

Therefore, pursuant to section 54.8(a)(4) of the Commission's rules, your conviction requires the Bureau to commence debarment proceedings against you.

As with your suspension, 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, the Bureau, in the absence of extraordinary circumstances, will provide you with notice of its decision to debar.¹⁶ If the Bureau decides to debar you, its decision will become effective upon the earlier of your receipt of a debarment notice or publication of the decision in the **Federal Register**.¹⁷

If and when your debarment becomes effective, you will be prohibited from participating in activities associated with or related to the schools and libraries support mechanism for three years from the date of debarment.¹⁸ The Bureau may, if necessary to protect the public interest, extend the debarment period.¹⁹

Please direct any response, if by messenger or hand delivery, to Marlene H. Dortch, Secretary, Federal Communications Commission, 236 Massachusetts Avenue, NE., Suite 110, Washington, DC 20002, to the attention of Diana Lee, Attorney Advisor, Investigations and Hearings Division, Enforcement Bureau, Room 4-C330, with a copy to Vickie Robinson, Assistant Chief, Investigations and Hearings Division, Enforcement Bureau, Room 4-C330, Federal Communications Commission. If sent by commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail), the response should be sent to the Federal Communications Commission, 9300 East Hampton Drive, Capitol Heights, Maryland 20743. If sent by first-class, Express, or Priority mail, the

[the Federal universal service] support mechanisms." 47 CFR 54.8(a)(1).

¹⁴ See *Second Report and Order*, 18 FCC Rcd at 9226, para. 70; 47 CFR 54.8(e)(3).

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

¹⁶ See *id.*, 18 FCC Rcd at 9226, para. 70; 47 CFR 54.8(e)(5).

¹⁷ *Id.* 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. 47 CFR 54.8(f).

¹⁸ *Second Report and Order*, 18 FCC Rcd at 9225, para. 67; 47 CFR 54.8(d), 54.8(g).

¹⁹ *Id.*

response should be sent to Diana Lee, Attorney Advisor, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW., Room 4-C330, Washington, DC 20554, with a copy to Vickie Robinson, Assistant Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW., Room 4-C330, Washington, DC 20554. You shall also transmit a copy of the response via e-mail to diana.lee@fcc.gov and to vickie.robinson@fcc.gov.

If you have any questions, please contact Ms. Lee via mail, by telephone at (202) 418-1420 or by e-mail at diana.lee@fcc.gov. If Ms. Lee is unavailable, you may contact Ms. Vickie Robinson, Assistant Chief, Investigations and Hearings Division, by telephone at (202) 418-1420 and by e-mail at vickie.robinson@fcc.gov.

Sincerely yours,

Hillary S. DeNigro,
Chief, Investigations and Hearings Division,
Enforcement Bureau.

cc: Kristy Carroll, Esq., Universal
Service Administrative Company
(via e-mail) Michael Wood,
Antitrust Division, United States
Department of Justice

[FR Doc. E8-19876 Filed 8-26-08; 8:45 am]

BILLING CODE 6712-01-P

FEDERAL COMMUNICATIONS COMMISSION

[DA 08-1864]

Notice of Debarment; Schools and Libraries Universal Service Support Mechanism

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: The Enforcement Bureau (the "Bureau") debars Mr. George Marchelos from the schools and libraries universal service support mechanism (or "E-Rate Program") for a period of three years based on his conviction of wire fraud and aiding and abetting, as well as collusion and siding and abetting in connection with his participation in the program. The Bureau takes this action to protect the E-Rate Program from waste, fraud and abuse.

DATES: Debarment commences on the date Mr. George Marchelos receives the debarment letter or August 27, 2008, whichever date comes first, for a period of three years.

FOR FURTHER INFORMATION CONTACT: Rebekah Bina, Federal Communications

Commission, Enforcement Bureau, Investigations and Hearings Division, Room 4-C330, 445 12th Street, SW., Washington, DC 20554. Rebekah Bina may be contacted by phone at (202) 418-7931 or e-mail at Rebekah.Bina@fcc.gov. If Ms. Bina is unavailable, you may contact Ms. Vickie Robinson, Assistant Chief, Investigations and Hearings Division, by telephone at (202) 418-1420 and by e-mail at vickie.robinson@fcc.gov.

SUPPLEMENTARY INFORMATION: The Bureau debarred Mr. George Marchelos from the schools and libraries universal service support mechanism for a period of three years pursuant to 47 CFR 54.8 and 47 CFR 0.111. Attached is the debarment letter, DA 08-1864, which was mailed to Mr. George Marchelos and released on August 7, 2008. The complete text of the notice of debarment is available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portal II, 445 12th Street, SW., Room CY-A257, Washington, DC 20554. In addition, the complete text is available on the FCC's Web site at <http://www.fcc.gov>. The text may also be purchased from the Commission's duplicating inspection and copying during regular business hours at the contractor, Best Copy and Printing, Inc., Portal II, 445 12th Street, SW., Room CY-B420, Washington, DC 20554, telephone (202) 488-5300 or (800) 378-3160, facsimile (202) 488-5563, or via e-mail <http://www.bcpweb.com>.

Federal Communications Commission.

Vickie Robinson,

Assistant Chief, Investigations and Hearings Division, Enforcement Bureau.

The debarment letter, which attached the suspension letter, follows:

August 7, 2008

DA 08-1864

VIA CERTIFIED MAIL RETURN
RECEIPT REQUESTED AND
FACSIMILE (415-436-7706)

Mr. George Marchelos,
c/o Geoffrey A. Hanson, Esq.,
Federal Public Defender,
19th Floor Federal Building—Box
36106,

450 Golden Gate Avenue,
San Francisco, CA 94102.

Re: Notice of Debarment, File No. EB-08-IH-1140

Dear Mr. Marchelos:

Pursuant to section 54.8 of the rules of the Federal Communications Commission (the "Commission"), by this Notice of Debarment you are debarred from the schools and libraries universal service support mechanism

(or “E-Rate program”) for a period of three years.¹

On May 19, 2008, the Enforcement Bureau (the “Bureau”) sent you a Notice of Suspension and Initiation of Debarment Proceedings (the “Notice of Suspension”).² That Notice of Suspension was published in the **Federal Register** on June 9, 2008.³ The Notice of Suspension suspended you from the schools and libraries universal service support mechanism and described the basis for initiation of debarment proceedings against you, the applicable debarment procedures, and the effect of debarment.⁴

Pursuant to the Commission’s rules, any opposition to your suspension or its scope or to your proposed debarment or its scope had to be filed with the Commission no later than thirty (30) calendar days from the earlier date of your receipt of the Notice of Suspension or publication of the Notice of Suspension in the **Federal Register**.⁵ The Commission did not receive any such opposition.

As discussed in the Notice of Suspension, you pled guilty to and were convicted of wire fraud and aiding and abetting, in violation of 18 U.S.C. 1343 and 2, as well as collusion and aiding and abetting, in violation of 15 U.S.C. 1 and 2, in connection with your participation in the E-Rate program.⁶ You admitted that you participated in schemes to defraud the E-Rate program and bid rigging on E-Rate projects for certain school districts.⁷ Such conduct constitutes the basis for your debarment, and your conviction falls within the categories of causes for debarment under section 54.8(c) of the Commission’s rules.⁸ For the foregoing reasons, you are hereby debarred for a period of three years from the debarment date, i.e., the earlier date of your receipt of this Notice of Debarment or its publication date in the **Federal Register**.⁹ Debarment excludes you, for the debarment period, from activities

“associated with or related to the schools and libraries support mechanism,” including “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 the schools and libraries support mechanism.”¹⁰ Sincerely,
Hillary S. DeNigro, Chief, Investigations and Hearings Division, Enforcement Bureau.

cc: Kristy Carroll, Esq., Universal Service Administrative Company (via e-mail) Michael Wood, Antitrust Division, United States Department of Justice (via mail)
May 19, 2008

DA 08–1181

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED AND FACSIMILE (415–436–7706)

Mr. George Marchelos, c/o Geoffrey A. Hanson, Esq., Federal Public Defender, 19th Floor Federal Building–Box 36106, 450 Golden Gate Avenue, San Francisco, CA 94102.

Re: Notice of Suspension and Initiation of Debarment Proceedings, File No. EB–08–IH–1140

Dear Mr. Marchelos:

The Federal Communications Commission (“FCC” or “Commission”) has received notice of your conviction of wire fraud and aiding and abetting, in violation of 18 U.S.C. 1343 and 2, as well as collusion and aiding and abetting, in violation of 15 U.S.C. 1 and 2, in connection with your participation in the schools and libraries universal service support mechanism (“E-Rate program”).¹¹ Consequently, pursuant to 47 CFR 54.8, this letter constitutes official notice of your suspension from the E-Rate program. In addition, the Enforcement Bureau (“Bureau”) hereby notifies you that we are commencing debarment proceedings against you.¹²

¹⁰ See 47 CFR 54.8(a)(1), 54.8(a)(5), 54.8(d); Notice of Suspension, 23 FCC Rcd at 8221–22.

¹¹ Any further reference in this letter to “your conviction” refers to your guilty plea and subsequent conviction. *United States v. George Marchelos*, Criminal Docket No. 3:05–CR–00208–CRB–009, Judgment (N.D.Cal. filed and entered Apr. 10, 2008) (“*George Marchelos Judgment*”). See *United States v. Video Network Communications, Inc., et al.*, Criminal Docket No. 3:05–CR–00208–CRB, Superseding Indictment at paras. 72–88 (N.D.Cal. filed Dec. 8, 2005 and entered Dec. 12, 2005), <http://www.usdoj.gov/atr/cases/f213600/213626.htm> (accessed May 1, 2008) (“*VNCI Superseding Indictment*”).

¹² 47 CFR 54.8; 47 CFR 0.111 (delegating to the Enforcement Bureau authority to resolve universal service suspension and debarment proceedings).

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 schools and libraries support mechanism” from receiving the benefits associated with that program.¹³ You pled guilty to wire fraud and collusion in connection with your participation in two schemes to defraud the E-Rate program.¹⁴ Specifically, you admitted that, as a former consultant for two school districts in California and sales representative of Video Network Communications, Inc. (“VNCI”), you participated in schemes to defraud the E-rate program and bid rigging on E-rate projects for certain school districts in favor of other co-conspirators or defendants.¹⁵

Pursuant to section 54.8(a)(4) of the Commission’s rules,¹⁶ 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

The Commission adopted debarment rules for the schools and libraries universal service support mechanism 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 of the Federal universal service support mechanisms. *Comprehensive Review of the Universal Service Fund Management, Administration, and Oversight; Federal-State Joint Board on Universal Service; Schools and Libraries Universal Service Support Mechanism; Lifeline and Link Up; Changes to the Board of Directors for the National Exchange Carrier Association, Inc.*, 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), (5), (c), (d), (e)(2)(i), (3), (e)(4), and (g)).

¹³ See *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).

¹⁴ See *George Marchelos Judgment* at 1.

¹⁵ See *VNCI Superseding Indictment* at paras. 6, 72–88. The following four individuals, who were also charged in the *VNCI Superseding Indictment*, have pled guilty or been found guilty and subsequently sentenced: Judy Green, Earl Nelson, William Holman, and Allan Green. We are sending separate notices of suspension and initiation of debarment proceedings to these individuals. VNCI is now defunct and charges against the company have been dropped.

¹⁶ 47 CFR 54.8(a)(4). See *Second Report and Order*, 18 FCC Rcd at 9225–9227, paras. 67–74.

¹ See 47 CFR 0.111(a), 54.8.

² Letter from Hillary S. DeNigro, Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, to Mr. George Marchelos, Notice of Suspension and Initiation of Debarment Proceedings, 23 FCC Rcd 8219 (Inv. & Hearings Div., Enf. Bur. 2008) (Attachment 1).

³ 73 FR 32577 (June 9, 2008).

⁴ See Notice of Suspension, 23 FCC Rcd at 8220–22.

⁵ See 47 CFR 54.8 (e)(3) and (4). That date occurred no later than July 9, 2008. See *supra* note 3.

⁶ See Notice of Suspension, 23 FCC Rcd at 8219–20.

⁷ See *id.* at 8220.

⁸ 47 CFR 54.8(c).

⁹ See 47 CFR 54.8(g). See also Notice of Suspension, 23 FCC Rcd at 8221.

regarding the schools and libraries support mechanism.¹⁷ Your suspension becomes effective upon the earlier of your receipt of this letter or publication of notice in the **Federal Register**.¹⁸

Suspension is immediate pending the Bureau's final debarment determination. In accordance with the Commission's debarment rules, 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.¹⁹ Such requests, however, will not ordinarily be granted.²⁰ The Bureau may reverse or limit the scope of suspension only upon a finding of extraordinary circumstances.²¹ Absent extraordinary circumstances, the Bureau will decide any request for reversal or modification of suspension within 90 days of its receipt of such request.²²

II. Initiation of Debarment Proceedings

Your guilty plea and conviction of criminal conduct in connection with the E-Rate program, in addition to serving as a basis for immediate suspension from the program, also serves as a basis for the initiation of debarment proceedings against you. Your conviction falls within the categories of causes for debarment defined in section 54.8(c) of the Commission's rules.²³ Therefore, pursuant to section 54.8(a)(4) of the Commission's rules, your conviction requires the Bureau to commence debarment proceedings against you.

As with your suspension, 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**.²⁴ Absent extraordinary circumstances, the Bureau will debar you.²⁵ Within 90 days of receipt of any opposition to your suspension and proposed debarment, the Bureau, in the absence of extraordinary circumstances, will provide you with notice of its decision to debar.²⁶ If the Bureau decides to debar you, its decision will become effective upon the earlier of your receipt of a debarment notice or publication of the decision in the **Federal Register**.²⁷

If and when your debarment becomes effective, you will be prohibited from participating in activities associated with or related to the schools and libraries support mechanism for three years from the date of debarment.²⁸ The Bureau may, if necessary to protect the public interest, extend the debarment period.²⁹

Please direct any response, if by messenger or hand delivery, to Marlene H. Dortch, Secretary, Federal Communications Commission, 236 Massachusetts Avenue, NE., Suite 110, Washington, DC 20002, to the attention of Diana Lee, Attorney Advisor, Investigations and Hearings Division, Enforcement Bureau, Room 4-C330, with a copy to Vickie Robinson, Assistant Chief, Investigations and Hearings Division, Enforcement Bureau, Room 4-C330, Federal Communications Commission. If sent by commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail), the response should be sent to the Federal Communications Commission, 9300 East Hampton Drive, Capitol Heights, Maryland 20743. If sent by first-class, Express, or Priority mail, the response should be sent to Diana Lee, Attorney Advisor, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW., Room 4-C330, Washington, DC 20554, with a copy to Vickie Robinson, Assistant Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th

Street, SW., Room 4-C330, Washington, DC 20554. You shall also transmit a copy of the response via e-mail to diana.lee@fcc.gov and to vickie.robinson@fcc.gov.

If you have any questions, please contact Ms. Lee via mail, by telephone at (202) 418-1420 or by e-mail at diana.lee@fcc.gov. If Ms. Lee is unavailable, you may contact Ms. Vickie Robinson, Assistant Chief, Investigations and Hearings Division, by telephone at (202) 418-1420 and by e-mail at vickie.robinson@fcc.gov.

Sincerely,

Hillary S. DeNigro, Chief, Investigations and Hearings Division, Enforcement Bureau.

cc: Kristy Carroll, Esq., Universal Service Administrative Company (via e-mail) Michael Wood, Antitrust Division, United States Department of Justice (via mail)

[FR Doc. E8-19877 Filed 8-26-08; 8:45 am]

BILLING CODE 6712-01-P

FEDERAL COMMUNICATIONS COMMISSION

[DA 08-1863]

Notice of Debarment; Schools and Libraries Universal Service Support Mechanism

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: The Enforcement Bureau (the "Bureau") debars Mr. Earl Nelson from the schools and libraries universal service support mechanism (or "E-Rate Program") for a period of three years based on his conviction of collusion and aiding and abetting in connection with his participation in the program. The Bureau takes this action to protect the E-Rate Program from waste, fraud, and abuse.

DATES: Debarment commences on the date Mr. Earl Nelson receives the debarment letter or August 27, 2008, whichever date come first, for a period of three years.

FOR FURTHER INFORMATION CONTACT: Rebekah Bina, Federal Communications Commission, Enforcement Bureau, Investigations and Hearings Division, Room 4-C330, 445 12th Street, SW., Washington, DC 20554. Rebekah Bina may be contacted by phone at (202) 418-7931 or e-mail at Rebekah.Bina@fcc.gov. If Ms. Bina is unavailable, you may contact Ms. Vickie Robinson, Assistant Chief, Investigations and Hearings Division, by

¹⁷ 47 CFR 54.8(a)(1), (d).

¹⁸ *Second Report and Order*, 18 FCC Rcd at 9226, para. 69; 47 CFR 54.8(e)(1).

¹⁹ 47 CFR 54.8(e)(4).

²⁰ *Id.*

²¹ 47 CFR 54.8(e)(5).

²² See *Second Report and Order*, 18 FCC Rcd at 9226, para. 70; 47 CFR 54.8(e)(5), 54.8(f).

²³ "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, the high-cost support mechanism, the rural healthcare support mechanism, and the low-income support mechanism." 47 CFR 54.8(c). Such 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." 47 CFR 54.8(a)(1).

²⁴ See *Second Report and Order*, 18 FCC Rcd at 9226, para. 70; 47 CFR 54.8(e)(3).

²⁵ *Second Report and Order*, 18 FCC Rcd at 9227, para. 74.

²⁶ See *id.*, 18 FCC Rcd at 9226, para. 70; 47 CFR 54.8(e)(5).

²⁷ *Id.* 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. 47 CFR 54.8(f).

²⁸ *Second Report and Order*, 18 FCC Rcd at 9225, para. 67; 47 CFR 54.8(d), 54.8(g).

²⁹ *Id.*