

The RECONCILIATOR

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ONE MILLION NEW INTERNET USERS (NIU) CO-FOUNDER, ORTEGA, FINED ONE MILLION DOLLARS

Today, Larry Ortega, co-founder of the highly impactful statewide computer training program, One Million New Internet Users (NIU) initiative, was hammered with a whopping \$1,000,000 in fines and penalties, confirming – at least in the eyes of the Superior Court of California – that in fact, Mr. Ortega - according to court documents, 1) “failed to implement the program in accordance with terms of approved grant,” 2) “acted in contempt...demonstrating a reckless disregard for the Commission, the regulatory process, the law and the truth.”

A list of the 18 violations noted in the California Public Utilities Commission’s Complaint to the Superior Court of California that led to and add up to \$959,500 (a near one million dollars, rounded-up) follows:

Violation #1(perhaps the biggest of all violations noted here): According to Nielsen TV ratings on morning show and prime time news programs, across all languages published from 2012-2015; Ortega and his Community Union co-conspirators, brought more than [30 million viewers to see the success of parents](#) participating in the One Million NIU program. Ortega caused more than \$600,000 in free prime time/morning show advertising to be gifted to the California Public Utilities Commission (CPUC) – California Advanced Services Fund (CASF). [Parents found work in the field of technology](#) as a result of the skills learned in the NIU courses and [parents enhanced their relationship](#) with their teenage children because they could now talk *tech-talk*.

Violation #2: According to amateur video footage taken from the One Million NIU graduation ceremonies, **a minimum of 100 elected and appointed officials** were caught praising the work of NIU and its impact to (mostly Black, Brown and Asian) parents. Two (short-clips) examples of the hundreds of hours of graduation accolades provided by officials can be seen here: 1) [Fullerton School Board President, Hilda Sugarman](#), “Thank you for making my dream come true...” 2) [Norwalk/La Mirada Unified School District Superintendent, Hasmik J. Danielian](#), “makes me proud to see so many parents wanting to become empowered to be able to better help their children...”

Violation #3: Exposure of the massive and corruptive disconnect between CPUC’s leadership, the CPUC Commissioners themselves and *a few* within the institution of the CPUC a.k.a. (certain members of) the staff. As the bosses, of the chief instigator behind the corruptive behavior, were praising the impact NIU was making: 1) [CPUC Commissioner Timothy Alan Simon](#) here (fast forward to 2 minute and 15 second mark in this video) and [CPUC Commissioner Catherine Sandoval](#) here (fast forward to 10 minute and 9 second mark in this video); Mr. Robert Wullenjohn, Chief of the Communications

Division of the CPUC, was orchestrating an expensive, apparently collusive and fraudulent scheme to bilk NIU out of \$80,000. Mr. Ortega's blatant disregard for rate payors' interest was enabled vicariously through the actions of Mr. Wullenjohn. Mr. Wullenjohn's subordinate writes in an email (*the Wullenjohn email*) dated June 9, 2015, "its ending-up costing us more money than if we had simply paid the consortia (NIU) its due money."

Inferences that can be made from the *Wullenjohn email* are that Mr. Ortega was at the center of CPUC's spending hundreds of thousands of dollars in rate payer money because he would not cease service toward the contract's obligations, to include having the unreasonable expectation of being paid for work performed in completion of the contract. Specifically, Mr. Ortega led NIU to be more time-efficient in accomplishing all of its contractual goals, wherein the CPUC found greater time efficiency to be a breach of contract.

~~STRONG~~ *Mr. Wullenjohn went into – what appears to be – early retirement shortly after the Wullenjohn email was exposed in court documents.*

Violation #4: The establishment of 3 times the originally proposed number of NIU sites, meaning more access points for community to the Internet. NIU contractually committed to 68 Empowerment Hubs over the three years. By the end of the contract NIU had MOU's with 148 sites, or 148 access points to the Internet for community.

Violation #5: [Over 100 elected and appointed officials identified](#) Mr. Ortega and the One Million NIU Coalition as the culprits responsible for moving thousands of parents to digital literacy.

Violation #6: Coordinating a statewide network of New Internet Users, advocates, who were mostly of a Black, Latino or Asian background. Ultimately, Mr. Ortega and his team were empowering too many minorities with technology skills.

Violations #6 - #18: represented various accounting and submission errors made by Mr. Ortega and his fiscal agent to which CPUC fraudulently required him to underwrite on behalf of the fiscal agent despite the contract dictating just the opposite.

The CPUC says: All in all these violations cost ratepayers a near one million dollars and for Mr. Ortega's blatant actions, he should be personally liable for \$162,109.

Why the massive undertaking of causing financial annihilation against Larry Ortega? Is it because he is a voice against the continuation of monopolistic power over our information highways(the Internet). Monopolistic power enables price manipulation – combined with policy manipulation that takes away the general public's rights. There is an unwillingness for our state legislators to pick-up this issue. Our legislators – without our permission - are very hands-off and trusting of the major Internet Providers, who at the very minimum, must reconcile their account with rate payers. Where did the money go over the last two decades? If it was collected but was not spent to upgrade the network, how do we reconcile that account?

Billions of dollars in ratepayers fees and taxes on our telephone bills over the last three decades have been collected. We were told these fees and taxes were going towards the upgrade of our copper wires to fiber optics. Author Bruce Kushnick tells us from his book *Violations and Egregious Acts: a billion dollar scandal* that [billions of dollars destined for fiber upgrades were diverted](#) away from these infrastructure upgrades – illegally. This essentially represented free money to the state’s telecommunication utility, e.g. AT&T and Verizon, to build a wireless network on the backs of landline customers who would not receive the benefit to which these dollars were intended. Fraud? Maybe.

Whatever you call it, “it” gave the industry a massive slush fund to influence policy and [exact a full capture on our regulatory agency \(CPUC\)](#). Many of our state legislators during Senate Telecommunication Committee meetings will [regurgitate the wireless industry’s talk points](#). And when that’s not enough, the chairman of the committee, Senator Ben Hueso in 2021 called on Mr. Rudy Reyes of Verizon, Vice President and Deputy General Counsel, to personally advocate for a bill that directly benefits Verizon under the guise of what I initially thought was an independent unbiased expert opinion. Mr. Reyes got full control of the meeting to advocate his company’s position, while the opposition to this bill got one-minute spurts and were limited to stating their name and whether they supported the bill – no dialogue whatsoever.

This past week AT&T petitioned the CPUC for permission to shut-off all copper wires in California, forever. The term is “carrier of last resort,” a commitment AT&T is committed to by law. Their argument, too expensive to maintain...but wait a minute. Did not AT&T [collect, for more than 2 decades, billions of dollars](#) in fees and taxes to upgrade California’s copper network to fiber-optics? An account of where the money went must be had before the CPUC makes a final decision on this. Otherwise, all evidence will be forever lost and rate payers will be left without recourse, left with third tier - inferior wireless technologies.

[Fiber optics is ten thousand times faster than wireless](#), with a price tag of less than half the cost of a wireless architecture in a ten year window. Fiber-optics, to and through the premises/businesses is the plan the federal government has set through the BEAD program, which promises billions of dollars to the states for fiber optic upgrades.

But the dagger in the heart of my political cover was my truth tell at a 2014, 704 Conference in San Francisco, a national meeting bringing together telecommunication regulators from across the country. I criticized Comcast on their failed – grossly oversold Internet Essential program - which promised to connect millions of families in exchange for the public’s okaying a major merger between Comcast and NBC/Universal on or around 2012. I said, “[Comcast’s Internet Essentials program was them saying, they may be crumbs](#), they may not be our best crumbs, but they are more crumbs than any other provider is providing.” I knew I hit a nerve when [Mr. Cimerman from the National Cable Television Association responded](#), “The idea that Internet Essentials is crumbs is ludicrous and offensive!” Nonetheless I *had* Comcast, Greenlining Institute reported in 2015 that since Comcast had taken-over NBC/Universal they had made less than a 1% penetration into the target market – the homes they promised would get Internet in California.

One thing we know for sure, trusting the major players like AT&T, Verizon, Frontier, Comcast, or Spectrum to do the right thing relating to closing the digital divide - is pure fantasy. And it is the number one reason we must collectively come together and educate each other on this issue:

1. [The immense economic boon that millions of dollars](#) in infrastructure dollars mean to the local regions.
2. The opportunity to turn a cost center into a profit center with the deployment of a municipal broadband model like in Pharr Texas, or Chattanooga Tennessee.
3. Tennessee offers to their children who are on a free and reduced lunch program, free Internet; Pharr Texas is offering 500/500mbs for \$25 per month.
4. The [biological harm that Radio Frequency Radiation \(RFR\)](#) from wireless devices and infrastructure is completely unregulated and is to the detriment of the community at-large.
5. The Fiber Broadband Association published a study showing [fiber optic builds are less expensive](#) in a ten year window compared to wireless. RF radiation from wi-fi or [your tracking device a.k.a. cell phone](#), is not only harmful when unchecked(unregulated), but more expensive in the long run with far less quality when compared to fiber optics.

Yesterday I attended the San Gabriel Valley Council of Governments (COG) focus group meeting and found that there is heavy reliance being put on the IT directors and city staff of each of the municipalities - who in most instances have no digital divide background; don't understand the full policy story - which is imperative as we commence seeking sustainable funding models beyond the federal government's billions in BEAD dollars.

Larry Ortega
November 15, 2023

Here is what really happened in the case of [State of California v. Larry Ortega and the corruption](#) I found in how the CPUC operates.