



COMPTROLLER'S INVESTIGATIVE REPORT

Ashland City Elementary PTO

September 13, 2021

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

September 13, 2021

Ashland City Elementary School
Principal Dr. Melinda Broyles
108 Elizabeth Street
Ashland City, TN 37015

Dr. Broyles:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Ashland City Elementary PTO, 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 23rd 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 blue ink, appearing to read "Jason E. Mumpower", with a long horizontal line extending to the right.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Ashland City Elementary PTO

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Ashland City Elementary Parent Teacher Organization (PTO). The Comptroller's Office initiated the investigation after former PTO officials reported funds had been misappropriated from the PTO bank account. The investigation was limited to selected records for the period from July 1, 2020, through June 30, 2021. The results of the investigation were communicated with the Office of the District Attorney General of the 23rd Judicial District.

BACKGROUND



Ashland City Elementary PTO is a school support organization of Cheatham County Schools, whose objective is to assist teachers and parents with school events. The PTO is operated by parent volunteers and has a core of officers that lead its operations. During the 2020-2021 school year, the PTO funded its activities through a spirit wear t-shirt fundraiser.

Jessica Tandy served as President of the PTO during the 2020-2021 school year. Her duties included fundraising and expenditure oversight for the PTO.

RESULTS OF INVESTIGATION

1. PTO PRESIDENT JESSICA TANDY MISAPPROPRIATED PTO FUNDS TOTALING \$3,005.70


Our investigation revealed Tandy misappropriated PTO funds totaling \$3,005.70 by making unauthorized personal purchases using the PTO bank card and by receiving a fraudulent reimbursement after she created a duplicate invoice.

A) Tandy used the PTO bank card for unauthorized personal purchases totaling \$2,839.40.

Tandy made 42 unauthorized personal purchases for her personal use and benefit between October 28 and December 9, 2020, using the PTO's bank card. These purchases included items from Target, Walmart, Logans Roadhouse, Old Navy, Kentucky Fried Chicken, Cracker Barrel, and several other local and online retailers. **(Refer to Exhibit 1.)**

Exhibit 1

Statement of Account

Balance 11/02/20	\$ 2,586.50	Summary	
Balance 11/30/20	\$ 40.11-	Credits	+\$.00
		Interest	+\$.00
		Debits	-\$ 2,626.61

Debit Transactions

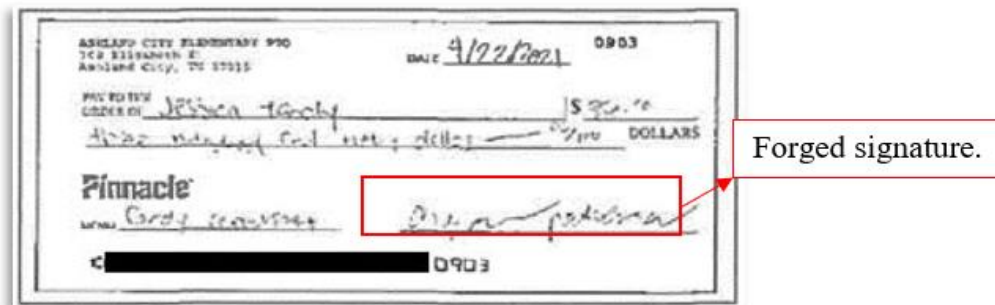
Other Debits

11/02	SUNOCO 02098697 KINGSTON SPG TN 110220 030739032555 Card#4428	9.34
11/02	615 SOUTH MAIN STREET SONIC #1588 ASHLAND CITY TN 110120 Card#4428	20.76
11/02	TARGET T- 401 S Mount MOUNT JULIET TN 110120 110113417029 Card#4428	38.92
11/02	CASH SAVE 795 S MAIN S ASHLAND CITY TN 110120 110118135363 Card#4428	50.52
11/02	6816 CHARLOTTE PIKE BUFFALO WILD WI NASHVILLE TN 103120 Card#4428	63.81
11/02	WALGREENS STORE NASHVILLE TN 103120 721016 Card#4428	85.24
11/02	TARGET T- 6814 Charlot NASHVILLE TN 103120 103113117231 Card#4428	87.38
11/02	OLD NAVY US 6018 6724 NASHVILLE TN 103120 305001231383 Card#4428	257.75
11/02	Wal-Mart Super C ASHLAND CITY TN 110120 000486 Card#4428	419.28

Portion of personal purchases from the November 2020 bank statement.

- B) Tandy created a duplicate invoice and received an additional \$166.30 reimbursement that she was not owed. The PTO held a back-to-school appreciation event for the teachers and other school staff in August 2020. Tandy purchased candy from an online vendor and charged \$183.70 to her personal Mastercard account. On April 22, 2021, Tandy requested a reimbursement from the PTO for \$350 claiming more than her personal purchase. She submitted the false claim after altering the number on the original invoice. Tandy concealed her misappropriation by applying a forged signature on her reimbursement check. (Refer to Exhibit 2.)

Exhibit 2



Reimbursement check with an unidentified signature forged by Tandy.

2. PTO PRESIDENT JESSICA TANDY FABRICATED A BANK DOCUMENT TO CONCEAL HER MISAPPROPRIATION

On November 3, 2020, former PTO officers were notified by bank officials that suspicious charges had been made using the PTO’s bank card. Former and present PTO officers met to discuss the bank charges. Tandy took responsibility for the charges by claiming the card had been used accidentally, and she would replace the funds.

On January 7, 2021, a former PTO official was notified by Pinnacle Bank that the PTO’s account was overdrawn. PTO officials also noticed none of the funds from the original charges had been replaced, so they called a meeting with former and current officers on January 12, 2021, to discuss the charges. At the meeting, Tandy presented the group with a written explanation of the additional bank card charges and also presented a document that was purportedly a family member’s Pinnacle Bank statement as proof of the accidental charges (**Refer to Exhibit 3**). Upon comparison of her family member’s document and the original PTO bank statements, investigators detected several irregularities between the two. On the statement Tandy presented, investigators noticed it did not have dollar symbols (\$) printed in the Amount and Balance columns, contained inaccurate transaction codes, appeared in a variety of numerical fonts, and contained copied data from the PTO’s original bank statement.

Tandy admitted to investigators that she used computer hardware and software to create the Pinnacle Bank document to conceal the fraudulent bank card purchases and to create the duplicate candy receipt to gain additional PTO funds.

Exhibit 3

Original Bank Statement

10/30/2020	39	Regular Deposit	\$1,229.00	\$2,586.50
11/02/2020	228	Card Purchase SUNOCO 02098697 KINGSTON 400-3711	(\$9.34)	\$2,577.16
11/02/2020	228	Card Purchase 110220 030739032555 Card#4428 615 SOUTH MAIN STREET SONIC #1588 ASHLAND CITY TN 110120 Card#4428	(\$20.76)	\$2,556.40
11/02/2020	228	Card Purchase TARGET T-401 S Mount MOUNT JULIET TN 110120 110113417029 Card#4428	(\$38.92)	\$2,517.48

Statement created by Tandy

11/19/2020	26	Withdrawal	(880.00)	
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This temporary statement from Pinnacle Bank is not a formal statement of your account.
These items will be reflected again on your regularly scheduled statement.

January 12, 2021 Page: 2

Exhibit reflects bank document created by Tandy compared with original PTO bank statement using account information for charges.

After being questioned a second time by board members, Tandy deposited \$2,740 into the PTO’s bank account in January 2021. In June 2021, Tandy deposited an additional \$117.14 into the account to reimburse the PTO, resulting in a total reimbursement of \$2,857.14 (\$2,740 plus \$117.14).

Summary of Misappropriation by Jessica Tandy

Description		Amount
A.	Personal Purchases	\$2,839.40
B.	Fraudulent Reimbursement	166.30
	Total Misappropriation	3,005.70
	Tandy Reimbursement	(2,857.14)
	Outstanding Shortage	\$148.56

On September 7, 2021, the Cheatham County Grand Jury indicted Jessica Tandy on one count of Theft over \$1,000, one count of Forgery, one count of Criminal Simulation, and one count of Computer Crimes.

The charges and allegations contained in the indictment are merely accusations of criminal conduct, and not evidence. The defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt and convicted through due process of law.

[Ashland City Elementary PTO 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. To assist such officers in discharging their duties, the Comptroller, pursuant to *Tennessee Code Annotated*, Section 49-2-610, published the “Model Financial Policy for School Support Organizations - Procedures Manual” (Model Financial Policy) in 2008. The Model Financial Policy prescribes a set of financial accountability controls that are intended to ensure the funds are used to further the organization’s goals and objectives.

Our investigation revealed the following deficiencies in the PTO’s financial processes that contributed to the president’s ability to perpetrate the misappropriation without prompt detection:

Deficiency 1: PTO officials did not routinely review and reconcile bank statements

PTO officials failed to routinely review and reconcile bank statements. To ensure deposits and

disbursements are accurately recorded and appropriately used, the Model Financial Policy requires bank statements be reconciled promptly and a copy of the bank statements and imaged checks be included in the minutes of the PTO meetings. PTO officials did not comply with the policy and thus failed to promptly identify or resolve multiple personal and questionable disbursements made using the PTO bank card.

Deficiency 2: PTO officials did not require two signatures on checks

PTO officials failed to ensure checks written on the PTO's account had the required two signatures. One officer retained control of the organization's checkbook. Even though two signatures were required on checks, only one signature was noted on checks written during the 2020-2021 school year. The Model Financial Policy requires two signatures on checks to ensure all disbursements benefit the PTO. Having two signatures provides a degree of control for disbursements by indicating that both signers agree that the payment is proper and reasonable.

Deficiency 3: PTO officials failed to deposit fundraiser collections in a timely manner

PTO officials failed to deposit fundraiser collections in a timely manner. All funds should be deposited in a bank account within three days of collection according to the Model Financial Policy. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

Current officers of the Ashland City Elementary PTO indicated that they have corrected or intend to correct these deficiencies.
