



# HILHAM ELEMENTARY SCHOOL PARENT-TEACHER ORGANIZATION

**Special Investigation**  
February 12, 2015

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**Justin P. Wilson, Comptroller**





**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY**

**JAMES K. POLK STATE OFFICE BUILDING, SUITE 1600**

**505 DEADERICK STREET**

**NASHVILLE, TENNESSEE 37243-1402**

**PHONE (615) 401-7907**

**FAX (615) 532-4499**

**Justin P. Wilson  
Comptroller of the Treasury**

February 12, 2015

Officers of the Hilham Elementary School  
Parent-Teacher Organization  
Hilham Elementary School  
P. O. Box 104  
Hilham, TN 38568

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury, in conjunction with the Tennessee Bureau of Investigation, conducted a special investigation of selected records of the Hilham Elementary School Parent-Teacher Organization, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Haslam, the State Attorney General, the District Attorney General, certain state legislators, and various other interested parties. A copy is available for public inspection in our office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie S. Maxwell".

Stephanie S. Maxwell, General Counsel  
Office of the Comptroller of the Treasury

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# **SPECIAL INVESTIGATION**

## **Hilham Elementary School Parent-Teacher Organization**

The Office of the Comptroller of the Treasury, in conjunction with the Tennessee Bureau of Investigation, investigated allegations of malfeasance related to the Hilham Elementary School Parent-Teacher Organization (PTO), located in Overton County.

### **INVESTIGATIVE RESULTS**

- **Former PTO president misappropriated at least \$10,465**

The special investigation revealed that the former PTO president, Tara Scott, misappropriated PTO funds totaling at least \$10,465. Ms. Scott used two schemes to perpetrate the misappropriation.

During the period August 2012 through February 2014, Ms. Scott failed to deposit concession cash collections totaling at least \$5,520 into a PTO bank account. Ms. Scott told investigators that she took collections home with her after volleyball and basketball games and placed them in a locked cash box under her bed. Ms. Scott claimed that each time she retrieved the cash box in preparation for the next game; she found that the cash box had been emptied. She advised investigators that she failed to alert anyone about the missing funds. She stated that she continued to oversee concession collections on game nights and to bring the collections to her home, where they were stolen repeatedly. She acknowledged that she was responsible for the missing cash and did nothing to stop the recurring thefts. It should be noted that this scheme continued for a period of almost two years during which the school hosted at least 30 volleyball and basketball games.

During this period, Ms. Scott also wrote PTO checks totaling \$4,945 payable to herself or to “cash.” Ms. Scott admitted to investigators that she transacted the checks and used the proceeds for her personal benefit.

Method	Amount
Concession Collections not Deposited into PTO Bank Account	\$ 5,520
Checks Transacted for Personal Benefit	<u>4,945</u>
Total	<u>\$10,465</u>

These matters were referred to the local district attorney general. On February 2, 2015, the Overton County Grand Jury indicted Tara Scott and her husband, Lonnie Scott, each on one count of Theft over \$10,000.