



THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

OFFICE OF INSPECTOR GENERAL
3318 FOREST HILL BLVD., C-306.
WEST PALM BEACH, FL 33406
(561) 434-7335 FAX: (561) 434-8652
www.palmbeachschools.org

LUNG CHIU, CIG, CPA
INSPECTOR GENERAL

SCHOOL BOARD
CHUCK SHAW, CHAIRMAN
DEBRA L. ROBINSON, M.D., VICE CHAIRWOMAN
MARCIA ANDREWS
FRANK A. BARBIERI, JR., ESQ.
KAREN M. BRILL
BARBARA McQUINN
ERICA WHITFIELD

ROBERT M. AVOSSA, Ed.D., SUPERINTENDENT

MEMORANDUM

TO: Honorable Chair and Members of the School Board
Dr. Robert Avossa, Superintendent
Chair and Members of the Audit Committee

FROM: Lung Chiu, Inspector General *KLC*

DATE: April 19, 2017

SUBJECT: Transmittal of Final Investigative Report
Case # 15-223 Bak Middle School of the Arts - Missing Money

In accordance with School Board Policy 1.092(6)(d), we hereby transmit the above-referenced final report.

The report addresses a complaint related to a shortage of funds in the athletic accounts at Bak Middle School of the Arts. A preliminary review of the allegation determined the allegation was substantiated. Based on the preliminary results, the scope was expanded which revealed the issue encompassed other accounts at the school.

A joint investigation with School Police, concluded that failure to adhere to District procedures resulted in \$66,000 missing for the period of July 1, 2012 through February 28, 2015.

School Police filed a Probable Cause Affidavit with the Office of the State Attorney on September 8, 2015. The OIG received a No File Memorandum from the Office of the State Attorney regarding the matter on January 25, 2017.

The report is finalized and will be posted on the Inspector General's website; www.palmbeachschools.org/inspectorgeneral.

Office of Inspector General
The School District of Palm Beach County

Case No. 15-223
Bak Middle School of the Arts – Missing Money

INVESTIGATIVE REPORT

AUTHORITY

School Board Policy 1.092, Inspector General (4)(a)(iv) provides for the Inspector General to receive and consider complaints, and conduct, supervise, or coordinate such inquiries, investigations, or reviews as the Inspector General deems appropriate.

This investigation was conducted in compliance with the *Quality Standards for Investigations* within the *Principles and Standards for Offices of Inspector General*, promulgated by the Association of Inspectors General.

BACKGROUND

On February 26, 2015, the Office of Inspector General (OIG) received a complaint from the athletic director at Bak Middle School of Arts (Bak) alleging a shortage in athletic accounts. Bak's athletics programs are funded mainly by revenues generated from fundraising. He also questioned the transfer of funds into the athletic accounts which occurred after he submitted a large requisition to pay a uniform invoice.

Preliminary Reviews

Athletics Collections. The athletic director provided the OIG the 87 yellow copies of MCRs (totaling \$27,591) for collections he had submitted for deposit in Fiscal Year 2015 up through February 27, 2015. We matched each Monies Collected Report (MCR) to an entry on the *Drop-safe Log*. Each *Log* entry was initialed and dated by the staff member who witnessed the school treasurer remove the collections and MCRs from the safe. We further matched each collection to the bank deposit documentation maintained by the treasurer which revealed that 12 collections totaling \$5,748, all cash, appeared to be missing from the bank deposits.

Our analysis of the collections on the provided athletics MCRs also noted that 35 (or 47%) of the remaining 75 collections, totaling \$10,926 were not deposited into the bank in a timely manner with delays ranging from one to 74 working days. **Department of Education Rules** and District money handling procedures require all money collected be deposited into the bank within five working days of collection.

Unannounced Cash Count Finds \$4,380 Missing. At the time the complaint was received, the OIG was preparing to perform several unannounced cash counts at selected schools. Bak was included in the school selections and on March 2, 2015, the OIG performed an unannounced cash count at the school. The school treasurer was absent on the day of the count consequently the safe was opened by the principal. Collections contained in the drop-safe were examined, counted, and compared to the *Drop-safe Log*. We found the examined collections were recorded on the *Drop-safe Log* by the remitting activity sponsors and the amounts recorded on the *Log* agreed with the amounts of money submitted for deposit.

Also in the safe was a sealed deposit prepared by the treasurer on February 26, 2015, awaiting pickup by the armored courier for transport to the bank. The contents of the bag were counted, and compared to the enclosed deposit ticket and the supporting documentation, which was retrieved from the school treasurer's office, for this deposit (#564). The documentation consisted of the original white copies of the MCRs prepared by activity sponsors and printed reports generated from the school's accounting system by the treasurer. Next, each MCR was compared to the *Drop-safe Log* and the general ledger. The OIG's comparison revealed that two collections recorded on the *Drop-safe Log* totaling \$4,380 (\$4,335 in cash and \$45 in checks) were not included in the bank deposit and could not be located.

Return of Official Receipts and Bank Deposit Delayed. While examining the *Drop-safe Log*, we noted a set of *Official Receipts* tucked inside the binder that were labeled, "cannot find." These receipts should have been returned by the verifier to the activity sponsors. One receipt, #1654 dated January 15, 2015, for \$277 in cash, included a note stating, "Found this amount in Sept." The accounting system records indicated this receipt was issued as part of Deposit #554 prepared on January 15, 2015, consisting of 12 MCRs totaling \$4,718. Receipt #1654 corresponded to MCR #554-7 for \$277 in cash for athletic concession sales dated September 8, 2014. Moreover, this deposit included two other MCRs (#513-1 for \$347 and #513-2 for \$318) dated September 5, 2014, and September 10, 2014, respectively, also for athletic concession sales. These \$942 (\$277 + \$347 + \$318) in cash collections were not deposited into the bank until 73 to 76 working days after collection occurred.

Principal Notified. The principal was informed of the discrepancies. All accounting records for Fiscal Years 2014 and 2015 (through February 28, 2015) were located and transported to the OIG office for review.

MCR Altered to Conceal Cash Theft. While examining the deposit records, we noted MCR #513-4 was altered with erasure liquid to cover the cash portion of the collection. A matching entry in the

Drop-safe Log the sponsor recorded the collection as \$3,695¹. (See Exhibit 1). The accounting system report indicated that the school treasurer deposited only \$550 in checks but not the \$3,145 in cash.

We compared the remaining MCRs for Deposit #513 to the accounting system records and found the treasurer deposited only the checks reported on four additional MCRs (#513-5, #513-8, #513-9, and 513-14) but did not deposit cash totaling \$8,789.60. The white copies of the MCRs supporting Deposit #513 totaled \$18,876.60. However, the school treasurer deposited only \$6,942 into the bank leaving \$11,934.60 missing. (See Exhibit 2).

School Treasurer Reassigned. School police were informed of the potential missing money. A school detective accompanied OIG staff to the school on March 4, 2015, and interviewed the school treasurer regarding the discrepancies related to Deposit #513. The school treasurer stated that she did not know why there were variances between the MCRs and the deposited amounts in the accounting records. She also stated she did not know who placed the erasure liquid on the one MCR (#513-4) covering the cash amounts.

School Police and the OIG agreed to conduct a joint investigation. Management immediately reassigned the school treasurer to a different work location until completion of the investigation. The treasurer subsequently resigned on August 25, 2015.

Drop-safe Log Pages Found in Treasurer's Office Shredder. Ten shredded pages of the *Drop-safe Log* (pages 11-57358 through 11-57367) were found in the shredder located in the Treasurer's office. Collections recorded on these pages would have been from June 25 through August 20, 2015. Shredded pieces with readable dates found in the shredder were consistent with this time period.

Investigation Expanded to Prior Years. Based on the results of the preliminary reviews, the scope of the investigation was expanded to cover Fiscal Years 2013, 2014, and 2015. We analyzed all money collection records available for each of the three years.

Money collection records examined included bank statements, reports generated by the school's accounting system, both white and yellow copies of the MCRs, and the *Drop-safe Logs*. Each collection recorded on the *Drop-safe Log* was matched to the corresponding deposit entry in the school's accounting system and further matched to a bank deposit.

¹ The sponsor later confirmed the accuracy of this total during a subsequent interview with School Police.

Yellow copies of the MCRs were retrieved by the principal from school staff. The yellow MCRs are retained by remitting staff when placing collections into the drop-safe. Each yellow MCR was traced to the *Drop-safe Log* and subsequently to the bank statement.

DOCUMENTS REVIEWED

- *School Board Policy 1.013, Responsibilities of School District Personnel and Staff*
- *District Bulletin #P-14051-S/CFO, Drop-safe Log Procedures for School Deposits*
- *School District Internal Accounts Manual, Chapters 7, 11, and 27*
- School's Accounting Records for Fiscal Years 2013, 2014, and 2015
- Bank statements for the school's checking account, and money collection records

INTERVIEWS PERFORMED

- Principal
- School Treasurer
- Teacher
- Office clerical staff

CONSULTATION

- School Police

APPLICABLE DISTRICT PROCEDURES

District Money Collection Procedures (See *Internal Accounts Manual, Chapter 7* in Attachment A).

To safeguard school assets, the District's procedures for money collection encompass the following critical steps (See Exhibit 3):

1. Activity sponsors (1) collect cash and check payments, (2) complete a Monies Collected Report (MCR), (3) turn in the collections and MCR by the end of each day, (4) record the collections on the *Drop-safe Log*, and (5) place both the white copy of the MCR and collections together into the drop-safe. The activity sponsors retain the yellow copy of the MCR as a temporary receipt for future reconciliation.
2. The school treasurer (treasurer) is the only School employee authorized and trained to enter information into the School's accounting system and prepare the collections for bank deposit. The treasurer and another staff member remove the collections from the safe, match each collection reported on the accompanying MCR with the *Drop-safe Log* entry,

and complete Section 2 of the *Log*. The treasurer verifies the amount of collections, records the collections into the accounting system, and assembles the deposit for courier pickup. The courier delivers the collections to the bank for deposit.

3. The treasurer prints *Official Receipts* from the accounting system. Another staff member (verifier) matches the *Official Receipts* with the corresponding *Drop-safe Log* entries and records the receipt numbers in Section 3 of the *Log*. The verifier delivers the *Official Receipts* to the originating activity sponsors who complete the transactions by attaching the *Official Receipt* to the yellow copy of the MCR. At year-end, the activity sponsors submit the yellow MCRs and *Official Receipts* to school administration for record retention and future reference. Each month, the treasurer reconciles the accounting system records to the bank statement.

INVESTIGATION RESULTS

1. \$66,600.95 in Collections Missing

Athletic Funds. The complaint received from the Athletic Director alleged a shortage in the athletic accounts. As determined in our preliminary review and expanded analysis of the School's money collection records, collections intended athletics accounts dropped in the safe for the period July 1, 2012 through February 28, 2015, totaling \$8,968 (see Table 1), were not included in the deposits prepared by the treasurer and were not recorded in the accounting records. The allegation regarding a balance shortage in the athletic accounts was **substantiated**. As a result of the preliminary review based on the allegation, the expanded review revealed that missing collections had a much broader effect on the school's Internal Accounts beyond the athletic accounts.

Table 1

Total Monies Missing from Athletics Account

<i>Fiscal Year</i>	<i>Total</i>
2013	\$186
2014	3,034
2015	5,748
Total	\$8,968

School-wide. The school treasurer is the only School employee that is authorized to enter information into the School's accounting system and prepare collections for bank deposits. Our analysis of money collection records for the period July 1, 2012 through February 28, 2015, concluded that \$66,600.95 in collections remitted by various activity sponsors was removed

from the drop-safe by the treasurer and another staff member but was not included in any bank deposits prepared by the treasurer and is missing (See Table 2).

Table 2
Total Collections Missing

<i>Fiscal Year</i>	<i>Cash</i>	<i>Checks</i>	<i>Total</i>
2013	\$12,481.00	\$75.00	\$12,556.00
2014	24,178.65	1,125.00	25,303.65
2015	27,481.30	1,260.00	28,741.30
Total	\$64,140.95	\$2,460.00	\$66,600.95

2. Treasurer Transferred Unrelated Funds to Disguise Missing Athletic Money

On January 30, 2015, the athletic director submitted a *check requisition* requesting payment of six invoices for uniforms totaling \$7,433. On February 6, 2015, the treasurer transferred \$7,500 from three non-athletic accounts into the General Athletics account (#1-0010.00). Prior to the transfer, the account balance was \$726; not enough money to pay for the uniforms. The transfer description stated "*incorrect deposit.*" On February 6, 2015, the athletic director again requested account statements. The treasurer emailed the athletic director the account's balance of \$7441 (which included the transfers in the total) but not the detailed account statements that the athletic director requested.

The athletic director received an email reminder from the vendor on February 12, 2015, requesting payment. Upon his inquiry to the treasurer, she replied the check was mailed on February 6, 2015. When, in fact, the check was not mailed until February 12, 2015.

On February 23, 2015, the athletic director again requested account statements which the treasurer finally provided. Upon review of the statements, the athletic director emailed the treasurer and stated the "*...numbers just aren't adding up...*" Based on notes he maintained of collections and costs of the fundraiser, he believed the account balance should have been much higher. He also questioned the source of the \$7,500 transfer of funds into the General Athletic account that occurred on February 6, 2015 (see Table 3).

Table 3
Funds Transferred February 6, 2015, to Disguise Missing Athletic Money

<i>Transfer #</i>	<i>From</i>	<i>To</i>	<i>Amount</i>
1085	Communications Dept.	General Athletics	\$3,500
1086	General Activities	General Athletics	3,000
1087	Theater – Adopt-a-Class	General Athletics	1,000
Total			\$7,500

ADDITIONAL INFORMATION

3. **Failure to Adhere to Procedures Resulted in Missing Money.** It is critical that all staff be well trained on money collection procedures and monitored for compliance by school administration. It is the school administration’s responsibility to train and monitor staff on the required controls to maintain and ensure the integrity of cash collections. Noncompliances described below provided opportunities for unauthorized and undetected removal of money.
- a. **Missing Drop-safe Log Pages.** During the unannounced cash count on March 2, 2015, we reviewed the *Drop-safe Logs* at Bak and discovered ten pages (#11-57358 through #11-57367) covering the period June 25, through August 19, 2015, were missing from the binder. Subsequently, on March 4, 2015, we found these missing pages in the shredding machine located in the school treasurer’s office. Also, we discovered one page (#11-57024) missing from the *Drop-safe Log* binder covering the period June 20, through July 2, 2014.
 - b. **Section 3 of Drop-safe Log Not Properly Completed.** Receipt numbers were not recorded for each collection entry in the *Drop-safe Log*. The absence of an issued receipt for a collection without explanation could be an indicator of missing money. The staff member responsible for matching receipts to *Log* entries told the OIG that the treasurer was very slow in returning receipts to her for verification. Moreover, because of the lag in return time, she would often request assistance from the treasurer who would take both the receipts and *Log* to her office to perform the reconciliation without the independent staff member present. The treasurer’s involvement in the verification process undermines the internal control of independent verification.
 - c. **Delayed Deposits and Official Receipts.** **DOE Rules** require collections be deposited within five days of collection by the activity sponsor. For the period July 1, 2014, through February 28, 2015, our analysis showed that the treasurer took between 6 and 84 days to add monies removed from the safe to prepared deposits for 148 collections totaling \$66,818 or 8% of

total deposits. Consequently, a similar delay could potentially be experienced by staff responsible for matching *Official Receipts* to the *Log* and the activity sponsor required to match the *Official Receipt* to the yellow copy of the MCR. These delays increase the probability that missing money will not be reported to administration in a timely manner.

- d. Control of Drop-safe Log. Our review of *Drop-safe Log* procedures during the unannounced cash count revealed there was no one had been assigned responsibility over the prenumbered *Drop-safe Logs*. Bak did not have the required, principal-approved, *Document Custodian Assignment Register (PBSD 1663)* which would assign responsibility for the *Logs* as well as other prenumbered documents used in the money handling process, such as, checks, receipts, and tickets. We also determined that Bak did not maintain the *Prenumbered Document Inventory Register (PBSD 0160)* to account for all *Drop-safe Logs*. An inventory of forms assists the School by ensuring all monies recorded on the *Logs* are properly entered into the accounting system and deposited into the School's account.

Recommendations. To ensure proper fiscal accountability, money collections should be administered in accordance with related District guidelines and *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, District's *Internal Accounts Manual, Bulletin #P-14051-S/CFO*. Specifically,

- Responsible staff should complete the *Drop-safe Log* properly with all the required information.
- The verifying person should independently complete *Section 3* of the *Drop-safe Log* after the school treasurer has entered the deposit information into the school's accounting system. This should provide a mechanism to identify any funds not deposited and report the missing funds to the principal for immediate follow-up.
- A designated document custodian should be assigned for each prenumbered form; and the staff assignment should be recorded on the *Document custodian Assignment Register (PBSD 1663) accordingly*.
- The custodian for prenumbered forms should be someone who is not involved in the day-to-day use of the form. The designated custodian for *School Checks* and *Drop-safe Logs* should not be the school treasurer.

FURTHER ACTION

On March 4, 2015, the OIG and School Police agreed to conduct a joint investigation. See Exhibit 4 for School Police Report. A *Probable Cause Affidavit* was filed with the State Attorney's Office on September 8, 2015 by School Police (See Exhibit 5).

On January 25, 2017 the OIG received a No File Memorandum from the Office of the State Attorney indicating the case related to the school treasurer was closed. (See Exhibit 6).

In accordance with *School Board Policy 1.092 (6)(iv)*, a draft copy of this report was provided to Ms. Cathleen Spring, who was given the opportunity to respond. No response was received.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY
Monies Collected Report DATE: 5-14-14

ACCOUNT NAME(S) <i>Yearbook</i>	ACCOUNT NUMBER(S) <i>5-0-150-W</i>	AMOUNT <i>3695⁰⁰</i>
ACCOUNT NAME(S)	ACCOUNT NUMBER(S)	AMOUNT
REASON <i>SALES</i>		

Transmits herewith monies, obtained from sources indicated below, for deposit

SOURCE	CHECK #	AMOUNT
<i>Kafer</i>	<i>1434</i>	<i>55 00</i>
<i>Gonzalez</i>	<i>235</i>	<i>55 00</i>
<i>Houser/Gunn</i>	<i>1229</i>	<i>55 00</i>
<i>Orsico</i>	<i>215</i>	<i>55 00</i>
<i>Ashmure</i>	<i>1028</i>	<i>55 00</i>
<i>Deleo</i>	<i>2487</i>	<i>55 00</i>
<i>Abrun</i>	<i>221</i>	<i>55 00</i>
<i>Sutherland</i>	<i>3100</i>	<i>55 00</i>
<i>Singh</i>	<i>5165</i>	<i>55 00</i>
<i>Montero</i>	<i>1060</i>	<i>55 00</i>
TOTAL FOR DEPOSIT		<i>3695 00</i>

NOTE: ALL MONEY MUST BE TURNED IN ON THE SAME DAY COLLECTED.

SIGNATURE OF REMITTER <i>Jenna Summo</i>	OFFICIAL RECEIPT DATE <i>6/18/14</i>	DEPOSIT FORM # <i>51314</i>
REMITTANCE AMOUNT AND ACCOUNT ASSIGNMENT VERIFIED (BOOKKEEPER INITIALS) <i>JS</i>		
COMMENTS		

PBSD 0190 (Rev. 4/20/2010) White - Bookkeeper YELLOW - Activity Sponsor

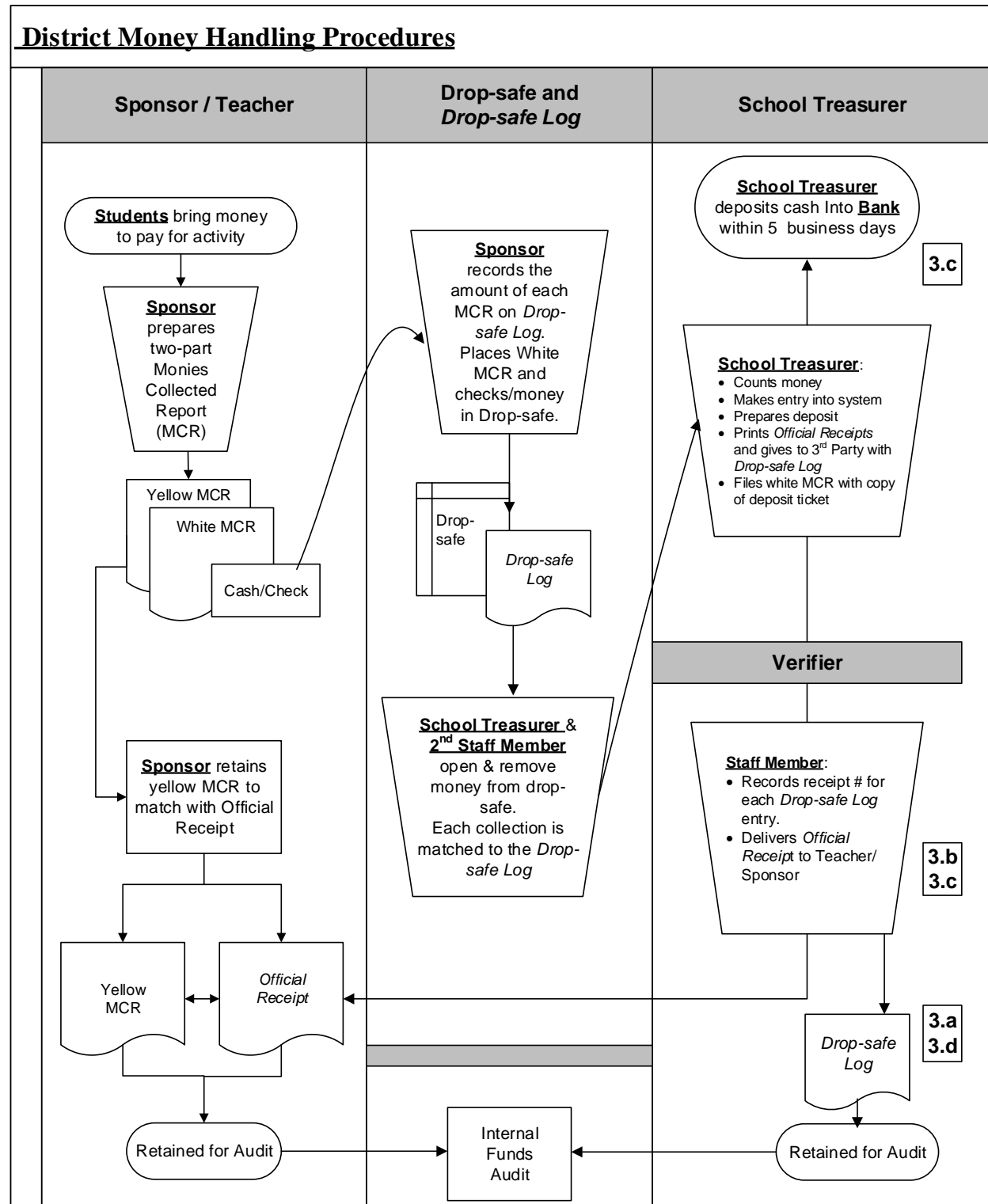
Erasure liquid used to cover cash portion of collection.

Deposit #513 MCR #	Per MCR	Per Deposit Statement	Difference
1	\$1,570.00	\$1,570.00	
2	1,660.00	1,660.00	
3	1,075.00	1,075.00	
4	3,695.00	605.00	\$3,090.00
5	1,773.00	190.00	1,583.00
	(a) 2,817.00		2,817.00
6	289.00	289.00	
7	235.00	235.00	
8	(b) \$1,890.00	140.00	1,750.00
9	2,686.60	460.00	2,226.60
10	173.00	173.00	
11	250.00	250.00	
12	90.00	90.00	
13	80.00	80.00	
14	593.00	125.00	468.00
Total	\$18,876.60	\$6,942.00	\$11,934.60

Notes:

(a) MCR #5 combined two MCRs for \$1,773 and \$2,817 from the same sponsor.

(b) MCR #8 was missing from the deposit documentation. Subsequent analysis of deposit records identified MCR #8 on *Drop-safe Log* page 11-37144.



Boxed numbers correspond to conclusions of noncompliance at Bak Middle School.

REDACTED



**SCHOOL POLICE DEPARTMENT
PALM BEACH COUNTY, FL**

INCIDENT # / REPORT #
15003345 / 1

OFFICER
MCCOY, K

RANK
DETECTIVE

REVIEW STATUS
APPROVED

Detective's Supplement

INCIDENT #15003345 DATA

As Of 09/03/2015 10:57:17

BASIC INFORMATION

<u>CASE TITLE</u>	<u>LOCATION</u>	<u>APT/UNIT #</u>
ER-SAO		
<u>DATE/TIME REPORTED</u>	<u>DATE/TIME OCCURRED</u>	
03/03/2015 09:48:18	On or about 03/03/2015 09:48	
<u>INCIDENT TYPE(S)/OFFENSE(S)</u>		
(817.034.4A)ORGANIZED FRAUD \$50K OR MORE		
(812.014.2B1)THEFT PROPERTY \$20K TO \$100K		
(812.014.3A)PETTT THEFT UNDER \$100		
(812.014.2C3)THEFT \$10K TO UNDER \$20K		
(812.014.2B1)THEFT PROPERTY \$20K TO \$100K		

PERSONS

ROLE	NAME	SEX	RACE	AGE	DOB	PHONE
WITNESS	ROZANSKI, SALLY	FEMALE	WHITE			(HOME)
	ADDRESS:					(CELL)
WITNESS	ZAPATA, JENNIFER	FEMALE	WHITE			(HOME)
	ADDRESS:					(CELL)
WITNESS	EXEMPT	FEMALE	WHITE			(HOME)
	ADDRESS:					(CELL)
WITNESS	KING, TAMMY	FEMALE	WHITE			(HOME)
	ADDRESS:					(CELL)

REDACTED

WITNESS	MOORER, SHEKENDRA ADDRESS:	FEMALE	BLACK	(HOME) (CELL)
WITNESS	DELAROCHE, ROSSANA ADDRESS:	FEMALE	WHITE	(HOME) (CELL)
WITNESS	BEEBE, NANCY ADDRESS:	FEMALE	WHITE	(HOME) (CELL)
WITNESS	CABRERA, MARIA ADDRESS:	FEMALE	WHITE	(HOME) (CELL)
WITNESS	BATTLE, DOUG ADDRESS:	MALE	WHITE	(HOME) (CELL)
WITNESS	ULLOM, DAVE ADDRESS:	MALE	WHITE	(HOME) (CELL)
WITNESS	SOUDER, AMIE DIRE ADDRESS:	FEMALE	WHITE	(HOME) (CELL)
WITNESS	RUCKER, JAMIE ADDRESS:	FEMALE	WHITE	(HOME) (CELL)
WITNESS	FALLON, PATRICK ADDRESS:	MALE	WHITE	(HOME) (CELL)
WITNESS	STEINMETZ, RHONDA ADDRESS:	FEMALE	WHITE	(HOME) (CELL)
WITNESS	VALENTINE, RICHARD ADDRESS:	MALE	WHITE	(HOME) (CELL)
WITNESS	HUTCHINSON, DIANA ADDRESS:	FEMALE	WHITE	(HOME) (CELL)
WITNESS	SATINOFF, MARTHA ADDRESS:	FEMALE	WHITE	(HOME) (CELL)
WITNESS	SPEROUNIS, HEIDI	FEMALE	WHITE	(HOME)

REDACTED

	ADDRESS:			(CELL)
WITNESS	RYAN, GEORGE	MALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	DROSAKIS, CONNIE	FEMALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	CANTOR, DAVID	MALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	FRIEDEL, JOANNE	FEMALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	GOLDEN, LANE	FEMALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	SHARP, NATALIE	FEMALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	BARKER, PAUL	MALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	BAUER, ROBERT	MALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	MORIARITY, SHANNON C	FEMALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	TEPPER, SANDRA	FEMALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	CHATURVEDI, VITASTA	FEMALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	MCMILLIAN, FRANCINE	FEMALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	BAREFOOT, JOSEPH GLEN	MALE	WHITE	(HOME)
	ADDRESS:			(CELL)

REDACTED

WITNESS	PITTS, MELANIE	FEMALE	UNKNOWN	(HOME)
	ADDRESS:			(CELL)
WITNESS	MURRAY, RENEE	FEMALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	SAMONS, JESSICA	FEMALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	FRANCO, KERRY	FEMALE	WHITE	(HOME)
	ADDRESS:			(CELL)
WITNESS	BAREFOOT, JOSEPH GLEN	MALE	WHITE	(HOME)
	ADDRESS:			(CELL)
VICTIM	MSOA, BAK			(HOME)
	ADDRESS:			(CELL)

OFFENDERS						
<u>STATUS</u>	<u>NAME</u>	<u>SEX</u>	<u>RACE</u>	<u>AGE</u>	<u>DOB</u>	<u>PHONE</u>
DEFENDANT	SPRING, CATHLEEN	FEMALE	WHITE			(HOME)
	ADDRESS:					(CELL)

[NO VEHICLES]

PROPERTY					
<u>CLASS</u>	<u>DESCRIPTION</u>	<u>MAKE</u>	<u>MODEL</u>	<u>SERIAL #</u>	<u>VALUE</u>
MONEY	US CURRENCY, CHECKS				67011

OFFICER REPORT: 15003345 - 1 / MCCOY, K (853)

<u>DATE/TIME OF REPORT</u>	<u>TYPE OF REPORT</u>	<u>REVIEW STATUS</u>
03/03/2015 09:53:02	INVESTIGATIONS	APPROVED

NARRATIVE
 On 3-2-15 I met with Susy Miller-Kay, Senior Auditor assigned to the Palm Beach County School District Inspector General's Office. Ms. Miller-Kay advised me she was conducting a follow up review concerning a cash count audit at Bak Middle School of the Arts and discovered irregularities concerning deposits into the drop safe and the subsequent handling of these funds. The

REDACTED

irregularities include discrepancies in drop safe deposits and subsequent bank deposits, deposits removed from the drop safe by the treasurer and not deposited into the bank until months later, and a unauthorized money transfer between school accounts performed by the school treasurer Cathleen Spring.

On 3-4-15 at 0700 hours I met with Ms. Miller-Kay and auditor Jennifer Zapata at Bak Middle School. Ms. Miller-Kay and Ms. Zapata were going to retrieve records from Ms. Spring's office in order to perform an audit based upon Ms. Miller-Kay's earlier findings. Shortly after our arrival, Ms. Spring arrived on campus. Ms. Miller-Kay and I introduced ourselves and Ms. Spring was escorted to Principal Sally Rozanski's office. Ms. Miller and I identified ourselves again and immediately Ms. Spring stated she was going to resign. Ms. Miller asked Ms. Spring "What for?" Ms. Spring stated she does not get any support from people at the school. Ms. Miller explained to Ms. Spring she was trying to address bookkeeping issues that she became aware of and wanted to ascertain if Ms. Spring could assist her address these areas of concern. Ms. Miller explained one issue involved \$1,100.00 missing from a December 2013 deposit.

Ms. Spring explained that the \$1,100.00 that was missing from Dec. 2013 was documented on a police report. The funds were taken from the safe possibly due to the deposit not falling into the safe. This was later confirmed as a School District Police report #13-023761 was documented on 12-18-13.

Ms. Miller-Kay did ask Ms. Spring if she could explain why a original Monies Collected Report (MCR), prepared by teacher Jessica Samons, from the June 18th, 2014 deposit had the cash notations covered with white out preventing one from seeing the cash notations on the original copy of the MCR. This original MCR is kept by Ms. Spring after the deposit was made by Ms. Samon and subsequently removed from the safe by Ms. Spring in order to process the deposit. Ms. Spring stated she did not have a clue how that happened. Ms. Spring could not offer an explanation as to why approximately \$10,000 in cash was missing from the June 18th deposit she processed.

Ms. Spring could not offer an explanation as to why she transferred \$7,500.00 into the Athletic Department's account, without the required authorization from Principal Sally Rozanski, in order for the invoice for previously ordered basketball uniforms to be paid. Ms. Spring stated the Athletic Dept. purchased speakers and possibly it was done for this purpose. It was later learned that this cost of speakers was not paid with funds from the Athletic account.

Athletic Director George Ryan was concerned as he believed he had sufficient funds in his account to cover the purchase of the uniforms. It was discovered during this investigation, the monies to fund the uniform purchase were transferred to the athletic account from the Theater account, Communications account and the General Activities account by Ms. Spring. Ms. Spring, as treasurer, is the only individual on campus that has log on privileges to effect transfers of monies. These transfers were completed without authorization from Principal Rozanski as required by policy. It was later discovered cash was missing from numerous prior deposits into the drop safe made by Athletic Director George Ryan which left the athletic account without the necessary funding to pay for the uniforms. This issue will be addressed in more detail later in this report.

At this point, Ms. Miller left the office. I advised Ms. Spring if she wanted to speak with me concerning this issue it would be voluntary on her part. I

REDACTED

explained to Ms. Spring that based upon the findings when the audit was complete, I would review the information and make a determination if criminal charges were applicable. I explained in detail what process would follow. I asked Ms. Spring if she had any explanation in reference to the missing money from the June 18th deposit. Ms. Spring stated she did not have an explanation. At this point, I did not ask Ms. Spring any further questions concerning this issue. Ms. Spring stated she was suffering from a migraine headache at this time. I remained in Principal Rozanski's office with Ms. Spring until Ms. Rozanski gave Ms. Spring her letter assigning her home. Ms. Rozanski took possession of Ms. Spring's keys and swipe card. I subsequently escorted Ms. Spring to her vehicle. Ms. Miller-Kay and Ms. Zapata took custody of records from Ms. Spring's office as well as a trash bag containing what appeared to be shredded safe drop logs. These items remained in Ms. Miller-Kay's custody at this point.

The procedure that is to be followed concerning deposits into the school drop safe is as follows: The teacher/individual collecting funds for fundraising or other events prepares a two part Money Collected Form (MCR). The funds are counted and the amount is documented on the MCR as cash or check or a combination of both. The account number is entered on the form along with the reason for the collection of funds. The date collected is also indicated on the form as well as the total collected. The individual documenting this form signs the bottom of the form as the remitter of these funds. This person will separate the white copy of the MCR and place it in the deposit bag. The yellow copy of the MCR remains with the teacher/individual preparing the MCR. Once this function is completed, the teacher/individual will bring the deposit bag to the school drop safe. A pre-numbered Drop Safe Log is dated and signed by the individual dropping the deposit into the safe documenting the date the funds were collected, the date the funds were placed into the drop safe as well as the amount of the deposit.

The deposits are subsequently removed from the safe by treasurer Cathleen Spring in order to process the funds and prepare a bank deposit for these funds to be delivered to the bank. The removal of deposits from the safe involves Ms. Spring and another individual. Ms. Spring has two numbers for the safe combination and the second individual has the remaining number. It was later determined, during Ms. Tammy King's statement, Ms. Spring had all three numbers to the combination to the drop safe which is against policy/procedure, as it would allow Ms. Spring access to the safe without another individual present.

Once the deposits are removed from the drop safe, they are brought to Ms. Spring's office by Ms. Spring. My investigation revealed, Ms. Spring would obtain the white copy of the MCR from each deposit. Ms. Spring would call out the name of the person making the deposit as well as the amount documented on the MCR. The second individual would locate this information on the Drop Safe Log and complete section two of the Drop Safe Log by entering the date Ms. Spring removed the deposit and placing their initial in the box titled "Verified By." Once this process is completed, Ms. Spring would process each deposit by entering the information into the School Cash.Net software program after she counted the funds in each of the deposits. Ms. Spring would produce a deposit report from this program as well as a receipt to be delivered to each individual making a deposit. Each of these receipts contain an individualized receipt number. Ms. Spring should deliver the receipts to another individual who enters the receipt number in section three of the Drop Safe Log and initials the "Verified By" box as having the receipt which indicates the funds were entered into the School Cash program by Ms. Spring.

REDACTED

When the individual making the deposit receives their receipt they attach the receipt to their yellow copy of the MCR in order to reconcile their deposit. Ms. Spring is the only individual who has log on access to the School Cash.Net program for Bak Middle School. Section three also contains a section to be completed by Ms. Spring if the deposit amount submitted by the teacher/individual differed from Ms. Spring's count of the deposit. The individual is notified via e-mail by Ms. Spring. The processed deposits are kept in a safe in Ms. Spring's office until it is picked up by the Dunbar Courier Service to be transported to the bank.

Ms. Miller-Kay had removed a June 18th, 2014 deposit package from Ms. Spring's work files in her office. A closer examination of the Money Collected Reports and subsequent bank deposits documented the fact that the checks attributed to this deposit were accounted for however \$11,794.60 in cash was missing from a combination of the submitted Monies Collected Reports (MCRs). Additionally, it was discovered that the June 18th, 2014 deposit contained Monies Collected Reports from February 1st, 2014, April 2014 and March 2014. Ms. Miller-Kay stated there is no reason for deposits into the drop safe to be held for this extended period of time. The following is an analysis of the June 18th, 2014 deposit that led to the discovery that \$11,794.60 in cash was missing from this deposit.

1. Monies Collected Report (MCR) deposit # 513-1 had been originally prepared by teacher Heidi Sperounis on 2-1-14. The total collected by Ms. Sperounis was \$1,570.00. The cash in this deposit was \$1,450.00 and the balance of \$120.00 was in checks. The deposit into the school safe was made on 2-3-14 by Ms. Sperounis as documented on Drop Safe Log #11-57169. According to procedure, Ms. Sperounis included the original white copy of the MCR with her deposit and per procedure the yellow copy of the MCR remains with the individual depositing the collected funds. The money was removed from the safe on 2-3-14 by treasurer Cathy Spring and verified by secretary <Exempt> according to the Drop Safe Log. Ms. Spring signed the white copy of the MCR dropped by Sperounis verifying the amount and account assignment listed on the top portion of the MCR. Section three of the Drop Safe Log is completed by another individual when the bank deposit paperwork is completed by Ms. Spring and a receipt is produced from this program to be given to the individual depositing the funds. This receipt is attached to their yellow copy which serves as documentation the submitted deposit was processed by Ms. Spring. This deposit is not listed in section three which would indicate the funds were not processed and deposited into the bank after they were removed from the drop safe on 2-3-14. This deposit for this amount was not completed until June 18th 2014, over four months later. The yellow copy of the MCR, kept by the teacher collecting the funds, and a receipt for this deposit that is sent to the person making the deposit has not been found. Ms. Spring/designee would send the individual who prepared the deposit, and dropped it into the school safe, a printed receipt acknowledging the deposit was received as well as the amount of the deposit. This document has not been located. Attendance records for Ms. Spring document she clocked in for work on Monday 2-3-14 at 07:30am and clocked out at 4:01pm. On 5-14-15, I obtained a sworn recorded statement from Ms. Sperounis. Ms. Sperounis was shown a copy of the Drop Safe Log concerning her deposit. Ms. Sperounis verified it was her signature on the Drop Safe Log indicating she made this deposit on 2-3-14. Ms. Sperounis acknowledged she prepared the MCR for this deposit. It is unknown at this time, why Ms. Spring maintained possession of these funds four months after the funds were initially placed into the drop safe and removed by Ms. Spring on 2-3-14. The \$1,570.00 was included in the bank deposit for 6-18-14.

REDACTED

2. MCR deposit #513-2 was also prepared by Ms. Sperounis on 2-1-14 and totaled \$1,660.00 including \$1,525.00 in cash. Drop Safe Log #11-57169 documents Ms. Sperounis signed the log on 2-3-14 indicating she dropped the \$1,660.00 deposit into the drop safe. Section two of the Drop Safe Log documents this deposit was removed from the safe by Ms. Spring and verified by <Exempt> on 2-3-14. Ms. Spring initialed the white copy of the MCR verifying the amount and the account assignment for these funds. Section three for this deposit was not completed indicating these funds were not documented as being deposited in the bank once they were removed from the safe on 2-3-14. This amount was subsequently deposited with the June 18th bank deposit over four months later. Ms. Sperounis provided a sworn recorded statement on 5-14-15. Ms. Sperounis verified her signature on the Drop Safe Log and the MCR which indicates she made this deposit into the drop safe on 2-3-14. It is unknown at this time where these two deposits were held after Ms. Spring removed them from the drop safe on 2-3-14 and subsequently deposited the funds four months later.

3. MCR deposit #513-3 was originally prepared by Martha Satinoff on 4-12-14 and dropped in the school drop safe on 4-12-14 according to the Drop Safe Log #11-57315. The amount of this deposit into the school safe was listed as \$1,075.00 in cash. This deposit was removed from the school safe by Ms. Spring and verified by <Exempt> on 4-16-14 as documented in section two of the Drop Safe Log. Ms. Spring initialed the white copy of the MCR verifying the account assignment and amount of the deposit listed on the MCR. A receipt number was not entered for this deposit on 4-16-14 in section three of the Drop Safe Log. This MCR and the \$1,075.00 was subsequently included in the June 18th, 2014 deposit, two months after it was removed from the drop safe. A yellow copy of this MCR has not been located as well as the printed receipt of the deposit, Ms. Spring would issue to the person making the drop safe deposit. This receipt, issued by Ms. Spring, is to be matched up with the yellow copy of the MCR held by the person depositing the funds into the school safe. This deposit was not listed in section three of the Drop Safe Log as being deposited into the bank immediately, although it was removed from the safe on 4-12-14. On 5-14-15, I obtained a sworn recorded statement from Ms. Satinoff concerning this deposit. I did show Ms. Satinoff a copy of Drop Safe Log #11-57315. Ms. Satinoff verified she did sign the log on 4-12-14 and placed her deposit into the drop safe on this date. It is unknown where this deposit was kept for two months after Ms. Spring removed this deposit from the drop safe on 4-16-14.

4. MCR deposit #513-4 contains two MCRs completed by teacher Jessica Samons. One of the MCRs Ms. Samons prepared is in the amount of \$1,773.00. This MCR documents one check in the amount of \$25.00 and the remainder of the deposit is in cash. The cash is broken down on the MCR as \$200.00 in 100.00 bills, \$350.00 in \$50.00 bills, \$1020 in \$20.00 bills, \$140.00 in \$10.00 bills, \$25.00 in \$5.00 bills and \$13.00 in \$1.00 bills. Ms. Samons entered this deposit on the Drop Safe Log #11-57338 on 5-13-14. The funds were removed from the safe on 5-16-14 by Ms. Spring and verified by Ms. <Exempt>. Ms. Spring did not initial the white copy of this MCR as verifying the amount or account number. Section three of the Drop Safe Log was not completed which indicates the third party did not receive the receipt paperwork from Ms. Spring. The \$1,748.00 in cash is missing from this deposit. Ms. Spring uses the time collection device to record her work days. I did check the attendance records documented by the time collection device records and Ms. Spring did clock in for work on Friday, 5-16-2014 at 0729am and clocked out at 4:04 pm 5-16-15.

REDACTED

5. The second MCR #513-4 dated 5-14-14 prepared by Ms. Jessica Samons totals \$3,695.00 This deposit was dropped into the safe by Ms. Samons on 5-14-14 and removed from the school safe on 5-16-14 by Ms. Spring and verified by Ms. <Exempt>. Ms. Spring initialed the white copy of the MCR verifying the amount and account number. Section three of the Drop Safe Log is blank indicating this deposit paperwork was not completed for this deposit by Ms. Spring indicating it had not been deposited into the bank. The white copy of the MCR did have entries, following the list of checks, hidden by the use of white out. Ms. Samons was contacted and asked to produce her yellow copy of this MCR. Ms. Samons produced the copy and I observed that the cash entries appeared on her copy but were covered with white out on the original MCR which remains in Ms. Spring's possession after Ms. Spring removes the deposit from the safe. Ms. Samons provided a sworn statement stating she included the cash with this deposit. Ms. Samons confirmed she documented the amount she deposited in the school safe totaled \$3,695.00 as indicated by her entry on the Drop Safe Log #11-57338. Ms. Samons stated she did not "white out" the cash entries on the MCR she prepared. The hidden amounts on the white MCR are as follows:

\$550.00 in \$50.00 bills, \$2,060.00 in \$20.00 bills, \$320.00 in \$10.00 bills, \$170.00 in \$5.00 bills \$44.00 in \$1.00 bills and \$1.00 in change. A total of \$3,145.00 in cash is missing from this deposit.

6. Ms. Samons prepared MCR on 5-15-14 which should be designated as deposit #513-5. This white copy of the MCR was not initialed by Ms. Spring. Drop Safe Log #11-57339 documents, Ms. Samons dropped this \$2,817.00 deposit into the school safe on 5-15-14. This deposit was removed by Ms. Spring and verified as being removed by Ms. <Exempt> on 5-16-14. Ms. Spring did not initial this MCR as having verified the amount or the account number. Section three of the Drop Safe Log is blank indicating the teacher receipt paperwork was not forwarded to the third person by Ms. Spring to be entered in section three confirming the funds were entered into the School Cash.Net program. This MCR lists four checks totaling \$220.00. The remainder of the deposit is in cash and is listed on this MCR as \$350.00 in \$50.00 bills, \$1760.00 in \$20.00 bills, \$300.00 in \$10.00 bills, \$160.00 in \$5.00 bills, and \$27.00 in \$1.00 bills. It was determined, at this point that \$2,597.00 in cash is missing from this deposit.

Upon examining the three MCRs submitted by Ms. Samons and checking these figures against the #513 deposit statement prepared by Ms. Spring for the June 18th, 2014 deposit, Ms. Samons deposits were credited as \$605.00 for one deposit and \$190.00 for a second deposit totaling \$795.00. This total represents the total of all checks from the three MCRs submitted by Ms. Samons. This is verified by the check detail breakdown of checks prepared by Ms. Spring that were deposited into the Bank of America for the June 18th, 2014 deposit. Although, Ms. Spring did not initial the MCR totaling \$1,773.00 or the MCR totaling \$2,817.00 the fact that Ms. Spring listed the checks from all three MCRs submitted by Ms. Samons indicates she saw the MCRs. <Exempt> initialed the Drop Safe Log verifying these deposits by Ms. Samons had been removed from the safe by Ms. Spring. Ms. Miller-Kay advised me that Ms. Spring is the only person on campus that has the login information for "School Cash.Net" in order to enter this information and generate the deposit report. This report includes the check detail document listing all the checks received for this deposit. The amount of cash missing from Ms. Samon's deposits total \$7,490.00.

7. Mr. George Ryan, Athletic Director at Bak Middle School, prepared a MCR

REDACTED

dated 04-24-14 in order to deposit \$289.00 in cash. Mr. Ryan signed the Drop Safe Log #11-57323 indicating he dropped this deposit into the school safe on 4-24-14. The deposit was removed by Ms. Spring on 4-29-14 and verified by <Exempt>. Section three of the Drop Safe Log was left blank indicating this money was not documented as being deposited into the bank. The documentation was not prepared by Ms. Spring to be forwarded to the individual responsible for entering this information on the Drop Safe Log once the proper paperwork is prepared by Ms. Spring. The June 18th, 2014 indicates a deposit of \$289.00 was included in this bank deposit and credited to Mr. Ryan's school account. This deposit of \$289.00 was made two months after it was received and removed from the school drop safe. Ms. Spring did initial the white MCR copy that was submitted with this deposit numbered #513-6 as verifying the amount and account number. At this point, the yellow copy of the MCR or the receipt allegedly prepared by Ms. Spring to be returned to Mr. Ryan have not been located. Ms. Spring did clock in for work on 4-29-14 at 7:23am and left work at 4:40pm on Tuesday 4-29-14. On 5-14-15, Mr. Ryan provided a sworn recorded statement verifying it was his signature on the Drop Safe Log indicating he deposited these funds on 4-24-15. Mr. Ryan also identified the copy of the original MCR in the amount of \$289.00 as being prepared and signed by him on 4-24-15.

8. Mr. George Ryan prepared a MCR on 2-5-14 in order to deposit \$235.00. (\$170.00 of this deposit was in cash, the remainder in checks.) Drop Safe Log #11-57172 documents Mr. Ryan dropped the deposit into the school safe on 2-5-14. The deposit was removed on 2-7-14 by Ms. Spring and the removal was verified by Ms. <Exempt>. Section three on the Drop Safe Log indicates this deposit was sent to the bank. Ms. Miller-Kay was able to determine from the receipt number listed in section three for this deposit was made in error. The 1458 receipt number for this deposit actually was for a different \$235.00 deposit made on 12-2-14. This entry in section three was an error. The MCR for the 235.00 for the 2-5-14 drop was deposited in the June 18th, 2014 deposit prepared by Ms. Spring as indicated by her initials and the 6-18-14 date she listed on the MCR. This deposit was not deposited until four months after it was dropped into the school safe and removed by Ms. Spring. The deposit number for this MCR for June 18th, 2014 is 531-7. It was determined that both of the \$235.00 deposits by Mr. Ryan were deposited into the bank months after they were removed from the safe by Ms. Spring. The attendance records for Ms. Spring document she clocked in for work on Friday 2-7-14 at 7:27am and clocked out at 4:00pm.

9. On 3-10-14 teacher, Ms. Rucker prepared a MCR for the band account in order for monies, collected as donations, to be deposited into the school safe. This MCR is listed as deposit 513-9 for the June 18th, 2014 deposit. Ms. Rucker documented a total of \$2,686.60 was deposited into the school safe by her and was entered on the Drop Safe Log #11-57192 on 3-10-14 by Ms. Rucker. The three checks on this MCR are in the amount of \$60.00, \$150.00 and \$250.00 totaling \$460.00. Ms. Rucker listed her cash deposits on this MCR as \$1,060.00 in \$20.00 bills, \$430.00 in \$10.00 bills, 410.00 in \$5.00 bills \$300.00 in \$1.00 bills, \$24.00 in quarters, \$2.30 in dimes, \$.25 in nickles and \$.05 in pennies. The cash total for this deposit was \$2226.60. The June 18th bank deposit prepared by Ms. Spring included this MCR, which had been dropped in the school safe three months earlier and was removed from the safe on 3-14-14 by Ms. Spring as witnessed by <Exempt>. Ms. Spring prepared her deposit statement #513 for June 18th 2014 and only credited this MCR deposit in the amount of \$460.00, listing the three checks on this MCR on her check detail report. The cash deposit totaling \$2,226.60 is missing at this point. The entry in section three of the Drop Safe Log concerning this deposit was

REDACTED

blank on 3-14-15 indicating this deposit dropped by Ms. Rucker was not deposited into the bank on 3-14-14 when it was removed from the safe. Ms. Spring did initial the MCRs verifying the \$2,686.60 amount on 6-18-14. Attendance records for Ms. Spring document she clocked in for work on Friday 3-14-14 at 7:30am and clocked out at 4:05pm 3-14-14. On 5-14-15, I obtained a sworn recorded statement from Ms. Rucker reference this deposit. Ms. Rucker was shown a copy of the MCR for this deposit as well as the entry on the Drop Safe Log. Ms. Rucker verified she was the individual who counted the funds for this deposit and signed the MCR. Ms. Rucker also verified her signature on the Drop Safe Log #57192 as the individual who placed this deposit into the safe on 3-10-14.

Upon checking the check summary for the 6-18-14 deposit, prepared by Ms. Spring, six checks were listed totaling \$140.00. The category name associated with these checks was Band Winter Concert. Ms. Zapata was examining deposits for FY 2014 and found a white copy of an MCR prepared by Ms. Rucker in the amount of \$1,890.00. This MCR was included in a deposit packet for 12-16-13. This deposit was dropped into the drop safe by Ms. Rucker on 12-13-13 and removed from the safe by Ms. Spring on 12-16-13, verified by Ms. <Exempt>. It was discovered this deposit was originally entered into the School Cash.Net program, deposit #475-36, on 12-16-13 by Ms. Spring. Ms. Spring subsequently deleted this deposit from the 12-16-13 bank deposit. The method concerning how she accomplished this is addressed later in this report. Subsequently, the cash in the amount of \$1,750.00 was discovered missing. The six checks listed on Ms. Rucker's 12-13-13 MCR totaling \$140.00 were then included with the 6-18-14 deposit summary. The check information from Ms. Rucker's MCR, prepared by her on 12-13-13, is identical with the check details listed by Ms. Spring on her check detail paperwork for the 6-18-14 bank deposit.

10. Mr. George Ryan, Athletic Director, prepared a MCR on 3-12-14 in the amount of \$173.00 in cash, Mr. Ryan signed the Drop Safe Log #11-57195 on 3-12-14 indicating he dropped this deposit into the school safe. This deposit along with other deposits was removed from the safe on 3-14-14 by Ms. Spring and verified by <Exempt>. This deposit was not documented in section three of the Drop Safe Log as having been deposited in the bank and no paperwork was received by the third party necessary to enter this amount as deposited in section three of the Drop Safe Log. On the June 18th, 2014 deposit statement prepared by Ms. Spring, the deposit is listed as 531-10 and it was initialed by Ms. Spring on 6-18-14. This money was deposited three months after it was documented as having been dropped by Mr. Ryan and as having been removed from the school safe by Ms. Spring and verified by <Exempt>. Attendance records for Ms. Spring documented that she worked on 3-14-14 from 07:30- 4:05pm. It is not know where Ms. Spring kept this deposit for three months. On 5-14-15, Mr. Ryan provided a sworn recorded statement and he verified he made the entry on the Drop Safe Log on 3-12-14 and verified he prepared the MCR in the amount of \$173.00. Mr. Ryan stated he did drop this deposit into the safe on 3-12-14.

11. On 3-11-14, teacher Mr. Valentine prepared four MCRs. Deposit #513-11 in the amount of \$250.00 (check), deposit 513-12 in the amount of \$90.00 (\$85.00 cash plus one check in the amount of \$5.00), deposit # 513-13 in the amount of \$80.00 in cash and deposit #513-14 in the amount of \$593.00. This deposit contained \$125.00 in checks and \$468.00 in cash. The Drop Safe Log #11-57194 indicates that Mr. Valentine dropped these four MCRs totaling \$1,013.00 as indicated on the Drop Safe Log on 3-11-14. This deposit was removed from the safe on 3-14-14 by Ms. Spring and verified by <Exempt>. This deposit was not listed in section three as having been included with the other bank deposits

REDACTED

processed on 3-14-14. These MCRs were included in the June 18th, 2014 deposit three months after they were put in the drop safe by Mr. Valentine. <Exempt> did verify she initialed section two on the Drop Safe Log indicating Ms. Spring removed this deposit from the safe on 3-14-14. Upon checking the deposit statement prepared on June 18th, 2014 by Ms. Spring, Mr. Valentines account was credited with a \$250.00 deposit for MCR #513-11, \$90.00 credit for MCR #513-12, \$80.00 for MCR #513-13, but only credited for the two checks totaling \$125.00 for MCR #513-14. The cash totaling \$468.00 is missing from MCR #513-14 deposit. Attendance records documented that Ms. Spring reported for work on 3-14-14. Ms. Spring did initial each MCR verifying the deposit submitted by Mr. Valentine totaling \$1,013.00. On 5-14-15, I spoke with Mr. Valentine. Mr. Valentine stated these MCRs were prepared by parent volunteer Ms. Moriarity. Mr. Valentine advised Ms. Moriarity also deposited the monies into the drop safe and would print his name on the Drop Safe Log indicating the deposit. I subsequently contacted Ms. Moriarity on 6-3-15 and obtained a statement from her in which she confirmed she made the deposits and entered Mr. Valentine's name on the Drop Safe Log.

According to the total deposits for the above mentioned MCRs the June 18th, deposit should have totaled \$18,736.60. Ms. Spring prepared a Bank of America deposit slip and deposited \$6,942.00 total for the June 18th, 2014 deposit. The cash total missing from this deposit totals \$11,794.60. Ms. Spring signed the deposit summary for this deposit which includes the breakdown of cash deposits and check deposits. Ms. Spring indicated by her signature the total deposit was \$6,942.00. The Bank of America deposit receipt notice also indicates only \$6,942.00 was sent to them for deposit. The above mentioned MCRs and Drop Safe Logs and additional paperwork created by Ms. Spring as it relates to the June 18th, 2014 deposit were submitted into evidence as was her attendance records for the dates the MCRs and deposits were first removed from the drop safe and not deposited into the bank until months later in the June 18th, 2014 bank deposit. It is not known at this point where these funds were kept when they were removed from the safe and submitted for deposit months later.

Ms. Miller-Kay advised me she discovered Ms. Spring had transferred a total of \$7,500.00 from the Bak Middle School Theater account (\$1,000.00), Communications account (\$3,500.00) and the General activities account (\$3,000.00) to the Athletic Department account. Principal Rozanski would be required to approve the transfer of funds and documentation is required for any transfer of funds. Ms. Rozanski provided a sworn recorded statement stating she was not aware Ms. Spring transferred these funds. Ms. Rozanski stated this type of transfer is unusual due to the fact one department is not funded by another departments funds. It was determined that Athletic Director George Ryan had submitted purchase orders on 1-21-15 in the amount of \$1,041.00 and a \$3,175.00 purchase order on 12-16-14, and an additional purchase order on 12-16-14 in the amount of \$3,255.00. These purchase orders were for the purchase of basketball uniforms and sneakers. These purchases were approved by Ms. Rozanski. Eastbay Team sales submitted an invoice in the amount of \$7,433.00 for the order. Ms. Spring signed Bak Middle School of the Arts check #13180 in the amount of \$7,433.00 paid to the order of Eastbay Team Sales. The check date on the check requisition form indicates 2-12-14 and this date appears on the check as well. Principal Rozanski advised her name appears on the check requisition form as well as on the check. Ms. Rozanski stated she did not sign either document and advised her signature was forged on both documents. The payment check requires two signatures. Ms. Spring signed the check as the treasurer. Principal Rozanski signed a forgery affidavit addressing the check signature and the check requisition form. Ms.

REDACTED

Rozanski also provided a sworn written statement concerning this issue. Principal Rozanski stated there is no reason for any person to sign her name on this check. Principal Rozanski stated she was on campus on 2-12-15 and could have signed the check if Ms. Spring had advised her she was issuing this check. Principal Rozanski stated she never gave Ms. Spring permission to sign her name on any check issued from the school. Mr. Ryan had advised Ms. Miller-Kay he believed he had the funds to pay for the uniforms prior to monies being transferred into his account by Ms. Spring. The transfer of the \$7,500.00 into the athletic account from the three other accounts occurred on 2-6-15 just prior to the issuance of the \$7,433.00 check to Eastbay by Ms. Spring. Prior to these transfers Mr. Ryan's account balance was \$726.18 due to funds being stolen from his account in FY14 and FY15. This issue will be addressed later in this report.

On 3-4-15, while Ms. Miller-Kay was securing records from Ms. Spring's office, she observed papers in Ms. Spring's trash can under the attached shredder. Ms. Miller-Kay and Ms. Zapata were able to piece together parts of the papers and it was discovered these items were Drop Safe Logs that are missing from the FY15 Drop Safe Log book. The numbers on the shredded documents, once reconstructed, indicate they are log numbers 11-57358, 11-57359, 11-57360, 11-57361, 11-57362, 11-57363, 11-57364, 11-57365, 11-57366 and 11-57367. It was later learned these deposits by several different individuals are missing. The total of these cash deposits is \$1,136.00. The individuals making these deposits identified as Mr. Ullom, Ms. De La Roche <Exempt> and Mr. Battle identified the yellow copies of the MCRs they prepared that coincide with their deposit. I obtained sworn statements from these individuals. I was unable to contact Ms. Jaimez at this time. Ms. Jaimez deposited \$10.00 that was discovered missing from the bank deposit.

Ms. Miller-Kay did spot check Ms. Spring's District issued purchasing card account. Ms. Miller-Kay found two charges to Jet Blue in the amount of \$40.00 and \$50.00. The \$40.00 charge was posted on 6-28-14 and the \$50.00 charge was posted on 6-27-15. Ms. Miller-Kay obtained the original School District Bank of America statement for these charges. The two Jet Blue entries had white out under the Jet Blue name covering the notation under the Jet Blue name. Upon closer examination the name <Relative> and <Relative> were the names listed on the Bank of America statement for Ms. Spring's School District issued P-card under the Jet Blue charge that had been covered over with white out. This bank statement form contained the original signature of Cathleen Spring as the cardholder verifying the activity on the card. The name Sally Rozanski appears on this document above the line "manager's signature verifying the charges." Ms. Rozanski advised she did not sign this document and her signature was forged. The departure dates for the Jet Blue flight was 6-27-14 and 6-28-14. My investigation revealed, Ms. Spring does have a son named <Relative>. Ms. Spring's son does not attend Bak Middle School. This purchase appears to be a personal expense paid for with Ms. Spring's School District purchasing card and subsequently the personal expense was paid for by the School District. This charge was subsequently billed to Bak Middle School Visual Arts Dept. by Ms. Spring.

I obtained the documentation Ms. Spring prepared in reference to the \$40.00 and \$50.00 charge paid to Jet Blue by Ms. Spring using the School District Purchasing card (P-Card). The procedure in this instance entailed Ms. Spring paying for this personal expense with the District P-card. The bill is subsequently paid by the School District. Ms. Spring prepared an invoice with these two charges totaling \$90.00. Ms. Spring included two legitimate payments made with her P-Card on this particular invoice totaling \$181.04 in

REDACTED

P-Card purchases. The check requisition paperwork is filled out detailing the amount the school needs to reimburse the District from the school accounts for the P-card purchases (\$181.04.) A check was prepared by Ms. Spring in the amount of \$181.04 payable to the School District. Ms. Spring signed this check and Principal Sally Rozanski's name appears as the second signature on the check. Ms. Rozanski stated she did not sign this check. This check was subsequently sent to the School District for reimbursement to the District by Bak Middle School. The two personal charges totaling \$90.00 was deducted from the Visual Arts Dept. account by Ms. Spring.

I spoke with a Jet Blue customer representative on 8-18-15 reference these charges. This individual advised the \$40.00 charge was possibly for a seat upgrade and the \$50.00 charge could have been for an extra luggage fee for the time period these charges were made. The retention period for any other information on this flight had passed and was no longer available. I obtained a sworn written statement from teacher Joseph Barefoot, who is the Bak Visual Arts Department Instructional Leader. Mr. Barefoot stated he did not authorize these two charges. Mr. Barefoot stated his Department did not have a field trip in the later part of June when these charges were made by Ms. Spring. Mr. Barefoot stated the only airline trip in June he authorized was from 6-04-14 until 6-07-14.

Two gas purchases in the amount of \$38.50 and \$43.47 were also charged to Ms. Spring's District issued purchasing card and designated as being charged to the custodial budget. This will be investigated further to determine if they were authorized purchases.

On 3-4-15, while in Ms. Spring's office I observed a shoe box in the closet where the safe is located. The shoe box contained a new pair of black UGG woman s boots. My investigation revealed Ms. Spring had ordered two pair of UGG boots from Amazon on 2-16-15. These items were delivered to Bak Middle School on 2-19-15. Ms. Rozanski was advised of this purchase by this officer and Ms. Miller-Kay. Ms. Rozanski advised she subsequently contacted Amazon and received an e-mail from them advising that two pair of "Women's Classic Cardy" (boots) were ordered on Monday 2-16-15 and were delivered to Bak Middle School on 2-19-15. The boots were purchased with Ms. Spring's District issued purchasing card for a total of \$320.90. This cost was charged back to the after school step team supply account by Ms. Spring. The boots found in Ms. Spring's office were submitted into evidence by me until it can be determined if anyone from the after school program ordered these items. Ms. Renee Murray, document analyst for P-card purchases for the School District, advised me Ms. Spring was the only individual on campus that could enter the people soft computer system and cause this charge to be assigned to the aftercare program. The school step team comes under the after school program.

On 5-11-15, I obtained a sworn recorded statement from Ms. Shekendra Moorner. Ms. Moorner is in charge of the Bak Middle School step team. Ms. Moorner stated she never requested that two pair of Ugg boots be ordered for her team. Ms. Moorner stated all the boots used by the step team are purchased at Army/Navy stores. It would appear that this is an unauthorized purchase and was purchased for Ms. Spring's personal use. This purchase was made just prior to Ms. Spring traveling to New York on personal business. The paperwork from Amazon and the assignment of the charge to the Aftercare Program by Ms. Spring was submitted into evidence.

On 3-27-15, Ms. Miller-Kay and I met with Ms. Tammy King at Bak Middle School. Ms. King is employed at Bak Middle School as a Clerk/Secretary. Ms. Miller-Kay

REDACTED

had examined Drop Safe Logs #11-57502 dated 2-19-15 and #11-57503 dated 2-20-15. These two Drop Safe Logs document the fact that deposits were removed from the safe and the removal of these deposits was verified by Ms. King. Ms. Miller-Kay observed some of the deposits removed from the drop safe by Ms. Spring were not processed for deposit into the bank. This is indicated by the absence of documentation and verification by Ms. King in section three of the Drop Safe Log.

Ms. King explained, Ms. Spring would contact her and both Ms. King and Ms. Spring would go to the drop safe to remove the deposits that were made and documented on the Drop Safe Log. Ms. King stated Ms. Spring would enter her safe combination numbers and Ms. King would enter her number and the safe would be opened. Ms. King advised Ms. Spring would put the deposits on a cart and she would accompany Ms. Spring to Ms. Spring's office. Ms. King advised Ms. Spring would call out each deposit by the amount listed on the white copy of the Monies Collected Report attached to each deposit. Ms. King advised she would document the date the deposit was removed from the safe and initial the box under the heading "verified by." This documents the fact that the deposit was removed from the safe for the purpose of being deposited into the bank by Ms. Spring. Ms. King did not count monies contained in the deposits. The count was completed by Ms. Spring. Ms. King stated Ms. Spring maintained possession of the Drop Safe Log upon completion of the verification process. Ms. King thought this was odd because she was taught that she should maintain possession of the Drop Safe Log. When Ms. Spring finished processing the funds, Ms. Spring would bring the receipt paperwork to Ms. King. Ms. King would then enter this information into Section three of the Drop Safe Log. Each deposit entered on the Drop Safe Log receives an individual receipt number that should be documented in section three of the Drop Safe Log indicating the deposit was entered into school cash. This white receipt for the processed deposit is to be given to the individual making the drop safe deposit to be attached to their yellow copy of their MCR. The processed deposit would subsequently be submitted to Dunbar Courier service and deposited into the bank. Ms. King would initial section three of the Drop Safe Log verifying the receipt number of the processed deposit and documenting the receipt number on the Drop Safe Log.

The two deposits documented on the Drop Safe Log that lacked verification by Ms. King as being processed for deposit into the bank were drops made by George Ryan on 2-19-15 in the amount of \$949.00 in cash listed on log #11-57502 and a deposit by Ms. Rucker on 2-20-15 in the amount of \$3,431.00 listed on log # 11-57503. This deposit contained two checks totaling \$45.00 and \$3,386.00 in cash. The funds dropped into the safe by Mr. Ryan and Mr. Rucker are unaccounted for at this time. Ms. King recalls these two logs in particular due to Ms. Spring complaining about the teachers using different color ink on the logs. Mr. Ryan used green ink documenting his deposit of \$949.00. Ms. King also recalled Ms. Spring called out another deposit amount that was not listed on the Drop Safe Log. Ms. King advised Ms. Spring put this deposit on the bottom tray of the cart. It is not known at this time who dropped this deposit. Ms. King cannot recall the amount called out by Ms. Spring for this deposit which was not listed on the Drop Safe Log. Mr. Ryan and Ms. Rucker verified they listed these deposits on the Drop Safe Log and prepared the Monies Collected Reports and submitted the deposits into the drop safe. Ms. King stated she did ask Ms. Spring for the receipts that Ms. King would log into section three on the Drop Safe Log after Ms. Spring processed the deposit. Ms. King stated Ms. Spring would tell her she would find them and bring them to her. Ms. King stated Ms. Spring would not produce these receipts. These deposits were eventually discovered missing during this

REDACTED

investigation.

My investigation determined, Ms. Cathleen Spring maintained bank accounts at Wells Fargo Bank as well as First Choice Credit Union. I requested and subsequently received subpoenas from the Palm Beach County State Attorney's office and served these subpoenas on 3-30-15.

Palm Beach County School District auditor Susy Kay-Miller is conducting an audit of the Drop Safe Logs and monies collected reports for the last three years based on these initial findings. Ms. Miller-Kay started with FY 2015 and discovered the following based on documentation on the Drop Safe Log and the yellow copies of MCRs collected from the teachers. These two items document the funds the individuals collected this current school year and subsequently deposited into the drop safe to be processed by Ms. Spring.

Ms. Miller-Kay prepared a spread sheet documenting the amount of the individual's deposit, documented on the particular numbered FY 2015 Drop Safe Logs, and matching the available corresponding yellow copy of the MCRs obtained from the individuals listed on the Drop Safe Log as having made the deposits into the safe. This documentation was compared against documentation prepared by Ms. Spring of what was actually deposited into the bank by her. It was discovered \$27,481.30 in cash was missing from the bank deposits and \$1,260.00 in checks were also missing from the bank deposit. The total amount of funds missing/stolen for FY 2015 from 6-25-14 until 2-23-15 total \$28,741.30.

The missing funds were stolen from 52 separate deposits between 6-25-14 and 2-23-15. The available yellow copies of the MCRs used to determine the amount of missing funds and the original Drop Safe Logs signed by the individual dropping their deposits were submitted into evidence. The removal of the funds by Ms. Spring was verified by other individuals who initialed the Drop Safe Log verifying the fact, Ms. Spring removed the particular deposits that were later determined to have been stolen. Once the verification process was completed Ms. Spring would process the deposits and would be the only individual to enter the deposits into the School Cash. Net program which signifies the amount of money that would be deposited into the bank. Section three on the Drop Safe Log is completed after the funds are entered into school cash and a deposit statement and a receipt is completed by Ms. Spring. This information is documented in section three by another individual. The deposits documented on the Drop Safe Log that were stolen did not have receipt number assigned or an initial verifying the funds were entered into the School Cash account in section three of the Drop Safe Log. Ms. Spring did not enter any documentation in Section three of the Drop Safe Log indicating the subject deposits were incorrect or that the deposit was missing money as a reason it was not processed with the other deposits removed at the same time.

An examination of the Drop Safe Logs, which are in numerical order, and the yellow copies of the MCRs and the date they were prepared resulted in a finding identifying the deposits that were believed to be logged on the now shredded Drop Safe Logs found in the trash can in Ms. Spring's office on 3-4-15. The total deposits on Drop Safe Log numbers #11-57358 through #11-57367 for FY 2015 indicate 19 deposits were made over a period of time from 6-25-14 until 8-9-14. The yellow copies for this time period document the deposits were all cash deposits totaling \$1,136.00. These funds were never processed or submitted by Ms. Spring to be deposited into the bank and have not been located.

REDACTED

On 5-12-15, I obtained sworn recorded statements from teacher Doug Battle and contract technician Dave Ullom. Mr. Ullom identified 12 monies collected reports he completed and signed and subsequently dropped these funds into the drop safe to be processed. The total amount of the 12 cash deposits is \$587.00 which is unaccounted for.

Mr. Battle verified his signature on four MCRs totaling \$420.00 in cash deposits prepared on 8-8-14 and 8-9-14. Mr. Battle could not recall if he made the deposit or if he turned the funds over to another individual to deposit. Mr. Battle stated he was helping with the issuance of school identification cards prior to the start of the new school year. The Drop Safe Log which should contain these entries was found shredded in Ms. Spring's office. I also obtained a sworn recorded statement from school secretary Ms. De La Roche. Ms. De La Roche prepared a MCR in the amount of \$60.00 cash on 7-7-14. Ms. De La Roche verified her signature on the MCR and stated she deposited the funds into the drop safe after collecting the funds. This deposit is also unaccounted for. Ms. Jaimez prepared a MCR in the amount of \$10.00. Ms. Jaimez is currently retired and I have not obtained her statement reference her deposit at this time. Ms. <Exempt> deposited \$119.00 according to the MCR and provided a sworn statement to that effect.

On 5-11-15, 5-12-15 and 5-14-15, 6-3-15 and 6-4-15, I obtained sworn statements from the individuals who signed the various Drop Safe Logs indicating they deposited money into the drop safe this current school year, FY 2014 and FY 2013 and the funds were subsequently discovered missing, partially deposited or deposited into the bank months after being removed from the drop safe. These individuals examined the copies of the money collected reports they prepared, if available, and confirmed that they prepared the forms. These individuals also viewed the entries on the Drop Safe Log and identified their signatures on the Drop Safe Log indicating they deposited monies into the drop safe. Teacher Patrick Fallon advised a parent volunteer made several drops into the safe upon his request and printed his name on the Drop Safe Log. Mr. Fallon agreed with the amount that was deposited as he counted the funds prior to being deposited. I contacted PTO President Vitasta Chaturvedi and Francine McMillian, parent volunteer, and obtained sworn statements from them confirming their deposits of monies on Mr. Fallon's behalf. These deposits were verified as having been dropped into the safe as noted on the Drop Safe Log when the safe was emptied by Ms. Spring. Ms. Spring's initials also appear on the white MCR for the \$4,680.00 deposit as having received the funds from the drop safe.

Ms. Vitasta Chaturvedi stated she wrote Mr. Fallon's name on FY 15 Drop Safe Log 11-57427 on 10/21/14 and stated she deposited \$4,680.00 in cash into the drop safe. The MCR was prepared by Ms. McMillian who counted the funds along with Ms. Chaturvedi. Ms. Chaturvedi also stated she wrote Mr. Fallon's name on FY 15 Drop Safe Log #11-57433 on 10/24/14 and she deposited \$1,530.00 in cash. Ms. McMillian prepared this MCR as well. Ms. McMillian advised she wrote Mr. Fallon's name on FY 15 Drop Safe Log #11-57430 and deposited \$2,690.00 in cash into the safe. The Drop Safe Log documents these deposits were removed from the safe by Ms. Spring and verified as being removed in section two of the Drop Safe Log. Both the \$4,680.00 deposit and the \$2,680.00 deposit removal was verified by Ms. Maria Cabrera. The \$1,530.00 deposit removal was verified by Ms. <Exempt>. These three deposits are missing and were not deposited into the bank by Ms. Spring.

Mr. Valentine advised a parent volunteer dropped the deposits into the safe for him. On 6-3-15, I obtained a sworn statement from Ms. Moriarity who

REDACTED

verified she deposited specific deposits on Mr. Valentine's behalf that were determined to be missing/stolen. The drop safe entries, Ms. Moriarity wrote Mr. Valentines name on the Drop Safe Log were FY 2014 log #11-57333 for \$205.00, log #57348 for \$90.00, log #57914 for \$1,013.00. These deposits involved missing cash and delayed deposits. The individuals that provided sworn statements in reference to the FY 2015 deposits that are missing are, Mr. Ullom, Ms. DeLaRoche, Ms. Franco, Mr. Ryan, Mr. Fallon, Ms. Rucker, Ms. Hutchinson, Ms. Beebe, Ms. Moore, Ms. Souder, Ms. Satinoff, <Exempt> and Ms. Steinmetz. Ms. Steinmetz advised the \$130.00, she dropped into the safe on 2-20-15 was returned to her and the \$130.00 thought to be missing from her deposit was in fact returned to students who did not submit the remainder of field trip money on time. There was no documentation in section three of the Drop Safe Log to indicate this. I attached a document Ms. Steinmetz provided verifying the return of the \$130.00 to the students, to the spread sheet to account for this amount that was not found in a bank deposit.

Ms. Franco provided me with an e-mail she sent to Ms. Spring on 2-26-15. Ms. Franco advised Ms. Spring she was missing a white receipt for a \$385.00 deposit she made on 9-4-14. Ms. Franco needed this receipt to match with her yellow copy of the monies collected report to reconcile her deposit. Ms. Spring replied back and advised Ms. Franco to put the yellow copy in her mailbox and she would investigate because she was having trouble locating the receipt. This deposit by Ms. Franco is missing. Ms. Spring could have issued a duplicate copy of the receipt Ms. Franco needed if she had previously processed this deposit. This e-mail is submitted into evidence. The deposit was \$55.00 in cash and \$330.00 in checks.

Upon my examination of the Drop Safe Logs for FY13,14 and FY15 five different individuals were identified as having verified Ms. Spring's removal of deposits later discovered to be missing. These individuals are identified as secretaries <Exempt>, Tammy King, Marie Cabrera, Ms. Rosanna De La Roche and teacher Ms. Joanne Friedel. I spoke with each of these individuals and each individual provided a sworn recorded statement confirming the fact that Ms. Spring removed the deposits from the safe, obtained the white copy of the MCR from the deposit bag and read the name of the individual making the deposit and the date and amount of deposit. <Exempt>, Ms. King and Ms. Cabrera, Ms. De La Roche and Ms. Friedel verified they individually dated and initialed the Drop Safe Log in section two next to the specific deposit information called out by Ms. Spring if they were the individual who accompanied Ms. Spring to the safe while Ms. Spring removed the deposits for processing.

Ms. <Exempt> advised, after the deposits were removed from the safe by Ms. Spring, the deposits were taken to Ms. Spring's office. <Exempt> stated Ms. Spring would pick up a deposit bag and obtain the white copy of the Monies Collected Report and read off the name of the individual who prepared the MCR along with the amount of the deposit listed on the MCR. <Exempt> stated she would locate this information on the Drop Safe Log and enter the date of the deposit's removal from the safe and initial the "verified by" section. <Exempt> advised she has, in the past, helped Ms. Spring count the monies that had been deposited. <Exempt> examined the Drop Safe Logs and verified she authored the initials under the "verified by" section on specific deposits determined to be missing. Both Ms. Cabrera and Ms. King also advised Ms. Spring would call out the teacher's name on the white copy of the MCR and the amount listed on the MCR as being deposited. They would then locate the deposit information on the Drop Safe Log and date and initial Section 2 on the Drop Safe Log, verifying the deposit was removed by Ms. Spring. Ms. Cabrera and Ms. King stated they never helped count the deposits nor were they present

REDACTED

when the funds were counted by Ms. Spring. Ms. Cabrera and Ms. King examined the Drop Safe Logs and verified they authored the initials on the log in Section 2 verifying specific deposits were removed by Ms. Spring. These deposits were later discovered missing funds. Ms. King also advised that Ms. Spring had the entire drop safe combination and witnessed Ms. Spring open the safe without having Ms. King enter her combination number. This is against policy and it would allow Ms. Spring access to the safe without another party being present.

Ms. King advised she did make entries in Section Three but noticed she was not receiving all the white receipts from Ms. Spring which would indicate the deposit was processed and entered into the School Cash program. Ms. King discussed this with Ms. Spring and Ms. Spring would tell her she would look for them. Ms. King stated Ms. Spring never returned with the receipts that she requested. The missing receipts Ms. King questioned Ms. Spring about were from deposits that were later discovered to be missing funds.

An examination of the drop logs for this current school year (FY15) revealed other missing receipt entries in Section #3. These funds were discovered missing from the bank deposits. This was also evident after examining the Drop Safe Logs from last school year. Ms. Miller-Kay will audit FY 2014 deposits as well.

On 5-14-15, I met teacher George Ryan at Bak Middle School. Mr. Ryan agreed to provide a sworn recorded statement in reference to this investigation. Ms. Miller-Kay examined the deposits for the current school year dating from 6-25-14 to 2-20-15. Ms. Miller-Kay discovered 12 separate cash deposits into the drop safe by Mr. Ryan were not deposited into the bank by Ms. Spring. These 12 deposits total \$5,748.00 in cash. The deposits by Mr. Ryan were made during the time period between 9-4-14 until 2-9-15. I did show Mr. Ryan copies of the MCRs relating to these deposits and he verified each MCR as prepared by him and signed by him. Mr. Ryan also verified his signature on each Drop Safe Log pertaining to each deposit he made. Ms. Cabrera, <Exempt> and Ms. King were involved in verifying specific deposits related to these deposits by Mr. Ryan. <Exempt>, Ms. Cabrera and Ms. King provided sworn statements stating they initialed section two on the Drop Safe Log for each of Mr. Ryan's deposits indicating that Ms. Spring called out each of Mr. Ryan's deposits and the date and amount of the deposit after she removed them from the drop safe. These deposits remained with Ms. Spring to be processed. These funds are missing. Mr. Ryan also verified he deposited \$235.00 on 2-5-14 and \$173.00 on 3-12-14. Both deposits were cash deposits. These funds were not processed until 6-18-14. It's unknown where these funds were kept by Ms. Spring for four months after she removed them from the drop safe.

Mr. Ryan advised me at the beginning of the 2014-2015 school year he made several request to obtain a copy of his account balances from Ms. Spring. Mr. Ryan stated Ms. Spring would offer excuses as to why she did not provide him with these account statements when he requested them. Mr. Ryan stated he finally received his account statements and discovered his balances in his accounts appeared to be below what he thought should be in his accounts. Mr. Ryan stated he brought this to Ms. Spring's attention and asked why his surplus funds from last year were not included in his accounts for the current year. Mr. Ryan stated, Ms. Spring told him the District was having a problem with "cashless schools" and it was a glitch in the system that should be corrected shortly. Bak Middle School is not a cashless school. Mr. Ryan stated as time went on Ms. Spring told him the "rollover" money from his accounts from the prior school year had not been received from the District due to some problems in the system. Mr. Ryan estimated his account balance

REDACTED

should have been approximately \$9,000.00. Mr. Ryan stated he kept checking with Ms. Spring and was advised his money had not been received from the District. Mr. Ryan stated he told Ms. Spring in Dec. 2014 or Jan. 2015 he had to order equipment for the school teams and asked her how he could do this due to his lack of funding issue. Mr. Ryan stated Ms. Spring told him to go out and get what you need and the money will be there. Mr. Ryan stated he ordered uniforms and equipment from Eastbay Team Sales and turned in an invoice to Ms. Spring in the amount of \$7,433.00. Ms. Spring issued check #13180 in this amount to Eastbay Team Sales and debited Mr. Ryan's account.

Mr. Ryan stated he saw his statement showing this invoice was paid. Mr. Ryan also noticed on his account statement that six days prior to the payment being made to Eastbay by Ms. Spring, three money transfers had been credited to his account. The transfers are identified by number on page three of this account sheet titled "Detailed Category Summary." Transfer #1085 was in the amount of \$3,500.00, #1086 was in the amount of \$3,000.00 and transfer #1087 was in the amount of \$1,000.00. The balance in Mr. Ryan's fundraiser account prior to these transfers was \$726.18, plus \$1,939.19 in his athletic account. These transfers totaled \$7,500.00, which would cover the cost of the invoice submitted by Mr. Ryan. Mr. Ryan stated he asked Ms. Spring about the source of the money that was transferred into his account. Mr. Ryan stated Ms. Spring told him that was the money the District stated rolled over to his account from last year. Mr. Ryan advised he told Ms. Spring he thought it was suspicious that the "rollover" money was an even number, due to many of his deposits containing change from the vending machines on campus. Mr. Ryan was also suspicious that it was just enough to pay the \$7433.00 invoice he had turned in to Ms. Spring in order to pay Eastbay Team Sales. Mr. Ryan stated that Ms. Spring insisted this was the amount the District said rolled over to his account from the prior school year. I presented Mr. Ryan with a document titled "Detailed Category Summary-All Transactions to Date." This document pertains to Mr. Ryan's Athletic Department and is an account summary listing credits and debits to his Athletic account. Mr. Ryan identified the three money transfers into his account detailed above were the funds Ms. Spring identified as coming from the District as the "rollover" money from his account from the prior school year. Mr. Ryan stated he contacted an individual in the District accounting office concerning Ms. Spring's explanation of the rollover money, due to fact that the money transfers came from three other internal accounts which contradicted Ms. Spring's explanation as to the source of the transferred monies. Mr. Ryan stated this individual referred him to the Inspector General's office based on what he disclosed. Mr. Ryan subsequently reported this to the School District Inspector General's Office.

Earlier in this investigation, it was discovered Ms. Spring had transferred funds on 2-6-15 from the Theater account, Communications account and the General Activities account totaling \$7,500.00 into Mr. Ryan's account just prior to paying the \$7,433.00 invoice from Eastbay on 2-12-15. This fact would indicate she lied to Mr. Ryan concerning the source of these funds by telling Mr. Ryan that the \$7,500.00 came from the District and was money he had left over from the prior school year. I learned from Ms. Miller-Kay that she audited Mr. Ryan's deposits he made during fiscal year 2014 and discovered \$3,034.00 in cash was missing from the total of deposits into the drop safe made by Mr. Ryan as evidenced by his signature on the Drop Safe Log. Mr. Ryan had a closing balance of \$5,570.04 on 6-30-14 for the 2013-2014 school year. The closing balance should have been \$8,604.04. Mr. Ryan advised in his statement that he believed his athletic account should have had a balance of approximately \$9,000.00 at the end of the last school year that should have

REDACTED

rolled over to the 2014-2015 school year when I spoke with him on 5-14-15. Ms. Spring was not authorized to transfer these funds according to Principal Rozanski. Ms. Spring documented on the "Detailed Category Summary - All transactions to date form the reason these funds were transferred was "incorrect deposit." Ms. Miller-Kay stated she had checked the Theater account, Communications account and the General Activities account and did not find any deposits that were deposited into these accounts that were "incorrect" and required a transfer to Mr. Ryan's account. It would appear the transfers were conducted by Ms. Spring to conceal the fact Ms. Spring previously stole funds from Mr. Ryan's accounts which in turn left his account balance without sufficient funds to cover the \$7,433.00 invoice for the uniforms from Eastbay.

It has been established by Ms. Miller-Kay as of 1-30-15 Mr. Ryan's balance in his athletic account was \$726.00. His concession account had an account balance of \$1939.19 which totals \$2,665.37. Mr. Miller-Kay determined \$3034.00 was missing from his FY 2014 deposits. It was also determined by Ms. Miller-Kay in FY 2015 \$2,506.00 is missing from deposits he made into the drop safe. The expected balance as of 1-30-15 should have been \$8,205.37 which would have covered the cost of the \$7,433.00 check issued to Eastbay Team Sales on 2-12-15.

On 3-6-15, I met with Bak Middle School Principal Sally Rozanski concerning this issue. Ms. Rozanski stated she did not approve these money transfers into Mr. Ryan's account. Ms. Rozanski also stated her signature appearing on the check requisition form for the \$7,433.00 invoice was not made by her and is a forgery. The actual check issued to pay this invoice is identified as #13180. Ms. Rozanski stated she is required to sign the check along with Ms. Spring. Ms. Rozanski stated she did not sign her name on the check and the signature indicating "Sally Rozanski" was forged. Ms. Rozanski stated she has never given anyone permission to sign her name on checks issued by the school. The circumstances concerning the theft of Mr. Ryan's funds and the unauthorized transfers of money into Mr. Ryan's account to conceal the theft of his funds could be the reason this invoice, check requisition and school check was not presented to Ms. Rozanski for her approval.

I asked Mr. Ryan if he was receiving printed computerized receipts from Ms. Spring for the deposits he was dropping into the drop safe. Mr. Ryan stated there was always an extended delay in receiving the receipts or the receipts were never sent to him. Mr. Ryan stated he would ask Ms. Spring for the receipts and she would advise she would look for them and send them to him. Mr. Ryan stated at the end of the 2013-2014 school year he was missing the receipts that should have been attached to his yellow copies of the MCRs he prepared. Mr. Ryan stated he continually asked Ms. Spring if they could meet so he could obtain the receipts to reconcile his account which had to be accomplished by the end of the school year. Mr. Ryan stated Ms. Spring would advise she was very busy and offer excuses and this meeting never took place. Mr. Ryan advised at the end of the 2013-2014 school year Ms. Spring told Mr. Ryan to leave his yellow copies with the secretary and she would obtain them and match up the receipts with his copies of the MCRs that documented his deposits. Mr. Ryan stated this is what he did. The fact that Mr. Ryan did not perform the reconciliation would prevent him from becoming aware receipts did not exist for the monies that were identified as stolen from his deposits. The receipts could only be generated once the deposit was entered into School Cash.Net by Ms. Spring.

When I interviewed Ms. Rucker concerning a deposit of \$2,686.60 she made on 3-

REDACTED

10-14 she advised she did not receive a receipt from Ms. Spring. It was determined that the cash totaling \$2,286.60 in this deposit was missing. This deposit was dropped into the safe by Ms. Rucker on 3-10-14 and removed by Ms. Spring on 3-14-14. This was not processed until June 18th, 2014. Only checks were included in the deposit to the bank. Ms. Rucker stated she was attempting to reconcile her accounts and could not match up receipts with her MCR copies. Ms. Rucker stated at the end of the year, Ms. Spring told her to leave her yellow copies with her and she would match them up. Ms. Rucker stated she left the yellow copies for Ms. Spring. Ms. Rucker did not know if the account was closed out when I spoke with her. The fact that Ms. Spring obtained the yellow copies from Ms. Rucker would prevent Ms. Rucker finding out that there was no receipt for her deposit and would not become aware she was missing \$2,286.60 in cash from her deposit similar to the situation Mr. Ryan mentioned above.

Ms. Jennifer Zapata, School District Auditor assigned to the School District Inspector General's Office, reviewed the 2013-2014 drop safe deposits and the deposit statements prepared by Ms. Spring. Ms. Zapata reviewed deposit statement #475 produced by Ms. Spring on 12/16/2013 at 1:59:27 pm. Ms. Zapata reviewed the sixty five MCRs attached to this deposit and found a white copy of a MCR prepared by Ms. Rucker on 12-13-13. This MCR was for the winter concert. Ms. Rucker documented on the MCR she collected \$1,750.00 in cash and \$140.00 in checks for a total deposit of \$1,890.00. The MCR was signed by Ms. Rucker and subsequently initialed by Ms. Spring verifying the amount submitted after she removed this deposit from the drop safe for processing.

Ms. Spring prepared the #475 deposit statement form on 12-16-13 listing all the submitted MCRs for this deposit. The School Cash.Net computer program assigns a number to each MCR entered by Ms. Spring. Ms. Spring then writes the number assigned to each MCR on the Deposit Form onto the white copy of the submitted MCR in the box designated deposit # and form number. This deposit packet #475 contained sixty five MCRs. Ms. Spring entered the numbers 475/36 on Ms. Rucker's submitted MCR. This indicates this MCR information should appear on the 475 deposit statement form and would be the 36th entry on the deposit statement form which includes the amount of the deposit. Upon checking the 475 deposit statement form it was discovered only sixty four MCR entries were listed. Ms. Rucker's MCR was not listed on the deposit statement. Upon examining the MCRs in this packet it was discovered the MCR following Ms. Rucker's originally was assigned number 37. The number on this MCR was physically changed to read 36. The numbers on each MCR that followed had the numbers originally assigned by the computer program changed. This would result in sixty four MCRs documented on the deposit statement prepared by Ms. Spring omitting Ms. Rucker's deposit.

Ms. Miller-Kay advised me if the treasurer makes a mistake entering deposit information into the School Cash.Net program it can be corrected by requesting a specific individual at the District office, with administrative rights, to perform a computer function that would allow the Treasurer to re-enter the program and correct errors.

If a MCR entry is deleted after it is entered each MCR that follows the deleted entry rolls up one number on the deposit summary document. In this case Ms. Rucker's MCR entry was deleted by Ms. Spring consequently the MCR originally assigned number 37 on the deposit summary becomes 36 and so on. Ms. Miller-Kay checked Ms. Spring's e-mail for 12-16-13 which was the day this deposit was processed. It was discovered Ms. Spring sent an e-mail to Crystal Cattery, School District Internal Account Technician, requesting she "flip the

REDACTED

switch for me please so I may fix my boo boo...thanks." Ms. Cattey responded "It's already on." Ms. Cattey was authorized to perform this function allowing Ms. Spring to re-enter the program to make corrections. In this case however it is apparent Ms. Spring deleted Ms. Rucker's entry. Ms. Spring sent this request to Ms. Cattey on 12-16-13 at 1:04 pm. Ms. Cattey responded at 1:11 pm and Ms. Spring responded at 2:12pm "Thank You." The deposit summary was prepared by Ms. Spring on 12-16-13 at 1:59 hours. This set of facts would indicate Ms. Rucker's MCR in the amount of \$1,890.00 was originally entered on 12-16-13 by Ms. Spring on the deposit summary #475 and then removed which caused Ms. Spring to physically change each number on the white copies of the MCRs that followed Ms. Rucker's MCR. The \$1,750.00 in cash is missing from Ms. Rucker's deposit. The checks listed on Ms. Rucker's MCR, found in the 12-16-13 deposit packet, were later discovered to have been deposited into the bank by Ms. Spring as part of the June 18th, 2014 deposit. The names of the individuals submitting checks and the amount of each check were listed on the check detail document Ms. Spring prepared that was included with the June 18th deposit. The identical check information is contained on Ms. Rucker's MCR that was deleted from the 12-16-14 deposit summary. These items were submitted into evidence and identified as item #18. Ms. Cattey (Smith) is no longer employed by the School District. I obtained a sworn recorded statement from Crystal Cattey (Smith), via phone, in regards to this transaction. Ms. Cattey-Smith stated Ms. Spring called numerous times as it relates to her re-entering the program to make corrections. I also interviewed Ms. Melanie Pitts, Manager in the Accounting/Financial Applications Section of the School District of Palm Beach County. Ms. Pitts provided a sworn recorded statement detailing the method that should be followed by each School District Treasurer when processing deposits. Ms. Pitts confirmed Ms. Rucker's deposit was originally included in the #475 deposit but later removed. This appeared to occur after Ms. Spring requested Ms. Cattey allow her to re-enter the program. Ms. Pitts provided documents that indicate receipt #14-2511-1654 is missing from deposit summary #475 as is Ms. Rucker's deposit. This documentation was submitted into evidence. The fact that a receipt number was generated indicates Ms. Rucker's deposit was originally included in the #475 bank deposit summary. It is apparent that Ms. Spring decided to remove the deposit. The cash was subsequently discovered missing and the \$140.00 in checks as part of this MCR was deposited on 6-18-14.

Ms. Miller-Kay conducted an audit of FY's 2013 deposits into the drop safe. Ms. Miller-Kay determined in FY 2013 \$12,556.00 in deposits are missing/stolen. The cash total missing is \$12,481.00 I obtained sworn recorded statements from the eleven individuals who signed the Drop Safe Log documenting the amount and date of their deposits that were later discovered missing. Each individual verified their signature on the Drop Safe Log and stated they deposited the funds they listed on the Drop Safe Log. I also obtained sworn recorded statements from the individuals who verified Ms. Spring removed these deposits from the safe. These individuals initialed section two on the Drop Safe Log indicating Ms. Spring called out the name of the individual making the deposit and the amount of the deposits. There were only eight yellow copies of MCRs available for these missing deposits. The specific individual who prepared these MCRs also verified they prepared the form. The white original MCRs for these deposits are missing as well as the yellow depositor's copy. The spread sheet prepared by Ms. Miller-Kay concerning these missing funds and the individuals who deposited the funds are included in this report.

Ms. Miller-Kay also audited FY2014 drop safe deposits. Ms. Miller-Kay determined \$25,303.65 in deposits were missing/stolen from the drop safe

REDACTED

during the time period from 7-3-13 until 2-21-14. The cash deposits missing total \$24,178.65 with the balance being the total of checks missing. Ms. Miller-Kay prepared a spread sheet documenting the individual making the deposit and the amount of monies unaccounted for. The majority of the deposits discovered missing or partially deposited do not have a yellow or white original of the MCR. I was advised by Ms. Miller-Kay the white copy (original) of the MCRs, retained during the year by Ms. Spring, should be boxed up at the end of the year as are the yellow copies. Ms. Miller-Kay was only able to find thirteen yellow copies for FY 14 that addressed the missing funds. It should also be noted that Mr. Ryan and Ms. Rucker and Ms. Samons stated they had not received their deposit receipts from Ms. Spring during the year. These individuals stated they turned in their receipts after Ms. Spring volunteered to match up the missing receipts with their yellow copies at the end of the year. These deposits were determined to be missing along with the both copies of the MCRs. Both the white copy and yellow copy are missing for twenty seven other deposits that were discovered missing/stolen. It would appear these MCRs were excluded to conceal the fact the bank deposits were not made for these particular MCRs. Based on the sworn statements of Ms. King, Ms. Cabrera, <Exempt>, Ms. Friedel and Ms. De La Roche Ms. Spring would obtain the white copy of the MCR from the deposit she removed from the safe. Ms. Spring would read the name of the person making the drop safe deposit as well as the amount written on the MCR. These individuals would initial section two on the Drop Safe Log next to the deposit Ms. Spring called out. Ms. Spring, in her statement, advised this was the procedure she performed during this process. Ms. Spring would maintain possession of the white copy of the MCR. Ms. Spring would be the last individual that had possession of the MCRs that were discovered missing along with the monies connected to these missing MCRs.

The total amount of funds missing/stolen for FY's 13, 14 and 15 has been determined to be \$66,600.95 including checks that were never deposited or found. My investigation has determined that the deposits dropped into the drop safe that were discovered missing, or deposits that were only partially deposited or those that were deposited months after being removed from the safe, were in fact deposited into the safe by the individual teachers, parent volunteers or office staff based on the sworn statements I obtained. I have obtained sworn recorded statements from the individuals who identified and authenticated their signatures on the Drop Safe Log and in some cases identified the corresponding Monies Collected Report they prepared for these deposits. I have also obtained sworn recorded statements from individuals who accompanied Ms. Spring to the drop safe to remove the deposits. These individuals, identified as Ms. Cabrera, <Exempt>, Ms. King, Ms. Del La Roche and Ms. Friedel also provided sworn recorded statements that they initialed section two of the Drop Safe Log verifying Ms. Spring removed the deposits that were eventually determined to be missing, partially deposited or deposited months after being removed from the drop safe. All the individuals who verified the removal of the deposits from the drop safe by Ms. Spring stated they signed their initials in section two of the Drop Safe Log only after Ms. Spring called out the deposit information from the white copy of the MCR that accompanied the deposit. It was evident from examining the Drop Safe Logs the deposits eventually discovered missing did not have numbered receipts issued by Ms. Spring indicating the funds were never processed for deposit into the bank. This is evident by the lack of documentation in section three of the Drop Safe Log. Ms. Spring did not make any entries on the Drop Safe Log that the funds determined to be missing/stolen were not included in the deposits into the safe when she prepared her bank deposit nor were any teachers notified they were missing funds from their deposits. In a few instances if the money count was off by a small amount Ms. Spring would e-mail

REDACTED

the individual dropping the deposit of the correction. In particular for FY 2015 Ms. Spring initialed the original copies of the MCRs verifying the amount of the deposit. These include the MCRs that address the deposits that were eventually discovered missing/stolen. Many of the FY 14 copies of the MCR for the funds determined to be missing cannot be located. This includes the white copy of the MCR that accompanied the deposit. The white copy is to be retained by Ms. Spring during the year. The yellow copy of the MCRs retained by the teachers are turned into Ms. De La Roche at the end of the year to be stored pending future audits.

I did subpoena Ms. Spring's bank records from Wells Fargo Bank as well as her account at First Choice Credit Union. The information sent by Wells Fargo did not show Cathleen Spring listed as a signer on the accounts. The information sent indicated the accounts were held jointly by Mr. Spring and his daughters.

Upon reviewing Ms. Spring's banking records from First Choice Credit Union from the time period 12-23/11 until 03/24/15 Ms. Spring had a School District payroll deduction deposited into this account on a regular basis. Additionally, it was also discovered that cash was being deposited into this account by Ms. Spring at offsite locations that are listed on her First Choice Credit Union Statement. These cash deposits were being made on a regular basis during the time period when monies were discovered missing from the school deposits.

Ms. Miller-Kay prepared a spread sheet detailing these cash deposits by Cathleen Spring. Ms. Miller-Kay identified even money cash deposits made by Ms. Spring over this time period and discovered \$17,698.00 in cash deposits were documented on her Credit Union Statement. This does not include her payroll deposit. Ms. Miller-Kay also discovered other cash deposits were being made into this account. These cash deposits were not even amounts but rather had .25 cents added to the cash amount ie \$233.25, \$151.25, \$202.25 etc. Upon examining the deposit slips, for these cash deposits ending in .25, the handwriting on the deposit slip documenting Cathleen Spring's name appeared to have been written by someone else. The deposits that had .25 cents added to the cash deposit totaled \$4,253.08. The total cash deposits into Ms. Spring's credit union account during this time period was \$21,951.08.

Upon further examination of Ms. Spring's Credit Union statement it was discovered Ms. Spring's account balances would often be in the negative or have a minimal balance. This situation was corrected at times by the cash deposits made by Ms. Spring as well as the other cash deposits that had the .25 cents added to the cash deposit.

It was also determined that Ms. Spring was borrowing money from Silver Cloud Financial Inc. as documented on her credit union account by credits listed from this organization as well as debits paid to this organization via a automatic debit from her account by Silver Cloud Financial Inc.

Silver Cloud Financial Inc. maintains a website www.SilverCloudFinancial.com and is owned and operated by Silver Cloud Financial Inc., a tribal lending entity wholly owned and operated by the Habematolel Pomo of Upper Lake California." The information listed on their website contains a statement "Silver Cloud Financial, Inc. loans are designed to help you meet short term borrowing needs such as for car repair, medical care for you or your family... This is an expensive form of credit and is not intended to provide a solution for long term creditor other financial needs. Alternative forms of credit such as a credit card advance, personal loan, home equity line of credit and

REDACTED

borrowing from a friend or relative may be a less expensive and more suitable source of funding." The documentation on this web site state "our loans are structured to be paid off on a 20 payment schedule. Each installment payment will contain a service fee of \$30.00 per hundred borrowed which is charged every two weeks and an amount equaling five percent of your initial principal loan." The information also states first time customers may qualify for a loan of \$300.00 up to \$1,000.00. Maximum loan amount for subsequent loans are allowed up to \$1,200.00 dollars. I requested a subpoena be issued for Ms. Spring's financial records from Silver Cloud Financial Inc. I subsequently served this subpoena and faxed the subpoena to Silver Cloud Financial Inc. on 6-18-15. Silver Cloud Financial Inc. voluntarily provided this information concerning Ms. Spring's loans.

Ms. Miller-Kay examined the available information provided by Silver Cloud Financial Inc. concerning loans to Ms. Spring and repayment information. Ms. Miller-Kay determined Ms. Spring borrowed the following amounts from Silver Cloud Financial Inc.:

1. 12/13/12 - \$700.00
2. 3/29/13 - \$1,000.00
3. 7/18/13 - \$290.00
4. 11/22/13 - \$1,000.00
5. 7/08/14 - \$1,000.00

Total: \$3,990.00

Ms. Miller-Kay determined the repayment on these loans totaled \$12,113.33 according to the records provided by Silver Cloud Financial Inc.

It cannot be established that the cash deposits into Ms. Spring's credit union account were funded by money stolen from Bak Middle School. Senior Auditor examined FY 13, FY 14 and FY 15 deposits at Bak Middle School. It was determined from this examination that funds, removed from the drop safe by Ms. Spring, and verified as being removed by several individuals, were discovered missing since 8-19-12 until Ms. Spring was removed from her position of Treasurer on 3-4-15.

I spoke with Ms. Renee Murray, Purchasing card (P-card) analyst for the School District of Palm Beach County in reference to the charges made on Ms. Spring's Purchasing card for the Ugg Boots and for the two charges paid to Jet Blue paid for with Ms. Spring's District issued purchasing card. Ms. Murray explained the Ms. Spring's P-Card defaults to the Principal's Administrative budget account if a specific account is not charged for a purchase made with her P-Card. I reviewed the billing for both charges with Ms. Murray. Ms. Murray advised Ms. Spring would enter her computer and enter the account number that would be debited for a particular purchase. Ms. Murray advised Ms. Spring assigned the payments for the UGG boots to the aftercare account (#3060) which appears on the monthly P-Card Transaction Statement. Ms. Spring completed this function for the Jet Blue charges as well assigning the billing to the Bak Middle School Visual Arts account. This documentation was submitted into evidence. Ms. Murray provided a sworn written statement concerning her findings. Ms. Murray also obtained a copy of the original bank statement concerning the Jet Blue charges totaling \$90.00. This copy displays the name <Relative> attached to these charges before Ms. Spring covered his name with white out on the paperwork she submitted. Ms. Spring then assigned this personal charge to the Visual Arts Department.

REDACTED

Ms. Miller-Kay was able to retrieve e-mails from Ms. Spring's School District computer that addressed the purchase of the UGG boots by Ms. Spring. Ms. Spring utilized her School District computer to order the boots from Amazon.Com. at a cost of \$160.45 each. Subsequent to Ms. Spring, entering her method of payment she received an e-mail reply from Amazon.com that the bank declined her payment method for the boots. A follow up e-mail from Amazon.com to Ms. Spring requested she update the payment information for her order. The next e-mail from Amazon to Ms. Spring states she successfully updated her order and the charge was accepted. Records show the charges for two pair of boots totaled \$320.90 and was charged to her School District issued Purchasing card. The transaction date was 2-16-15. The boots were delivered to Bak Middle School on 2-19-15. The charges were posted on 2-17-15. Ms. Murray advised once the charges are posted Ms. Spring could assign the account that would be debited for the purchase via her computer. Ms. Murray stated Ms. Spring assigned this charge to the Bak Middle School aftercare account after the payment was posted. Ms. Spring would have performed this function between 2-17-15 and 2-27-15.

I contacted Ms. Spring on 8-13-15 and Ms. Spring agreed to meet with me on Tuesday 8-18-15. I met with Ms. Spring and advised her I would like to obtain a sworn recorded statement from her concerning this investigation. Ms. Spring agreed to provide a statement. I advised Ms. Spring due to information I discovered during the investigation I would advise her of her Miranda warnings. I read the warnings into the record and Ms. Spring signed the Miranda form and stated she understood each of her rights her rights and agreed to proceed with her statement. Ms. Spring denied any knowledge concerning the shredded Drop Safe Logs that were found in her office trash bin underneath the shredder. Ms. Spring stated other individuals have access to her office and denied shredding these documents and denied taking the money that was determined to have been deposited during the time frame covered by the destroyed Drop Safe Logs.

I advised Ms. Spring that her District issued purchasing card (credit card) was used to pay for two pair of UGG brand ladies boots that were delivered to the school. Ms. Spring stated she ordered and only received one pair of boots not two. Ms. Spring stated she realized the boots were mistakenly charged to her School District purchasing card. Ms. Spring stated she was going to return the boots I found on top of her filing cabinet because they should have been charged to her own personal charge account. Ms. Spring explained that the Amazon account can have different payment accounts linked to it and evidently her personal purchase of the boots were incorrectly charged to her District issued Purchasing Card. Ms. Spring stated she could have chosen the District P-Card as payment in error. I advised her that I had documentation from Amazon and tracking numbers that document two pair of UGG boots were delivered to Bak Middle School. Ms. Spring asked if I had documentation that she signed for two pair of boots. I advised her I did. I then asked Ms. Spring again if she was in possession of the other pair of UGG boots and this time she advised she was. Ms. Spring's previously stated she only received one pair and those were the pair that I found in her office on 3-4-15. Ms. Spring stated she was going to return this pair of boots due to the cost being charged to her District issued Purchasing Card.

I advised Ms. Spring the \$320.00 charge for the boots were charged to the After School account. Ms. Spring stated she couldn't explain this. Ms. Spring then stated her purchasing card defaults to an account when a purchase is made and will remain charged to this account until she enters the program and designates the school account that should be charged for the purchase. I

REDACTED

advised Ms. Spring her card defaults to the Administrative budget account and not the After School account. Ms. Spring stated she had no idea how this charge was assigned to the after school account. I asked Ms. Spring if anyone else had the ability to assign this charge. Ms. Spring stated there was no one on campus that could cause the charge to be assigned to the After School account. I previously spoke to Ms. Murray, purchasing card analyst for the School District, and she advised Ms. Spring was the person that assigned this charge and it was not accomplished by anyone in the District Office. This contradicts Ms. Spring's earlier statement that she did not know how the charge was assigned to the after school account. I informed Ms. Spring of my conversation with Ms. Murray. Ms. Spring later stated she posted this charge to aftercare in error. The fact is Ms. Spring admitted she knew the purchase was not supposed to be on her School District issued purchasing card but she now states she posted it to the after school account in error. Ms. Miller-Kay obtained Ms. Spring's District e-mail correspondence with Amazon reference this purchase. This documentation revealed that Ms. Spring received confirmation from Amazon for her order reference a pair of UGG boots on 2-16-15 at 1:53pm. The amount of the purchase was \$160.45 for one pair of boots. Ms. Spring received a second e-mail from Amazon advising her that the payment method for her order was declined by the bank. Documentation in the e-mail from Amazon requests that Ms. Spring update the payment information for her order. On 2-16-15 at 2:08 pm Ms. Spring received another e-mail from Amazon advising "you've successfully updated the payment method for your order." The charge was approved. On 2-16-2015 at 7:09 pm an e-mail was sent to Ms. Spring by Amazon advising her they shipped the order. The remarks in the e-mail state "We've combined 2 UGG Australia Womens from your orders together in the same package". This would also contradict Ms. Spring's original statement that she only received one pair of boots. This e-mail indicated the charge was \$320.90. I asked Ms. Spring if she recalled using her personal credit card for this purchase and the card was subsequently declined. Ms. Spring stated she could not remember if this happened. I asked Ms. Spring could this have happened and she advised it could have. Ms. Spring then denied intentionally using the School District credit card to pay for the purchase because her personal credit card was declined.

Ms. Spring admitted this purchase was a personal purchase. Ms. Spring stated she only received one pair but later admitted she had the second pair at home. Ms. Spring admitted she knew the boots were charged to her District issued purchasing card. Ms. Spring admitted she was going to return one pair of boots when she realized her P-card was charged, however she admitted to having the second pair. Ms. Spring then entered her computer program at school and caused the charge of \$320.90 to be assigned to the aftercare program. These facts would indicate Ms. Spring did not assign this charge to aftercare in error as she originally stated as the assignment of the charge was done in the same time period after she received the boots.

I advised Ms. Spring that Senior Auditor Ms. Miller-Kay was on campus on Monday 3-2-15 in order to perform an unannounced cash count. I advised Ms. Spring a prepared deposit, # 563, was found in the safe in Ms. Spring's office awaiting pickup from Dunbar for deposit into the bank. I advised Ms. Spring the Drop Safe Log indicated the funds for this prepared bank deposit were removed by her from the drop safe on 2-23-15. I also advised Ms. Spring that Ms. Miller-Kay unsealed the deposit bag and discovered a deposit in the amount of \$949.00 placed into the drop safe by Mr. Ryan and a deposit in the amount of \$3,431.00 placed in the drop safe by Ms. Rucker, removed by Ms. Spring on 2-23-15, were not included with the prepared deposit removed from the drop safe at the same time and were not found in the safe in her office. These

REDACTED

deposits were removed from the safe on 2-23-15 and their removal was verified by Ms. Tammy King who documented her initials on the Drop Safe Log after Ms. Spring called out the information concerning these two deposits.

Ms. Spring denied taking the money from these two deposits and did not know what happened to the money. The white original MCRs placed with these two deposits are also missing. This fact is consistent with other deposits that were removed from the drop safe by Ms. Spring and the monies from these deposits were later discovered missing. Ms. Spring stated she believed Principal Rozanski had access to the safe in her office where Ms. Spring places deposits that are ready to be picked up by Dunbar. Ms. Spring stated she believed the Principal's secretary, Ms. De La Roche, also has access to this safe. I obtained a sworn statement from Bak Principal Sally Rozanski who stated she has the entire combination for this safe in order to give Dunbar the prepared deposits in Ms. Spring's absence. Ms. Rozanski stated she always has another individual with her if she had to perform this function. Principal Rozanski stated Ms. Spring has the partial combination and Ms. De La Roche and Ms. Cabrera have the other number to the safe and it requires Ms. Spring and another individual to be present to open the safe and remove the deposits for Dunbar courier service.

I have obtained a printed history of card access entries into Ms. Spring's office from 2-23-15 through 3-04-15. Ms. Spring entered her office on Friday 2-27-15 at 0:712 hrs. Ms. Spring's last entry into her office on 2-27-15 was 1310 hours. The next entry into Ms. Spring's office is by Ms. De La Roche at 0:741 on Monday 3-2-15 hours when Ms. Miller- Kay arrived to complete a cash count audit. Ms. Spring did not return to work until 3-4-15, after her trip to New York. The fact that the deposit bag was sealed when Ms. Miller-Kay obtained the deposit on 3-2-15 and the subsequent inventory of this deposit revealed the \$4,380.00 was never placed in the prepared deposit, as it should have been, cast doubt on Ms. Spring's theory that the funds not found for this deposit were removed from the safe. There is no legitimate reason these two deposits should have been omitted from the completed processed deposit by Ms. Spring as they were removed from the drop safe the same time as other deposits that were included in this deposit. This scenario was evident in FY13, FY 14 and FY 15 concerning missing money from deposits after Ms. Spring took possession of these deposits. Ms. Spring stated someone else could have entered the safe in her office and removed cash and checks from deposits she removed from the drop safe and did not have time to include these with the bank deposits. Ms. Spring pointed out that an audit finding indicated deposits were removed from the drop safe and not deposited until weeks later. I advised Ms. Spring that if she was keeping deposits in her office safe until she had time to process them she never reported any funds missing from her safe in FY 13, FY 14 or FY 15.

I questioned Ms. Spring concerning \$50.00 and \$40.00 charge to her purchasing card by Jet Blue on 6-27-14. I explained to Ms. Spring I had her Bank of America Purchasing card statement that documented this purchase. I also advised her there was white out used to block out part of the documentation attached to this charge on the bank statement. I advised Ms. Spring an examination of this document revealed the name <Relative> was the wording blocked out by the white out. Ms. Spring does have a son by this name who was a High School student in 2014. Ms. Spring stated she could not recall her son taking a trip on Jet Blue in 2014 and could not explain why her son's name was attached to these two charges. Ms. Spring stated she would check with her son and her husband to ascertain if her son went anywhere via Jet Blue airlines in June 2014. I advised Ms. Spring this charged was posted by her to the Visual

REDACTED

Arts Department at Bak Middle School. Ms. Spring stated they do take field trips. I asked if her son <Relative> would have been on field trip with the Visual Arts Department of Bak Middle School and she stated he would not attend a trip with the Middle School. Ms. Spring stated she could not explain why this charge was attached to her son's name. As mentioned earlier in this report I had contacted Mr. Joseph Barefoot, Department Instructional leader for the Visual Arts Department at Bak Middle School. Mr. Barefoot stated his Department did sponsor a trip to New York from 6-04-14 - 6-07-14. Mr. Barefoot stated he did not authorize these two charges billed to his Department. Mr. Barefoot also advised <Relative> did not participate in any field trips sponsored by his department. Based on the fact that Ms. Spring's son's name is attached to this charge indicates the charge was a personal charge by Ms. Spring using the District purchasing card for payment of the two fees.

I questioned Ms. Spring concerning the sworn statement provided by Mr. Ryan reference her explanation to him concerning his "rollover money" from last school year not being credited to his account. Ms. Spring she could not recall having this conversation with Mr. Ryan. I asked Ms. Spring if she signed Principal Sally Rozanski's name to the \$7,433.00 check in order to pay this invoice. Ms. Spring stated she did and advised she was told by Ms. Rozanski she could sign her name to checks in her absence. Ms. Spring stated Ms. Rozanski had her practice signing her name while in Ms. Spring's office. Ms. Spring stated this was witnessed by former employee Dave Ullom. I contacted Mr. Ullom via phone on 8-20-15 and asked if he witnessed this event in Ms. Spring's office. Mr. Ullom stated he did not. On 8-20-15 I obtained a sworn statement from Ms. Rozanski concerning this issue. Ms. Rozanski stated Ms. Spring had signed her name to a thank you letter to a parent. Ms. Rozanski stated she was in Ms. Spring's office one time, unknown date, and a discussion was had concerning copying someone's signature. Ms. Rozanski stated Ms. Spring was writing Ms. Rozanski's signature and a conversation was had concerning how close Ms. Spring could come to duplicating Ms. Rozanski's signature. Ms. Rozanski stated she told Ms. Spring not to get too good at this because she did not want her to nor did she ever give Ms. Spring permission to sign her name to check. Ms. Rozanski stated they were "joking around" concerning this and it was not being done for the reason stated by Ms. Spring.

Ms. Spring denied transferring the \$7500.00 from three other accounts, without authorization, so Mr. Ryan's invoice could be paid due to his account being depleted due to Ms. Spring obtaining funds from his deposits. I advised Ms. Spring the remarks documented on the transfer form as the reason for the transfer was "incorrect deposit" I advised Ms. Spring Senior District Auditor Susy Miller-Kay determined no incorrect deposits were placed into the accounts where the funds were removed from. When questioned concerning the deposits that were missing cash but the checks from these deposits were listed on processed deposits months later Ms. Spring advised she could not explain how this occurred. I questioned Ms. Spring concerning the removal of Ms. Rucker's \$1,890.00 deposit from deposit #475 after it was originally entered into the School Cash.Net program by her on 12-16-13. I advised Ms. Spring after she removed this deposit the \$140.00 in check included with the deposit were submitted in the June 18th, 2014 deposit. The \$1,750.00 in cash was missing from the deposit by Ms. Rucker. Ms. Spring stated she had no explanation as to why this occurred.

Ms. Spring confirmed she would remove the deposits from the drop safe. Ms. Spring stated she would take the deposits to her office. At this time, Ms. Spring stated she would call out the deposit information from the white copy

REDACTED

of the Monies Collected report that was included with each deposit. The individual assisting in this process would verify the removal of the deposit by Ms. Spring by placing their initial in section two of the Drop Safe Log next to the deposit information called out by Ms. Spring. Ms. Spring stated after this process was completed she would process the deposit. Ms. Spring denied taking any money from any of the deposits discovered missing including those deposits she initialed as being correct but were discovered missing. Ms. Spring could not offer an explanation as to why the funds were missing. I asked Ms. Spring if she discovered cash missing or a deposit missing from the safe would she report this and document this fact on the Drop Safe Log in section three. Ms. Spring stated she would. I pointed out to Ms. Spring that it was determined she was the last individual who was in possession of the missing deposits based on the verification process, which Ms. Spring did not challenge. There were 108 separate deposits that were not deposited after being removed from the safe. Several of these deposits had the checks deposited at a later date but not the cash included with the deposit. Ms. Spring stated at times she would put deposits into the safe in her office until she could process them. Ms. Spring stated someone could have removed the deposits from her safe. I advised Ms. Spring she never reported any thefts from her safe and this would not explain the fact that she agreed with the amount listed on certain MCRs and the cash was determined to be missing from the bank deposits, or the cash missing but the checks deposited months later. At this time, the interview with Ms. Spring was terminated. Items pertaining to this investigation were placed into evidence and are listed on the property receipts included with this report.

Based on the facts documented in this investigation I advised Ms. Spring I will present a criminal case to the Palm Beach County State Attorney’s Office for their review. I have prepared a probable cause affidavit charging Ms. Spring with Organized Scheme to Defraud in violation of FSS.817.034 (4) (a)1 over \$50,000.00, two counts of Grand Theft over \$20,000.00 in violation of FSS 812.014(b)1 reference FY 14 and FY 15. One count of Grand Theft in violation of FSS 812.014(c)3 reference FY 13, Grand theft in violation of FSS 812.014 (c) 1 in reference to her personal purchase of the UGG Boots paid for with her District issued purchasing card , and Petit theft in violation of FSS 812.014 (3)(a) in reference her \$90.00 personal charge she paid for utilizing her District issued purchasing card.

REPORT OFFICERS

Reporting Officer:	MCCOY, K	853
Reviewing Officer:		
Approving Officer:	MURPHY, W	791

Probable Cause Affidavit

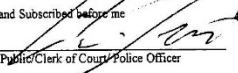
Agency ORI Number FLO 504200	Agency Name Palm Beach County School District Police	Agency Report Number 98-1500-3345
---------------------------------	---	--------------------------------------


Name (Last, First, Middle) Spring, Cathleen	Race W	Sex F	Date of Birth 05/19/1964
--	-----------	----------	-----------------------------

Charge Description Petit Theft 812.014(3) (a)	Charge Description
Charge Description Organized Scheme to Defraud FSS 817.034(4) (a) 1	Charge Description

Victim: Bak Middle School of the Arts	Race	Sex	Date of Birth
1725 Echo Lake Drive, West palm Beach Fla 33407			
Business Address:	Phone	Occupation	

The undersigned certifies and swears that he/she has just and reasonable grounds to believe, and does believe that the above named defendant committed the following violation of law. The Person mentioned above was found to have committed the below acts, resulting from my (described) investigation.

Sworn and Subscribed before me

 Notary Public/Clerk of Court/Police Officer
 Date 8/31/15


 Signature of Arresting/Investigating Officer
 Det. Kevin J. McCoy
 Name of Arresting Officer
 Date 8/31/15

Date

Probable Cause Affidavit

Agency ORI Number FLO 504200	Agency Name Palm Beach County School District Police	Agency Report Number 98-15003345
---------------------------------	---	-------------------------------------

Name (Last, First, Middle) Spring, Cathleen	Race W	Sex F	Date of Birth 05/19/1964
--	-----------	----------	-----------------------------

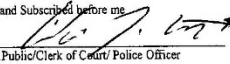
Charge Description Grand Theft FSS 812.014 (c3) (FY 13)	Charge Description Grand Theft FSS 812.014 (b)1 (FY15)
Charge Description Grand Theft FSS 812.014 (b) 1 (FY 14)	Charge Description Grand Theft FSS 812.014(c) 1

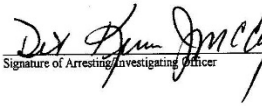
Victim's Name (Last, First, Middle) Bak Middle School of the Arts	Race	Sex	Date of Birth
1725 Echo Lake Drive, West Palm Beach Fla. 33407	Phone 561-882-3870	Address Source On File	
	Phone	Occupation:	

The undersigned certifies and swears that he/she has just and reasonable grounds to believe, and does believe that the above named defendant committed the following violation of law. The Person mentioned above was found to have committed the below acts, resulting from my (described) investigation.

On 3-2-2015 I met with Ms. Susy Miller- Kay, Senior Auditor assigned to the Palm Beach County School District Inspector General's Office. Ms. Miller-Kay advised me she was conducting a follow-up review in reference to a recent cash count audit conducted at Bak Middle School of the Arts located at 1725 Echo Lake Drive West Palm Beach Fla. 33407. Ms. Miller-Kay advised, as a result of the recent cash count audit, irregularities were discovered which include discrepancies in drop safe deposits and subsequent bank deposits by Bak Middle School Treasurer Cathleen Spring. These irregularities included deposits removed from the drop safe by Treasurer Cathleen Spring but not deposited into the bank until months later. Additionally it was discovered Ms. Spring transferred funds between school accounts without prior authorization. Defendant Spring is the only individual who can perform the actual transfer of funds.

Ms. Miller-Kay advised she conducted an unannounced cash count audit on 3-2-15 at Bak Middle School. Defendant Spring had prepared deposit # 563 the week prior on 2-26-15 and left this deposit in the safe in her office to eventually be picked up by Dunbar Courier service. Defendant Spring went to New York on personal business and was not at work on 3-2-15 when Ms. Miller-Kay arrived on

Sworn and Subscribed before me

 Notary Public/Clerk of Court/ Police Officer
 Date 8/31/15

Signature of Arresting/Investigating Officer

 Name of Arresting Officer
 Date 8/31/15

Date

Probable Cause Continuation

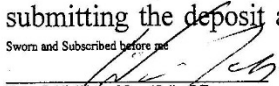
campus. Ms. Miller-Kay, as part of her cash count, unsealed the deposit bag #563, prepared by defendant Spring for deposit into the bank. Ms. Miller- Kay stated she compared the deposit with the documentation on the drop safe log #11-57502 and Drop safe log # 11-57503, and the documentation on the general ledger. Ms. Miller-Kay determined two deposits removed from the drop safe by Defendant Spring were not included with the bank deposit with other funds removed from the drop safe at the same time. The money missing from this bank deposit was \$949.00 in cash, placed in the drop safe by teacher George Ryan, documented on DSL 11-57502 and \$3386.00 in cash and \$45.00 in checks placed in the drop safe by teacher J. Rucker. The total missing from this deposit was \$4,380.00.

My investigation determined individuals placing a deposit into the school drop safe prepare a two part Monies Collected Report (MCR). The funds being deposited are listed on the MCR by cash amount, check number and amount and by the name of the individual submitting the check. The individual preparing the deposit will total the deposit and document the total in the appropriate section of the MCR and sign the MCR as the remitter of the funds. This individual would separate the white original of the MCR and include this document with their deposit into the school drop safe. The individual would sign the drop safe log located at the safe. The individual documents on this log the date the funds were collected, the date the funds were being dropped into the safe and the amount of their deposit and sign their name on the drop safe log.


Defendant Spring, as Bak Middle School Treasurer, is responsible for removing deposits from the drop safe, verifying the count in each deposit and subsequently entering the individual deposit totals into the school's accounting system known as the School Cash.Net software program. My investigation determined defendant Spring is the only individual with log on rights to the School Cash.Net program at Bak Middle School in order to perform this function.

Defendant Spring prepares the bank deposit paperwork utilizing this program and the computer produces an individualized numbered receipt from this program for each deposit. This receipt would eventually be forwarded to the individual having made the deposit into the school's drop safe. This receipt is kept by the person submitting the deposit and attached to their yellow copy of the MCR in order to

Sworn and Subscribed before me


Notary Public/Clerk of Court/ Police Officer

8/31/15
Name of Arresting Officer


Signature of Arresting/Investigating Officer

8/31/15
Date

Date

Probable Cause Continuation

reconcile his/ her MCR's at the end of the school year. The receipt indicates to this person their funds were deposited in their school account. The receipt number is documented in section three of the drop safe log for each MCR (deposit). This documentation procedure should be performed by another individual after they receive the receipts from defendant Spring after the deposits have been processed and are awaiting transfer to the bank. This individual will then forward the white computer generated receipt to the person who deposited the funds.

My investigation determined defendant Spring and another school employee would be present when the safe is opened. The procedure that is to be followed involves defendant Spring entering her two numbers for the School's drop safe combination. The second individual has the third number. Procedure dictates defendant Spring will not have all three combination numbers. Defendant Spring would empty the drop safe and defendant Spring and the other individual would take the deposits to defendant Spring's office.

I determined that either secretaries Maria Cabrera, Roseanna De La Roche, Tammy King or teacher Joanne Friedel were the individuals who accompanied defendant Spring to assist her with the opening of the safe and verifying the deposits that defendant Spring removed. I have obtained sworn recorded statements from these individuals stating they verified defendant Spring removed certain deposits identified by Senior Auditor Susy Miller-Kay as missing cash and checks for FY 13, FY14 and FY 15. This includes deposits that were removed and not deposited until months later or, in some cases, the checks listed on the MCR's were deposited months later but the cash was not deposited into the bank by defendant Spring.

Each individual assisting defendant Spring stated, once the deposits were removed from the safe by defendant Spring, defendant Spring would call out the name of the individual making the deposit and the amount of the deposit. Defendant Spring obtained this information from the white MCR included with the deposit.

Ms. Cabrera, Ms. De La Roche, Ms. King and Ms. Friedel advised they would locate the deposit documentation on the drop safe log and initial section two on the drop safe log verifying the information defendant Spring provided from the deposit slip (MCR). This procedure continues until all deposits removed from the drop safe have been accounted for. Defendant Spring would inventory each deposit

Sworn and Subscribed before me

Notary Public/Clerk of Court/ Police Officer

Name of Arresting Officer

Signature of Arresting/Investigating Officer

Date

Date

Probable Cause Continuation

and enter the monetary information into School Cash.Net program so the bank deposit paperwork and the submitting parties receipt can be printed. is the only individual who stated she would assist defendant Spring counting the funds that were removed from the drop safe by defendant Spring.

Section three of the drop safe log contains a heading "Amount if different than amount listed by teacher." This section would be completed by defendant Spring if the deposit amount she counted differed from the amount listed on the MCR and the drop safe log by the individual making the deposit. If the deposits were missing funds for FY 13, FY14 and FY 15, as determined by Senior Auditor Susy Miller-Kay during this investigation, defendant Spring should have documented this fact on the drop safe log and notified Principal Rozanski and the individual depositing the funds. Defendant Spring did not report or document any missing funds from the deposits that Senior Auditor Susy Miller-Kay determined to be missing funds for FY13, FY14 and FY 15. Ms. Miller-Kay examined drop safe logs, MCR's and bank deposit statements and the Dunbar Armored Car receipt book for FY 13, FY14 and FY 15 and determined that \$66,600.95 is missing from the deposits made during this period of time. The missing funds involved 108 separate deposits none of which defendant Spring reported as missing funds or not found deposited in the drop safe after being documented as such on the drop safe log by the individuals placing the deposits into the drop safe.

Ms. Miller-Kay had examined a June 18th 2014 bank deposit prepared by defendant Spring. The original white copy of the Monies Collected Report prepared by teacher Jessica Samons, submitted with her deposit on 5-14-14, had ten checks listed on the MCR totaling \$550.00. The other entries on this MCR were covered with white out concealing the documentation listed below the checks. The total on the MCR indicated \$3,695.00 was submitted as the deposit. Defendant Spring initialed the white copy of the MCR verifying the \$3695.00 deposit as being correct when this deposit was removed from the safe by her and the removal was verified by on 5-16-14.

On 3-4-15 I met Ms. Miller-Kay and auditor Jennifer Zapata at Bak Middle School. Ms. Spring arrived shortly after our arrival. Defendant Spring was asked if

Sworn and Subscribed before me

Notary Public/Clerk of Court/ Police Officer

Name of Arresting Officer

Signature of Arresting/Investigating Officer

Date

Date

Probable Cause Continuation

she could explain why Ms. Samon's original copy of the MCR totaling \$3695.00 had white out covering what was later determined to be missing cash deposit entries. Defendant Spring stated she had no idea why white out appeared on the original MCR submitted by Ms. Samons. Defendant Spring stated she had no clue why cash was missing from the June 18th bank deposit. When questioned as to why she transferred a total of \$7500.00 from three different in school accounts into the Athletic account defendant Spring stated she couldn't recall why she transferred \$7500.00 into the Athletic account from other school accounts without authorization. Ms. Spring was subsequently reassigned home by Principal Sally Rozanski.

I contacted Ms. Samons and requested she produce her copy of this particular MCR she prepared in the amount of \$3695.00. Ms. Samons produced her yellow copy of this MCR. This copy did document cash entries included with the checks. The cash entries totaled \$3,145.00 which added to the check total resulted in a \$3695.00 deposit. Ms. Samons provided a sworn recorded statement stating she did deposit \$3695.00 as listed on her copy of the MCR Ms. Samons also confirmed she documented this deposit on the drop safe log #11-57388.

It was determined, by examination of the drop safe log # 11-57388, Ms. Samons deposited \$3695.00 on 5-14-14 and \$1,773.00 on 5-13-14. Ms. Samons also deposited \$2,817.00 on 5-15-14 as documented on drop safe log # 11-57339. These additional deposits were also removed from the safe by defendant Spring on 5-16-14. The removal of these deposits were verified by _____ The three deposits were not included in the deposit to the bank with other deposits removed on this date. These deposits do not contain receipt numbers listed in section three of the drop safe log indicating the funds were not entered into the School Cash.net program along with other deposits removed from the safe on 5-16-14.

Defendant Spring prepared the June 18th, 2014 bank deposit and credited Ms. Samons account with a total of \$795.00 which is the total of checks listed on Ms. Samons three different deposits she made on 5-13-14 and 5-14-14. The cash listed on these three MCR's is missing. The cash total missing is \$7,490.00. Ms. Miller-Kay stated the June 18th 2014 bank deposit contained other deposits removed from the safe by defendant Spring in February 2014, April 2014 and March 2014. Ms.

Sworn and Subscribed before me

Notary Public/Clerk of Court/ Police Officer

8/31/15
Name of Arresting Officer

Signature of Arresting/Investigating Officer

8/31/15
Date

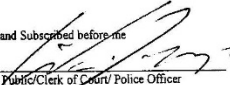
Date

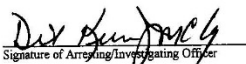
Probable Cause Continuation

Miller -Kay stated there is no reason for deposits to be held this long after being removed from the drop safe.

Additional examination of the June 18th, 2014 deposit prepared by defendant Spring revealed additional cash missing. Teacher Jamie Rucker prepared a MCR on 3-10-14 in order to deposit \$2,686.00. The MCR documents three checks totaling \$460.00 and cash in the amount of \$2226.60. Ms. Rucker provided a sworn recorded statement advising she prepared this MCR and deposited this amount into the drop safe on 3-10-14. This entry is documented on the drop safe log # 11-57192 by her signature. This deposit was removed from the safe by defendant Spring on 3-14-14 verified by _____ This deposit was not included in the bank deposit with the other deposits removed from the safe on 3-14-14. The lack of receipt documentation in section three of the drop safe log indicates this deposit was not entered into the School Cash.Net program by defendant Spring. Defendant Spring's initials appear on the white copy of the MCR in the box designated "Remittance amount and account assignment verified." This deposit was held by defendant Spring from 3-14-14 until 6-18-14 when she prepared deposit # 513.

This deposit by Ms. Rucker was assigned as deposit # 513/9. On the deposit statement, prepared by defendant Spring, the name of the person making the deposit and the amount of the deposit is documented. Ms. Rucker's name appears as the ninth entry which coincides with the deposit number (513/9) and the numerical order in which the deposit appears on the deposit statement documented by defendant Spring. The amount credited was \$460.00 instead of the true amount of \$2686.60. The \$460.00 represents the three checks included with this deposit. The check detail document defendant Spring prepared for the 6-18-14 deposit #513 list the names Kennedy \$60.00, Cortez \$150.00 and Freedman \$250.00 which matches the names and the amount of each individual check included on Ms. Rucker's MCR that totaled \$2686.60. Defendant Spring agreed with this amount by virtue of her initials on the MCR verifying the total amount of this deposit by Ms. Rucker. The cash in the amount of \$2226.60 was not included in the deposit statement produced by defendant Spring and is missing from the bank deposit.

Sworn and Subscribed before me

Notary Public/Clerk of Court/ Police Officer
8/31/15
Name of Arresting Officer

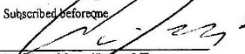

Signature of Arresting/Investigating Officer
8/31/15
Date


Date

Probable Cause Continuation

Ms. Rucker provided a sworn recorded statement in reference to a MCR she prepared on 12-13-13 in the amount of \$1890.00. This deposit contained checks in the amount of \$20.00, \$20.00, \$15.00, \$35.00, \$20.00 and \$30.00 submitted by six students identified by name and the amount of the check each student turned into Ms. Rucker. Ms. Rucker stated she documented this deposit on drop safe log 11-57144 on 12-13-13. This deposit was removed from the safe by defendant Spring on 12-16-13 and the deposit removal was verified by _____ by her initials in section two of the drop safe log. Ms. Spring's initials appear on the original white copy of the MCR in the box designated as "Remittance amount and account assignment verified." The official receipt date Ms. Spring entered on this MCR is documented as 12-16-13. The deposit number defendant Spring wrote on the MCR was 475/36. This would indicate this money was entered into the School Cash.Net program by defendant Spring on 12-16-13 and it was designated as entry #36 for this deposit. I reviewed the deposit statement #475 defendant Spring prepared on 12-16-13. I checked the 36th entry which should have listed Ms. Rucker's \$1890.00 deposit. The deposit statement did not reflect Ms. Rucker's deposit. A review of each MCR that was included with this drop safe deposit revealed 65 deposits including Ms. Rucker's, listed as 475/36, which should have been included with the bank deposit. A review of the MCR's did show that the MCR prepared by Joanne Friedel was originally listed as 475/37 as documented on the MCR by defendant Spring. This number was physical changed to 475/36. Each subsequent MCR was renumbered and listed as such on the deposit statement prepared by defendant Spring. Ms. Rucker's deposit was removed from this deposit paperwork and not sent to the bank with these other deposits removed from the drop safe on the same date.

Investigation revealed Ms. Rucker's deposit was originally included for the 12-16-13 deposit based on the 475/36 designation. Senior Auditor Susy Miller-Kay discovered an e-mail sent by defendant Spring to School District Internal Account Technician Crystal Cattey on 12-16-13 requesting Ms. Cattey allow her access back into the system to "correct my boo-boo". Ms. Miller-Kay advised once a deposit statement is completed by the treasurer the only method defendant Spring would have to re-enter the deposit statement program to make changes is to request a technician perform a computer function in order for defendant Spring to make a

Sworn and Subscribed before me

 Notary Public/Clerk of Court/Police Officer
 8/31/15
 Name of Arresting Officer


 Signature of Arresting/Investigating Officer
 8/31/15
 Date

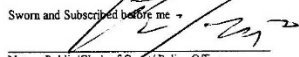
Date


Probable Cause Continuation

change in the deposit statement. This e-mail request from defendant Spring documents this was accomplished allowing Ms. Spring to re-enter the program. This would allow defendant Spring to remove the documentation of Ms. Rucker's deposit. The program then has each subsequent MCR deposit move up one place, i.e. deposit #475/37 becomes #475/36 on the computerized deposit statement. Each following MCR moves up one number on the deposit statement. This required defendant Spring to physically re-number each MCR after Ms. Rucker's. The renumbering was documented on each MCR that followed MCR #35. This deposit now contained only 64 entries.

On 8-3-15 I obtained a sworn recorded statement from Ms. Melanie Pitts, Manager of the School District Accounting Financial Application Section. Ms. Pitts advised the Treasurers are taught to enter each MCR into the School Cash.net computer program. Once the entries are made a number is assigned by the computer program to each MCR. The treasurer would physically document this number on each MCR in the order the MCR was entered. When the process is completed the Treasurer finalizes the deposit and performs a function that assigns a receipt number to each deposit. At this point the Treasurer cannot re-enter the program and make changes without requesting an individual, such as Ms. Cattery-Smith, to perform a computer function to allow her to re-enter the program as documented in defendant Spring's e-mail to Ms. Cattery-Smith. Ms. Pitts examined this particular deposit. Ms. Pitts was able to determine that receipt number 14-2511-1654 had been issued but was deleted along with Ms. Rucker's record of this deposit. Deposit # 36 was now identified as a deposit made by Ms. Friedel and assigned receipt # 14-2511-1655. The receipt number preceding Ms. Friedel's deposit is documented as # 14-2511-1653.

Investigation revealed the checks, listed by the name of the individual submitting the check and the corresponding amount of each check, on Ms. Rucker's MCR in the amount of \$1890.00 were discovered listed on the check detail statement prepared by defendant Spring for the June 18th 2014 deposit. The names of the individuals submitting the checks and the amounts listed on the June 18, 2014 check detail are identical to those listed by Ms. Rucker on this MCR she prepared on 12-13-13. The checks totaled \$140.00. Defendant Spring prepared the June 18th 2014 deposit statement #513 and only credited Ms. Rucker's account for the checks. The cash included in this deposit in the amount of \$1750.00 was not

Sworn and Subscribed before me -

Notary Public/Clerk of Court/ Police Officer
8/3/15
Name of Arresting Officer


Signature of Arresting/Investigating Officer
8/3/15
Date

Date

Probable Cause Continuation

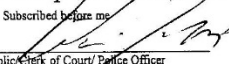
deposited by defendant Spring and is unaccounted for. This deposit of the checks is listed as #513/8 on the deposit statement for June 18th 2014.

A further review of the June 18th 2014 deposit statement documents deposits being credited to teacher Richard Valentine. This investigation revealed Mr. Valentine submitted four MCR's on 3-11-14 totaling \$1013.00. The deposit of these funds into the drop safe was completed by parent volunteer Shannon Moriority. Ms. Moriority provided a sworn statement stating she dropped these deposits for Mr. Valentine and wrote his name on the drop safe log. Ms. Moriority documented she dropped a total of \$1,031.00 This amount was corrected to \$1013.00 after it was removed from the safe by defendant Spring on 3-14-14, verified by

Mr. Valentines MCR, designated by defendant Spring as 513/14, documented two checks totaling \$125.00 and cash in the amount of \$468.00 totaling \$593.00. The deposit statement #513/ 14 prepared by defendant Spring only credited Mr. Valentines account with the \$125.00 in checks. The \$468.00 in cash was not deposited and is unaccounted for. A total of \$545.00 was deposited from the four MCR's deposited into the drop safe instead of \$1013.00


The June 18th 2014 deposit #513 cash deposits that are missing totals \$11,794.60. This funds were removed from the safe by defendant Spring and the removals were verified by _____ as documented in section two of the drop safe log. Defendant Spring also initialed the white original MCR's verifying the amount of the submitted MCR's. Defendant Spring did not report or document, on the drop safe log, that monies were missing from these MCR's. Defendant Spring signed the deposit summary indicating she deposited \$6,942.00 instead of the correct amount of \$18,736.60 which is supported by the Money Collected Reports and the drop safe log entries and the subsequent verification on the drop safe log that these deposits were removed from the drop safe by defendant Spring but excluded from this bank deposit.

On 5-14-14 I obtained a sworn recorded statement from Bak Middle School of the Arts Athletic Director George Ryan. Mr. Ryan stated at the beginning of the 2014-2015 school year his account balance indicated he had little to no money left over from the prior 2013-2014 school year. Mr. Ryan stated he believed he should have

Sworn and Subscribed before me


Notary Public/Clerk of Court/ Police Officer
8/31/15

Name of Arresting Officer



Signature of Arresting Investigator/Officer
8/31/15


Date

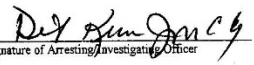
Date

Probable Cause Continuation

had approximately \$9,000.00 in his account at the start of the new school year. This amount should have included money in his accounts that should have "rolled over" from the 2013-2014 school year. Mr. Ryan stated he approached defendant Spring in August or Sept. 2014 in order to obtain his account statements. Mr. Ryan stated he continually asked defendant Spring for his account statement to ascertain his balance and to determine why his account balance was so low. Mr. Ryan stated defendant Spring would offer excuses as to why she had not provided the account statements to him. Mr. Ryan stated he finally obtained his statements and asked defendant Spring why was his balance from the prior school year had not been included or "rolled over" to his accounts this year. Mr. Ryan stated defendant Spring told him there was a District problem with having the cash rollover to this current school year accounts. Mr. Ryan stated defendant Spring told him there was a "glitch" in the system and it would be a matter of time before his accounts were credited with last school years funds he did not spend. Mr. Ryan stated he needed to order uniforms for his teams and advised defendant Spring his account balance would not cover the \$7433.00 cost of the equipment. Mr. Ryan stated defendant Spring told him to place the order that the "rollover funds" would be there to cover the cost of the equipment/uniforms. Mr. Ryan placed the order. Mr. Ryan subsequently received his account statement from defendant Spring. Mr. Ryan observed three account transfers deposited into his athletic account that occurred on 2/6/2015 in the amount of \$7500.00, six days before the \$7433.00 invoice was paid by defendant Spring. The transfers consisted of \$3500.00 from the school Communication Account, \$3,000.00 from the school's General Activities Account and \$1,000.00 from the school's Theatre Account. The reason listed by defendant Spring on the transfer report was "incorrect deposit." Senior Auditor Ms. Miller-Kay determined there were not incorrect deposits made to these accounts.

Mr. Ryan stated he asked defendant Spring about these transfers. Mr. Ryan stated Ms. Spring told him it was his "rollover money" from last school year. Mr. Ryan stated he advised defendant Spring that this was designated as transfers from the accounts he saw on his account sheet. Mr. Ryan stated defendant Spring insisted it was his money left over from last year that was credited to his account due to the District correcting the problem that prevented his account from being credited with the "rollover money" from last school year. Mr. Ryan stated defendant Spring

Sworn and Subscribed before me

 Notary Public/Clerk of Court/Police Officer


 Signature of Arresting/Investigating Officer

8/31/15
 Name of Arresting Officer

8/31/15
 Date

Date

Probable Cause Continuation


advised him she would look into his concerns and get back with him. Mr. Ryan stated defendant never addressed this situation with him again.

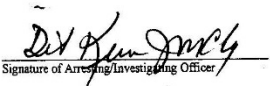
I obtained a sworn recorded statement from Principal Sally Rosanski concerning the transfers of funds from the three different accounts. Ms. Rozanski stated she never approved the transfer of these funds nor was she advised by defendant Spring that she processed this transfer. Bak Middle School check #13180 dated 2-12-15 in the amount of \$7433.00 was paid to Eastbay Team Sales by defendant Spring for Mr. Ryan's purchase. This check must be signed by defendant Spring as Treasurer and by Principal Rozanski. Ms. Rozanski obtained a copy of this check and advised her signature was forged on this check. Ms. Rozanski examined the Check Requisition form, which authorizes the release of this check, and advised her signature was forged on this document as well. Defendant Spring's signature appears on this check.

Inspector General Senior Auditor, Ms. Susy Miller-Kay, examined Mr. Ryan's deposits for FY 14. Ms. Miller-Kay determined Mr. Ryan's account was missing \$3,034.00 from multiple deposits he dropped into the school drop safe. These deposits were removed by defendant Spring and verified as being removed by another individual. Deposits by Mr. Ryan totaling \$2,111.00, removed from the safe by defendant Spring, were verified as being removed by def. Spring by \$661.00 in Mr. Ryan's deposits removed from the safe by Ms. Spring were verified as being removed from the safe by Ms. Cabrera and \$262.00 in deposits removed from the safe by defendant Spring were verified as being removed by Ms. Friedel.

The \$3034.00 would have been the funds that should have "rolled forward" into his accounts for FY 15. Ms. Miller-Kay determined Mr. Ryan's closing balance for FY 14 on 6-30-14 was \$5,570.04 instead of \$8,604.04 if the above funds had been deposited into his accounts by defendant Spring.

Ms. Miller-Kay also examined deposits and expenses paid by Mr. Ryan for FY 15 and she determined an additional \$2,506.00, documented on the drop safe log as being deposited by Mr. Ryan, was not deposited into the bank. These deposits were

Sworn and Subscribed before me

Notary Public/Clerk of Court/Police Officer
08/31/15
Name of Arresting Officer


Signature of Arresting/Investigating Officer
8/31/15
Date

Date

Probable Cause Continuation

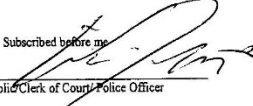
removed from school drop safe by defendant Spring and verified in section two by the individual witnessing the removal of the deposits.

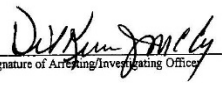
Based on Ms. Susy Miller- Kay's examination of these documents Mr. Ryan's balance on 1-30-15 should have been \$8205.37 would be sufficient to cover the cost of his \$7433.00 order. Based on Mr. Ryan's sworn recorded statement defendant Spring lied to Mr. Ryan concerning the source of the \$7500.00 transferred into his account. This transfer by defendant Spring was necessary to conceal the fact that she did not deposit \$5540.00 in funds Mr. Ryan deposited into the safe for FY 14 and FY 15. These funds are missing.

Mr. Ryan identified the MCR's he completed and verified his signature on the drop safe log as depositing the funds that were later discovered missing after defendant Spring removed them from the school drop safe. Mr. Ryan also stated Ms. Spring never advised him in FY13, FY 14 or FY 15 that any of his deposits were missing from the drop safe or his deposits did not contain the correct amount he listed on his MCR.

Ms. Miller-Kay did check Mr. Ryan's deposit activity for FY13 and advised a \$186.00 deposit he placed into the drop safe on 5-31-13, drop safe log # 11-27015, and removed by defendant Spring on 6-5-13 was discovered missing from the bank deposit. The removal of this deposit was verified on the drop safe log by Ms. Cabrera. This was one of a total of 16 deposits into the drop safe in FY 13 that are missing.

Ms. Susy Miller- Kay examined drop safe logs and available MCR's and bank deposit documentation for FY 2013. Ms. Miller-Kay stated she determined that \$12,556.00 was missing from a total of sixteen deposits into the drop safe by eleven different individuals. Only eight MCR's could be located for these sixteen deposits. These sixteen deposits that were removed from the drop safe by defendant Spring were verified as being removed by the sworn statements of Ms. Cabrera, Ms. Friedel, or Ms. De La Roche who initialed section two on the drop safe log according to procedure. Section three of the drop safe log did not contain a receipt number for the deposits that were discovered missing from the bank deposit. Each individual that deposited funds into the drop safe for FY 13,

Sworn and Subscribed before me

Notary Public/Clerk of Court/Police Officer
8/31/15
Name of Arresting Officer


Signature of Arresting/Investigating Officer
8/31/15
Date

Date

Probable Cause Continuation

later determined to be missing, provided sworn statements advising they dropped the funds into the safe and authenticated their written entry on the drop safe log.

The fact that these deposits did not have an assigned receipt number in section three of the drop safe log indicates the deposit was not entered into School Cash. Net by defendant Spring when she prepared the bank deposit. Ms. Spring did not document, in section three of the drop safe log that any of these deposits were missing money or were not found in the drop safe when she obtained the deposits from the safe. The fact that defendant Spring called out the name of the individual depositing the funds and the amount deposited from the white copy of the MCR, included with the deposit, indicates she was in possession of the deposit. This resulted in the verification process by Ms. Cabrera, Ms. De La Roche and Ms. Friedel. The fact that these deposits were not assigned a receipt number by defendant Spring would be indicative that these missing deposits were not entered into the School Cash. Net program and subsequently were not included in the bank deposit.

Ms. Susy Miller- Kay examined FY 2014 drop safe log, available MCR's and deposit statements from 7-3-13 to 6-25-14. Ms. Miller-Kay was able to determine a total of \$25,303.65 was missing from deposits that were placed in the drop safe to be processed by defendant Spring so the funds could be deposited into the bank.

The majority of these deposits that were determined to be missing were also missing the MCR's and all lacked the printed receipt number generated by the School cash. Net program if the deposits were entered by defendant Spring. The person making the deposit needs the official receipt generated by defendant Spring as she processes the deposits. This receipt is attached to the yellow copy by the submitting party and turned in at the end of the school year and eventually put in storage for future audits. Mr. Ryan stated he had not received receipts from defendant Spring after asking her continually for them. At the end of FY 14 Mr. Ryan and Ms. Rucker had not received all of their receipts. Mr. Ryan and Ms. Rucker advised defendant Spring advised them to leave their yellow copies with her and she would match them up with the receipts. This is against District policy. Based on the fact that no receipts were issued for the deposits missing funds the yellow copy of the MCR's could be destroyed along with the original white copy

Sworn and Subscribed before me

Notary Public/Clerk of Court/ Police Officer

8/31/15
Name of Arresting Officer

Signature of Arresting/Investigating Officer

Det. Ryan D. McCoy
Date
8/31/15

Date

Probable Cause Continuation

of the MCR. It was determined that yellow MCR's were turned in without the receipts having been issued. These MCR's include those missing funds from the bank deposit.

It was determined that the individuals who verified defendant Spring removing the FY14 deposits, that were later determined to have missing funds as well as funds partially deposited (checks only) months after defendant Spring removed the deposits from the safe, were Ms. Cabrera, Ms. De La Roche, Ms. Friedel. The number of deposits missing funds determined by Ms. Miller-Kay's examination totaled 40 separate deposits.

verified deposits were removed by defendant Spring from the drop safe by placing her initials in the verification section two on the drop safe log as defendant Spring called out the deposit amount and the name of the individual making the deposit. verified it was her initials on the drop safe log for these specific deposits determined to be missing. Ms. Cabrera verified deposits removed by defendant Spring, Ms. De La Roche verified deposits removed from the safe by defendant Spring and Ms. Friedel verified deposits removed from the safe by defendant Spring. These individuals identified their initials in section two of the drop safe log next to the deposits into the drop safe that were later determined to be missing funds. Additionally, individuals placing the deposits into the drop safe verified their entry on the drop safe log as well as advising they deposited the funds into the drop safe in sworn recorded statements.

Former school staff member, Ms. Casella, documented on drop safe log 11-57037, she deposited \$1645.00 into the drop safe on 8-22-13. This deposit was removed from the drop safe on 8-23-13 by defendant Spring as verified by by her initials in section two of the drop safe log next to the \$1645.00 entry by Ms. Casella. The original MCR prepared by Ms. Casella documented 12 checks totaling \$520.00. The MCR had white out covering other entries determined to be cash entries. The \$1645.00 total was blocked out and changed on the MCR from \$1645.00 to read \$520.00 which was the check total. The \$1125.00 in cash is missing from this deposit. This deposit was removed from the drop safe on 8-23-13 by defendant Spring. This deposit was held by defendant Spring for six months

Sworn and Subscribed before me

Notary Public/Clerk of Court/Police Officer

8/31/15
Name of Arresting Officer

Det. [Signature]
Signature of Arresting Investigating Officer

8/31/15
Date

Date

Probable Cause Continuation

until 2-18-14. Defendant Spring only deposited the \$520.00 in checks from this original deposit.

This procedure, followed by defendant Spring in handling Ms. Casella's deposit, was also used in handling Ms. Jamie Rucker's \$1890.00 deposit on 12-13-13, also deposited in FY 14, drop safe log # 11-57144 as outlined earlier. This deposit was held for six months by defendant Spring. This deposit by Ms. Rucker was processed on 6-18-14 with only the checks totaling \$140.00 being deposited. The cash in the amount of \$1750.00 is missing from the bank deposit.

This same procedure was utilized by defendant Spring in handling Mr. Valentine's drop safe deposit made on 3-11-14, documented on drop safe log for FY 14 #11-57194. This deposit was in the amount of \$593.00. This deposit contained \$125.00 in checks and \$468.00 in cash. Defendant Spring removed this deposit from the drop safe on 3-14-14 verified by . Defendant Spring held this deposit for three months until 6-18-14. Defendant Spring deposited the \$125.00 in checks as she documented on deposit number 513 for June 18th 2014. The cash in the amount of \$468.00 is missing from the bank deposit.

This procedure was repeated again by defendant Spring in reference to bank deposit statement # 515 prepared by Spring on 6-25-14. The yellow copy of the MCR signed by Mr. Valentine was prepared on 2-21-14. The MCR totaled \$608.00. The MCR documented three separate checks that total \$95.00. The cash amount documented on this MCR totaled \$513.00. Drop safe log for FY 14 11-57182 documents this deposit was placed in the safe by Mr. Valentine on 2-26-14. Defendant Spring removed this deposit from the safe on 2-26-14 witnessed by . which she documented in section two of the drop safe log by her initials. This deposit was held from a bank deposit for four months by defendant Spring. Defendant Spring prepared deposit #515 on 6-25-14 and listed this deposit as 515/2 on the deposit statement. Defendant Spring only credited this deposit in the amount of \$95.00 which was the total amount of the checks listed on the MCR. The \$513.00 in cash is missing from this deposit. This deposit # 515 contained two other deposits which had originally been placed into the drop safe on 2-25-14 and

Sworn and Subscribed before me

Notary Public/Clerk of Court/ Police Officer

Name of Arresting Officer

Signature of Arresting/Investigating Officer

Date

Date

Probable Cause Continuation

5-6-14. These deposits were removed from the safe months earlier by defendant Spring.

This same procedure was utilized by defendant Spring in handling deposits made by Ms. Samons addressed above.

On 3-4-15, while at Bak Middle School, Ms. Miller-Kay and Ms. Zapata were obtaining items from defendant Spring's office needed for their audit. Ms. Miller-Kay and Ms. Zapata advised me they found what appeared to be drop safe logs that were shredded and were in the trash bin in defendant's office. Ms. Zapata and Ms. Miller-Kay were able to reconstruct the shredded papers and the consecutive drop safe log numbers were found on these items. Ms. Miller-Kay determined the numbers from the reconstructed drop safe log were from the FY 2015 drop safe log book. The log numbers were 11-57358 through 11-57367. Ms. Miller-Kay was able to determine deposits attributed to these log numbers were missing from the bank deposits. The missing deposits total \$1136.00. The individuals submitting deposits during the time frame of 6-25-14 to 8-9-14 confirmed they made the deposits after viewing the MCR's they prepared that Ms. Miller-Kay attributed to these destroyed drop safe logs. Sworn statements were obtained from Mr. Ullom, Mr. Battle, and Ms. Del La Roche concerning these missing deposits.

Ms. Miller-Kay determined in FY 2015 \$28,741.30 was missing from the bank deposits after the money was dropped into the safe and subsequently removed by defendant Spring. As discovered in the review of FY 13 and FY 14 the FY 15 deposits were removed from the drop safe by defendant Spring and each deposit removed by defendant Spring was verified as removed by another individual who initialed section two of the drop safe log after defendant Spring called out the name of the individual making the deposit and the amount of the deposit. It was determined by Ms. Miller-Kay fifty two separate deposits had funds missing. This was based on the examination of available MCR's, the drop safe log and subsequent bank deposit statements.

I obtained sworn statements from individuals who identified the MCR's they prepared in FY 15 and these individuals also authenticated their entry and deposit amount on the drop safe log. I also obtained sworn recorded statements from the individuals who initialed the log verifying defendant Spring removed the

Sworn and Subscribed before me

Notary Public/Clerk of Court/Police Officer

8/31/15

Name of Arresting Officer

Signature of Arresting/Investigating Officer

Date

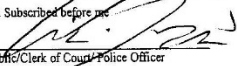
Date

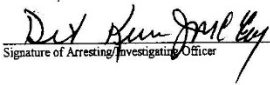
Probable Cause Continuation

individuals deposit from the drop safe that were later discovered missing. The deposits for FY 2015 that were determined to be missing funds followed the same pattern as in FY 13 and FY 14 in that the receipt numbers were missing from the drop safe log book and the deposit receipts were not provided to the teachers who submitted the deposits. The individuals submitting deposits stated they were not notified that their deposits were missing or they had incorrect amounts documented on the MCR's. Defendant Spring did not document any problems with these deposits in section three of the drop safe log after she removed them from the safe and she did not report that a substantial amount of money was missing from these drop safe deposits. A total of one hundred and eight different deposits were determined to have had cash and/or cash and checks missing after they were received by defendant Spring, none of which were reported by defendant Spring in FY 13, FY 14, and FY 15.

On 8-18-15 defendant Spring provided a sworn recorded statement to me after being advised of her Miranda warnings. Defendant Spring denied any involvement in the theft of money from Bak Middle School. Defendant Spring stated she did not have an explanation concerning drop safe deposits being held by her for months and subsequently only the checks listed on the Money Collected Report being deposited and the cash missing from the deposits. Defendant Spring also denied having the conversation with teacher George Ryan concerning the source of the \$7500.00 deposit placed by her into his account as documented above.

Defendant Spring stated she did prepare a deposit on 2-26-15 and placed this deposit in the safe in her office for the next pick up by Dunbar to be transported to the bank the following week when she returned to work. I advised defendant Spring Ms. Miller-Kay conducted an unannounced cash count at Bak on 3-2-15. Ms. Miller-Kay opened the deposit defendant Spring prepared on 2-26-15 and discovered two drop safe deposits that should have been included in this deposit packet were not included with this deposit package. I advised defendant Spring Mr. Ryan's deposit of \$949.00 and Ms. Rucker's deposit of \$3431.00 was removed from the safe by her, verified by secretary Tammy King on drop safe logs #11-57502 an 11-57503, were not included in her deposit package she prepared. Defendant Spring stated she had no explanation as to the location of the missing cash. Defendant Spring did not report these two deposits missing or report any

Sworn and Subscribed before me

Notary Public/Clerk of Court/Police Officer
8/31/15
Name of Arresting Officer

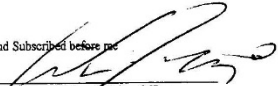

Signature of Arresting/Investigating Officer
8/31/15
Date

Date

Probable Cause Continuation

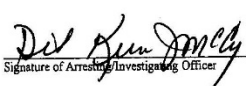
discrepancies with Ryan or Rucker's totals listed on the Monies collected report. The fact that the deposit package was still sealed when Ms. Miller-Kay conducted her cash count indicates this cash was never placed in the deposit bag prepared by defendant Spring. A computerized, numbered receipt was not printed for these two deposits as is required if the funds were included in the bank deposit paperwork. These funds were not located in the safe in Ms. Spring's office when inspected by Ms. Miller-Kay on Monday 3-2-15. Defendant Spring did not return to work until 3-4-15.

My investigation has determined that defendant Spring was the last person to be in possession of the deposits that were subsequently determined to be missing by Ms. Miller-Kay. Defendant Spring confirmed she would be accompanied by another individual when she removed the deposits from the drop safe. Defendant Spring confirmed she would call out the name of the individual making the deposit and the amount of the deposit to the individual who would initial each deposit in Section two of the drop safe log. Defendant Spring stated she would process the deposits and enter the information into the School Cash .Net software program. Defendant Spring stated _____ would often assist her with counting the funds. Defendant Spring would package the deposit when completed and place this deposit in the safe for pickup by Dunbar Courier service. Defendant Spring never reported or documented the fact that deposits placed in the drop safe were missing significant amounts of money. It was established during this investigation that the deposits were in fact placed into the drop safe. It was also established that the deposits were removed from the drop safe by defendant Spring and each deposit removed was verified as being removed by individuals who initialed section two on the drop safe log as defendant Spring called out the name of the individual making the deposit as well as the amount of the deposit. It was also established by Senior Auditor Susy Miller -- Kay that the deposits determined to be missing were removed at the same time as other deposits that were processed by defendant Spring to be deposited into the bank. Defendant Spring did not document in section three of the drop safe log or report that a significant amount of money was missing from deposits placed in the drop safe log in FY 13, FY 14 or FY 15.

Sworn and Subscribed before me


Notary Public/Clerk of Court/Police Officer
8/31/15

Name of Arresting Officer



Signature of Arresting/Investigating Officer
8/31/15

Date

Date

Probable Cause Continuation

Based on the facts determined from this investigation probable cause exist that defendant Spring violated FSS. 812.014 (c) 3 Grand theft between 8-19-2012 and 6-20-2013 by obtaining a total of \$12,556.00 from deposits placed in Bak Middle School drop safe, thus depriving Bak Middle School of the right/ benefit of these funds.

Based on the facts determined from this investigation probable cause exist that defendant Spring violated FSS 812.014(b)1, Grand Theft, in FY 2014 between 7-3-13 and 6-25-14 by obtaining a total of \$25,303.65 from deposits placed into the drop safe at Bak Middle School thus depriving Bak Middle School of the right/ benefit of these funds.

Based on the facts developed from this investigation probable cause exists that defendant Spring violated FSS. 812.014(b) 1 in FY 2015 between 06/25/14 and 02-20-2015 by obtaining \$28,741.30 from deposits placed into the drop safe at Bak Middle School thus depriving Bak Middle School of the right/ benefit of these funds.

It was established during this investigation defendant Spring had been issued a School District purchasing card to be used by her for Official School District Business. Defendant Spring electronic signature appears on the Cardholder Acceptance Guidelines and Contract. This Palm Beach County School District form #2077 section three contains the text "I understand that under no circumstances will I use the Purchasing Card to make personal purchases either for myself or others." Section 11 of this document contains the text "I certify that I have successfully passed the online Purchasing Card Training Quiz." This contract contains the electronic signature of Cathleen Spring.

On 3-4-15 while Ms. Miller-Kay was obtaining financial documents from defendant Springs office a shoe box containing a new pair of ladies UGG brand boots was located on top of a file cabinet in defendant Spring's School District office.

Ms. Susy Miller-Kay examined defendant Spring's recent Purchasing Card statements and determined two pair of UGG ladies boots were ordered from

Sworn and Subscribed before me
[Signature]
Notary Public/Clerk of Court/ Police Officer
08/31/15
Name of Arresting Officer

[Signature]
Signature of Arresting/Investigating Officer

8/31/15
Date

Date

Probable Cause Continuation

Amazon.com. The transaction date on the Bank of America statement is 2-16-15. The items cost \$160.45 each for a total of \$320.90. These purchases were charged to defendant Spring's District issued School Purchasing card. Principal Rozanski contacted Amazon via e-mail and received a confirmation e-mail from Amazon.com verifying two pair of UGG ladies boots were ordered on 2-16-15. The e-mail confirmed the boots were delivered to Bak Middle School on 2-19-15. I obtained a copy of the Monthly Purchasing Card (P-Card) Transaction statement listing charges to defendant Spring's purchasing cards. This document lists the two purchases of the UGG boots from Amazon.

I spoke with Ms. Renee Murray, P-card document analyst for the School District of Palm Beach County, on 8-13-15 concerning this issue. Ms. Murray advised that purchases made by defendant utilizing her District issued Purchasing card default to the Administrative budget line for payment. Ms. Murray advised me the payment for both pairs of boots were assigned to the After Care supply budget line. Ms. Murray stated the Treasurer at the school can assign the source of the payment for this purchase during the reconciliation process. I previously spoke with Bak Middle School Aftercare Director Shekendra Moorner (Murray). Ms. Moorner (Murray) is also in charge of the step team at Bak Middle. Ms. Moorner stated she purchases boots for her team at Army/Navy and never ordered UGG boots for her program. Ms. Moorner is the individual that orders supplies for the aftercare program. Principal Rozanski stated this purchase was not authorized by her.

Ms. Miller-Kay obtained School District e-mail correspondence sent by defendant Spring to Amazon.com via her School District computer on 2-16-2015. Def. Spring ordered a pair of UGG Boots on Monday 2-16-2015 at 1:53pm. The purchase was accomplished by utilizing The School District of Palm Beach County computer. E-mail documentation obtained from defendant's District computer indicated Defendant Spring placed the order but was advised the charge was declined by the bank for the credit card she used. During her statement on 8-18-15 Defendant Spring stated she did not recall her first attempt to make this purchase being declined but did state it was possible. Defendant Spring immediately re-ordered using her District issued purchasing card (credit card), which was accepted, and two pair of UGG boots were sent to her at Bak Middle School. The

Sworn and Subscribed before me

Notary Public/Clerk of Court/Police Officer

Name of Arresting Officer

Signature of Arresting/Investigating Officer

Date

Date

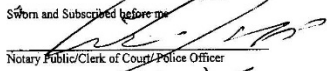
Probable Cause Continuation

total charged to the District issued credit card was \$320.90. This charged payment was documented on the bank statement for her assigned purchasing (credit) card. I asked Ms. Spring for an explanation concerning this purchase. Defendant Spring stated she ordered a pair of these boots for her personal use via her District computer. Defendant Spring stated she must have used the District issued purchasing card number in error. Defendant Spring initially stated she ordered one pair of boots and they were delivered to her at Bak Middle School. Defendant Spring stated she realized they were charged to her School District purchasing card so she put them on the shelf in her office to be returned to Amazon. These were the boots found in her office on 3-4-15.


I advised Ms. Spring, according to documentation obtained from Amazon, two pair of these boots were shipped to Bak Middle School. Ms. Spring stated "no" only one pair was sent and these were the boots found on the shelf in her office to be returned to Amazon. Subsequently I asked Defendant Spring if she had possession of the second pair of boots. Defendant Spring stated she did and they were at home. This statement was made after defendant initially denied receiving two pair of UGG Boots. Additionally Amazon sent an e-mail to Defendant Spring on 2-16-14 advising defendant "We've combined 2 UGG Australia Woman's...from your orders together in the same package." The boots arrived at Bak Middle School on 2-19-15.

Defendant Spring's District issued purchasing card (credit card) defaults to the Principal's Administrative account if a specific account in the school is not identified as incurring the cost of the purchase. I contacted Renee Murray, purchasing card analyst for the School District of Palm Beach County. Ms. Murray advised this purchase was charged to the aftercare account at Bak Middle School which includes the school's step team. Ms. Murray stated only defendant Spring can accomplish this task at Bak Middle School. Ms. Murray explained in order to charge this purchase to this account Defendant Spring would have to enter her computer program and indicate the account this purchase should be assigned to. I questioned defendant Spring concerning the designation of the school account this charge was assigned to. Defendant Spring stated her card defaults to an account and she would have to change the account assignment by entering the computer

Sworn and Subscribed before me


Notary Public/Clerk of Court/Police Officer

2/31/15
Name of Arresting Officer


Signature of Arresting/Investigating Officer

8/31/15
Date

Date

Probable Cause Continuation

program. When I advised Defendant Spring her District issued purchasing card default to the administrative account and not the aftercare account defendant Spring acknowledged this fact. I asked defendant Spring why she would enter her computer and assign this purchase to the Bak aftercare account if she knew this purchase was for her personal use. Defendant Spring stated she might have done this in error. The fact is personal purchases with the District issued credit card is prohibited. The fact was established this charge was assigned to the aftercare program by defendant Spring within the same time frame she ordered and received the boots and knew the purchase was charged to her School District purchasing card. Defendant Spring then entered the computer program and assigned this purchase to the aftercare program. Based on the fact she made this purchase for her personal use, coupled with her conflicting statement concerning her not receiving two pair of boots, probable cause exist that defendant Spring violated FSS 812.014 (c) 1 Grand Theft by obtaining the two pair of UGG boots for her personal use thus depriving Bak Middle School of \$320.90.

It was also established that on 06/27/14 defendant Spring used her District issued purchasing card to pay for two charges incurred from Jet Blue airlines. The Bank of America statement for this charge indicates a \$40.00 fee was charged to this account on 6-28-14 and a \$50.00 fee was charged to this account on 6-27-14. Upon inspecting the original Bank of America statement the two Jet Blue entries under the "description" heading had white out covering part of the entry. I held this document up to the light and observed the name _____ was the documentation that was covered over with the white out that pertained to the Jet Blue charge. Ms. Spring confirmed she has a son named _____ who at the time of this charge was a High School student. Defendant Spring advised she could not recall him taking a trip on 6-27-14. I advised defendant Spring she caused this charge to be assigned to the Visual Arts Department at Bak Middle School according to documentation I received. Defendant Spring stated she would check with her husband and son concerning a trip on Jet Blue Airlines and contact me and let me know. As of 8-24-15 I have not heard from Ms. Spring concerning this issue. Ms. Spring did state her son never attended a trip sponsored by Bak Middle School. I spoke with a customer service representative from Jet Blue who advised the record retention period for this flight has passed. The representative advised

Sworn and Subscribed before me

Notary Public/Clerk of Court/Police Officer

8/31/15

Name of Arresting Officer

Signature of Arresting/Investigating Officer

8/31/15

Date

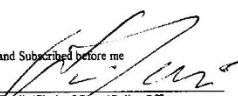
Date


Probable Cause Continuation

based on the amount of the two charges it appears to be charges for extra luggage and an upgrade in seating.

On 8-24-15 Mr. Joseph Barefoot Instructional leader Bak Middle School of the Arts Visual Arts Department prepared a sworn written statement advising his Department did not participate in a field trip on the date these charges were made by defendant Spring. Mr. Barefoot stated he did not authorize the two charges of \$50.00 and \$40.00. Mr. Barefoot advised his Department trip to New York was between 06/04/14 and 06/07/14. Defendant Spring submitted the paperwork for these charges assigning this charge to Visual Arts Dept. Based on this information probable cause exist that defendant Spring used her District issued purchasing card to pay for a personal expense in reference to the Jet Blue charges assigned to her son in the amount of \$90.00. Probable cause exist that defendant Spring violated FSS 812.014 (3) (a) in reference to this purchase.

Probable cause exist that defendant Spring engaged in a systematic ongoing course of conduct with intent to defraud Bak Middle School of the Arts. Defendant Spring accomplished this in FY 2013, FY 2014 and FY 2015 in her position of Treasure at Bak Middle School of the Arts. Defendant Spring obtained deposits from the school's drop safe at Bak Middle School in her role as treasurer in order to process these monies so these funds could be deposited into the bank. It was determined these deposits were removed from the safe by defendant Spring and these removals were verified by several School District employees. Defendant Spring failed to include deposits she removed from the School's drop safe and were identified by Sr. Auditor Miller-Kay as unaccounted for after defendant Spring took possession of these deposits. Defendant Spring was the last individual to be in possession of these deposits later discovered missing. Defendant Spring never reported individual deposits missing or documented on the drop safe log these deposits were missing. The missing funds were taken from 108 individual deposits during FY 13, FY 14 and FY 15. Defendant Spring stated she could not explain what happened to the missing deposits. The aggregate value of the stolen funds was determined to be \$66,600.95 in violation of FSS 817.034(4) (a) 1.

Sworn and Subscribed before me

Notary Public/Clerk of Court/Police Officer
8/31/15
Name of Arresting Officer


Signature of Arresting/Investigating Officer
8/31/15
Date

Date



OFFICE OF THE STATE ATTORNEY

FIFTEENTH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY



DAVID ARONBERG
STATE ATTORNEY

September 30, 2016

NO FILE MEMORANDUM

To: Kevin J. McCoy, Palm Beach County School District Police and Sgt. Dan Bolan
From: Timothy L. Beckwith, Assistant State Attorney, Public Corruption Unit
Case # 15W003861
Re: Cathleen Spring

The above referenced case was presented to the Office of the State Attorney’s Public Corruption Unit (PCU) for review by Detective Kevin J. McCoy of the Palm Beach County School Board Police. After a thorough investigation, Detective McCoy presented a probable cause affidavit for the arrest of Cathleen Spring for the charges of Organized Scheme to Defraud, 3 counts of Grand Theft and Petit theft.

The State reviewed all of the documents and evidence presented, which included sworn taped statements from all the key witnesses, a taped statement from the suspect, investigative reports, and bank records as well as supplemental reports and documents provided by the Palm Beach County School District Inspector General’s Office.

The State Attorney’s Office cannot file charges for the crimes outlined in the probable cause affidavit for three reasons:

1. Some of the thefts were not discovered or reported until a substantial period of time had elapsed. The first alleged theft took place in Fiscal Year 2013 but the thefts were not discovered until March 2, 2015. As outlined in greater detail below, the passage of time makes it impossible to prove beyond a reasonable doubt that the suspect was the only person who could have taken the money or the exact amount of funds actually taken.
2. Closely aligned with the first point, the procedures in place for the safekeeping of the monies deposited and the lack of any video surveillance or other safeguards for the initial depositing of collected monies also make it impossible to prove beyond a reasonable doubt who actually took the money. Specifically, the envelopes deposited are not opened by two people to verify that the funds listed on the Monies Collected Report (MCR) are actually in the envelope. The second individual is only verifying that the envelope was actually removed from the drop safe as marked on the drop safe log. The envelopes, MCR’s, cash and checks are then in the sole custody of the bookkeeper who keeps them for as long as she thinks appropriate and then creates a batch deposit. It is this batch deposit system that does not identify each individual envelope deposit but rather only a grand total of all items deposited.

3. Florida case law is absolutely clear that in a circumstantial evidence case the State must be able to disprove a suspect's reasonable hypothesis of innocence. Based on a review of all of the sworn statements and the passage of time, the State is unable to do so.

Organized Scheme to Defraud, a first degree felony, is defined by Florida Statute 817.034(4)(a)(1) as a "systematic, ongoing course of conduct with intent to defraud one or more persons, or with intent to obtain property from one or more persons by false or fraudulent pretenses, representations, or promises or willful misrepresentations of a future act." If the amount of the property obtained has an aggregate value of \$50,000 or more, the crime is a first degree felony.

Grand Theft, a third degree felony, is defined by Florida Statute 812.014(1)(a) as:

"A person commits theft if he or she knowingly obtains or uses, or endeavors to obtain or to use, the property of another with intent to, either temporarily or permanently deprive the other person of a right to the property or a benefit from the property." "It is grand theft of the third degree and a felony of the third degree if the property stolen is valued at \$300 or more, but less than \$5000."

The facts of this case are as follows:

On March 2, 2015, Susy Miller-Kay, Senior auditor assigned to the Palm Beach County School District Inspector General's Office, conducted an unannounced cash count audit at Bak Middle School. This audit revealed "discrepancies in drop safe deposits and subsequent bank deposits by Bak Middle School Treasurer Cathleen Spring." The first deposit that was examined showed that \$4380.00 was missing. After examining 108 deposits going back to FY 2013, a total of \$66,600.95 was missing.

While Cathleen Spring was responsible for making these deposits and entering the deposit amounts into the School Cash.Net program, she often did not make deposits into the bank until several months had passed and then made these deposits as batch deposits. Furthermore, while two individuals were present when the drop safe was opened and the deposit envelopes were removed, the actual funds in the envelopes were not counted by two individuals. The second individual would merely call out the amount that was written on the outside of the envelope and "[d]efendant Spring would inventory each deposit and enter the monetary information into School Cash.Net program so the bank paperwork and the submitting parties' receipts could be printed. Finally, as previously noted Spring would often delay making the actual deposits and "comingle" deposits making it virtually impossible to tell from which deposit funds actually came from.

Detective McCoy interviewed all of the key individuals who were involved in making deposits or who had oversight responsibilities. Everyone was emphatic on two key points: 1) they did not steal any money and 2) it was Cathleen Spring's responsibility to account for the money, to do the proper paperwork and to make sure the deposits were made.

The State is presented with a circumstantial evidence case that Cathleen Spring must have been the person who stole the money. The Court in *Pennington v. State*, 100 So.3d 193 (Fla. 5th DCA 2012) summed up what exactly the State must prove in a case such as the above:

Where the only proof of guilt is circumstantial, no matter how strongly the evidence may suggest guilt, a conviction cannot be sustained unless the evidence is inconsistent with any reasonable hypothesis of innocence. ... A motion for judgment of acquittal should be granted in a circumstantial evidence case if the state fails to present evidence from which the jury can exclude every reasonable hypothesis except that of guilt. Taking the evidence in the light most favorable to the State, it is the trial judge's proper task to review the evidence to determine the presence or absence of competent evidence from which the jury could infer guilt to the exclusion of all other inferences. ... The state is not required to 'rebut conclusively every possible variation' of events which could be inferred from the evidence, but only to introduce competent evidence which is inconsistent with the defendant's theory of events. Circumstances that create nothing more than a ***strong suspicion*** (emphasis added) that the defendant committed the crime are not sufficient to support a conviction. Evidence which furnishes nothing stronger than a suspicion, even though it would tend to justify the suspicion that the defendant committed the crime, is not sufficient to sustain conviction. It is the actual exclusion of the hypothesis of innocence which clothes circumstantial evidence with the force of proof sufficient to convict.

The instant case has several fatal flaws which do not allow the State to file charges in good faith. Cathleen Spring was interviewed by Detective McCoy and was confronted about the fact that funds were missing from 108 individual deposits spanning FY 13, FY 14 and FY 15. While "Spring stated she could not explain what happened to the missing deposits" she also was adamant that she had not stolen any money. As previously outlined there was not a two person verification system in place at either end of the drop safe process to reconcile or record the actual dollar amounts in the envelopes and there was not a mandated weekly deposit system. No one at the school discovered that the money drops for FY 13 or FY 14 were "short" or had not been made for many months. There were no accounting procedures in place that would have allowed for an earlier discovery of this theft. There is no video surveillance of the area where the drop should have been made in the office where the funds are counted.

In essence, the State would have to prove a negative, that no one else but Cathleen Spring could have stolen the money and that the 108 deposit envelopes actually contained the amounts recorded on them with Spring being the only one to count all of the funds. With the passage of time, and the lack of any direct evidence to support this conclusion, the State cannot meet its burden.

Based on all of the above the State cannot in good faith file Organized Scheme to Defraud or Grand Theft charges in this circumstantial evidence case.

Chapter 7 - Cash Receipts and Deposits

All funds handled by school board employees during normal working hours shall be included in and become part of the internal funds, and must be recorded in SchoolCash.net unless accounted for in the district-level PeopleSoft accounting system. All organizations of the school, or operating in the name of the school, that maintain monies collected from the public shall be accountable to the Board for receipt and expenditure of those funds. Principals have the option to allow affiliated PTO/PTA/PTSA organizations to operate outside of internal accounts, but those organizations must conduct financial operations after school hours and follow specific rules established by the Board as outlined in the Internal Accounts Overview chapter of this manual. School district personnel are permitted to participate in affiliated outside organizations, but they may not do so during their normal working hours.

Internal controls for student activity accounting rely on a system of checks and balances between three participating members of the revenue collection process: the activity sponsor, the school bookkeeper, and the principal. The role of each of these individuals with regard to cash receipts and deposit of funds is summarized as follows:

- **Activity Sponsors** – responsible for collection of funds, completion of district forms to document those collections, making prompt deposits of funds, confirming that funds were recorded in the student activity account correctly and timely, and monitoring account balances and online payments on a regular basis.
- **Bookkeepers** – responsible for confirming funds collected by sponsors, recording the collections in the internal funds accounting system, setting up parent fees in the online payment system, preparing bank deposits, reconciling the school bank account, and providing computerized receipts and reports to activity sponsors and the principal.
- **Principals** – responsible for approving collection activities on the school campus (fundraisers, field trips, and other solicitations of funds from students and members of the public), overseeing the financial operations of the school, monitoring the financial status of the various campus organizations, and implementing corrective measures when necessary.

The concept of segregation of duties means that no one person is responsible for all phases of the revenue collection process. This concept is a cornerstone of internal controls for most large organizations to deter errors, fraud and mismanagement of funds. For example, bookkeepers may not complete Monies Collected Reports, serve as activity sponsors, or authorize the collection of funds on campus. Bookkeepers must provide receipts to activity sponsors to confirm that deposits are properly recorded on the books and provide the principal with the bank reconciliation and financial reports on a monthly basis. A copy of the monthly reports is also submitted to the district office, which provides another level of financial oversight to internal funds accounting.

This chapter contains a chart to give teachers, coaches, etc. an overview of their responsibilities as a student activity sponsor (Exhibit 7A). Sponsors are required to complete ELM sessions annually, and are encouraged to consult the school bookkeeper if there are questions, concerns, or areas that require more clarification. Bookkeepers must also complete an annual ELM session, and receive a series of

training sessions when they are first hired as well as monthly training sessions throughout the year on a wide variety of financial topics. Principals are required to complete an ELM session annually, and receive updates at their monthly meetings and summer leadership sessions. All parties are welcome to call or email the Bookkeeper Support Team for clarification and assistance.

Collecting Money from Students

Collections from students must be properly documented with the name of the student, the purpose of the collection, the internal account name/number assigned to the activity, and the amounts collected from students. All forms must be completed in ink and signed by the sponsor. A sample of a completed Monies Collected Report is included in this chapter as Exhibit 7B.

Schools have several options for recording cash collected from students or members of the public:

- The activity sponsor can issue Classroom Receipts (PBSD 0196) to each student individually. If this option is used, the classroom receipt numbers must be listed on a Monies Collected Report (PBSD 0180). This option may be advisable for large amounts (\$100 or more) or if there is a strong possibility that refunds may be required (textbook fees) or if the student will be required to present proof of payment in order to claim an item at a later date (yearbooks). These are simply examples of the types of collections that might warrant the use of classroom receipts, and they in no way imply a requirement to use classroom receipts. The use of classroom receipts is optional, and is left up to the discretion of the principal.
- The activity sponsor can complete a Monies Collected Report (PBSD 0180) to document funds submitted for deposit into school internal accounts. The Monies Collected Report (MCR) must be completed in ink and filled out completely by the teacher/sponsor, and any changes must be crossed out and initialed by the person making the change. Each student's name and amount paid must be listed on the form, and if a check is received, list the check number in the space designated on the form. The MCR must be totaled and the total on the form must agree with the total of the cash and checks attached. If multiple forms are required, the total block must be labeled "CONT" and each form must be enumerated, eg., "Page 1 of 3, Page 2 of 3, Page 3 of 3" with a grand total entered on the last page.
- If sponsors elect to submit a class roster in lieu of listing the student names, they must highlight the names of the students that paid and list the amount paid by each student along with the check number, thus providing the same level of detail that would appear if the names were listed on the MCR.
- Occasionally it may not be feasible to list the student names, particularly if the collection is of a general nature (anonymous donations, penny drives, etc.) and in those rare instances the sponsor may list "General Collections" and describe the nature of the collection on the MCR. This should be the exception, not the rule. If the name of the students or other participants is available at the time of collection, it must be detailed on the Monies Collected Report.
- The Monies Collected Report is a two-part NCR form. The original (white) copy goes to the front office with the cash/coin/checks and the second (yellow) copy is retained by the activity sponsor

as a temporary receipt for later comparison with the computerized receipt issued by the bookkeeper.

- Depending on the nature of the collection, other paperwork may be required to fully document the funds collected. Some examples of this additional paperwork include ticket seller reports, field trip applications, fundraising applications, etc., which help provide a full accounting for the revenues collected in association with these special school events.

Activity sponsors must submit collections to the front office on a daily basis. Every school has some established method for packaging deposits—heavy duty envelopes, bank zipper bags, plastic baggies—that allow the collections and the white copy of the MCR to be bundled together for deposit. Sponsors must retain the yellow copy of the MCR as a temporary receipt, and submit them to the front office at the close of the school year. Each school has a drop safe in the front office specifically for securing funds overnight, and all monies deposited in the safe must be entered on the Drop Safe Log by the activity sponsor. A sample of the Drop Safe Log is included in this chapter as Exhibit 7C. After entering the deposit on the log, the activity sponsor will use the safe's hopper mechanism to drop the funds into the safe. Activity sponsors should exercise care when using the drop safe and turn the hopper handle a second time to confirm that the deposit bag dropped into the safe and that the deposit is not stuck in the safe's hopper mechanism.

When the funds have been verified by the bookkeeper and recorded in the computerized accounting system, the bookkeeper will issue a receipt that shows the amount of the deposit, the account name and number that was credited, and the balance in the account after the deposit. The receipts and the Drop Safe Log are then given to another staff member, who records the receipt numbers on the log, distributes the receipts to the teacher/sponsors, and files the Drop Safe Logs in numerical order for audit purposes. The teacher/sponsor should verify the computer-generated receipt against the temporary receipt (yellow copy of the MCR) and retain it for future reference. Since schools are required to deposit funds within five days of collection, sponsors can realistically expect to receive a deposit receipt within a week. Any deposits that are unconfirmed after a week should be investigated with the bookkeeper and brought to the principal's attention if deposit delays become a routine occurrence.

Drop Safes and Bank Courier Schedules

The Florida Department of Education Red Book requires schools to deposit funds within five days of collection. This can easily be accomplished if teachers turn in money daily and bookkeepers open the safe and prepare a deposit more than once per week. To facilitate that effort, schools have been provided with drop safes (to secure funds between deposits) and armored car service (to transport those deposits to the bank).

The drop safe is a heavy duty combination safe outfitted with a manual hopper device that allows funds to be dropped into the safe without actually opening the safe. Safes must not be left unlocked while unattended. Unless there is a need to open the safe for a specific purpose (to remove funds for verification by the bookkeeper, for instance) it should remain locked at all times. Safes should be

located in the school's front office, in a location that is accessible to the staff members and to the armored car service provider. For security reasons, safes must be bolted to the floor. The safe combination is confidential, and the only person on campus who is authorized to have the complete safe combination is the principal. The safe combination may be shared between two or more trustworthy members of the office staff (such as the bookkeeper, data processor, assistant principal, or secretary) with each person having a portion of the combination, so it takes two individuals to open the safe in the principal's absence. This security measure is for the protection of those members of the school office staff, and if there is a breach of this protocol, the principal should request an emergency work order to the District's Facilities Department to change the safe combination immediately. If there is a change in principals, the safe combination should also be changed as part of the turnover of the school from one principal to another. Safe combinations are on file in the School Police Department, and changes to the combinations are communicated between Maintenance and School Police. If a school forgets or loses the combination, call School Police at PX 48155 for direction and assistance.

Armored car service is provided by the Accounting Department and bids for services are managed by the Purchasing Department when contracts expire. Accounting provides each school with armored car service at least two days per week, and some schools receive service more often. The hours of service extend from 8AM until 3PM and there is no service on the days schools are closed or on bank holidays. The armored car provider sets the routes for the armored vehicles, and as a security measure, those routes may change from time to time to vary the schedules. Schools are advised of their pickup days, and should have a deposit ready to go the day prior to their scheduled pickup. All armored car providers have some form of logbook that lists the deposit bag number, name of the bank depository, and amount of deposit. The armored car logbook is the official record to transfer custody of the deposit from the school to the armored car company, and courier logbooks must be retained for five years. The armored car courier will verify the information on the logbook and sign the book to certify the transfer of custody on the funds. If for any reason the deposit isn't credited to the school's bank account, the information on the logbook can be used to trace the deposit's custody between the school, the armored car company, and the bank to determine what happened with the deposit. Furthermore, schools should only release deposits to properly documented couriers. All couriers wear a picture ID badge with their signature. Bookkeepers (or other school staff) must confirm that the picture on the badge matches the appearance of the courier, and confirm that the signature on the badge matches the signature on the logbook. If there is any doubt about the identity of the armored car personnel, call the vendor's dispatch number (printed on the front of the logbook) immediately. The current armored car provider is Dunbar Armored, and their dispatch number is 561-683-1283.

Entering Monies Collected Reports in School Cash

Monies Collected Reports and funds collected by teachers and other activity sponsors must be verified by the bookkeeper, entered into the computerized accounting system, and deposited with the bank. School funds must be deposited intact—they may not be used to cash checks for teachers, employees, students or other members of the public. Sometimes schools will need to exchange currency or coin to break large bills for a school change fund, but this should be documented and reallocated as part of the bank deposit process.

The following series of steps constitute the recommended best practice for verifying and entering MCRs in School Cash.

1. **Open the drop safe.** The principal or the two co-designees may open the safe.
2. **Remove funds from the safe.** As deposit bundles are removed from the safe, they must be compared against the drop safe log that was completed by the sponsors. This assures that all funds were logged in and out of the safe, and should be jointly confirmed by the bookkeeper and another staff member.
3. **Access the Deposits/Receipts module in School Cash.** From the main menu, select the Deposits/Receipts button and select the Forms button, then Add A Form to view the detailed receipt page.
4. **Verify each Monies Collected Form by creating a deposit form in School Cash.** Working one MCR at a time, empty each deposit bundle and organize the money by sorting the currency, coin and checks by denomination. Enter the sponsor's name in the Money Handed In By block. The system has an auto-type feature that allows the bookkeeper to enter a portion of the sponsor's name and select from a pick list. Using this feature promotes uniformity in the way the names are entered into the system and prevents duplicate entries in the pick list.
5. **Enter the Category Names or Numbers shown on the MCR.** From the MCR, select or enter the Category (Account) Name or Category Number and enter the Reason for the deposit. Scroll to the right and select a transaction code. Press ENTER to save the data. If multiple categories are listed on the MCR, click the Add a Row icon at the bottom of the page, enter the next category and transaction code, and click the checkmark to save the data. Continue inserting rows, entering category and transaction codes, and saving the row until all categories have been entered. Leave the Amount field blank temporarily.
6. **Count the currency.** Count the number of bills for each denomination, and enter the number of bills for each in the Bills section of the page. Enter the number and press ENTER to move to the next currency denomination.
7. **Count the loose coin.** Separate the coin by denomination and count the number of loose coins of each denomination, and enter the number of coins for each in the Loose Coins section of the page.
8. **Enter the checks.** Schools have the option to enter the checks in a detailed or summarized format. Depending on volume, some schools elect to detail checks while others do not. At this point in time, the option to detail checks is a school-based decision.
 - **To detail the checks** – click the blue Detail link to bring up the detail screen. Enter the name of the payee, check number and check amount for each check in the deposit bundle. Press ENTER to generate another data line, and continue to do so until all checks have been detailed. Press Continue to return to the deposit form and tabulate the check total.
 - **To summarize the checks** – sort the checks by amount and count the number of checks for each amount. Enter the number of checks in the Qty block and the amount of the checks in the Amount block. Continue until all checks have been entered and the check amount is tabulated.

9. Confirm that the Deposit Total on the page agrees with the Deposit Total from the Monies Collected Form. If the totals don't agree, check the addition on the MCR. Depending on the nature and amount of the error, the bookkeeper has the option to correct the MCR or delete the form and return the deposit bundle and MCR to the teacher for correction. To change a MCR, cross through the incorrect information and write in the correct information in ink, and initial the change. Note any changes to the deposit amount on the Drop Safe Log.
10. Balance the form by allocating funds to the proper category. Verify the category and total against the sponsor's MCR, and adjust as necessary. To modify a data element on any row, click on the element to open the field and make the change. The form will show a zero balance when all funds have been completely allocated between the categories.
11. Cross Reference the MCR to the deposit form in School Cash. Initial the Monies Collected Report and enter the date and the Deposit Number/Form Number in the appropriate blocks on the form submitted by the sponsor.

Click Forms, Add Form to save the current form and generate a new blank form. Follow the same technique to verify each Monies Collected Report. There should be a one-to-one correspondence between each Monies Collected Report and each School Cash deposit form. Bookkeepers are encouraged to use a divided money drawer with a locking lid to hold the cash, coin and check after the MCR has been verified and recorded in the system. This is particularly helpful for sorting the bills and coin by denomination and helps isolate funds that have been counted from those that still need to be verified and entered into School Cash. It also produces a much more organized and accurate bank

deposit and allows the bookkeeper to “build” the deposit over more than one day, particularly if there is no courier service the next day. Simply lock the lid on the money tray and place the verified funds in the safe for overnight storage, then continue with the deposit the next day.

Confirm the Data Entry and Print Deposit Reports

When the deposit is complete, print a Deposit Statement to preview the deposit. From the Deposits/Receipts page, select Print, Print Menu, Statement, then print the Deposit Statement. Compare the computer input for accuracy and completeness against the Monies Collected Reports. If corrections are necessary, go back to the previous screen and return to the deposit, then find the form number and make the corrections. Generate the Deposit Statement again to confirm that the modifications are correct, and print the remaining deposit reports.

Select Print, Quick Print and generate all remaining deposit forms:

- **Three-part Receipts** – Shows who turned in money, what account was credited, deposit amount, and account balance. The receipts and Drop Safe Log are to be forwarded to a member of the front office staff for verification, and the receipts are to be distributed to Activity Sponsors (usually in their mailboxes)
- **One Page Bank Deposit** – Summarizes bills, coin and checks for all MCR in the batch to assist in completing the bank deposit slip – Retain with deposit paperwork as part of deposit packet
- **Adding Machine Tape for Bank** – Lists all checks for bank deposit in lieu of running tapes or listing checks individually on the deposit slip – Send with the check bundle to the bank
- **Bank and School Records** – Shows deposit details for checks, including account/categories and student names if the school is using the Detail Checks option – Retain with deposit paperwork as part of deposit packet

Prepare and Balance the Bank Deposit

Use the One Page Bank Deposit to prepare the two-part MICR-encoded bank deposit slip. You will need a bank deposit slip, deposit straps, and a courier bag to complete this step. The One Page Bank Deposit should always match the check, coin, and currency that is sent to the bank and that shows on the deposit slip. If you made a mistake entering one of the MCRs or made change, you will need to return to the deposit and click the checkbox to Reallocate cash amounts for one page printout and make the necessary changes. Then proceed with preparing the deposit elements for bank processing and write up the bank deposit slip. School funds should never be used to cash checks for students, staff, or other members of the public. All funds collected must be deposited intact, and any reallocations should be explained with a note on the One Page Bank Deposit.

1. **Batch the checks for processing** – Count the number of checks in the deposit. The number of checks should agree with the Quantity total shown for checks on the One Page Bank Deposit.

Bundle the checks together. Fold the Adding Machine Tape for Bank so it fits securely inside the check bundle. Enter the check total in the appropriate blank on the bank deposit slip.

2. **Bundle the currency for processing** – Check the number of bills by denomination on the One Page Bank Deposit. If the quantity is more than 100, strap the bills in batches of 100 bills by using the appropriate currency strap (\$100 for ones, \$500 for fives, \$1000 for tens, or \$2000 for twenties). For batches of less than 100 bills, bundle the mixed bills together, reverse the strap and write the dollar amount on the strap. List the currency total in the appropriate blank on the bank deposit slip.
3. **Prepare the coin for processing** – Wells Fargo requires a separate deposit for coin in excess of \$25. Check the coin totals on the One Page Bank Deposit. If the total is more than \$25, prepare a separate deposit slip with the coin total from the report, complete the information on the courier bag, and place all the coin and the original deposit slip for the coin in the bank deposit bag. Coin totaling less than \$25 can be included with the checks and currency in the same deposit bag, with the coin total listed in the appropriate blank on the bank deposit slip.

Total the deposit slip. The deposit total should agree with the TOTAL DEPOSIT figure shown on the One Page Bank Deposit. If a separate coin deposit was required, the total of both deposits should agree with the total shown on the One Page Bank Deposit.

Complete the information on the courier bag and place all the deposit elements (coin, cash, and checks) in the bag, along with the original deposit slip. Seal the bag and remove the tear strip from the deposit bag to retain proof of the bag number and log the deposit on the courier logbook. The deposit is ready for pickup, and should be secured in the safe until the courier arrives.

Sample deposit reports are included as Exhibit 7D at the end of this chapter.

Finalize the Deposit in School Cash

When the deposit is complete, return to the deposit batch in School Cash and post the transactions to the school's accounting records. From the Deposits/Receipts menu, click the Add to Ledger button. A warning will appear as a reminder to print all the forms and receipts. If all printing tasks have been completed, click OK to post the transactions and finalize the deposit batch in School Cash.

Compile the Deposit Batch Paperwork for Audit Purposes

The school's deposit batch includes the following items, which should be assembled into a neat packet:

- Monies Collected Reports, in order by form number
- Yellow copy of bank deposit slip
- Tear strip from the courier bag
- One Page Bank Deposit report
- Bank and School Records report

Staple, rubber band, or otherwise neatly group all the elements of the deposit batch together, and file the batches sequentially by batch number. It may be helpful to write the batch number prominently on the top of the paperwork to make it easier to file and retrieve the batches at audit time and throughout the year.

Distribute Receipts to Activity Sponsors

When the deposit is complete, the bookkeeper should forward the three-part receipts and the Drop Safe Log to another staff member for verification. That staff member must enter the receipt number on the Drop Safe Log and note any discrepancies in deposit totals on the log. The Drop Safe Log must be initialed by the person performing the verification and filed sequentially by document number. They will also distribute the receipts to the teachers' mailboxes as the final step in the deposit process. Teachers can reasonably expect to get a computerized receipt back from the bookkeeper within a few days' time so they can compare it against their yellow copy of the MCR, contacting the bookkeeper immediately if any errors are discovered. Teachers shall retain the yellow MCR and computerized receipts and forward them to the School Secretary at the close of the school year.

Records Retention Requirements

All deposit batches and deposit logs must be retained for five years. Bookkeepers should file the deposit batches sequentially by month in a file cabinet during the current year, and at the close of the year they can be boxed and stored in the file room in a secure location on campus. Drop Safe Logs should be filed sequentially by document number and retained with the year-end records. When a new year's files come into the file room, the oldest files can be rotated out of storage and disposed of in accordance with the District's records disposal guidelines, which can be found at the FORMS link at the top of the District's main webpage. Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary for possible review as part of the internal funds audit.