



## COMPTROLLER'S INVESTIGATIVE REPORT

### Spring Hill School PTO

*July 27, 2021*

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



**DIVISION OF INVESTIGATIONS**



JASON E. MUMPOWER  
*Comptroller*

July 27, 2021

GCSSD Director of Schools  
Eddie Pruett  
130 Trenton Highway  
Dyer, TN 38330

and

GCSSD Board of Education  
Board Members  
130 Trenton Highway  
Dyer, TN 38330

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Spring Hill School 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 28<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", is written over a faint, larger version of the signature.

Jason E. Mumpower  
Comptroller of the Treasury

JEM/MLC

# INVESTIGATIVE REPORT

## Spring Hill School PTO

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Spring Hill School Parent Teacher Organization (PTO). The Comptroller's Office initiated the investigation after Spring Hill School officials reported missing PTO funds. The investigation was limited to selected records for the period July 1, 2015 through November 30, 2019. The results of the investigation were communicated with the Office of the District Attorney General of the 28<sup>th</sup> Judicial District.

### BACKGROUND



Spring Hill School (SHS) is a public school located in Trenton, Tennessee, serving grades K through 8, and is part of the Gibson County Special School District (GCSSD). The PTO was established in 2008 with the objective of supporting the students and teachers at the school. The PTO board was comprised of four officers who were responsible for providing oversight of its operations. Kacey Criswell served as PTO president from 2008 through 2016 and as treasurer from 2017 through 2019. During Criswell's time as an officer, she had signatory authority over the PTO's bank account and was responsible for collecting funds for the PTO and paying associated expenses.

The PTO's bank account was closed in November 2019 by school officials after they discovered missing PTO funds. The PTO did not conduct any operations for the remainder of the 2019-2020 school year. In August 2020, the PTO was formally dissolved after failing to renew its annual state certification.

### RESULTS OF INVESTIGATION

#### **1. FORMER PTO PRESIDENT AND TREASURER KACEY CRISWELL MISAPPROPRIATED AT LEAST \$17,586.08 OF SPRING HILL SCHOOL PTO FUNDS**

During the period July 1, 2015 through November 30, 2019, former PTO President and Treasurer Kacey Criswell misappropriated at least \$17,586.08 of PTO funds by writing checks

payable to cash and failing to deposit collections from various fundraisers as described below:

- Criswell failed to deposit funds totaling at least \$14,101.08 that the PTO received from fundraisers and basketball concessions. Criswell admitted that she removed cash from deposits and replaced the cash with a personal check. Criswell estimated she wrote ten personal checks; however, these checks were never deposited into the PTO's bank account.
- Criswell wrote 14 checks payable to cash to be used as change funds for both concessions and fundraisers. PTO bank statements revealed that nine of these checks totaling \$3,435 were never deposited back into the bank account. When questioned about the withdrawals, Criswell admitted that she did not deposit some of the change funds back into the bank account (**Refer to Exhibit 1**).
- Criswell diverted \$50 from a PTO donation intended for a SHS field trip. The PTO agreed to donate \$20 for each 8<sup>th</sup> grade student to participate on the field trip. Criswell withdrew \$390 in PTO funds, however, she only remitted \$340 to the school as payment toward the field trip.

**Exhibit 1**



***Checks written payable to cash for change funds that were not deposited back into the PTO's bank account.***

Criswell was able to conceal her misappropriations through two methods:

- Criswell changed the PTO’s bank account mailing address from SHS to her personal mailing address. Previously, documents associated with the bank account had been mailed directly to SHS.
- Criswell did not provide monthly bank statements to support the monthly and annual PTO reports. Criswell admitted to investigators that she disclosed the actual collection amounts on monthly reports she created and presented at PTO meetings, however, she was aware that monthly reports did not match the monthly bank statements since all PTO collections were not deposited (**Refer to Exhibit 2**).

**Exhibit 2**

Spring Hill PTO  
Meeting November 27, 2017

<b>Beginning Balance</b>		<b>\$ 5,284.59</b>
<b>Deposits:</b>		
From	Amount	
TRUNK OR TREAT	172.50	
UNCLE JERRY'S	3,290.00	
<b>Total Deposits:</b>		<b>3,462.50</b>
<b>Withdrawals:</b>		
Check No To Whom	For	Amount
WALMART	TRUNK OR TREAT	329.41
CHANGE	TRUNK OR TREAT	100.00
WALMART	CAF. FOOD PROCESSOR	65.87
2977 UNCLE JERRY'S	FUNDRAISER	2,063.40
GEMC	ELECTRIC BILL	35.80
<b>Total Withdrawals:</b>		<b>2,594.48</b>
<b>Ending Balance:</b>		<b>\$ 6,152.61</b>

**STATEMENT DATE**  
**11/30/17**

**ACCOUNT NUMBER**  
[REDACTED]

INFOLINE 1-888-797-7711

\*\*\*\*\* CHECKING ACCOUNT SUMMARY \*\*\*\*\*

<b>PREVIOUS BALANCE</b>	<b>875.45</b>	<b>AVERAGE BALANCE</b>
<b>+ 1 CREDITS</b>	<b>2,653.00</b>	<b>1,461</b>
<b>- 2 DEBITS</b>	<b>2,135.69</b>	<b>YTD INTEREST PAID</b>
<b>- SERVICE CHARGES</b>	<b>.00</b>	<b>.25</b>
<b>+ INTEREST PAID</b>	<b>.01</b>	
<b>ENDING BALANCE</b>	<b>1,392.77</b>	

*Criswell altered PTO financial reports to conceal her misappropriations.*

Criswell deposited \$4,000 of her personal funds into the PTO’s bank account before SHS officials discovered her misappropriations. When confronted by SHS officials concerning the missing funds, Criswell remitted an additional \$10,144.01 to the officials.

**Summary of Misappropriations by Kacey Criswell**

Description	Amount
Collections Not Deposited	\$14,101.08
Unaccounted Change Funds	3,435.00
Donation Shortage	50.00
Total Misappropriations	\$17,586.08
Less: Amount Paid Back	(14,144.01)
Remaining Amount Owed to PTO	\$3,442.07

**2. INVESTIGATORS IDENTIFIED QUESTIONABLE DISBURSEMENTS OF AT LEAST \$5,092.64**

Investigators identified at least 34 questionable disbursements of PTO funds totaling at least \$5,092.64. PTO officials could not provide itemized receipts or other supporting documentation. Therefore, investigators could not determine whether the purchases were used exclusively for the PTO. Disbursements should only be made for authorized expenditures, and adequate documentation should be maintained to support all disbursements.

On July 12, 2021, the Gibson County Grand Jury indicted Kacey Criswell on one count of Theft over \$10,000.

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.

[Spring Hill School 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 Section 49-2-610, *Tennessee Code Annotated*, published the “Model

Financial Policy for School Support Organizations (Procedures Manual)” (*Model Financial Policy*), which prescribes a set of accounting controls to ensure funds are used to further the organization’s goals and objectives.

Our investigation revealed that PTO officials failed to adopt or comply with financial controls prescribed by the *Model Financial Policy*, which enabled Criswell to perpetrate her misappropriations and avoid prompt detection. Our investigation revealed the following deficiencies in internal control and compliance:

**Deficiency 1: PTO officials did not provide adequate oversight of the operations of the Spring Hill School PTO.**

- PTO officials did not acquire or retain invoices, vendor receipts, or other adequate supporting documentation for all disbursements. Section 49-2-604(c), *Tennessee Code Annotated*, requires that a school support organization maintain, at a minimum, detailed statements of receipts and disbursements. The *Model Financial Policy* requires school support organizations to obtain and file invoices for all disbursements to show that funds were used appropriately. Requiring documentation, such as invoices or receipts, allows officers to verify that the payment is proper and reasonable. Without adequate supporting documentation, investigators were unable to determine whether some PTO disbursements were for legitimate expenses.
- PTO officials did not comply with the requirements to oversee, document, or account adequately for the proceeds of fundraising activities. Officials failed to issue receipts for applicable collections or prepare count sheets signed by two responsible individuals. As a result, investigators could not verify the amount of funds collected by the PTO. The *Model Financial Policy* sets forth required collection procedures to account for proceeds from fundraisers and other collections. Officials also did not comply with the three-day deposit requirement. Records revealed some collections took up to four months to be deposited.

**Deficiency 2: PTO officials failed to file the annual financial report with the GCSSD Board of Education for the 2017-2018 school year.**

PTO officials failed to file the annual financial report with the GCSSD Board of Education for the 2017-2018 school year. The *Model Financial Policy* requires school support organizations prepare a statement of total revenues and disbursements and submit the report to the director of schools before the end of the school year. At the conclusion of the 2017-2018 school year, the GCSSD director of schools had not received the required report.

**Deficiency 3: PTO officials did not require two signatures on checks.**

From July 1, 2015 through November 30, 2019, PTO officials did not require two signatures on any of the 165 checks written on the PTO’s checking account. 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.

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

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