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Judge rules in favor of district

By Keri Lynn McHale

Judge Patricia Thomas ordered Thursday a final judgment in favor of the Citrus County School District for approximately \$106,300, according to Citrus County School District attorney Wes Bradshaw.

In September, Bradshaw filed a civil suit under Florida statute against Alabama-based eRate Consulting Services, regarding a stopped check for \$25,000 sent to the school district from the corporation.

The judgment includes the amount of the stopped check, damages and court costs.

"I think it was important for the school district to pursue all of its legal remedies against eRate," Bradshaw said Monday.

In addition to the \$106,300, eRate consulting Services owes the school district approximately \$740,000, of which \$678,000 are federal funds that were deposited into the corporation's account instead of being sent to the school district.

In October 2003, school officials hired eRate Consulting Services to handle all tasks associated with the telecommunications reimbursement process for the Universal Service Fund program. The eRate consultants applied yearly on behalf of the school district for compensation for a percentage of the district's telecommunications bills. The federal rebates are called "E-rate discounts."

Citrus County residents pay extra fees on their communications (telephone and Internet) bills that contribute to the federal program.

Citrus County School District officials never received several rebate checks for telecommunications services for the 2004-05 and 2005-06 school years. The reimbursement checks, made out to the school district, were sent to eRate from Internet and telephone companies.

Then, they were deposited into the corporation's bank account instead of being sent to the school district.

In June, Jonathan Slaughter, owner of eRate Consulting Services, entered into two settlement agreements with the Citrus County School District on behalf of himself and his corporation. The first settlement agreement for \$70,000 covered interest and the amount school officials paid for the final eRate contract; the second settlement for \$678,000 was in the amount of missing reimbursements.

In June, Slaughter paid \$10,000 to the school district, which was the first payment for the first agreement.

He has since failed to abide to the terms of both agreements and has therefore defaulted on both agreements.

In August, Slaughter paid the school district \$25,000 according to the terms of the first payment plan; however, the check, signed by Slaughter, did not clear. The check came back "payment stopped," according to school officials.

The stopped check caused Slaughter to default on the first of the two legally binding payment plans.

As for the second payment plan, the first payment for more than \$45,000 was due in October. Slaughter failed to pay, causing him to default on the second agreement.

By entering into the contracts, a final judgment of the court was filed against Slaughter and eRate, stating both were legally responsible to pay back the missing funds to the school district.

Bradshaw said he plans to work with attorneys in Alabama to try to collect the nearly \$846,000 in judgments, which includes the latest judgment.

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