



COMPTROLLER'S INVESTIGATIVE REPORT

Isaiah T. Creswell P.T.S.O.

October 8, 2020

Justin P. Wilson
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JUSTIN P. WILSON
Comptroller

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Deputy Comptroller

October 8, 2020

Principal Trellany Lane
Isaiah T. Creswell Middle School of The Arts
3500 John Mallette Drive
Nashville, TN 37218

Principal Lane:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Isaiah T. Creswell PTSO, 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 20th Judicial District, certain state legislators, and various other interested parties. A copy of the report 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

Isaiah T. Creswell PTSO

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to Isaiah T. Creswell PTSO (PTSO). The Comptroller's Office initiated the investigation after PTSO officials discovered and reported that funds had been misappropriated from the PTSO bank account. The results of the investigation were communicated with the Office of the District Attorney General of the 20th Judicial District.

BACKGROUND



The PTSO is a school support organization, affiliated specifically with Isaiah T. Creswell Middle Prep School of the Arts (Creswell Middle Prep). Creswell Middle Prep is located in Nashville and is part of the Metro Nashville Public School System. The PTSO's objective is to be a voice for the betterment of the children attending Creswell Middle Prep by supporting the needs of the teachers, staff and leaders of the school. The PTSO is run by parent volunteers and has a core of officers that lead its operations.

RESULTS OF INVESTIGATION

- **FORMER PTSO TREASURER ADLENITA L. SHUTE MISAPPROPRIATED PTSO FUNDS TOTALING AT LEAST \$2,605**

During the period January 2019 through March 2019, former PTSO treasurer, Adlenita L. Shute misappropriated PTSO funds totaling at least \$2,605. Shute perpetrated her misappropriation scheme by using a PTSO debit card to make unauthorized cash withdrawals for her personal benefit. (See **Exhibit 1 for a portion of the misappropriation.**) Shute served as the PTSO treasurer during the 2017-2018 school year. While serving as treasurer, she obtained a debit card for the PTSO's account and retained possession of that card after her term expired. Shute was no longer associated with the PTSO board or its activities at the time she misappropriated the funds.

Exhibit 1

WITHDRAWALS			
02/13	ATM Withdrawal Msm Food Mar-3	230 Thompson Nashville TN P327891 8603	202.75
02/15	ATM Withdrawal Msm Food Mar-3	230 Thompson Nashville TN P327891 8603	202.75
02/15	ATM Withdrawal Msm Food Mar-3	230 Thompson Nashville TN P327891 8603	202.75
02/19	ATM Withdrawal Lcves Ts #480	9155 Hwy 321 Lenoir City TN Hy018805 8603	103.95
02/19	ATM Withdrawal Mji1	1101 Bell RD. Antioch TN 3078 8603	203.50
02/20	ATM Withdrawal Walgreens #0-3	827 Gallatin Madison TN P374599 8603	203.25
02/21	ATM Withdrawal Regions	Hickory Hollo Antioch TN T5460 8603	200.00
02/22	ATM Withdrawal Walgreens #0-3	1301 Bell Rca Antioch TN P376308 8603	203.25
02/25	ATM Withdrawal Regions	Hickory Hollo Antioch TN Ca031 8603	140.00
Total Withdrawals			\$1,662.20

FEES			
02/13	Other Bank ATM Withdrawal Fee		2.50
02/15	Other Bank ATM Withdrawal Fee		2.50
02/15	Other Bank ATM Withdrawal Fee		2.50
02/19	Other Bank ATM Withdrawal Fee		2.50
02/19	Other Bank ATM Withdrawal Fee		2.50
02/20	Other Bank ATM Withdrawal Fee		2.50
02/20	Other Bank ATM Balance Inquiry Fee		2.50
02/22	Other Bank ATM Balance Inquiry Fee		2.50
02/22	Other Bank ATM Withdrawal Fee		2.50
Total Fees			\$22.50

Portions of bank statement showing fraudulent cash withdrawals by Shute and related ATM fees.

A detailed schedule of the fraudulent withdrawals is shown below:

Summary of Misappropriation by Former Treasurer Adlenita L. Shute

ATM Withdrawals Retained for Personal Benefit (with related fees)		
Bank Statement Date	Amount	
1/23/2019	\$508.50	*
2/13/2019	\$205.25	
2/15/2019	\$205.25	
2/15/2019	\$205.25	
2/19/2019	\$106.45	
2/19/2019	\$206.00	
2/20/2019	\$205.75	*
2/21/2019	\$200.00	*
2/22/2019	\$205.75	*
2/25/2019	\$140.00	*
3/1/2019	\$106.00	
3/1/2019	\$105.50	
3/4/2019	\$206.00	
Total Misappropriation	\$2,605.70	

Note: Items noted with a * indicate investigators obtained surveillance video and identified Shute as the person making the transaction. Video footage was not available for the remaining transactions.

On August 19, 2020, the Davidson County Grand Jury indicted Adlenita L. Shute on one count of Theft over \$2,500 and one count of Fraudulent Use of a Credit Card.

[Isaiah T. Creswell PTSO Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Officers of the PTSO, like officers of all other school support organizations, are required to ensure the funds and property of their organization are safeguarded and used only for purposes related to the goals and objectives of the organization. Pursuant to *Tennessee Code Annotated*, Section 49-2-610, the Comptroller published the “Model Financial Policy for School Support Organizations - Procedures Manual” (Model Financial Policy) in 2008 to assist PTSO officers in discharging their obligation to safeguard the funds and property of their respective organizations.

To that end, the Model Financial Policy prescribes the minimum financial accountability controls that PTSO officers must follow.

The Isaiah T. Creswell PTSO failed to establish and implement reasonable procedures for accounting, controlling, and safeguarding PTSO funds. Our investigation revealed a deficiency in PTSO financial processes that contributed to the former treasurer’s ability to perpetrate her misappropriation without prompt detection. This deficiency is noted below:

Deficiency: PTSO officials failed to provide adequate financial oversight

PTSO officials failed to provide adequate financial oversight. Officials did not promptly review and reconcile bank statements or update authorized bank signatures. The former treasurer made unauthorized ATM cash withdrawals from the PTSO’s financial institution without anyone’s knowledge for several months. Moreover, bank records show the former treasurer remained as an authorized signer on the account for almost a year after she stepped down as treasurer of the PTSO. Adequate financial oversight of the PTSO helps ensure that funds are spent only on authorized purposes for the betterment of Creswell Middle Prep students.

PTSO officials indicated that they have corrected or intend to correct these deficiencies.