



## COMPTROLLER'S INVESTIGATIVE REPORT

# La Vergne Lake Elementary Parent Teacher Organization

*May 22, 2025*

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



**DIVISION OF INVESTIGATIONS**



JASON E. MUMPOWER  
*Comptroller*

May 22, 2025

Principal Paige Johnson  
La Vergne Lake Elementary School  
201 Davids Way  
La Vergne, TN 37086

Principal Johnson:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the La Vergne Lake Elementary Parent Teacher Organization, 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 16<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". The signature is fluid and cursive, with a long horizontal line extending from the end.

Jason E. Mumpower  
Comptroller of the Treasury

JEM/MLC

# INVESTIGATIVE REPORT

## La Vergne Lake Elementary Parent Teacher Organization

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the La Vergne Lake Elementary Parent Teacher Organization. The investigation was initiated after officials reported questionable bank transactions. The investigation was limited to selected records for the period January 1, 2024, through August 31, 2024. The results of the investigation were communicated with the Office of the District Attorney General of the 16<sup>th</sup> Judicial District.

### BACKGROUND



La Vergne Lake Elementary School (school), located in La Vergne, Tennessee, is part of the Rutherford County School District and serves students in kindergarten through fifth grade. La Vergne Lake Elementary Parent Teacher Organization (PTO) is a school support organization led by parents and volunteers. The PTO enhances educational opportunities, family engagement, and other activities that may not be provided by the school district. Elected officers operate the PTO, which consists of a president, vice president, secretary, and treasurer.

The School Support Organization Financial Accountability Act codified at Tenn. Code Ann. § 49-2-601 *et. seq.* provides that officers of the PTO 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 LA VERGNE LAKE ELEMENTARY PTO PRESIDENT VALENCY HORTON MISAPPROPRIATED PTO FUNDS TOTALING AT LEAST \$13,130.99

Our investigation revealed that between April 22, 2024, and July 22, 2024, former La Vergne Lake Elementary PTO President Valency Horton misappropriated at least \$13,130.99 from the PTO

through debit card transfers from the PTO bank account to her personal Cash App, ATM withdrawals and over-the-counter cash withdrawals.

### A. Cash App Transfers

Horton used the PTO debit card to make at least six unauthorized money transfers totaling \$10,225.00 to her personal Cash App account (**Refer to Exhibit 1**). A review of Horton's Cash App transactions revealed she used these funds to make personal purchases and allegedly paid individuals from whom she had borrowed money. Additionally, investigators identified two occasions where Horton used her Cash App account to facilitate transfers of money from the PTO's bank account directly into her own personal bank account.

**Exhibit 1**

WITHDRAWALS						
04/15	Card Purchase Cracker Barrel	5812 615-220-1400	TN 37167	8280		152.29
04/15	Card Purchase Cracker Barrel	5812 615-220-1400	TN 37167	8280		33.54
04/22	Card Purchase Cash App	800-9691940	CA 94103	3549		500.00
04/24	Card Purchase Cash App	800-9691940	CA 94103	3549		475.00
04/24	Bank Debit					2,300.00
04/25	Card Purchase Sams Club #6501	5300 615-895-4246	TN 37129	8280		158.14
04/25	Card Purchase Samsclub #6501	5300 6158954246	TN 37129	8280		70.56
04/25	Card Purchase Cash App	800-9691940	CA 94103	3549		1,000.00
04/29	Card Purchase Fazolis 5143	5814 Smyrna	TN 37167	8280		115.07
04/29	ATM Withdrawal Regions	Smyrna - Sam Smyrna	TN TN79831	3549		100.00
04/29	Booster Enterpri Boostertho					2,905.36
Total Withdrawals						\$7,809.96

WITHDRAWALS						
05/02	Card Purchase Bob S Barbecue	5812 Smyrna	TN 37167	8280		770.00
05/02	Card Purchase Chick-Fil-A #01	5814 Smyrna	TN 37167	8280		283.48
05/09	Card Purchase Cash App	4829 800-9691940	CA 94103	3549		750.00


WITHDRAWALS						
07/12	Card Purchase Amazon Mktpl*ry	5942 Amzn.Com/Bill WA	98109	6274		45.23
07/19	Card Purchase Cash App	4829 800-9691940	CA 94103	3549		5,000.00
07/22	Card Purchase Cash App	4829 800-9691940	CA 94103	3549		2,500.00
07/22	ATM Withdrawal P693201	3700 Victory Portsmouth	VA P693201	3549		505.99
Total Withdrawals						\$8,051.22

*PTO bank statements showing Horton's debit card activity, which includes Cash App money transfers, ATM withdrawals, and an over-the-counter withdrawal*

### B. ATM and Over-the-Counter Cash Withdrawals





Horton made an unauthorized over-the-counter cash withdrawal of \$2,300.00 on April 24, 2024 (**Refer to Exhibit 2**). She also used her PTO debit card to make two unauthorized ATM withdrawals that totaled \$605.99 on April 29, 2024, and July 22, 2024. One of the ATM withdrawals was made at a local bank branch, and the other transaction was completed at an ATM inside an out-of-state Casino.

**Exhibit 2**


**REGIONS**

**Checking Debit**

Date/Time:	04/24/2024 10:35 A	Tran Name:	Withdrawal	Amount:	2300.00
Bank/Branch#:	053 TN07983	EJ Tran Code:	TWDL1	ID Info:	DL
Tran#/Proc Mode:	22 N	Account #:	<del>811310097</del>	ID Expiration:	07/15/2029
Teller#/User:	02 G4QH1	Customer Name:	VALENCY HORTON	ID Issue:	07/15/2021
		Keyed Name:			
		TIN Zip:			

*Receipt from Regions Bank for the over-the-counter withdrawal*

Summary of Misappropriation		
	Type	Total
A.	Cash App Transfers	\$ 10,225.00
B.	ATM and Over-the-Counter Cash Withdrawals	\$ 2,905.99
<b>Total</b>		<b>\$ 13,130.99</b>

Prior to the initiation of the Comptroller's investigation, Horton deposited \$10,305.99 into the PTO's bank account in an attempt to repay a portion of the misappropriated funds. However, two days later, \$8,305.99 of that deposit was returned due to insufficient funds. As a result, Horton still owes the PTO \$11,130.99. During an interview with investigators, Horton stated that she used the misappropriated PTO funds for personal benefit.

In April 2025, the Rutherford County Grand Jury indicted Valency Horton on one count of Theft of Property \$10,000 to \$60,000, one count of Violation of the Computer Crimes Act \$10,000 to \$60,000, and one count of Fraudulent Use of a Credit/Debit Card \$10,000 to \$60,000.

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.

[La Vergne Lake Elementary Parent Teacher Organization Investigation Exhibit](#)

## INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

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

**Deficiency 1: PTO officers failed to separate incompatible financial duties or to provide increased oversight when appropriate.**

PTO officers failed to separate incompatible financial duties or to provide increased oversight when appropriate. The PTO president made withdrawals from the organization's financial institution without the approval or knowledge of other board members or officers. The PTO president had the ability to make transactions without requiring secondary approval or oversight. 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 to have exclusive control over all financial duties increases the risk of fraud without prompt detection.

**Deficiency 2: PTO officials failed to routinely review and reconcile bank statements.**

PTO officials failed to routinely review and reconcile bank statements. To ensure deposits and disbursements are accurately recorded and appropriately used, the *Model Financial Policy* requires bank statements be reconciled promptly and that a copy of the bank statements and imaged checks be included in the minutes of PTO meetings.

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

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