



COMPTROLLER'S INVESTIGATIVE REPORT

Rock Springs Middle School

February 11, 2020

Justin P. Wilson
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JUSTIN P. WILSON
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February 11, 2020

Rutherford County Schools
Director Bill Spurlock
2240 Southpark Drive
Murfreesboro, TN 37128

and

Rutherford County Board of Education
Board Members
2240 Southpark Drive
Murfreesboro, TN 37128

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Rock Springs Middle School, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Lee, the State Attorney General, the District Attorney General of the 16th Judicial District, 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/MLC

INVESTIGATIVE REPORT

ROCK SPRINGS MIDDLE SCHOOL

The Office of the Comptroller of the Treasury investigated allegations of malfeasance involving fees and fundraisers of Rock Springs Middle School football and golf teams. The Comptroller initiated the investigation after officials with the Rutherford County Board of Education reported possible missing funds. The results of the investigation were communicated with the Office of the District Attorney General of the 16th Judicial District.

BACKGROUND



Rock Springs Middle School, located in Smyrna, Tennessee, is operated by the Rutherford County Board of Education. The school serves sixth through eighth grade students and has a student population averaging 1,050. The football and golf teams are among the extra-curricular athletic opportunities offered by the school. These teams are funded in part by activity fees and fundraising activities.

RESULTS OF INVESTIGATION

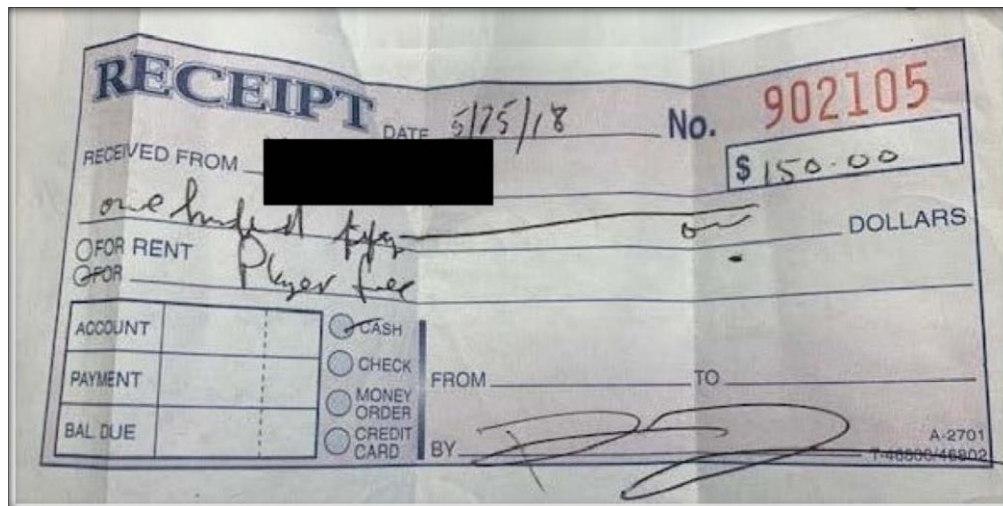
1. FORMER FOOTBALL AND GOLF COACH MISAPPROPRIATED AT LEAST \$8,045

During the period July 1, 2017, through October 31, 2018, school football and golf coach, Ryan Trotter misappropriated football and golf collections totaling at least \$8,045. Trotter perpetrated his misappropriation by failing to turn over some collections he received to the school bookkeeper for deposit into the school's bank account. Instead, he retained these funds for his personal benefit. Investigators confirmed with parents and other individuals the amounts they paid to Trotter for football and golf activities.

- Trotter Misappropriated Football Player Fees Totaling at Least \$5,540**
 During the period January 1, 2018, through October 31, 2018, Trotter misappropriated football player fees totaling at least \$5,540, retaining the collections for his personal benefit. As football coach, Trotter had the sole responsibility to collect and record the player fees and to remit those fees to the school bookkeeper. Trotter failed to record the collected fees on the required collection forms he submitted to the bookkeeper, effectively concealing his misappropriation.

In addition to the collection form, school procedures required Trotter to issue a receipt from the school-issued receipt book to the payor at the time he received any cash payments. Trotter's receipt books were unavailable for investigators to review. However, at least one parent was able to locate and provide a receipt issued by Trotter during the 2017-2018 school year [Refer to Exhibit 1]. Trotter did not remit the cash associated with this receipt to the school bookkeeper; instead, he kept this money for his personal benefit.

Exhibit 1



Receipt issued by Trotter for payment of player fee. Trotter failed turn over the payment to the school bookkeeper for deposit.

- Trotter Misappropriated Football Fundraiser Collections Totaling at Least \$2,205**
 During the period July 1, 2018, through October 31, 2018, Trotter misappropriated football fundraiser collections totaling at least \$2,205, retaining the funds for his personal benefit. Trotter was solely responsible for collecting and recording the money received from the discount card fundraiser and remitting those funds to the school bookkeeper. Trotter failed to record these collections on the forms he submitted to the bookkeeper, effectively concealing his misappropriation.
- Trotter Misappropriated Golf Player Fees Totaling at least \$300**
 During the period July 1, 2017, through June 30, 2018, Trotter misappropriated golf player fees totaling at least \$300, retaining the fees for his personal benefit. Trotter had the sole responsibility to collect and record the player fees and to remit those funds to the school bookkeeper. Trotter failed to issue receipts for most of the cash collections

and failed to record these fees on required collection forms he submitted to the bookkeeper, effectively concealing his misappropriation.

Summary of Misappropriation by Football and Golf Coach Ryan Trotter

Misappropriation	Amount
Football Player Fees	\$ 5,540
Football Discount Card Fundraiser	2,205
Golf Player Fees	300
Total	<u>\$ 8,045</u>

Trotter admitted to investigators that he retained football and golf collections without the knowledge of school officials and that he used these funds for his personal benefit. Trotter resigned from employment with Rutherford County Schools effective November 30, 2018.

On December 2, 2019, the Rutherford County Grand Jury indicted Ryan Trotter on one count of Theft over \$2,500.

[Rock Springs Middle School Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Tennessee Code Annotated, Section 49-2-110, provides for student activity funds and establishes responsibility for those funds. This section requires local school systems to adopt the *Tennessee Internal School Uniform Accounting Policy Manual* (manual) and to maintain all activity funds and records in accordance with the requirements noted in the manual. The manual also requires in Section 5, Title 2, page 5-3, that, “Teachers/others who collect money should prepare a collection record (prenumbered receipt, collection log, ticket reconciliation, signed recorded count, etc.) for each separate activity. All collections by teachers/others should be remitted to the cashier daily or more frequently, if necessary.”

Our investigation revealed internal control and compliance deficiencies in the school’s financial processes that contributed to the coach’s ability to perpetrate his misappropriation. These deficiencies included:

Deficiency 1: Former school coach did not adequately account for collections

The former coach failed to account adequately for fundraising and other collection activities. In addition to the activity fees and the sale of discount cards in Fall 2018, the football team raised money from the sales of sports drinks and ice pops, tickets to a local salt cave, and an additional

discount card sale during the scope of the investigation. As stated above, the manual requires teachers to account for all collections and turn those collections over for deposit. Due to the lack of records and controls over beginning and outstanding inventory as well as over payments received, investigators were unable to determine whether the former coach misappropriated additional proceeds from fundraising activities and collections of activity fees. Failure to produce and retain adequate documentation increases the risk that errors or misappropriations will occur without prompt detection.

Deficiency 2: Former coach failed to complete and turn over adequate fundraiser documentation

The former coach failed to complete and turn over adequate fundraiser documentation to allow the school bookkeeper to accurately complete the required fundraiser profit analysis and summary report. Section 4, Title 8 of the manual sets forth required procedures for fundraising and resale activities. The manual requires that accurate and systematic records of all cash collected should be maintained, that fundraisers be reconciled, and that school officials prepare a fundraiser summary report to ensure that profits from school-sponsored fundraising activities were expended for the purposes for which they were raised. Fundraiser profit analyses and summary reports help ensure that errors or misappropriations will be promptly detected.

School officials indicated that they have corrected or intend to correct these deficiencies.
