COMPTROLLER’S INVESTIGATIVE REPORT

PTO of Inglewood Elementary School

October 8, 2020

Justin P. Wilson
Comptroller of the Treasury

DIVISION OF INVESTIGATIONS
October 8, 2020

Executive Principal Ashley Croft  
Inglewood Elementary School  
1700 Riverside Drive  
Nashville, TN 37216

Principal Croft:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the PTO of Inglewood Elementary School, 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,

Justin P. Wilson  
Comptroller of the Treasury

JPW/MLC
INVESTIGATIVE REPORT

PTO OF INGLEWOOD ELEMENTARY SCHOOL

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the PTO of Inglewood Elementary School (PTO). The Comptroller’s Office initiated the investigation after school officials voiced concerns to Metropolitan Nashville Public Schools internal auditors regarding unpaid PTO invoices. The results of the investigation were communicated with the Office of the District Attorney General of the 20th Judicial District.

BACKGROUND

The PTO, a parent teacher organization, was an officially recognized school support organization of Metropolitan Nashville Public Schools, affiliated specifically with Inglewood Elementary School. It was founded to promote the education of children in the school community at large. The PTO was operated by parent volunteers and had a core of officers that led its operations.

RESULTS OF INVESTIGATION

- PTO PRESIDENT ANGELICA HOPE COOKS MISAPPROPRIATED PTO FUNDS TOTALING AT LEAST $5,781 FOR PERSONAL BENEFIT

During the period August 2015 through August 2017, PTO president Angelica Hope Cooks misappropriated PTO funds totaling at least $5,781.

In May 2017, Cooks was elected PTO President and her husband was elected PTO Treasurer. During her tenure as president, Cooks opened PTO accounts at three separate banks. The respective banks closed two of the PTO accounts because of overdrafts totaling over $1,100. The balance in the remaining account as of August 2017 was $0.29. During this period, Cooks was the only authorized signer on the accounts.

Cooks began misappropriating PTO funds a short time after she began handling PTO finances. When she assumed control, the PTO bank account had a balance of over $3,800. Three months later, Cooks had misappropriated about a third of these funds, and the bank account balance was down to $21.
As described below, Cooks employed at least three schemes to misappropriate PTO funds for her personal benefit:

**At least $3,045 in fraudulent debit card purchases**

Cooks used debit cards issued on PTO accounts to make at least 135 personal purchases, misappropriating at least $3,045 from those accounts. Her personal uses included charges for meals at restaurants and other personal items and expenses. *(Refer to Exhibit 1.)*

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**Exhibit 1**

Unauthorized personal restaurant charges and other personal purchases made by Cooks using PTO funds via PTO debit card (shaded in blue)
At least $1,287 in fraudulent electronic cash withdrawals
Cooks used PTO debit cards to make at least 27 cash withdrawals via ATM transactions totaling $1,287 for her personal benefit. (Refer to Exhibit 2.)

Exhibit 2

<table>
<thead>
<tr>
<th>Other withdrawals, debits and service charges</th>
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<tbody>
<tr>
<td>DATE</td>
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</tbody>
</table>

At least $995 in fraudulent over-the-counter cash withdrawals
Cooks misappropriated at least $995 from the PTO account by making at least eight over the counter cash withdrawals. For example, Cooks withdrew cash totaling $350 from the PTO account on May 5, 2017, when there were no PTO activities or events which would
have required the use of PTO funds. Other PTO board members and school personnel told investigators that neither the PTO nor the school received any benefit from this cash withdrawal. Cooks retained these funds for her personal use. (Refer to Exhibit 3.)

Exhibit 3

Unauthorized over-the-counter cash withdrawal made by Cooks for personal benefit

At least $454 in bank fees related to misappropriation
As a result of Cooks’s unauthorized personal transactions, the PTO incurred bank fees including foreign ATM fees, ATM balance inquiry fees, overdraft fees, etc., totaling at least $454. (Refer to Exhibits 4a and 4b.)

Exhibit 4a

Exhibit 4b

Bank fees charged to PTO related to fraudulent transactions by Cooks

Investigators located numerous PTO financial reports containing false and incomplete information signed with the name of the PTO treasurer, who was Cooks’s husband. These documents did not reflect the personal charges, the bank fees, the negative balances, and the changes in banks, effectively concealing the misappropriation. Cooks and her husband were the only individuals with access to the bank records.
School system officials suspended PTO operations July 2017.

**Summary of Misappropriation by President Angelica Hope Cooks**

<table>
<thead>
<tr>
<th>Method of Misappropriation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debit card purchases for personal benefit</td>
<td>$3,045</td>
</tr>
<tr>
<td>Electronic cash withdrawals for personal benefit</td>
<td>1,287</td>
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<tr>
<td>Over-the-counter cash withdrawals for personal benefit</td>
<td>995</td>
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<tr>
<td>Bank fees incurred as a result of misappropriation</td>
<td>454</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$5,781</strong></td>
</tr>
</tbody>
</table>

On August 26, 2020, the Davidson County Grand Jury indicted PTO president Angelica Hope Cooks on one count of Theft over $2,500 and one count of Fraudulent Use of a Credit Card.

**PTO of Inglewood Elementary Investigation Exhibit**

**INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES**

Officers of the PTO, 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” in 2008 to assist PTO 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 PTO officers must follow.

Our investigation found that the PTO failed to adopt or comply with financial controls prescribed by the Model Financial Policy, which enabled the president to perpetrate her misappropriation and avoid prompt detection. These resulting deficiencies included:

**Deficiency 1: PTO officials failed to separate financial responsibilities adequately and to provide increased oversight when appropriate**

PTO officials failed to separate incompatible financial duties and to provide increased oversight when appropriate. The president and her husband (the PTO treasurer) received and counted collections, made deposits, and made all disbursements from the accounts. She made cash withdrawals and other disbursements from the PTO accounts on her signature alone and without
proper PTO board authorization. No one discovered the scheme for nearly two years because Cooks and her husband were the only ones who had access to the PTO bank account statements that they used to compile and remit financial information to the school system. Separating financial duties and providing increased oversight when appropriate reduces the risk that errors or misappropriations will remain undetected.

**Deficiency 2: PTO officials failed to retain adequate supporting documentation for many disbursements**

PTO officials did not acquire or retain invoices, vendor receipts, or other adequate supporting documentation for many disbursements. *Tennessee Code Annotated, Section 49-2-604(c)*, requires that a school support organization maintain, at a minimum, detailed statements of receipts and disbursements for at least four years. The Model Financial Policy requires school support organizations to obtain and file invoices for all disbursements to show that funds were appropriately used.

**Deficiency 3: PTO officials did not adequately account for collections**

PTO officials did not comply with the requirements to oversee, document, or account adequately for the proceeds of any of the PTO fundraising activities, which included, among others, a fall festival and a gift brochure sale. As a result, investigators could not verify the accuracy and completeness of the amounts deposited. For example, investigators could not locate any records and were unable to determine if officials deposited any proceeds for sales of t-shirts and other items at local athletic events. The Model Financial Policy sets forth required collection procedures to account for proceeds from fundraisers and other collections. PTO officials failed to:

- Issue receipts for applicable collections or prepare count sheets signed by two responsible individuals.
- Review bank statements timely to ensure all expected deposits were made promptly and intact.
- Require, prepare, or review profit analyses for applicable activities to ensure expected collections were generated.
- Obtain approval from the Director of Schools or the Director’s designee for some fundraising activities.

As noted previously, PTO operations were suspended after discovery of questionable transactions. As of the date of this report, the PTO of Inglewood Elementary School had not resumed operations.