaluate the ROI of the mitigation strategy	Completed	Nov-20
3 Determine which strategies have the best ROI to prevent cash loss	Completed	Nov-20
4 Implement new mitigation strategies to prevent cash loss	On-Track	May-21
5 Analyze results of implementing new strategies	On-Track	Dec-22
6 Achieved compliance with PIIA	On-Track	Oct-21
7 Identified any data needs for mitigation	Completed	Mar-21

Goals towards Reducing Monetary Loss	Status	ECD
1 Q2 2021 Prepare to conduct targeted programmatic reviews of ETCs' non-usage compliance, including reviews of policies & procedures and non-usage data.	On-Track	May-21
2 Q2 2021 Implement an alert in LCS when an ETC claims an unusually high percentage of subscribers, which indicates potential non-usage non-compliance	On-Track	May-21

Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1 Recovery Activity	USAC is assessing the reason for the improper payment and will take corrective actions to prevent such improper payments from re-occurring.	Post-payment programmatic reviews of high risk ETCs
2 Recovery Activity	USAC is assessing the reason for the improper payment and will take corrective actions to prevent such improper payments from re-occurring.	Post-payment audit reviews of high risk ETCs
3 Recovery Activity	USAC is assessing the reason for the improper payment and will take corrective actions to prevent such improper payments from re-occurring.	Self-reported overpayments

Accomplishments in Reducing Monetary Loss	Date
1 Implemented additional state connections, bringing the automated program eligibility connections in the National Verifier up to two federal and 22 state/territory connections.	Nov-20
2 Began locking carrier agents who have been submitting potentially inauthentic or fabricated documentation out of Lifeline systems using Lifeline's Representative Accountability Database (RAD).	Dec-20
3 Implemented and continue to support actions taken in Lifeline COVID-19 waivers.	Mar-21

Amt(\$)	Root Cause of Monetary Loss	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$136M	Other reason	Missing or Insufficient Eligibility Documentation - Carrier failed to provide retained documentation to confirm a subscriber's initial eligibility.	Missing or Insufficient Eligibility Documentation The launch of National Verifier all states.	Missing or Insufficient Eligibility Documentation - Full launch of all states in the National Verifier in 2020 virtually eliminates the issue.
		Non-Usage - ETCs failing to de-enroll subscribers who did not use their Lifeline service for 45 consecutive days (30-day usage period plus 15-day cure period).	Non-Usage High claim alert in Lifeline Claims System (LCS); targeted Program Integrity reviews.	Non-Usage Reduced improper payments through raised awareness and targeted reviews.
		Missing Certifications - Carrier omitted or failed to collect an enrollment certification.	Missing Certifications - Universal Forms and launch of National Verifier all states.	Missing Certifications Universal Forms' release in 2018 mitigated the issue. Full launch of all states in the National Verifier in 2020 resolved the issue.

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