



COMPTROLLER'S INVESTIGATIVE REPORT

Ingram Sowell Elementary School

February 18, 2022

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

February 18, 2022

Lawrence County Schools
Director Michael Adkins
1620 Springer Road
Lawrenceburg, TN 38464

and

Lawrence County Board of Education
Board Members
1620 Springer Road
Lawrenceburg, TN 38464

Lawrence County Schools Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Ingram Sowell Elementary School, 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 22nd 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

Ingram Sowell Elementary School

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to Ingram Sowell Elementary School. This investigation was initiated after the Comptroller's Office received multiple allegations from citizens. The investigation was limited to selected records for the period from July 1, 2019, through December 31, 2020. The results of the investigation were communicated with the Office of the District Attorney General of the 22nd Judicial District.

BACKGROUND



Ingram Sowell Elementary School, (Ingram Sowell) one of three elementary schools in the Lawrence County School System (LCSS), serves grades PreK - 5. There were approximately 365 students enrolled at Ingram Sowell during the 2019-2020 school year.

The former Ingram Sowell principal (the Principal) started on July 1, 2019 and was relieved of duties as principal effective July 1, 2021. She was offered a teaching position at Ingram Sowell, which she declined.

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Tennessee Code Annotated § 49-2-110 requires school systems that establish and maintain student activity funds to adopt the *Tennessee Internal School Uniform Accounting Policy Manual* (manual) and to maintain all such funds and records in accordance with the requirements set forth in the manual. Investigators found that the school failed to comply with the following requirements set forth in the manual:

1. LAWRENCE COUNTY SCHOOL SYSTEM OFFICIALS HIRED A PRINCIPAL WHO DID NOT POSSESS THE PROPER INSTRUCTIONAL LEADERSHIP LICENSE

LCSS officials hired a principal for Ingram Sowell effective July 1, 2019, who did not possess the proper instruction leadership license. *State Board of Education Rule 0520-02-03-.08(1)* states that "all principals, assistant principals, and supervisors serving as instructional leaders in Tennessee shall hold the appropriate instructional leader license." The applicant applied for the principal position in May 2019 stating that she would receive her instruction leadership license and doctorate degree upon her graduation in June 2019. Investigators noted that at least seven other applicants for the principal position held the

appropriate license. LCSS officials were aware the applicant did not have the required license at the time of hiring but offered her the position anyway. The principal held that position for the 2019-2020 school year before she received the instruction leadership license on June 18, 2020. The principal had not received her doctorate degree as of the end of this investigation.

2. THE PRINCIPAL FAILED TO FOLLOW PURCHASING PROCEDURES AND DID NOT COMPLETE AND/OR REMIT SOME SUPPORTING DOCUMENTATION TIMELY

A. The principal failed to follow purchasing procedures and did not properly complete and/or timely remit supporting documentation to the bookkeeper for some disbursements. *Lawrence County Board of Education Policy 2.808* states “All purchases made by the school system shall be by purchase order or formal contract, and no purchase shall be made, nor payment approved unless covered by an approved purchase order.” The principal failed to properly prepare and/or remit purchase orders and receipts to the bookkeeper immediately after the purchases were made. Investigators reviewed a sample of 24 purchases and noted ten instances where purchase orders were not issued, five purchases had missing receipts, and eight purchases’ supporting documentation was not remitted to the bookkeeper timely. For example, the principal made a purchase of \$249.65 on November 13, 2019, but did not remit the supporting documentation to the bookkeeper until June 3, 2020 (**See Exhibit 1**).

Exhibit 1



Excerpt of receipt for purchase made on November 13, 2019, including a note made by the bookkeeper listing the date the receipt was remitted by the principal.

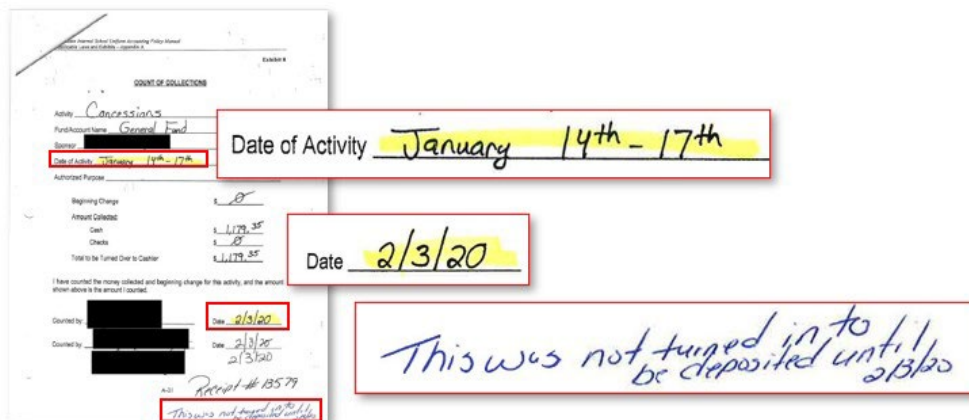
- B. Investigators determined that the former principal ordered school t-shirts totaling \$3,587 without first completing a purchase order. The failure to issue purchase orders increases the risks of unauthorized purchases.
- C. Investigators noted the principal instructed the bookkeeper to issue a \$1,200 check made payable to a student at Ingram Sowell instead of to the child's father who was an employee of the LCSS at another school. This payment violated the *Lawrence County Board of Education Policy 5.110* which states, "salaries of all employees, including substitute and supplemental pay, shall be paid by the Board. No payment to any employee for service performed on behalf of the school system shall be made from any source other than the Board."

The principal hired a teacher employed at another school to refinish the gym floors at Ingram Sowell. The principal originally requested the LCSS Central Office pay the teacher to refinish the floor, but the Central Office denied the request. After the request was denied, the principal instructed the Ingram Sowell bookkeeper to issue a check payable to the teacher's child who was a student within LCSS. The principal admitted to investigators that she knew the school was not authorized to pay the teacher but instructed the bookkeeper to issue the payment to the child anyway. The principal did not request permission from the LCSS Central Office to pay the student. School officials also failed to issue a 1099 tax form for the payment.

3. INGRAM SOWELL STAFF FAILED TO REMIT AND DEPOSIT COLLECTIONS TIMELY.

School staff failed to remit collections to the bookkeeper for deposit within three banking days for at least two fundraisers held during the 2019-2020 school year. The school collected funds for the Books for Bucks fundraiser during January 14-17, 2020; however, funds were not remitted to the bookkeeper until February 3, 2020 (See Exhibit 2).

Exhibit 2



COUNT OF COLLECTIONS

Activity: Concessions
 Fund/Account Name: General Fund
 Date of Activity: January 14th - 17th
 Date: 2/3/20
 Amount Collected: 1,179.55
 Date: 2/3/20
 Total to be Turned Over to Cashier: 1,179.55
 Date: 2/3/20
 Date: 2/3/20
 Date: 2/3/20
 Receipt # 13579
 This was not turned in to be deposited until 2/3/20

The Count of Collections completed by the former principal showed that collections for the fundraiser held on January 14-17, 2020, were not remitted to the bookkeeper until February 3, 2020.

Also, the school collected money for a Spaghetti Supper fundraiser during the last three weeks in January 2020; however, funds were not remitted to the bookkeeper for receipt and deposit until February 3, 2020. Section 4, title 2 of the *Tennessee Internal School Uniform Accounting Policy Manual* states that “fund money must be deposited intact (in the form and amount in which collected) in banks within three banking days after the money is received.” Ensuring collections are remitted to the bookkeeper intact and in the form and amount in which they were collected reduces the risks of errors or misappropriation. The delay in depositing collections weakens controls over collections and increases the risks of fraud and misappropriation.

4. LAWRENCE COUNTY SCHOOL SYSTEM MANAGEMENT VIOLATED LOCAL POLICY REGARDING NEPOTISM

LCSS management violated local policy by hiring the former principal’s parent as a teacher at Ingram Sowell. LCSS management violated the *Lawrence County Board of Education Policy 1.108* which states “No employee shall work under the direct supervision of a member of his/her immediate family. Supervision is defined as having direct responsibility for evaluation.” The principal’s parent transferred from another school within the LCSS to a teaching position at Ingram Sowell on September 3, 2019, two months after the former principal was hired.

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