



COMPTROLLER'S INVESTIGATIVE REPORT

Anderson County Schools

February 17, 2022

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

February 17, 2022

Anderson County Schools Board of Education
and Director of Schools
101 S. Main Street
Clinton, TN 37716

Anderson County Schools Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Anderson County Schools, 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 7th 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

ANDERSON COUNTY SCHOOLS

The Office of the Comptroller of the Treasury, in conjunction with the Anderson County Sheriff's Office, investigated allegations of malfeasance related to the Office of Student Services of Anderson County Schools (ACS). This investigation was initiated after school officials reported unauthorized purchases charged to the school's purchasing card. The investigation was limited to selected records for the period from February 2018 through December 2019. The results of the investigation were communicated with the Office of the District Attorney General of the 7th Judicial District.

BACKGROUND



The Office of Student Services (office) uses school funds to purchase food, clothing, and minor household items for students on an as-needed basis. Teachers and guidance counselors identify students in need and refer that information to the office. After the director of the office authorized the purchases, Heather Heatherly, office assistant, purchased the necessary items. The office limited purchases to discount stores and generic or economically priced items.

Beginning February 2018, the office began paying for purchases using a purchasing card (P-card), which is a VISA card attached to the county's bank account. Heatherly was authorized to use the P-card for office purchases, and she had attended training regarding the authorized use of the P-card.

RESULTS OF INVESTIGATION

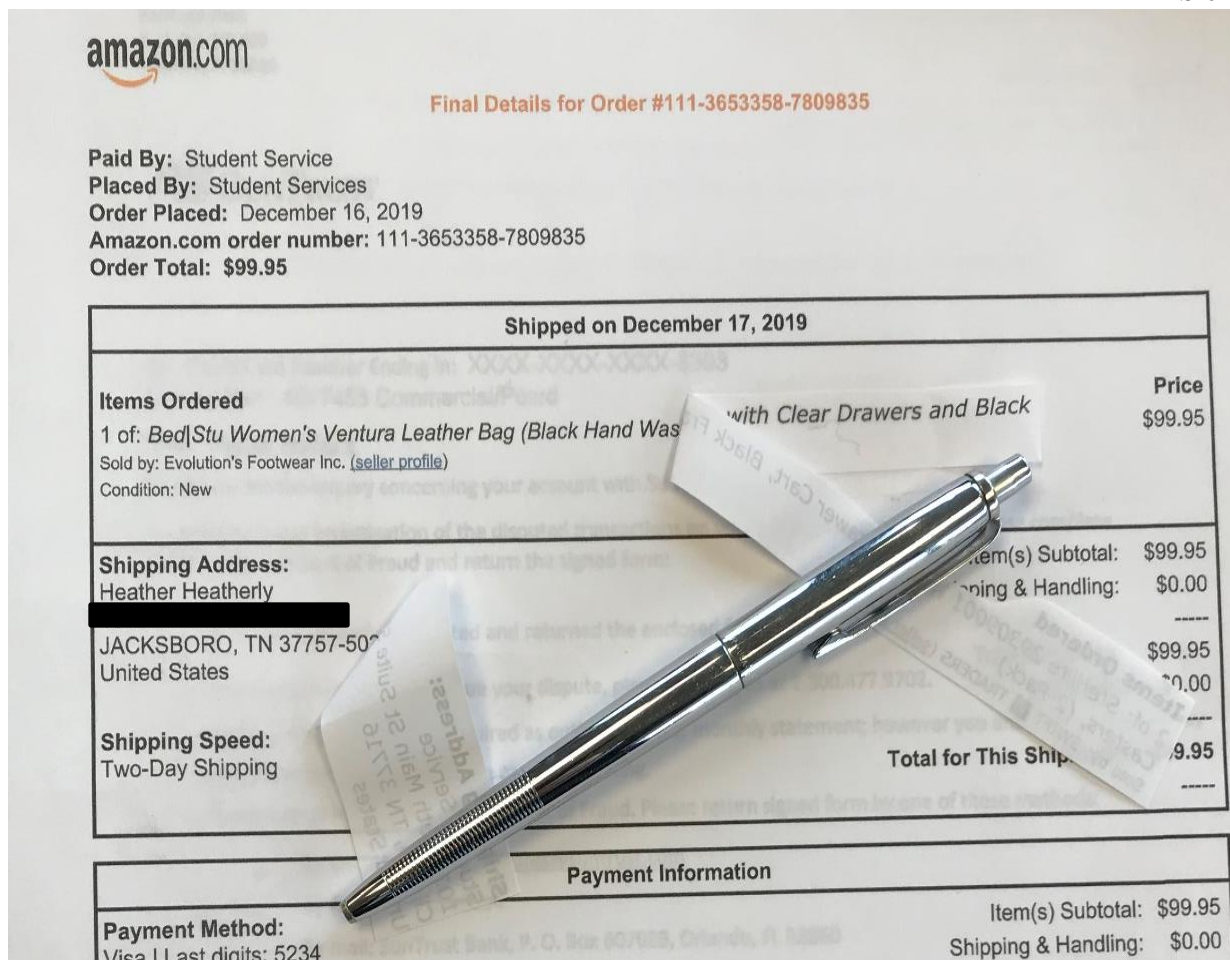
- **OFFICE ASSISTANT HEATHER HEATHERLY MISAPPROPRIATED ANDERSON COUNTY SCHOOL FUNDS TOTALING AT LEAST \$23,311**

In February 2018, Heatherly was authorized to use the school's P-card for office purchases. From April 2018 through December 2019, Heatherly misappropriated ACS funds totaling at least \$23,311.

Investigators determined that Heatherly used the P-card to make personal purchases from multiple vendors totaling at least \$23,311. Her personal purchases included purses, watches, and other personal items for her own use, enjoyment, and benefit.

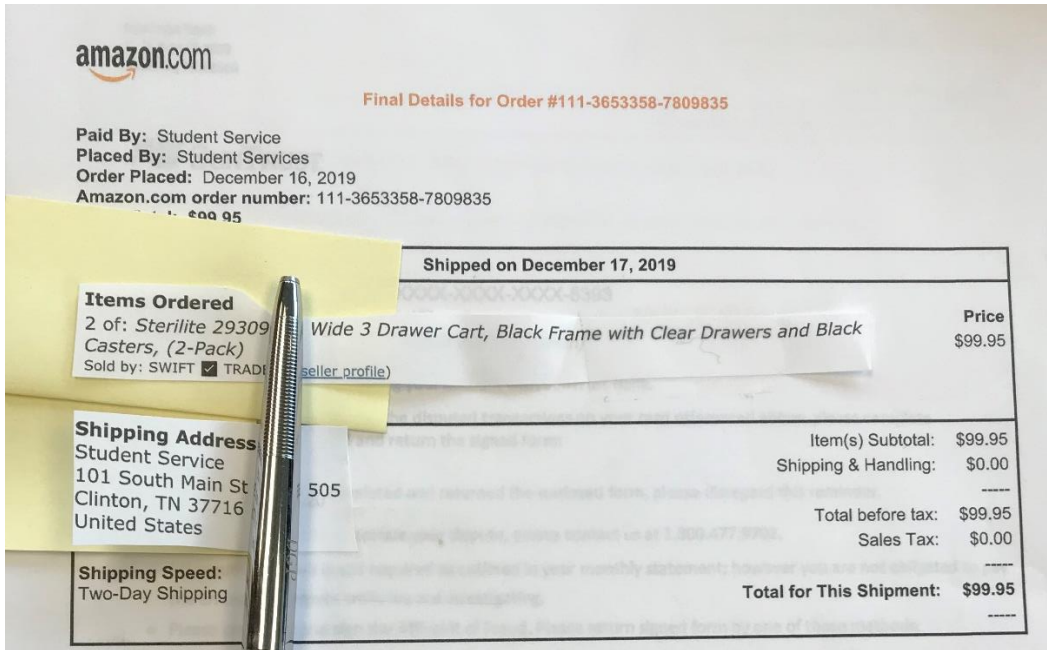
To conceal these misappropriations, Heatherly altered invoices to hide the description of the items and her personal residence as the shipping address. **(Refer to Exhibits 1, 2, and 3.)** Heatherly also used an unauthorized ink stamp to place the office director's signature on purchasing documents. **(Refer to Exhibits 4 and 5.)**

Exhibit 1



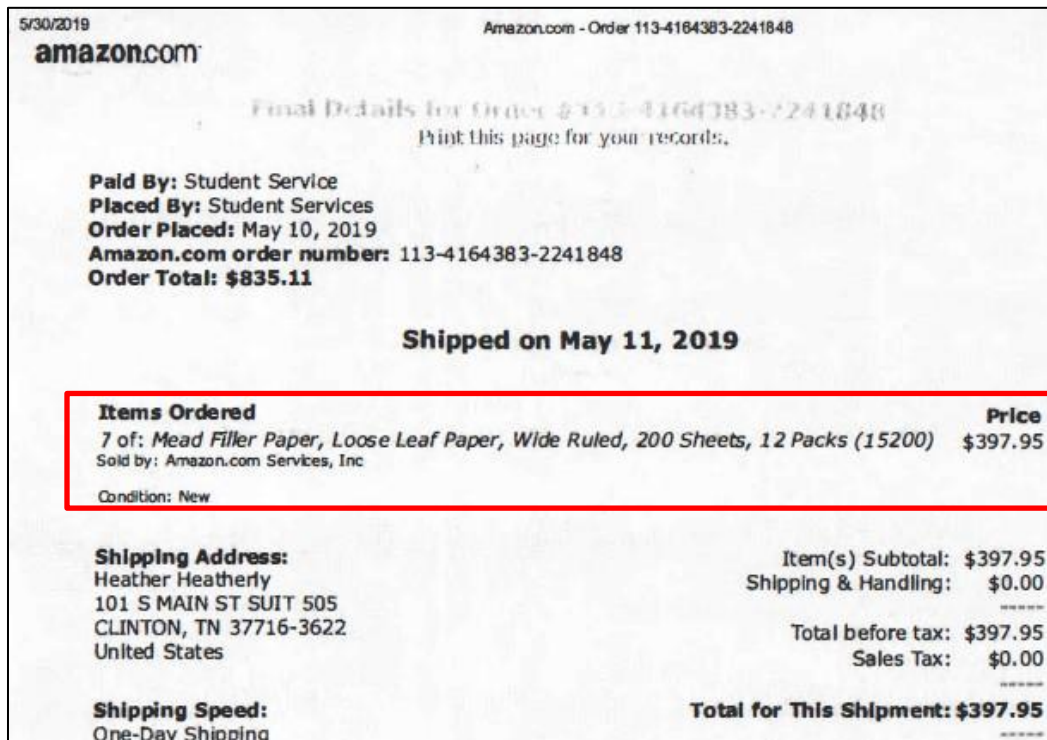
*Example of an original Amazon invoice with concealment papers folded back.
See Exhibit 2 for altered invoice with concealment papers folded down.*

Exhibit 2



Example of an original Amazon invoice with concealment papers folded down. See Exhibit 1 for invoice with concealment papers folded back.

Exhibit 3



Invoice for purchase of a \$397.95 handbag, altered by Heatherly. See Exhibit 4 for handbag purchase details.

Exhibit 4

**ANDERSON COUNTY, TENNESSEE
PARTIAL DELIVERY REPORT**


Report No. 1
Purchase Order No. 62626
Date Received 6/7/2019

DEPARTMENT: Anderson County Schools Student Services

RECEIVED FROM: Suntrust Bankcard
(Vendor's Name & Address) PO Box 628220
Orlando, FL 32862-8220

Quantity	Unit	Description (includes brand name & numbers)	Amount
		Amazon Order# 113-1812025-6417803	\$19.98 ✓
		Amazon Order# 113-8541627-5534604	\$55.04 ✓
		Amazon Order# 113-4985797-7737815	\$1,036.83 ✓
		Amazon Order# 113-8864373-7594660	\$204.72 ✓
		Amazon Order# 113-0563406-9679467	\$154.95 ✓
		Walmart	\$193.62 ✓
		Amazon Order# 113-4164383-2241848	\$835.11 ✓
		113-7404016-3228235	\$18.99 ✓
		113-1628858-7853801	\$49.98 ✓
		113-1828858-7853801	\$833.68 ✓
		113-4706194-8033011	\$75.00 ✓
		111-1323938-5211400	\$76.99 ✓
		113-6608383-8430606	\$239.60 ✓
		111-3634271-5497017	\$15.99 ✓
		111-3898482-3719469	\$15.99 ✓
		111-6813856-7497060	\$6.19 ✓
		Walmart	\$936.59 ✓
		113-5125662-4414626	\$29.95 ✓
TOTAL			\$4,799.20

Includes purchase of a leather handbag for \$397.95.



Visit the Frye Store
Frye Melissa Tote
★★★★☆ - 395 ratings | 44 answered questions
Price \$398.00 (PRIME & FREE Returns) or 3 monthly payments of \$136.00
May be available at a lower price from other sellers, potentially without free Prime shipping
[Prime](#) try before you buy

Color: Beige

- 100% Leather
- Made in USA or Imported
- synthetic lining
- Snap closure
- 1" shoulder strap
- Antique pull up leather shoulder tote bag from Frye's best selling Melissa collection
- center zip divider, 1 interior zip pocket, 2 interior sleeve pockets
- Measurements: 13 inches W X 12 inches H X 6 inches D, shoulder drop 9 inches

Please Pay Invoice: \$4,998.85 Fund _____

Balance On P.O.: _____

Blue Copy Accounting Department

Pink Copy Requisitioner

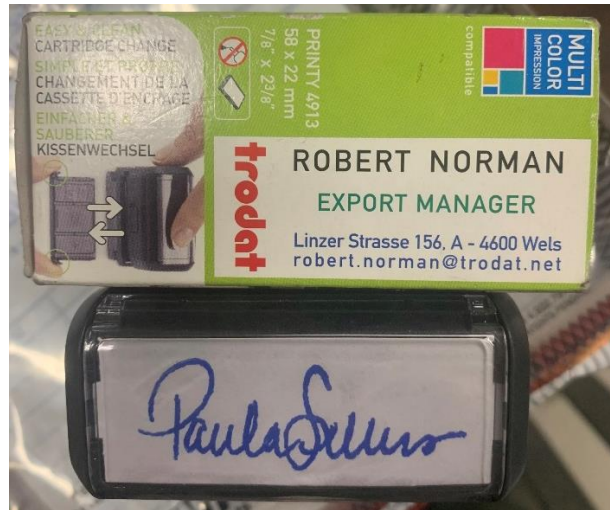
I certify that the articles or services listed above have been received in the quantity and quality specified:

Heather Heatherly
Receiving Clerk or Agent

APPROVED FOR PAYMENT:
Paula Sellers
Director

Partial Delivery Report prepared by Heatherly, including a \$397.95 handbag (see Exhibit 3), stamped as approved with unauthorized signature stamp (see Exhibit 5).

Exhibit 5



Unauthorized signature stamp used by Heatherly. See Exhibit 4.

Heatherly was suspended without pay from her employment with Anderson County Schools on January 7, 2020 and was terminated on May 18, 2020.

Summary of Misappropriations by Heather Heatherly

Vendors	Amount
Amazon	\$ 11,925
Costco	920
Sam's Club	2,870
Shoe Show	30
Target	1,868
Wal-Mart	<u>5,698</u>
	<u>\$23,311</u>

- **THE OFFICE HAD UNAUTHORIZED AND QUESTIONABLE PURCHASES TOTALING AT LEAST \$16,288**

Investigators identified at least \$16,288 in additional unauthorized and questionable purchases made with the P-card during the period examined. The items were not authorized by the office director, and investigators could not determine whether these purchases were used exclusively for the benefit of the ACS.

On February 1, 2022, the Anderson County Grand Jury indicted Heather Heatherly on one count of Theft over \$10,000.

The charges and allegations contained in the indictment 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.

[Anderson County Schools Investigation Exhibit](#)

INTERNAL CONTROL DEFICIENCY

The Comptroller's investigation revealed the following deficiency in internal controls, some of which contributed to the office assistant's ability to perpetrate her fraudulent schemes without prompt detection. The deficiency included:

Deficiency: Anderson County School officials did not provide adequate oversight of operations and did not establish internal controls to protect school funds

ACS officials did not provide adequate oversight of operations and did not establish internal controls to ensure accountability of office funds. School officials are responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and the effectiveness and efficiency of operations. Providing adequate oversight and establishing internal controls reduces the risks that errors or intentional misappropriations will remain undetected. School officials failed to adequately review purchase documentation including purchase orders, invoices, and partial delivery reports; and failed to adequately segregate duties. This deficiency allowed Heatherly's misappropriations to remain undetected for more than a year.

ACS officials have indicated that they have corrected or intend to correct this deficiency.
