



RIDGEVIEW ELEMENTARY SCHOOL PTO

Comptroller's Investigative Report March 12, 2018

Justin P. Wilson, Comptroller





JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

March 12, 2018

Officers of the Ridgeview Elementary School PTO
Ridgeview Elementary School
252 Sam Jenkins Road
Gray, TN 37615

Ladies:

The Office of the Comptroller of the Treasury, in conjunction with the Washington County Sheriff's Department, conducted an investigation of selected records of the Ridgeview Elementary School PTO, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Haslam, the State Attorney General, the District Attorney General, certain state legislators, and various other interested parties. A copy is available for public inspection in our office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin P. Wilson", is written over a light gray rectangular background.

Justin P. Wilson
Comptroller of the Treasury

JPW/RAD

INVESTIGATIVE REPORT

Ridgeview Elementary School PTO

The Office of the Comptroller of the Treasury, in conjunction with the Washington County Sheriff's Department, investigated allegations of malfeasance related to Ridgeview Elementary School PTO. The Comptroller's Office initiated the investigation after officials with the PTO and the Ridgeview Elementary School reported questionable transactions in the PTO bank records.

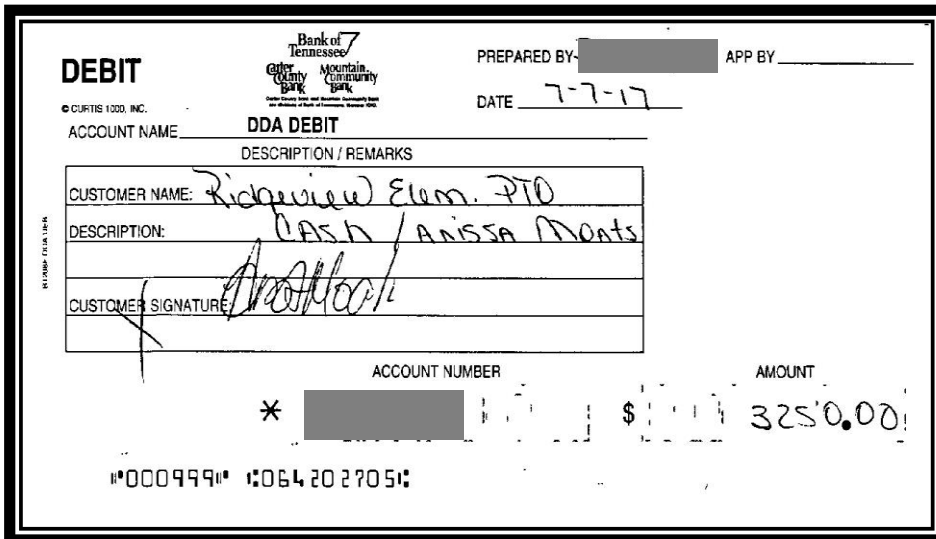
INVESTIGATIVE RESULT

- **Former president Anissa Moats misappropriated PTO funds totaling at least \$9,625**

During the period January 2015 through July 2017, PTO president Anissa Moats misappropriated PTO funds totaling at least \$9,625. Ms. Moats employed at least two schemes to misappropriate PTO funds for her personal use without the authority or knowledge of other PTO officers or board members.

- Ms. Moats obtained cash totaling at least \$9,265 directly from the PTO bank account for her personal benefit by signing for and transacting six unauthorized over-the-counter cash withdrawals and by preparing and transacting six unauthorized PTO checks made payable to cash. **[Refer to Exhibits 1 and 2.]**

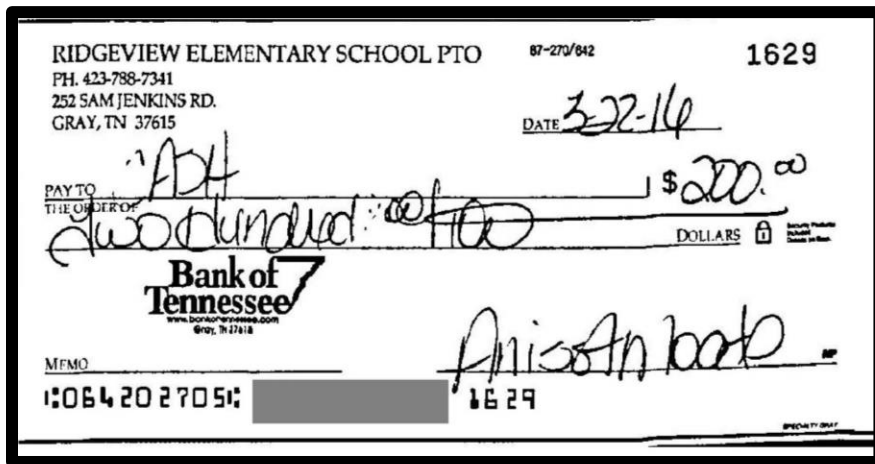
Exhibit 1



DEBIT
 Bank of Tennessee
 City Mountain Community Bank
 DATE: 7-7-17
 PREPARED BY: [REDACTED] APP BY: [REDACTED]
 ACCOUNT NAME: DDA DEBIT
 DESCRIPTION / REMARKS
 CUSTOMER NAME: Ridgeview Elem. PTO
 DESCRIPTION: CASH / ANISSA MOATS
 CUSTOMER SIGNATURE: [Signature]
 ACCOUNT NUMBER: * [REDACTED] AMOUNT: \$ 3250.00
 MICR: ⑈000999⑈ ⑆064202⑆05⑆

Unauthorized PTO cash withdrawal slip signed and transacted by Anissa Moats.

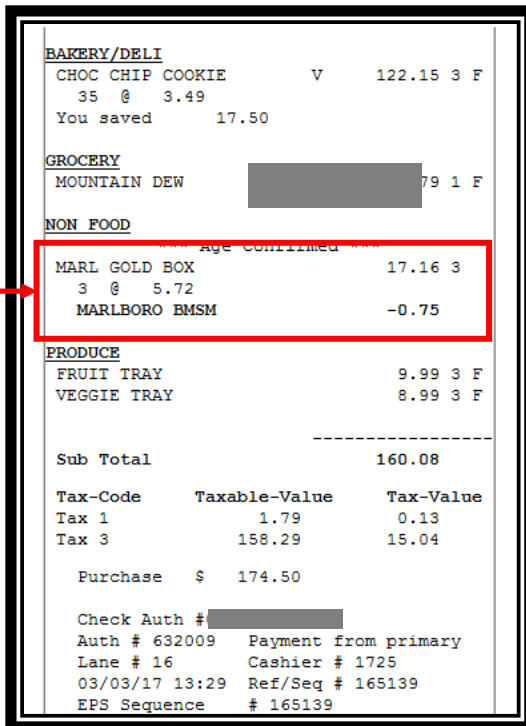
Exhibit 2



Unauthorized PTO check made payable to cash and signed and transacted by Anissa Moats.

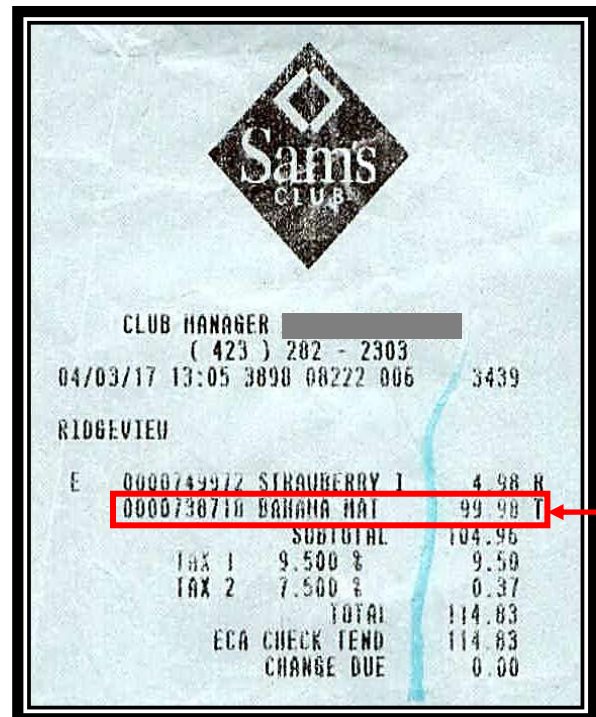
- Ms. Moats wrote at least nine unauthorized PTO checks payable to businesses including Sam's Club, Food City, and PetSmart to pay for invoices which included personal expenses totaling at least \$360. [Refer to Exhibits 3 and 4]

Exhibit 3



Anissa Moats used PTO funds to purchase cigarettes from Food City while making legitimate PTO purchases.

Exhibit 4



Anissa Moats used PTO funds to purchase a swimming pool mat for her personal use.

Ms. Moats effectively concealed her misappropriation by failing to turn over or to make available for review by the PTO treasurer and other officers certain PTO bank statements and other crucial financial information.

On August 21, 2017, Ms. Moats delivered to the principal of Ridgeview Elementary School a \$10,000 check payable to Washington County Schools as an apparent restitution payment.

In December 2017, Ms. Moats acknowledged to investigators that, without the knowledge or the authority of other PTO members or officers, she obtained and used PTO funds for her personal benefit.

Summary of Misappropriation by Former President Anissa Moats

Method	Amount
Checks payable to cash and cash withdrawals	\$9,265
Personal purchases with PTO checks	360
Total	<u>\$9,625</u>

We referred this matter to the local district attorney general. In February 2018, the Washington County Grand Jury indicted Ms. Anissa Moats on one count of Theft over \$2,500.

ADDITIONAL ISSUES

The School Support Organization Financial Accountability Act (Act), sets forth in Section 49-2-604(e), *Tennessee Code Annotated*, that a school support organization’s officers shall ensure that funds are safeguarded and are spent only for purposes related to the goals and objectives of the organization. This section also requires the officers to adopt and maintain a written policy specifying reasonable procedures for accounting, controlling, and safeguarding school support organization money and other property. The Act further authorizes the Tennessee Comptroller of the Treasury to prepare a model financial policy for school support organizations. In June 2008, the Comptroller’s Office published the “Model Financial Policy for School Support Organizations,” which was intended to provide minimum controls to assist in improving accountability over school support organization funds.

The Ridgeview Elementary School PTO failed to comply with the Act and establish and implement reasonable procedures for accounting, controlling, and safeguarding PTO funds. Our investigation revealed numerous deficiencies in PTO financial processes that contributed to the former president’s ability to perpetrate her misappropriation without prompt detection. These financial process deficiencies included:

- PTO officers failed to separate incompatible financial duties or to provide increased oversight when appropriate. The president transacted cash withdrawals from the financial institution without the approval or knowledge of others and was able to transact checks for the PTO with only her signature.”
- PTO officials did not require or retain adequate supporting documentation for disbursements and other withdrawals. In addition to the \$9,625 misappropriated, documentation was either inadequate or unavailable for investigators to determine whether additional PTO disbursements to Sam’s Club, Walmart, and Food City, totaling at least \$4,328, were for legitimate PTO expenses.
- PTO officials did not adequately oversee, document, or account for all fundraising and other collection activities. Officers failed to prepare and maintain signed cash counts, to assign responsibility for making bank deposits, and to otherwise monitor expected collections and bank deposits.
- PTO officers did not ensure that two authorized signatures were required on all checks and withdrawals.
- PTO officials deposited funds collected and accounted for by a school employee into the PTO bank account, rather than ensuring that the funds were turned over for deposit into the school bank account. *Tennessee Code Annotated*, Section 49-2-606(e), provides that a principal may allow funds raised by school support organization fundraisers conducted outside the school day and involving students to be collected during the school day by the school support organization, provided that school employees are not involved in accounting for the funds, and the funds are turned in using sealed envelopes.

The officers of the Ridgeview Elementary School PTO indicated that they have corrected these deficiencies.