Los Angeles Unified "Ed" AI chatbot

IMPLEMENTED 2024 · EDUCATION · US · BAND F · PROVED
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Los Angeles Unified launched an AI chatbot, Ed, for students and families in March 2024. Three months later its supplier, AllHere, collapsed, the chatbot was switched off, and the district had paid about $3 million of a contract worth up to $6 million.

ABOUT THIS SYNOPSIS

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NOTICE WORDING LAST UPDATED 16 NOVEMBER 2026

AT A GLANCE

What went wrong: Business or programme failure.

AI used: AI-powered chatbot and student data platform, built by AllHere Education.

Implemented: 2024. Grade: band F, Failure, Proved.

Headline result, as reported: Chatbot switched off in June 2024, three months after launch, when supplier AllHere collapsed; about $3 million already paid

1 · The case

The facts, as reported by the 6 sources listed at the end. Where a source is silent, the field says "Not reported".

Organisation

Los Angeles Unified School District. The second-largest school district in the US, with about 540,000 students. It built its Ed platform and chatbot with AllHere Education, a Boston-based start-up. Canvas block: 6. Data and technology. Also 8. Governance and risk, 3. Customers and proposition.

Business challenge

The challenge. The superintendent wanted an Individual Acceleration Plan for every student: a platform that uses all the data the district holds on a child to generate a plan for that student, which he described as a "school of one", per the Los Angeles Times.

Who implemented it

AllHere Education (Software vendor): Built and supervised the Ed chatbot under a contract worth up to $6 million.
The model provider behind the chatbot is not named in sources opened.

Technology (SEAM pillar E)

SEAM types: T3 API integrations, T4 RAG / vector search over your own data. Deployment: Not reported. Vendors and products: AllHere Education, Ed.

Where it was built in: Designed to answer questions from students, parents and staff by drawing on the district's databases, and to support an Individual Acceleration Plan for each student; supervised by AllHere staff.

What changed

Before: a planned AI platform to give every student an individual plan and families instant answers. After: the chatbot was switched off three months after launch; the platform stayed district-owned without it, and the full rollout of individual plans was put on hold. From the 2026-27 school year the district has restricted student access to generative AI on district devices while it reviews use and safeguards. [1] [2] [3] [4] [5] [6]

Cost of failure

About $3 million paid to AllHere of a contract worth up to $6 million over five years; the district said payments matched work performed and no more would be made. In bankruptcy court, AllHere officials acknowledged it was unable to fulfil its contract with the district. Cost of the review and any recovery: Not reported.

What it saved

Not reported [1] [2] [3] [4] [5] [6]

Governance and control

The district switched the chatbot off when no supplier staff were left to supervise it. The superintendent said he owned the vision, and announced independent experts to review what went wrong, including bidding and oversight. The inspector general opened an inquiry into data privacy claims. Findings of the task force and the inspector general: Not reported in sources opened.

S2 · Accountable owner · Claimed
The superintendent said he owned the vision for the project. [2]

A1 · Safe use · Not reported
A former AllHere engineer alleged the company took shortcuts with security and data privacy, including overseas servers; the district said it knew of no breach connected with AllHere. No finding reported. [2] [3]

A2 · Human in the loop · Evidenced
District officials said the chatbot was pulled offline because no AllHere staff were available to supervise it. [1]

A3 · Monitoring and assurance · Claimed
The superintendent announced a task force of independent experts to review what went wrong, including bidding and oversight; findings not reported. [3]

A4 · Vendor AI · Missing (independent source shows it was absent)
No fallback for supplier failure is reported: the chatbot depended on AllHere staff and was switched off when the start-up collapsed; AllHere acknowledged in bankruptcy court that it could not fulfil the contract. [1] [4]

A5 · Agent controls · Not reported
No agents described.

A6 · Standards and regulation · Outside scrutiny (a regulator, court, auditor or similar body acted)
The district's inspector general opened an inquiry into data privacy claims; a bankruptcy court and federal prosecutors acted on the supplier. [1] [5]

What worked, what did not, what is unproven

WORKED

– The district switched the chatbot off once the supplier could no longer supervise it, per district officials.

DID NOT

– The supplier collapsed three months after launch, and the chatbot was taken offline.

– It was hard to find students or staff who had used any part of the system, and it was not available at most schools, per the Los Angeles Times.

– Parents and teachers said they had no idea how or how well it worked; a teacher told The 74 the chatbot mostly gave general information found elsewhere on the district website.

– A former AllHere engineer alleged shortcuts on security and data privacy, including use of overseas servers; the district said it knew of no data breach connected with AllHere.

UNPROVEN

– What the task force and the inspector general found: Not reported in sources opened.

– Whether the district recovers any money through the bankruptcy.

– The charges against AllHere's founder, which are allegations.

Timeline

Mar 2024 District launches Ed, an AI-powered chatbot and platform built with AllHere [1]

Jun 2024 Chatbot switched off on 14 June after AllHere furloughs most of its staff [2]

Jul 2024 Superintendent announces a task force of independent experts to review what went wrong [3]

Aug 2024 AllHere files for Chapter 7 bankruptcy [5]

Nov 2024 Federal prosecutors charge AllHere's founder with defrauding investors (allegations) [5]

Sept 2026 District confirms students have no access to generative AI on district devices while it

2 · Grade and SEAM assessment

MarLuc's opinion, made on the evidence above. How cases are graded: marluc.co.uk/case-studies/how-we-rate

Level of change and impact

Claimed: Not applicable. Grade: F, Failure. Proof: Proved. Level of change: Not graded.

No level assessed: band F, a supplier-dependent deployment undone within three months, with about $3 million spent.

The SEAM view and lessons learnt

The failure sat at the join between the district and its supplier. A high-profile launch depended on one small start-up to run and supervise the chatbot, and when the company failed the district could not keep it running. For any mid-sized or larger organisation, a critical AI service needs supplier due diligence, data duties written into the contract, and a plan to run or exit the service if the supplier fails.

1. Check a supplier's finances and staffing before relying on it for a public service.
2. Write data handling and supervision duties into the contract, and audit them.
3. Plan how to keep running or switch off the service if the supplier fails.

Evidence

Score 3 of 4. Independent: reporting by The 74 and the Los Angeles Times with district statements, a bankruptcy court hearing and a federal indictment.

Evaluation method. Independent press reporting and court proceedings: district statements, a bankruptcy hearing in September 2024 and a federal indictment in November 2024.

Sources disagree. The superintendent said what was envisioned and promised was delivered; parents and teachers told the Los Angeles Times they had no idea how or how well the platform works, and a teacher told The 74 the chatbot was never very useful.

Status. Closed for the chatbot: switched off in June 2024, and its supplier in Chapter 7 bankruptcy. From the 2026-27 school year the district restricts student access to generative AI on district devices while a committee prepares recommendations.

3 · Original sources

Read these in full. To challenge a fact or a grade, use the contact form at marluc.co.uk or the link on https://marluc.co.uk/case-studies/lausd-ed-ai-chatbot-allhere

[1] The 74: LA Unified faces criticism after collapse of splashy AI tool "Ed" (July 2024)
https://www.the74million.org/article/la-unified-faces-criticism-after-collapse-of-splashy-ai-tool-ed/

[2] GovTech (Los Angeles Times): LAUSD moving forward with troubled AI platform without chatbot (July 2024)
https://www.govtech.com/education/k-12/lausd-moving-forward-with-troubled-ai-platform-without-chatbot

[3] GovTech (Los Angeles Times): LAUSD to appoint task force to failure of AI chatbot (July 2024)
https://www.govtech.com/education/k-12/lausd-to-appoint-task-force-to-failure-of-ai-chatbot

[4] The 74: Ed tech startup behind L.A. schools' failed $6M AI chatbot files for bankruptcy (September 2024)
https://www.the74million.org/article/allhere-ai-los-angeles-schools-tool-bankruptcy-filing/

[5] The 74: Feds charge once-lauded AllHere AI founder in $10M scheme to defraud investors (November 2024)
https://www.the74million.org/article/feds-charge-once-lauded-allhere-ai-founder-in-10m-scheme-to-defraud-investors/

[6] NBC Los Angeles: Generative AI banned on LAUSD-issued devices for students (September 2026)
https://www.nbclosangeles.com/news/local/lausd-generative-ai-ban/3936907/

Los Angeles Unified School District website: https://www.lausd.org

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