INVESTIGATIVE AUDIT REPORT

ARLINGTON HIGH SCHOOL

SHELBY COUNTY SCHOOL SYSTEM

JULY 1, 2008, THROUGH JUNE 30, 2010

State of Tennessee

Comptroller of the Treasury
Department of Audit
Division of Investigations
Special Investigations Unit

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DIVISION OF INVESTIGATIONS
SPECIAL INVESTIGATIONS UNIT

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January 16, 2014

Superintendent and Members of the
Board of Education
Shelby County School System
160 South Hollywood Street
Memphis, TN 38112

Ladies and Gentlemen:

The Division of Investigations, Special Investigations Unit, conducted an investigative audit of selected records of Arlington High School, Shelby County School System, which focused on the period July 1, 2008, through June 30, 2010.

Presented in this report are the findings resulting from this investigative audit. 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,

L. Rene Brison

L. Rene Brison, CPA, CFE, Assistant Director
Division of Investigations
Special Investigations Unit

LRB/RAD

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SPECIAL INVESTIGATION OF SELECTED RECORDS OF ARLINGTON HIGH SCHOOL SHELBY COUNTY SCHOOL SYSTEM FOR THE PERIOD JULY 1, 2008, THROUGH JUNE 30, 2010

CASE SUMMARY

The Comptroller of the Treasury, Division of Investigations, performed an investigative audit of selected records of Arlington High School, Shelby County School System. The audit focused primarily on the period July 1, 2008, through June 30, 2010. However, when necessary, this scope was expanded. The investigative audit revealed the following:

- Former Arlington High School financial secretary Toni Cox misappropriated school collections totaling at least $142,307. To conceal the misappropriation, Ms. Cox altered, discarded, or destroyed school records, and substituted unrecorded checks for cash collections she withheld for her personal use.

- Ms. Cox also misappropriated collections estimated at over $29,000 from 12 basketball events, numerous other athletic events, winter concerts, and other fundraising activities.

- School funds were used for numerous purchases and ATM withdrawals totaling over $13,000 for which investigators and school personnel could not determine a benefit to the students or to the school. Ms. Cox was responsible for making all disbursements for the school and was a signatory on the checks in payment of the questionable purchases. In addition, the school paid at least $11,594 for finance charges and various fees on a VISA card that was in Ms. Cox's possession.

- The former school principal failed to require and ensure that financial duties were adequately segregated; that adequate supporting documentation for disbursements was obtained, reviewed, and filed; and that staff members followed applicable laws and regulations when accounting for school money.

These matters were referred to the local district attorney general. In December 2013, the Shelby County Grand Jury indicted Toni Cox on one count of theft over $60,000.

INVESTIGATIVE FINDINGS

A schedule summarizing the misappropriation of school funds by former financial secretary Toni Cox, as well as the findings resulting from this investigative audit, are shown below. It should be noted that the school had an inadequate bank balance to pay all bills due at the end of the June 30, 2010, fiscal year. As a result, the Shelby County School System loaned Arlington High School over $107,000 so the school could pay its outstanding bills. During the school year following Ms. Cox's departure, we noted that the school's financial condition improved markedly.

Summary of Misappropriation by Former Financial Secretary Toni Cox

Source of Misappropriation	Amount
School collections retained by Ms. Cox for her personal benefit	$142,307
Personal purchases on school VISA card	566
Total misappropriation supported by documentation	$142,873
Estimated additional misappropriation based on investigative analyses	29,081
Total calculated and estimated misappropriation by Toni Cox	$171,954

1. **FINDING:** **Misappropriation of school collections totaling at least $142,307 by former school financial secretary**

Our investigative audit revealed that during the period July 1, 2008, through May 24, 2010, the former school financial secretary, Toni Cox, misappropriated school collections totaling at least $142,307, retaining the cash for her personal benefit. To conceal the misappropriation, Ms. Cox altered, discarded, or destroyed school records **(refer to Exhibits 1 through 2a)**, and she substituted unrecorded checks issued to the school for cash collections she withheld for her personal use.

Because Ms. Cox had complete control over school collections once they arrived at the school office, she was able to manipulate the written records of collections as well as the school's computerized accounting records and the composition of deposits. This control over every aspect of school collections allowed her to conceal the misappropriation of school collections from other school employees.

2. **FINDING:** **Misappropriation of additional school collections estimated at over $29,000 by former school financial secretary**

In addition to the previously mentioned misappropriation of school collections, our audit revealed that former financial secretary Toni Cox misappropriated additional collections, estimated at over $29,000. During the two-year period July 1, 2008, through June 30, 2010, Ms. Cox failed to deposit the proceeds of ticket sales for at least 12 basketball events, including games played by the freshmen, junior varsity, and varsity teams. Similarly, on four separate occasions during that same period, Ms. Cox failed to deposit the proceeds of ticket sales for football games, including games played by all three school

football teams. All records of ticket sales for the basketball and football games in question were apparently discarded or destroyed. School employees and administrators failed to retain copies of ticket reconciliations from games for which they worked the gates.

Our audit also revealed that Ms. Cox grossly under reported collections from certain winter concerts, locker fees, and a baseball coupon book fundraiser, apparently retaining the related proceeds for her personal benefit. Many of the related collection records for these events and activities were missing.

3. **FINDING:** **Questionable school disbursements and VISA card finance charges totaling at least $24,780**

The investigative audit revealed numerous questionable purchases and finance fees totaling $24,780 for which investigators and school personnel were unable to determine a benefit to the school. Ms. Cox was responsible for all school disbursements and was an authorized signatory on the checks in payment of the purchases. The purchases and finance charges incurred are detailed in the table below:

Transactions	Amount
VISA cash withdrawals	$ 2,200
VISA finance charges	11,594
Personal VISA charges and personal cell phone bill	1,270
Home Depot	522
Target	6,860
Amazon.com	2,334
Total	$24,780

Ms. Cox made personal charges totaling $566 on the school's VISA card for the purchase of a drum set apparently for a family member **(refer to Exhibit 3)**, a delivered pizza in Killeen, Texas, and personal medical charges. Additionally, $2,200 in cash was withdrawn and $11,594 in finance charges incurred using the school's VISA card. The VISA card was also used to pay $704 on a personal Verizon Wireless cell phone account. School personnel stated that Ms. Cox maintained sole possession of the VISA card.

The investigative audit revealed several missing items costing $522 that were charged to the school's Home Depot account. The missing items included 14 shelves, a mower, a weed eater and a hedge trimmer. Each of the missing items was purchased using the Home Depot card issued to Toni Cox.

The investigative audit also identified questionable purchases totaling $6,860 at Target. Items purchased included iPods, children's shoes, video games (some of which were purchased in Gulf Shores, Alabama), a Nintendo gaming console, and Christmas decorations (purchased in Texas). We did not determine that any of these items were used for school purposes.

Finally, the investigation identified personal purchases totaling $2,334 using the school's Amazon.com account. These questionable purchases included a Casio keyboard, perfume, a boom box with iPod dock, a Cruella de Vil costume, a Coach purse, jewelry, and a professional make-up case on wheels. We were unable to locate any of these items on school property at the time of the investigative audit.

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES FINDINGS AND RECOMMENDATIONS

Unless otherwise specified, "former financial secretary" refers to Ms. Toni Cox and "former principal" refers to Dr. Jeff Cozzens. The current financial secretary and principal have been asked to respond to applicable findings presented in the Findings and Recommendations section of this report.

Presented below are findings and recommendations related to internal control and compliance deficiencies noted during the investigative audit. As noted in the accompanying responses, school officials have corrected or intend to correct these deficiencies.

1. **FINDING:** **Inadequate segregation of duties**

The former principal failed to segregate incompatible financial duties at the school. The former financial secretary received collections, prepared deposits, delivered some deposits to the bank, signed checks, reconciled bank statements, and maintained and updated the school's accounting records. The former financial secretary's control over financial transactions contributed to her ability to perpetrate and to conceal her misappropriation of school money totaling at least $142,873, and allowed her misappropriation to continue without detection for at least two years.

The *Tennessee Internal School Uniform Accounting Policy Manual*, page 4–8, states:

> To the extent possible, the following duties should not be performed by the same individual: receiving cash, making bank deposits, maintaining the accounting records and reconciling bank accounts.… Bank reconciliations should be prepared and reviewed at least monthly by someone who is independent of the receiving and recording functions.

Page 5–2 of the manual emphasizes that

> [t]he use of a cashier is necessary for optimal separation of duties. However, some schools may not have adequate personnel to allow someone other than the bookkeeper to collect money and write receipts. In these situations … school personnel should develop alternative procedures that minimize the risks associated with this

> lack of separation of duties.… **WHEN AT ALL POSSIBLE, SOMEONE OTHER THAN THE BOOKKEEPER SHOULD COLLECT MONEY AND WRITE RECEIPTS.**

RECOMMENDATION:

To help ensure that all school collections are deposited into the school's bank account, that disbursements are valid and benefit the students and the school, and that errors or irregularities are detected promptly, the principal should require an adequate system of internal controls so that no employee has control over a complete transaction.

MANAGEMENT'S RESPONSE:

Superintendent:

Response is the same as that of the principal.

Principal:

I concur. The former principal failed to ensure there was an adequate segregation of duties during the time period of this audit. Corrections have been made to ensure the policies in the *Tennessee Internal School Uniform Accounting Policy Manual*, page 4-8, are followed. Specifically: (1) The teacher/sponsor receives the initial funds; (2) Funds are turned into the cashier where it is counted and receipted {teachers receive a copy of the receipt}; (3) The cashier gives the money with the receipt to the financial secretary {verifies cash collection with deposit slips and log-ins to the Dunbar red book}; (4) Dunbar takes the deposit; and (5) Financial secretary reconciles bank statement monthly and the principal reviews and signs deposit analysis and monthly reports.

Financial Secretary:

Response is the same as that of the principal.

2. **FINDING:** **Major deficiencies in former financial secretary's collection and deposit procedures**

The former principal failed to ensure that the former financial secretary followed required procedures when collecting, recording, and depositing school money. We noted numerous deficiencies which contributed to the former financial secretary's ability to perpetrate and to conceal her misappropriation of school collections, including the following:

- The former financial secretary failed to issue prenumbered receipts for all collections and did not deposit the related collections into the school's bank account.

- The former financial secretary failed to comply with state law by not depositing school collections within three business days of receipt by a school employee. Investigators noted some checks paid to the school were apparently held for up to four months prior to deposit.

- The former financial secretary failed to deposit school collections intact. As noted in the Investigative Findings section, she removed some cash collections for her personal use before making related deposits; and she substituted unrecorded checks in place of some of the missing cash.

- In numerous instances, the former financial secretary altered, falsified, or disposed of school collection records.

- The former financial secretary signed various staff members' names, without their knowledge or permission, on some of the false documentation she created.

- For most deposits, the former financial secretary failed to include an itemized listing of checks included in the deposit.

- The former financial secretary failed to periodically provide account transaction reports to responsible staff members. Many school personnel stated that the former financial secretary failed to provide these reports even when specifically requested, although she would occasionally provide them with manually written balances. As a result, teachers were unable to verify and reconcile amounts recorded by the former financial secretary in the school's computerized accounting system, with amounts they collected and remitted or with authorized disbursements.

The *Tennessee Internal School Uniform Accounting Policy Manual*, Section 5, sets forth required procedures for collection of school money by cashiers and bookkeepers, including a requirement that money be counted and a prenumbered receipt issued at the time money is remitted, with the first copy of the receipt given to the payer. Regarding deposits, page 6–2 of the manual requires that

> [c]ollections should be deposited intact. Intact means that collections are deposited in the form and amount in which they are collected. All money collected must be deposited in the next deposit. No collections should be withheld from the deposit for any reason.… All checks should be listed individually on the deposit slip or an attached list, itemizing the name of the payer and the amount. The receipt numbers comprising the deposit should be written on the deposit slip.

RECOMMENDATION:

To adequately account for all school money so that it benefits the students for whom it was collected and intended, and to help ensure that errors or irregularities are detected timely, school officials should ensure that required collection procedures as set forth in the *Tennessee Internal School Uniform Accounting Policy Manual* are established and followed. School personnel should deliver total collections to the cashier/financial secretary at least daily. The principal should ensure that the cashier/financial secretary issues and provides prenumbered receipts promptly to the individual remitting the money or to the individual responsible for ensuring that the information on the receipt is accurate. In addition, the principal should ensure that school employees comply with state law requiring deposits of all school collections intact within three days of initial collection.

MANAGEMENT'S RESPONSE:

Superintendent:

Response is the same as that of the principal.

Principal:

I concur. There were major deficiencies in the former financial secretary's collection and deposit procedures. Corrections have been made by the new principal that ensures the collection, recording, and depositing of money follows required procedures as outlined in the *Tennessee Internal School Uniform Accounting Policy Manual*, Section 5. Training has been conducted with all staff regarding collection and depositing procedures. Specifically, prenumbered receipts are used, depositing procedures are in place to ensure deposits are made within three business days, and separation of duties are in place to ensure one staff member is not responsible for multiple jobs in the collection and depositing of the school's money.

Financial Secretary:

Response is the same as that of the principal.

3. **FINDING:** **Major deficiencies in faculty members' collection procedures**

The former principal failed to ensure that faculty members and other school employees followed required procedures when collecting school money and turning it over to the financial secretary. Following are some of the significant collection deficiencies that contributed to management's failure to detect timely the former financial secretary's misappropriation of collections totaling at least $142,307.

- Some faculty members and others receiving collections failed to retain copies of collection logs and other records documenting collections they turned over to the former financial secretary.

- School personnel did not always count and reconcile collections prior to turning them over to the financial secretary for deposit. For instance, ticket sellers did not count and record collections for basketball admissions prior to turning them over to the athletic director for safekeeping. The athletic director stated that, in most instances, he did not count the money prior to remitting it to the former financial secretary.

- Faculty members and others also failed to ensure that they received an accurate prenumbered receipt from the former financial secretary for all collections turned over for deposit. Since they failed to obtain receipts for collections turned over for deposit, faculty members could not verify the accuracy of all amounts that the former financial secretary recorded as being received from them. This allowed her misappropriation of school collections to continue undetected for an extended time.

- Some teachers stated they did not always turn in money promptly. Instead, some stated they retained collections until most or all of the collections for a particular purpose, such as a field trip, had been made.

- Faculty members and other employees routinely failed to record the date of collection on the collection records they prepared. Many teachers told investigators that the former financial secretary instructed them to leave the date blank on the collection logs they prepared.

- Designated faculty members failed to prepare or retain documentation of fundraiser profit analyses for some fundraising activities and other similar events. As a result, documentation for some collections was insufficient to determine whether expected profits were generated and deposited and whether reasons for any discrepancies were determined.

The *Tennessee Internal School Uniform Accounting Policy Manual*, Section 5, sets forth required procedures for collection of school money.

RECOMMENDATION:

To adequately account for school money and to make certain that it benefits the students for whom it was collected, and to help ensure that errors or irregularities are detected timely, the principal should ensure that required collection procedures set forth in the *Tennessee Internal School Uniform Accounting Policy Manual* are established and followed. School personnel should be required to count and complete a collection record for all collections, noting the method of payment, prior to turning them over to the school financial secretary. In addition, teachers and other staff members should remit collections to the financial secretary daily, and should reconcile related prenumbered school receipts

received from the school financial secretary with their copies of collection logs and other collection records.

MANAGEMENT'S RESPONSE:

Superintendent:

Response is the same as that of the principal.

Principal:

I concur. There were major deficiencies ensuring that staff members followed required procedures when collecting school money, specifically, turning money in to the financial secretary instead of the cashier as outlined in the *Tennessee Internal School Uniform Accounting Policy Manual*, Section 5. Training has been conducted with all staff regarding collection procedures as well as putting in place separation of duties; ensuring staff member collecting money completes ticket reconciliation the night of the events and lastly, the issuance of receipts.

Financial Secretary:

Response is the same as that of the principal.

4. **FINDING:** **Former principal failed to review supporting documentation prior to signing checks, resulting in numerous questionable and unsupported disbursements**

The former principal failed to review supporting documentation prior to signing school checks. As a result, he signed some checks for purchases of items that apparently did not benefit the school. As mentioned previously, the investigative audit revealed numerous personal purchases and unnecessary finance fees totaling $24,780. We also noted that purchases totaling $3,246 made at Target lacked adequate supporting documentation to indicate the nature of the purchases. Similarly, investigators were unable to locate adequate documentation for $5,232 in purchases at Kroger.

The *Tennessee Internal School Uniform Accounting Policy Manual*, page 6–3, states: "Before signing checks, each signatory should review adequate supporting documentation (such as vendor invoices, purchase authorizations, etc.)." In addition, page 6-8 of the manual requires principals of schools that have limited office employees to document their monthly review of the bank statement(s) and related documents.

RECOMMENDATION:

To better control disbursements and document that they are for a valid purpose, the principal should ensure that the financial secretary obtains and files adequate supporting

documentation for every disbursement. The principal should also review and approve the supporting documentation prior to signing any checks.

MANAGEMENT'S RESPONSE:

Superintendent:

Response is the same as that of the principal.

Principal:

I concur. The former principal failed to have a system in place consistent with the *Tennessee Internal School Uniform Accounting Policy Manual*, pages 6-3 and 6-8. Currently, all supporting documentation is attached to purchase orders and checks for review prior to principal's signature and monthly statements are reviewed and signed/initialed by the principal.

Financial Secretary:

Response is the same as that of the principal.

5. **FINDING:** **Failure to document fundraiser authorization, to prepare profit analyses and fundraiser summary reports, and to maintain adequate documentation for fundraising and other resale activities**

School personnel failed to comply with requirements of the *Tennessee Internal School Uniform Accounting Policy Manual* and with local board policies related to fundraising and resale activities.

We were unable to locate documentation that certain fundraisers were properly authorized. In addition, the former principal failed to ensure that appropriate personnel maintained adequate records of purchases, sales, and inventory, and that they analyzed recorded collections to determine if expected collection amounts were receipted and deposited. As noted previously, the former financial secretary failed to deposit into the school bank account over $171,000 that was collected for fundraisers and other school activities. Because adequate records were not retained, this misappropriation of collections was not detected by other school employees. Additionally, we found no documentation that fundraiser summary reports were prepared to show that proceeds were used for the intended purposes of the fundraisers.

The *Tennessee Internal School Uniform Accounting Policy Manual*, page 4–32, requires that

> [t]he principal must obtain written approval from the director of schools or designee for all fundraising activities that involve participation of the general student population in the marketing

> process of the fundraising effort. All other fundraising activities must have written approval from the principal. Authorizations should include the following information:
>
> 1. a list of the proposed fundraising activities;
> 2. purpose of the fundraising activity;
> 3. proposed uses of funds raised; and
> 4. expected student involvement in fundraising activity (school-wide or individual class or club).

The *Tennessee Internal School Uniform Accounting Policy Manual*, page 5–3, states:

> Teachers, assistants, volunteers, and support staff who handle money should be made aware of the requirement for maintaining accurate and systematic records of all cash collected.… At the beginning of each school year, the principal should ensure that all individuals responsible for school collections are informed of the required procedures and forms and the consequences for noncompliance with the required procedures.

Related to all resale activities, pages 4–30 through 4–32 of the manual further states that

> … profit analysis reports must be completed to document collections, expenses, and any losses of money or product.… The school must maintain detailed records to support all amounts recorded on these forms. If the profit analysis report indicates a shortage, an explanation must be given for the shortage.… To document that profits from school-sponsored fundraising activities conducted for designated purposes were expended for the purposes for which they were raised, a designated employee should prepare a fundraiser summary report. This report would include a summary of the expenditures showing how the profit was used.

RECOMMENDATION:

To ensure compliance with the manual and to establish accountability for fundraising and resale activities, the principal should ensure that required authorization is obtained prior to any fundraisers being conducted. In addition, the principal should require and ensure that adequate records of all fundraising and resale activities, such as collection records, are prepared and retained in the school's files. Sponsors should keep records of items given away or damaged, and inventory on hand. A profit analysis of each resale activity should be prepared comparing expected collections to actual collections, and any difference should be immediately identified and explained. Someone other than the individual receiving collections should verify amounts on profit analyses and other

reports. For fundraisers conducted for designated purposes, a fundraiser summary report should be prepared to show that the proceeds were used as intended.

MANAGEMENT'S RESPONSE:

Superintendent:

Response is the same as that of the principal.

Principal:

I concur. School personnel failed to comply with the completion of fundraiser authorizations, profit analyses, and fundraiser summary reports consistent with the *Tennessee Internal School Uniform Accounting Policy Manual*, page 4-32. Currently, all staff wishing to hold a fundraising event must complete a proposed fundraising activity to the principal for prior approval, and complete a profit analysis and fundraiser summary report consistent with items required in the *Tennessee Internal School Uniform Accounting Policy Manual*, page 4-32. Once this is completed, the financial secretary reviews and the principal sign/initials.

Financial Secretary:

Response is the same as that of the principal.

EXHIBITS

Exhibit 1

Faculty Copy – Collection Log for Receipt No. 2862

REV -07-00-018FIN

SHELBY COUNTY SCHOOLS

Record of Daily Cash Receipts By Activity or Fund

Date 2/19/10

Rec'd by LPace

Purpose of Collection ACT Prep

School Arlington High

Acct./Fund 710.000

Receipt No. 2862

Received From	Amount	Cash	Check #
1. Carmichael, [redacted] 2/20	25.00		5300
2. Craig, [redacted] 2/27/10	25.00		3332
3. Pitts, [redacted] 2/13, 2/20		50.00	
4. Thomas, [redacted] 2/27	25.00		1202
5. Williams, [redacted] 2/20	25.00		5374
6. Fryer, [redacted] 2/13	25.00		2010
7. Foutch, [redacted] 2/20	25.00		2974
8. Fryer, [redacted] 2/20, 2/27	50.00		2011
9. Addison, [redacted] 2/13, 2/20, 2/27 (11)		75.00	
10. Dorsuse, [redacted] 2/13, 2/20, 2/27 11		75.00	
11. Lewis, [redacted] 2/13	25.00		4738
12. Amick, [redacted] 2/13		25.00	
13. Zyshenas, [redacted] 2/20		25.00	
14. Blondis, [redacted] 2/27	25.00		1154
15. Klinger, [redacted] 2/20 10	25.00		1143
16. Butler, [redacted] 2/27	25.00		12265
17. Nelson, [redacted] 2/13	25.00		2217
18. Dersey, [redacted] 2/13	25.00		2028
19. Penny, [redacted] 2/27	25.00		2118
20. Shirdzee, [redacted] 2/20		25.00	
21. Lauderdale, [redacted] 2/20	25.00		3657
22. Courtney, [redacted] 2/13 11	25.00		5565
23. Ford, [redacted] 2/20 11	25.00		3095
24. Amick, [redacted] 2/27	25.00		2339
Total	475.00	275.00	

750.00

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White-Audit Copy / Canary-Employee Copy

Exhibit 1a

Bookkeeper's Altered Copy – Collection Log for Receipt No. 2862

REV -07-00-018FIN

SHELBY COUNTY SCHOOLS

Record of Daily Cash Receipts By Activity or Fund

Date 2/19/10

Rec'd by LPace

Purpose of Collection ACT Prep

School Arlington High

Acct./Fund 710.000

Receipt No. 2862

	Received From	Amount	Cash	Check #
1.	Carmichael, [redacted] 2/20	25.00		5300
2.	Craig, [redacted] 2/27/10	25.00		3332
3.	Pitts, [redacted] 2/13, 2/20			
4.	Thomas, [redacted] 2/27	25.00		1202
5.	Williams, [redacted] 2/20	25.00		5374
6.	Fryer, [redacted] 2/13	25.00		2010
7.	Foutch, [redacted] 2/20	25.00		2974
8.	Fryer, [redacted] 2/20, 2/27	50.00		2011
9.	Addison, [redacted] 2/13, 2/20, 2/27 (11)			
10.	Sprouse, [redacted] 2/13, 2/20, 2/27 11			
11.	Lewis, [redacted] 2/13	25.00		4738
12.	Smith, [redacted] 2/13			
13.	Zyshenas, [redacted] 2/20			
14.	Blondis, [redacted] 2/27	25.00		1154
15.	Klinger, [redacted] 2/20 10	25.00		1143
16.	Butler, [redacted] 2/27	25.00		12265
17.	Nelson, [redacted] 2/13	25.00		2217
18.	Dersey, [redacted] 2/13	25.00		2028
19.	Penny, [redacted] 2/27	25.00		2118
20.	Shirdzee, [redacted] 2/20			
21.	Lauderdale, [redacted] 2/20	25.00		3657
22.	Courtney, [redacted] 2/13 11	25.00		5565
23.	Ford, [redacted] 2/20 11	25.00		3095
24.	Smith, [redacted] 2/27	25.00		2339
	Total	475.00 cks only		

Former financial secretary concealed all cash amounts on this copy.

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White-Audit Copy / Canary-Employee Copy

Exhibit 2

Faculty Copy – Collection Log for Receipt No. 5944

REV -07-00-018FIN

SHELBY COUNTY SCHOOLS

Record of Daily Cash Receipts By Activity or Fund

Date 8/20/09

Rec'd by K. Woody

Purpose of Collection Vocab. workbooks

School Arlington High

Acct./Fund 302.002

Receipt No. 5944

	Received From	Amount	Cash	Check #
1.	[redacted] Palmer	$10	X	
2.	[redacted] Lewis	$10	X	
3.	[redacted] Moussa	$10	X	303
4.	[redacted] Terrell	$10	X	
5.	[redacted] Brewer	$10	X	
6.	[redacted] Bowman	$10	X	
7.	[redacted] Goodman	10	X	
8.	[redacted] Kelsey	10		5397
9.	[redacted] Douglas	10	X	
10.	[redacted] Barnes	10	X	
11.	[redacted] Faulkner	10	X	
12.	[redacted] Thomas	10	X	
13.	[redacted] Tossa	10	X	
14.	[redacted] Osman	10	X	
15.	[redacted] Barnes	10	X	
16.	[redacted] Rose	10	X	
17.	[redacted] White	10	X	
18.	[redacted] Johnson	10	X	
19.	[redacted] Stallings	10		3710
20.	[redacted] Voyles	10	X	
21.	[redacted] Mullen	10		7283
22.	[redacted] Talbot	10		1593
23.	[redacted] Birdsong	10	X	
24.	[redacted] Laney	10		2297
	Total	$240		

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White-Audit Copy / Canary-Employee Copy

Exhibit 2a

Bookkeeper's Fabricated Copy – Collection Log for Receipt No. 5944

REV -07-00-018FIN

SHELBY COUNTY SCHOOLS

Record of Daily Cash Receipts By Activity or Fund

Date 8/20/09

Rec'd by K Woody

Purpose of Collection vocab wkbks

School AHS

Acct./Fund 302.002

Receipt No. 5944

	Received From	Amount	Cash	Check #
1.	[redacted] Palmer	10	X	
2.	[redacted] Moussa	10		303
3.	[redacted] Kelsey	10		5397
4.	[redacted] Stallings	10		8710
5.	[redacted] Mullen	10		7283
6.	[redacted] Talbot	10		1593
7.				
8.				
9.				
10.				
11.				
2.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
	Total	60.00		

Former financial secretary prepared false collection log showing only the check payments and one cash payment.

Page 1 of 1

White-Audit Copy / Canary-Employee Copy

Exhibit 3

Invoice for Purchase of Drum Set for Family Member

Cust no: [redacted]

GUITAR CENTER KILLEEN
1600 Lowes Blvd Ste 100
Killeen, TX 76542-5329
254-519-1070
DUPLICATE

Sls no: 4910021336
01-17-08
01 REGULAR SALE

Qty	Description	Sku	Amount
1	SABIAN 45007S 7PC B8 LTD ED PERF PREPACK	7291127000	275.21
4	SP SP880BS DBL BRACED BOOM STAND SOUND PERCUSSI	2129235000	145.40
1	TAMA HH905 LEVER GLIDE HIHATSTAND	5482873000	147.24
2	TAMA HP900P IRON COBRA PWR GLIDE BD PEDAL W/CAS	6397619000	238.80
1	SP SPC18 18IN CYM BOOM CLAMPSOUND PERCUSSION	4869278000	25.94
1	VIC FIRTH MUTE08 8IN DRUM MUTE	4362863000	0.77
1	SP SP770DT MED WEIGHT DRUM THRONE SOUND PERCUSS	5548963000	30.21
1	DW PACIFIC PD852208-REV 8PC 805 SER REV KIT BH	9146092000	823.92
1	ZILDJIAN 5AND / SDB5AND (PR) 5A NT NATURALS DIP	9805860000	7.21
1	PROMARK TXR5AW (PR) 5A NATURALS HICKORY WT STIC	6895446000	6.62
1	PROMARK PW5AW (PR) 5A OAK WT STICKS	4494018000	7.69

Arlington High School VISA card used

Pay Type	Pay Amt		
03 VISA	500.00	Subtotal	1709.01
03 VISA	1350.00	Tax	140.99
		Total	1850.00

Cashier: 042622

PLEASE NOTE :

Salesperson: 054678 JONATHAN HULL