



## COMPTROLLER'S INVESTIGATIVE REPORT

# Mt. Juliet High School Baseball Booster Club

*November 2, 2022*

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



**DIVISION OF INVESTIGATIONS**



JASON E. MUMPOWER  
*Comptroller*

November 2, 2022

Mt. Juliet High School Baseball Booster Club  
1875 Golden Bear Gateway  
Mt. Juliet, TN 37122

Mt. Juliet High School Baseball Booster Club Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Mt. Juliet High School Baseball Booster Club, 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 15<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

## Mt. Juliet High School Baseball Booster Club

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Mt. Juliet High School Baseball Booster Club. This investigation was initiated after Wilson County School officials reported allegations of potential malfeasance related to booster club funds of the Mt. Juliet High School baseball team. The investigation was limited to selected records for the period from July 1, 2020, through June 30, 2021. The results of the investigation were communicated with the Office of the District Attorney General of the 15<sup>th</sup> Judicial District.

### BACKGROUND



The Mt. Juliet High School Baseball Booster Club (booster club) is a school support organization for the varsity and junior varsity baseball teams at Mt. Juliet High School (school) in Mt. Juliet, Tennessee. For the 2020-2021 school year, the booster club was operated by its three officers: a president, vice-president, and treasurer with assistance from the head coach.

The current head coach of the baseball team was hired as an assistant coach in 2017 and promoted to head coach in 2019. The coach was listed as a booster club officer in paperwork submitted to Wilson County Schools.

The booster club held multiple fundraisers during the 2020 – 2021 school year including a golf tournament, discount cards, mask fundraiser, online auction, text-a-thon, as well as selling concessions for both varsity and junior varsity games.

### RESULTS OF INVESTIGATION

#### 1. BOOSTER CLUB OFFICIALS FAILED TO PROPERLY ACCOUNT FOR, SAFEGUARD, AND DEPOSIT CONCESSION COLLECTIONS TIMELY

Parents of baseball players volunteered to work concessions during varsity and junior varsity baseball games on behalf of the booster club. However, booster club officials failed to properly account for, safeguard, and deposit concession collections in a timely manner. After each home game, the concessions closed and parents who worked the concession cash registers counted the money collected and completed a consolidated concessions receipt. The cash was then wrapped in the receipt, sealed in an envelope, and placed in an

unlocked money box stored in the baseball coach’s office. The envelopes remained there until the booster club treasurer collected the envelopes from the coach and deposited the funds into the booster club bank account.

Investigators obtained concessions receipts for the 2020-2021 season and compared them with bank deposits. Investigators found that only two bank deposits were made for the entire 2020-2021 baseball season. A deposit totaling \$6,088.25 was made on April 15, 2021, and included concession collections for games from March 15, 2021, through April 12, 2021. Booster club officials retained the collections for up to 31 days before making the first deposit (**See Exhibit 1**). Booster club officials told investigators that the envelopes stayed in the money box in the coach’s office or in the concession stand during games until the funds were deposited into the bank account. The coach told investigators that halfway through the season, the coach noticed there was a significant number of envelopes in his office. At that point, the coach took the envelopes to the treasurer’s house, assisted in counting the money, and the treasurer deposited the funds into the booster club’s bank account.

**Exhibit 1**

Date	Opponent	Junior Varsity, Varsity	Amount	Days Retained
3/15/2021	Battle Ground Academy	Varsity	\$150.00	31
3/16/2021	Overton	Varsity	\$512.00	30
3/24/2021	Smyrna	Varsity	\$500.00	22
3/26/2021	Stewarts Creek	Varsity	\$512.00	20
4/1/2021	Station Camp	Junior Varsity	\$53.00	14
4/2/2021	Smyrna	Junior Varsity	\$29.75	13
4/3/2021	Gordonsville	Junior Varsity	\$446.50	12
4/5/2021	Station Camp	Junior Varsity	\$164.00	10
4/7/2021	Green Hill	Junior Varsity, Varsity	\$672.00	8
4/8/2021	Stewarts Creek	Junior Varsity	\$273.00	7
4/8/2021	Stewarts Creek	Junior Varsity	\$50.00	7
4/9/2021	Ravenwood	Junior Varsity, Varsity	\$923.00	6
4/10/2021	Owensboro Catholic	Varsity	\$742.00	5
4/12/2021	Wilson Central	Junior Varsity, Varsity	\$1,061.00	3
4/15/2021	<b>Deposit</b>		<b>\$6,088.25</b>	

*Deposit details for the first half of the baseball season and the number of days the collections were held until deposit.*

After the season ended, the coach attempted to contact the treasurer for the treasurer to collect the envelopes but received no reply. On May 25, 2021, the coach then took the envelopes to the bank and deposited a total of \$3,313 into the booster club account. That amount represented the proceeds from concession sales for games held between April 21, 2021, and May 13, 2021. Booster club officials retained collections for up to 34 days before making the second deposit.

The coach failed to provide the concessions receipts to the booster club treasurer after the deposit on May 25, 2021. After investigators requested documentation from the treasurer, the coach emailed the treasurer a picture of the receipts, each purportedly signed by the

booster club president and another volunteer. Upon review of the receipts, investigators noticed that the handwriting appeared to be the same across all receipts, and the booster club president's signature did not match the signature on receipts from the first half of the season. Investigators also found that receipts for two varsity games were not included in the emails sent by the coach.

Investigators could not determine if all concession collections were deposited into the booster club's bank account due to a lack of records. Furthermore, the booster club failed to maintain an inventory of concession items and failed to retain some purchasing documentation for concession items.

*The Model Financial Policy for School Support Organizations* requires that "money shall be deposited in the bank daily if possible, but in all cases, within three days of collection." Depositing funds promptly and intact provides accountability and reduces the risks of misappropriations.

## **2. THE BASEBALL COACH FABRICATED CONCESSION RECEIPTS AFTER DISPOSING OF ORIGINALS**

In a meeting with investigators, the baseball coach admitted to fabricating the concession receipts to support the deposit made on May 25, 2021. The coach told investigators he threw away the original receipts after making the deposit and created the fake receipts after investigators requested documentation for their review. The coach stated he used the baseball schedule to create the receipts, and the two missing games were accidentally omitted. Investigators confirmed that both games that were missing from the receipts were not included in the original baseball schedule issued by the school. The coach stated that all concessions collections from the second half of the baseball season were deposited into the booster club account and no cash was retained for personal or booster club use. Investigators could not determine if all concession collections were deposited into the booster club's bank account due to the lack of original receipts.

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## **INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES**

Officers of booster clubs, like officers of all other school support organizations (SSO), are required to ensure funds and property of their organizations are safeguarded and used only for purposes related to the goals and objectives of their organizations. To assist such officers in discharging their duties, the state Comptroller's Office, pursuant to *Tennessee Code Annotated (TCA)*, Section 49-2-610, published the *Model Financial Policy for School Support Organizations (Model Financial Policy)* in 2008 and revised in 2020, which prescribes minimum financial accountability controls that officers must follow.

The Mt. Juliet High School Baseball Booster Club failed to establish and implement reasonable procedures for accounting, controlling, and safeguarding funds. Our investigation revealed the following numerous internal control and compliance deficiencies in financial processes:

**Deficiency 1: The coach stored collections in an unlocked money box and deposited funds into the booster club account**

The coach stored collections in an unlocked money box in his office and counted and deposited concessions collections on behalf of the booster club instead of the treasurer as noted in Finding 1. The coach stated he avoided handling money as much as possible. According to the *Model Financial Policy* and *TCA*, Section 49-2-606, while school personnel are permitted to participate or assist with the fundraisers, they are not permitted to collect, count, or deposit SSO funds. The *Model Financial Policy* states,

If the SSO collects “school funds”, whether voluntarily or inadvertently, the SSO shall immediately remit those funds to school officials. This would include money collected and accounted for by coaches, band directors, or other school representatives, which by definition (i.e. state law), is school money.

**Deficiency 2: The booster club did not establish written policies and procedures**

In meetings with investigators, booster club officials stated they had not established written policies and procedures for the booster club. The *Model Financial Policy* states, “Accounting and internal control policies and procedures must be documented and approved by the officers and/or board of directors at a regular meeting. The policies and procedures shall be distributed to all active members of the SSO.” Establishing policies and procedures along with proper internal controls reduces the risk of misappropriation of funds. In addition to distributing policies and procedures to all active members, current booster club officials should distribute a copy to all incoming officials as well.

**Deficiency 3: Booster club officials failed to submit proper fundraiser approval forms and fundraiser analyses to the school**

Booster club officials failed to complete and submit fundraiser approval forms to the school for concessions in the 2020-2021 school year. Officials also did not complete fundraiser analyses once fundraisers were concluded. The Wilson County School Support Organization Guidelines state, “Prior to beginning a fundraising campaign, the school support organization must complete a fundraiser request form and submit to the campus principal for approval.” The Wilson County School Support Organization Guidelines also state that officials should complete a financial recap of the fundraiser to determine profitability, also known as a fundraiser analysis.

**Deficiency 4: Booster club officials failed to inventory concessions items and complete profit analyses for fundraisers**

Booster club officials failed to maintain an inventory of concession items purchased and sold. Booster club officials told investigators they were unaware of the requirement for profit analyses. The *Model Financial Policy* states:

Materials, supplies, and fundraising resale inventory must be stored at a location and in a manner to prevent spoilage or theft. SSOs shall account for materials, supplies, and fundraising resale inventory items on a regular basis. For all types of mass fund raising such as car washes, concessions, parking, and candy sales, a profit analysis shall be performed at the conclusion of the event.

Inventorying supplies and concession goods as well as completing a profit analysis increases the likelihood of detection if misappropriation were to occur.

**Deficiency 5: Booster club officials failed to require two signatures on issued checks**

For disbursements, the *Model Financial Policy* and the Wilson County School Support Organization Guidelines strongly recommend requiring two signatures on prenumbered checks. The booster club treasurer was the sole signer on the booster club checks for the 2020-2021 school year. Requiring two signatures on checks documents that both signers agree that the payment is proper and reasonable.

Booster club officers indicated that they have corrected or intend to correct these deficiencies.

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