



COMPTROLLER'S INVESTIGATIVE REPORT

Bristol TN Council of Parent Teacher Associations

August 11, 2023

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

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Bristol TN Council of Parent Teacher Associations
615 Martin Luther King Jr. Blvd.
Bristol, TN 37620

Bristol TN Council of Parent Teacher Associations:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Bristol TN Council of Parent Teacher Associations, 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 2nd 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 light blue circular stamp.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Bristol TN Council of Parent Teacher Associations

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Bristol TN Council of Parent Teacher Associations. The investigation was initiated after Bristol TN Council of Parent Teacher Association officials reported questionable purchases. The investigation was limited to selected records for the period July 1, 2018, through October 31, 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 2nd Judicial District.

BACKGROUND



Bristol Tennessee City Schools is a school district in Bristol, Tennessee which serves over 3,800 students. There are eight schools within the school district including five elementary schools, one middle school, one high school, and one online public school. Each school has its own Parent Teacher Association (PTA) that pays dues to the Bristol TN Council of Parent Teacher Associations (council).

The council consists of eight officers, operates concession stands at the Bristol Municipal Stadium (called the Stone Castle), and gives two annual college scholarships to students within the school district. The council elects a

purchaser who is responsible for organizing and purchasing items for concession stand food sales at Stone Castle events. The council purchaser had access to the council's bank account for these expenses.

RESULTS OF INVESTIGATION

- **THE COUNCIL PURCHASER USED COUNCIL FUNDS FOR UNAUTHORIZED PERSONAL PURCHASES TOTALING AT LEAST \$115.37**

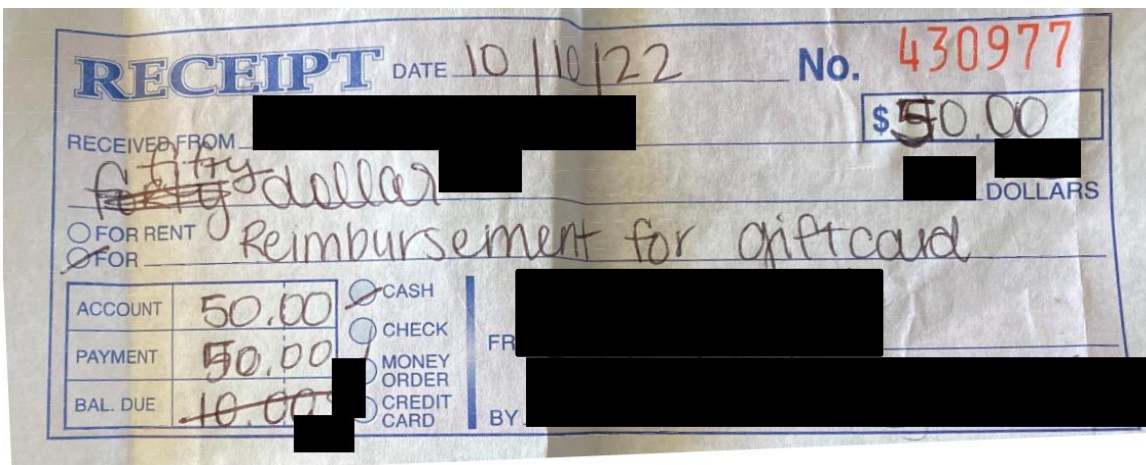
During September 2022, the purchaser used the council bank card to purchase unauthorized personal items including alcoholic beverages, energy drinks, a gift card, and laundry detergent totaling at least \$115.37. The purchaser organized and purchased items for concession stands food

sales at the Stone Castle during the 2021-2022 and 2022-2023 school years. The purchaser told investigators she did not realize her personal purchases were made using the council bank card instead of her personal bank card. The following table details the purchaser's known unauthorized personal purchases using council funds:

Personal Purchases				
Date	Item	Quantity	Item Cost	Total
9/12/2022	Gift Card	1	\$53.94	\$53.94
9/16/2022	Margarita	1	\$18.99	\$18.99
9/16/2022	Vodka Cocktail	1	\$1.89	\$1.89
9/16/2022	Margarita	1	\$5.67	\$5.67
9/16/2022	Energy Drink	2	\$2.50	\$5.00
9/16/2022	Detergent	1	\$29.88	\$29.88
Total				\$115.37

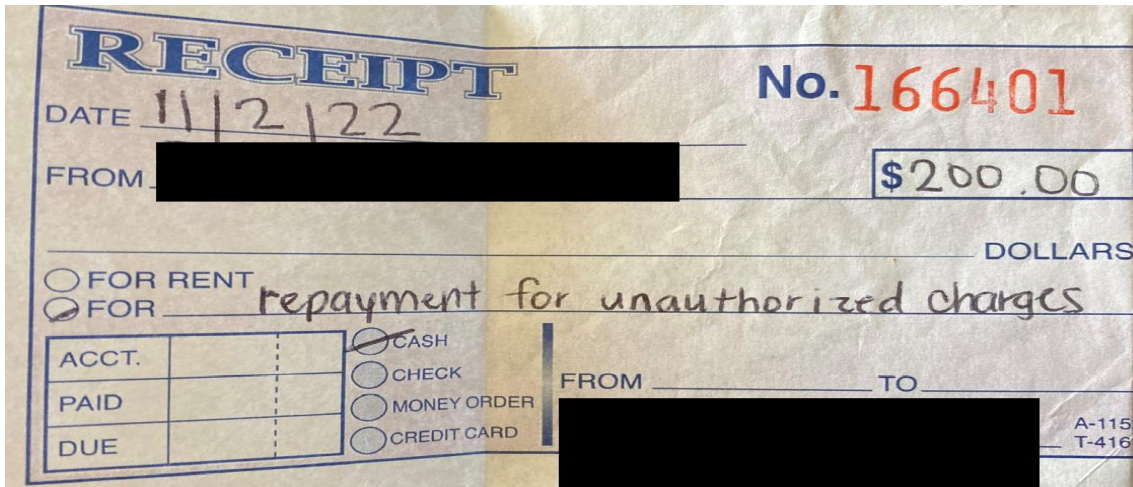
In addition to the September 2022 personal purchases, council officials stated it was their belief that the purchaser made other unnecessary purchases using the council bank card. The purchaser estimated her total personal and unnecessary purchases totaled approximately \$250; therefore, she repaid the council this amount in two separate payments (**Refer to Exhibits 1 and 2**).

Exhibit 1



The council receipt for the purchaser's repayment of \$50 for a personal gift card she purchased with the council's bank card.

Exhibit 2



The council receipt for the purchaser’s repayment of her additional estimated personal and unnecessary purchases using the council’s bank card.

INTERNAL CONTROL DEFICIENCIES

Officers of the council, like all other officers of school support organizations, are required to ensure that 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 Comptroller, pursuant to Tenn. Code Ann. § 49-2-610, published the “*Model Financial Policy for School Support Organizations (Procedures Manual)*” in 2008 and revised in 2020, which prescribes a set of accounting controls to ensure the funds are used to further the organization’s goals and objectives.

Our investigation revealed the following deficiencies in internal control and compliance, some of which contributed to the investigative finding reported above:

Deficiency 1: Council officials failed to adequately account for collection activities

Council officials did not oversee, document, or adequately account for collection activities. Council officials failed to maintain all cash counts or supporting documentation confirming concessions collections, amounts withdrawn for starting cash, and amounts deposited. In addition, the council did not consistently deposit funds within three (3) days as required by the *Procedures Manual*. Therefore, investigators could not verify that all concessions proceeds were properly accounted for and deposited in the council bank account. Providing adequate accountability and oversight of collections, withdrawals, and accurate and timely deposits, increases accountability and reduces the risk that funds will be misused or misappropriated without detection.

Deficiency 2: Council officials failed to maintain supporting documentation for disbursements

Council officials did not require or retain adequate supporting documentation for some purchases. As noted previously, investigators determined that some of the disbursements were for the council purchaser's personal benefit. Investigators noted other potentially questionable purchases during the period reviewed but could not verify the identity of the purchaser or if the purchases were for the benefit of the council. The *Procedures Manual* requires school support organizations to obtain and file supporting documentation for all disbursements to document that funds were used appropriately. Without adequate supporting documentation, investigators were unable to determine whether some of council disbursements were for legitimate expenses.

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