PRINEVILLE, Ore. -- Nearly a year after the state Department of Human Services ordered closure of the Mount Bachelor Academy, a therapeutic boarding school for teens east of Prineville, a settlement has been reached that the shuttered school’s owners say should clear the way for them to open a new school at the location.

Early last November, the state gave Aspen Education Group, operators of the private boarding school 26 miles east of Prineville, 72 hours to remove students, claiming its seven-month investigation into the programs found several incidents of “abuse and neglect,” and “serious violations of Oregon’s licensing standards.”

Under the settlement, the state is withdrawing or modifying all of its orders and actions taken against the school, but says it still stands by its decision to investigate the facility, which had about 90 students and more than 75 staff as of early last year, with tuition of $6,400 a month.

At the time of the closure, DHS cited what it called nine substantiated claims of abusive practices, such as sexualized role-playing in front of other students in the “Lifesteps” program, sleep deprivation and extended manual labor as punishment. But it did refer to the closure as “temporary,” saying it would continue “until further notice.”

It was a second blow last year to Aspen Education Group, after a student at its Redmond-based SageWalk Wilderness School died during a wilderness hike.

News of the settlement was applauded by supporters of the school, including Elaine Povich, a Washington, D.C., freelance journalist, who credits MBA with "giving her son the tools he needed to study, graduate and go on with his education."

"Before MBA, he was floundering," she said. "He benefited immensely from the program, and developed important relationships with the staff there."

"It is gratifying to see the settlement in which DHS admits what we parents knew all along - the state caused a completely unnecessary disruption of a unique and successful school community by acting precipitiously and without gathering all of the facts first," Povich told NewsChannel 21.

"The state went off half-cocked," Povich added. "I hope especially that this settlement will mean that no other school will be subjected in the future to similar callous treatment by DHS."

Below are the full statements as issued by a DHS official and the president of Aspen Education Group:

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Erinn Kelley-Siel, Director of Children, Adults and Families at Oregon Department of Human Services (DHS) released the following statement today (Friday) re: settlement agreement between DHS and Mount Bachelor Academy (MBA), Aspen Education Group, CRC Health Group and former MBA executive director Sharon Bitz:

DHS takes its responsibility to the vulnerable young people enrolled in state-licensed programs, such as Mount Bachelor Academy (MBA), very seriously. Our first priority is to ensure the safety of Oregon children and youth.

In November, 2009, following a comprehensive investigation that revealed serious abuse and widespread violations of Oregon's licensing rules, DHS took immediate action to suspend MBA's license.

On September 28, following settlement negotiations with all parties, MBA acknowledged that, based on the evidence available to DHS on November 2, 2009, the agency had reasonable cause to believe that abuse or neglect occurred at the school, as uncovered in the investigation.

In addition, MBA agrees that DHS had a reasonable basis to investigate the allegations of abuse and neglect and to seek corrective actions. Mount Bachelor Academy is closed and, by all accounts, will remain closed. Finally, the school and its parent corporations, as well as Ms. Bitz will dismiss all related legal actions.

Therapeutic Boarding Schools provide valuable programs and services to children and families in Oregon, and we are fortunate to have laws and rules in place that allow the state to regulate the health and safety of youth in these schools.

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A statement from Phil Herschman, President of Aspen Education Group, on behalf of Mount Bachelor Academy:

We are pleased that the ongoing legal dispute between Mount Bachelor Academy (MBA) and the State of Oregon Department of Human Services (DHS) has finally been satisfactorily resolved. The DHS has agreed to withdraw or modify all of its actions against MBA and MBA’s former director. The DHS’ withdrawal of its order suspending MBA’s license supports our position that they did not have justification for that order in the first place. The DHS has acknowledged with this settlement that in fact there was additional evidence no abuse had occurred.

As we have repeatedly stated throughout this process, our fundamental disagreements with the DHS’ original allegations and consequent actions were strong and deep. We had collected abundant evidence that disproved those allegations, particularly the most egregious ones.

Despite the tragic circumstances of Mount Bachelor’s closure, we hope to open a new, even more successful school on the MBA campus in the future, and wish to publicly thank our skilled and dedicated employees who touched the lives of thousands of troubled teens for more than two decades at MBA, and the loyal alumni and families who steadfastly supported us.

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As for the SageWalk case, the Lake County district attorney has yet to decide whether to accept a chief investigator’s recommendation from earlier this year to file homicide charges in the August 2009 death of Sergey Blashchishen.

Kristen Hayes, communications director for Aspen Education Group, said, Saturday she does not believe there are plans to reopen anything at the Redmond location.

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