



CHEATHAM COUNTY CENTRAL HIGH SCHOOL BAND BOOSTERS

Special Investigation
March 18, 2016

Justin P. Wilson, Comptroller





**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY**

JAMES K. POLK STATE OFFICE BUILDING, SUITE 1600

505 DEADERICK STREET

NASHVILLE, TENNESSEE 37243-1402

PHONE (615) 401-7907

FAX (615) 532-4499

Justin P. Wilson

Comptroller of the Treasury

March 18, 2016

Officers of the Cheatham County Central
Band Boosters
Cheatham County Central High School
1 Cub Circle
Ashland City, TN 37015

Ladies:

The Office of the Comptroller of the Treasury conducted a special investigation of selected records of the Cheatham County Central High School Band Boosters, and the results are presented herein.

Subsequent to the start of our investigation, the Cheatham County Central High School Band Boosters dissolved as an organization. Remaining cash was distributed to a newly formed organization – Cheatham County Central Band Boosters. The issues in this report have been discussed with the officers of this new band booster organization.

Copies of this report are being forwarded to Governor Bill Haslam, the State Attorney General, the District Attorney General, certain state legislators, and various other interested parties. A copy is available for public inspection in our office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

Comptroller of the Treasury

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SPECIAL INVESTIGATION

CHEATHAM COUNTY CENTRAL HIGH SCHOOL BAND BOOSTERS

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to Cheatham County Central High School Band Boosters.

INVESTIGATIVE RESULT

1. **Former treasurer misappropriated band booster funds totaling at least \$3,072**

The investigation revealed that during the period July 2013 through October 2013, former treasurer Tracy Krantz misappropriated band booster funds totaling at least \$3,072. Ms. Krantz perpetrated the misappropriation by making unauthorized ATM withdrawals of band booster funds and retaining the funds for her personal benefit.

Ms. Krantz admitted to investigators that she obtained band booster funds via unauthorized ATM withdrawals and that she used these funds for her house payments. Subsequent to meetings with investigators and approximately two years after the last noted ATM withdrawal, Ms. Krantz remitted \$3,180 to replace the funds she had taken.

On March 7, 2016, the Cheatham County Grand Jury indicted the former band booster treasurer, Tracy Krantz, on one count of Theft over \$1,000.

ADDITIONAL ISSUES

Section 49-2-604(e), *Tennessee Code Annotated*, requires that a school support organization's officers ensure that funds are safeguarded and that the officers adopt and maintain a written policy specifying reasonable procedures for accounting, controlling, and safeguarding school support organization money and other property. The statute further authorizes the Tennessee Comptroller of the Treasury to prepare a model financial policy for school support organizations. In June 2008, the Comptroller's Office published the "Model Financial Policy for School Support Organizations," which is intended to provide minimum controls to assist in improving accountability over school support organization funds.

Our investigation revealed numerous deficiencies in financial processes that contributed to the former treasurer's ability to perpetrate her misappropriation without prompt detection. The more significant of these financial process deficiencies included:

- Band booster officials failed to separate financial duties adequately or to provide increased oversight when appropriate. The former treasurer received collections, issued and signed checks, prepared and delivered deposits to the bank, had possession of the ATM/debit card, and was the only official who reviewed bank statements.
- Band booster officials failed to review bank statements, and to ensure that a copy of the bank statement and imaged checks were included in the minutes.

Subsequent to the start of our investigation, the Cheatham County Central High School Band Boosters dissolved as an organization. Remaining cash was distributed to a newly formed organization – Cheatham County Central Band Boosters. The issues in this report have been discussed with the officers of this new band booster organization. They have indicated that they will follow applicable laws and school support organization procedures in order to prevent similar deficiencies within their new organization.