



COMPTROLLER'S INVESTIGATIVE REPORT

Austin Peay State University Track and Field and Cross Country

June 2, 2022

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

June 2, 2022

Austin Peay State University
601 College Street
Clarksville, TN 37044

Austin Peay State University Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Austin Peay State University Track and Field and Cross Country, 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 19th 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

Austin Peay State University Track and Field and Cross Country

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Austin Peay State University (APSU) Track and Field and Cross Country athletic programs. The Comptroller's Office initiated the investigation after APSU officials reported possible missing funds from a 2018 Track and Field event hosted by the university. The investigation was limited to selected records for the period from January 2015 through June 2019. The results of the investigation were communicated with the Office of the District Attorney General of the 19th Judicial District.

BACKGROUND



APSU is in Clarksville, Tennessee, and is a public doctoral-level university with over 10,000 students enrolled for the 2020-2021 school year. The APSU Athletic Department supports athletic teams, including Track and Field and Cross Country, that compete in the NCAA Division 1 Ohio Valley Conference.

Between 2015 and 2018, APSU's Track and Field (track) and Cross Country (cross country) teams hosted multiple fundraiser events including: the Austin Peay Governors Invitational, the High School Classic, the Wilma Rudolph Relay, and the Cross Country Festival. The track and cross country teams charged entry fees of varying amounts to event participants to raise funds for APSU's respective programs. These events were fundraisers for the APSU teams and were not official Ohio Valley Conference events.

Douglas Molnar (Molnar) was the Head Track and Field/Cross Country Coach from September 2004 until June 30, 2019, when APSU chose not to renew his contract.

RESULTS OF INVESTIGATION

1. FORMER TRACK AND CROSS COUNTRY COACH DOUGLAS MOLNAR MISAPPROPRIATED APSU FUNDS TOTALING \$30,600.45

During the period January 1, 2015, through June 30, 2018, former track and cross country coach Douglas Molnar misappropriated APSU funds totaling \$30,600.45. Molnar employed the following three schemes to misappropriate funds for his personal benefit without the authority or knowledge of APSU officials:

A. Misappropriated Fundraiser Event Collections totaling \$29,775

Molnar misappropriated fundraiser event cash and check collections entrusted to him totaling \$29,775 from both track and cross country fundraiser events for his personal benefit. Participants were charged entry fees to compete in the fundraiser events. Entry fees were turned over to Molnar for deposit into the university's bank account. However, Molnar withheld collections from the 2016 and 2018 Austin Peay Governors Invitational events (\$10,365); the 2015, 2016, 2017, and 2018 High School Classic events (\$12,020); the 2015, 2016, and 2017 Wilma Rudolph Relay events (\$2,200); and the 2015, 2016, and 2017 Cross Country Festival events (\$5,190) and retained the entire amount of \$29,775 for his personal benefit.

Registration information inappropriately instructed participants to make checks payable to Tennessee Athletic Project (TAP) and mail the checks to Douglas Molnar at APSU for the 2015, 2016, 2017, and 2018 High School Classic events. Investigators determined that Molnar established, maintained, and controlled a bank account "Doing Business As" (DBA) Tennessee Athletic Project where some checks were deposited, which enabled him to control and convert the funds for his personal use and benefit. All entry fee payments should have been made payable to APSU and deposited into a designated APSU bank account.

B. Fraudulent Travel Claims totaling \$600

Molnar submitted fabricated receipts, as part of his travel claims to the university, to claim reimbursements for entry fees he purportedly paid totaling \$600, to which he was not entitled, for two separate track events that APSU attended.

1. APSU's track team attended a track meet at a local state university on January 10, 2016. On April 27, 2016, Molnar submitted a travel claim to APSU claiming he paid the team's \$500 entry fee with his personal funds and was due reimbursement. Although Molnar was due a reimbursement, he was only due reimbursement of \$350 – the actual amount of the entry fee he paid. Molnar effectively overstated the amount of his entry fee payment and received an additional \$150 (\$500 less \$350) from APSU to which he was not entitled.

To support his claim of the \$500 entry fee, Molnar submitted to APSU the receipt he allegedly received from the host state university. [Refer to Exhibit 1.] However, the receipt that Molnar submitted as documentation appeared to have come from an APSU receipt book since it fell within the same receipt number sequence of other receipts APSU had issued to participants for APSU-hosted events. The event

flier for the meet indicated APSU's entry fee was \$350. Additionally, Molnar issued a check from the DBA Tennessee Athletic Project bank account he controlled to cover the \$350 entry fee. [Refer to Exhibit 2.]

Exhibit 1

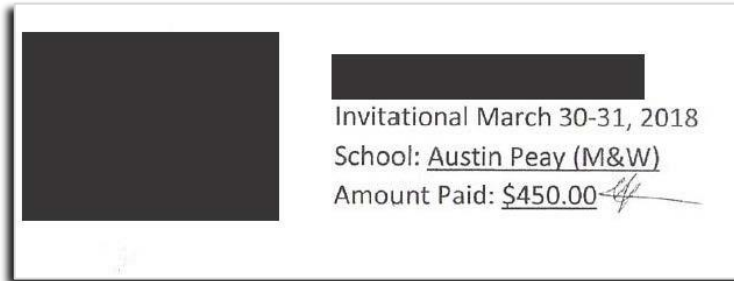
Copy of fraudulent receipt Molnar submitted in an April 2016 travel claim in which he overstated an entry fee payment to obtain \$150, which he was not entitled.

Exhibit 2

Entry fee payment Molnar made to a university for \$350. Molnar was due reimbursement of \$350 from APSU. However, he fraudulently submitted a receipt and claimed reimbursement for \$500.

- On March 30-31, 2018, APSU's track team attended an invitational meet in Missouri. On June 25, 2018, Molnar submitted a travel claim for reimbursement of \$450 for the entry fee that he supposedly paid with his personal funds. In fact, there were no entry or other associated fees for the event. Molnar submitted to APSU a fabricated receipt and effectively received \$450 from APSU to which he was not entitled. [Refer to Exhibit 3.]

Exhibit 3



Fabricated receipt Molnar created allegedly for an entry fee payment to obtain a \$450 reimbursement, which he was not entitled.

Fraudulent Travel Claims	
	Amount
1. Overstated Entry Fee	\$ 150.00
2. Fabricated Receipt for Entry Fee	450.00
Total Fraudulent Travel Claims	\$ 600.00

C. Diverted Money Order Collection totaling \$225.45

Molnar diverted a money order totaling \$225.45, intended for APSU, into a bank account he controlled for his personal benefit. APSU had a contract with a vendor to handle concessions at APSU athletic events, including some track fundraiser events. The vendor sold concessions and gave a percentage of the proceeds to APSU. The concessions vendor issued a money order payable to “Austin Peay” on April 4, 2017, three days after the April 1, 2017, High School Classic track fundraiser event. [Refer to Exhibit 4.] Instead of turning over the funds for deposit with APSU, on May 24, 2017, Molnar deposited the money order into a bank account he controlled for his personal benefit.

Exhibit 4



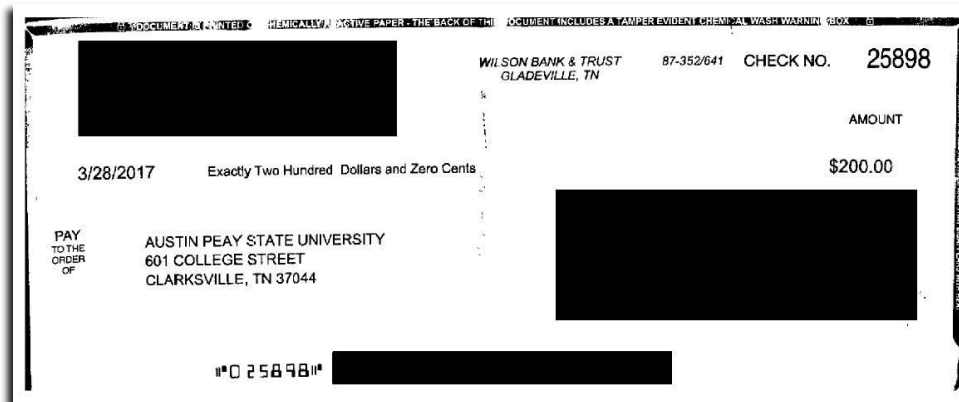
Copy of money order from concessions vendor intended for the benefit of APSU that Molnar diverted for his personal benefit.

Summary of Misappropriation	
	Amount
A. Misappropriated Event Collections	\$ 29,775.00
B. Fraudulent Travel Claims	600.00
C. Diverted Money Order	225.45
Total Misappropriation	\$ 30,600.45

2. FORMER TRACK AND CROSS COUNTRY COACH DOUGLAS MOLNAR DEPOSITED MISAPPROPRIATED FUNDS TOTALING \$12,695.45 INTO BANK ACCOUNTS HE CONTROLLED

Molnar deposited \$12,695.45 in misappropriated funds noted in Finding 1. above into bank accounts he controlled for his personal benefit instead of depositing the funds into an APSU bank account. Molnar deposited the misappropriated money order totaling \$225.45 from the concessions' vendor as well as \$12,470 in misappropriated event fundraiser check collections into a joint checking bank account and a "Douglas Molnar, DBA Tennessee Athletic Project" (TAP) bank account he controlled. Twenty-one of the checks he deposited into his bank accounts were made payable to APSU. [Refer to Exhibit 5.] Investigators were unable to determine whether any of the misappropriated entry fee cash collections were deposited into his TAP or other personal bank accounts.

Exhibit 5



Copy of check Molnar deposited into the Tennessee Athletic Project bank account that he controlled for his personal benefit.

On June 2, 2022, Douglas Molnar entered a plea of guilty by criminal information in the Circuit Court of Montgomery County to the felony offense of Attempted Theft of Property over \$10,000. The Court granted judicial diversion relief, placed the defendant on four (4) years supervised state probation, and ordered him to pay restitution in the total amount of \$30,600.45.

The charges and allegations contained in the criminal information 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.

[Austin Peay State University Track and Field and Cross Country Investigative Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal controls and compliance, some of which contributed to Molnar's ability to misappropriate funds without prompt detection:

Deficiency 1: APSU officials failed to provide appropriate oversight and accountability over the track and cross country athletic programs

APSU officials failed to ensure track and cross country fundraiser event collections were turned over for deposit to university accounts and failed to reconcile event collections with amounts deposited. Officials only became aware of a missing track deposit for an event when another university contacted the APSU Accounting Services Department in April 2019, regarding an outstanding check from the 2018 invitational. Failure to reconcile fundraiser event collections allowed the former track coach's misappropriation to go undetected for years. Providing adequate oversight and requiring reconciliations help ensure that all APSU funds are accounted for properly.

Deficiency 2: The former track and cross country coach failed to account for collections and deposits adequately

The former track and cross country coach failed to account for fundraiser event collections and did not promptly remit for deposit to university accounts all funds collected at track and cross country fundraiser events. Due to the lack of records of payments received, investigators were unable to determine whether additional proceeds of \$4,140 from event collections were misappropriated. Failure to produce and retain adequate documentation for collections and deposits increases the risk that errors or misappropriations will occur without prompt detection.

Deficiency 3: The former track and cross country coach failed to issue official prenumbered receipts for all event collections as required by university policy

The former coach failed to ensure official prenumbered receipts were issued for all collections. University policy for Cash Receipts, page 5, states, “Generally, there are three methods of receipting funds remitted to the University. The first method is a manual receipting process utilizing the University official pre-numbered receipt books, pre-numbered tickets, cash registers or other devices to establish accountability for money received.” The former coach failed to issue official prenumbered receipts for all collections. In some instances, investigators could not find where a receipt was generated at all. In other instances, the former coach issued receipts that had been printed from a computer that contained no receipt number. Officials failed to ensure accountability of track and cross country event collections because they did not verify the coach’s compliance with the university’s receipting policy. Failure to issue official receipts increases the risk that errors or misappropriations will occur without prompt detection.

Deficiency 4: The former track and cross country coach failed to provide adequate documentation for his travel claims

On more than one occasion, the former coach fabricated receipts that he purportedly received from other universities and submitted the fabricated receipts to APSU to support his travel claims. In two of these instances, the former coach used the fabricated receipts to fraudulently obtain APSU funds to which he was not entitled. Failure to provide adequate documentation to support travel claims increases the risk that errors or misappropriations will occur without prompt detection.

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