

**MINNESOTA PUBLIC UTILITIES COMMISSION
SUITE 350
121 SEVENTH PLACE EAST
ST. PAUL, MINNESOTA 55101-2147**

Katie Sieben	Chair
Joseph Sullivan	Vice Chair
Hwikwon Ham	Commissioner
Valerie Means	Commissioner
John Tuma	Commissioner

Minnesota Department of Commerce,

Docket No. _____

Complainant,

**DECLARATION IN SUPPORT OF THE
MINNESOTA DEPARTMENT OF
COMMERCE’S PETITION TO REVOKE
ETC STATUS**

vs.

Q Link Wireless, LLC,

Respondent.

DECLARATION OF LISA GONZALEZ

I, LISA GONZALEZ, declare under penalty of perjury:

1. I am a Telecommunications Analyst employed by the Minnesota Department of Commerce and assigned to the above-captioned matter. I make this declaration in good faith based on my personal knowledge of the facts set forth herein.

2. On October 15, 2024, Q Link Wireless plead guilty to conspiring to commit wire fraud, theft of government funds, and defraud of the United States. A true and correct copy of the plea agreement is attached as **Exhibit A**.

3. In addition to the plea agreement, Q Link Wireless entered into a factual proffer where it admitted that the United States would have proven beyond a reasonable doubt that Q Link submitted fraudulent Lifeline claims to the Federal Communications Commission. A true and correct copy of the factual proffer is attached as **Exhibit B**.

I declare under penalty of perjury that everything I have stated in this document is true and correct to the best of my knowledge.

Signed on the 9th of December, 2024
in Ramsey County, Minnesota.

/s/ **Lisa Gonzalez**
LISA GONZALEZ

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 24-20363-CR-RUIZ/LOUIS

UNITED STATES OF AMERICA

vs.

Q LINK WIRELESS LLC,

Defendant.

PLEA AGREEMENT

The United States Attorney's Office for the Southern District of Florida ("this Office") and Q Link Wireless LLC, (hereinafter referred to as the "Defendant"), enter into the following plea agreement (the "Agreement"):

1. The Defendant understands that it has the right to have the evidence and charges against it presented to a federal grand jury for determination of whether or not there is probable cause to believe it committed the offense with which it is charged. Understanding this right, and after full and complete consultation with counsel, the Defendant agrees to waive in open court its right to prosecution by indictment and agrees that the United States may proceed by way of an information to be filed pursuant to Rule 7 of the Federal Rules of Criminal Procedure.

2. The Defendant agrees to plead guilty to a one count information. The Defendant agrees to plead guilty to one count charging the Defendant with conspiring to (1) commit offenses against the United States, specifically, (a) a violation 18 U.S.C. § 1343 (wire fraud) and (b) 18 U.S.C. § 641 (theft of government funds), and (2) defraud the United States, all in violation of 18 U.S.C. § 371.

Exhibit A

3. The Defendant agrees to admit that it is fact guilty of the felony offense charged in the information through the actions of its employees, acting with the scope of their employment.

4. The Defendant agrees that this Agreement will be executed by an authorized corporate representative.

5. The Defendant is aware that the sentence will be imposed by the Court after considering the advisory Federal Sentencing Guidelines and Policy Statements (hereinafter "Sentencing Guidelines"). The Defendant acknowledges and understands that the Court will compute an advisory sentence under the Sentencing Guidelines and that the applicable guidelines will be determined by the Court relying in part on the results of a pre-sentence investigation by the Court's probation office, which investigation will commence after the guilty plea has been entered. The Defendant is also aware that, under certain circumstances, the Court may depart from the advisory Sentencing Guidelines range that it has computed, and may raise or lower that advisory sentence under the Sentencing Guidelines. The Defendant is further aware and understands that the Court is required to consider the advisory guideline range determined under the Sentencing Guidelines, but is not bound to impose a sentence within that advisory range; the Court is permitted to tailor the ultimate sentence in light of other statutory concerns, and such sentence may be either more severe or less severe than the Sentencing Guidelines' advisory range. Knowing these facts, the Defendant understands and acknowledges that the Court has the authority to impose any sentence within and up to the statutory maximum authorized by law for the offense identified in paragraph 2 and that the Defendant may not withdraw the plea solely as a result of the sentence imposed.

6. The statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 371 is: (a) a fine of \$500,000 or twice the gross pecuniary gain or

gross pecuniary loss resulting from the offense, whichever is greatest (Title 18, United States Code, Sections 371 and 3571(c) and (d)); (b) five (5) years' probation (Title 18, United States Code, Section 3561(c)(1)); (c) a mandatory special assessment of \$400 (Title 18, United States Code, Section 3013(a)(2)(B)); (d) restitution in the amount ordered by the Court (Title 18, United States Code, Section 3663); and (e) criminal forfeiture as set forth below in Paragraph 14 (Title 18, United States Code, Section 981(a)(1)(C); Title 21, United States Code, Section 853(p); Title 28, United States Code, Section 2461(c)). In this case, the parties agree that the gross pecuniary gain resulting from the offense is \$109,637,057. Therefore, pursuant to Title 18, United States Code, Section 3571(d), the maximum fine that may be imposed is twice the gross gain, or approximately \$219,274,114.

7. **The Defendant agrees that it will owe restitution in the amount of \$109,637,057 to the Federal Communications Commission (FCC), to be paid in full, joint and several with co-defendant Issa Asad, immediately at the time of sentencing.** The Defendant also understands that this restitution agreement does not preclude an individual from receiving restitution required under the law. The Defendant agrees that it will relinquish all claims to funds currently held by the FCC Lifeline program due to the Defendant and that amount will be applied to the restitution due to the FCC. **That amount is the greater of \$19,606,868 or the amount held by the FCC Lifeline program at the time of sentencing.** The Defendant further agrees that all restitution paid pursuant to the Agreement will be credited toward any separate Civil False Claims Act Settlement covering the same conduct in the Agreement.

8. The Defendant agrees that, at the time of sentencing, it shall not participate in any program administered by the FCC, nor shall any related, parent or subsidiary companies, including,

but not limited to, Quadrant Holdings Group LLC, and QLixar Corporation. The Defendant agrees that it will not: (a) participate directly or indirectly in any contracts or subcontract funded in whole or in part by the FCC, whether acting as a service provider, marketing agent, consultant, or in any other capacity; (b) engage directly or indirectly in any activities related to FCC programs; or (c) receive any commissions, payments or remuneration of any kind related to the provision of FCC administered programs, no matter how denominated.

9. The Defendant agrees to cooperate with the FCC in the transition of all customers of any program administered the FCC to other telecommunications providers.

10. This Office reserves the right to inform the Court and the probation office of all facts pertinent to the sentencing process, including all relevant information concerning the offenses committed, whether charged or not, as well as concerning the defendant and the defendant's background. Subject only to the express terms of any agreed-upon sentencing recommendations contained in this agreement, this Office further reserves the right to make any recommendation as to the quality and quantity of punishment.

11. The Office and the Defendant agree that a faithful application of the Sentencing Guidelines to determine the applicable fine range yields the following analysis:

- (a) The November 1, 2023 Sentencing Guidelines are applicable to this matter.
- (b) Offense Level. Based upon U.S.S.G. § 2C1.1 and 2X1.1, the total offense level is 38, calculated as follows:

2C1.1(a)(2)	Base Offense Level	12
2C1.1(b)(2)	Loss (More than \$65 Million)	+24
TOTAL		36

- (c) Base Fine. Based upon U.S.S.G. § 8C2.4(a)(2), the base fine is \$109,637,057 (the pecuniary gain to the Defendant from the offense).
- (d) Culpability Score. Based upon U.S.S.G. § 8C2.5, the culpability score is 7, calculated as follows:

(a) Base Culpability Score	5
(b)(4) 50 or More Employees and High-Level Personnel	+2
(e) Obstruction of Justice	+3
(g)(2) Acceptance	<u>-1</u>
TOTAL	9

Calculation of Fine Range:

Base Fine	\$109,637,057
Multipliers	1.8 (min) / 3.6 (max)
Fine Range	\$197,346,704 (min) / \$394,693,405 (max)

12. The Defendant has made representations to the Office that it has an inability to pay a criminal fine in excess of the agreed upon restitution amount, pursuant to U.S.S.G. § 8C2.2. The Office will conduct an analysis of the accuracy of Defendant's representations before sentencing.

13. The parties agree that the \$109,637,057 in restitution due to the FCC, pursuant to the Agreement, shall be paid as restitution not as forfeiture.

14. The Defendant agrees to forfeit to the United States, voluntarily and immediately, any right, title, and interest to any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of the offense, in violation of 18 U.S.C. §§ 641, 1343, pursuant to 18 U.S.C. § 981(a)(1)(C), as incorporated by 28 U.S.C. § 2461(c), and the provisions

of 21 U.S.C. § 853. In addition, the defendant agrees to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p). The property subject to forfeiture includes, but is not limited to a forfeiture money judgment in the sum of at least \$109,637,057 in U.S. currency, which sum represents the value of the property subject to forfeiture (the “Forfeiture Money Judgment”). The parties further agree that all forfeiture paid pursuant to the Agreement will be credited toward co-defendant Issa Asad’s forfeiture money judgment.

15. The Defendant further agrees that forfeiture is independent of any assessment, fine, cost, restitution, or penalty that may be imposed by the Court. The Defendant knowingly and voluntarily agrees to waive all constitutional, legal, and equitable defenses to the forfeiture, including excessive fines under the Eighth Amendment to the United States Constitution. In addition, the Defendant agrees to waive: any applicable time limits for administrative or judicial forfeiture proceedings, the requirements of Fed. R. Crim. P. 32.2 and 43(a), and any appeal of the forfeiture.

16. The Defendant also agrees to fully and truthfully disclose the existence, nature and location of all assets in which the Defendant has or had any direct or indirect financial interest or control, and any assets involved in the offense of conviction. The Defendant agrees to take all steps requested by the United States for the recovery and forfeiture of all assets identified by the United States as subject to forfeiture. This includes, but is not limited to, the timely delivery upon request of all necessary and appropriate documentation to deliver good and marketable title, consenting to all orders of forfeiture, and not contesting or impeding in any way with any criminal, civil or administrative forfeiture proceeding concerning the forfeiture.

17. The Defendant is aware that Title 18, United States Code, Section 3742 and Title 28, United States Code, Section 1291 afford the Defendant the right to appeal the sentence imposed

in this case. Acknowledging this, in exchange for the undertakings made by the United States in this plea agreement, the defendant hereby waives all rights conferred by Sections 3742 and 1291 to appeal any sentence imposed, including any restitution order, or to appeal the manner in which the sentence was imposed, unless the sentence exceeds the maximum permitted by statute or is the result of an upward departure and/or an upward variance from the advisory guideline range that the Court establishes at sentencing. The Defendant further expressly waives his right to appeal based on arguments that (a) the statutes to which the defendant is pleading guilty are unconstitutional and (b) the defendant's admitted conduct does not fall within the scope of the statutes. The Defendant further understands that nothing in this agreement shall affect the government's right and/or duty to appeal as set forth in Title 18, United States Code, Section 3742(b) and Title 28, United States Code, Section 1291. However, if the United States appeals the Defendant's sentence pursuant to Sections 3742(b) and 1291, the defendant shall be released from the above waiver of appellate rights. By signing this agreement, the Defendant acknowledges that the Defendant has discussed the appeal waiver set forth in this agreement with the defendant's attorney.


18. If the Defendant withdraws from this agreement, or commits or attempts to commit any additional federal, state or local crimes, or intentionally gives materially false, incomplete, or misleading testimony or information, or otherwise violates any provision of this agreement, then the Defendant will be subject to prosecution for any federal criminal violation, including, but not limited to, perjury and obstruction of justice, that is not time-barred by the applicable statute of limitations on the date this agreement is signed.

19. This is the entire agreement and understanding between this Office and the Defendant. There are no other agreements, promises, representations, or understandings.

20. This Agreement is limited to this Office, and as such, does not bind other federal, state, regulatory, or local prosecuting authorities.

MARKENZY LAPOINTE
UNITED STATES ATTORNEY

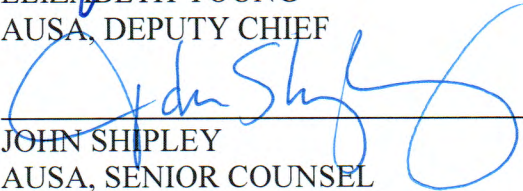
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By: 
DANIEL BERNSTEIN
ASSISANT UNITED STATES ATTORNEY

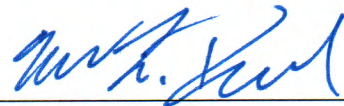
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ELIZABETH YOUNG
AUSA, DEPUTY CHIEF

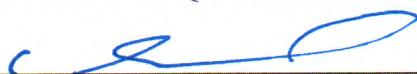
Date: 10/15/24

By: 
JOHN SHIPLEY
AUSA, SENIOR COUNSEL

Date: 10/15/24

By: 
BRIAN HEBERLIG
WILL DRAKE
COUNSEL FOR Q LINK WIRELESS LLC

Date: 10/15/24

By: 
ISSA ASAD
Chief Executive Officer, Q LINK WIRELESS LLC
DEFENDANT

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 24-20363-CR-RUIZ/LOUIS

UNITED STATES OF AMERICA

vs.

Q LINK WIRELESS LLC,

Defendant.

FACTUAL PROFFER

1. The Defendant, Q LINK WIRELESS LLC (hereinafter referred to as the “Defendant”), its counsel, and the United States agree that, had this case proceeded to trial, the United States would have proven the following facts, among others, beyond a reasonable doubt:

THE COMPANIES

2. Since 2012, the Defendant has been headquartered in Dania Beach, Florida and is engaged in telecommunications business. The Defendant is 100 percent owned by Quadrant Holdings Group LLC (“Quadrant”). Quadrant is 100 percent owned by the Chief Executive Officer, Issa Asad. Qlixar Corporation (“Qlixar”) is a Puerto Rican company 100 percent owned by Quadrant. Qlixar is a sister cooperation to the Defendant, also in the business of providing telecommunications services.

3. Beginning as early as 2012 and continuing at least as late as June 2021, the Defendant, through its officers and directors, intentionally defrauded a federal government program created to provide a discount on cellphone service for qualifying low-income consumers. This program, called the Lifeline program, administered by the Federal Communications Commission (“FCC”), ensures that all Americans have the opportunities and security that phone

Exhibit B

service brings, including being able to connect to jobs, family and emergency services, and allows telecommunications companies like the Defendant to receive reimbursement for phone services provided to qualifying low-income consumers. The Defendant can provide the service free to customers because it obtains reimbursements from a United States Treasury bank account administered by the FCC after submitting documentation as to the customers served and its compliance with usage rules described below.

4. Since 2013, the Defendant has received \$1,067,548,434 from the FCC's Lifeline program.

THE FRAUD

5. The Defendant and its employees, including Asad, understood that, for the Defendant to seek reimbursement under the Lifeline program for customers receiving a free basic service, the customers had to: 1) be beneath a certain income threshold or enrolled in a program such as Medicaid, Food Stamps, and other benefits programs; and that 2) "use" their phones. The Defendant and its employees understood that Q Link was required to de-enroll and stop seeking payment for customers who had not used their cellphones in a 45-day window¹ and that "usage" was defined as the customer completing at least one affirmative act every 45 days such as placing a call, answering a call (from someone other than Q Link), sending a text, or confirming with Q Link that they wanted to keep the service.

6. Asad directed Chief Technology Officer #1 to monitor the Defendant's customers' cellphone usage to ensure that it complied with the FCC usage rules described above before Q Link sought payment for the customers under the Lifeline program. Asad instructed Chief Technology Officer #1 to summarize the cellphone usage in a table for Q Link Compliance

¹ Before December 1, 2016, this was a 90-day window.

Director #1 before the Defendant sought reimbursement for those customers from the FCC. Asad ultimately approved all the Defendant's customers who were billed to the Lifeline program.

7. The Defendant conspired with others, including Asad and Director of Customer Relations #1, to submit and cause to be submitted false and fraudulent claims to the FCC Lifeline program for customers who were not using their cellphones according to the FCC usage rules. The Defendant and others conspired to mislead and trick the FCC into thinking customers were using their cellphones by manufacturing cellphone activity to pass off as usage and by engaging in coercive marketing techniques to get people to remain Q Link customers.

8. For example, in a practice called an "ESN Swap" directed by Asad, employees in the Defendant's shipping department took lists created by Chief Technology Officer #1 with cellphone numbers of the Defendant's customers who were not using their phones and placed outbound calls by temporarily swapping the customer's electronic serial number ("ESN") assigned to the physical cellphone for the ESN number of a cellphone in the Defendant's shipping department. Asad came up with this scheme, and carried it out between approximately 2013 and 2016, to make it appear in the cellphone records as if the Defendant's customer completed an outbound call, creating cellphone activity that would count as usage under the FCC Lifeline program had it actually happened.

9. In at least in or around March 2020, Asad and Director of Customer Relations #1 devised the following automated script to be played for Q Link customers: "Hello, your Medicaid, Food Stamp and Lifeline benefits are about to get cancelled . To avoid cancelation of these benefits, press 1 now to indicate that you wish to remain enrolled in these government programs. Press 2 if you wish to speak to a representative about your government benefits To opt out of any future calls, press 3."

10. At the instruction of Chief Technology Officer #1 and Asad, a Q Link software engineer (Software Engineer #1) set up auto-dialers to originate a high volume of outbound calls from the Defendant to customers who were not using their cellphones to trick them into answering the phone to assent to the Defendant's Lifeline services, including by using local area codes not facially associated with the Defendant and spoofing the Defendant's customers' own cellphone numbers to deceive customers into thinking the Defendant's representative were was not on the other end. The Defendant engaged in this deceptive call activity, a practice that continued until at least June 2021, in order to trick and mislead customers into pressing a button to agree to remain Q Link customers so that the Defendant could keep billing the Lifeline program.

11. According to Senior Customer Service Manager #1, when a customer tried to cancel their Q Link account, the subscriber had to call Q Link on the phone and could not cancel online. In addition, the Defendant employed a variety of a scrips intended to prevent customers from cancelling their accounts. In one recorded call in which such a script was deployed, a customer who called to cancel due to a non-working cellphone asked the Defendant's customer service representative "do you want me to throw it in the garbage" and the responsive responded: "Just make sure you continue to use the device at least once every 30 days." Customers complained that long wait times made it difficult if not impossible to reach a live representative to cancel services with the Defendant.

FCC INVESTIGATION INTO Q LINK

12. The Defendant, Asad, and Chief Technology Officer 1, knew that, beginning in 2014, the FCC was investigating whether the Defendant submitted claims to the FCC Lifeline program for customers who were not using their cellphones. As part of this investigation, FCC made various requests to the Defendant, including requests for cellphone records purporting to

document cellphone usage for customers the Defendant received reimbursement for under the Lifeline program.

13. In order to deceive the FCC and continue billing for the Defendant's customers under the Lifeline program, Asad, with the help of others (including Chief Technology Officer #1 and Software Engineer #1) manufactured cellphone activity on behalf of Q Link customers who were not using their cellphones between 2015 and June 2021. The Defendant provided records to the FCC purporting to show cellphone usage for customers who were not using their cellphone, including cellphone records for cellphones in the possession of FCC and provided by customers who were so fed up with the Defendant that they turned the cellphones into the FCC.

14. Further, between in or around 2019, Q Link provided false and manipulated cellphone records to the FCC for at least two customers who were not using their cellphones because their cellphones were at the FCC headquarters. Among other things, the Defendant took records of unchecked voicemails, some of which were left by phone numbers controlled by the Defendant and tried to pass the voicemails off to the FCC as answered voice calls (answered voice calls would have counted as cellphone usage, unchecked voicemails would not). In addition, Asad changed a spreadsheet header from "voicemail" to "voice" to leave the FCC with the false impression that the call records contained voice calls.

15. On January 28, 2020, prompted in large part by the FCC investigation revealing that Defendant was billing for cellphones in the possession of the FCC, the FCC issued an advisory notice stressing the importance of the usage requirements to the Lifeline program. Among other thing, the FCC notice stated that incoming voicemails to customers do not count as usage and reminded Lifeline providers to "take appropriate remedial measures ... including amending past [Lifeline claims]." At no point did Defendant amend past Lifeline claims for customers who were

not using their cellphones or return any of the Lifeline payments.

16. The Defendant knew these tactics interfered with the FCC's oversight of the federal Lifeline program.

17. Based on a review of call detail records, between April 2013 and October 2019, a reasonable estimate of the total actual loss to the FCC and total payments to Q Link that resulted from the conduct of the Defendant and its co-conspirators is \$109,637,057.

18. Between 2013 and 2019, the Defendant received a total of \$618,736,494 from the FCC Lifeline Program. As a result, approximately 21 percent of the Defendant's payments during that time period resulted from the fraud scheme.

19. At no point has the Defendant returned any money to the FCC.

20. Q Link has continued to bill the FCC Lifeline program up until the present, including for customers that Q Link should have stopped billing because the customers were not using their cellphones.

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21. Based upon the foregoing facts, which establish all the elements of the charges to which the Defendant is pleading guilty, the Government would prove the Defendant's guilt at trial.

MARKENZY LAPOINTE
UNITED STATES ATTORNEY

Date: 10/15/24

By: _____


DANIEL BERNSTEIN
ASSISANT UNITED STATES ATTORNEY

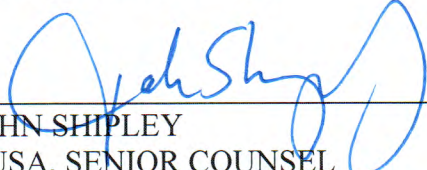
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ELIZABETH YOUNG
AUSA, DEPUTY CHIEF

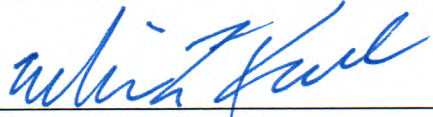
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JOHN SHIPLEY
AUSA, SENIOR COUNSEL

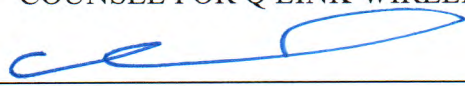
Date: 10/15/24

By: _____


BRIAN HEBERLIG
WILL DRAKE
COUNSEL FOR Q LINK WIRELESS LLC

Date: 10/15/24

By: _____


ISSA ASAD
Chief Executive Officer, Q LINK WIRELESS LLC
DEFENDANT