



GVNW CONSULTING, INC.

2270 LA MONTANA WAY #200
COLORADO SPRINGS, CO 80918
TEL. 719.594.5800
FAX 719.594.5803
www.gvnw.com

September 19, 2017

Ms. Lynn M. Retz
Secretary to the Commission
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027

RE: Docket No. 17-TAGC-029-KSF
In the Matter of the Audit of TAG Mobile, LLC by the Kansas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A 2015 Supp. 66-2010(b) for KUSF Operating Year 19, Fiscal Year March 2015-February 2016.

Dear Ms. Retz:

On June 29, 2017, the Kansas Corporation Commission (Commission) issued an Order adopting GVNW Consulting, Inc.'s (GVNW) Audit Report and directed TAG Mobile, LLC (TAG) to submit the following documentation and payments to GVNW:

1. An Audit True-up for January 2016 to reflect 3,302 lines and a reduction in the related Kansas Lifeline Service Program (KLSP) credits within ten (10) days from the date of the Order (Audit Finding No. 1: Filing Due July 10, 2017);
2. Audit True-ups for March 2015 through January 2016 and repay \$97,925.31 of KLSP credits to the KUSF within thirty (30) days from the date of the Order (Audit Finding No. 3: Filing Due July 31, 2017), with GVNW reducing TAG's accrued KLSP credits \$48,251.70;
3. An affidavit, executed by an officer of the Company, identifying when TAG began offering its 600 minutes and global messaging plan to KLSP subscribers within thirty (30) days from the date of the Order (Audit Finding No. 4: Filing Due July 31, 2017); and
4. Copies of its internal processes and procedures, accompanied by an affidavit executed by an officer of the Company, confirming implementation of the processes and procedures within thirty (30) days from the date of the Order (Audit Finding No. 4: Filing Due July 31, 2017).

The Commission also directed TAG to be subject to a KUSF Audit for the KUSF Fiscal Year of March 2017 – February 2018 (Operating Year 20) and directed GVNW to submit a Compliance Report.

On July 18, 2017, GVNW filed a Non-Compliance Report stating TAG failed to submit the Audit True-up for January 2016 within 10 days of the Order.

GVNW, on August 9, 2017, filed a second Non-Compliance Report, advising the Commission that as of the close of business August 8, 2017, TAG failed to submit any of the documentation and the repayment to the KUSF that it was required to submit to GVNW.

On September 7, 2017, TAG emailed copies of the following documents to GVNW:

1. An affidavit executed by Z. Ed Lateef,¹ stating TAG “has implemented a Data Maintenance and Retention Policy, a Change of Control Policy, and a Plan Change Process” to “ensure TAG Mobile, LLC’s accounting and billing systems are accurate[ly] maintained and retained”;
2. Data Maintenance and Retention Policy (Version v1.0) approved on August 29, 2017;
3. Change Management Policy (Version v1.0) approved on August 29, 2017;
4. Product Request/Change Form; and
5. Executed affidavit of Z. Ed Lateef² verifying that the Company implemented a new Kansas subscriber service plan as of January 2017 that provided “600 Voice Minutes, 8,000 Global Texts and 500 MB of Data each billing period.”

Each of the documents provided by TAG are enclosed as Attachment A.

GVNW has reviewed the information provided by TAG and does not consider the Data Maintenance and Retention Policy and Change Management Policy documents to be reliable competent evidence supporting TAG’s compliance with the Commission’s directives. The Commission directed TAG to provide implementation of the processes and procedures that provide assurance that TAG’s KLSP subscribers’ billing accounts are correct at all times. Instead, the Company provided high level policy management guidelines; not the actual processes and procedures documentation designed to implement management’s directives. For example, the Data Maintenance and Retention Policy states, “TAG has dedicated individuals that perform semi-annual checks to ensure all information is being transmitted to VCare properly;”³ yet, no standardized procedures

¹ Mr. Lateef states he is the Chief Executive Officer of TAG.

² *Ibid.*

³ Attachment A, Data Maintenance and Retention Policy, Page 5 of 11.

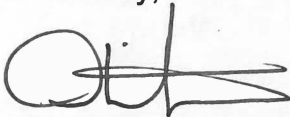
were provided to support that VCare is transmitting information properly and that information is not being overlooked or misinterpreted in such a review. The Change Management Policy is primarily dedicated to "increase awareness and understanding of *proposed* changes across an organization and ensure that all changes are made in a thoughtful way that minimizes negative impact to services provided by TAG..."⁴ It does not provide any meaningful procedures to implement this policy directive.

Based on the processes and procedures provided by the Company, GVNW cannot provide any assurance to the Commission that TAG's KLSP subscribers' billing accounts are or will be correct at all times.

As previously outlined above, Mr. Lateef's second affidavit stated that the Company's KLSP plan was modified, *effective January 2017*, to include "600 MOU, 8,000 global texts, and 500 MB of Data each billing period." GVNW notes the Company's Form FCC 481 information filed with the KCC in Docket 17-405⁵ includes TAG's certification that, as of December 31, 2016, its "Lifeline service offering in KS include[s] a 500 Minute Plan. Text messages decrement available plan minutes at a rate of 1 text, whether sent or received, per plan minute." Neither affidavit corresponds to information provided by TAG to Staff and/or GVNW regarding its Lifeline service offering.⁶

Furthermore, as of the close of business on September 19, 2017, TAG has failed to submit any of the information or documentation as directed by the Commission for Audit Findings Nos. 1 and 3, and a partial response to Audit Finding No. 4.

Sincerely,



David Winter
Senior Consultant

cc: Sandy Reams

⁴ Attachment A, Change Management Policy, Page 8 of 11.

⁵ Docket No. 17-GIMT-405-GIT (17-405), TAG Mobile, LLC Compliance Filings – FCC Form 481, Attachment 6 (Attachment B).

⁶ See Docket No. 16-TAGC-323-SHO, June 23, 2017 Direct Testimony of Sandy Reams and Aug. 28, 2017 Surrebuttal Testimony of Sandy Reams.

CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of September, 2017, the above Kansas Universal Service Fund Compliance Report was e-filed with the Kansas Corporation Commission and a copy was sent via electronic mail and/or U.S. Mail to:

Kansas Corporation Commission
1500 S.W. Arrowhead Road
Topeka, KS 66604

Otto Newton, Litigation Counsel
Otto Newton
1500 SW Arrowhead Road
Topeka, KS 66604
Email: o.newton@kcc.ks.gov

Frank Del Col, CEO
TAG Mobile, LLC
1330 Capital Pkwy
Carrollton, TX 75006
Email: frank.delcol@tagmobile.com

Brian G. Fedotin, Deputy General Counsel
Kansas Corporation Commission
1500 SW Arrowhead Rd
Topeka, KS 66604-4027
Email: b.fedotin@kcc.ks.gov



David G. Winter

State of Texas

County of Dallas

AFFIDAVIT of Z. Ed Lateef

Personally appeared before me Z. Ed Lateef, who, being first duly sworn, deposes and states the following:

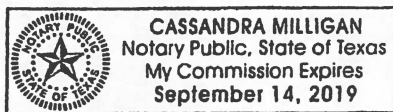
1. My name is Z. Ed Lateef, I am the CEO of TAG Mobile, LLC. My business address is 1330 Capital Parkway, Carrollton, TX, 75006. I am an officer of the Company and as such I am authorized to make this Affidavit on its behalf, and it is based on my personal knowledge. This affidavit is given in response to the Order for Docket No. 17-TAGC-029-KSF.
2. On behalf of TAG Mobile, LLC, I, Z. Ed Lateef, hereby certify and state that TAG Mobile, LLC, implemented a new service plan in January 2017 for Kansas subscribers. The new plan provided subscribers with 600 Voice Minutes, 8,000 Global Texts and 500 MB of Data each billing period.

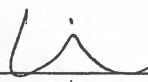
Dated this 31st day of August, 2017

By:  _____

Z. Ed Lateef, CEO – TAG Mobile, LLC

Subscribed and sworn to before me this 31st day of August, 2017.



 _____
Notary Public

17-GIMT-405-GIT
Attachment 6

(If necessary, please attach additional pages.)

7. A competitive ETC must certify that it offers a local usage plan comparable to that of the incumbent. Please provide a description of the local usage plan(s) that is comparable to that of the incumbent and complete the certification.

All TAG Mobile, LLC calling plans include the following: local calls, Nationwide Domestic Long Distance, Caller ID, Call Waiting, Call Forwarding, 3-Way Calling, Voicemail, Nationwide Domestic Text Messaging, Roaming at no additional charge, 411 Directory Assistance, 911 and E911 where available (plan minutes are not decremented for 911 and E911 services and this service will remain available even when all plan minutes have been used), 611 access to customer service, as well as access to 211 services. Tag's Lifeline service offering in KS include a 500 Minute Plan. Text messages decrement available plan minutes at a rate of 1 text, whether sent or received, per plan minute.

COMPARABLE LOCAL USAGE PLAN ANNUAL CERTIFICATION
KCC Docket Reference: 06-GIMT-446-GIT
(Please type or print legibly)

1. My title is Vice President of Finance of the TAG Mobile, LLC (Company/ Cooperative). In this capacity, I am in a position of authority to certify whether the Company/ Cooperative offers a local usage plan comparable to that of the incumbent. I am binding TAG Mobile, LLC (Company/Cooperative) to the statements made in this certification.

2. By this affidavit, I certify that TAG Mobile, LLC (Company/ Cooperative) offers a local usage plan comparable to that of the incumbent.

I certify under penalty of perjury under the laws of the state of Kansas that the foregoing is true and correct. (Pursuant to Kan. Stat. Ann. 53-601.) Executed on June 30th, 2017 (date).



Signature

Siao Gallion

Printed/Typed Name

State of Texas

County of Dallas

AFFIDAVIT of Z. Ed Lateef

Personally appeared before me Z. Ed Lateef, who, being first duly sworn, deposes and states the following:

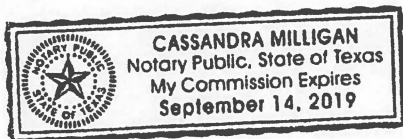
1. My name is Z. Ed Lateef, I am the CEO of TAG Mobile, LLC. My business address is 1330 Capital Parkway, Carrollton, TX, 75006. I am an officer of the Company and as such I am authorized to make this Affidavit on its behalf, and it is based on my personal knowledge. This affidavit is given in response to the Order for Docket No. 17-TAGC-029-KSF.
2. On behalf of TAG Mobile, LLC, I, Z. Ed Lateef, hereby certify and state that TAG Mobile, LLC, has implemented a Data Maintenance and Retention Policy, a Change of Control Policy and a Plan Change Process. These have been implemented to ensure TAG Mobile, LLC's accounting and billing systems are accurate, maintained, and retained.

Dated this 29th day of August, 2017

By: _____

Z. Ed Lateef, CEO – TAG Mobile, LLC

Subscribed and sworn to before me this 29st day of August, 2017.



Notary Public



Data Maintenance and Retention Policy

Document History				
Document Name	Version	Documented & Reviewed by	Approved by	Date of Approval
Data Maintenance and Retention Policy	v1.0	Cassandra Milligan	Ed. Lateef	August 29, 2017



Data Maintenance and Retention Policy

1.1 Purpose

The purpose of this Policy is to ensure that all accounting and billing systems are accurate, maintained, and retained according to all applicable rules and laws.

1.2 Scope

This Policy represents the TAG policy regarding the maintenance and retention of its accounting and billing systems and software.

1.3 Policy

1) Servers and Back-up

- a. TAG's accounting is processed through QuickBooks. The server utilized for QuickBooks is located in Dallas, Texas. All data on the QuickBooks server is backed up daily to a separate server located in Atlanta, Georgia.
- b. TAG's data is saved on a separate dedicated data server located in Atlanta, Georgia. All data on this server is backed up daily to a separate server also located in Atlanta, Georgia.
- c. TAG's subscriber billing information is stored in VCare, a third party company contracted by TAG for billing services. VCare has its own back-up process; however, TAG is developing an additional back-up process which would store VCare information on a TAG data server.

2) Data Maintenance

TAG has controls in place on all systems which send alerts anytime there is an error returned for any of our automated processes. In addition, TAG has the following process for each system.

- a. TAG's Account department does periodic checks to ensure the accuracy of all information submitted to QuickBooks.
- b. TAG performs periodic checks to ensure that all data on the server is being preserved and that the backup process is working properly.
- c. TAG has dedicated individuals that perform semi-annual checks to ensure all information is being transmitted to VCare properly. They check all APIs to ensure the accuracy of the information being transmitted.

3) Data Retention

- a. TAG's accounting data is kept for a minimum of 3 years prior to disposal.
- b. TAG's data is kept for a minimum of 3 years prior to being archived. Once archived, the information is maintained on the back-up server located in Atlanta, Georgia.



Data Maintenance and Retention Policy

- c. TAG's subscriber billing information, stored in the VCare system, is stored for a minimum of three (3) years.

4) Change of Control

Please see TAG's Change of Control Policy for additional information.



Change Management Policy

Document History				
Document Name	Version	Documented & Reviewed by	Approved by	Date of Approval
Change Management Policy	v1.0	Cassandra Milligan	Ed. Lateef	August 29, 2017



Change Management Policy

1.1 Purpose

Change management refers to a formal process for making changes to IT services. The purpose of this document is to increase awareness and understanding of proposed changes across an organization and ensure that all changes are made in a thoughtful way that minimizes negative impact to services provided by TAG Mobile, LLC (TAG).

1.2 Scope

This policy applies to all parties operating within the TAG network environment or utilising Information Resources. It covers the data networks, LAN servers and personal computers (stand-alone or network-enabled), located at company offices and company production related locations, where these systems are under the jurisdiction and/or ownership of the company or subsidiaries, and any personal computers, laptops, mobile device and or servers authorised to access the company's data networks. No employee is exempt from this policy.

1.3 Policy

- 1) Changes to information resources shall be managed and executed according to a formal change control process. The control process will ensure that changes proposed are reviewed, authorized, tested, implemented, and released in a controlled manner; and that the status of each proposed change is monitored.
- 2) The change control process shall be formally defined and documented. A change control process shall be in place to control changes to all critical company information resources (such as hardware, software, system documentation and operating procedures). This documented process shall include management responsibilities and procedures. Wherever practicable, operational and application change control procedures should be integrated.
- 3) At a minimum the change control process should include the following phases:
 - Logged Change Requests;
 - Identification, prioritisation and initiation of change;
 - Proper authorization of change;
 - Impact Assessment;
 - Change approach;
 - Change testing;
 - User acceptance testing and approval;
 - Implementation and release planning;
 - Back-out procedures;
 - Documentation;
 - Change monitoring;



Change Management Policy

- 4) A documented audit trail should be maintained which include change request documentation, change authorisation and the outcome of the change. No single person should be able to effect changes to production information systems without the approval of other authorised personnel.
- 5) A risk assessment shall be performed for all changes and dependant on the outcome, an impact assessment should be performed.
- 6) Change requests, which may introduce risk or otherwise affect contractual, legal, or regulatory requirements, shall require the review and approval from the management.
- 7) All change requests shall be prioritised in terms of benefits, urgency, effort required and potential impact on operations.
- 8) Changes shall be tested in an isolated, controlled, and representative environment (where such an environment is feasible) prior to implementation to minimise the effect on the relevant business process, to assess its impact on operations and security and to verify that only intended and approved changes were made.
- 9) Any software change and/or update shall be controlled with version control. Older versions shall be retained in accordance with corporate retention and storage management policies.
- 10) All changes shall be approved prior to implementation. Approval of changes shall be based on formal acceptance criteria i.e. the change request was done by an authorised user, the impact assessment was performed and proposed changes were tested.
- 11) All users, significantly affected by a change, shall be notified of the change. The user representative shall sign-off on the change. Users shall be required to make submissions and comment prior to the acceptance of the change.
- 12) Implementation will only be undertaken after appropriate testing and approval by stakeholders. Major changes will be classified according to effort required to develop and implement said changes.
- 13) Procedures for aborting and recovering from unsuccessful changes shall be documented. Should the outcome of a change be different to the expected result (as identified in the testing of the change), procedures and responsibilities shall be noted for the recovery and continuity of the affected areas. Back-out procedures will be in place to ensure systems can revert back to what they were prior to implementation of changes.

Product Request/Change Form

Date:

Requested Effective Date:

Requestor:

New Plan

Revision

States Offered:

AR	AZ	CA	CO	IA	KS	KY
LA	MD	ME	MI	MN	MO	NV
OK	PA	SC	TX	WI	WV	

Plan Information

Plan Name	Voice	Text	Data	Company Cost	Plan Price	Discounts	Customer Price

Feature Information

Plan Name	Call Wait	Caller ID	Call Rtn	Call Fwd	3 Way	VM	ILD

Product Request/Change Form

	Confirmed By	Title	Date
Approval Checklist:			
Executive Approval			
Financial Approval			

Regulatory Checklist:			
Does the plan meet minimum service standards?			
State specific requirements			
Draft plan change to send to Commissions			
Plan changes sent to Commission			
Approval from Commissions			
Draft Customer Notices			
Customer Notices sent			

Pre-Production Checklist:			
Plan has been submitted to PWG			
PWG has returned the Plan IDs			
The plan has been submitted to Vcare with all plan information and Plan ID received from PWG			
The plan has been built by Vcare			
VCARE testing has been completed			

Post-Production Checklist:			
Testing MDN:			
VCARE testing has been completed			