

Columbus Dispatch's Theodore Decker: Billion-Dollar Boondoggle ECOT Must Be Addressed

Decker, in his June 30 [Dispatch](#) column, puts another spotlight on the raid ECOT's Bill Lager made on the state treasury over a period of several years, beginning in 2000. State officials have known about Lager's theft from taxpayers, but largely ignored it. Ohio Department of Education (ODE) officials, governors, auditors, and attorney generals have ignored ECOT's annual robberies. State officials have likewise ignored multiple reports of fiscal and academic corruption in other charter schools.

A school superintendent, whose district was being charged hundreds of thousands of dollars for ECOT students, found that the ECOT students in his district didn't even have computers available to them. He reported the crime to ECOT, ODE, and the Attorney General. There was no corrective action by any state official.

A few years ago, three former charter school teachers testified before the State Board of Education about fiscal and academic irregularities in a school operated by a prominent charter chain. The result of their testimony: ODE let it be known that the teachers could lose their teaching licenses for not reporting these matters sooner. There was no substantive investigation of the allegations made by the teachers.

[Ghost Schools](#), the report of the investigation of attendance at charter schools by Scripps Howard News Service, identified that student attendance in Ohio charter schools was as low as 36% the day investigators were on hand to make the count, but charter payments were based on 100% attendance. The report was sent to the Ohio Attorney General, but no action was taken.

These three examples are typical of hundreds of charter school frauds, many of which are ignored by state officials.

Back to ECOT, Decker reports that in 2019 the FBI and U.S. Department of Justice subpoenaed nearly 20 years of ECOT campaign contribution records. Might there be a link between campaign contributions and ECOT being allowed to raid the public treasury for at least 14 years prior to the audit that attested to the enrollment fraud?

Billion-dollar boondoggle ECOT must be addressed

Theodore Decker

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If there is such a thing as justice in this imperfect world, investigators in a federal building somewhere in Columbus are nudging ever close to it while digging into the billion-dollar boondoggle once known as the Electronic Classroom of Tomorrow.

ECOT, at one time the state's largest online charter school, collapsed four years ago amid claims that it had taken millions in undeserved state aid.

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Allegations of wrongdoing were traded by the school and state education department. Lawsuits were filed. And about 12,000 students were left in the lurch when the school imploded.

Then ECOT fell out of the public view, overtaken by a thick layer of general dirtiness at a time when political

scandal was the norm from the White House to the Statehouse.

An audit just released this week, though, found that ECOT still owes the state more than \$117 million.

Ohio Auditor Keith Faber on Tuesday said the shuttered school owes \$106.6 million to the state Department of Education and another \$10.6 million to the state Attorney General's office.

As others have before them, Faber's auditors found that ECOT wasn't entitled to all the state money it received, including some in 2016 and 2017 and none in 2018.

ECOT as an entity may be gone, but for the sake of all taxpaying Ohioans, it had better not be forgotten.

Looking at the broad sweep of the ECOT swindle, it seems unfathomable that not a single indictment has been lodged against anyone in connection with its shady operations.

The main man behind ECOT was William Lager, a man with a host of Statehouse connections who founded the school in 2000. He also operated Altair Learning Management Inc and IQ Innovations LLC, which had lucrative contracts with ECOT to provide support services. After ECOT fell apart, Attorney General Dave Yost called Lager "the principal wrongdoer" in the case.

The series of lethal blows to Lager's empire began in 2016, when the Department of Education demanded repayment of \$80 million.

But ECOT's attendance numbers had been disputed by the state long before that, as far back as 2006. Going back even further, to 2001 and 2002, an audit determined that the state had been overpaying the school by millions.

That ECOT's attendance numbers were disputed so early on in its existence – and how that problem regardless went unaddressed for so long by a string of governors, legislators and state officials – are looming questions that must be the stuff of any civic-minded federal prosecutor's dreams.

And maybe, we can hope, they still are.

Yost, while still the state auditor, excoriated ECOT in 2018 and referred his findings to both county and federal prosecutors.

The feds are a secretive lot who have a habit of neither confirming nor denying the existence of any pending investigation, but there have been a few dropped clues through the years that a probe of ECOT is afoot.

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One of the biggest came in 2019, when the FBI and U.S. Department of Justice subpoenaed nearly 20 years of ECOT's campaign contribution records.

More than three years have passed since that development, but the feds also don't have a habit of rushing their investigations.

Maybe they will wrap things up without uncovering a single instance of criminal behavior.

If you possess a lick of common sense, given what we know already, that outcome would boggle the mind.

But even if that is how an investigation concludes, prosecutors at the very least should know many more details about how ECOT and its principals were permitted to run amok for so long.

Considering Ohio's taxpayers footed the bill, we have the right to know each and every one of them. tdecker@dispatch.com @Theodore_Decker

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