

# Bush Family Co. Capitalizes on Education Act

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7:56 PM PDT, October 21, 2006

Washington - A company headed by President Bush's brother and partly owned by his parents is benefiting from Republican connections and federal dollars targeted for economically disadvantaged students under the No Child Left Behind Act.

With investments from his parents, George H.W. and Barbara Bush, and other backers, Neil Bush's company, Ignite! Learning, has placed its products in 40 U.S. school districts and plans to market internationally.

At least 13 U.S. school districts have used federal funds available through the president's signature education reform, the No Child Left Behind Act of 2001, to buy Ignite's portable learning centers at \$3,800 apiece.

The law provides federal funds to help school districts better serve disadvantaged students and improve their performance, especially in reading and math.

But Ignite does not offer reading instruction, and its math program is not available until next year.

The federal Department of Education does not monitor individual school district expenditures under the No Child program, but sets guidelines the states are expected to enforce, said spokesman Chad Colby.

Ignite executive Tom Deliganis said, "Some districts seem to feel OK (about using No Child money for the Ignite purchases), and others do not."

Neil Bush said in an e-mail to the Los Angeles Times that Ignite's program had demonstrated success in improving the test scores of economically disadvantaged children. He also said political influence had not played a role in Ignite's rapid growth. "As our business matures in the USA we have plans to expand overseas and to work with many distinguished individuals in Asia, Europe, the Middle East and Africa," he wrote. "Not one of these associates by the way has ever asked for any access to either of my political brothers, not one White House tour, not one autographed photo, and not one Lincoln bedroom overnight stay."

Interviews and a review of school district documents obtained under the Freedom of Information Act, found that educators and legal experts were sharply divided over

whether Ignite's products were worth their cost or qualified under the No Child law.

The federal law requires schools to show they are meeting educational standards or risk losing critical funding. If students fail to meet annual performance goals in reading and math tests, schools must supplement their educational offerings with tutoring and other special programs.

Leigh Manasevit, a Washington, D.C., attorney who specializes in federal education funding, said that districts using the No Child funds to buy products such as Ignite's would have to meet "very strict" student eligibility requirements and ensure that the Ignite services were supplemental to existing programs.

Known as COW, for Curriculum on Wheels (the portable learning centers look like cows on wheels), Ignite's product line is geared toward middle school social studies, history and science. The company says it has developed a social studies program that meets state curriculum requirements in seven states. Its science program meets requirements in six states.

Most of Ignite's business has been obtained through sole-source contracts without competitive bidding. Neil Bush has been directly involved in marketing the product.

In addition to federal or state funds, foundations and corporations have helped buy Ignite products. The Washington Times Foundation, backed by the Rev. Sun Myung Moon, head of the South Korea-based Unification Church, has peppered classrooms throughout Virginia with Ignite's COWs under a \$1-million grant.

Oil companies and Middle East interests with long political ties to the Bush family have made similar bequests. Aramco Services Co., an arm of the Saudi-owned oil company, has donated COWs to schools, as have Apache Corp., BP and Shell Oil.

Neil Bush said he is a businessman who does not attempt to exert political influence, and he called The Times' inquiries about his venture -- made just before the election -- "entirely political."

Bush's parents joined Neil as Ignite investors in 1999, according to U.S. Securities and Exchange Commission documents. By 2003, the records show, Neil Bush had raised about \$23 million from more than a dozen outside investors, including Mohammed Al Saddah, the head of a Kuwaiti company, and Winston Wong, the head of a Chinese computer company.

Most recently he signed up Russian fugitive business tycoon Boris Berezovsky and Berezovsky's partner Badri Patarkatshishvili.

Barbara Bush enthusiastically has supported Ignite. At an Oklahoma City fundraiser in January 2004, she and Neil Bush were guests of honor at the \$1,000-a-table event organized by a foundation supporting the Western Heights School District. Proceeds were

earmarked for the purchase of Ignite products.

Organizer Mary Blankenship Pointer said she planned the event because district students were "utilizing Ignite courseware and experiencing great results. Our students were thriving."

But Western Heights school Superintendent Joe Kitchens said the district eventually dropped its use of Ignite because it disagreed with changes Ignite had made in its products. "Our interest waned in it," he said.

The former first lady spurred controversy recently when she contributed to a Hurricane Katrina relief foundation for storm victims who had relocated to Texas.

Her donation carried one stipulation: It had to be used by local schools for purchases of COWs.

Texas accounts for 75 percent of Ignite's business, which is expanding rapidly in other states, Deliganis said.

The company also has COWs deployed in North Carolina, Virginia, Nevada, California, the District of Columbia, Georgia and Florida, he said.

Neil Bush said Ignite had more than 1,700 COWs in classrooms.

But Ignite's educational strategy has changed dramatically, and some are critical of its new approach. Shortly after Ignite was formed in Austin, Texas, in 1999, it bought the software developed by another small Austin company, Adaptive Learning Technologies.

Adaptive Learning's founder Mary Schenck Ross said the software's interactive lessons allowed teachers "to get away from the mass-treatment approach (to education)." When a student typed in a response to a question, the software was designed to react and provide a customized learning path.

"The original concept was to avoid 'one size fits all.' That was the point," said Catherine Malloy, who worked on the software development.

Two years ago, however, Ignite dropped the individualized learning approach. Working with artists and illustrators, it created a large purple COW that could be wheeled from classroom to classroom and plugged in, offering lessons that could be played to a roomful of students.

The developers of Adaptive Learning's software complain that Ignite replaced individualized instruction with a gimmick.

"It breaks my heart what they have done. The concept was totally perverted," Schenck Ross said.

Nevertheless, Ignite found many receptive school districts. In Texas, 30 school districts use COWs.

In Houston, where Neil Bush and his parents live, the district has used various funding sources to acquire \$400,000 in Ignite products. Another \$240,000 in purchases has been authorized in the last six months.

Correspondence obtained by The Times shows that Neil Bush met with top Houston officials, sent e-mails and left voice mail messages urging bigger and faster allocations. An e-mail to colleagues from a school procurement official said Bush had made it clear that he had a "good working relationship" with a school board member.

Another Ignite official asked a Texas state education official to endorse the company. In an e-mail, Neil Bush's partner Ken Leonard asked Michelle Ungurait, state director of social studies programs, to tell Houston officials her "positive impressions of our content, system and approach."

Ungurait, identified in another Leonard e-mail as "our good friend" at the state office, told her superiors in response to The Times' inquiry that she never acted on Leonard's request.

Leonard said he did not ask Ungurait to do anything that would be improper.

Houston school officials gave Ignite's products "high" ratings in eight categories and recommended approval.

Some people in Houston's schools question the expenditures, however. Jon Dansby was teaching at Houston's Fleming Middle School when Ignite products arrived.

"You can't even get basics like paper and scissors, and we went out and bought them. I just see red," he said.

In Las Vegas, the schools have approved more than \$300,000 in Ignite purchases. Records show the board recommended spending \$150,000 in No Child funding on Ignite products.

Sources familiar with the Las Vegas purchases said pressure to buy Ignite products came from Sig Rogich, an influential local figure and prominent Republican whose fundraising of more than \$200,000 for President Bush's 2004 reelection campaign qualified him as a "Bush Ranger."

Rogich, who chairs a foundation that supports local schools, said he applied no pressure but became interested in COWs after Neil Bush contacted him. Rogich donated \$6,000 to purchase two COWs for a middle school named after him.

Dr. Christy Falba, the former Clark County school official who oversaw the contracts, said she and her husband attended a dinner with Neil Bush to discuss the products. She said Rogich encouraged the district "to look at the Ignite program" but applied no pressure.

Few independent studies have been done to assess the effectiveness of Ignite's teaching strategies. Neil Bush said the company had gotten "great feedback" from educators and planned to conduct a "major scientifically valid study" to assess the COW's impact. The results should be in by next summer, he said.

Although Ignite's products get generally rave reviews from Texas educators, the opinion is not universal.

The Tornillo, Texas, Independent School District no longer uses the Ignite programs it purchased several years ago for \$43,000.

I wouldn't advise anyone else to use it," said Superintendent Paul Vranish. "Nobody wanted to use it, and the principal who bought it is no longer here."

Ignite's Web site features glowing videotaped testimonials from teachers, administrators, students and parents.

Many of the videos were shot at the Del Valle Junior High School near Austin, where school district officials allowed Ignite to film facilities and students.

In the video, a student named India explains, "I was feeling bad about my grades. I didn't know what my teacher was talking about." The COW changed everything, the girl's father says on the video.

Lori, a woman identified as India's teacher, says the child was not paying attention until she brought in the COW.

The woman, however, is not India's teacher, but Lori Anderson, a former teacher and now Ignite's marketing director. Ignite says Anderson was simply role-playing.

In return for use of its students and facilities, a district spokeswoman said Ignite donated a free COW. Five others were purchased with district funds.

District spokeswoman Celina Bley acknowledged that regulations bar school officials from endorsing products. But she said that restriction did not apply to the videos.

"It is illegal for individuals to make an endorsement but this was a district-wide endorsement," Bley said in an e-mail.