



## State of Tennessee

Justin P. Wilson, State Comptroller

For Immediate Release: March 4, 2014

### **Former Alcoa School Official Took Nearly \$500,000 in Public Money for Personal Use**

A former employee in the Alcoa City School District diverted nearly \$500,000 of funds from the district and two professional organizations she represented and spent the money on a variety of personal expenses, an investigation conducted by the Comptroller's office shows.

The investigation, conducted in conjunction with the Tennessee Bureau of Investigation, covered a period of almost six years. During that time, the woman worked as an assistant to the school district's federal projects administrator.

In that capacity, it was her job to help manage the district's spending of federal funds on various projects. She gave the district fraudulent invoices and when she received the money from the district, she diverted it into accounts set up on behalf of the Tennessee Attendance Supervisors Steering Committee and the East Tennessee Attendance Supervisors Association, two professional organizations where she served as treasurer.

Once the funds were in those accounts, she took money for herself through automatic teller machine withdrawals, checks written to cash and checks written to herself. She also wrote checks from one account to pay for her home mortgage, food, jewelry, clothing, iTunes songs and an investment in a local gym.

In addition to the funding from the school district, she spent money collected as participant fees and dues from members of both the steering committee and the attendance supervisors' association.

She also used the school district's credit cards for personal purchases, forging her supervisor's signature on billing statements. And she received reimbursement from the school district for 70 trips she did not take (for which the Comptroller's office examined records back to 2003).

Over the six-year period, investigators calculated that the woman took more than \$428,000. Investigators also identified more than \$160,000 in questionable spending by the employee. Due to a lack of adequate documentation, it wasn't possible for investigators to determine whether that spending was for valid public purposes or not.

The results of the investigation have been shared with the appropriate district attorneys general and also the United States attorney for the eastern district of Tennessee. Because the woman has not been indicted or arrested yet, she is not being identified by name in this release.

The audit notes that the school district and the two professional organizations didn't have sufficient oversight of the woman's spending.

“This was an egregious misuse of public funds that took place over a long period of time,” Comptroller Justin P. Wilson said. “This case emphasizes yet again the importance of following good management and bookkeeping practices to reduce the likelihood of fraud, waste or abuse of public money. I commend our investigators and those from the Tennessee Bureau of Investigation for their work on this case.”

To view the audit online, go to: <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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