

April 16, 2024

Ms. Lynn M. Retz  
Executive Director  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, KS 66604-4027

**RE: Docket No. 24-MTMZ-116-KSF (Company Code KS006456)**

***In the Matter of the Audit of Mint Mobile, LLC by the Kansas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A. 66-2010(b) for Fiscal Year 26, March 2022 - February 2023***

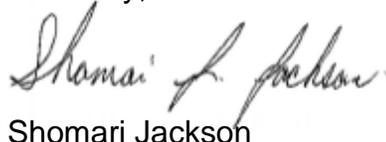
Dear Ms. Retz:

In its August 17, 2023 Order, the Kansas Corporation Commission (KCC) directed Vantage Point Solutions (VPS) to perform a KUSF carrier audit of Mint Mobile, LLC (Mint Mobile or Company) to ensure that the data submitted to the KUSF via the KUSF CRWs, the assessments paid, and the calculation and application of the flow-through surcharge billed to and collected from Mint Mobile's customers, if applicable, are appropriate and accurate.

The KCC directed VPS to file two (2) versions of the audit report with the KCC; one (1) version containing confidential information and one (1) version with the confidential data redacted for public disclosure. Mint Mobile's audit does not require a separate confidential report; therefore, only the enclosed public audit report for Mint Mobile is being filed.

Copies of the supporting documentation, including VPS' audit work papers and information provided by the company, are not included with the audit report, but are available from VPS, upon request.

Sincerely,



Shomari Jackson

cc: Steve Garrett [s.garrett@kcc.ks.gov](mailto:s.garrett@kcc.ks.gov)

## CERTIFICATE OF SERVICE

I hereby certify that on this 16<sup>th</sup> day of April, 2024, the above Kansas Universal Service Fund Audit 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

Ahsan Latif, Litigation Counsel  
Kansas Corporation Commission  
1500 SW Arrowhead Rd  
Topeka, KS 66604  
[a.latif@kcc.ks.gov](mailto:a.latif@kcc.ks.gov)

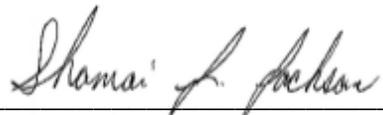
Wendy Harper  
USF Services Manager  
Vantage Point Solutions  
2930 Montvale Drive, Suite B  
Springfield, IL 62704  
[wendy.harper@vantagepnt.com](mailto:wendy.harper@vantagepnt.com)

Nicole Stephens  
KUSF Administrator Manager  
Vantage Point Solutions  
2930 Montvale Drive Suite B  
Springfield, IL 62704  
[nicole.stephens@vantagepnt.com](mailto:nicole.stephens@vantagepnt.com)

Dennis Smith  
Vantage Point Solutions  
2930 Montvale Drive Suite B  
Springfield, IL 62704  
[dennis.smith@vantagepnt.com](mailto:dennis.smith@vantagepnt.com)

Gary Grinham, Officer  
Mint Mobile, LLC  
1550 Scenic Avenue, Suite 100  
Costa Mesa, CA 92626  
[gary@ultra.me](mailto:gary@ultra.me)

Kitty Whitt, Attorney-In-Fact  
Mint Mobile, LLC  
1595 Peachtree Pkwy, Suite 204-337  
Cumming, GA 30041  
[regulatory@gsaudits.com](mailto:regulatory@gsaudits.com)



---

Shomari Jackson

**Vantage Point Solutions, Inc.**  
**Audit Report for**  
**Mint Mobile, LLC**

**From:** Shomari Jackson, Auditor

**Company Personnel:** Gary Grinham, VP of Finance  
Orvin Moore, Attorney-in-Fact  
Rob Logan, Senior Director, Revenue Optimization

**Date:** March 28, 2024

**On-Site Visit Date:** February 20-21, 2024

**KUSF Status:** Current with Reporting & Payment obligations

**Re:** Docket No. 24-MTMZ-116-KSF

*In the Matter of the Audit of Mint Mobile, LLC by the Kansas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A. 66-2010(b) for KUSF Operating Year 26, Fiscal Year March 2022 – February 2023.*

**Audit Summary**

Pursuant to the Kansas Corporation Commission's (KCC or Commission) August 17, 2023 Order, Vantage Point Solutions, Inc. (VPS) conducted an audit of Mint Mobile, LLC (Mint Mobile or Company) based on the Kansas Universal Service Fund (KUSF) Carrier Review Procedures adopted for KUSF Fiscal Year 26 (FY 26).<sup>1</sup> VPS identified two (2) findings resulting from the Company's non-compliance with the Commission's KUSF policies, with a net impact of an increase of \$2,820.28 to the KUSF. The Company is current with its KUSF obligations.

- **Finding No. 1** – Mint Mobile did not report revenues for the periods in which they were earned and did not correct its reporting via Quarterly or Annual True-Ups for FYs 25 – 27 (March 2021 – February 2024), resulting in an underpayment of \$2,820.28 to the KUSF.
- **Finding No. 2** – Mint Mobile allocated revenue to the KUSF using a company-specific traffic factor study. The Company has not submitted a pleading, including an affidavit, from an officer of the Company, to the Kansas Corporation Commission (KCC or Commission) regarding its methodology to allocate Kansas revenue between the interstate and intrastate jurisdictions or to verify that the Company is using the same methodology for both Federal and Kansas USF purposes.

---

<sup>1</sup> Order Accepting VPS' KUSF Proposed Revisions to Selection Criteria and Carrier Review Procedures, Docket No. 22-GIMT-142-GIT, Jun. 27, 2023 (22-142 Order).

VPS recommends the Commission issue an Order to adopt this Audit Report and the identified findings and direct Mint Mobile to:

1. File audit True-ups for FYs 25, 26, and 27, to correctly report its actual revenues for the appropriate periods;
2. Remit \$2,820.28 to the KUSF;
3. Update its reporting procedures to report actual revenues in the appropriate periods in which they occurred through Quarterly True-ups;
4. Submit a pleading affirming its use of a company-specific traffic factor study to allocate revenue between interstate and intrastate jurisdictions, the period(s) the methodology was applicable, the intrastate factors applied and verifying that the Company is using this methodology for both Federal and Kansas USF purposes;
5. File an affidavit, signed by an officer of the Company, attesting that the Company:
  - a. Corrected its KUSF reporting procedures to file Quarterly True-Ups to report actual revenues for the appropriate periods within 45-days of the end of the applicable reporting period,<sup>2</sup>
  - b. Remitted \$2,820.28 to the KUSF, and;
  - c. The Company has submitted a pleading affirming its use of a company-specific traffic factor study to allocate revenues between the interstate and intrastate jurisdictions, the periods the methodology was applicable, the intrastate factors applied, and verifying that the Company is using this methodology for both Federal and Kansas USF purposes.

The affidavit should provide the date the corrective actions were implemented.

VPS recommends Mint Mobile be directed to take all corrective actions within 30-days from the date of the Commission's Order. VPS will file a Compliance Report in the Docket within 60-days of the Order.

The Company is current with its KUSF obligations.

Mint Mobile agrees with the Audit Report.

---

<sup>2</sup> Order Setting the Kansas Universal Service Fund Assessment Rate for Year Fourteen and Canceling January 20, 2010, Technical Hearing, Docket No. 10-GIMT-188-GIT, Jan. 13, 2010.

## **Background**

During the course of the audit, VPS issued eighteen (18) Data Requests (DRs) to Mint Mobile.

Mint Mobile operates as a provider of prepaid wireless services and is headquartered in Costa Mesa, CA.

Mint Mobile is required to report its revenue and pay the related assessments to the KUSF on a monthly basis.<sup>3</sup> The Company is authorized to collect an amount equal to or less than its KUSF assessment from customers and does so.<sup>4</sup> The Company is not a designated Eligible Telecommunications Carrier (ETC) in Kansas; therefore, it does not offer Lifeline services to its customers.

Pursuant to Commission Order,<sup>5</sup> VPS confirmed that Mint Mobile does offer bundled assessable and non-assessable services to its Kansas customers. The Company reports revenue and remits assessments to the KUSF based on the unbundled service price of the assessable service subject to KUSF assessment. The Company states it uses this same allocation methodology for Federal USF (FUSF) and KUSF purposes.<sup>6</sup>

## **Current KUSF Obligations**

The Company is current with its KUSF obligations.<sup>7</sup>

## **Current Audit Findings**

VPS conducted the audit of Mint Mobile in accordance with the KUSF Audit Procedures adopted by the KCC.<sup>8</sup> Based on the referenced procedures, VPS identified the following audit findings and provides the following recommendations:

### **Audit Finding No. 1**

**Standard:** Carriers are required to report actual intrastate retail revenues, and may report uncollectible revenue written-off, to the KUSF to determine their KUSF assessment obligation.<sup>9</sup> Carriers who report estimated revenue or revenues in arrears are to file Quarterly True-ups to report their actual revenue within 45 days of the end of each quarter.<sup>10</sup>

---

<sup>3</sup> Order Setting the Kansas Universal Service Fund Assessment Rate for Year Ten and Establishing Reporting Requirements, Docket No. 06-GIMT-332-GIT, Jan. 23, 2006 (06-332 Order).

<sup>4</sup> K.S.A. 66-2008(a).

<sup>5</sup> Order Determining KUSF Contribution Methodology, ¶ 27, Docket No. 14-GIMT-105-GIT, Oct. 20, 2016.

<sup>6</sup> Mint Mobile's response to DR 12.

<sup>7</sup> Confirmed with the KUSF Administrator on Mar. 28, 2024.

<sup>8</sup> 22-142 Order.

<sup>9</sup> K.S.A. 66-2008(a), and Order, ¶ 108-110, Dec. 27, 1996; Order and Attachment, Feb. 3, 1997; Order, ¶ 9, 31, 56, March 25, 1999, Docket No. 94-GIMT-478-GIT. See also, Order, Docket No. 16-GIMT-517-GIT, Feb. 17, 2017.

<sup>10</sup> Order Setting the Kansas Universal Service Fund Assessment Rate for Year Fourteen and Canceling January 20, 2010 Technical Hearing, Docket No. 10-GIMT-188-GIT, Jan. 13, 2010 (Year 14 Order).

**Finding:** Mint Mobile did not report revenues for the periods in which they were earned. Instead, the Company reported revenues one (1) month in arrears.<sup>11</sup> The Company did not file Quarterly True-ups within 45-days of the end of the quarter. Therefore, the Company under-reported its intrastate retail revenues for March 2021 – February 2024 (FYs 25, 26, and 27) resulting in an under payment of \$2,820.28.

**Recommendation:** VPS recommends that Mint Mobile be directed to file Audit True-ups for FYs 25, 26, and 27 to correctly report revenues in the period that they were earned. VPS also recommends that Mint Mobile be directed to file an affidavit, signed by an officer of the Company, attesting that the Company has corrected its reporting procedures by reporting its actual revenues in the appropriate period in which they were earned, and the date the new procedures were implemented within 30-days from the date of the Commission's Order.

VPS recommend Mint Mobile be directed to take all corrective actions within 30-days from the date of the Commission's Order. VPS will file a Compliance Report in the Docket within 60-days of the Order.

## **Audit Finding No. 2**

**Standard:** Any prepaid wireless provider wanting to allocate revenue to the interstate and intrastate jurisdiction for USF purposes using the traffic study methodology must file a pleading with the Kansas Corporation Commission (KCC) prior to using such methodology.<sup>12</sup>

**Finding:** Mint Mobile used a company-specific traffic study to determine the identification of intrastate and interstate revenues.<sup>13</sup> The Company has not submitted a pleading to the KCC advising the Commission of this methodology, nor has it filed annual updates. Mint Mobile has not provided an affidavit from an officer of the Company to verify that the Company is using the same methodology for both Federal and Kansas USF purposes.

**Recommendation:** VPS recommends that Mint Mobile be directed to submit a pleading, accompanied by an affidavit from an officer of the Company, requesting to use the traffic study methodology for KUSF purposes and that the Company shall apply the inverse of the federal USF factor for KUSF reporting purposes. The Company should identify the factors used and the time period for each applicable factor. The Commission should direct the Company to submit annual updates in accordance with Commission Orders.

VPS recommend Mint Mobile be directed to take all corrective actions within 30-days from the date of the Commission's Order. VPS will file a Compliance Report in the Docket within 60-days of the Order.

---

<sup>11</sup> Attachment A.

<sup>12</sup> Order Setting the Kansas Universal Service Fund Assessment Rate for Year Sixteen and Cancelling Hearing, Docket No. 12-GIMT-168-GIT, Jan. 24, 2012.

<sup>13</sup> Attachment A.

**KUSF Carrier Audit Information Request**

**Submitted By:** Shomari Jackson

**Submitted To:** Gary Grinham  
Orvin Moore

**Company Name:** Mint Mobile, LLC

**Docket Number:** 24-MTMZ-116-KSF

**Request Date:** February 23, 2024

**Due Date:** **March 5, 2024**

---

**Data Request No. 17****RE: Confirmation of Auditor Understanding**

Please confirm the auditor's understanding of the following items. If the statement is incorrect, please provide clarification:

- The Company allocates the intrastate portion of its revenues using a company-specific traffic factor, which is updated annually.
- The Company has not filed the company-specific traffic factor with the KCC for KCC approval.
- The Company files its revenues one month in arrears, but it does not file quarterly or annual true-ups to report its actual revenues in the appropriate period.

*The auditor's understanding is correct. The Company allocates the intrastate portion of its revenues using a traffic study updated annually. That study was not filed with the KCC for prior approval. The Company also confirms that revenues are filed one month in arrears and that the true-ups for the periods in question were not completed to report actual revenues.*

**NOTE:** If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

**Verification of Response – DR17**

I have read the foregoing Data Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to VPS' auditor any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

**KUSF Carrier Audit Information Request**

Sign: 

Date: 02/28/2024