



## COMPTROLLER'S INVESTIGATIVE REPORT

### Bartlett High School Choir

*June 4, 2021*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF INVESTIGATIONS**



JASON E. MUMPOWER  
*Comptroller*

June 4, 2021

Superintendent of Schools David Stephens  
and Members of the Board of Education  
Bartlett City Schools  
5705 Stage Road  
Bartlett, TN 38134

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Bartlett High School Choir, 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 30<sup>th</sup> 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 flourish extending to the right.

Jason E. Mumpower  
Comptroller of the Treasury

JEM/MLC

# INVESTIGATIVE REPORT

## Bartlett High School Choir

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Bartlett High School choir. The Comptroller's Office initiated the investigation after school officials reported discrepancies related to choir funds. The investigation was limited to selected records for the period August 2018 through November 2019. The results of the investigation were communicated with the Office of the District Attorney General of the 30<sup>th</sup> Judicial District.

### BACKGROUND



Bartlett High School (school) is in Bartlett, Tennessee, and is part of the Bartlett City Schools system. During the 2018-2019 academic year, the school had a total enrollment of 2,103 students in grades ten through twelve and employed 174 teachers, faculty, and administrative personnel. The school offers its students an option to enroll in choir, and the participants pay choral fees and fees associated with choir travel. Paul Whited, the choral teacher, was responsible for collecting these fees and remitting them to the school finance office.

While Whited was on leave from September 30, 2019, through November 15, 2019, school officials discovered discrepancies with choir funds. School officials then placed Whited on unpaid suspension from November 18, 2019, through February 20, 2020. Whited returned to work on February 21, 2020.

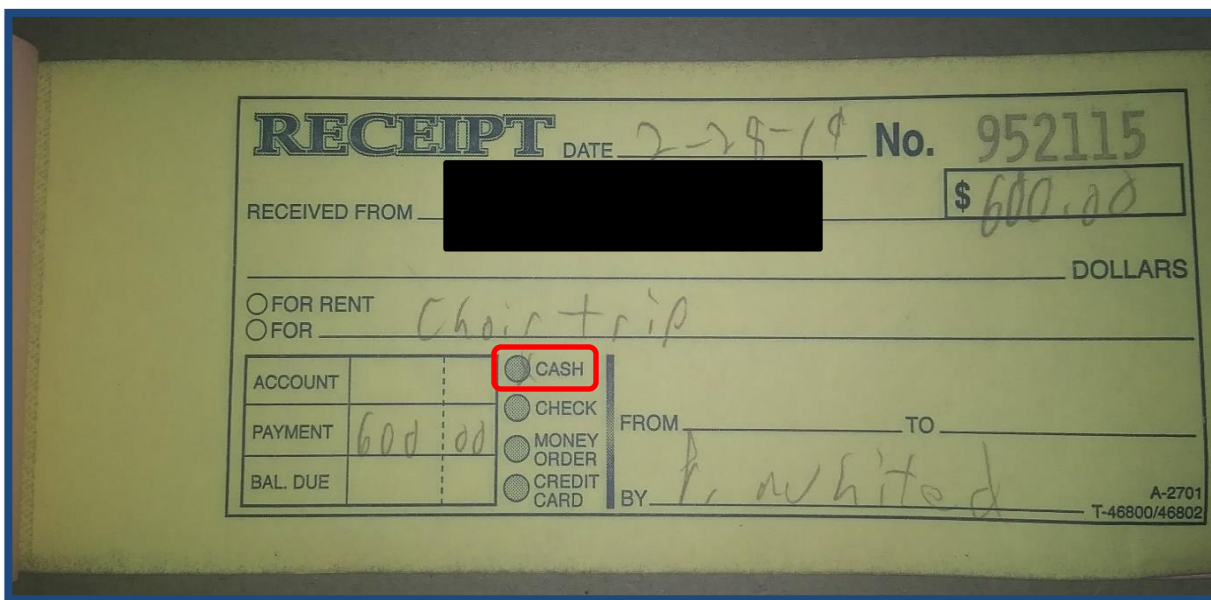
### RESULTS OF INVESTIGATION

- **CHORAL TEACHER PAUL WHITED FAILED TO REMIT OR ACCOUNT FOR STUDENT FUNDS TOTALING AT LEAST \$6,952**

Our investigation revealed that between August 2018 and September 2019, Whited collected at least \$25,845.53 from students applicable to choir and travel fees and failed to remit or otherwise account for at least \$6,952 of those collections. Whited used generic receipts (**Refer to Exhibit 1**) to document payments (cash or checks) collected from students, and he used the *Record of Daily Cash Receipts* (**Refer to Exhibit 3**) to remit the collections to the school

finance office. Investigators reviewed 139 receipts included in five receipt books provided by school officials and found discrepancies related to unaccounted collections with 46 of those receipts. An analysis of individual receipts revealed that the majority (41 out of 46) of receipts associated with unaccounted funds represent cash collections that Whited received from students but failed to remit to the school finance office.

**Exhibit 1**



***A generic receipt showing Whited collected \$600 in cash from a student representing choir trip fees. Whited did not remit this collection to the school finance office.***

Whited stated to investigators that he did not take any money, and he does not know what happened to the missing funds. Whited also stated he had a student or a teacher’s assistant help with the collections, and he separated cash from check collections to avoid exposing his helpers to cash. Whited further stated he would place money into different folders until he could get around to remitting the money to the school finance office, and due to different people coming in and out of the choir room, anyone could have taken the money.

While Whited was on unpaid suspension, a student assigned to help organize choir records found an envelope containing \$3,600 in a filing cabinet used by Whited. When questioned by investigators about the cash, Whited could not explain the origin of the money or confirm that it represented unaccounted choir fees collected from students. Whited told investigators that maybe in the process of collecting student choir fees, he may have forgotten to remit some money to the school finance office. Whited stated he would be willing to pay the money back because the missing money is his responsibility.

School officials confirmed to investigators that the \$3,600 was subsequently remitted to the school finance office and deposited in the chorus account.

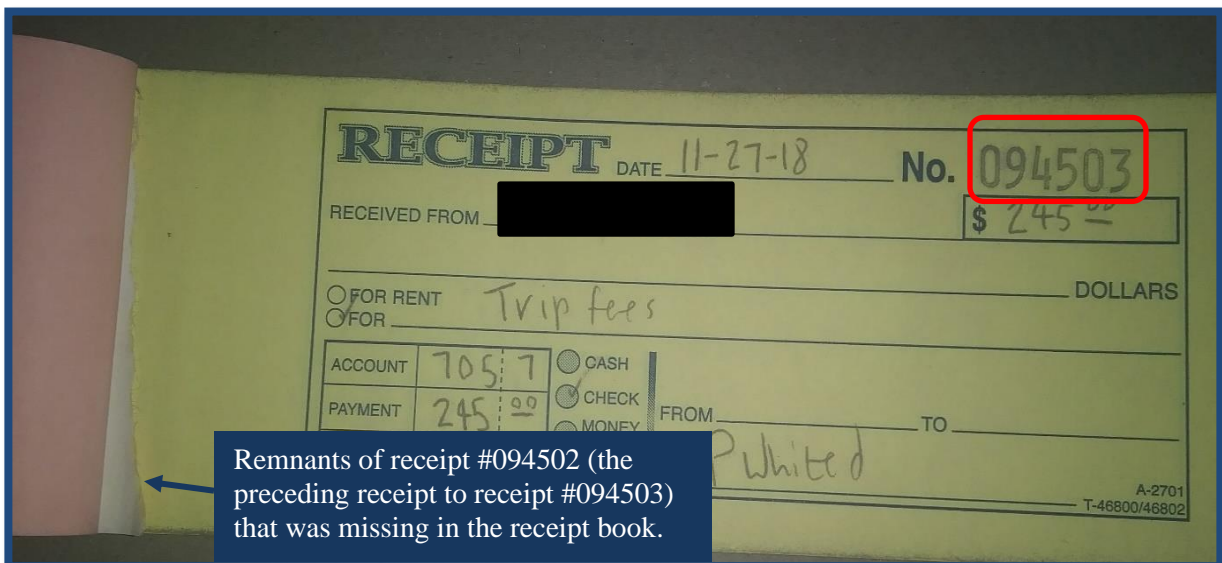
- **INVESTIGATORS FOUND DISCREPANCIES RELATED TO THE DOCUMENTATION OF CHOIR FUNDS**

Investigators found the following discrepancies related to the documentation of choir funds:

A. Receipts were missing from the generic receipt books.

Investigators reviewed the five receipt books that Whited used to document collections and found at least 17 receipts missing from the books (**Refer to Exhibit 2**). Although Whited was in control of the receipting process and was the custodian of these records, he had no explanation for the missing receipts. As a result, investigators were unable to determine the accuracy and completeness of funds Whited collected from students.

**Exhibit 2**



B. Deposits did not reconcile with receipts.

Between August 2018 and September 2019, Whited remitted a total of \$47,558.93 to the school finance office. These deposits represent choir fees, travel fees, and fundraising proceeds. Based on the documentation provided by school officials, Whited's receipts applicable to the chorus account could only support \$25,770.53 of those remittances. Investigators were not able to obtain corresponding receipts justifying the remaining \$21,788.40 that Whited remitted to the school finance office. Due to the lack of documentation, investigators questioned the completeness and integrity of the remittances under Whited's control.

Further analysis of the *Record of Daily Cash Receipts* representing student choral and travel fees showed that most remittances Whited submitted to the school finance office were checks and rarely cash (**Refer to Exhibit 3**).

Exhibit 3

**Bartlett City Schools**  
Record of Daily Cash Receipts  
By Activity or Fund

Date 11/23/18 School Bartlett High  
 Received By P. Whited Acct #/ Fund 704.000 Chorus  
 Purpose of Collection Choir Trip Receipt No. 383911

Received From	Cash Amt	Check Amt	Check #
1		\$225.00	204
2		\$225.00	9091
3		\$245.00	7069
4		\$225.00	2622
5		\$225.00	8446
6		\$225.00	5118
7		\$40.00	5477
8		\$225.00	104
9			
10			
11			
12			
13			
14			
15			
16	Date Rec'd: <u>11-23-19</u>		
17	Amt Rec'd: <u>1,635.00</u>		
18	Initials: <u>[Redacted]</u>		
19			
20			
21			
22			
23			
24			
25			
Total of Cash/Check		\$1,635	
Grand Total	\$1,635		

RECEIVED AFTER DEPOSIT

White Copy- Turn into Office                      Canary- Employee Copy- Keep for your Records

*The Record of Daily Cash Receipts showing Whited remitted only checks on this deposit log. Investigators noted a questionable pattern of Whited rarely remitting cash.*

On May 6, 2021, the Shelby County Grand Jury indicted Paul Whited on one count of Theft 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.

[Bartlett High School Choir Investigation Exhibit](#)

## INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed internal control and compliance deficiencies, some of which contributed to the choral teacher's lack of accountability over choir funds without prompt detection.

*Tennessee Code Annotated*, Section 49-2-110, requires local school systems to adopt the *Tennessee Internal School Uniform Accounting Policy Manual* (manual) to account for activity funds and to maintain records according to the manual. This manual applies to the deficiencies 2 through 6 below.

### **Deficiency 1: School officials failed to implement adequate internal controls over the collection of funds**

School officials failed to implement adequate internal controls over the collection of funds from students to account for amounts due, funds collected, and amounts outstanding per individual student. This deficiency contributed to the fact that no red flags were raised when the choral teacher failed to remit student collections to the school finance office.

### **Deficiency 2: School officials failed to reconcile individual receipts with daily collection logs**

School officials failed to reconcile individual receipts with the *Record of Daily Cash Receipts*. Proper internal controls outlined in the manual dictate that receipts should be reconciled with daily collection logs. The failure to perform reconciliations increases the risks that errors or misappropriations may occur and will not be detected in a timely manner.

### **Deficiency 3: School officials did not use official pre-numbered receipts for collections**

School officials failed to use official pre-numbered receipts for collections as required by the manual. Instead, school officials used generic receipts that did not display the name of the school

and did not provide the consistency in numbering of the receipts. Without official prenumbered receipts, investigators were unable to determine if the teacher properly accounted for all funds. The use of generic receipts exposes the school to risks that collections may not be accounted for properly.

**Deficiency 4: Some choir funds were not deposited within three days of collection**

Some choir funds were not deposited within three days of collection. The manual requires all funds to be deposited in a bank account within three days of collection. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

**Deficiency 5: School officials failed to retain fundraiser documentation**

School officials failed to retain profit analyses and summary reports associated with some fundraiser proceeds the choral teacher remitted to the school finance office. According to the manual, completing and retaining these two reports for all fundraising activities provides greater accountability over collections.

**Deficiency 6: School officials failed to retain collection and remittance records**

School officials failed to implement effective document retention practices related to choir funds. As stated above, incomplete documentation existed related to funds collected, and remittances were not supported by corresponding receipts. According to the manual, cash receipts and collection logs should be retained for a minimum of five years.

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

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