

# Financial Investigation Report

## Deer Valley Unified School District— Criminal Indictment

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Our investigation resulted in a former accounting specialist's criminal indictment on 5 felony counts related to misuse of public monies, theft, fraudulent schemes and practices, and computer tampering



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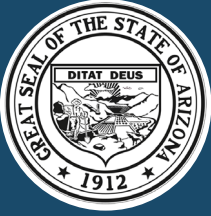
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## ARIZONA AUDITOR GENERAL

**Lindsey A. Perry**, Auditor General

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February 3, 2026

Members of the Arizona Legislature

The Honorable Katie Hobbs, Governor

Governing Board  
Deer Valley Unified School District

Maricopa County Attorney Mitchell

Arizona Superintendent of Public Instruction Horne

We conducted a financial investigation of certain Deer Valley Unified School District (District) transactions for the period February 2022 through February 2023. We performed the investigation to determine the amount of public monies misused, if any, during that period, and the scope of our investigation was limited to that purpose. The investigation consisted primarily of inquiries, observations, examinations of selected financial records and other documentation, and selected tests of internal control over District operations.

The Financial Investigation Report describes our findings and recommendations resulting from this investigation.

Sincerely,

*Lindsey A. Perry*

Lindsey A. Perry, CPA, CFE  
Auditor General

## Synopsis

As part of their responsibility to prevent and detect fraud, Deer Valley Unified School District (District) officials took appropriate action by reporting to us alleged financial misconduct by Michelle Haworth, former accounting clerk at Mountain Shadows Elementary School (MSES).

Our investigation revealed that from February 2022 through February 2023, Ms. Haworth may have embezzled \$6,578 of District monies. Ms. Haworth admitted she deposited MSES book fair receipts totaling \$6,278 into her personal bank account and took \$300 of MSES petty cash for personal purposes.

We submitted our report to the Maricopa County Attorney's Office, which on January 27, 2026, presented evidence to the Maricopa County Superior Court Grand Jury. The action resulted in Ms. Haworth's indictment on 5 felony counts related to misuse of public monies, theft, fraudulent schemes and practices, and computer tampering.

## District background and initial discovery

In August 2014, Ms. Haworth began her District employment by working as a part-time kindergarten monitor at MSES. In December 2015, she became the MSES part-time accounting clerk, eventually gaining responsibilities of managing petty cash and making deposits into a District bank account for varied MSES receipts, such as collections for weeklong book fairs held each spring and fall, generally in February and October.<sup>1</sup>

On February 21, 2023, MSES personnel discovered \$300 petty cash was missing. On February 22, 2023, after the MSES principal questioned Ms. Haworth about the missing petty cash, Ms. Haworth returned \$142 to MSES and admitted she had taken \$300, intending to "borrow" the petty cash. The next day, Ms. Haworth returned the remaining \$158 to the District and resigned from her District employment.

District officials contacted us after another MSES employee determined Ms. Haworth had not deposited February 2023 book fair receipts totaling \$1,828 in a District bank account, and a District review revealed certain prior book fair proceeds were unaccounted for. District officials told us that, other than the \$300 of petty cash, they were not aware of Ms. Haworth returning additional monies to the District.

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<sup>1</sup> MSES book fairs involve a third-party vendor providing books for students and family members to purchase at the MSES library. MSES employees are responsible for recording sales, collecting monies, and depositing them. This deposit amount should reconcile to the vendor's invoice for the total amount of items sold. After the District pays the vendor's invoice, MSES receives a vendor credit equal to 50% of the invoice, which can be applied toward District purchases of items such as special edition books, STEM lab equipment, and school supplies.

**Ms. Haworth admitted she deposited book fair receipts totaling \$6,278 into her personal bank account**

Ms. Haworth admitted to us that from February 2022 through February 2023, she deposited \$6,278 of MSES book fair receipts into her personal bank account. These monies were commingled with other monies and used for Ms. Haworth’s personal purposes such as debt payments, retail merchandise, telecommunication services, and restaurant purchases.

As shown in Table 1 below, Ms. Haworth received book fair receipts totaling \$7,363 from the 3 books fairs held during this time, but she only deposited \$1,085 of these monies into a District bank account. As a result, the District lost \$6,278 after paying the vendor’s book fair invoices totaling \$7,363.

**Table 1**  
**Ms. Haworth allegedly embezzled \$6,278 of MSES book fair monies**  
February 2022 through February 2023

| Month and Year | Book fair monies that Ms. Haworth: |                                    |  |
|----------------|------------------------------------|------------------------------------|--|
|                | Received                           | Deposited in District bank account | Deposited in her personal bank account |
| Feb. 2022      | \$2,585                            | \$905                              | \$1,680                                |
| Oct. 2022      | 2,950                              | 180                                | 2,770                                  |
| Feb. 2023      | 1,828                              | 0                                  | 1,828                                  |
| Total          | \$7,363                            | \$1,085                            | \$6,278                                |

Source: Auditor General analysis of District records, Ms. Haworth’s personal bank account records, and interviews with current and former District staff, and with Ms. Haworth.

Helping to obscure her actions, Ms. Haworth recorded understated receipt amounts in the District’s accounting software for the 2 book fairs held in 2022, making it falsely appear as if only \$1,085 was collected. Ms. Haworth resigned within a week of the February 2023 book fair and did not deposit any of those receipts in a District bank account nor record the receipts in the District’s accounting software. Ms. Haworth was able to orchestrate this scheme undetected because no one reconciled book fair cash-receipt records to the District’s bank deposit records, and no one reconciled District bank deposit records to the vendor’s book fair invoices.

**Ms. Haworth admitted she took \$300 petty cash for her personal purposes and returned that amount after being questioned by an MSES administrator**

Although the MSES petty cash bank bag should have contained \$300 because that was the amount given to MSES at the beginning of the 2023 school year and the MSES principal had not yet approved any petty cash purchases, in February 2023, MSES employees discovered that

\$300 was missing. Moreover, they found the petty cash bank bag in Ms. Haworth's desk drawer rather than the safe where it belonged. After the principal questioned Ms. Haworth about the missing petty cash, Ms. Haworth admitted she had "intended to borrow" the petty cash for her personal financial issues, returned the \$300, and resigned from her District employment.

## **MSES administrators failed to provide adequate oversight of Ms. Haworth's financial activities**

Although Ms. Haworth's work was initially independently reviewed by an MSES school secretary, after that secretary retired in May 2022, MSES administrators failed to ensure adequate oversight of Ms. Haworth's financial activities.

In particular, MSES administrators allowed Ms. Haworth to control the book fair deposit process without adequately separating responsibilities or providing independent oversight. Ms. Haworth was responsible for safekeeping book fair cash receipts prior to weekly deposits, preparing those deposits, transporting them to the bank, and recording deposits in the District's accounting software. Additionally, no one counted the daily book fair receipts or documented when those monies transferred from one employee to another. Moreover, although an MSES employee reconciled the week's total book fair receipts to the week's total sales recorded on the book fair cash register tapes, no one reconciled those receipts or cash register tapes to deposit records. Likewise, no one reconciled book fair deposit records to book fair invoices.

Finally, although MSES administrators indicated petty cash was rarely used, they still failed to ensure petty cash was properly safeguarded, managed, and maintained.

## **Recommendations to the District**

Since our investigation began, MSES employees reported that they have received training on cash-handling procedures, and daily book fair receipts are now counted and documented on a signed cash-collection form when the receipts are turned over to the office for safe storage, thereby recording the transfer of monies from one employee to another. However, the District can take additional actions to improve controls over public monies and help deter, prevent, and detect fraud.

Specifically, District officials should:

Incorporate additional internal controls in District cash-handling procedures for school site cash receipts that require:

1. An employee independent of cash-collection responsibilities to reconcile daily cash collections to cash-receipt records.
2. An employee independent of cash-deposit responsibilities to reconcile cash-deposit records to cash-receipt records at least weekly.
3. An employee independent of cash deposit records to reconcile book fair deposit records to applicable book fair invoices.

Incorporate additional internal controls in District cash-handling procedures for school petty cash practices that require a school employee independent of cash-handling responsibilities to:

4. Conduct monthly reconciliations of petty cash records to cash on hand.
5. Periodically, on an unannounced basis, ensure petty cash is appropriately secured in the safe.
6. Ensure all positions responsible for cash handling receive training on updated District cash-handling procedures that include detailed descriptions of their respective responsibilities and the above recommended internal control procedures.
7. Require all employees to document in writing their agreement to follow District cash-handling procedures and their acknowledgement of the consequences for violating those procedures.
8. Ensure an employee independent of cash-handling responsibilities conducts periodic unannounced reviews of cash-handling processes to confirm policies and procedures are followed and internal controls are working as designed.