



Department of Justice

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MONTGOMERY MAN PLEADS GUILTY TO STEALING \$892,000 FROM SCHOOLS IN 13 STATES

Consultant Stole Funds Intended For Schools Under Federal E-rate Program

Montgomery, Alabama - Jonathan Michael Slaughter, age 46, of Montgomery, entered a guilty plea today to a one-count felony information charging him with mail fraud arising out of his theft of nearly \$900,000 intended for 20 school districts or private schools in 13 states, U.S. Attorney George L. Beck, Jr., announced today.

According to court records, the E-rate program was created by the Federal Communications Commission and is financed by assessments on telecommunications companies. The program provides affordable telecommunications services to eligible schools and libraries, especially those in rural and economically disadvantaged areas.

Slaughter owned and was the president of E-Rate Consulting Services, LLC ("ECS") in Montgomery. ECS was in the business of assisting schools and libraries in their efforts to qualify for E-rate funding. As part of ECS's arrangement with its clients, ECS would receive via the mail checks payable to ECS's clients, and ECS was supposed to forward the checks to the client. However, between May 2006 and January 2009, Slaughter converted a number of these checks to his own use. He would deposit checks payable to his clients into an ECS bank account, and, instead of transmitting the funds to the client, would keep the money, which he used largely for personal expenses. Slaughter did not disclose to his clients the fact that he was converting their funds in this manner. The amounts stolen are as follows:

CLIENT	TOTAL CONVERTED
Dermott Public School District (Arkansas)	\$6,809.24
Citrus County School District (Florida)	\$678,288.69
Eckerd Halfway House/E-Ku Sumee (Florida)	\$5,670
Hendry County School District (Florida)	\$39,031.19
Kuna Joint School District (Idaho)	\$3,523.67
Middleton School District #134 (Idaho)	\$4,299.25
The Winchendon School (Massachusetts)	\$8,316.00
Northwood Children's Services (Minnesota)	\$24,797.66
Prairie Academy (Minnesota)	\$4,673.99
Poplar Bluff School District (Missouri)	\$7,672.77
Red Cloud Community School District (Nebraska)	\$2,254.52
SAU 41–Hollis Brookline Schools (New Hampshire)	\$1,765.18
Beaufort County School District (North Carolina)	\$9,730.00
Middle Ohio Education (Ohio)	\$23.01
Penns Valley Area School District (Pennsylvania)	\$10,966.83
Bedford County School District (Tennessee)	\$23,215.94
Banquete Independent School District (Texas)	\$18,655.72
Cleburne Independent School District (Texas)	\$7,231.32
Leander Independent School District (Texas)	\$31,872.31
Teague Independent School District (Texas)	\$3,190.56
TOTAL	\$891,987.85

When he is sentenced later this year by United States District Judge Mark E. Fuller, Slaughter faces a statutory maximum penalty of 20 years imprisonment. Chief United States Magistrate Judge Susan R. Walker released Slaughter on a \$25,000 unsecured bond pending sentencing.

The case was investigated by the FBI and the Inspector Generals of the Department of Education and the FCC. The case is being prosecuted by Assistant United States Attorneys Steve Feaga and Andrew Schiff.