



COMPTROLLER'S INVESTIGATIVE REPORT

Cordova Homerun Booster Club

October 5, 2022

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

October 5, 2022

Chairperson and Members of the
Shelby County Board of Education
160 S. Hollywood St.
Memphis, TN 38112

Chairperson and Members:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Cordova Homerun 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 30th 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

Cordova Homerun Booster Club

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Cordova Homerun Booster Club. This investigation was initiated after school officials reported improper use of booster club funds by former Cordova Homerun Booster Club President Tarus Anderson (Anderson). The investigation was limited to selected records for the period from January 1, 2019, through December 31, 2020. The results of the investigation were communicated with the Office of the District Attorney General of the 30th Judicial District.

BACKGROUND



Cordova High School, founded in 1997, is part of the Memphis-Shelby County School System and serves students in grades nine through 12.

The Cordova Homerun Booster Club (booster club) was created to help raise money for the Cordova High School baseball team. The high school does not fund any of the baseball team needs such as equipment (nets and bats), or maintenance of the baseball field, therefore, the baseball player's

parents formed an organization to help support the needs of the team. The booster club is funded through dues from the students, fundraisers, and donations. The baseball player's parents volunteer at games and concession stands.

Tarus Anderson became the president of the booster club on August 1, 2019, served as president until August 1, 2020. Her duties included presiding over booster club meetings, maintaining a good financial position for the booster club along with the treasurer, and overseeing the booster club activities such as fundraising and recruiting volunteers.

RESULTS OF INVESTIGATION

- FORMER PRESIDENT TARUS ANDERSON MISAPPROPRIATED AT LEAST \$6,815 FROM THE CORDOVA HOMERUN BOOSTER CLUB**

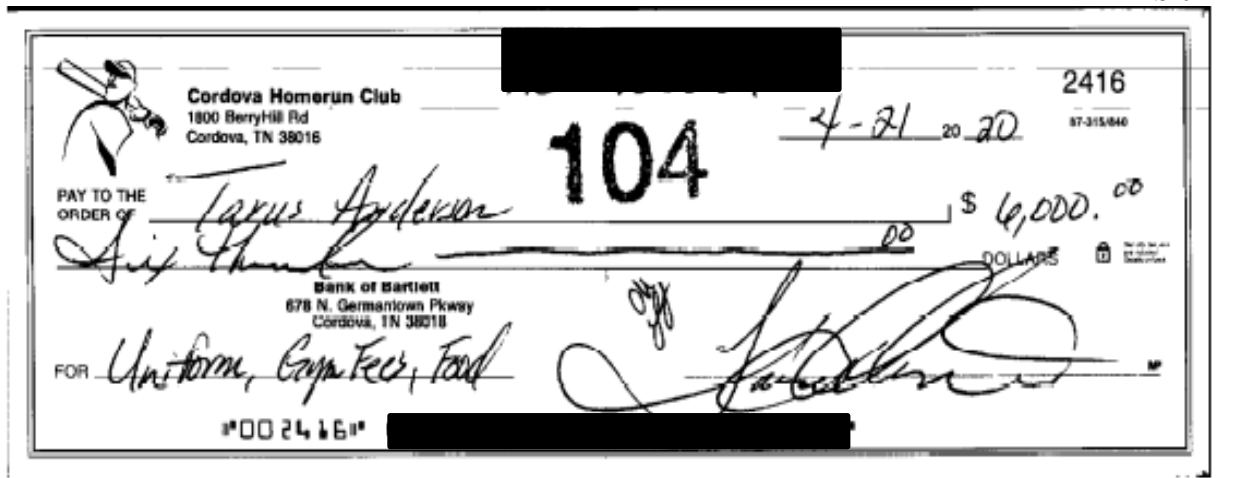
Our investigation revealed that between February 28, 2020, and July 20, 2020, Anderson misappropriated funds from the booster club’s bank account totaling at least \$6,815.

Investigators analyzed the checks disbursed from the booster club’s bank account and determined that Anderson authorized and received a personal benefit from a check written to herself totaling \$6,000 (See Exhibit 1).

The check’s memo line noted that the check was supposedly for uniforms, gym fees, and food. However, investigators determined uniforms had been purchased on February 27, 2020, via a booster club check to All American Sporting Goods (See Exhibit 2). Furthermore, the high school does not charge gym fees, and we could not substantiate what food was purchased.

There was a donation totaling \$1,000 made to the booster club from a family member of the vice president, which was properly deposited to the booster club bank account. Subsequently the \$1,000 donation was returned to the vice president from the \$6,000 Anderson had cashed via check. Also, \$145.95 was spent from the \$6,000 to purchase t-shirts from All American Sporting Goods for the baseball team. Investigators analyzed withdrawals from the booster club bank account and determined that Anderson made two cash withdrawals totaling \$815 for her personal benefit. The first withdrawal was on February 28, 2020, for \$765, and the second withdrawal was on July 20, 2020, for \$50. Anderson was an authorized signatory on the booster club checking account, which should have required two signatures pursuant to a dual check signatory authority policy before a check could be written or money withdrawn from the account.

Exhibit 1



Check written by Anderson for cash totaling \$6,000



Check written by the booster club treasurer to All American Sporting Goods for team uniforms

Summary of Misappropriations by Former President Tarus Anderson

Description	Amount
Cordova Homerun Booster Club	
A. Cash Withdrawal on 2/28/2020	\$765.00
B. Check to Former President for cash on 4/21/2020	6,000.00
C. Cash Withdrawal on 7/20/2020	50.00
Total Misappropriation	6,815.00
Less: Amount Paid Back (Date Unknown)	(1,000.00)
Less: Invoice to Vendor on 3/02/2020	(145.95)
Remaining Amount Owed	\$5,669.05

On September 27, 2022, the Shelby County Grand Jury indicted Tarus Anderson on one count of Theft of Property over \$2,500.

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.

[Cordova Homerun Booster Club Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Officers of the Cordova Homerun Booster Club are required to ensure the funds and property of their organization are safeguarded and used only for purposes related to the goals and objectives of the organization. Pursuant to Tenn. Code Ann. §49-2-610, the Comptroller published the *Model Financial Policy for School Support Procedures Manual (Model Financial Policy)* in 2008 and revised in 2020 to assist booster club officers in discharging their obligation to safeguard the funds and property of their respective organizations. The *Model Financial Policy* prescribes the minimum financial accountability controls that the booster club officers must follow.

The booster club failed to establish and implement reasonable procedures for accounting, controlling, and safeguarding booster club funds. Our investigation revealed multiple deficiencies in internal control and compliance, some of which contributed to the former president's ability to perpetrate her misappropriation without prompt detection. These deficiencies are noted below:

Deficiency 1: Booster club officials failed to provide adequate financial oversight

Booster club officials failed to provide adequate financial oversight. Providing adequate oversight and establishing internal controls reduces the risks that errors or intentional misappropriations will occur and remain undetected. The lack of oversight by the officers contributed to the former president's ability to make unauthorized withdrawals from the club's bank account and to avoid prompt detection of her misappropriation. The *Model Financial Policy for School Support Organizations* states "The officers and/or board of directors shall assume responsibility for the operation of the SSO (school support organization). This responsibility cannot be delegated. They must review all receipt and disbursement transactions and supporting documentation at least monthly." Moreover, officials did not promptly review and reconcile bank statements in a timely matter. The former booster club president made two unauthorized cash withdrawals and issued a check for personal benefit from the club's bank account. Officials did not abide by the dual check signatory authority policy and requirement of the *Model Financial Policy for School Support Organizations*. Adequate financial oversight by booster club officials helps ensure that funds are spent only for authorized purposes for the benefit of the Cordova High School baseball team and reduces the risks that errors or intentional misappropriation will occur.

Deficiency 2: Booster club officials failed to implement adequate segregation of duties

Booster club officials failed to separate incompatible financial duties. The booster club president received invoices, counted collections, made disbursements, prepared, and delivered deposits to the bank, and received the booster club bank statements electronically. Sound business practices dictate that the club officials are responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and the effectiveness and efficiency of operations. Allowing one individual control over financial operations increases the risk of fraud.

Deficiency 3: Booster club officials failed to maintain adequate supporting documentation for disbursements and cash withdrawals

Booster club officials failed to require or retain invoices or other adequate supporting documentation for disbursements and cash withdrawals. The *Model Financial Policy* requires school support organizations to obtain and file invoices for all disbursements to document that funds were used appropriately. Without adequate supporting documentation, investigators were unable to determine whether all booster club disbursements were for legitimate expenses.

Deficiency 4: Booster club officials failed to adequately account for collection activities

Booster club officials did not oversee, document, or account adequately for fundraising and other collection activities. There were two fundraisers in which the booster club could not provide invoices of items purchased to facilitate a fundraiser for Krispy Kreme Doughnuts and Discount Sheet Bedding. Officials did not require, prepare, or review profit analyses for fundraising events and did not adequately account for or safeguard inventory. Providing adequate accountability and oversight of collections helps ensure all collections are accounted for and used to further the goals and objectives of the booster club.

Deficiency 5: Booster club officials failed to properly register the club as a nonprofit organization

For an organization to qualify for tax-exempt status under section 501(c)(3) of the Internal Revenue Code, an organization must be organized and operated exclusively for exempt purposes. Booster club officials did not complete the 501(c)(3) form, which identifies the club as a nonprofit organization. Therefore, the club was not properly recognized as an approved school support organization pursuant to Tenn. Code Ann. §49-2-604 and §49-2-605.

School officials indicated that they have corrected or will correct these deficiencies.
