



Jason E. Mumpower, Comptroller of the Treasury

May 31, 2023

Former Whitesburg Elementary School Secretary Indicted for Theft School is located in Hamblen County

An investigation by the Tennessee Comptroller's Office has resulted in the indictment of Karen Whittaker, the former secretary at Whitesburg Elementary School in Hamblen County.

The investigation was initiated after the school's external auditor reported numerous accounting irregularities in the financial records. Whittaker performed the duties of a school bookkeeper.

Investigators determined that from August 2021 through June 2022 Whittaker stole at least \$1,104.50 using a check for cash swap scheme. Whittaker exchanged unreceipted checks received by the school for receipted cash collections.

For example, in May 2022 Whittaker received and deposited two checks totaling \$804.50; however, she did not receipt the checks or record them in the school accounting system. Instead, she exchanged the checks for cash from other school collections, effectively "cashing" the checks through the collection drawer and keeping the cash for her personal use. The cash should have been deposited into the school's bank account.



Whittaker acknowledged to investigators that she had taken school collections and used the cash due to personal financial problems.

Additionally, Whittaker created receipts and signed the initials of another school employee without their knowledge or permission. Investigators were not able to confirm the legitimacy of the information on the receipts.

Karen Whittaker's employment was terminated on September 1, 2022. Based upon this investigation, in May 2023, the Hamblen County Grand Jury indicted her on one count of theft over \$1,000, one count of identity theft, and one count of forgery over \$1,000.

"School leaders must ensure they are separating the financial responsibilities within their buildings," said Comptroller Mumpower. "Whittaker was responsible for receipting collections, preparing bank deposits, and reconciling receipts with bank deposits. Separating those duties and increasing oversight helps prevent fraudulent activity."

To view the investigative report, go to tncot.cc/doireports. To view a map depicting Comptroller investigations, go to tncot.cc/mappinginvestigations.

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