



COMPTROLLER'S INVESTIGATIVE REPORT

Farragut High School Band

September 13, 2024

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

September 13, 2024

Knox County Board of Education
400 W. Summit Hill Drive
Knoxville, TN 37092

Knox County Board of Education Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Farragut High School Band, 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 6th 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

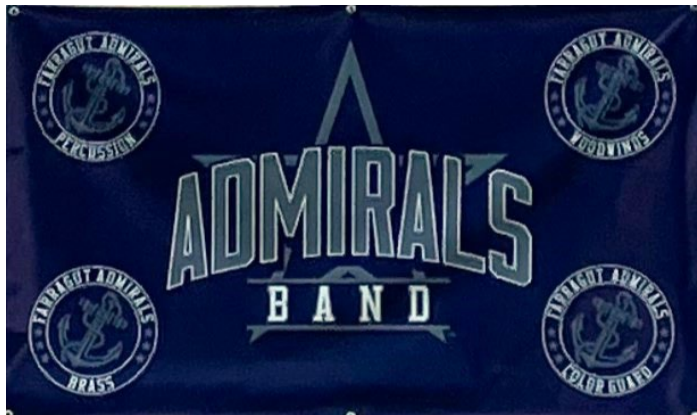
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INVESTIGATIVE REPORT

Farragut High School Band

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Farragut High School Band. The investigation was initiated after Knox County School System officials reported questionable band transactions using Farragut High School funds. The investigation was limited to selected records for the period August 2022 through May 2024. The results of the investigation were communicated with the Office of the District Attorney General of the 6th Judicial District.

BACKGROUND



Farragut High School (FHS), located in Farragut, Tennessee, is part of the Knox County School System (KCS) and serves students in grades 9 through 12. Farragut High School Band (band) is a school fine arts program with over 200 participating students. The Farragut Band Boosters, Inc. (booster club) is a school support organization (SSO) led by parents and other volunteers to support and promote the band.

The Tennessee Music Education Association (TMEA) annually holds state-wide student auditions for an All-State Band. Annually, based on their auditions, FHS students are selected to play in the All-State Band. The booster club provides payment to cover the All-State Band student expenses, such as meals and hotel rooms. KCS hired the FHS band director to work in that position at FHS in 2018.

Tenn. Code Ann. § 49-2-110 provides requirements for the regulation, standards, procedures, accounting, handling, and safekeeping of internal school funds and establishes responsibility for those funds. This section requires local school systems to adopt the *Tennessee Internal School Uniform Accounting Policy Manual (Manual)* and to maintain all internal school funds and records in accordance with the requirements noted in the *Manual*.

RESULTS OF INVESTIGATION

- 1. FARRAGUT HIGH SCHOOL MADE PAYMENTS TOTALING \$43,936.90 TO A VENDOR THAT EMPLOYED THE BAND DIRECTOR RESULTING IN A POTENTIAL CONFLICT OF INTEREST**

For the period March 2023 through May 2024, FHS made multiple payments totaling \$43,936.90 to a vendor that employed the band director, resulting in a potential conflict of interest. FHS payments to the vendor included purchases of band equipment and contracted audio engineering and choreography services. FHS made payments to the vendor for similar purchases and services prior to the vendor hiring the band director in March 2023. While the vendor and band director stated that the band director performed vendor services in another region and did not receive compensation for FHS purchases, investigators could not determine if the band director personally benefitted from FHS purchases and working both positions. According to *KCS Policy D-260 Vendor Relations*:

“No person officially connected with or employed by the district will be an agent for or receive any financial compensation, or reward of any kind from any vendor for the sale of supplies, materials, equipment, or services.”

In addition, FHS did not obtain three written quotes for payments to the vendor for total purchases and services that exceeded \$25,000 in one school year prior to and during the FHS band director’s employment with the vendor. To comply with policy, procurements of any item or service that is equally available from multiple vendors should be acquired by bidding. According to *KCS Policy D-241 Internal School Funds*:

“All purchases of supplies, materials, equipment, and contractual services at the school level of twenty-five thousand dollars (\$25,000) or greater shall be based on three (3) written quotes and approved by the Board unless such purchases were made using pass-through funds collected for that specific purpose (e.g. yearbook expenses, field trip costs, merchandise sales, etc.), or where such purchases were already governed under a Board approved contract or agreement.”

Conflicts of interest increase the risk of abuse and undue influence by individuals involved with procurement transactions. FHS should closely monitor transactions with vendors for potential conflicts of interest and compliance with required purchasing policies.

2. FARRAGUT HIGH SCHOOL PAID FOR A QUESTIONABLE BAND MEAL TOTALING \$1,500

On April 11, 2024, the FHS band director and assistant band director used an FHS credit card to pay \$1,500 for a questionable meal at a restaurant in Nashville, Tennessee, to feed 11 select FHS band students, three FHS employees, one FHS student teacher, and two individuals unaffiliated with FHS (**Refer to Exhibit 1**).

Exhibit 1

<p>& & 402 & & ***** CREDIT CARD VOUCHER ***** ***** GAYLORD OPRYLAND HOTEL NASHVILLE, TN **** OLD HICKORY STEAKHOUSE **** 11 Apr '24 6:29 PM</p> <p>Check: CHK 12651 Table: 101/1 Server: 33533 ESAM Card Type: Mastercard Acct Num: XXXXXXXXXXXX3038 Auth Code: 011540</p> <p>Amount: \$1,376.40</p> <p>GRATUITY \$ <u>123.60</u> TOTAL \$ <u>\$1500.00</u> SIGNATURE <u>[Signature]</u></p> <p>please leave signed copy with your server</p>	<p>& & 402 & & GAYLORD OPRYLAND HOTEL & CONVENTION CENTER **** OLD HICKORY STEAKHOUSE ****</p> <p><i>Old Hickory Steakhouse</i> (1977)</p> <p>33533 ESAM 1</p> <p>CHK 12651 TBL 101/1 GST 17 Gratuity Included</p> <table border="0"> <tr><td>2 CAESAR</td><td>32.00</td></tr> <tr><td>2 SALMON</td><td>90.00</td></tr> <tr><td>3 SAUCE RED WINE</td><td>15.00</td></tr> <tr><td>5 FILET 6OZ</td><td>275.00</td></tr> <tr><td>1 PRIME NY</td><td>85.00</td></tr> <tr><td>1 SAUCE CHINICHURRI</td><td>5.00</td></tr> <tr><td>1 LAMB</td><td>52.00</td></tr> <tr><td>2 FILET 9OZ</td><td>170.00</td></tr> <tr><td>4 SAUCE HORSERADISH</td><td>20.00</td></tr> <tr><td>2 RIBEYE</td><td>150.00</td></tr> <tr><td>1 HALF CHICKEN</td><td>32.00</td></tr> <tr><td>1 SEABASS</td><td>50.00</td></tr> <tr><td>1 CHICKORY SALAD</td><td>18.00</td></tr> <tr><td>2 MAC&CHZ OH</td><td>26.00</td></tr> <tr><td>1 BRUSSELS OH</td><td>15.00</td></tr> <tr><td>1 MUSHROOMS OH</td><td>15.00</td></tr> <tr><td>1 MASH PTATO OH</td><td>14.00</td></tr> <tr><td>1 CARROTS OH</td><td>15.00</td></tr> <tr><td>4 BISQUE LOBSTER</td><td>68.00</td></tr> <tr><td>SERVICE CHARGE %</td><td>229.40</td></tr> <tr><td>20.00 %</td><td></td></tr> </table> <p>Subtotal: \$1,147.00 Service Charge: \$229.40 6:27 PM TOTAL DUE: \$1,376.40 PRINT CHECK \$0.00X</p>	2 CAESAR	32.00	2 SALMON	90.00	3 SAUCE RED WINE	15.00	5 FILET 6OZ	275.00	1 PRIME NY	85.00	1 SAUCE CHINICHURRI	5.00	1 LAMB	52.00	2 FILET 9OZ	170.00	4 SAUCE HORSERADISH	20.00	2 RIBEYE	150.00	1 HALF CHICKEN	32.00	1 SEABASS	50.00	1 CHICKORY SALAD	18.00	2 MAC&CHZ OH	26.00	1 BRUSSELS OH	15.00	1 MUSHROOMS OH	15.00	1 MASH PTATO OH	14.00	1 CARROTS OH	15.00	4 BISQUE LOBSTER	68.00	SERVICE CHARGE %	229.40	20.00 %	
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Left receipt shows \$1,500 was paid for the meal, including a \$123.60 gratuity. Right receipt details meal items purchased, including an additional \$229.40 gratuity (service charge).

For the 2023 school year, the booster club paid for a meal to reward FHS band members selected for the All-State Band. However, for the 2024 school year, the booster club declined to pay for the meal. Instead, the booster club elected to provide the eleven FHS students selected for the All-State Band with a \$100 gift card to cover meal expenses and to pay their full registration and hotel room costs associated with All-State Band travel. The FHS band director and assistant band director decided to still reward the FHS students selected for the All-State Band with a meal and submitted a \$2,000 purchase order on April 2, 2024, to FHS administration requesting approval for "Student Meals." FHS administration, believing the requested meals would feed the entire FHS band, approved the purchase order. FHS administration did not know the meal was for select FHS students and others until they requested an itemized receipt from the restaurant. Funds collected from student band fees and fundraisers should be restricted and only used for the benefit of the entire band and not select students, faculty, or individuals unaffiliated with FHS. On May 17, 2024, the assistant band director paid FHS \$150 of his personal funds to reimburse FHS for the meal costs of the individuals unaffiliated with FHS.