

# For IEN, now might be a good time to worry

**Marty Trillhaase/Lewiston Tribune**

About five years ago, Idaho launched a project to link its far-flung public school system with a network of broadband and video conferencing. It put the \$60 million project out to bid and two consortiums came out on top: Education Networks of America partnering with Syringa Networks and Qwest - now CenturyLink - allied with Verizon.

Here's how it was supposed to work:

A professional director at the Idaho Department of Administration would have divvied up the work according to the specifications and the Idaho Education Network would have been underway.

But Idaho Gov. C.L. (Butch) Otter didn't do business that way.

He put his buddy and fellow wheeler-dealer, Mike Gwartney, in charge of administration. Wouldn't you know it? By the time he was done, Gwartney had revised the bid documents, steering the business to the politically connected Qwest and cutting out Syringa.

Naturally, Syringa filed a lawsuit. But the word came from Gwartney: Not to worry. Things will work out.

Then Syringa won a key round in the Idaho Supreme Court.

On the basis of that ruling, the Federal Communications Commission - which had been paying 75 percent of IEN's costs - folded its checkbook.

Here's what a professional director at the Department of Administration would have done: Alert legislators about the problem.

But Gwartney's successor at Administration, Teresa Luna, kept mum - until the bills came due. First it was \$11.5 million to keep the learning network alive through February. Now it's looking like the bill could reach more than \$20 million by next year.

Then there's another \$15 million the FCC already spent on the IEN that it may want back.

But the word from Luna remains: Not to worry. It will work out.

An administration looking at mounting legal bills - it's already paid attorney Merlyn Clark more than \$760,000 - and the potential loss of federal funds might look at reaching an accord with Syringa. But Otter scoffed at Syringa's price - first \$17 million and then \$5 million.

Said the governor: Not to worry. Syringa's claims are without merit. Things will work out.

Things stopped working out Monday in Fourth District Court Judge Patrick Owen's courtroom.

Owen - a man Otter appointed to the bench - concluded Gwartney had so screwed up the bidding process that he handed a summary judgment to Syringa and voided the IEN contract.

"An agreement made in violation of the state's procurement law cannot be fixed or cured," Owen wrote. "To date, DOA (Department of Administration) refuses to acknowledge that its bid process in this case was and remains fatally flawed. Even after the Supreme Court decision, and despite further rulings from this court rejecting DOA's post appeal arguments, DOA continues to fund these contracts. DOA even tries to fix what cannot be fixed."

What does that mean, exactly?

How much more will the the state have to pay a new contractor and reimburse the federal government for payments made on what is a voided contract?

How disruptive will this be for the schools? How do you deliver IEN services to students when the contract is void?

This has to rank right up there as one of the greatest blunders in state government - a foul-up so monumental in scope that no student or taxpayer will escape from it unscathed.

So who will be held accountable?

Gwartney long since left state government.

Nothing seems to dislodge Luna from her job.

And for the man who hired both of them, Owen's timing could not have been better - one week after Idaho voters handed Otter his third term as governor. -M.T.