NEWS FROM THE FEDERAL COMMUNICATIONS COMMISSION

# FCC Blocks Lifeline Provider From Enrolling Any New Customers

*Company Apparently Violated Numerous Program Integrity Rules*

WASHINGTON, July 27, 2026—Today, the Federal Communications Commission notified IM Telecom, one of the nation's largest recipients of federal Lifeline subsidies, that it will no longer be permitted to enroll new Lifeline subscribers. The FCC has taken this action to ensure the integrity of the Lifeline program, which is paid for by an assessment that appears on Americans' monthly phone bills, after apparently repeated failures by IM Telecom to correct improper and potentially unlawful behaviors in the program.

IM Telecom has received more than $262 million in federal Lifeline funds since 2024 based on the representation that IM Telecom provides phone and Internet services to qualifying low-income Americans. Based on evidence the FCC currently has before it, IM Telecom apparently violated its Lifeline compliance plan and the agency's Lifeline rules, including by ostensibly:

- Transferring thousands of former subscribers back to IM Telecom without their consent after they decided to switch providers

- Creating a payment scheme to evade the FCC's non-usage rules, which ensure that legitimate customers are actually using the federally subsidized service

- Failing to obtain affirmative consent from subscribers before enrolling or transferring them to IM Telecom

- Changing corporate control without obtaining required federal approvals

- Using bots to evade limits previously imposed on IM Telecom's suspicious application, enrollment, and customer transfer activity

While the FCC considers potential additional actions beyond barring new enrollments, IM Telecom is required to work with the FCC and USAC in efforts to enable existing and legitimate customers of IM Telecom to switch to another provider of Lifeline service.

The relevant FCC rules and regulations are all critical controls that ensure Lifeline subsidies support services that lawful, eligible Lifeline subscribers want and use. The Commission is not alone in its concerns about IM Telecom.

- This month, federal agents executed search warrants on multiple individuals associated with IM Telecom.

- Multiple states have taken action as well. California and Oregon have both issued cease-and-desist letters limiting IM Telecom's ability to operate in those states based on concerning activity.

**Chairman Brendan Carr issued the following statement:**

"Each year, Americans contribute more than $8 billion to support the FCC's Universal Service Programs, including Lifeline. The FCC must ensure that every dollar collected and disbursed goes towards helping lawful, qualifying Americans. The FCC is taking immediate action today to block IM Telecom from enrolling new customers while we examine additional potential actions. Today's step helps protect the program and makes clear that abuse and evasion of program rules will not be tolerated. Existing and legitimate IM Telecom customers can switch to another Lifeline provider."

**Additional Background Information:**

IM Telecom will be required to provide USAC with written information as required by the Commission's rules to allow USAC to perform subscriber updates and de-enrollments in the Lifeline program's National Lifeline Accountability Database for the relevant subscribers. IM Telecom is expected to fully comply with all Commission rules, including facilitating number porting requests from its Lifeline subscribers seeking to transfer their phone numbers and benefits to another provider.

Under FCC Chairman Brendan Carr, the Commission has cracked down on fraud in the Lifeline program. In February, the Commission announced that it had launched investigations into possible violations of program rules. The Commission has also proposed new program reforms that are designed to ensure that the Lifeline program is efficient, transparent, and accountable—while continuing to support Americans who rely on it.

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