



State of Tennessee

Justin P. Wilson, State Comptroller

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Former Financial Secretary at Arlington High School Embezzled School Funds

Former financial secretary Toni Cox misappropriated at least \$142,000 of school collections from Arlington High School for her own personal use, an investigation by the Comptroller's office has found. Investigators estimated that Cox took an additional \$30,000 – much of it collected at school sporting events and activities – although the exact amount couldn't be verified because records were missing. In all, investigators indicated Cox diverted for her personal benefit nearly \$172,000 of school collections intended to fund workbooks, educational fieldtrips, Advanced Placement testing, yearbooks, graduations, proms, athletics and other student activities.

Also, investigators found that nearly \$25,000 worth of purchases were made with school funds that did not appear to be work related. A number of questionable purchases were made using school money at Target. Items purchased included iPods, children's shoes, video games, a Nintendo gaming console and some Christmas decorations. The school's Amazon.com account was used to buy a Casio keyboard, perfume, a boom box with an iPod dock, a Cruella de Vil costume, a Coach purse, jewelry and a professional make-up case on wheels. Cox was responsible for all school disbursements and was an authorized signatory on the questioned checks. The principal indicated he did not review supporting documentation prior to signing checks.

Investigators found that Cox was solely responsible for all aspects of financial transactions during the time she worked for the school. That allowed her to take money and conceal her thefts without being detected. She frequently altered or destroyed school records that could have alerted others at the school to what she was doing.

The Shelby County Grand Jury indicted Cox on one count of theft of property over \$60,000. She was arrested on the charge this week.

“Allowing one person to have total control over money handling creates the potential for this type of fraud,” Comptroller Justin P. Wilson said. “Good accounting practices call for multiple people to be involved in processing transactions in order to have a system of checks and balances.”

Investigators also highlighted numerous other bookkeeping and accounting practices that didn't conform to industry standards.

The audit, which was released today, can be found online at <http://www.comptroller.tn.gov/ia/>.

If you suspect fraud, waste or abuse of public money in Tennessee, you may call the Comptroller's hot line at 1-800-232-5454 or fill out a report online at <http://www.comptroller.tn.gov/shared/safwa.asp>.

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