



TOONE ELEMENTARY SCHOOL

Comptroller's Investigative Report February 21, 2018

Justin P. Wilson, Comptroller





JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

February 21, 2018

Director of Schools and School Board Members
Hardeman County Schools
10815 Old Highway 64 West
Bolivar, TN 38808-3599

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Toone Elementary School – Hardeman County Schools, and the results are presented herein.

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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson", is written over a light gray rectangular background.

Justin P. Wilson
Comptroller of the Treasury

JPW/RAD

INVESTIGATIVE REPORT

Toone Elementary School

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Toone Elementary School (school) – Hardeman County Schools. The Comptroller’s Office initiated an investigation after school system officials discovered a discrepancy and reported possible missing funds related to the school’s Junior Beta Club. The Junior Beta Club promotes the ideals of academic achievement, leadership, and service to selected students in grades 4 through 8.

INVESTIGATIVE RESULTS

- **Former teacher/sponsor Erin Piefer misappropriated Toone Elementary School Junior Beta Club funds totaling at least \$2,125**

During the period August 2016 through April 2017, Erin Piefer, a fifth-grade teacher and Junior Beta Club sponsor, misappropriated school funds totaling at least \$2,125 designated for the Junior Beta Club. Ms. Piefer perpetrated her scheme by failing to turn over for deposit some funds collected by students during a candy fundraiser as well as money remitted directly to her by students and parents to offset the student cost of the National Beta Club convention trip to Nashville in November 2016. Instead, Ms. Piefer retained these funds for her personal benefit.

In April 2017, after school officials initially confronted Ms. Piefer with the apparent shortage, she remitted \$840 to school officials. Ms. Piefer claimed that she had collected these funds on the day students departed for the convention and that she had forgotten she had this money. Ms. Piefer subsequently told Comptroller investigators that, without the knowledge or consent of school officials or parents, she retained and used some Junior Beta Club fundraiser collections to pay for personal expenses, including past-due house payments. She also admitted that she had borrowed the \$840 in an attempt to pay back what she owed and to keep her job. Ms. Piefer submitted her resignation on August 25, 2017.

Summary of Misappropriation by Teacher/Sponsor Erin Piefer

Source of Funds	Amount
Candy fundraiser collections	\$2,044
Additional convention trip collections	<u>81</u>
Total	<u>\$2,125</u>

These matters were referred to the local district attorney general. On February 16, 2018, Erin Piefer pled guilty to one count of Theft over \$1,000.

ADDITIONAL ISSUES

Our investigation revealed deficiencies in financial processes that contributed to Ms. Piefer's ability to perpetrate her misappropriation without prompt detection. These financial process deficiencies included:

- School officials failed to require a timely fundraiser profit analysis by someone not involved with the collections or recordkeeping for the fundraiser. In addition, school officials failed to obtain a fundraiser summary report as required by the *Tennessee Internal School Uniform Accounting Policy Manual*.
- School officials failed to ensure that all collections were deposited within three days as required by state law.

Toone Elementary School officials indicated that they have corrected these deficiencies.