



## COMPTROLLER'S INVESTIGATIVE REPORT

# Energy Efficient Schools Initiative

*August 5, 2024*

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



**DIVISION OF INVESTIGATIONS**



JASON E. MUMPOWER  
*Comptroller*

August 5, 2024

Energy Efficient Schools Initiative Counsel  
710 James Robertson Parkway, 10<sup>th</sup> Floor  
Nashville, TN 37243

Energy Efficient Schools Initiative Counsel:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Energy Efficient School Initiative, 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 17<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, appearing to read "Jason E. Mumpower", with a long horizontal flourish extending to the right.

Jason E. Mumpower  
Comptroller of the Treasury

JEM/MLC

# INVESTIGATIVE REPORT

## Energy Efficient Schools Initiative

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Energy Efficient Schools Initiative. The Comptroller's Office initiated the investigation after receiving allegations of potential time fraud. The investigation was limited to selected records for the period January 4, 2021, through December 29, 2023. The results of the investigation were communicated with the Office of the District Attorney General of the 17<sup>th</sup> Judicial District.

### BACKGROUND



The Energy Efficient Schools Initiative (EESI) was established in 2008 with a one-time allotment of 90 million dollars derived from excess Lottery Funds. Its purpose is to provide Tennessee's public K-12 schools access to low-interest revolving loans that fund energy-efficient projects. The EESI offers low-interest loans for energy-efficient projects, technical options for distressed districts, energy assessments and feasibility studies, technical review of existing proposals and designs, equipment bid specifications and commissioning plans, utility bill tracking and analysis, and strategic energy management planning. The EESI council is attached to the Tennessee Department of Education for all administrative matters relating to receipts, disbursements, expense accounts, budgets, and audits.

The EESI has a staff comprised of three individuals and is directed by a twelve-member council that carries out the obligations prescribed in Tenn. Code Ann. § 49-17-101 et seq. All EESI staff, including the executive director's position, are full-time employees. Each staff member is allowed to work remotely and is expected to work 37.5 hours per week (7.5 hours each day, Monday through Friday). All EESI staff are subject to the State of Tennessee employee attendance and leave policies.

### RESULTS OF INVESTIGATION

#### 1. THE ENERGY EFFICIENT SCHOOLS INITIATIVE EXECUTIVE DIRECTOR PAUL CROSS MISAPPROPRIATED AT LEAST \$11,130 BY FAILING TO REPORT LEAVE WHEN HE WAS NOT WORKING

The EESI executive director Paul Cross misappropriated \$11,130 by failing to report leave when he was not working from January 4, 2021, through December 29, 2023. Cross knowingly failed to notify his executive assistant when he was not working.

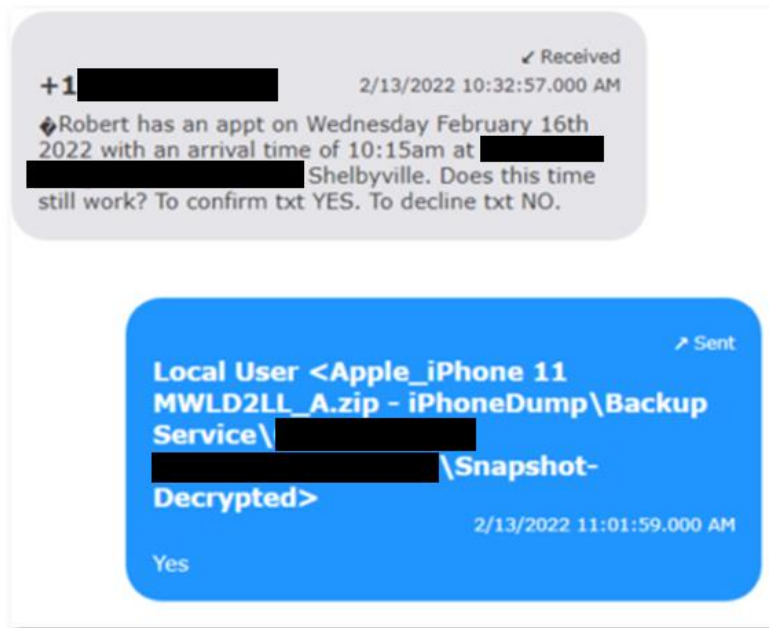
Cross admitted to investigators that between 2021 and 2023, there were at least 42 days in which he claimed to have worked 7.5 hours each day, but in fact, on some or most of these days, he was

either absent for personal reasons or in court for non-work-related matters. During an interview with investigators, Cross admitted that he did not work the hours that he claimed on his timesheet because he knew he would need extra leave in the following months due to personal issues and he would not have the leave balances to cover his time off work. He told investigators that he knew what he did was wrong and would pay the EESI back any money he misappropriated. Investigators analyzed Cross' state-issued iPhone and computer to determine when he was falsely claiming time worked.

### **A. State-Issued iPhone Analysis**

Investigators' review of Cross' state-issued iPhone revealed that he used this device for personal communication via text messages, Facetime, and calls with coworkers, friends, and family. Cross received numerous text messages and confirmations of multiple personal appointments in Shelbyville, Nashville, and Franklin. On February 16, 2022, Cross received a text message on his state-issued iPhone reminding him of an appointment, which he confirmed, and then falsely claimed to have worked 7.5 hours on the day of this appointment (**Refer to Exhibit 1**).

**Exhibit 1**



***A text message to Cross on his state-issued iPhone, and his response regarding an upcoming personal appointment***

Investigators identified multiple dates when Cross sent text messages on his state-issued iPhone indicating he was either in court or waiting for his attorney. Cross reported via his executive assistant as working 7.5 hours in Edison on all days he was in court or tending to personal legal matters.

**B. State of Tennessee Email Analysis**

Investigators reviewed Cross’ State of Tennessee assigned email history and found that he sent only one email between May 2, 2023, and July 11, 2023. Cross took five days of sick leave and no annual leave during this period, but falsely claimed he worked 7.5 hours each of the remaining days. Upon further review, investigators discovered several unanswered emails from one potential EESI vendor to Cross between March 30, 2023, and June 5, 2023, asking for a list of specific reports. Cross did not reply to this e-mail until June 12, 2023, and he indicated that he had not been at work.

**2. THE ENERGY EFFICIENT SCHOOLS INITIATIVE EXECUTIVE DIRECTOR PAUL CROSS ENGAGED IN QUESTIONABLE OR INAPPROPRIATE USE OF STATE EQUIPMENT**

Forensic analysis of Cross’ state-issued computer (laptop) revealed that he used it for personal reasons. During the period reviewed by investigators, Cross used his laptop to visit Facebook/Facebook Marketplace 3,029 times, Amazon 922 times, a personal Gmail account 289 times, healthcare provider websites 1,459 times, and several other non-work-related websites on numerous occasions over the three-year period reviewed. The time of day he would visit these sites varied from early morning to late evening, seven days a week. Investigators determined that these websites were not related to Cross’s duties or responsibilities that were necessary to conduct business on behalf of the EESI.

**Summary of Misappropriation by Paul Cross**

<b>Year</b>	<b>Hours</b>	<b>Amount per Hour</b>	<b>Total Amount</b>
2021	20.0	\$53	\$ 1,060.00
2022	100.5	53	5,326.50
2023	89.5	53	4,743.50
<b>Totals:</b>	<b>210.0</b>	<b>\$53<sup>1</sup></b>	<b>\$ 11,130.00</b>

<sup>1</sup> \$53 is an approximate amount per hour calculated by investigators.

On August 1, 2024, a criminal information was presented in Bedford County against Paul Cross on one count of Theft over \$10,000 but less than \$60,000.

The charges and allegations contained in the Criminal Information 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.

[Energy Efficient Schools Initiative Investigative Exhibit](#)