



COMPTROLLER'S INVESTIGATIVE REPORT

Greeneville School Support Corporation - Dance Team Booster Club

April 18, 2024

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

April 18, 2024

Greeneville City Schools
Board of Education and Superintendent
129 West Depot Street
Greeneville, TN 37743

Greeneville City Schools Board of Education and Superintendent:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Greeneville School Support Corporation – Dance Team Booster Club, 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 3rd 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

Greenville School Support Corporation – Dance Team Booster Club

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Greenville School Support Corporation’s dance team booster club. The investigation was limited to selected records for the period January 2018 through March 2023. The results of the investigation were communicated with the Office of the District Attorney General of the 3rd Judicial District.

BACKGROUND



The Greenville School Support Corporation (GSSC) in Greenville, Tennessee, is a nonprofit corporation established on May 23, 2008, to serve as the parent corporation and oversight board for the Greenville City School System’s individual school support organizations (SSO), excluding parent teacher organizations, at Greenville Middle School (GMS) and Greenville High School (GHS). Each SSO has its own board of directors (board), operates a bank account under GSSC’s

federal tax identification number, operates under GSSC’s state nonprofit corporation status, and must annually remit a financial report to GSSC.

The GSSC’s dance team booster club (club) was governed by a board of four officers, including a president, vice-president, secretary, and treasurer. Kimberly Brown, who served as club treasurer from June 2020 to March 2023, was responsible for collecting and depositing funds and paying associated club expenses. Club collections included dancer fees and funds raised from cookie sales, dance clinics, a spaghetti dinner, and sponsorships. Club expenses included uniforms, clothing, shoes, poms, camp registration, competition fees, fundraiser costs, banners, and end-of-season banquet expenses. The club supported the GMS and GHS dance teams from one bank account until July 2022, when a separate club and bank account were established to support the GMS dance team. In March 2023, GSSC dissolved the GHS club’s board and closed the GHS club’s bank account, which had maintained a negative bank balance since January 20, 2023. As of March 2023, GHS processes the GHS dance team’s financial activity through the GHS internal athletic accounts.

The School Support Organization Financial Accountability Act, codified in Tenn. Code Ann. § 49-2-601 *et seq.* provides that officers of the club, like officers of all other SSOs, are required to ensure the funds and property of their organization are safeguarded and used only for purposes related to the goals and objectives of the organization. To assist such officers in discharging their

duties, the Comptroller, pursuant to Tenn. Code Ann. § 49-2-610, published the *Model Financial Policy for School Support Organizations (Model Financial Policy)*, which prescribes a set of accounting controls to ensure the funds are used to further the organization’s goals and objectives.

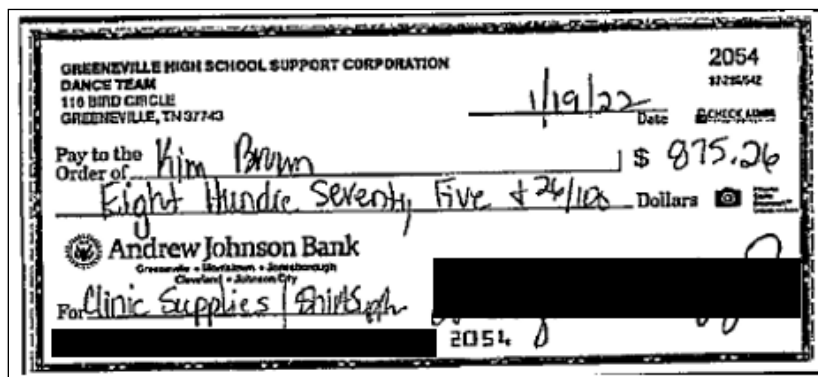
RESULTS OF INVESTIGATION

1. KIMBERLY BROWN MISAPPROPRIATED CLUB FUNDS FOR PERSONAL USE TOTALING AT LEAST \$6,079.79

From September 2021 through November 2022, Brown misappropriated club funds totaling at least \$6,079.79 as follows:

- A. Brown wrote reimbursement checks to herself and her family members totaling at least \$5,669.79 for her personal benefit. From September 2021 through November 2022, Brown issued 29 club checks to herself and two family members totaling \$10,322.54. The memo on each check indicated they were reimbursements for various club expenses, including dance camp, jackets, shoes, poms, clinic supplies, and other items (**Refer to Exhibit 1**). However, investigators were not provided with sufficient documentation to support that the checks were for reimbursement of club expenses. Brown admitted to investigators that \$5,547.66 of the reimbursements were for personal medical bills and not for club expenses. Brown also admitted she used her church’s credit card to pay \$122.13 in club expenses, but she issued a check to reimburse herself instead of the church. Investigators also question the remaining \$4,652.75 in reimbursement checks written to Brown and her family members (further discussed in Finding 4).

Exhibit 1



Example of a reimbursement check to Brown for her personal benefit.

- B. Brown misappropriated club funds totaling \$410.00 for bank fees and payments on two personal loans as follows:
- 1) In April 2022, \$75.00 in bank fees were deducted from the club’s bank account because a loan company attempted two \$2,959.75 electronic drafts from the club’s bank account for payment on Brown’s personal loan. The club’s bank account

balance was insufficient to cover the first attempt, which resulted in a \$35.00 returned item fee. Brown submitted a stop payment request for the second attempt, resulting in a \$40.00 stop payment fee.

- 2) In September 2022, Brown authorized a loan company to process a \$335.00 electronic draft from the club’s bank account for payment on her personal loan.

The table below summarizes Brown’s misappropriation of club funds:

Summary of Misappropriation by Kimberly Brown	
Category	Total
A. Reimbursement Checks	
Reimbursement for Personal Medical Expenses	\$ 5,547.66
Reimbursement for Club Expenses Paid by Church	\$ 122.13
Total Reimbursement Checks	\$ 5,669.79
B. Personal Loan Payments	
Bank Fees	\$ 75.00
Electronic Draft	\$ 335.00
Total Personal Loan Payments	\$ 410.00
Total Misappropriated Club Funds	\$ 6,079.79

2. KIMBERLY BROWN PRESENTED FOUR FABRICATED DOCUMENTS AS JUSTIFICATION FOR REIMBURSEMENTS

Brown presented investigators with three sales orders and one invoice as documentation to support four reimbursement checks to herself totaling \$2,105.42. The value of the reimbursement checks is included in the total misappropriation in Finding 1.A. above. The documents Brown provided did not match the standard sales order or invoice templates used by the club vendors (**Refer to Exhibit 2 and Exhibit 3**). Investigators identified formatting, spelling, and calculation errors on the fabricated documents. Brown handwrote credit card numbers and confirmation numbers on each document to validate the reimbursement. Investigators confirmed with the club vendors that the documents were not for valid orders and that the club vendors did not have a record of payment using the credit card numbers Brown provided.

Exhibit 2

The Athletic Shop, Inc.
1211 Latta St.
Chattanooga, TN 37406
423-875-4905
Sales@TheAthleticShop.com

Order: 68634 GREENVILLE MIDDLE SCHOOL - DANCE TEAM

Page #: 1

ORDER INFORMATION									
CUST PO: [REDACTED]	PAID ST: PARTIALLY PAID INVOICED	ORD ST: Historical							
ORD DATE: 07/30/2021	BALANCE: \$ 650.00	ART ST: No Art Needed							
DUPLICATE: 11/26/2021	MUST HIT: N	INV NO: 21V06834							
TERMS: Day /0									
CUSTOMER INFORMATION									
PURCHASING INFO		SHIPPING INFO							
NAME: [REDACTED]	AP CONT: GREENVILLE MIDDLE SCHOOL*	SCH ORG: [REDACTED]							
SCH ORG: GREENVILLE MIDDLE SCHOOL	PHONE: [REDACTED]	ATTN: [REDACTED]							
TEAM/DEPT: DANCE TEAM	FAX: [REDACTED]	ADDR: [REDACTED]							
PHONE: [REDACTED]	EMAIL: [REDACTED]								
FAX: [REDACTED]	ADDR: [REDACTED]								
EMAIL 1: [REDACTED]									
EMAIL 2: [REDACTED]									
TRACKING:									
SALES REPRESENTATIVE INFORMATION									
PRODUCT INFORMATION									
Qty	Vendor	Model	Color	Size-Qty	Description	CW#	Notes	Unit Price	Total Price
27	Addias (Spartanburg and SLD)	H0475	GREY	1 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27	CLERKSHIRTS PEE 1.0	0		\$50.00	\$1,350.00
3	Addias (Spartanburg and SLD)	H0475	GREY	1 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27	CLERKSHIRTS PEE 1.0	0		\$50.00	\$150.00
13	Addias (Spartanburg and SLD)	H0475	BLACK	1 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27	CLERKSHIRTS PEE 1.0	0	1130	\$50.00	\$650.00
13									\$650.00
TOTAL									\$2,650.00
ADDITIONAL ORDER NOTES									

Example of a valid sales order

The Athletic Shop, Inc.
1211 Latta St.
Chattanooga, TN 37406
423-875-4905

ORDER: 71632
Order Date: 1/17/2022

Past Due Rec'd 7/31/22

SALESPERSON	P.O. NUMBER	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS
[REDACTED]	71632	98A	Ground	Warehouse	Due on receipt

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
2	Addias (Spartanburg & SLD) H04757-6White	50.00	100.00
1	Addias (Spartanburg & SLD) H04757-7White	50.00	50.00
2	Addias (Spartanburg & SLD) H04757-7.5White	50.00	100.00
TOTAL			\$250.00

Subtotal: 250.00
Sales Tax: 0.00
Shipping & Handling: 40.20
Total Due: 290.20

Make all checks payable to Athletic Shop. To pay by credit card, call 423-875-4905

Example of a fabricated sales order

Exhibit 3

Rebel Athletic, Inc.
2554 Tarpley Rd.
Suite 110
Carrollton, TX 75006

Phone: 469-208-9612
Fax: 469-208-0017
Email: AR@rebelathletic.com

SALES ORDER

Revision: 0
S.O. Number: SO-5335703
S.O. Date: 11/05/2021
Type: Sales Order

Bill To: GREENVILLE HIGH SCHOOL TENNESSEE
210 TUSCULUM BLVD
GREENVILLE, Tennessee 37745
United States

Ship To: GREENVILLE HIGH SCHOOL TENNESSEE
210 TUSCULUM BLVD
GREENVILLE, Tennessee 37745
United States

Order Number	Customer PO Number	Sales Rep
#0105499	[REDACTED]	[REDACTED]

Item	Item Description	Qty	Item Price	Item Discount	Final Price	Final Amount
2114419	Category: School, Collection: Dance Uniforms, Gender: Girl, Style: U103R-Girls Long Sleeve Leotard(Raglan), Fabric Options: AthleticFlex, Style: U103R-Girls Long Sleeve Leotard(Raglan)	15	\$200.00	\$0.00	\$200.00	\$3,000.00
Shipping Fees - Team Order		1	\$90.00	\$0.00	\$90.00	\$90.00

Notes:
50% deposit required to move into production.
Pay Online by Credit Card (add 1.5% Conv Fee) or Electronic Check/Bank Tr. (No Fee)
www.rebelathletic.com/payments, all CC Transactions require additional 3% Convenience Fee
Send checks via Certified Mail, note your SO# in the Check Memo for accurate payment application. Once payment is received, no changes/cancellations can be made to custom apparel orders. Full payment including additional fees/surcharges is required before shipment/releasing of goods. No partial shipments. We recommend paying balances 3 weeks after deposit to avoid delays.

Payment Fees: Wire Transfer: (\$30 Domestic/\$40 Int'l); Credit Card: 3% Convenience Fee.
School Purchase Orders can be sent directly to AR@rebelathletic.com

CLICK TO PAY NOW

Subtotal	\$3,090.00
Estimated Tax	\$0.00
Check	\$3,090.00
Credit Card	\$3,182.70
Domestic Wire	\$3,120.00
International Wire	\$3,130.00

Deposit Requested	50%
Deposit Paid	\$0.00
Check/ACH Balance	\$3,090.00
Credit Card Balance	\$3,182.70

Example of a valid sales order

Rebel Athletics
2554 Tarpley Rd.
Suite 100
Carrollton, TX 75006

Phone: 469208-9612
Fax: 469-208-0017
Email: AR@rebelathletic.com

Sales Order# AD-63 36702
S.O. Date: 1/10/2022
Past Due

Bill To: [REDACTED]

Ship To: [REDACTED]

Rec'd late Rec'd 8/2/22

Order Number	PO Number	Sales Rep
#0106189		Kiesie

Qty	Description	Unit price	Line total
1	Item # 2114419 Style: U103R-Girls Long Sleeve	200.00	200.00
1	Shipping Fees	53.10	53.10
Subtotal			253.10
Sales Tax			0.00
Total			253.10

Paid by credit card 8/1/22 via phone
Conf # 6294368756

Pay online with credit card: www.rebelathletic.com/payments

Example of a fabricated sales order

3. KIMBERLY BROWN KNOWINGLY ISSUED A \$5,044.00 WORTHLESS CHECK

On January 17, 2023, Brown knowingly issued a \$5,044.00 club check when the club’s bank account balance was \$1.38. Six months past due, the check was tendered as payment for the team’s attendance at a July 2022 dance camp. Brown admitted to investigators that she knew the club’s bank account did not have enough funds to cover the check amount, but she issued and mailed it anyway. The check cleared the club’s bank account on January 20, 2023, resulting in a \$35.00 overdraft fee and an overdrawn account balance. Brown attempted to obtain sponsorships to cover the negative account balance, but she only collected and deposited \$1,000.00 of sponsorship funds in February and March 2023. As a result, the club had a negative bank balance until March 26, 2023, when GSSC deposited funds to cover the remaining negative balance and closed the account.

4. KIMBERLY BROWN MADE OTHER QUESTIONABLE DISBURSEMENTS TOTALING AT LEAST \$7,439.15

From July 2020 through March 2023, Brown made other questionable disbursements totaling at least \$7,439.15. These questionable disbursements included \$4,652.75 of reimbursements to Brown and her family, and \$2,786.40 for a cash withdrawal, a pageant sponsorship, a coach’s gift, and several checks to individuals and other club vendors. Brown did not maintain receipts or invoices for these disbursements as required by the *Model Financial Policy*; therefore, investigators could not determine whether these disbursements were lawful and exclusively for the benefit of the club’s operations.

The table below summarizes Brown’s other questionable disbursements:

Summary of Other Questionable Disbursements	
Category	Total
Checks for Reimbursements to Brown	\$ 4,247.53
Checks for Reimbursement to Brown's Spouse	\$ 210.12
Checks for Reimbursement to Brown’s Daughter	\$ 195.10
Total Questionable Checks for Reimbursement to Brown and Family	\$ 4,652.75
Cash and Checks to Other Individuals and Vendors	\$ 2,786.40
Total Other Questionable Disbursements	\$ 7,439.15

5. KIMBERLY BROWN DID NOT DEPOSIT AT LEAST \$3,407.00 OF EXPECTED FUNDRAISER COLLECTIONS

From June 2020 through September 2022, Brown did not deposit at least \$3,407.00 of expected collections from cookie sales and a dance clinic fundraiser. Brown did not provide investigators with fundraiser collection records as required by the *Model Financial Policy*. Instead, investigators obtained cookie orders and dance clinic fundraiser details from other sources. Based on these

fundraising details, investigators determined that expected collections from the fundraisers were at least \$3,407.00 less than the corresponding fundraiser collections deposited by Brown.

On April 16, 2024, the Greene County Grand Jury indicted KIMBERLY BROWN on one count of Theft of Property over \$2,500, one count of Worthless Checks over \$2,500, five counts of Forgery, four counts of Criminal Simulation, and four counts of Fabrication of Evidence.

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.

[Greenville School Support Corporation – Dance Team Booster Club Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal control and compliance, some of which contributed to Brown’s misappropriation of club funds without prompt detection. These deficiencies included:

Deficiency 1: Former club officers did not properly safeguard and maintain accurate records

Former club officers did not provide investigators with bylaws, financial policies, bank reconciliations, cash receipts, or certain collections documentation. The club records included limited documentation for disbursements. Investigators obtained some receipts and invoices directly from club vendors. Due to the lack of supporting documentation, investigators could not determine if collections were deposited in full or if all disbursements were for purposes related to the goals and objectives of the club. According to the *Model Financial Policy*, bylaws, financial policies, and official minutes of all meetings are “considered permanent records as long as the SSO exists and shall be maintained for at least four years after dissolution of the SSO.” In addition, “All collection and disbursement records, bank statements, imaged checks, receipts/invoices for disbursements...shall be organized, and maintained by the treasurer or bookkeeper by fiscal year. These records must be maintained for at least four years.” The lack of club organizational and financial records greatly increases the risk that fraud, waste, and abuse will occur without prompt detection.

Deficiency 2: Former club officers failed to implement adequate segregation of duties

Former club officers failed to segregate their duties adequately. Brown was responsible for fundraising and financial duties, including recordkeeping, making purchases, writing checks,

receipting collections, and depositing funds. The *Model Financial Policy* states, “Duties shall be segregated between officers and members of the SSO. No one person within the SSO shall be in control of a transaction from inception to recording.” Allowing one individual exclusive control over all financial duties increases the risk of fraud without prompt detection.

Deficiency 3: Former club officers failed to implement adequate controls for disbursements

Former club officers failed to implement adequate internal controls for disbursements as follows:

- Not all checks had dual signatures.
- Authorized check signers signed blank checks.
- Checks were issued out of number sequence.
- Checks were missing.
- Duplicate check numbers were used.
- Authorized check signers did not review copies of invoices or receipts before signing checks.

The *Model Financial Policy* recommends, “Official prenumbered checks should require two signatures.” Checks having two signatures provide an increased degree of control by indicating that both authorized signers agree that the payment is proper and reasonable. The *Model Financial Policy* further states, “Pre-signing blank checks shall never be allowed. Each disbursement by check should have an invoice or receipt to document the authenticity of the disbursement. Checks should not be signed unless the check is accompanied by supporting documentation.” Issuing checks out of sequence and using duplicate numbers makes it more difficult to discover fraudulent checks. Requiring a review of supporting documentation before signing checks reduces the risk that errors or intentional misappropriations will occur without prompt detection.

Deficiency 4: Former club officers failed to ensure funds were deposited within three days of collection

Former club officers failed to ensure that club funds were deposited within three days of collection as required by the *Model Financial Policy*. From June 2020 through March 2023, Brown failed to deposit collections for fundraisers, dancer fees, and sponsorships within three days of receipt. The delay in depositing funds weakens internal controls over collections and increases the risk of fraud and misappropriation.

Deficiency 5: Former club officers failed to submit proper fundraiser approval forms

Former club officers failed to complete and submit fundraiser approval forms for seven of nine fundraisers held during fiscal years 2021 and 2022. However, former club officers obtained proper fundraiser approval in fiscal years 2020 and 2023. Unapproved fundraisers included cookie sales, a dance clinic, and sponsorship request mailings. The *Model Financial Policy* requires, “The SSO must obtain approval of the director of schools or the director’s designee before undertaking any fundraising activity. The SSO shall maintain documentation to demonstrate the approval of the director of schools.”

Deficiency 6: Former club officers charged fees to dancers

Former club officers charged fees to dancers for practice clothes, camp, shoes, and other accessories, which is not allowed by the *Model Financial Policy*. The *Model Financial Policy* states, “SSOs must not charge fees to students to participate in school-sponsored activities or events...As such, they (fees) must be accounted for by the school and deposited in the school bank account.” The fees varied by year and between GMS and GHS programs. Due to the lack of adequate collection records, investigators could not determine if each dancer paid the same fees.

Deficiency 7: Former club officers maintained individual fundraising accounts

Former club officers maintained an individual account for each dancer, and fees charged could be reduced by fundraiser proceeds or sponsorship funds obtained. According to the *Model Financial Policy*, “When fundraising proceeds are attributed to specific students and used to offset fees or costs incurred by those students...it represents income to the students/parents.” Maintaining individual fundraising accounts may result in fines or penalties from the Internal Revenue Service.

Deficiency 8: Former club officers did not remit school funds to GHS officials

Former club officers did not remit funds collected by a coach to GHS officials. In some instances, parents would send fees or fundraiser collections to a coach’s Venmo account, and the coach would issue a personal check to the club for the same amount. The *Model Financial Policy* explains, “If the SSO collects school funds, whether voluntarily or inadvertently, the SSO shall immediately remit those funds to school officials. This would include money collected and accounted for by coaches, band directors, or other school representatives, which by definition (i.e., state law), is school money.”
