



COMPTROLLER'S INVESTIGATIVE REPORT

Patriot Academy Cafeteria - Jefferson County, Tennessee

January 17, 2020

Justin P. Wilson
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

January 17, 2020

Jefferson County School Board
1221 Gay Street
Dandridge, TN 37725

and

Jefferson County Finance Officer
Langdon Potts
P.O. Box 1749
Dandridge, TN 37725

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Patriot Academy Cafeteria – Jefferson County, Tennessee, 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 4th 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 that reads "Justin P. Wilson".

Justin P. Wilson
Comptroller of the Treasury

JPW/MLC

INVESTIGATIVE REPORT

Patriot Academy Cafeteria – Jefferson County, Tennessee

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Patriot Academy Cafeteria in Jefferson County, Tennessee. This investigation was initiated after county and school department officials reported questionable practices by the school’s cafeteria manager and was limited to selected records for the period November 1, 2018 through March 6, 2019. The results of the investigation were communicated with the Office of the District Attorney General of the 4th Judicial District.

BACKGROUND



Patriot Academy, located in Dandridge, Tennessee, opened in August 2013, and is part of Jefferson County Schools. The academy accommodates approximately 640 ninth grade students zoned for Jefferson County High School.

RESULTS OF INVESTIGATION

- **CAFETERIA MANAGER CHRISTINA MORRIS MISAPPROPRIATED DAILY CASH COLLECTIONS TOTALING AT LEAST \$1,660.75**

During the period November 1, 2018 through March 6, 2019, the school’s cafeteria manager, Christina Morris, misappropriated daily cash collections totaling at least \$1,660.75. In early March 2019, county and school department officials determined through their reconciliation procedures that numerous cafeteria collections were not promptly deposited. On March 6, 2019, school department officials visited with Morris at the school and requested to see all outstanding deposits. At that time, Morris could only provide coins and checks for the outstanding deposits dating back to February 20, 2019. All paper money for this period was missing. When officials confronted Morris on March 6, 2019, Morris removed \$157 cash from her personal billfold and gave it to officials to be deposited; however, \$1,503.75 in cash was still missing from the outstanding deposits.

Officials immediately placed Morris on administrative leave and escorted her off school property. Later that day, Morris withdrew \$1,520 from her personal bank account, which was the amount she believed was missing, and brought the funds to school officials to be deposited. Morris told investigators she began to use cash from cafeteria collections for her personal use in late November 2018 or early December 2018 due to personal and financial issues.

During the period investigated, Morris failed to consistently make deposits within three days of collection as required by *Tennessee Code Annotated*, Section 5-8-207. Investigators determined that she made 30 deposits more than three days from collection, with a maximum of 13 business days between collection and deposit, and outstanding deposits reached \$3,724.75 (which included cash totaling \$2,640.70).

The following table summarizes the \$1,660.75 cash collections misappropriated by Morris and missing from outstanding deposits on March 6, 2019.

Summary of Misappropriation				
Receipt Date	Total Daily Collections (Checks and Cash)	Total Deposit	Missing Cash	Deposit Date
2/20/2019 *	223.45	199.45	24.00	3/6/2019
2/21/2019	251.70	31.70	220.00	3/6/2019
2/22/2019	336.85	157.60	179.25	3/6/2019
2/28/2019	471.25	150.00	321.25	3/6/2019
3/1/2019	234.75	94.75	140.00	3/6/2019
3/4/2019	265.55	78.80	186.75	3/6/2019
3/5/2019	<u>340.70</u>	<u>58.20</u>	<u>282.50</u>	3/6/2019
Total Missing Cash Collections	2,124.25	770.50	1,353.75	
Cash Morris Removed From Billfold *			157.00	
Missing Cash On Hand **			150.00	3/6/2019
Total Missing Cash			<u>1,660.75</u>	

* *The \$199.45 deposited for February 20, 2019 collections included \$157 cash Morris removed from her personal billfold.*

** *The cash on hand of \$150 given to the cafeteria manager used to make change in her cash drawer was also missing on March 6, 2019.*

Morris resigned on April 11, 2019.

On January 6, 2020, the Jefferson County Grand Jury indicted Christina Morris on one count of Theft over \$1,000 and one count of Official Misconduct.

[Patriot Academy Cafeteria – Jefferson County, Tennessee Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal control and compliance, some of which contributed to the cafeteria manager’s ability to misappropriate cash collections for her personal use. These deficiencies included:

Deficiency 1: Some school cafeteria funds were not deposited within three days of collection

Officials failed to ensure that school cafeteria funds were deposited within three days of collection as required by *Tennessee Code Annotated*, Section 5-8-207. For the period November 1, 2018 through March 6, 2019, the cafeteria manager failed to make 30 deposits within three days of collection. The delay in depositing funds weakens internal controls over collections and increases the risk of fraud and misappropriation.

Deficiency 2: Officials failed to separate financial responsibilities adequately

Officials failed to separate incompatible financial duties and to provide increased oversight when appropriate. The cafeteria manager received and counted collections, prepared and delivered deposits to the bank, and reconciled recorded collections with bank deposits. Management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management’s decisions based on the availability of financial resources and is a deficiency in internal controls over collections that increases the risk of fraud and misappropriation.

School department officials indicated that they have corrected or will correct these deficiencies.