



CROCKETT COUNTY SCHOOL DISTRICT

Comptroller's Investigative Report
January 28, 2019

Justin P. Wilson, Comptroller





JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

January 28, 2019

Director of Schools and School Board Members
Crockett County School District
102 North Cavalier Drive
Alamo, TN 38001

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Crockett County School District, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Lee, the State Attorney General, the District Attorney General of the 28th Judicial District, 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".

Justin P. Wilson
Comptroller of the Treasury

JPW/MLC

INVESTIGATIVE REPORT

CROCKETT COUNTY SCHOOL DISTRICT



BACKGROUND

Crockett County is in West Tennessee, and its school district has its administrative office in Alamo, Tennessee. The school district is governed by a seven-member school board and operates one high school, one middle school, and three elementary schools with a total student enrollment of approximately 2,000 students.

INVESTIGATIVE FINDINGS AND RECOMMENDATIONS

FINDING 1: The technology coordinator used school district funds to improperly purchase technology equipment and sold or personally used the equipment resulting in a cash shortage of at least \$114,028.52

Our investigation disclosed the following improprieties relating to purchases made by the technology coordinator:

- A. From March 2016 through December 2017, Mr. Michael Maness, the technology coordinator, used school district funds to purchase 267 Samsung solid state drives (SSD) for \$78,097.29 (\$79,015.43 less \$918.14). He sold 265 of the SSDs mostly using online websites at discounted prices for personal gain. These hard drives had storage capacities of 500GB, 512GB, 1TB, and 2TB, and were purchased strictly for resale by Mr. Maness. According to the current technology director, Mr. Keith Eason, these SSDs were not installed on any computers in the school district and served no useful purpose for the district. We were able to confirm some of

the sales (127 SSDs sold at discounted prices) through an official request to eBay. We were unable to account for the remaining 138 SSDs. Mr. Maness installed the two remaining SSDs in a computer tower he designed and fabricated (\$918.14) for his personal gaming use, and these funds are included in Finding C. below.

- B. Mr. Maness assembled two computer towers for gaming with school district funds and sold these computers to online buyers for personal gain. The total cost to the school district was \$4,233.57.
- C. Mr. Maness assembled a gaming computer for personal use at his home from components he purchased with school district funds at a cost of \$4,411.97. This computer was returned to the central office by the current technology coordinator. It should be noted that this computer has no useful value to the school district. During our investigation, we found two other gaming computer towers that Mr. Maness had built. These computers were found by the current technology director at the middle school and in Mr. Maness's office. The total cost to the school district was \$3,391.85. It should be noted that these computers have no useful value to the school district.
- D. Mr. Maness purchased 19 Graphic Processing Units (GPU) with school district funds for \$11,089.85. During our interview on March 9, 2018, Mr. Maness admitted to selling some of these GPU's online. Some of the GPU's (7 @ \$4,559.93) have been included in other findings in this report as other fabricated computer costs. The remaining costs for the other 12 GPU's (19 less 7) Mr. Maness purchased with school district funds totaled \$6,529.92 (\$11,089.85 less \$4,559.93).
- E. Mr. Maness purchased two MSI laptops with school district funds that he used strictly for personal gaming at a cost of \$3,498. One of these laptops was located and recovered from Mr. Maness's home. Mr. Maness admitted to Comptroller auditors that he had this computer at his home for gaming. The other computer was found in Mr. Maness's office by the current technology director. The current technology director examined the files on these two computers and noted gaming files on both computers. The current technology director stated that these two computers were not compatible with the technology platform used by the school district and served no useful purpose to the school district. It appears that Mr. Maness purchased these computers with school district funds for personal use.
- F. According to the school district, they have been upgrading some of the laptop computers used by the school district staff that had traditional hard disk drives with more efficient SSDs. Purchasing records examined by investigators noted that the district purchased 169 Samsung 250GB SSDs. Approximately 75 SSDs were installed in computers as upgrades, and the current technology director noted 30 SSDs on hand for a total of 105 SSDs accounted for, leaving 64 unaccounted. The average cost of these SSDs is approximately \$98.28 per unit. We assessed Mr. Maness the unaccounted missing SSDs for a total cost of \$6,289.92 (64 units at \$98.28 each). It should be noted that Mr. Maness attempted to sell 30 of the 250GB SSDs on the eBay website as noted by the eBay confirmation (but was unsuccessful).

G. Mr. Maness sold eight computers purchased by the school district on eBay for personal gain. He sold an Alienware (Dell) gaming computer that he once had in his work office; five laptop computers currently used by teaching staff; and two Microsoft Surface Pro’s currently used by the school district. The total cost to the school district totaled approximately \$7,576.00.

The following table summarizes the costs charged to Mr. Maness:

Item	Type	Improper Transactions
A.	265 Samsung solid state drives	\$ 78,097.29
B.	2 fabricated computer towers	4,233.57
C.	Gaming computer	4,411.97
D.	2 fabricated computer towers	3,391.85
E.	12 graphic processing units	6,529.92
F.	2 MSI laptops for gaming	3,498.00
G.	64 Samsung hard drives	6,289.92
H.	8 computers sold online	<u>7,576.00</u>
	Total	<u>\$114,028.52</u>

FINDING 2: The technology coordinator purchased two computers for \$2,976.95 that we consider to be questionable transactions

We noted two additional computers that Mr. Maness had in his possession that we consider questionable transactions. Mr. Maness purchased a MacBook Pro laptop on November 4, 2017. He purchased the computer by justifying that the computer was requested by an employee (currently the technology director, Mr. Keith Eason). However, Mr. Eason informed the district business manager that he did not request the computer. Comptroller auditors inquired about this computer with Mr. Maness on March 1, 2018. The computer was found by the current technology director on Mr. Maness’s desk on March 2, 2018, and the hard drive had been wiped of all data files. The power cord for the computer was located at Mr. Maness’s home and later returned to the IT department by him. During an interview with the Comptroller investigator and auditors on March 9, 2018, Mr. Maness admitted that he sold this computer online for \$1,500, and he bought it back for \$1,600. The second computer, a Lenovo ThinkPad T430, was returned to the technology director on March 12, 2018, by Ms. Amy Maness (wife of Mr. Maness). This computer had been located at the Maness’s home. The computer hard drive had been wiped and the computer did not have a school inventory tag on it. During an interview with the Comptroller investigator and auditors on March 22, 2018, Ms. Maness admitted that she used this computer for personal use at her home. These two computers were purchased by the school district for an approximate cost of \$2,976.95.

FINDING 3: The school district had deficiencies in the acquisition and use of technology equipment and the maintenance of inventory records

The school district’s policy for the acquisition and use of technology equipment provides that the technology department is responsible for the proper installation, maintenance, repair and replacement of equipment, the tagging of equipment, and maintenance of an accurate equipment inventory. Our investigation disclosed the following deficiencies:

- A. The former technology coordinator had school district computer devices at his personal residence for personal use, and one computer was not tagged as school property.
- B. The former technology coordinator and his wife admitted to using school district equipment at their home for personal use.
- C. The school district did not maintain a comprehensive inventory record of technology equipment and component parts. Numerous technology equipment was not tagged as school property. It should be noted that the technology coordinator was in charge of maintaining the equipment inventory.

This is a repeat finding from a previous investigation performed by the Comptroller’s Office.

INTERNAL CONTROL DEFICIENCY

FINDING 4: School district management did not provide adequate oversight, which facilitated the improper activities by the former technology coordinator

School district management did not provide adequate oversight of the former technology coordinator. The technology coordinator was allowed to order various computers and computer components without questioning the need and legitimacy of multiple technology purchases. Management did not require him to maintain a comprehensive inventory system of computers and computer components. Management’s lack of oversight facilitated the improper conduct by the technology coordinator. This is a repeat finding from a previous investigation performed by the Comptroller’s Office.

<p>These findings and recommendations have been reviewed with the district attorney for the Twenty-Eighth Judicial District. In January 2019, the Crockett County Grand Jury indicted Michael Glenn Maness on one count of Theft over \$60,000 and four counts of Official Misconduct.</p> <p>Crockett County School District Investigation Exhibit</p>
