



## COMPTROLLER'S INVESTIGATIVE REPORT

# Bearden High School Navy JROTC

*February 27, 2026*

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



**DIVISION OF INVESTIGATIONS**



JASON E. MUMPOWER  
*Comptroller*

February 27, 2026

Knox County Board of Education  
400 West Summit Hill Drive  
Knoxville, TN 37092

Knox County Board of Education Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Bearden High School Navy JROTC, 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 6<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", is written over a faint, larger version of the signature.

Jason E. Mumpower  
Comptroller of the Treasury

JEM/MLC

# INVESTIGATIVE REPORT

## Bearden High School Navy JROTC

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Bearden High School Navy JROTC. The investigation was initiated after Knox County School System officials reported questionable transactions. The investigation was limited to selected records for the period April 1, 2023, through October 17, 2025. The results of the investigation were communicated with the Office of the District Attorney General of the 6<sup>th</sup> Judicial District.

### BACKGROUND



Bearden High School (BHS), located in west Knoxville, is part of the Knox County School System (KCS) and serves students in grades 9 through 12. The Bearden High School Navy JROTC is funded by the federal Navy JROTC program and fundraisers accounted for in the KCS funds, BHS internal school funds, and Bearden NJROTC Boosters, Inc. (booster club) funds. The booster club is a school support organization (SSO) led by parents and other volunteers to support and promote BHS's Navy JROTC program. Officers of the booster club include a president, vice president, treasurer, and secretary.

BHS's Navy JROTC program is a federally supported educational initiative designed to develop citizenship, leadership, and personal responsibility among high school students while promoting an understanding of naval and military operations. Funding for Navy JROTC units generally includes federal support for instructor salaries (shared costs between the United States Navy and the host school system), annual operating funds for supplies, instructional materials, and unit activities, as well as government-issued uniforms and training equipment. Host schools may also provide supplemental funding for facilities, transportation, and additional program needs. Together, these resources support the program's mission of fostering discipline, academic achievement, and community service. According to Navy JROTC regulations and the BHS Navy JROTC contract with KCS, all federal Navy JROTC program funds should be deposited and accounted for in KCS funds or BHS internal school funds. Instructors are considered host school system employees and are paid by the host school system, which is reimbursed quarterly by the federal Navy JROTC program.

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.

In April 2025, KCS discovered the BHS Navy JROTC instructors (instructors), maintained a separate bank account for federal funds. On April 16, 2025, the current instructor withdrew \$49,451.38 from the separate bank account and deposited the funds with BHS, leaving a bank balance of \$2,066.96. The current instructor continued to make small Navy JROTC transactions from the separate bank account until he closed the account on October 17, 2025, and deposited the remaining funds with the BHS.

## RESULTS OF INVESTIGATION

### 1. THE BEARDEN HIGH SCHOOL NAVY JROTC INSTRUCTORS IMPROPERLY DIRECTED FEDERAL NAVY JROTC FUNDS INTO A SEPARATE BANK ACCOUNT

During the investigative period, the instructors improperly directed federal Navy JROTC funds totaling \$124,092.95 into a separate bank account, and the funds were not included in the accounting records of BHS, KCS, or the booster club. According to the current instructor, the separate bank account was opened by his predecessor prior to the investigative period, and the current instructor became the account owner after his predecessor’s retirement on July 1, 2023. Therefore, additional federal funds were likely deposited into this separate bank account prior to our investigative period.

During the investigative period, the instructors were sole custodians and authorized signers of the separate bank account named “BEARDEN NJROTC BOOSTERS INC”. While BHS Navy JROTC does have a booster club, the booster club was not affiliated with the instructors’ separate bank account, and the booster club maintained its own bank account. The current instructor provided supporting documentation for all expenditures made with Navy JROTC funds, and it appears the funds were used for the operating needs of the program.

According to the Navy JROTC contract with KCS for BHS, all federal Navy JROTC program funds should be deposited and accounted for in KCS funds or BHS internal school funds. The deposit of federal funds into a separate bank account increases the risk that fraud, waste, and abuse will occur without prompt detection. Finally, the omission of federal fund deposits by a school or host school system risks noncompliance with single audit requirements outlined at *2 CFR Part 200, Subpart F (Uniform Guidance)*.

The table below summarizes the federal Navy JROTC electronic deposits into the instructors’ separate bank account.

Summary of Federal Deposits	
Date	Amount
5/4/2023	\$ 2,140.00
9/19/2023	\$ 16,291.56
9/20/2023	\$ 31,953.67
9/25/2023	\$ 950.00
9/27/2023	\$ 6,000.00
9/28/2023	\$ 5,900.00
10/4/2023	\$ 2,750.20
2/28/2025	\$ 56,949.52
4/24/2025	\$ 1,158.00
<b>Total</b>	<b>\$ 124,092.95</b>

## 2. THE BEARDEN HIGH SCHOOL NAVY JROTC CURRENT INSTRUCTOR AND BEARDEN NJROTC BOOSTERS, INC. OFFICIALS MADE QUESTIONABLE TRANSFERS

During the investigative period, the current instructor and booster club officials made questionable transfers between the booster club bank account and the instructors' separate bank account. Although the current instructor and booster club officials did provide detailed explanations for each transfer and how the funds were used for Navy JROTC operating needs, they did not provide investigators with all supporting documentation for the transfers. Therefore, investigators could not determine the purpose of all transfers or if all funds were used for the exclusive benefit of the Navy JROTC.

The *Model Financial Policy* states, "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." Additionally, the practice of instructors receiving and expending booster club funds from an account where they are the signatory could implicate the provisions of Tenn. Code Ann. § 49-2-604, which prohibits school representatives from acting as treasurer, bookkeeper, or signatory on checks of a school support organization. The transfer of booster club funds into a separate bank account without all supporting documentation increases the risk that fraud, waste, and abuse will occur without prompt detection.

The table below summarizes booster club transfers in and out of the instructors' separate bank account.

Summary of Transfers With the Booster Club		
Date	Transfers In	Transfers (Out)
9/8/2023	180.00	-
9/20/2023	-	(7,200.00) *
12/19/2023	2,718.00	-
4/22/2024	681.00	-
10/21/2024	490.00	-
11/12/2024	8,450.00	-
11/13/2024	1,240.00	-
11/25/2024	340.00	-
1/17/2025	480.40	-
1/27/2025	300.00	-
2/3/2025	601.00	-
2/18/2025	2,365.20	-
4/2/2025	632.00	-
7/7/2025	248.85	(40.00)
<b>Total</b>	<b>18,726.45</b>	<b>(7,240.00)</b>

*\*Appears to be reimbursement for student bus transportation to Jacksonville, Florida*

## INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal control and compliance, some of which contributed to the investigative findings above. These deficiencies included:

**Deficiency 1: Bearden NJROTC Boosters, Inc. officials failed to safeguard and retain booster club records properly**

Booster club officials did not provide investigators with bank reconciliations, front and back imaged deposit slips and checks, documentation for all collections, or documentation for all disbursements. The booster club provided bylaws and financial policies that require maintaining and safeguarding this documentation; however, the bylaws and financial policies were not fully followed. Due to the lack of supporting documentation, investigators could not determine if collections were deposited in full, and they could not determine whether all disbursements were used for the exclusive benefit of the booster 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

booster club financial records significantly increases the risk that fraud, waste, and abuse will occur without prompt detection.

**Deficiency 2: The Bearden High School Navy JROTC instructors and Bearden NJROTC Boosters, Inc. officials failed to implement adequate segregation of duties**

The instructors and booster club officials failed to adequately segregate their duties. The instructors and former booster club treasurer were responsible for receipting collections, writing checks, and bookkeeping for funds in the instructors' separate bank account and booster club funds, respectively. 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 of a transaction increases the risk of fraud without prompt detection.

**Deficiency 3: Bearden NJROTC Boosters, Inc. officials did not require two signatures on checks**

Booster club officials did not require two signatures on checks, as required by the booster club bylaws and financial policies. 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 4: Bearden NJROTC Boosters, Inc. officials failed to perform fundraiser profit analysis**

Booster club officials failed to prepare a profit analysis for each fundraiser during the investigative period. The *Model Financial Policy* states, "For all types of mass fundraising such as car washes, concessions, parking, and candy sales, a profit analysis shall be performed at the conclusion of the event." Fundraiser profit analyses help ensure that errors or misappropriations will be promptly detected.

KCS and booster club officials indicated that they have corrected or intend to correct these deficiencies.

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