



COMPTROLLER'S INVESTIGATIVE REPORT

Oak Ridge High School Softball Boosters

November 5, 2024

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

November 5, 2024

Oak Ridge Board of Education
304 New York Avenue
Oak Ridge, TN 37830

Oak Ridge Board of Education:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Oak Ridge High School Softball Boosters, 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 7th 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 line extending to the right.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Oak Ridge High School Softball Boosters

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Oak Ridge High School Softball Boosters. The investigation was initiated after Oak Ridge High School officials reported questionable transactions by the former Oak Ridge High School Softball Boosters' treasurer. The investigation was limited to selected records for the period April 1, 2023, through August 11, 2023. The results of the investigation were communicated with the office of the District Attorney General of the 7th Judicial District.

BACKGROUND



Oak Ridge High School (school), located in Oak Ridge, Tennessee, is part of the Oak Ridge Schools district and serves students in grades 9 through 12. Oak Ridge High School Softball Boosters (booster club) was a school support organization (SSO) led by parents and other volunteers to support and promote the school's softball program. Elected officers operated the booster club, which consisted of a president, vice president, treasurer, and secretary.

In April 2023, a former booster club president and former treasurer resigned, closed all bank accounts, and turned over all funds to the school. The booster club members then met to elect new officers and selected Mindy Orlandino, the former booster club secretary, as treasurer. The booster club members authorized Orlandino and the newly elected president as the signatories on the new booster club bank account. They were responsible for collecting and depositing funds from fundraisers and paying booster club expenses. The booster club primarily disbursed funds for athletic equipment, fundraisers, an athletic banquet, and donations to the school's internal athletic funds. On August 24, 2023, the school banned the booster club from continuing as an SSO.

The School Support Organization Financial Accountability Act, codified in Tenn. Code Ann. §§ 49-2-601 *et seq.* provides that booster club officers, 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. FORMER OAK RIDGE HIGH SCHOOL SOFTBALL BOOSTERS’ TREASURER, MINDY ORLANDINO, MISAPPROPRIATED FUNDS TOTALING AT LEAST \$1,622.07

For the period April 2023 through July 2023, Orlandino knowingly misappropriated booster club funds totaling at least \$1,622.07, as follows:

A. ATM Cash Withdrawals

Orlandino withdrew cash for her personal use from the booster club bank account totaling at least \$1,315.56. She withdrew additional cash using the debit card but provided receipts documenting it was used for authorized booster club purposes. Orlandino was the custodian of the only booster club debit card during the period reviewed.

B. Unauthorized Personal Purchases

Orlandino used the booster club debit card to make at least seven unauthorized personal purchases totaling \$146.51. Orlandino’s personal purchases included pizzas, retail memberships, and items at a local gas station (**Refer to Exhibit 1**).

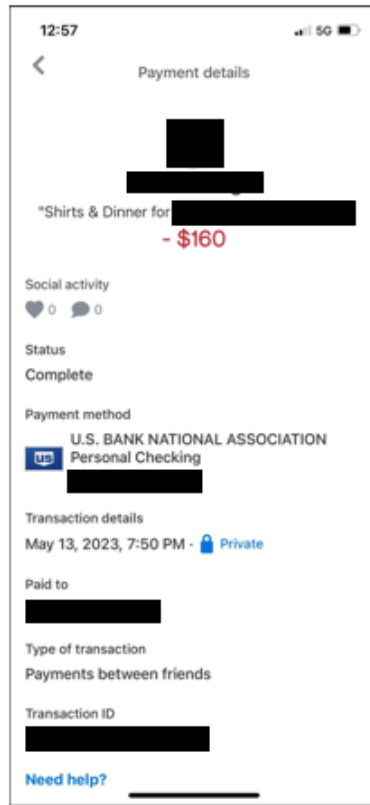
		Exhibit 1
05/25	Withdrawal POS #150816 NEIGHBORHOOD MAR 400 N ILLINOIS AVE US OAK RIDGE TN	-10.00
05/26	Withdrawal Debit Card WALMART+ MEMBERSHIP 800-966-6546 AR	-14.18
05/31	Withdrawal Debit Card DOMINO'S 5431 KNOXVILLE TN	-31.23

Example of Orlandino’s personal purchases using the booster club debit card, including pizza, retail membership, and gas station purchases

C. Banquet Collections

On May 13, 2023, the booster club held a banquet for the softball program and tasked Orlandino with collecting and depositing all banquet collections. Booster club officers documented that a player’s family paid \$160 (**Refer to Exhibit 2**) for the banquet, but Orlandino never deposited the funds into the booster club’s bank account. Orlandino confirmed she received this amount through a mobile payment service and used the funds for her personal benefit. Orlandino stated she received an additional \$100 in cash that she used to tip the banquet server. Orlandino did not maintain banquet collections documentation; therefore, investigators could not determine whether Orlandino received any additional banquet collections.

Exhibit 2



Family's payment of \$160 received by Orlandino for the banquet

Summary of Misappropriation by Mindy Orlandino	
A. <u>ATM Cash Withdrawals</u>	\$ 1,315.56
B. <u>Unauthorized Personal Purchases</u>	
Restaurant	76.23
Retailer	42.54
Gas Station	27.74
C. <u>Banquet Collections</u>	160.00
Total Misappropriation	\$ <u>1,622.07</u>

In August 2023, Orlandino remitted personal funds totaling \$1,400 for deposit into the school's softball account.

On October 1, 2024, the Anderson County Grand Jury indicted Misty Orlandino on one count of Theft over \$1,000 and one count of fraudulent use of a credit or debit card over \$1,000.

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.

[Oak Ridge High School Softball Boosters Investigative Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal control and compliance, some of which contributed to Orlandino's ability to perpetrate her misappropriation without prompt detection. These deficiencies included:

Deficiency 1: Former booster club officers failed to document accounting and internal control policies and procedures

Former booster club officers failed to document formal written accounting and internal control policies and procedures for booster club operations. *Oak Ridge Schools Policy 2.404* requires SSOs to submit to the Principal and the Supervisor of Business Services "A copy of the school support organization's written policy specifying reasonable procedures for accounting, controlling, and safeguarding any money, materials, property, securities, services, or other things of value collected or disbursed by it." Furthermore, the *Model Financial Policy* states, "Accounting and internal control policies and procedures must be designed and implemented to ensure compliance with laws and regulations...Accounting and internal control policies and procedures must be documented and approved by the officers and/or board of directors at a regular meeting." The booster club established a charter and bylaws that defined officer responsibilities yet did not establish proper accounting and internal controls such as bank reconciliations, debit card procedures, check procedures, etc. Establishing sound accounting and internal control policies and procedures ensures that funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation.

Deficiency 2: Former booster club officers did not properly safeguard and maintain accurate records

Former booster club officers did not provide investigators with all documentation for collections, disbursements, and cash withdrawals. Due to the lack of supporting documentation, investigators could not determine if concessions and other collections were deposited in full or if all cash withdrawals and disbursements were for purposes related to the goals and objectives of the booster club. According to the *Model Financial Policy*, "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 financial records greatly increases the risk that fraud, waste, and abuse will occur without prompt detection.

Deficiency 3: Former booster club officers failed to implement adequate segregation of duties

Former booster club officers failed to segregate their duties adequately. Orlando was responsible for 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 School Support Organization. No one person within the School Support Organization 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 4: Former booster club officers did not require two signatures on checks

Former booster club officers did not require two signatures on checks. The *Model Financial Policy* recommends, “Official prenumbered checks should require two signatures.” Checks with two signatures provide an increased degree of control by indicating that both authorized signers agree that the payment is proper and reasonable.

Deficiency 5: Former booster club officers failed to deposit funds within three days of collection

Former booster club officers failed to ensure that booster club funds were deposited within three days of collection as required by the *Model Financial Policy*. The former booster club treasurer failed to deposit funds collected from concession sales and a banquet within three days of receipt. The delay in depositing funds weakens internal controls over collections and increases the risk of fraud and misappropriation.

Deficiency 6: The booster club paid avoidable fees totaling \$18

For the period June 2023 through July 2023, the booster club paid avoidable bank fees totaling \$18 due to low bank account balances resulting from Orlando’s misappropriation. The booster club volunteers should maintain sufficient bank account balances to avoid unnecessary fees.

Oak Ridge Schools officials indicated that they have corrected or intend to correct these deficiencies.
