



COMPTROLLER'S INVESTIGATIVE REPORT

AZ Kelley PTA

July 12, 2021

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

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A.Z. Kelley Elementary School
Dr. Pippa Meriwether, Principal
5834 Pettus Road
Antioch, TN 37013

Principal Meriwether:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the AZ Kelley PTA, 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 blue ink that reads "Jason E. Mumpower".

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

AZ Kelley PTA

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to A.Z. Kelley Elementary School's Parent Teacher Association, AZ Kelley PTA (PTA). The Comptroller's Office initiated the investigation after Metropolitan Nashville Public Schools and PTA officials reported unauthorized purchases and withdrawals from the PTA's bank account and was limited to selected records for the period from May 2017 through August 2017. The results of the investigation were communicated with the Office of the District Attorney General of the 20th Judicial District.

BACKGROUND



The PTA was a school support organization whose objective was to assist teachers and parents with school events and funding. The PTA was run by parent volunteers and, traditionally, had a core of officers that led its operations. An experienced group of officers led the PTA through the end of the 2016-2017 school year. Afterwards, only one of those officers, the treasurer, remained with the PTA. That officer became president, and new people assumed the other offices. The new officers were not given access to the PTA's financial records until fall 2017. Once the new PTA officers gained access

to PTA bank statements, they began asking questions about unusual activity in the PTA account over the summer. PTA President Tiffany Bell resigned from the PTA in November 2017 after being questioned by other parents and not providing an explanation for the unusual activity in the bank account. Investigators were unable to speak with the former PTA president about the activity in the bank account. The PTA is no longer active.

RESULTS OF INVESTIGATION

1. PTA PRESIDENT TIFFANY BELL MISAPPROPRIATED PTA FUNDS TOTALING AT LEAST \$5,589.18

In May 2017, Bell became PTA president and had sole access to the PTA's bank account. From May 2017 through August 2017, Bell misappropriated PTA funds totaling at least \$5,589.18 through the following schemes:

A. Bell misappropriated \$4,720 by withdrawing PTA funds from an ATM for her personal benefit.

During the period May 2017 through August 2017, Bell misappropriated PTA funds totaling at least \$4,720 using a PTA debit card on 23 occasions to make unauthorized cash withdrawals for her personal benefit (See **Exhibit 1**).

Exhibit 1

Withdrawals / Debits - continued		
Date	Amount	Description
06/14	22.99	MERCHANT PAYMENT - 100 AMAZON.COM SEATTLE WA ON 061417 FROM CARD#: XXXXXXXXXXXX948X
06/15	120.00	ALLPOINT WITHDRAWAL - 001482 1401 CHARLOTTE NASHVILLE TN ON 061517 FROM CARD#: XXXXXXXXXXXX948X
06/15	323.25	JEANIE WITHDRAWAL - 004545 433 OPRY MILLS DR NASHVILLE TN ON 061517 FROM CARD#: XXXXXXXXXXXX948X
06/16	300.00	5/3 JEANIE WITHDRAWAL - 177 1311 BELL RD ANTIOCH TN ON 061617 FROM CARD#: XXXXXXXXXXXX948X
06/19	203.50	JEANIE WITHDRAWAL - 025874 220 Crossings Place Antioch TN ON 061917 FROM CARD#: XXXXXXXXXXXX948X
06/20	500.00	JEANIE WITHDRAWAL - 002235 4314 HARDING ROAD NASHVILLE TN ON 062017 FROM CARD#: XXXXXXXXXXXX948X
06/21	200.00	5/3 JEANIE WITHDRAWAL - 006595 4329 HARDING PIKE NASHVILLE TN ON 062117 FROM CARD#: XXXXXXXXXXXX948X
06/23	160.00	5/3 JEANIE WITHDRAWAL - 006595 4329 HARDING PIKE NASHVILLE TN ON 062317 FROM CARD#: XXXXXXXXXXXX948X
06/26	200.00	5/3 JEANIE WITHDRAWAL - 006595 4329 HARDING PIKE NASHVILLE TN ON 062617 FROM CARD#: XXXXXXXXXXXX948X
06/26	27.04	MERCHANT PAYMENT WAL Wal-Mart Sup - 350054 4435 WAL-SAMS NASHVILLE TN ON 062617 FROM CARD#: XXXXXXXXXXXX948X
06/26	94.41	MERCHANT PAYMENT WAL Wal-Mart Sup - 350008 4435 WAL-SAMS NASHVILLE TN ON 062617 FROM CARD#: XXXXXXXXXXXX948X
06/28	200.00	JEANIE WITHDRAWAL - 003078 1101 BELL RD. ANTIOCH TN ON 062817 FROM CARD#: XXXXXXXXXXXX948X

Portion of the June 2017 PTA bank statement showing several ATM withdrawals made by Bell.

B. Bell made unauthorized personal purchases totaling at least \$869.18 using the PTA's debit card.

Bell used the PTA debit card on 15 occasions to make unauthorized personal purchases totaling at least \$869.18. Such purchases included groceries and other personal items from retailers like Walmart, Kmart, and Family Dollar. The purchases were all made over the summer months when the PTA was inactive. (See **Exhibit 2**).

Exhibit 2

Withdrawals / Debits			17 items totaling \$2,049.16
Date	Amount	Description	
07/03	35.99	MERCHANT PAYMENT - 101 AMAZON.COM SEATTLE WA ON 070317 FROM CARD#: XXXXXXXXXXXXX948X	
07/03	160.00	5/3 JEANIE WITHDRAWAL - 006408 5550 OLD HICKORY BLV HERMITAGE TN ON 070317 FROM CARD#: XXXXXXXXXXXXX948X	
07/03	85.61	MERCHANT PAYMENT WAL Wal-Mart Sup - 350045 4435 WAL-SAMS NASHVILLE TN ON 070317 FROM CARD#: XXXXXXXXXXXXX948X	
07/05	32.59	MERCHANT PAYMENT - 101 AMAZON.COM SEATTLE WA ON 070517 FROM CARD#: XXXXXXXXXXXXX948X	
07/06	172.16	MERCHANT PAYMENT NNT KMART 4093 - 360063 1508 S GALLATIN RD MADISON TN ON 070617 FROM CARD#: XXXXXXXXXXXXX948X	
07/10	12.03	RECURRING PURCHASE AT AmazonPrime Member, amzn.com/prme, WA ON 070917 FROM CARD#: XXXXXXXXXXXXX9485	
07/10	100.00	ALLPOINT WITHDRAWAL - 001482 1401 CHARLOTTE NASHVILLE TN ON 071017 FROM CARD#: XXXXXXXXXXXXX948X	
07/10	200.00	JEANIE WITHDRAWAL - 003078 1101 BELL RD. ANTIOCH TN ON 071017 FROM CARD#: XXXXXXXXXXXXX948X	
07/10	18.93	MERCHANT PAYMENT WAL Wal-Mart Sup - 350044 4435 WAL-SAMS NASHVILLE TN ON 071017 FROM CARD#: XXXXXXXXXXXXX948X	
07/10	28.78	MERCHANT PAYMENT FAMILY DOLLAR #2 - 171801 1152 GALLATIN PIKE S MADISON TN ON 071017 FROM CARD#: XXXXXXXXXXXXX948X	
07/10	36.41	MERCHANT PAYMENT WAL Wal-Mart Sup - 070006 5107 WAL-SAMS MADISON TN ON 071017 FROM CARD#: XXXXXXXXXXXXX948X	
07/11	103.00	JEANIE WITHDRAWAL - ND7486 *BELLEMEADE NASHVILLE TN ON 071117 FROM CARD#: XXXXXXXXXXXXX948X	
07/12	29.90	MERCHANT PAYMENT - 101 AMAZON.COM SEATTLE WA ON 071217 FROM CARD#: XXXXXXXXXXXXX948X	

Portion of the July 2017 PTA bank statement showing several retail purchases from Walmart, Kmart, and Family Dollar.

C. Bell improperly transferred \$500 from the PTA savings account to the PTA checking account to conceal her misuse of the debit card.

In July 2017, Bell used the online banking function three times to transfer a total of \$500 from the PTA savings account to the PTA checking account. She had no authorization to make these transfers. These transfers were made to ensure the checking account had sufficient funds to pay the PTA’s recurring bills. In the fall of 2017, the new PTA officers told investigators that they were unaware of the PTA savings account. PTA officers from prior years told investigators that the savings account was strictly to be used to fund the school’s library’s needs. The savings account balance went from \$707.06 in June 2017 to \$207.06 by the end of July 2017.

The PTA’s checking account reached a balance of less than \$900 as of July 19, 2017. Bell was aware that the PTA had an expense of \$900 by the end of July, so she deposited \$150 of her personal funds into the account using an ATM on July 28, 2017. After the legitimate \$900 expense was paid, the PTA’s checking account balance was less than \$110. The balance was greater than \$5,000 on June 1, 2017.

Summary of Misappropriation by President Tiffany Bell

	Method of Misappropriation	Amount
A.	ATM cash withdrawals for personal benefit	\$4,720.00
B.	PTA debit card purchases for personal benefit	869.18
	Total Misappropriation	<u>\$5,589.18</u>
	Less deposit by Bell	150.00
	Remaining Misappropriation	<u>\$5,439.18</u>

2. THE PTA HAD UNSUPPORTED AND QUESTIONABLE DISBURSEMENTS TOTALING AT LEAST \$271.71

Investigators identified seven questionable purchases totaling \$271.71 from the PTA bank account to Amazon during summer 2017. PTA officials regularly made purchases from Amazon; however, investigators and PTA officials could not determine if these Amazon purchases were used exclusively for the benefit of the PTA.

Bell resigned from the PTA in fall 2017 after she was questioned by other PTA officers about the organization’s finances. The PTA became inactive after the 2017-2018 school year and was eventually administratively dissolved by the Tennessee Secretary of State.

On June 16, 2021, the Davidson County Grand Jury indicted Tiffany Bell on one count of Theft over \$2,500 and one count of Fraudulent Use of Credit/Debit Card over \$2,500.

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.

[AZ Kelley PTA Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

PTA officers are required to ensure the funds and property of their organizations are safeguarded and used only for purposes related to their goals and objectives. 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) to assist PTA officers in discharging their obligation to safeguard the funds and property of their respective organizations. The Model Financial Policy prescribes the minimum financial accountability controls that PTA officers must follow.

AZ Kelley PTA failed to establish and implement reasonable procedures for accounting, controlling, and safeguarding PTA funds. Our investigation revealed the following deficiencies in the PTA's financial processes that contributed to the president's ability to perpetrate the misappropriation without prompt detection:

Deficiency 1: PTA officials failed to adequately account for collection activities

Providing adequate accountability and oversight of collections helps ensure all collections are accounted for and used to further the goals and objectives of the PTA. PTA officials did not oversee, document, or account adequately for fundraising and other collection activities in 2016-2017. Officials did not retain profit analyses for fundraising events or logs of what was collected at fundraising events. The president was the PTA's treasurer at that time. The lack of documentation maintained made it impossible for investigators to determine if all collections were properly accounted for and deposited into the bank account.

Deficiency 2: The PTA president failed to maintain adequate supporting documentation for disbursements and other withdrawals

The Model Financial Policy requires school support organizations to obtain and file invoices for all disbursements to show funds were appropriately used. Requiring documentation, such as invoices or receipts, allows officers to verify that the payment is proper and reasonable. The PTA president did not maintain adequate supporting documentation for disbursements and other withdrawals. The president failed to retain and turn over receipts from purchases made using the debit card or from ATM cash withdrawals. Adequate supporting documentation helps ensure that funds are spent only for authorized purposes. Without adequate supporting documentation, investigators were unable to determine whether certain PTA disbursements were for legitimate expenses.