



State of Tennessee

Justin P. Wilson, State Comptroller

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Shelby County School Cafeteria Employees Took Cash and Conspired to Defraud Schools

The former lead cashiers at Bon Lin Elementary and Rivercrest Elementary Schools were indicted for theft and official misconduct by the Shelby County Grand Jury this week following an investigation by the Comptroller's Division of Municipal Audit.

The Comptroller's Division of Municipal Audit released a letter to the Shelby County school district's superintendent and Shelby County school board members today detailing how the two employees at separate schools used similar schemes to steal money from the schools' cafeteria funds.

The former Bon Lin Elementary lead cashier, Courtney Smith, managed to steal more than \$15,000 from cafeteria funds at the school from August 2008 until May 2009, the Comptroller's Municipal Audit Director Dennis Dycus explained in the letter.

The letter details how Smith would record cash received from students in their cafeteria accounts as "adjustments" rather than collections in order to get around including those cash collections on her daily cash reports. Under this scheme, records of the students' accounts showed the money they turned over to Smith, but the cash she collected was never deposited into the school's bank account.

Also, the letter notes that on at least 12 occasions, cash was removed from collections, recorded as refunded to the student and then an equivalent amount was returned to the student's account by an adjustment.

The letter also noted that the computer software company provided instructions to school employees on how to make such adjustments without adhering to proper procedure.

Auditors identified other schemes Smith used in order to obtain cash for her personal use.

For example, the investigation revealed that certain payments from Bon Lin students were actually credited to the accounts of Smith's two daughters. Auditors also discovered certain payments from Bon Lin students that were actually credited to the account of the son of the

former lead cashier at Rivercrest Elementary School, Tammy Radford.

Radford's son attended neither Bon Lin nor Rivercrest Elementary Schools, but instead attended a Shelby County high school. Radford informed state auditors that she and Smith worked together in the past and that she was trained by Smith. After auditors began to investigate the suspicious credits at Rivercrest Elementary, they discovered that Radford was taking cash from that cafeteria and using back office records adjustments to conceal the theft just as Smith was doing at Bon Lin Elementary.

State auditors found that cafeteria collections at Bon Lin Elementary School have increased by more than \$30,000 in the most recent school year since Smith's departure.

"I am always concerned whenever someone abuses a position of public trust," Comptroller Justin P. Wilson said. "This case is a particularly troubling example because it involves taking children's lunch money. I commend our auditors and the prosecutors in this case for the fine work that they have done. This office remains committed to uncovering fraud, waste and abuse of taxpayer dollars."

To view the report online, go to: http://www.comptroller1.state.tn.us/RA_MA/

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Media contact: Blake Fontenay, Communications Director, (615) 253-2668 or blake.fontenay@tn.gov

[Tennessee Comptroller of the Treasury](#)

State Capitol Nashville, TN 37243

Phone: (615) 741-2501

Email: comptroller.web@tn.gov