

What Can Go Wrong: Schools & Administration

1. The School Superintendent purchased land for himself and his spouse using \$100,000 in school funds. A board member's signature stamp was used to approve board minutes which approved the purchase of land with school funds, although the particular board member was not present at the meeting, nor did the board members present realize the land would be purchased for personal use.
2. A university Vice Chancellor of Administration received \$90,000 of consulting fees and expense reimbursements for projects unrelated to the university. The controller colluded to mislead the auditors about the payments.
3. University administrators credited 100 students' accounts just under \$200,000 in a debt forgiveness program that had no eligibility criteria.
4. To retain its budget, a state university retained an extra \$23 million in its accounts receivable that finance personnel knew the school would never collect. The receivables balance included nearly \$6 million in 'cash.'
5. The School Superintendent used an outside bank account to launder \$791,000 from the school, and over \$150,000 provided by outside sources intended for the school. Supporting documentation for distributions from this account included invoices from false vendors, or false invoices from legitimate school vendors who signed affidavits that they never received the funds.
6. Payments from school bank accounts totaling \$641,000 were paid to the credit cards of the School Superintendent and his wife.
7. One hundred thirty-seven checks written from the school's bank account included forged signatures of the former school president.
8. A research group in the university's medical school improperly manipulated data, replicated figures, and doctored images in a publication on cancer research. The group had to retract seven published research papers in two years, but not before the group's research had been cited in dozens of other research works.
9. Revenues of \$380,000 from a beverage vending contract were transferred to the chancellor's discretionary fund and used for personal purchases and trips for him and his wife.
10. A van purchased by the school for \$25,919 was converted to personal use without the knowledge or authorization of the school board. Additionally, air conditioning equipment purchased in 2006 could not be located.

11. A school employee altered an invoice to make it appear the school purchased one mower for \$12,552, when two mowers were actually purchased. Proper approving signatures appear on the original purchase requisition, original purchase order, the altered invoice, and the retail purchase order. A school maintenance employee said the school had only one mower “until right after you all started your audit.” The employee further indicated that he went home one night and when he left there was one mower in the shop. When he returned the following morning, he found two mowers there.
12. Due to a prior criminal charge for misappropriating funds, the Board President was ineligible to serve on a school board.
13. Over nearly four years, the School Board Administration paid \$291,000 to an air conditioning vendor for overcharges, replacement costs covered by warranties, installations that did not occur, and one missing unit. The overcharges resulted from the vendor invoicing for more expensive units than they actually installed.
14. Seventy-four district-paid credit cards issued amongst 13 administrators included \$5.9 million in personal charges. An anonymous letter tipped off the fraud.
15. A highly decorated and famous medical researcher published a study linking his patented vitamins with boosted memory and thinking in people over 65. Despite concerns raised by peer review journals, the university defended the publication. The university declined to perform an independent review of the study because the author brought in so much grant money and threatened to sue for defamation if the university proceeded with an investigation. The study was finally retracted years after its publication because the data “had all the hallmarks of being entirely invented.”
16. The Director of Internal Audit for a county’s public schools made 114 unauthorized personal transactions totaling \$47,000 on his board-paid debit card.
17. A cafeteria employee has a catering business on the side, and instructed the food vendor to drop off extra product at their home, though the school was billed for the full delivery.
18. A milk vendor filled each 8 oz. container with only 7½ oz. of milk. And when they did fill the whole carton with 8 oz., the milk was watered down.
19. District-wide, 178 teachers and principals, 82 of whom confessed, were flagged for changing wrong answers on students’ standardized tests. When teachers attempted to alert authorities about the widespread problems, they were labeled “disgruntled.” One principal launched an ethics investigation against a whistleblower.
20. A food vendor sprayed meat then flash-froze it before delivery and stuffed whole fish with crushed ice before delivery to add weight to the shipment. The contract called for reimbursement by weight.

21. A third-party vendor managing activities such as concessions or prom, or catering events such as fund raisers, took cash collected from the activity.
22. A third-party vendor hired a convicted child molester who regularly set foot on school property.
23. The chancellor of one of the nation's largest school systems learned that the position of school principal could be purchased with a \$40,000 bribe to the right official.
24. A technology firm providing services under the Federal E-rate program paid bribes and kickbacks to school officials to bypass the competitive bid process and award the contract to the firm.
25. Applicants fabricated their income and wealth figures on financial aid and assistance applications in order to qualify for aid.
26. Former students no longer enrolled are residing in the dorms because they are cheaper than apartments.
27. In order to retain a research grant budget for the upcoming year, a professor purchased expensive equipment for personal use but charged it to the research project.
28. A professor received bribes of cash, personal trips, and favors in exchange for better grades.
29. Two years after starting a bachelor of nursing program, over three-quarters of the students failed to graduate because they could not pass the standardized exam. The Board of Nursing put the school on probation for a number of violations.
30. A state governor pressured a university to hire his wife to teach a series of seminars. During the following year, the university increased her salary 88%. The provost, chair of the board of trustees, and chancellor all resigned after an investigation by a newspaper reporter.
31. Administrators spent \$130,000 on ipads, laptops, scanners, and other accessories for personal use by the faculty, with funds meant to be used for classroom improvements.