



A REPORT
TO THE
ARIZONA LEGISLATURE

Special Investigative Unit

Special Investigation

Red Mesa Unified School District No. 27

Theft of Public Monies and
Malfeasance by District Officials

APRIL • 2007



Debra K. Davenport
Auditor General

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STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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April 24, 2007

Members of the Arizona Legislature

Governing Board
Red Mesa Unified School District No. 27

The Honorable Terry Goddard
Attorney General

The Honorable Tom Horne
State Superintendent of Public Instruction

The Office of the Auditor General has conducted a special investigation of the Red Mesa Unified School District No. 27 for the period April 2005 through July 2006. The investigation determined the amount of public monies misused, if any, during that period and the extent to which those monies were misused.

The investigation consisted primarily of inquiries and examination of selected financial records and other documentation. Therefore, the investigation was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, the Office does not express an opinion on the adequacy of the financial records or the internal controls of Red Mesa Unified School District No. 27. The Office also does not ensure that all matters involving the District's internal controls, which might be material weaknesses under standards established by the American Institute of Certified Public Accountants or other conditions that may require correction or improvement, have been disclosed.

The accompanying Investigative Report describes the Office's findings and recommendations as a result of this special investigation.

After this report is distributed to the members of the Arizona State Legislature, the Attorney General, and the State Superintendent of Public Instruction, it becomes public record.

Debbie Davenport
Auditor General

Enclosure

SUMMARY

In May 2006, the Office of the Auditor General received a complaint alleging financial misconduct by Mr. Stewart Waite, former Business Manager, and Mr. William Bean, former Superintendent, for the Red Mesa Unified School District No. 27. As a result, our Office conducted an investigation of those financial improprieties and submitted our report to the Arizona Attorney General's Office. During our investigation, we determined that Mr. Waite and Mr. Bean embezzled and misused public money. In addition, our investigation further revealed that Ms. Sadie Tso, Board President, also violated state laws. The Attorney General has taken evidence of Mr. Waite's, Mr. Bean's, and Ms. Tso's activities to the State Grand Jury, which indicted them on felony charges. See the Conclusion on page 17 of this report.

Our investigation determined that from April 2005 to July 2006, almost \$360,000 in public monies was embezzled, and an additional \$520,000 in other public monies was misused, as follows:

Almost \$880,000 of school district monies was misused by school district officials.

- Mr. Waite, former Business Manager, embezzled at least \$274,693 by misusing district monies and credit card privileges to purchase personal items totaling \$196,555 at various retail outlets; \$63,618 in cash advancements; and \$520 in personal travel; and authorizing a \$15,000 district check to himself, of which \$14,000 was for his own personal use. In addition, Mr. Waite misused public money by participating in the issuance of payouts of employment contracts totaling more than \$304,000 for both himself and Mr. Bean. Further, Mr. Waite failed in his fiduciary responsibilities and violated procurement laws by circumventing procurement procedures when purchasing items totaling \$187,924 for the District's equestrian education program.
- Mr. Bean, former Superintendent, embezzled at least \$85,305 by also using the district credit card for personal purchases, such as \$49,245 in cash advancements, \$33,282 at various retail outlets, and \$2,778 for personal travel. In addition, Mr. Bean misused public money by improperly disbursing gifts totaling \$28,280 to other district employees and students without substantiating the public purpose for such gifts. Further, Mr. Bean unlawfully authorized

payouts of their employment contracts totaling more than \$304,000 for both himself and Mr. Waite.

- Ms. Tso, Governing Board President, also misused public money by solely authorizing the contract payouts totaling more than \$304,000 for Mr. Waite and Mr. Bean outside any formal board meeting or approval.

In addition, during the onset of our investigation, Mr. Waite, Mr. Bean, Ms. Tso, and another board member established as the Board Clerk collectively altered public records and made false statements to the Auditor General's Office to conceal their financial misconduct and impede the investigation. Such conduct constitutes illegal acts.

The District's internal controls over travel, purchasing, and credit card activities were inadequate, as evidenced by the ability of Mr. Waite and Mr. Bean to initiate, approve, and reconcile those types of activities on their own. As a result, Mr. Waite and Mr. Bean were able to embezzle and misuse district monies for more than 1 year, and the District was unable to detect and deter their thefts.

TABLE OF CONTENTS



Introduction & Background	1
Finding 1: Administrators embezzled public monies	3
Personal credit card purchases	3
Cash advances and transaction fees	4
Personal travel	4
Personal payment	5
Finding 2: District officials misused public monies	7
Unauthorized employment payments	7
Gift card purchases	8
Finding 3: District officials obstructed investigation	9
Finding 4: Former business manager violated school district procurement rules	11
Finding 5: District officials failed to establish and maintain adequate controls	13
Recommendations	15
Conclusion	17

♦ continued



TABLE OF CONTENTS

Exhibits:

1	Embezzlement Schemes June 2005 to June 2006	3
2	Procurement Violations April 2005 to August 2005	11

concluded ♦

INTRODUCTION & BACKGROUND

Red Mesa Unified School District No. 27 is located in Teec Nos Pos, Arizona, within the Apache County boundaries. The District comprises two elementary schools, one junior high school, and one high school. The District is accountable to its students, their parents, and the local community for the quality of education provided. The District is also financially accountable to taxpayers for the more than \$15 million (unaudited) it received in fiscal year 2006 to provide this education to more than 970 enrolled students. Additionally, the District has five publicly elected Governing Board members who are responsible for setting all district policies and are the final authority over all school district business.

History of financial mismanagement

Over the years, the District has had a history of problems relating to its financial management. As far back as June 1991, the Office of the Auditor General performed a special review of the District's records to address possible malfeasance by district personnel. That review found a number of problems with the District's internal control environment, noncompliance with district policies, and violations of state law. These deficiencies are similar in nature to the charges addressed in this report, including misuse of the district credit cards and travel as well as procurement violations.

In recent years, the District has repeatedly failed to comply with the *Uniform System of Financial Records* (USFR), which prescribes the minimum internal control policies and procedures to be used by Arizona school districts for accounting, financial reporting, budgeting, attendance reporting, and various other compliance requirements. To date, the District is still in noncompliance for deficiencies discovered during its fiscal year 2003 financial audit. These deficiencies include failure to follow School District Procurement Rules, failure to ensure and report accurate financial information, failure to maintain documentation to support daily attendance figures, and failure to establish a sufficient control environment to safeguard district assets and student activities monies. Further, the District has not submitted financial audits for fiscal years 2004 and 2005 to the Office of the Auditor General and to the Arizona Department of Education, as required by law. As a result, the Office of the Auditor General has determined the District to be in noncompliance with the USFR and state and federal law in regard to report submission.

The District's poor financial management also directly impacts its mission to educate its students. For example, the administrators' improper expenditures as described in this report reduce the money available for classroom purposes. The District's spending patterns for fiscal years 2003 through 2006 appear to be abnormal compared to state and national averages as the District's fiscal year 2006 administrative expenditures were 5-7 percent higher than state and national averages. The District used approximately 43 percent of its monies in the classroom, which was almost 16 percent below the state average. As a result, for fiscal year 2006, this District ranked among the lowest school districts in the State in terms of how much money it spent on classroom activities (213 out of 229 districts).

District officials responsible for current misconduct

Four district officials played a role in the misconduct discovered during this investigation:

- Mr. Stewart Waite, who was hired by the District as the Business Manager in July 2004. Mr. Waite possessed a high school education and had no previous experience as a school business manager.
- Mr. William Bean, who was hired as the District Superintendent in June 2005. Mr. Bean had previously served as a school superintendent for another district in Arizona.
- Ms. Sadie Tso, who was elected to the District's Governing Board in 1998, and was appointed Board President in 2003.
- Another board member established as the Board Clerk was elected to the District's Governing Board in January 2005.

Both Mr. Waite and Mr. Bean submitted their formal resignations on July 17, 2006, 1 month after the Office of the Auditor General began its investigation.

District officials and the Governing Board have a fiduciary duty to Arizona's citizens in general and to district students, parents, teachers, and taxpayers in particular for ensuring the prudent use of public money. However, these individuals failed in their responsibilities to the public they serve by abusing their official positions.

FINDING 1

Administrators embezzled public monies

From June 2005 to June 2006, Mr. Waite, former Business Manager, and Mr. Bean, former Superintendent, embezzled almost \$360,000 by misusing district monies and credit card privileges to perpetrate their thefts. Over a 1-year period, these employees repeatedly violated state laws related to theft and fraudulent schemes.

By taking advantage of the District's insufficient control policies and procedures related to its credit card process, Mr. Waite and Mr. Bean were able to charge more than 1,180 personal items to their district credit card accounts. As summarized in Exhibit 1, Mr. Waite and Mr. Bean used the district credit card to purchase personal items such as clothing, jewelry, and vehicle accessories; withdraw cash advances from various automated teller machines (ATMs), including ATMs at casinos in Las Vegas and Arizona; and purchase items related to personal travel to places such as Disneyland and Texas. Finally, Mr. Waite improperly issued and negotiated a district check payable to himself for \$15,000, of which \$14,000 was for his own personal use.

Both Mr. Waite and Mr. Bean participated in various embezzlement schemes to perpetrate their thefts, which totaled almost \$360,000. Following are specific descriptions of each scheme as summarized in Exhibit 1 above:

**Exhibit 1: Embezzlement Schemes
June 2005 to June 2006**

Description	S. Waite	W. Bean	Total
Personal Credit Card Purchases	\$ 196,555	\$ 33,282	\$229,837
Cash Advances and Transaction Fees	63,618	49,245	112,863
Personal Travel	<u>520</u>	<u>2,778</u>	<u>3,298</u>
Credit Card Theft	\$ 260,693	\$ 85,305	\$345,998
Personal Payment	<u>14,000</u>	<u>n/a</u>	<u>14,000</u>
Total Theft	<u>\$ 274,693</u>	<u>\$ 85,305</u>	<u>\$ 359,998</u>

Source: Auditor General staff analysis of district records and Wells Fargo Bank account statements.

Personal credit card purchases

From August 2005 to June 2006, Mr. Waite embezzled at least \$196,555 by using the district credit card to purchase 453 items for his own use. Mr. Waite used the district

credit card to purchase personal items such as jewelry totaling \$14,308 and to make personal vehicle payments to four dealerships totaling \$29,975. Mr. Waite admitted to using the district credit card to pay for two personal vehicle loan payments and to purchase personal items, including clothing, for himself, his children, and his wife.

Similarly, from August 2005 to June 2006, Mr. Bean embezzled at least \$33,282 by also using the district credit card to purchase 139 personal items. Mr. Bean used the district credit card to purchase items primarily from various apparel and department stores totaling \$26,132. Mr. Bean also admitted to using his district credit card to purchase clothing and gift cards for his personal use at various retail outlets.

Cash advances and transaction fees

Within a 6-month period, Mr. Waite personally withdrew more than \$61,000 in cash with a district credit card.

During a 6-month period from December 2005 to June 2006, Mr. Waite embezzled \$61,762 from the District by using the district credit card to withdraw cash from various banks and ATMs for his own personal benefit. Several of these withdrawals occurred at various casinos within Arizona and Las Vegas. Further, the District's bank assesses a one-time transaction charge for each cash withdrawal, and those fees ranged in dollar amounts between \$4 and \$225. As a result, the District paid \$1,856 in cash advance fees for Mr. Waite's cash advance withdrawals. Mr. Waite admitted that all of the cash advances were for personal use and none were used for district-related purposes.

Within a 5-month period, Mr. Bean personally withdrew more than \$47,000 in cash with a district credit card.

Similarly, Mr. Bean embezzled \$47,791 from the District during a 5-month period from January 2006 to June 2006 by also using his district credit card as a means to withdraw cash from various banks and ATMs for his own benefit. Several of these withdrawals occurred at various Las Vegas casinos and those withdrawals ranged in dollar amounts between \$300 and \$5,200. As a result of Mr. Bean's cash advances, the District paid \$1,454 in fees for Mr. Bean's withdrawals. Mr. Bean admitted to using a portion of these cash advances to repay personal debts.

Personal travel

In June 2006, Mr. Waite charged personal travel-related items to his district credit card totaling \$520. Mr. Waite traveled throughout Arizona on personal business and used his district credit card to purchase lodging related to these trips totaling \$520. For each of these instances, there were no documents such as a travel expense claim or a purchase order to support the purpose of the travel.

Similarly, from January 2006 to June 2006, Mr. Bean also charged personal travel-related items to his district credit card, totaling \$2,778. Mr. Bean traveled on three separate personal vacations and charged his district credit card with items relating to these trips. Mr. Bean vacationed in destinations such as Santa Fe, New Mexico; Marshall, Texas; and Anaheim, California; all at the District's expense. Mr. Bean

admitted to traveling on these personal vacations and using his district credit card to purchase items such as food, lodging, and fuel related to these trips.

Personal payment

In June 2005, Mr. Waite violated state laws by authorizing and issuing a check payable to himself totaling \$15,000. According to district records, the purpose of issuing this check was to purchase horses for the District's Equestrian Education Program. Mr. Waite created a \$15,000 district check payable in his name and signed by two other district employees and negotiated the check at a local bank for cash. However, other than paying a \$1,000 cash deposit for horses, Mr. Waite did not purchase any other items for the equestrian program. The remaining \$14,000 was then used for his personal benefit. In July 2005, Mr. Waite submitted a letter to Mr. Bean and to the District's Governing Board, falsely claiming to have used these monies to purchase horses.

FINDING 2

District officials misused public monies

School districts are fiscally accountable to Arizona taxpayers for the appropriate spending of state and local monies. Additionally, as public officials, district employees have a responsibility to prudently manage district assets on behalf of the community they serve.

Unauthorized employment payments

In July 2006, Mr. Waite, Mr. Bean, and Ms. Tso misused district monies totaling approximately \$304,441 by improperly approving that amount to be paid to Mr. Waite and Mr. Bean upon their voluntary resignation from the District, just 1 month after the Auditor General's Office began its investigation. As a result, Mr. Bean received \$173,392 and Mr. Waite received \$96,665 to cover a portion of their future salaries and other benefits when they resigned. The District also paid for approximately \$34,384 in employment taxes and retirement benefits associated with these two payments.

Specifically, on July 13, 2006, Mr. Waite, Mr. Bean, Ms. Tso, and another board member improperly met to discuss the details of Mr. Bean's and Mr. Waite's resignations, including negotiations for an employment payout. During this meeting, all four individuals collectively agreed to the terms of Mr. Bean's and Mr. Waite's employment payouts. This secret meeting was held for the purpose of concealing information from other district Governing Board members.

As the Board President, Ms. Tso had a duty to govern independently of district administrators, to monitor district operations, and to inform other board members of such operations. However, Ms. Tso violated this duty by acting independently of the Governing Board in approving employment payouts to Mr. Bean and Mr. Waite. Further, as the Superintendent, Mr. Bean had a fiduciary duty to advise the District's Governing Board about current district operations, including this employment payout, and to act according to board guidance. Therefore, Mr. Bean abused his supervisory position by failing to receive board approval and improperly authorizing

Mr. Waite to process these two employment payouts. Finally, as the Business Manager, Mr. Waite participated in the issuance of payouts of their employment contracts for both himself and Mr. Bean.

Ms. Tso admitted to approving the employment payouts without informing the Board or obtaining proper board approval. Additionally, Mr. Bean was acquainted with open meeting laws and procedures and therefore, understood that neither employment payout had been properly presented to or properly approved by the Board during a public meeting.

Further, after Ms. Tso approved the employment payouts, Mr. Waite altered both amounts, increasing the total payouts by \$774. Mr. Waite claimed that both he and Mr. Bean were entitled to additional vacation, sick, and personal leave amounts above what the original contracts included.

Gift card purchases

During his tenure with the District, Mr. Bean improperly disbursed from district monies certain benefits and gifts to students, teachers, and other district employees totaling more than \$28,000. The public purpose for these disbursements was not identified and the cost appears to greatly exceed any benefit to the public. Any public purpose that may have been associated with these gifts was not documented or approved by the District's Governing Board. The Arizona Constitution prohibits the use of public money for private benefit unless that benefit is incidental to a public purpose being served by the expenditure and the public value is not far exceeded by the amount being paid.

Mr. Bean used the district credit card and spent at least \$28,280 during a 10-month period from August 2005 to June 2006 on gift card purchases ranging in value from \$75 to \$900 from various retail outlets. Mr. Bean's purported reason for purchasing these gift cards was to reward district employees for positive performance and to provide incentives to district students.

Mr. Bean admitted that his actions would be considered a misuse of public money, but despite his better judgment, he knowingly participated in such activities.

The Arizona Constitution prohibits gifting of public monies, including using public money for entertainment and other personal benefits.

The Arizona Constitution, Article IX, Section 7, states:

"Neither the State, nor any county, city, town, municipality, or other subdivision of the State shall ever give or loan its credit in the aid of, or make any donation or grant, by subsidy or otherwise, to any individual, association, or corporation, or become a joint owner with any person, company, or corporation, except as to such ownerships as may accrue to the State by operation or provision of law."

Attorney General Opinion I85-051 states in part: "While public funds may not be loaned or given to private individuals or entities, an incidental private benefit is not prohibited by Article IX as long as there is a public purpose served by the expenditure or loan of funds and the value to be received by the public is not far exceeded by the consideration being paid."

FINDING 3

District officials obstructed investigation

In an attempt to impede the Auditor General's investigation, Mr. Waite, Mr. Bean, Ms. Tso, and another board member established as the Board Clerk collectively decided to insert false statements into Mr. Bean's and Mr. Waite's employment contracts. They purported to have inserted these statements to validate Mr. Bean's and Mr. Waite's misuse of district monies and with the expectation that the Auditor General's Office would terminate the investigation. Later, Mr. Bean and Ms. Tso submitted a written statement to the Auditor General asserting that the altered documents were the original board-approved employment contracts.

District officials have a duty to comply with and provide accurate records when requested by the Auditor General. A district official who knowingly falsifies and conceals information pursuant to a scheme to deceive the Auditor General's Office in the execution of those duties is in violation of the law.

In June 2006, the Auditor General's Office requested copies of credit card statements for each district employee. After receiving the Auditor General's request letter, Mr. Waite, Mr. Bean, Ms. Tso, and the other board member concocted a scheme to insert false statements into Mr. Bean's current employment contract stating, "The Superintendent is assigned a District issued Credit Card as part of his compensation package to be used for any and all expenses incurred by the Superintendent for the term of this Agreement." Additionally, a similar false statement was added to Mr. Waite's prior and current employment contracts.

In July 2006, Mr. Bean and Ms. Tso responded to the Auditor General's request by letter on district letterhead. The letter included Mr. Waite's and Mr. Bean's altered employment contracts and falsely stated, in part, that the District's Governing Board approved the use of a district credit card for Mr. Bean and Mr. Waite to use as a part of their compensation package within the employment contracts. Both Mr. Bean and Ms. Tso signed the response letter.

Both Ms. Tso and the other board member continued to impede the Auditor General's investigative efforts by being untruthful about the altered employment contracts. Specifically, Ms. Tso and the other board member continued to state that the credit card clause was included in Mr. Bean's employment contract, and was authorized by the District's Governing Board. Subsequently, both individuals have recanted this statement and all four individuals admitted that employment contracts were purposely altered with the intention of obstructing the investigation.

FINDING 4

Former business manager violated school district procurement rules

Arizona Revised Statutes, the School District Procurement Rules for competitive sealed bidding, and the *Uniform System of Financial Records* guidelines exist, in part, to ensure that public officials obtain the best possible value for the public money they spend by prohibiting the restraint of free trade and unreasonable reduction of competition among vendors. Although responsible for ensuring that the procurement process was properly followed, Mr. Waite failed to follow school district procurement requirements when procuring items for the District's Equestrian Education Program.

During the period April 2005 to August 2005, Mr. Waite improperly purchased goods and services totaling more than \$187,900. The School District Procurement Rules require school districts to issue invitations for bids or requests for proposals (RFP) when purchasing goods or services exceeding the sealed bid threshold. As required by Arizona Revised Statutes, this threshold is increased annually and was \$32,899 in fiscal year 2005 and \$33,689 in fiscal year 2006. Mr. Waite failed to use either of these methods when purchasing a truck, a trailer, horses, and the renovation to a pavilion. As illustrated in Exhibit 2, each of these purchases exceeded the amount for which a bid or RFP was required and totaled \$187,924.

In a letter to district officials, Mr. Waite admitted to circumventing procurement procedures in order to purchase items in a timely manner. Because Mr. Waite did not comply with the School District Procurement Rules when spending district monies, competition for

School District Procurement Rules describe procedures on how to appropriately use competitive sealed proposals outlined in Arizona Administrative Code R7-2-1041.

Exhibit 2: Procurement Violations April 2005 to August 2005

Purchase Description	Amount
Pavilion Renovation	\$ 56,486
Horse Trailer	55,150
Dodge Ram Truck	38,946
10 Horses and Supplies	<u>37,342</u>
Total Unallowable Purchases	<u>\$ 187,924</u>

Source: Auditor General staff analysis of district and Apache County records.

these purchases was limited and the District may not have received the best value for the goods and services received.

FINDING 5

District officials failed to establish and maintain adequate controls

Public officials with oversight authority have a responsibility to oversee the administration of money and property entrusted to their jurisdiction for safekeeping. Likewise, public officials should ensure that sufficient internal controls are designed and implemented to protect those assets. As such, Red Mesa Unified School District officials failed to implement an adequate system of internal controls over their financial operations, which allowed Mr. Waite and Mr. Bean to embezzle and misuse public money for more than a year.

As the Business Manager and Superintendent, Mr. Waite and Mr. Bean were able to instruct their employees to issue payments to vendors without any additional supervisory approval and without providing any supporting documentation such as a receipt or invoice. Therefore, because of their management positions, Mr. Waite and Mr. Bean were able to carry out their misappropriations without detection.

Additionally, district administrators allowed the issuance and distribution of credit cards without properly establishing credit card policies or providing guidelines as to allowable purchases, spending limitations, required documentation, and proper reconciliation processes. Furthermore, credit card statements were not reconciled to receipts and invoices to ensure purchases were for a specific district purpose or to determine if the purchase was already paid through a travel claim, thereby identifying or avoiding duplicate payments. As a result, district administrators established a business climate that did not encourage the prudent use of public money or promote the expectation that expenditures of public money should have a public purpose.

Finally, the District's Governing Board is responsible for establishing, at a minimum, an internal control environment outlined by the *Uniform System of Financial Records*. Also, the District's Governing Board has a fiduciary duty to protect the District and to make decisions that are in the District's best interest. Instead of upholding that fiduciary duty, the Board's President and another board member failed to act when

they knew of the Superintendent's and Business Manager's improper conduct in July 2006 and attempted to conceal all evidence of these administrators' wrongdoing. A system of internal controls will not succeed when those in a position to oversee those operations are in fact perpetrating unlawful behavior and colluding with one another to conceal their misconduct.

RECOMMENDATIONS

To help ensure the proper use of public monies, the District should establish effective internal controls over cash disbursements including policies, procedures, and monitoring activities. Specifically, the District's Governing Board should establish the following policies and procedures:

1. The Governing Board should establish and provide to authorized employees formal, written policies governing the use of credit cards. The policies should specify purposes for which the cards may be used and dollar limits for charges, and require an effective accounting system to account for and control the cards.
2. The District should ensure that no employee has the ability to carry out all steps in the credit card process. Accordingly, the District should properly separate among employees the following credit card functions:
 - Authorizing credit card issuance to cardholders
 - Approving credit card purchases in advance
 - Receiving credit card statements
 - Reconciling credit card statements to receipts and invoices
 - Reviewing credit card usage to ensure it is for appropriate district purposes
 - Authorizing payment
3. The District should prepare and retain documentation to adequately support all credit card expenditures. Such documentation should clearly indicate the employee making the purchase and the specific district purpose for the expenditure, and the purchase should be approved in advance. Employees should be required to submit all receipts to the district office as soon as possible.

4. The District should require that billing statements are sent directly to the district office, not to a cardholder. An employee in the district office should reconcile the statements to supporting receipts prior to payment and report any suspicious charges to a supervisor for further investigation.
5. The District must ensure that expenditures are processed based on proper documentation. Such documentation includes, but is not limited to, properly approved purchase requisitions, purchase orders, and vendor invoices.
6. The District should ensure the prudent use of public money. Public money should not be used for private benefit unless that benefit is incidental to a public purpose being served by the expenditure and the public value is not far exceeded by the amount being paid. Expenditures should be approved only if they support the needs of the District in its role to serve the public, and in particular, the community's students, parents, citizens, teachers, and schools.
7. The District must take greater care to ensure all contracts for purchases exceeding the sealed bid threshold (currently \$33,689) are awarded in compliance with the School District Procurement Rules for Arizona school districts, as outlined in the Arizona Administrative Code. School District Procurement Rules, applicable Arizona Revised Statutes, and the *Uniform System of Financial Records* exist to help ensure that districts receive the best possible value for the public money they spend and school property they manage by prohibiting the restraint of free trade and unreasonable reduction of competition among vendors.
8. The District's Governing Board should establish periodic monitoring procedures to ensure that all policies and procedures prescribed by the *Uniform System of Financial Records* are being followed.

CONCLUSION

On April 19, 2007, the Arizona Attorney General's Office presented evidence of Mr. Waite's, Mr. Bean's, and Ms. Tso's crimes to the State Grand Jury. This action resulted in the indictment of:

- Mr. Stewart Waite on four counts of theft, one count of fraudulent schemes and artifices, one count of forgery, and two counts of fraudulent schemes and practices.
- Mr. William Bean on three counts of theft, one count of fraudulent schemes and artifices, and two counts of fraudulent schemes and practices.
- Ms. Sadie Tso on two counts of theft and two counts of fraudulent schemes and practices.