

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	File No. ENF-98-06
ConQuest Operator Services Corp.	)	
	)	NAL/Acct. No. 816EF0004
Apparent Liability for Forfeiture	)	

**ORDER OF FORFEITURE**

Adopted: July 22, 1999

Released: July 26, 1999

By the Commission:

**I. INTRODUCTION**

1. With this order, we impose a forfeiture against a carrier that has repeatedly failed to make its required universal service support contributions. In the 1996 Telecommunications Act, Congress expressed the importance of achieving universal service for all consumers of telecommunications and information services.<sup>1</sup> However, since the Commission's implementation of universal service support mechanisms, certain carriers have continually refused to contribute to the program. This creates a variety of difficulties that the Commission will no longer countenance. First, delinquent carriers deprive the universal service support mechanisms of the funds necessary to carry out the goals of this important statutory program. The support mechanisms cannot be fully effective if, because of carrier delinquencies, they are only partially funded. Second, by withholding their universal service payments, delinquent carriers likely enjoy a competitive advantage over those carriers that are complying with the law and our regulations and making their payments on a timely basis. We view contribution to the universal service support mechanisms as the obligation of all responsible carriers, and we will not permit carriers to shirk their responsibilities in an attempt to gain an advantage over their law-abiding competitors. Accordingly, with this and subsequent orders, we demonstrate our intention to move aggressively to ensure the full and timely funding of the universal service support mechanisms.<sup>2</sup>

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<sup>1</sup> See 47 U.S.C. § 254(b)(3).

<sup>2</sup> We note that the carrier to which this order is addressed, ConQuest Operator Services Corp., is now in bankruptcy. This order is issued in accordance with section 362(b)(4) of the United States Bankruptcy Code, 11 U.S.C. § 101-1330, as an exercise of the regulatory power of the Commission to determine the appropriateness of ConQuest's conduct before its bankruptcy filing. Of course, everything herein shall be subject to the provisions of the Bankruptcy Code to the extent that those provisions relate to ConQuest.

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## II. BACKGROUND

2. On August 14, 1998, we released a Notice of Apparent Liability (NAL) in this proceeding.<sup>3</sup> In the NAL, we concluded that, by failing to pay its universal service contribution for January 1998, ConQuest Operator Services Corp.<sup>4</sup> appeared to have willfully or repeatedly violated section 254 of the Communications Act of 1934, as amended, (the Act) and Commission rules and orders issued pursuant thereto.<sup>5</sup> We found that ConQuest was apparently liable for a forfeiture in the amount of seventy thousand and thirty-three dollars (\$70,033) for non-payment of the January 1998 contribution and allowed ConQuest to respond either by paying the forfeiture, or by presenting evidence and argument showing why no forfeiture should be imposed or some lesser amount should be assessed. On September 18, 1998, ConQuest filed its response to the NAL asking that we either decline entirely to impose a forfeiture or impose one smaller than that initially proposed. We have reviewed ConQuest's response and, for the reasons discussed more fully below, find that it does not justify a reduction in the proposed forfeiture.

3. As we discussed in the NAL, section 254 of the Act states that "[e]very telecommunications carrier that provides interstate telecommunications services shall contribute, on an equitable and nondiscriminatory basis, to the . . . mechanisms established by the Commission to preserve and advance universal service."<sup>6</sup> Our regulations restate the statutory requirement that telecommunication carriers "must contribute to the universal service support programs."<sup>7</sup> To this end, we have directed that the Universal Service Administrative Company (USAC) distribute, receive, and process the Universal Service Worksheet<sup>8</sup> on which carriers are required to report the categories of revenue used to calculate their universal service contribution; from the information in the worksheet, USAC is required to adjust carriers' contributions in

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<sup>3</sup> *ConQuest Operator Services Corp.*, Notice of Apparent Liability for Forfeiture, 13 FCC Rcd. 16075 (1998) (NAL).

<sup>4</sup> ConQuest is an inter-exchange carrier based in Dublin, Ohio. On its first Universal Service Worksheet, it reported total yearly revenues in excess of \$21 million. *See* FCC Form 457 in Sealed Appendix to NAL.

<sup>5</sup> Section 503 of the Act empowers the Commission to impose a forfeiture when it has determined that a carrier has "willfully or repeatedly failed to comply with any of the provisions of this Act or of any rule, regulation or order issued by the Commission under this Act." 47 U.S.C. § 503(b)(1)(B).

<sup>6</sup> 47 U.S.C. § 254(d). *See also* 47 U.S.C. § 153(44) (defining "telecommunications carrier"); 47 U.S.C. § 153(46) (defining "telecommunications service"); 47 U.S.C. § 153(43) (defining "telecommunications").

<sup>7</sup> 47 C.F.R. § 54.703(a).

<sup>8</sup> *See* FCC Form 457.

accordance with contribution factors established by the Commission.<sup>9</sup> In light of the importance of ensuring universal service, our regulations provide that the failure "to submit the required . . . contributions may subject the contributor to the enforcement provisions of the Act and any other applicable law."<sup>10</sup>

4. As we noted in the NAL, on January 15, 1998, USAC sent ConQuest an invoice for its January universal service contribution. The invoice stated that the contribution was due by February 16, 1998. When ConQuest failed to make payment by the date specified in the invoice, USAC personnel contacted ConQuest both by telephone and by mail on several different occasions.<sup>11</sup> Despite these numerous communications, however, ConQuest declined to comply with its statutory obligation and pay its assessed contribution for January. Indeed, on August 14, 1998, when we issued the NAL, ConQuest had also failed to pay its universal service contributions for the months of February through June.<sup>12</sup>

### III. CONQUEST'S RESPONSE TO THE NAL

5. In its response to the NAL, ConQuest concedes that it, like "all telecommunications carriers," is "required to pay the [universal service] fees calculated and assessed by" USAC.<sup>13</sup> In opposing the imposition of a forfeiture, ConQuest argues primarily that its "new management" was unaware of the corporation's long-standing delinquency in its payments to the universal service fund.<sup>14</sup> ConQuest asserts that this claimed ignorance of its obligations, and its consequent, "inadvertent failure to pay"<sup>15</sup> its universal service assessment, grew out of the confusion surrounding the January 1, 1998, acquisition of ConQuest by SmarTalk Teleservices, Inc.<sup>16</sup> Additionally, ConQuest's response states that its officer responsible for universal service compliance has left the company and that, eight months after SmarTalk acquired ConQuest, both companies relocated their headquarters.<sup>17</sup>

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<sup>9</sup> See *Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Federal-State Joint Board on Universal Service*, Report & Order and Second Order on Reconsideration, 12 FCC Rcd. 18400, 18424-25, ¶¶ 43-45 (1997) (*NECA Governance Order*). See also 47 C.F.R. § 54.711(a).

<sup>10</sup> 47 C.F.R. § 54.713.

<sup>11</sup> See NAL, 13 FCC Rcd. at 16078.

<sup>12</sup> *Id.*

<sup>13</sup> ConQuest Response at 2.

<sup>14</sup> See *id.* at 3.

<sup>15</sup> *Id.* at 1.

<sup>16</sup> See *id.* at 4.

<sup>17</sup> See *id.* at 3.

6. Given the confusion that ConQuest claims surrounded its operations in 1998, "including SmarTalk's lack of knowledge of ConQuest's failure to pay [and] the logistical confusion resulting from the acquisition," ConQuest asserts that its violation of the statute and our rules was merely "inadvertent."<sup>18</sup> Thus, ConQuest argues, its violation was neither willful nor repeated, as is necessary to support a forfeiture under section 503(b) of the Act. ConQuest's response also asserts its good faith in attempting to make good on its universal service obligations since receiving the NAL.<sup>19</sup> We find none of ConQuest's arguments to be persuasive.

#### IV. DISCUSSION

##### A. ConQuest's Claimed Lack of Knowledge

7. As a basis for avoiding forfeiture in this proceeding, the claimed ignorance of ConQuest's or SmarTalk's current management is both legally insufficient and factually suspect. At the outset, we note that ConQuest has not argued that it has ceased operation as a corporate entity. The NAL response states that ConQuest is a wholly owned subsidiary of SmarTalk,<sup>20</sup> but nowhere does it appear that ConQuest has ceased to exist. Indeed, we note that ConQuest, rather than SmarTalk or some other entity, responded to the NAL. Given ConQuest's continued corporate existence, it does not appear that the claimed ignorance of its parent company (or some other corporate affiliate) regarding ConQuest's universal service obligations has any relevance to our assessment of a forfeiture. As an ongoing entity that provides interstate telecommunications services, ConQuest is responsible for ensuring its compliance with its statutory and regulatory obligations, regardless of what knowledge any parent corporation may have of those obligations.

8. Moreover, a review of the record in this case raises serious questions about ConQuest's representations that its management was unaware of its universal service obligations. Before we adopted the NAL, USAC personnel contacted ConQuest, several times both by phone and in writing, to discuss its obligation to the universal service fund.<sup>21</sup> During one of these conversations, on March 9, 1998, Marianne Townsend, ConQuest's vice president and secretary, stated that payment of the company's contribution would be sent shortly.<sup>22</sup> On March 24, 1998, Ms. Townsend stated that the payment had been mailed on March 16, 1998. On at least three other occasions between May and August 1998, USAC personnel spoke with representatives of

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<sup>18</sup> *See id.* at 4.

<sup>19</sup> *See id.* at 3-4.

<sup>20</sup> *See id.* at 2.

<sup>21</sup> *See* NAL, 13 FCC Rcd. at 16078.

<sup>22</sup> *See id.* *See also* March 9, 1998 Customer History Sheet in Sealed Appendix 1 to NAL. We issued the NAL with sealed appendices because of confidentiality concerns that arose in a related proceeding. We note, however, that ConQuest has not requested confidential treatment for any of its universal service materials. Accordingly, this order discusses certain information in the sealed appendices that accompanied the NAL.

either ConQuest or SmarTalk about the carrier's delinquent status.<sup>23</sup> On February 24, 1998, Ed Kincaide, who identified himself as an employee of SmarTalk, asked for and received by facsimile a copy of ConQuest's universal service account statement.<sup>24</sup> On August 6, 1998, Nicole Evans, who identified herself as an employee of New Millennium, apparently also a ConQuest affiliate, asked for and received a copy of ConQuest's account statement after describing to USAC personnel SmarTalk's acquisition of ConQuest and stating that she would attempt to address ConQuest's delinquent status.<sup>25</sup>

9. This record of USAC's repeated contact with personnel at both SmarTalk and ConQuest demonstrates more than adequate notice of ConQuest's universal service obligation. On at least two occasions, USAC sent statements of ConQuest's account to employees of ConQuest or its affiliates.<sup>26</sup> These statements were sent at the specific request of the individuals receiving them and were in addition to the regular invoices that USAC continued to send ConQuest on a monthly basis. Moreover, Ms. Townsend, a vice president of ConQuest, spoke on at least two occasions with USAC and acknowledged the carrier's delinquency. The record shows more than adequate notice to both SmarTalk and ConQuest of the substantial delinquency to the universal service fund.

10. At certain points in its NAL response, ConQuest also appears to contend that, in assessing a forfeiture, we should be guided by the actual knowledge of its current management regarding the company's universal service obligations.<sup>27</sup> It thus appears to contend that the repeated communications that USAC had with ConQuest employees did not provide the corporation with effective notice of its universal service obligations because the company's "new management"<sup>28</sup> allegedly was unaware of them. This argument wholly disregards fundamental principles of the law of agency. It is well established that notice to a corporation's employee of matters actually or apparently within that employee's area of responsibility serves as notification of the corporation.<sup>29</sup> Regardless of the actual knowledge of "new management" on the issue, USAC's records unquestionably reflect contact with the carrier's employees -- discussed at length

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<sup>23</sup> USAC's records indicate that USAC personnel spoke with employees at ConQuest or its affiliates on May 19, July 31 and August 6, 1998. *See* Robert Haga Affidavit at 2.

<sup>24</sup> *See id.*

<sup>25</sup> *See id.*

<sup>26</sup> *See id.*

<sup>27</sup> *See* ConQuest Response at 3 (discussing knowledge of "Conquest's new management").

<sup>28</sup> *Id.*

<sup>29</sup> *See, e.g.,* Restatement (Second) of Agency § 268.

above -- that is sufficient to place the carrier on constructive notice of its universal service delinquency.<sup>30</sup>

11. We note with some concern the portion of ConQuest's response that offers Ms. Townsend's departure from the company as a justification for its alleged ignorance of its universal service obligations.<sup>31</sup> Shortly after we issued the NAL, Ms. Townsend contacted the Commission staff responsible for this matter to discuss the NAL, stating that she was working on the matter as a consultant. It thus appears that ConQuest's statement regarding Ms. Townsend's departure from its employ was, although possibly technically accurate, also disingenuous. We remind ConQuest that, under our rules, the parties and their lawyers appearing in Commission proceedings are under the obligation to be truthful and forthright in their written submissions.<sup>32</sup> In appropriate cases, violation of the duties imposed in these sections of our rules may serve as an independent basis for the issuance of a notice of apparent liability or other sanction by the Commission.

#### **B. ConQuest's Claim of Good-Faith Response to the NAL**

12. As an additional factor in its defense, ConQuest points to its alleged good faith in attempting to bring itself current in its universal service obligations after receiving the NAL. Thus, it states that it "has proposed a payment schedule to resolve the past-due ConQuest payments."<sup>33</sup> The proposal to which ConQuest refers appears in a September 1, 1998, letter from Thaddeus Bereday, SmarTalk's vice president and general counsel.<sup>34</sup> That letter proposes "an immediate 25% downpayment of the current balance owed, as calculated by USAC, with payment of the remaining balance . . . in *pro rata* installments over the next 12 months."<sup>35</sup> The

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<sup>30</sup> See also 47 U.S.C. § 217 ("the act omission, or failure of any officer, agent, or other person acting for or employed by any common carrier . . . acting within the scope of his employment, shall in every case be also deemed to be the act, omission, or failure of such carrier").

<sup>31</sup> See ConQuest Response at 3.

<sup>32</sup> Our Rule 1.17 prohibits the filing of written statements with the Commission that contain "any misrepresentation or willful material omission bearing on any matter within the jurisdiction of the Commission." 47 C.F.R. § 1.17. Similarly, Rule 1.52 provides that counsel's subscription of any document filed with the Commission constitutes a representation that the lawyer "has read the document; that to the best of his knowledge, information and belief there is good ground to support it; and that it is not interposed for delay." *Id.* § 1.52.

<sup>33</sup> ConQuest Response at 3.

<sup>34</sup> Mr. Bereday's letter is attached as Exhibit A to ConQuest's Response.

<sup>35</sup> ConQuest Response, Exhibit A.

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letter further states that "SmarTalk will commit to paying all additional [universal service] payment obligations accruing during that 12-month period in a timely manner."<sup>36</sup>

13. ConQuest's subsequent actions fall far short of the optimistic representations in Mr. Bereday's letter and in the NAL response. On September 23, 1998, USAC received a payment on ConQuest's account in the amount of \$50,000. At the time, the carrier's outstanding universal service liability was in excess of \$800,000. Indeed, the payment was less than half of ConQuest's liability for the month of January alone, \$100,067.83. Rather than the promised "immediate 25% downpayment of the current balance owed," ConQuest has paid less than 7 percent of its outstanding liability. Furthermore, before its bankruptcy filing, ConQuest appears to have made little effort to live up to Mr. Bereday's commitment to make monthly payments on the delinquency as well as timely paying its newly accruing liability. Apart from the one-time payment in late September, ConQuest has made no further universal service payments -- on either its new or its delinquent obligations. We are therefore doubtful of ConQuest's professed good-faith desire to bring itself current.<sup>37</sup>

### C. Willful and Repeated Nature of ConQuest's Violation

14. Under section 503(b) of the Act, the Commission is empowered to impose a forfeiture when it has determined that a carrier has "willfully or repeatedly failed to comply with any of the provisions of this Act or of any rule, regulation or order issued by the Commission under this Act."<sup>38</sup> Based on our review of the record in this proceeding, as described below, we conclude ConQuest's actions violate section 254(d) and section 54.703(a) of our rules, both of which impose on interstate carriers the obligation to contribute to universal service support programs.<sup>39</sup>

15. ConQuest's refusal to make the required contribution for January continued despite repeated communications from USAC, the administrator of the universal service program. In at least two separate letters, USAC informed ConQuest that its universal service contributions were required both by statute and by the Commission's rules.<sup>40</sup> USAC also repeatedly contacted ConQuest regarding its delinquent status. In the face of these repeated communications regarding its universal service obligation, the carrier's persistent refusal to make

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<sup>36</sup> *Id.*

<sup>37</sup> We recognize that, after its January 19, 1999, bankruptcy petition, ConQuest was not in a position to make payments on its universal service obligation. Our analysis of ConQuest's payment failures, despite its representations that payment would be made, is therefore limited to the period before the bankruptcy filing.

<sup>38</sup> 47 U.S.C. § 503(b)(1)(B).

<sup>39</sup> *See* 47 U.S.C. § 254(d); 47 C.F.R. § 54.703(a).

<sup>40</sup> *See* February 26, 1998 letter of Nancy Thomas to ConQuest in Sealed Appendix 1 to NAL; March 6, 1998 letter from USAC Billing and Collection Manager to Marianne Townsend in Sealed Appendix 1 to NAL.

the required payment rises to the level of a willful failure to comply with section 254 and our rules.<sup>41</sup>

16. We also find that ConQuest's violation of the Act and our rules is a repeated one within the meaning of section 503(b). As we noted in the NAL, ConQuest's failure to pay its January universal service contribution first became a violation of the statute and our regulations on February 17, 1998, the day after its payment was due.<sup>42</sup> Each subsequent day on which ConQuest failed to make the required payment continued the violation and amounted to an additional, repeated violation of the statute and our rules.<sup>43</sup>

#### D. Amount of the Forfeiture

17. Section 503(b) of the Act requires that, in determining the amount of a forfeiture, we "take into account the nature, circumstances, extent, and gravity of the violation and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require."<sup>44</sup> ConQuest's NAL response contends that the claimed inadvertence of the violation "suggests that the extent and gravity of this violation is *de minimis*."<sup>45</sup> As we have set out above, we view the record in this proceeding as supporting a finding that the violation in the period before the bankruptcy filing was willful, rather than, as ConQuest contends, merely inadvertent. We further note that ConQuest has not claimed to have been unable, before its bankruptcy petition, to pay its universal service obligation; however, apart from a payment of \$50,000 in late September of 1998, ConQuest has done nothing to reduce its outstanding universal service liability, which amounted to more than \$1.1 million as of December 31, 1998.

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<sup>41</sup> See *United States v. Summa Corp.*, 447 F. Supp. 923, 928 (D. Nev. 1978) (continued non-compliance with Act in the face of warning from Commission amounts to willful violation under section 503(b)(1)(B)). Indeed, we have held that a party need not have known that it was acting unlawfully to support a finding of willfulness under section 503(b) of the Act. That section requires only a showing that the party knew it was doing the acts in question. See *The Computer Force*, Letter Ruling, 7 FCC Rcd 2687, 2687 (Field Operations Bur. 1992); *Desert Empire Television Corp.*, Forfeiture Order, 88 FCC2d 1413, 1417, ¶ 11 (1982).

<sup>42</sup> See NAL, 13 FCC Rcd at 16079.

<sup>43</sup> See *United States v. WIYN Radio, Inc.*, 614 F.2d 495, 497 (5th Cir. 1980) ("continuous violation is made a separate offense each day it occurs and so becomes 'repeated' on the second day of the violation") (quoting S. Rept. No. 95-580, at 24, reprinted in 1978 U.S.C.C.A.N. 109, 132 (legislative history of amendment and reenactment of 47 U.S.C. § 503(b))); *United States v. Daniels*, 418 F. Supp. 1074, 1081 (D.S.D. 1976) (violation of Commission rule for 14 consecutive days qualified as "repeated" under section 503(b)(1)(B)). As noted above, these findings as to continuing violation relate to the period prior to the bankruptcy petition, when ConQuest was under no legal disability from making its payments.

<sup>44</sup> 47 U.S.C. § 503(b)(2)(D).

<sup>45</sup> ConQuest Response at 4.



18. The provision of universal service throughout the country represented one of the primary goals of the 1996 Telecommunications Act.<sup>46</sup> To that end, Congress explicitly provided, in section 254 that:

Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services . . . that are reasonably comparable to those services provided in urban areas that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.<sup>47</sup>

Naturally, the universal service support mechanisms are necessary to effectuate this central statutory goal. Those mechanisms cannot function effectively if carriers do not remit their universal service contributions on a timely and regular basis. We view ConQuest's violation of the Act and our rules as substantially damaging to a program that is both an important congressional goal and a primary focus of this Commission. We therefore impose a forfeiture of \$70,033 for its non-payment of its January 1998 contribution as proposed in the NAL.<sup>48</sup>

19. As we discussed in the NAL, this forfeiture consists of two components.<sup>49</sup> First, we have assessed a figure of \$20,000 as a general penalty for failure to pay the assessed universal service contribution in an appropriately timely manner. Given the vital importance of universal service, it is necessary to set a presumed forfeiture figure that will deter delinquencies regardless of their amount. The remainder of the forfeiture figure, \$50,033, amounts to one half of the unpaid universal service contribution for January 1998, the delinquency on which we base this forfeiture order. We have imposed this second component of the forfeiture to recognize that a delinquent carrier's culpability, and the consequent damage it causes to the goal of universal service, may vary with the amount by which it is in arrears. As noted above, the forfeiture imposed in this order relates to ConQuest's delinquency that accumulated before the carrier filed for bankruptcy. As a general rule, however, if it becomes necessary to issue more than one NAL to compel a carrier's compliance with its universal service obligations, the subsequent notices may well propose substantially greater forfeitures than those proposed in this proceeding.

20. Finally, we note with substantial concern the significant pattern of non-compliance that has emerged during the first year of our universal service rules. As of February

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<sup>46</sup> Pub. L. No. 104-104, 110 Stat. 56 (1996).

<sup>47</sup> 47 U.S.C. § 254(b)(3).

<sup>48</sup> On January 19, 1999, during the pendency of this forfeiture proceeding, ConQuest declared bankruptcy. This does not, however, affect our decision to impose a forfeiture for ConQuest's statutory and rule violations for the period prior to the bankruptcy filing. Particularly where, as here, a carrier's violation reduces the funds available for a congressionally designated purpose, we will impose the forfeiture for the pre-bankruptcy conduct notwithstanding the subsequent declaration of bankruptcy.

<sup>49</sup> See NAL, Appendix 2.

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1, 1999, USAC's records reflected more than \$27.5 million in unpaid universal service contributions.<sup>50</sup> As we noted at the outset,<sup>51</sup> these delinquencies tend to undermine the efficiency and effectiveness of the universal service support mechanisms. Furthermore, recalcitrant carriers may gain a competitive advantage over those industry members that are complying with the Act and our rules. Both of these consequences of non-compliance are unacceptable, and we are moving aggressively to prevent their continuation. Accordingly, the Commission will be issuing additional notices of apparent liability and taking other enforcement action as necessary to ensure full and timely funding of the universal service support mechanisms. Additionally, those carriers contemplating continued non-payment should be aware that, in light of the accumulating record of non-compliance, we are prepared to impose substantially greater forfeitures in the future. We originally restricted ourselves to basing the proposed forfeiture in this proceeding on ConQuest's first month of non-payment. However, our future notices likely will cover greater periods of non-payment than a single month; they similarly will be based on some variant of the above formula, which includes, as a component of the forfeiture, one half of the unpaid contribution amount for the period in question.

## V. CONCLUSION

21. After reviewing ConQuest's response to the NAL, we find that it has failed to identify any facts or circumstances to persuade us that there is any basis for reconsidering the NAL. Neither has ConQuest shown any mitigating circumstances sufficient to warrant a reduction of the \$70,033 for which we previously found it apparently liable.

## VI. ORDERING CLAUSES

22. Accordingly, IT IS ORDERED, pursuant to Section 503(b) of the Act, 47 U.S.C. § 503(b), and section 1.80(f)(4) of the Commission's rules, 47 C.F.R. § 1.80(f)(4), that ConQuest Operator Services, Inc., SHALL FORFEIT to the United States Government the sum of seventy thousand and thirty-three dollars (\$70,033) for violating the provisions of the Act and the Commission's rules requiring carriers to make payment to the universal service support mechanisms.<sup>52</sup>

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<sup>50</sup> This figure represents only the unpaid contributions of carriers that have filed their Universal Service Worksheets, but then declined to pay some portion of the requested funds. We also note that other carriers have declined even to file their worksheet. Carriers in this category also will be the focus of our future enforcement actions.

<sup>51</sup> See *supra* ¶ 1.

<sup>52</sup> Naturally, enforcement of the forfeiture obligation imposed in this order will be subject to the appropriate standards associated with ConQuest's bankruptcy proceeding.

23. IT IS FURTHER ORDERED that a copy of this Order of Forfeiture shall be sent by certified United States mail to Thaddeus Bereday, vice president and general counsel of SmarTalk<sup>53</sup> at 5080 Tuttle Crossing Boulevard, Dublin, Ohio 43016-3566.

**FEDERAL COMMUNICATIONS COMMISSION**

Magalie Roman Salas  
Secretary

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<sup>53</sup> In his September 1, 1998, letter to USAC, Mr. Bereday requested that all communications regarding either ConQuest or SmarTalk be directed to him.