

Financial Investigation Report

Sahuarita Unified School District— Criminal Indictment

Our investigation resulted in the former head cheerleading coach's criminal indictment on 4 felony counts related to theft, fraudulent schemes and practices, and forgery



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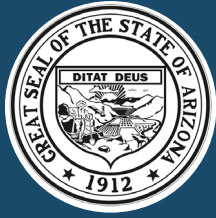
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ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

October 2, 2026

Members of the Arizona State Legislature

The Honorable Katie Hobbs, Governor

Governing Board
Sahuarita Unified School District

Arizona Attorney General Mayes

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We conducted a financial investigation of certain Sahuarita Unified School District (District) transactions for the period August 2023 through December 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

Sahuarita Unified School District—Criminal Indictment

Synopsis

As part of their responsibility to prevent and detect fraud, Sahuarita Unified School District (District) officials took appropriate action by reporting to us alleged financial misconduct by Denise Montano (aka Denise Cook), former head cheerleading (Cheer) coach and registrar at Walden Grove High School (WGHS), within the District.

Our investigation revealed that from August 2023 through December 2023, Ms. Montano may have embezzled District funds when she, without authorization, directed \$12,094 in Cheer fees and fundraising proceeds to her personal bank account, spent \$7,768 of that money on personal expenses, and provided to the District 2 forged documents related to Cheer finances to conceal her actions.

We submitted our report to the Arizona Attorney General's Office, which on August 17, 2026, presented evidence to the State Grand Jury. As a result, Ms. Montano was indicted on 4 felony counts related to theft, fraudulent schemes and practices, and forgery.

District background and initial discovery

The District, which is located south of Tucson in Pima County, had fiscal year 2025 revenues of approximately \$96.5 million and provided public education to about 6,000 students from preschool through 12th grade. Ms. Montano began her District employment in July 2021 as a counseling office secretary at WGHS, where she also served as registrar and assistant Cheer coach. During the fall of 2021, Ms. Montano quit her position as assistant Cheer coach. She later became head Cheer coach in January 2023 and was responsible for the receipt, safekeeping, and disbursement of public monies on behalf of the Cheer team.

After Ms. Montano resigned as head coach on November 27, 2023, a WGHS official sought Cheer team financial information from the District and discovered that, contrary to her expectations, no Cheer fees or fundraiser proceeds had been deposited with the District for the 2023-2024 school year. Additionally, WGHS officials learned that Ms. Montano had been using a Venmo account, which was not authorized by the District, to collect Cheer team monies.

Around November 30, 2023, a WGHS official questioned Ms. Montano about the Cheer team funds collected, including through Venmo. She reportedly admitted to keeping Cheer proceeds and agreed to return Cheer monies and provide documentation of Cheer expenditures. On December 5, 2023, Ms. Montano provided the WGHS official with a "wghscheer23" Venmo statement, invoices/receipts for Cheer expenses, and a listing of Cheer payments received. She also submitted an \$853 money order, which was the amount she claimed to owe the District on behalf of the Cheer team. District and WGHS officials reviewed the documentation provided and discovered that Ms. Montano underreported the collection of Cheer fees and fundraising proceeds. Officials met with Ms. Montano on December 11, 2023, and she subsequently resigned.

Ms. Montano may have deceptively represented that payments collected via Venmo, Zelle, and check were for the Cheer team, resulting in Cheer payments totaling \$12,094 being deposited into her personal bank account—\$7,768 of which was spent on personal expenses

From August 2023 through October 2023, Ms. Montano may have deceptively directed \$12,094 in Cheer payments obtained by electronic methods (Venmo and Zelle) and checks to her personal bank account instead of submitting the monies to the District for deposit into authorized accounts.¹ These payments were for cheerleader warmups, bows, poms, and practice gear (Cheer fees) and for fundraiser proceeds. The funds were later comingled with Ms. Montano's personal monies where she only used \$4,326 for Cheer team purposes and spent \$7,768 for personal purposes, such as for a car loan payment, rent, and a Las Vegas trip.

The Cheer payments deposited into Ms. Montano's personal bank account included the following:

► **121 payments totaling \$9,552 collected via a Venmo account she falsely represented to be the Cheer team's account**

From August 2023 through October 2023, Ms. Montano falsely represented a personal Venmo account as belonging to the Cheer team and, using the account, collected 121 Cheer fees and fundraiser payments totaling \$9,552 that were directed into her personal bank account.² Ms. Montano communicated the Venmo payment method to Cheer parents verbally and through a Cheer team information packet, her District email account, and a parent/coach communications application. For example, the information packet she distributed was linked to a Google form for parents to complete with "Venmo: wghscheer23" as a payment option, which was linked to her personal bank account.

When parents submitted payments using these Venmo instructions, the account displayed the name "Wghs cheer" along with a profile picture displaying Walden Grove Cheerleading and the high school mascot, making it appear that the payments were going to the Cheer team. Moreover, when a parent asked by email who specifically receives the Venmo payments submitted to the Venmo account provided, Ms. Montano said, "If people Venmo the cheer account, it goes into the cheer team account..." Ms. Montano did not disclose that the Venmo account was linked to her personal bank account, which is where the "wghscheer23" payments were actually deposited.

¹ According to A.R.S. §15-1122 and the Uniform System of Financial Records (USFR), monies raised by student efforts with school district governing board approval, including Cheer fundraising proceeds, must be accounted for in the Student Activities Fund and deposited into an authorized Student Activities Fund bank account or in an account with the county treasurer. In addition, according to A.R.S. §15-1126 and the USFR, monies raised with school district governing board approval in pursuance of and in connection with all activities of school bookstores and athletic activities, including Cheer fees, must be accounted for in the Auxiliary Operations Fund or the Extracurricular Activities Fees Tax Credit Fund, if allowable, in accordance with A.R.S. §41-1089.01, and deposited into an authorized Auxiliary Operations Fund bank account or in an account with the county treasurer.

² When the \$9,552 in Cheer monies was transferred to Ms. Montano's personal bank account, Venmo deducted \$154 in payment and instant transfer fees, resulting in a net deposit of \$9,398 into her account.

▶ **3 deposits totaling \$2,044 received through Zelle, with 1 depositor reporting that the registered bank account appeared as if it were the Cheer team's**

In September 2023, at Ms. Montano's direction, 3 deposits totaling \$2,044 of Cheer payments were made through Zelle to Ms. Montano's personal bank account. Deposits included \$1,849 that cheerleaders earned operating a concession stand overseen by a WGHS booster club (Booster Club) at a local youth football game on September 23, 2023.³ After the event, Ms. Montano emailed the Booster Club president a phone number as a method to transfer the Cheer team's earnings via Zelle. Consequently, the Booster Club president sent the concessions proceeds through Zelle to the phone number Ms. Montano provided. The phone number reportedly displayed the registered name "wghscheer," confirming the president's understanding that the concessions proceeds were for the Cheer team. Additionally, at the Cheer team's August 2023 meeting, Ms. Montano reportedly informed parents verbally they could pay Cheer fees through Zelle. Subsequently, in September 2023, a \$195 Cheer fee payment was deposited into Ms. Montano's personal bank account via Zelle.

▶ **2 checks totaling \$498 that were made payable to Ms. Montano at her request**

In September and October 2023, 2 checks totaling \$498 of Cheer payments were deposited into Ms. Montano's personal bank account. Specifically, in September 2023, a parent issued a \$195 Cheer fee check that was payable to Ms. Montano with an understanding it would go to the Cheer team. However, this check was not submitted to the District for deposit but was instead mobile-deposited into Ms. Montano's personal bank account. Similarly, in October 2023, a \$303 fundraising proceeds check from a food truck vendor (Donor) was mobile-deposited in Ms. Montano's personal bank account. The Donor provided concessions services at the previously mentioned September 23, 2023, youth football game and had agreed to give the Cheer team 20% of event sales. At Ms. Montano's request, the Donor sent a check payable to Ms. Montano to the District office address with an understanding that the donated proceeds would go to the Cheer team.

Ms. Montano may have provided the District with 2 forged documents to conceal her actions

In December 2023, Ms. Montano provided a WGHS official with supporting documentation for Cheer deposits and expenditures that misrepresented the amount of monies she had received and the amount she owed the District on behalf of the Cheer team, as shown in Table 1, page 4.

³ The transaction occurred in 2 separate deposits because of a daily transfer limit.

Table 1**Ms. Montano's claim of what she owed the Cheer team compared to what she actually owed the Cheer team**

August 2023 through October 2023

Cheer team transactions	Ms. Montano's claim of what she owed	What Ms. Montano actually owed
Deposits		
Venmo	\$5,359	\$9,552
Zelle	0	2,044
Check	0	498
Subtotal	5,359	12,094
Expenditures		
Cheer purchases ¹	(4,506)	(4,326)
Subtotal	(4,506)	(4,326)
Due to Cheer team	\$853	\$7,768

¹ The actual Cheer purchases Ms. Montano claimed are \$180 more than what she actually owed because of her including (1) an alleged forged \$109 invoice, (2) \$67 in unnecessary and unauthorized Venmo fees, and (3) her \$4 mathematical calculation error.

Source: Auditor General analysis of District records, Ms. Montano's calculation of monies owed, personal bank account, Venmo records, and interviews with District staff and others.

To conceal her actions, Ms. Montano provided the District an alleged forged Venmo account statement and invoice, thereby making it falsely appear as if she owed the Cheer team only \$853 when she actually owed \$7,768. Specifically, on December 5, 2023, Ms. Montano provided a statement representing Cheer transactions from August 2023 through October 2023, and falsely understated deposits and overstated purchases, which were all conducted outside the District's authorized process. Ms. Montano omitted from her final calculation of funds she owed the Cheer team the \$2,542 in Cheer payments she received via Zelle and in check form. Further, she provided a \$109 invoice dated for a future date making it falsely appear as if she paid this invoice when she had not.

WGHS officials should take steps to ensure better oversight of cash collections and deposits

Although Ms. Montano circumvented the District's cash-collections process when she directed Cheer fees and fundraising proceeds to her personal bank account through unauthorized payment methods (Venmo and Zelle) and checks made out to her personally, WGHS officials should take steps to ensure better oversight of cash collections and deposits to deter these types of fraudulent activities. While the District had assigned a school-site employee to actively

monitor athletic team and student club financial activities, it wasn't until Ms. Montano resigned as head cheer coach that District officials discovered that no deposits of Cheer fees or fundraising proceeds had been made to the District's bank accounts during fiscal year 2024. Had the school-level employee verified that all fundraisers were properly approved and had knowledge about when fundraisers were occurring, the school-level employee could have monitored these fundraisers and athletic fees to ensure all proceeds were deposited in District accounts timely or could have investigated any irregularities, such as unusually low deposits or the absence of fundraising and athletic fee activity. Finally, although WGHS officials reported that coaches received training at the beginning of the school year on cash-handling procedures, such as adequately separating responsibilities and making timely deposits, the training should be updated to reinforce the prohibition on using private bank accounts and peer-to-peer payment applications for District business, as outlined in the District's policies and procedures handbook.

Recommendations to the District

Since our investigation began, District officials reported taking steps to enhance their controls over cash-collections and deposit processes. Specifically, the District reported implementing a single platform for all communications with parents and assigning a District employee to monitor messages to ensure no unauthorized methods are advertised as forms of payment. Officials also revised the policies and procedures handbook and the training provided to coaches and athletic directors to explicitly prohibit the use of peer-to-peer payment applications for District activities. However, the District can take additional actions to improve controls over public monies and help deter, prevent, and detect fraud.

Specifically, District officials should:

1. Continue to provide annual training to coaches and athletic directors on cash-handling procedures, including prohibiting using private bank accounts and peer-to-peer payment applications for District business, and include detailed descriptions of their respective cash-handling responsibilities.
2. Require employees to acknowledge the consequences of violating cash-handling procedures when they document in writing their agreement to follow the District's policies and procedures handbook.
3. Communicate to parents and guardians the acceptable payment methods for school-related activities and provide a method to report requests from teachers, coaches, sponsors, or other District employees for payments through unauthorized methods, such as using peer-to-peer payment applications or writing checks directly to employees.
4. Continue to have a school-site employee actively monitor athletic team and student club financial activities, but ensure this monitoring remains thorough, consistent, and timely. For student activity clubs, this monitoring should include verifying that all fundraisers are properly approved, understanding when fundraisers are occurring, and ensuring that all proceeds are deposited timely with the District. For athletic programs, this monitoring should include verifying that all athletic fees have been collected through a District-approved payment method. The designated employee should also conduct regular reviews of account activity to identify and investigate any irregularities, such as unusually low deposits or the absence of activity.