



ROBERTSON COUNTY SCHOOLS TRANSPORTATION DEPARTMENT

Comptroller's Investigative Report
September 11, 2018

Justin P. Wilson, Comptroller





JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

September 11, 2018

Director of Schools and Members of the
School Board
Robertson County Schools
and
County Mayor and Members of the
County Commission

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Robertson County Schools Transportation Department, 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 that reads "Justin P. Wilson".

Justin P. Wilson
Comptroller of the Treasury

JPW/RAD

INVESTIGATIVE REPORT

ROBERTSON COUNTY SCHOOLS TRANSPORTATION DEPARTMENT

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Robertson County Schools Transportation Department (transportation department). Robertson County Schools officials notified the Comptroller's Office after becoming concerned about possible duplicate invoices for bus repairs.

Robertson County Schools operated under the provisions of the County Financial Management System of 1981, codified at *Tennessee Code Annotated*, Section 5-21-101, et seq. As allowed by these provisions, the county budget office issued monthly purchase orders in predetermined amounts for repair vendors. The monthly purchase order for the vendor in question was \$2,500. When the transportation department exceeded the purchase order amount in a month, the provisions required the department to request an additional purchase order for the extra amount. When a repair exceeded the original purchase order amount for that repair, the provisions allowed the department to request an additional check to pay the difference.

INVESTIGATIVE RESULTS

- **Transportation department service manager circumvented purchasing policy**

The transportation department service manager directed a bus repair vendor to manipulate the billing process in order to avoid the approval process and resultant paperwork necessitated by Robertson County Schools' purchasing requirements. In lieu of submitting invoices showing the actual dates, repairs, and charges for some costly repairs, the service manager directed the vendor to prepare multiple repair bills for smaller amounts (often referred to as a "split invoice") and submit them over a period of several months. The service manager approved these manipulated invoices for payment.

The service manager admitted to investigators that he directed the vendor to split invoices. This circumvention of policy made his administrative tasks easier by avoiding additional approvals required due to purchasing thresholds and purchase order limits. He indicated that this had been his practice for some time. The vendor acknowledged that he complied with the service manager's directive and altered information, including amounts, repair descriptions, dates, and vehicle mileage, on multiple invoices to give the appearance that the costs of the repairs were less than the \$2,500 monthly purchase threshold. **[Refer to Exhibit 1 on the following page.]**

Exhibit 1

Because it exceeded the approved repair amount, this repair bill was split into four smaller invoices. As noted, the dates were altered to align with the dates submitted. Although the bus was in service during the time shown, the indicated mileage remained the same on each invoice. For illustrative purposes, only the identification portions of these split invoices are shown.

Invoice 1

[Redacted]		71114	
[Redacted]		04/21/16	09:36 am
Customer Name	ROBERTSON CO. BUS GARAGE		Auth # PO-2-05893
Address	INDUSTRIAL BLVD.		Fleet # Fleet# N/A
City	State	Zip	615-384-4555
Springfield	TN	37172	6153823600
Year	Make	Model	Vin Number
14	IHC	63-04	4A969042
			License
			?
			Mileage
			149570

Invoice 2

[Redacted]		70641	
[Redacted]		9/1/16	07:31 am
Customer Name	ROBERTSON CO. BUS GARAGE		Auth # PO2-0582-BUDDY
Address	INDUSTRIAL BLVD.		Fleet # Fleet# N/A
City	State	Zip	615-384-4555
Springfield	TN	37172	6153823600
Year	Make	Model	Vin Number
14	IHC	63-04	4A969042
			License
			?
			Mileage
			149570

Invoice 3

[Redacted]		72435	
[Redacted]		10/1/16	08:50 am
Customer Name	ROBERTSON CO. BUS GARAGE		Auth # PO-2-0804-BUDDY
Address	INDUSTRIAL BLVD.		Fleet # Fleet# N/A
City	State	Zip	615-384-4555
Springfield	TN	37172	6153823600
Year	Make	Model	Vin Number
14	IHC	63-04	4A969042
			License
			?
			Mileage
			149570

Invoice 4

[Redacted]		72717	
[Redacted]		11-1-16	09:09 am
Customer Name	ROBERTSON CO. BUS GARAGE		Auth # PO-2-0814-BUDDY
Address	INDUSTRIAL BLVD.		Fleet # Fleet# N/A
City	State	Zip	615-384-4555
Springfield	TN	37172	6153823600
Year	Make	Model	Vin Number
14	IHC	63-04	4A969042
			License
			?
			Mileage
			149570

Subsequent invoice dates altered from original invoice date.

Bus in service, but mileage remained the same.

- **Inadequate scrutiny of invoices by management to ensure accuracy and validity**

Transportation department management did not adequately scrutinize repair invoices to ensure that all charges were accurate and valid. In at least one instance, it appeared the department was charged for a repair that should have been covered by warranty. Other charges were insufficiently detailed to determine what service was billed. The vendor noted that occasionally he added charges for legitimate unexpected additional repair costs, such as labor for picking up additional parts. He acknowledged that these additional costs may not have been adequately or correctly detailed on the split invoices he was directed to prepare.

Department officials indicated that they have corrected or will correct these deficiencies.