



## COMPTROLLER'S INVESTIGATIVE REPORT

# Cocke County High School Baseball Team

*October 17, 2023*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF INVESTIGATIONS**



JASON E. MUMPOWER  
*Comptroller*

October 17, 2023

Cocke County Board of Education  
216 Hedrick Drive  
Newport, TN 37821

Cocke County Board of Education:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Cocke County High School Baseball Team, 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 4<sup>th</sup> Judicial District, certain state legislators, and various other interested parties. A copy of the report is available for public inspection in our Office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

A handwritten signature in blue ink that reads "Jason E. Mumpower".

Jason E. Mumpower  
Comptroller of the Treasury

JEM/MLC

# INVESTIGATIVE REPORT

## Cocke County High School Baseball Team

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Cocke County High School Baseball Team. The investigation was initiated after Cocke County High School officials reported questionable baseball collections procedures and possible misuse of baseball funds. The investigation was limited to selected records for the period July 1, 2022, through June 30, 2023. The results of the investigation were communicated with the Office of the District Attorney General of the 4<sup>th</sup> Judicial District.

### BACKGROUND



Cocke County High School (CCHS) is part of the Cocke County School System and is located in Newport, Tennessee. CCHS serves approximately 1,156 students in grades 9-12 and offers a baseball program for eligible students. The CCHS baseball program operates concessions at baseball games, sells game tickets, and performs fundraisers to fund baseball activities and operations.

### INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Tennessee Code Ann. § 49-2-110, provides authorization criteria for student activity fund collections and establishes requirements for the regulation, standards, procedures, accounting, handling, safekeeping, and responsibility for those funds. This section requires local school systems to adopt and comply with the requirements set forth in the *Tennessee Internal School Uniform Accounting Policy Manual* (Manual). The Manual requires teachers/others who collect money to prepare a collection record for each separate activity.

Investigators performed interviews and reviewed CCHS accounting records and related supporting documentation for potential fraud, waste, abuse, or reportable deficiencies in internal control and compliance. Our investigation revealed the following deficiencies in internal control and compliance:

**Deficiency 1: CCHS officials failed to maintain required supporting documentation for baseball concessions collections**

CCHS officials failed to maintain required cash count records or supporting documentation for baseball concessions confirming collections, amounts withdrawn for starting cash, and amounts deposited. Investigators were not provided proper documentation of collections for baseball

concessions during the period reviewed. Without proper documentation of collections, investigators could not determine that all baseball concessions collections were properly accounted for and deposited.” According to the Manual, concessions cash counts should be performed and signed by two responsible individuals, collections should be receipted with the school cashier, and the cash count record should be maintained by the school. In addition, CCHS officials failed to require monthly profit analysis reports for baseball concessions. For concessions activities, the Manual states “...monthly profit analysis reports must be completed to document collections, expenses, and any profit or losses of money or product.” Providing adequate accountability and oversight of collections and profitability reduces the risk that errors or misappropriations will occur without prompt detection.

**Deficiency 2: CCHS officials failed to obtain written agreements with outside vendors for most baseball fundraisers**

Investigators reviewed all supporting documentation for baseball fundraisers involving outside vendors and determined that in all but one instance, CCHS officials failed to obtain written agreements for baseball fundraisers. According to the Manual, “A written agreement should be obtained when the school-sponsored fundraiser involves an outside vendor...Accurate and systematic records of all cash collected should be maintained. Once collections are complete, the designated school authority should ensure that a proper division of profits is made in accordance with the written agreement and that the outside vendor’s portion is remitted.” Without written agreements for baseball fundraisers involving outside vendors, investigators could not determine whether fundraiser collections were properly deposited, accurate, or properly disbursed to the outside vendor.

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

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