



COMPTROLLER'S INVESTIGATIVE REPORT

Grainger County School District

May 26, 2026

Jason E. Mumpower

Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

May 26, 2026

Grainger County Board of Education
7850 Rutledge Pike
Rutledge, TN 37861

Grainger County Board of Education Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Grainger County School District, 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 4th 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

Grainger County School District

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Grainger County School District. The investigation was initiated after Grainger County School District officials reported questionable practices by a former bus contractor. The investigation was limited to selected records for the period August 1, 2021, through May 31, 2025. The results of the investigation were communicated with the Office of the District Attorney General of the 4th Judicial District.

BACKGROUND



The Grainger County School District (district) is governed by a seven-member elected school board and includes seven schools with approximately 3,000 students. The district operates 50 daily bus routes serving Grainger County to support student transportation and used bus contractors for certain routes during the investigative period.

For school years 2021-2022 through 2024-2025, the Grainger County Board of Education (school board) approved annual bonuses for bus drivers employed by contractors to ensure that all bus drivers were equally recognized and compensated for their performance. Additionally, for the 2024-2025 school year, the school board approved a raise for these bus drivers. The district provided bonus and raise payments to each contractor for distribution to bus drivers, and the payments were in addition to amounts authorized in the original contracts.

During the investigative period, the district paid a contractor (former bus contractor) to operate 10 or 11 bus routes each school year. The former bus contractor hired bus drivers for each route and was responsible for paying them with district funds, as authorized by contract and the school board. The district terminated all bus contracts with the former bus contractor in June 2025.

RESULTS OF INVESTIGATION

- 1. INVESTIGATORS QUESTION WHETHER A FORMER BUS CONTRACTOR PROPERLY PAID BUS DRIVER BONUSES AND RAISES TOTALING \$27,539 THAT WERE AUTHORIZED AND FUNDED BY THE GRAINGER COUNTY BOARD OF EDUCATION**

For the investigative period, investigators question whether a former bus contractor properly paid bus driver bonuses and raises that were authorized and funded by the school board, totaling \$27,539, as follows:

A. Bonuses

For school years 2021-2022 through 2024-2025, the district paid a former bus contractor \$20,400 for bus driver bonuses authorized and funded by the school board. Annually, the district sent each contractor a letter stating, “Previously, the Grainger County School Board voted to allow bus contractors to provide a bonus of \$50 per month, not to exceed \$450 for each route, on a reimbursement basis” (**Refer to Exhibit 1**). Attached to each letter was a *Bus Driver Receipt of Bonus Pay* form that required signatures from both the bus driver and bus contractor to acknowledge receipt of the bonus pay up to \$450 per bus route, in addition to regular pay (**Refer to Exhibit 2**).

Investigators were unable to interview the former bus contractor or obtain bus driver payroll documentation; however, investigators did interview five bus drivers who worked for the former bus contractor. The bus drivers reported that they occasionally received a Christmas bonus of \$100 to \$200 but stated they did not receive a \$450 lump-sum bonus. In addition, when investigators presented the *Bus Driver Receipt of Bonus Pay* forms for each school year, each of which included their signature, only one bus driver acknowledged signing one of the forms. All bus drivers stated they did not authorize anyone to sign on their behalf.

Due to the lack of payroll documentation, investigators question whether the former bus contractor paid bus driver bonuses as authorized and funded by the school board or if the bonuses were included in the bus drivers’ monthly pay. In addition, investigators question who signed *Bus Driver Receipt of Bonus Pay* forms on behalf of bus drivers without authorization.

Exhibit 1

Dear Bus Contractor:

Previously, the Grainger County School Board voted to allow bus contractors to provide a bonus of \$50 per month, not to exceed \$450 for each route, on a reimbursement basis.

Please find enclosed “Bus Driver Receipt of Bonus Pay” for each of your drivers, along with a “Bus Contractor Bonus Pay Summary Sheet.” You, the Contractor, as well as the Driver, must sign and date each bonus pay receipt. (If you are the Driver, you will sign and date as the Driver and the Contractor.)

The bonus pay will be a reimbursement to you. You are required to submit a Receipt of Bonus Pay sheet for each of your routes, as well as a Bonus Pay Summary Sheet (pink). Extra copies of each form are included for your convenience.

Excerpt of annual letter sent to bus contractors regarding bus driver bonuses

Exhibit 2

BUS DRIVER RECEIPT OF BONUS PAY

I, [REDACTED], (Bus Driver Printed Name) Bus Driver
 for [REDACTED], Bus Contractor, acknowledge receipt of a bonus
 in the amount of \$ 450. This bonus is in addition to my regular pay.

[REDACTED]
 Bus Driver Signature Date

[REDACTED]
 Bus Contractor Signature Date

Example of Bus Driver Receipt of Bonus Pay form with questionable bus driver signature

Summary of District Payments to a Former Bus Contractor for Bus Driver Bonuses	
School Year	Amount
2021-2022*	\$ 6,000.00
2022-2023	\$ 4,950.00
2023-2024	\$ 4,950.00
2024-2025	\$ 4,500.00
Total	\$ 20,400.00

** Includes a \$600 bonus for summer transportation*

B. Raises

In January 2025, the school board approved a \$649 annual pay raise per bus route, effective the 2024-2025 school year, including retroactive pay. The former bus contractor received \$7,139 of additional district funds to pay for bus driver raises for 11 bus routes. Investigators were unable to interview the former bus contractor or obtain bus driver payroll documentation; however, investigators interviewed five bus drivers who worked for the former bus contractor. Only one bus driver reported receiving a raise for the 2024-2025 school year. Due to the lack of payroll documentation, investigators question if raises were properly paid to the bus drivers as authorized and funded by the school board.

The following table summarizes funds paid by the district to the former bus contractor for bus driver bonuses and raises during the investigative period:

Summary of District Payments to Former Bus Contractor for Bonuses and Raises	
Type	Amount
A. Bonuses	\$ 20,400.00
B. Raises	\$ 7,139.00
Total	\$ 27,539.00