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Student Money Vanishes, but Few Are Punished

Activity Funds Are Often Plundered and Mismanaged by Adults

By David S. Fallis and April Witt
Washington Post Staff Writers
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The fundraising drive by the Moten Center chess club had an underdog appeal. Most of the elementary school children had been removed from other D.C. schools for behavioral problems. Through the discipline of chess, they were learning life lessons: patience, focus, strategic thinking.

In the spring of 2003, they were selling hot dogs and candy to try to pay their way to a national tournament. After their efforts were publicized in a newspaper column, money poured in from businesses, school officials, the public and even the principal's mother -- more than \$72,000 in all, according to records and interviews. Eleven students, from some of the District's poorest neighborhoods, flew to [Nashville](#).

Days after they returned home, somebody began raiding their leftover money. Most of it was stolen. Last week -- four years after the theft and following inquiries from [The Washington Post](#) -- authorities filed criminal charges against a former employee at the school.

The theft from the chess club is among dozens of instances in which D.C. public school employees or others have stolen or misused student activity money, a Post investigation has found. Management of the funds is chaotic, oversight is ineffective and the people responsible for plundering or squandering the money are rarely held accountable, according to internal audits, court documents, interviews and school records.

The failure to safeguard student money is a symptom of a public school system that has defied reform for decades and of a culture in which rules are broken with impunity.

"It's a travesty," said Vaughn Bennett, a former firefighter who was the Moten chess club's volunteer coach. "This is the kind of thing that stops D.C. schools from having an atmosphere of success."

Almost all of the District's 146 public schools have student activity funds -- bank accounts in which they deposit proceeds from bake sales, vending machines and sporting events, as well as charitable donations and, sometimes, federal grants. The funds take in as much as \$6 million annually citywide, records show. A small elementary school might have only a few hundred dollars. But the fund at Cardozo High School reached \$400,000 this year after a graduate bequeathed more than \$200,000, records show. The student account at Wilson High School has deposits totaling more than \$700,000 annually.

District policy says the money should be spent on student activities such as field trips, homecoming and yearbooks.

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But in school offices throughout the city, employees handle cash, checks and records so haphazardly that money easily disappears.

Officials who were investigating [Ballou High School](#) after a 2004 shooting there found more than \$27,000 in cash and checks scattered around the building -- while the vault sat empty. On the floor under one desk, auditors found \$3,200 in gate receipts from a football game the year before, records show.

In boxes stacked in a storage room at Coolidge High School, The Post found canceled checks mixed in with unopened bills from 2004. Disbursement forms showed that thousands of dollars were paid to school employees for food, trips and other expenses with only scant documentation.

In several instances, records indicate that money disappeared on its way from Coolidge to the bank. One deposit was more than \$1,000 short.

When Lynn Kauffman was the librarian at Coolidge, she raised more than \$14,000 and deposited the money into the student activity fund. When it came time to pay bills, more than one-third of the money couldn't be found. Kauffman lost \$620 that she had advanced for books and supplies, expecting to be reimbursed.

"I never got the money," she said. "Why not? And where is the money?"

The current Coolidge principal, L. Nelson Burton, told auditors that prior school administrators had "severely mismanaged or misappropriated a significant amount of money" from the student activity fund.

Internal auditors for the school system have documented dozens of instances in which school employees have stolen or mismanaged student activity money. But until charges were filed in the Moten case last week, only one school official had been prosecuted in recent years.

Nae M. Davis, a longtime principal at Burroughs Elementary School, spent thousands of dollars in student money on herself, buying lobster, veal, a [Palm Pilot](#) and DVDs. When a parent-teacher group requested money for field trips and books, she said there was none, court records show. Davis, who no longer works for the District, pleaded guilty to theft in 2005.

Officials at the U.S. attorney's office declined to respond to questions about individual cases. They said that poor record-keeping and the absence of internal controls at D.C. schools often make it difficult to prosecute thieves.

Ignoring the Rules

Each school is supposed to file regular accounting reports with the city finance office, to keep receipts to document expenses and to insure student funds against theft. Principals, business managers and school bankers often fail to do so, records and interviews show. For example, teachers and administrators are routinely reimbursed for expenses based on their word alone.

Among the rules in the District's manual for student activity funds is a requirement that each school buy theft insurance for its fund, but only about 20 currently do so, according to Ambush Associates, which the school system lists as the preferred provider.

Ultimately, principals at each school are responsible for safeguarding the accounts. The funds are typically handled by a school's business manager or another staff person acting as the school's banker.

School officials acknowledge that there is no consistent standard for who can become a business manager or school banker, and they could not provide a written job description to The Post.

Many business managers and principals entrusted with student money have had problems with their own finances. Public records show that nearly one-fourth of the more than 400 people who have been listed in school and city records as business managers or principals since 2003 have experienced personal bankruptcies, judgments or lawsuits over unpaid bills, foreclosures, liens or wage garnishments. One business manager was charged with writing bad checks in [Pennsylvania](#).

Another, Carmen McCall, was placed in control of the student activity fund at Eliot Junior High School despite a prior conviction for felony theft in the District. A school audit in November 2006 found that McCall admitted to investigators that after getting the job, she pocketed more than \$6,000, falsified records and misappropriated federal money to cover her trail.

McCall, who no longer works at the school, said: "I've taken care of it with the District and that's all I'm going to say."

Warnings that school officials were not adequately policing the student funds have sounded for nearly a decade.

In 2003, then-Superintendent Paul L. Vance asked the school system's internal auditor, the Office of Compliance, to review every school's activity fund annually. The head of the audit office, John M. Cashmon, said he has enough staff to check only a few schools a year -- 21 schools in five years.

In almost every case, his reviews have uncovered serious problems. He has outlined needed reforms and called for employees to be fired, forced to repay misused money or prosecuted. His recommendations rarely have been followed, he said in an interview.

"The whole culture around here is not necessarily doing the right thing," Cashmon said. "It's occasionally we do the right thing."

District rules say that every school's fund must be audited annually by outside accountants. Cashmon and other District officials say they are unaware of that directive ever being followed.

The city's finance office is also supposed to conduct "unscheduled audits or reviews" of the funds, but has initiated only one audit since 2004.

One city finance employee oversees the funds and assists administrators at all 146 schools. "That's not enough, but that's what I have," said Pamela D. Graham, the chief financial officer assigned to D.C. schools.

A superintendent's directive has for decades required schools to report annually what donations they receive and how they are used. Cashmon said he has yet to find a school that has complied.

"We don't know where to send the things to," Cathleen Foddrell, Eastern High School's business manager, said of the donation list. When she called school headquarters recently to inquire, "nobody knew what I was talking about."

Anacostia Yearbooks

In early 2005, [James H. Wilson](#), then principal of Anacostia High School, pulled the PTA president aside to confide that he was concerned about the student activity fund. The business manager hadn't been submitting financial reports.

"He wasn't really sure how to handle it," recalled Leroy G. McDonald II, then-PTA president. "I was like, 'Dr. Wilson, you are the principal; you need to demand your report or call the police.' "

By that spring, about \$10,000 in checks written on the fund had bounced, more than \$3,300 worth of Metro cards purchased with student money had been stolen and school administrators had turned to income from vending machines to keep the student account afloat, according to records obtained from the D.C. Office of the Inspector General under public records law.

After the business manager quit coming to work in April 2005, Wilson notified district officials and padlocked the school bank. The business manager later telephoned Wilson and said that a \$16,000 cash deposit had been stolen five or six months earlier, records show. The business manager told the principal that he had been too embarrassed to report it.

The documents provided to The Post had some names and titles blacked out, including the business manager's. Anacostia's business manager at the time was Reginald Griffin, according to school records and interviews.

Griffin could not be located by The Post. Before coming to Anacostia, he had worked as a consultant for the city finance office, records show.

The principal told investigators that he did not know how much money was taken from the account but that he believed \$2,000 was stolen in January 2005 alone, records show. He also told authorities that he did not remember signing a \$9,899 check to a computer company and could not recall a computer-related purchase of that magnitude.

He told investigators that he believed two people "conspired to defraud" Anacostia.

Wilson, no longer principal at Anacostia, did not respond to questions about the theft. He left a telephone message noting that when he took over the school in 2003, one of his first steps was to request an audit of the student activity fund. Cashmon said that auditors were not dispatched to the school at the time because the office was short-staffed.

In all, tens of thousands of dollars had been stolen or misappropriated -- including the personal money that students had banked to cover class expenses, records and interviews show. With only weeks remaining in the school year, the account was depleted.

There was no money left for yearbooks.

"They couldn't pay the printers, so they couldn't get the yearbooks," said Blanch Newton, a teacher at the school. "There wasn't a person in that building that was not completely outraged by it."

Many parents called [William Lockridge](#), the District 4 representative on the [D.C. Board of Education](#), to complain. "Parents were in an uproar," he said. "The students and the parents got left holding the bag."

The thefts also nearly forced cancellation of the senior class trip to [Florida](#) and [the Bahamas](#). Jimmy D'Andrea, then an Anacostia science teacher and the senior class sponsor, confirmed in an e-mail to The Post that he kicked in \$3,500 of his own money to avoid disappointing the students. "We modified the itinerary slightly to cut costs," he said.

Investigators found that Anacostia's student fund records were in such a shambles that they could not determine how much money was missing. Cash was never recorded or never deposited into the accounts, investigators reported. So the "total loss to the . . . account could not be established," they noted. "The investigation into the misappropriation . . . revealed mismanagement and accounting irregularities."

The inspector general's office sent the matter to the D.C. attorney general's office and to federal prosecutors. Both declined to pursue a criminal investigation, records show.

Moten's Pawns

When the Moten chess club finally made it to the National Scholastic Chess Championship in May 2003, the players scored respectably in the middle of the pack. The showing was a success for the team of fourth-, fifth- and sixth-graders from the center, a special program housed at Anacostia's Moten Elementary School for students with emotional or behavioral problems.

Cost estimates for the travel by the students and their 10 adult chaperones range from less than \$10,000 to nearly \$20,000. The team had collected far more than that after a [Marc Fisher](#) column inviting contributions for the chess club's quest ran in The Post on April 29, 2003. When the bills from the trip were paid and the donations were tallied, \$50,000 to \$60,000 remained in the student activity account, audit records indicate.

From mid-May through September, about \$48,000 was withdrawn at bank windows and ATMs, according to audit records.

Moten's ATM card was used more than 100 times over the summer at cash machines in the District and [Prince George's County](#) -- sometimes multiple times a day, on weekends and in the middle of the night.

Herbert A. Boyd Jr., then principal of the Moten Center, was responsible for safeguarding donations. But he was distracted, he said. His wife was terminally ill, and he spent time caring for her. He and school auditors said that he left the student fund under the control of Sandy D. Jones, the business manager.

"The biggest mistake I made is I trusted someone and I'll leave it at that," Boyd said in an interview.

On Sept. 23, Boyd telephoned [SunTrust Bank](#) to check the activity fund's balance, records show. He said that he hoped to use some of the leftover donations to pay for a study of the effects of chess on emotionally disturbed kids. Instead, Boyd said he learned that only \$4,000 was left.

He notified the district's school security office and police. Jones, the business manager, told investigators that she kept the ATM card and blank checks for the student account in a desk drawer where "everybody" at the center had access to it, records show.

The criminal investigation soon stalled, Boyd said. The principal urged police to review videotape from cameras at the cash machines, but nobody did, he said. Eventually, the police suspended their probe "in

lieu of any additional information," according to a school security report.

Nearly one year after Boyd first reported the missing money, an anonymous tipster called to complain about the theft, according to a report by the school system's auditor. That call set into motion renewed investigations, this time by the auditor, school security and eventually the inspector general.

By then important evidence had been lost. Video from the ATMs had long since been destroyed, the auditor concluded.

The auditor's office determined that about \$72,000 that had been donated was "either stolen, embezzled, misappropriated or misused." Jones had "complete and absolute control" over the account because Boyd "abdicated all financial responsibility" to her, according to the audit.

In October 2004, the school district fired Jones, records show. Boyd was placed on administrative leave and eventually was fired. He lost his pension and has appealed his dismissal.

Last week, after The Post asked the U.S. attorney's office to comment on the status of the Moten investigation, federal prosecutors charged Jones. She is accused of stealing \$30,000 in donations through ATM and branch withdrawals and forged checks. The school's audit report showed that \$9,888 worth of checks made out to Jones had been cashed.

The federal charges do not detail what happened to the rest of the missing donations -- as much as \$30,000, according to audit records.

Jones and her attorney did not return telephone calls seeking comment after the charges were filed. In a brief conversation earlier, Jones declined to answer questions about Moten or the missing money.

The Moten chess club never traveled to another national tournament.

"We blazed a trail with these special-needs children that had never been blazed before," said Bennett, the team's former coach. "To continue with it, that would have been the thing to do -- and it didn't happen."

Today, the student activity fund for the chess club is empty.

Staff researchers Alice Crites, Aruna Jain, Rena Kirsch, Madonna Lebling and Julie Tate contributed to this report.

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