



State of Tennessee

Justin P. Wilson, State Comptroller

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Former Lake Road Elementary PTO President Pleads Guilty to Theft

The former president of an elementary school parent-teacher organization (PTO) in Obion County used more than \$6,700 of the organization's funds to go on a personal shopping spree, a recent report from the Comptroller's Division of Municipal Audit concluded.

Debbie Stevenson, the former president of Lake Road Elementary's PTO, recently pleaded guilty in Obion County General Sessions Court to stealing from the organization. The charges stemmed from an investigative audit conducted by the Division of Municipal Audit.

Stevenson pleaded guilty to misdemeanor theft under \$500 and was ordered to pay \$1,693 in restitution to the PTO, serve 12 months of probation, undergo an alcohol and drug assessment, complete 40 hours of community service work and pay a \$100 fine and court costs.

Auditors found that between October 24, 2008 and May 26, 2009, Stevenson issued 47 checks that totaled \$6,780 for items for herself or her family. The items included articles of clothing, groceries, cigarettes, pet supplies, DVD movies, a video gaming system, video games and health and beauty aids.

These expenditures, which were not authorized by the PTO, appeared to be a major contributing factor in the organization's financial distress at the end of the 2009 school year.

Auditors determined that Stevenson repaid a portion of the money she had taken from the PTO. However, they also discovered that she ultimately failed to repay the PTO at least \$1,660 and she admitted that she purchased personal items with PTO funds without authority or approval.

The report identified several weaknesses in the organization's accounting procedures. For example, there weren't sufficient checks and balances to ensure that money was being handled properly. Also, there was inadequate documentation of how the organization's money was being spent. Those factors made it easier for Stevenson to use PTO money for her personal benefit without being detected by other PTO officers.

"Unfortunately, this is not the first case we have seen in which an officer of a parent-teacher

organization has stolen money to cover personal expenses,” Comptroller Justin P. Wilson said. “The officers in these organizations are quite often neighbors or friends. However, PTOs still need to handle money in a businesslike fashion. Proper safeguards in accounting and money-handling procedures are necessary because, as this case illustrates, trust in individuals can sometimes be misplaced.”

The auditors’ report further details how the PTO lost money on most of its fundraisers.

For example, auditors cited a PTO cookbook sale in which the PTO spent \$6,532 on the fundraiser but only collected and deposited \$4,296, according to the organization’s records.

Under Stevenson’s direction, the PTO conducted fundraisers throughout the school year. In all, auditors found deficits for five of the six fundraisers they examined, for a total deficit of \$13,225.

“It is a difficult task to audit the books and records of school support organizations when records are not properly maintained and for my auditors to have uncovered over \$6,000 missing from the PTO and five fundraisers that lost over \$13,000 collectively was no small feat,” said Dennis Dycus, director of the Division of Municipal Audit. “Therefore, I cannot stress enough the importance of school support organization officers faithfully executing their duties to safeguard the money they raise and keep detailed records of their receipts and disbursements.”

To view the full report online, go to:

<http://www.comptroller1.state.tn.us/Repository/MA/Investigative/lakeroadelementarypto.pdf>

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