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Judge orders Kansas City charter school operator to pay nearly \$1 million



11 HOURS AGO • BY ELISA CROUCH

A federal judge in Missouri has ordered a charter school operator to pay nearly \$1 million to the board of Renaissance Academy in Kansas City for saddling the school with unreasonably high lease payments.

The ruling against Imagine Schools Inc. deals with the kind of relationship that existed with charter schools in St. Louis, where critics also alleged that the company benefitted at the expense of students.

The Dec. 18 ruling by U.S. District Judge Nanette K. Laughrey awarded nearly \$1 million to the board of Renaissance Academy, which sued

Imagine after the board voted to cut ties with the charter school management company and close the school in 2012.

Imagine, once the largest manager of charter schools in the country, operated six in St. Louis that were academic failures.

The state essentially closed the schools in 2012 after reports by the Post-Dispatch revealed that Imagine, through its real estate arm SchoolHouse Finance, was charging the schools high lease payments for buildings that had been sold multiple times for profit.

“This clearly constituted self-dealing,” Laughrey’s ruling states. “All benefits received by SchoolHouse Finance were for the benefit of Imagine Schools because it was the sole owner of SchoolHouse Finance.”

The lease arrangements were approved by school boards whose members were recruited by Imagine officials, and who were directed not to question Imagine’s actions.

“It is not surprising that the Renaissance Board was weak and confused,” the ruling says.

Imagine, based in Virginia, no longer operates schools in Missouri. The company continues to operate charter schools in states such as Ohio, where the real estate deals continue to be a problem.

“This self-dealing is out of control and has to end,” said Sandy Theis, executive director of ProgressOhio, a nonprofit group that is critical of Imagine.