



Department of Justice

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AT&T Technical Services Corp. to Pay U.S. more than \$8.2 Million to Settle False Claims Involving the E-Rate Program

WASHINGTON – AT&T Technical Services Corp. (AT&T-TSCO) has agreed to pay \$8,266,414.33 as part of a civil settlement relating to allegations that the company violated the False Claims Act in connection with the Federal Communication Commission's E-Rate program, the Justice Department announced today.

The E-Rate program, created by Congress in the Telecommunications Act of 1996, provides funding for needy schools and libraries to connect to and utilize the Internet. Under the E-Rate program, which is funded by monies collected from telephone users, schools apply for funds to pay for hardware and monthly connectivity service fees. The FCC oversees the E-Rate program.

The United States contended that AT&T-TSCO engaged in non-competitive bidding practices for E-rate contracts. Additionally, the government alleged that AT&T-TSCO claimed and received E-rate funds for goods and services that were ineligible for the program's discounts, overbilled the E-Rate program for services provided and facilitated a payment or profit to the applicant from E-Rate funds.

The agreed-to resolution announced today resulted from an ongoing federal investigation of fraud and anti-competitive conduct in the E-Rate program in Indiana. The investigation is being conducted jointly by the Justice Department's Civil Division, the U.S. Attorney's Office for the Southern District of Indiana and the FCC Office of the Inspector General.

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