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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Doug Wheelwright, Utility Technical Consultant Supervisor
Casey J. Coleman, Utility Technical Consultant

Date: August 25, 2026

Re: Docket No. 26-2644-01, IM Telecom, LLC Status and Enforcement Summary.

Recommendation: Open an Investigation and Issue a Show Cause Order

The Division of Public Utilities (Division) has reviewed the actions of IM Telecom, LLC dba Infiniti Mobile's (IM Telecom) as requested by the Public Service Commission of Utah (Commission). The Division recommends the Commission initiate an investigation of IM Telecom.

This recommendation is based on the procedural necessity of investigating the fitness of IM Telecom to continue operating as an Eligible Telecommunications Carrier (ETC) in Utah given the scope of federal findings. A formal inquiry is required to determine if the provider remains in compliance with the requirements of its Utah designation. An investigation with specific guidelines provides a structured mechanism to address the Commission's inquiry regarding the provider's standing and potential risks to state regulatory program integrity. The Company indicates it has [REDACTED]¹ Lifeline subscribers in the State of Utah.

¹ Request for Utah Lifeline Discount Reimbursement for IM Telecom LLC dba Infiniti Mobile for 1st Half of 2026 Docket No. 26-999-09, July 21, 2026.



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Issue

In an Action Request dated August 11, 2026, one item the Commission specifically tasked the Division with is providing an analysis and evaluation of IM Telecom in light of a July 27, 2026, Federal Communications Commission (FCC) Press Release. Another item the Commission specifically requested the Division research is a review of relevant documents relating to IM Telecom including any DPU correspondence, Commission dockets, or other documents having anything to do with IM Telecom. Finally, the Commission expressed an interest in the Division investigating this matter and recommending a course of action. This is the report of the Division's investigation.

Background

Monitoring multi-jurisdictional enforcement trends is a strategic priority to safeguard the Utah Universal Service Fund (UUSF) and protect state ratepayers. The federal finding that IM Telecom utilized automated payment schemes to evade non-usage rules suggests the potential for similar improprieties in state-level fund claims, necessitating immediate scrutiny of Utah-specific disbursements.

FCC Actions and Findings

The FCC has identified significant enforcement findings that necessitate a formal review of the provider's ability to meet its state-level obligations.

State-level oversight serves as a critical backstop to federal enforcement actions, ensuring that the administrative integrity of the Lifeline program and the UUSF is maintained within the state's jurisdiction. When federal authorities identify systemic non-compliance, state commissions must act proactively to verify that local operations adhere to state-specific standards and that ratepayer-funded subsidies are protected from improper disbursements.

The regulatory framework governing ETCs relies on the ongoing eligibility and strict compliance of providers to ensure that low-income subsidies reach intended beneficiaries without administrative compromise. IM Telecom currently operates as an ETC in Utah pursuant to a Commission Order Approving Stipulation and Settlement Agreement dated

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April 24, 2024, in Docket No. 23-2644-01.² The FCC has blocked IM Telecom from enrolling new Lifeline subscribers due to repeated failures to correct improper behaviors.³ The Division categorizes the FCC findings as follows:

- **Unauthorized Subscriber Activity:** The provider ostensibly transferred thousands of former subscribers back to its service without obtaining required affirmative consent.⁴
- **Technical Evasion:** The FCC's press release indicates the provider circumvented non-usage rules—designed to ensure subsidies support active users—through the implementation of automated payment schemes.⁵
- **Systematized Limits Evasion:** The provider utilized "bots" to evade previously imposed limits on suspicious application, enrollment, and customer transfer activity.⁶
- **Corporate Governance Failures:** The provider bypassed federal regulatory requirements by changing corporate control without obtaining necessary approvals.⁷
- **Financial Scale:** Since 2024, IM Telecom has received more than \$262 million in federal Lifeline funds.⁸
- **Law Enforcement Activity:** Federal agents executed search warrants this month on multiple individuals associated with the provider.⁹

² Utah Public Service Commission Order Docket No. 23-2644-01, *Petition of IM Telecom, LLC d/b/a/ Infiniti Mobile for Designation as an Eligible Telecommunications Carrier in the State of Utah and to Participate in the Utah Universal Service Fund*, April 24, 2024.

³ FCC Press Release, July 27, 2026

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

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Division's Review and Summary of Documents filed with the Commission

As requested by the Commission, the Division reviewed its correspondence, Commission dockets, or other documents having anything to do with IM Telecom. The documents reviewed included submissions by IM Telecom for Lifeline reimbursements, reports for the UUSF, and the original application of IM Telecom for ETC in the State of Utah.

IM Telecom has submitted various Lifeline reimbursement requests to the Division over the past three years. Records indicate that the Company was disbursed a total of [REDACTED] in funds from the first requested Lifeline payment in May 2024 through December 2025. Annual data filings show fluctuations in subscriber numbers and requested reimbursement amounts: the Company reported [REDACTED] subscribers for the May–December 2024 period, [REDACTED] subscribers in 2025, and [REDACTED] subscribers for the first half of 2026. Notably, for the 2026 period, the Lifeline payment was rescinded.

The administrative handling of Lifeline submissions has involved transitions in external consulting services, with Inteserra managing Lifeline reimbursement forms in 2024 and JSI handling them in 2025, following JSI's acquisition of Inteserra in June 2024. During this period, Division staff observed significant fluctuations in lifeline access lines, including an increase from approximately 6,000 to 13,000 lines between June and July 2024. In March 2026, IM Telecom notified the Division that it would move to an internal submission process and cease utilizing external services. Division staff have observed that data reported on Lifeline reimbursement forms does not always align with figures reported for UUSF surcharge purposes, noting the potential for questionable trends in the filed information.

The investigation by the FCC, the unusual subscriber trends reported by IM Telecom, and the over \$500,000 Lifeline disbursements paid through UUSF funds collectively support further investigation regarding the veracity of IM Telecom's information.

State Regulatory Actions

To understand what steps have been taken in other states because of the FCC's investigation, the DPU reached out to the Telecom Subcommittee at the National

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Association of Utility Regulators. Part of the DPU's investigation was to ask the Telecom Subcommittee to solicit member input and determine what steps have been taken in other states because of the FCC order. Below are details of what actions other state commissions have initiated:

- **California and Oregon:** Both states issued cease-and-desist letters limiting the provider's ability to operate based on concerning activity.¹⁰
- **Arizona:** Even though IM Telecom does not have customers in Arizona. The Arizona Commission is monitoring the results of the FCC action and will take further action including revoking the ETC designation, depending on the outcome of the FCC's investigation.¹¹
- **Florida:** Docket No. 20260107-TP Initiation of show cause proceeding against IM Telecom, LLC d/b/a Infiniti Mobile for apparent violation of Order No. PSC-2024-0204-PAA-TP. IM Telecom has no customers in Florida.¹²

Conclusion

A structured procedural response is the most effective method for the Commission to mitigate risk to Utah ratepayers and manage potential service disruptions. Federal orders currently require IM Telecom to begin transferring existing subscribers to other approved providers within a 90-day window, with a final completion deadline of October 13, 2026.¹³

The Division recommends the following procedural steps to protect the Utah Lifeline program integrity:

¹⁰ *Id.*

¹¹ This information was received from the Arizona Corporation Commission in an email correspondence received August 12, 2026.

¹² This information was received from the Florida Public Service Commission in an email correspondence received August 12, 2026.

¹³ FCC Bans IM Telecom from Lifeline, what this means for you. July 31, 2026.
<https://freephonebenefits.com/blog/fcc-bans-im-telecom-lifeline-what-this-means>

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- **Utah Status Update:** Require IM Telecom to provide a comprehensive status report on Utah-specific subscriber impacts resulting from federal enrollment restrictions.
- **Scheduling Order:** Establish a formal schedule for comments or testimony regarding the provider's continued fitness for ETC designation in Utah.
- **USAC Coordination:** Coordinate with the Universal Service Administrative Company (USAC) regarding the October 13, 2026, transfer deadline to ensure no gap in service for legitimate Utah subscribers.¹⁴

cc: Michele Beck, Office of Consumer Services

¹⁴ *Id.*