

**U.S. Department of Justice**  
*United States Attorney's Office*  
*Northern District of California*

**PRESS RELEASE**

*11th Floor, Federal Building*  
*450 Golden Gate Avenue, Box 36055*  
*San Francisco, California 94102*

*(415) 436-7200*  
*FAX: (415) 436-7234*

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FOR IMMEDIATE RELEASE

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**SPRINT COMMUNICATIONS, INC. AGREES TO PAY \$15.5 MILLION  
TO RESOLVE ALLEGATIONS OF OVERCHARGING LAW ENFORCEMENT  
AGENCIES FOR COURT-ORDERED WIRETAPS**

SAN FRANCISCO – Sprint Communications, Inc., formerly Sprint Nextel Corporation, has agreed to pay the government \$15.5 million to resolve allegations it defrauded federal law enforcement agencies when recovering its costs of carrying out court-ordered wiretaps, pen registers, and trap devices, announced United States Attorney Melinda Haag and the U.S. Department of Justice Office of Inspector General (“OIG”), Special Agent in Charge M. Elise Chawaga.

A joint investigation by the U.S. Attorney’s Office and the OIG revealed that from 2007 to 2010, Sprint improperly included in its intercept charges the costs of making certain upgrades to its system. Like other telecommunications carriers, Sprint is authorized by statute to bill law enforcement agencies for the reasonable expenses it incurs in providing facilities or assistance to accomplish a court-ordered wiretap, pen register, or trap device. In 1994, Congress passed the Communications Assistance in Law Enforcement Act (“CALEA”), which required telecommunications carriers to upgrade their equipment, facilities, or services to ensure they were capable of enabling the government, pursuant to a court order, to intercept and deliver communications and call-identifying information. In 2006, the Federal Communications Commission ruled that carriers were prohibited from passing on the costs of their CALEA upgrades to law enforcement agencies in their intercept bills. The investigation by OIG and the U.S. Attorney’s Office revealed that from 2007 to 2010, in violation of the FCC’s ruling, Sprint nevertheless included in its intercept charges the hidden costs of financing its CALEA upgrades. In the settlement agreement, Sprint agreed to pay \$15.5 million to resolve the allegations in the complaint but did not admit to any wrongdoing or liability.

Assistant U.S. Attorneys Steven J. Saltiel and Kimberly Friday handled the matter on behalf of the U.S. Attorney’s Office. The settlement with Sprint Communications, Inc. was the result of a coordinated effort by the United States Attorney’s Office, and the OIG.