



COMPTROLLER'S INVESTIGATIVE REPORT

Hardin County Middle School

July 24, 2023

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

July 24, 2023

Hardin County Board of Education
and Director of Schools
155 South Guinn Street
Savannah, TN 38372

Hardin County Board of Education and Director of Schools:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Hardin County 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 24th 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, appearing to read "Jason E. Mumpower", is written over a faint, larger version of the signature.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Hardin County Middle School

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to a Hardin County Middle School employee. The investigation was limited to selected records for the period from August 1, 2022, through September 15, 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 24th Judicial District.

BACKGROUND



Hardin County Middle School (school), located in Savannah, Tennessee, is part of Hardin County Schools. The school serves sixth through eighth grade students with a student population of approximately 690.

To provide students with a uniform set of school supplies, the school requests an optional \$30 supply fee from each student instead of distributing a school supply list. For the 2022-2023 school year, students could attend a community event and obtain a voucher to be used for a \$10 credit toward their optional school supply fee. Additionally, students may pay a \$10 fee to rent a locker from the school for the duration of the school year.

Amy McSwain (McSwain) was the school's English Language Arts teacher for the 2022-2023 school year. In addition to teaching responsibilities, McSwain was responsible for collecting applicable fees from her homeroom students and remitting the fees to the school's bookkeeper. McSwain resigned from her employment with the school system on June 30, 2023.

RESULTS OF INVESTIGATION

- **HARDIN COUNTY MIDDLE SCHOOL TEACHER AMY MCSWAIN MISAPPROPRIATED AT LEAST \$370 IN STUDENT SUPPLY AND LOCKER FEES**

From August 1, 2022, through September 15, 2022, McSwain misappropriated at least \$370 from the school by failing to remit student supply and locker fees she collected. According to official school records, McSwain had 23 students assigned to her homeroom class. Investigators confirmed that she collected fees totaling \$550 from at least 16 students.

McSwain failed to complete official collection logs documenting these collections and did not remit any fees collected from students to the school’s bookkeeper.

School officials discovered the missing collections when a parent reported that a check the parent had written for student fees had not cleared their bank account. When asked by school officials, McSwain stated she would look for the missing collections.

Subsequent to the investigation, on May 18, 2023, school officials found McSwain’s assigned money bag behind a filing cabinet alongside her personal effects. The money bag did not have cash but contained six checks totaling \$180 collected by McSwain for student supply and locker fees.

Summary of Misappropriation

Fees Collected	Amount
Student Supply and Locker Fees	\$550
Less: Checks Found	(180)
Total Amount Misappropriated	\$370

Fees Payment Method	Amount
Cash Payment	\$340
Check Payment	30
Total Amount Misappropriated	\$370

McSwain admitted to investigators that she did not remit any fees collected from students to the school’s bookkeeper. McSwain also stated that she is responsible for this money and is willing to repay the student supply and locker fees.

On July 17, 2023, the Hardin County Grand Jury indicted Amy McSwain for one count of Theft of Property \$1,000 or less and one count of Official Misconduct.

The charges and allegations contained in the indictment are merely accusations of criminal conduct, and not evidence. The defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt and convicted through due process of law.

[Hardin County Middle School Investigative Exhibit](#)

COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in compliance, some of which contributed to McSwain's ability to perpetrate her misappropriation without prompt detection:

Deficiency 1: Hardin County Middle School officials did not ensure its collection log process was complied with for student supply and locker fees

Local school systems are required to adopt the *Tennessee Internal School Uniform Accounting Policy Manual*, which requires using a collection log or issuing prenumbered receipts. Tenn. Code Ann. § 49-2-110. The school complied by adopting the collection log process, but McSwain did not follow school policy. As a result of her noncompliance, investigators could not determine if all funds collected from students were remitted to the school's bookkeeper. Adequate documentation of collections increases accountability and reduces the risk of funds being misused or misappropriated.

Deficiency 2: School officials did not ensure that collections were deposited within three days of collection

Investigators noted that some collections were not deposited within three days of collection. Tenn. Code Ann. § 49-2-110 requires local school systems to adopt the *Tennessee Internal School Uniform Accounting Policy Manual*, which requires all funds to be deposited in a bank account within three days of collection. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

Hardin County Middle School officials indicated they have corrected or intend to correct these deficiencies.
