



**Federal Communications Commission
Enforcement Bureau
Investigations and Hearings Division
445 12th Street, SW, Suite 4-C330
Washington, D.C. 20554**

February 26, 2009

DA 09-473

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED AND FACSIMILE (510-452-8405)

Mr. Frankie Logyang Wong
c/o David Gerger
1001 Fannin, Suite 1950
Houston, TX 77002

**Re: Notice of Suspension and Initiation of Debarment Proceedings,
File No. EB-08-IH-5313**

Dear Mr. Wong:

The Federal Communications Commission (“FCC” or “Commission”) has received notice of your conviction of federal crimes, including conspiracy to commit bribery, conspiracy to launder monetary instruments, and multiple counts of bribery concerning programs receiving federal funds, in connection with your participation in the schools and libraries universal service support mechanism (“E-Rate program”).¹ Consequently, pursuant to 47 C.F.R. § 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.²

¹ See 18 U.S.C. §§ 371 (conspiracy to bribery involving federal programs), 666(a) (bribery concerning programs receiving federal funds and aiding and abetting), and 1956(h) (conspiracy to launder monetary instruments). Any further reference in this letter to “your conviction” refers to your ten count conviction. *United States v. Frankie Logyang Wong*, Criminal Docket No. 3:07-CR-00167-L-2, Judgment (N.D. Tex. filed Nov. 14, 2008 and entered Nov. 17, 2008) (“*Frankie Wong Judgment*”).

² 47 C.F.R. § 54.8; 47 C.F.R. § 0.111 (delegating to the Enforcement Bureau authority to resolve universal service suspension and debarment proceedings). 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)).

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.³ On November 13, 2008, the United States District Court in Texas sentenced you to serve ten years in prison following your conviction of federal crimes, including conspiracy to commit bribery, conspiracy to launder monetary instruments, and multiple counts of bribery concerning programs receiving federal funds, in connection with your participation the E-Rate program.⁴ In addition, you and a co-conspirator were ordered to forfeit approximately \$1 million as a result of your conviction.⁵

As the co-owner and president of Micro Systems Engineering, Inc., (“MSE”), you participated in a bribery and money laundering scheme involving technology projects for the Dallas Independent School District (“DISD”), including a contract that involved E-Rate funds for Funding Year 2002 (“E-Rate FY 2002 Contract”).⁶ Beginning in November 2002, MSE and other companies formed a consortium (“Consortium”) for the purpose of submitting a bid proposal relating to E-Rate services for the DISD. While your co-defendant Ruben B. Bohuchot (“Mr. Bohuchot”) was Chief Technology Officer of the Dallas Independent School District,⁷ the Consortium submitted a bid proposal for E-Rate services after Mr. Bohuchot adjusted the requirements of DISD’s request for proposals to benefit you and your companies. Ultimately, the Consortium’s bid was approved by DISD.⁸ During the same time period, you and MSE provided things of value to Mr. Bohuchot, including extensive access to and control of large sports-fishing vessels,

³ See *Second Report and Order*, 18 FCC Rcd at 9225, ¶ 66; *Program Management Order*, 22 FCC Rcd at 16387, ¶ 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 C.F.R. § 54.8(a)(6).

⁴ See *supra* note 1. See also <http://dallas.fbi.gov/dojpressrel/pressrel08/dl111308.htm> (accessed Dec. 8, 2008) (“DOJ November 13, 2008 Frankie Wong Press Release”); *Frankie Wong Judgment* at 1-2.

⁵ See *DOJ November 13, 2008 Frankie Wong Press Release*; *Frankie Wong Judgment* at 2 and 8.

⁶ See *United States v. Ruben B. Bohuchot, et al.*, Criminal Docket No. 3:07-CR-167-L-1, Indictment at 1,5-6,15 (N.D.Tex. filed May 22, 2007, and entered May 24, 2007, under seal; unsealed May 29, 2007). (“DISD Indictment”); MSE was a computer reseller firm providing computer products and services to large corporations and school districts, principally in the state of Texas. See *DISD Indictment* at 2; *DOJ November 13, 2008 Frankie Wong Press Release* at 1.

⁷ In a separate letter, we also serve notice of suspension and initiation of debarment proceedings to Ruben B. Bohuchot for his role in the DISD bribery and money laundering scheme, pursuant to his conviction. See Letter from Hillary S. DeNigro, Chief Investigations and Hearings Division, Enforcement Bureau, to Ruben B. Bohuchot, Notice of Suspension and Initiation of Debarment Proceedings, DA 09-471 (Inv. & Hearings Div., Enf. Bur. Feb. 26, 2009).

⁸ See *DISD Indictment* at 5-6; *DOJ November 13, 2008 Frankie Wong Press Release*. MSE was able to obtain two contracts with DISD as a result of information that Mr. Wong received from Mr. Bohuchot. *DISD Indictment* at 2-6. In this proceeding, we only address the contract involving E-Rate services.

payment for numerous vacations and various entertainment services and cash.⁹ A federal jury ultimately determined that you and Mr. Bohuchot engaged in a conspiracy to commit bribery and money laundering. As a result of your criminal activity, MSE received at least \$35 million in aggregate revenue from DISD and the Universal Service Administrative Company as a result of its participation in the DISD E-Rate FY 2002 Contract.¹⁰

Pursuant to section 54.8(a)(4) of the Commission's rules,¹¹ 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 regarding the schools and libraries support mechanism.¹² Your suspension becomes effective upon the earlier of your receipt of this letter or publication of notice in the Federal Register.¹³

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.¹⁴ Such requests, however, will not ordinarily be granted.¹⁵ The Bureau may reverse or limit the scope of suspension only upon a finding of extraordinary circumstances.¹⁶ Absent extraordinary circumstances, the Bureau will decide any request for reversal or modification of suspension within 90 days of its receipt of such request.¹⁷

II. Initiation of Debarment Proceedings

Your 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

⁹ *DISD Indictment* at 4-5, 7-21; *DOJ November 13, 2008 Frankie Wong Press Release*.

¹⁰ *DISD Indictment* at 6. Based on a winning bid proposal prepared utilizing information that Mr. Wong received from Mr. Bohuchot, MSE received at least \$4 million as a subcontractor under another contract with DISD. See *DISD Indictment* at 4; *DOJ November 13, 2008 Frankie Wong Press Release* at 2.

¹¹ 47 C.F.R. § 54.8(a)(4). See *Second Report and Order*, 18 FCC Rcd at 9225-9227, ¶¶ 67-74.

¹² 47 C.F.R. § 54.8(a)(1), (d).

¹³ *Second Report and Order*, 18 FCC Rcd at 9226, ¶ 69; 47 C.F.R. § 54.8(e)(1).

¹⁴ 47 C.F.R. § 54.8(e)(4).

¹⁵ *Id.*

¹⁶ 47 C.F.R. § 54.8(e)(5).

¹⁷ See *Second Report and Order*, 18 FCC Rcd at 9226, ¶ 70; 47 C.F.R. §§ 54.8(e)(5), 54.8(f).

Mr. Frankie Logyang Wong

February 26, 2009

Page 4 of 5

rules.¹⁸ 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.¹⁹ Absent extraordinary circumstances, the Bureau will debar you.²⁰ 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.²¹ 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.²²

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 at least three years from the date of debarment.²³ The Bureau may, if necessary to protect the public interest, extend the debarment period.²⁴

Please direct any response, if by messenger or hand delivery, to Marlene H. Dortch, Secretary, Federal Communications Commission, 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002, to the attention of Rebekah Bina, 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 Rebekah Bina, Attorney Advisor, Investigations and

¹⁸ "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 C.F.R. § 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 C.F.R. § 54.8(a)(1).

¹⁹ See *Second Report and Order*, 18 FCC Rcd at 9226, ¶ 70; 47 C.F.R. § 54.8(e)(3).

²⁰ *Second Report and Order*, 18 FCC Rcd at 9227, ¶ 74.

²¹ See *id.*, 18 FCC Rcd at 9226, ¶ 70; 47 C.F.R. § 54.8(e)(5).

²² 47 C.F.R. § 54.8(e)(5). 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 C.F.R. § 54.8(f).

²³ *Second Report and Order*, 18 FCC Rcd at 9225, ¶ 67; 47 C.F.R. §§ 54.8(d), 54.8(g).

²⁴ 47 C.F.R. § 54.8(g).

Mr. Frankie Logyang Wong

February 26, 2009

Page 5 of 5

Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., 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, S.W., Room 4-C330, Washington, DC, 20554. You shall also transmit a copy of the response via email to Rebekah.Bina@fcc.gov and to Vickie.Robinson@fcc.gov.

If you have any questions, please contact Ms. Bina via mail, by telephone at (202) 418-7931 or by 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.

Sincerely yours,

Hillary S. DeNigro
Chief
Investigations and Hearings Division
Enforcement Bureau

cc: Kristy Carroll, Esq., Universal Service Administrative Company (via e-mail)
Dayle A. Elieson, U.S. Attorney's Office, United States Department of
Justice (via mail)