

During our last board meeting, questions were raised about the travel reports filed by the Energy Manager. This was due to an increasing budgeted allowance for travel year-by-year for the last several years.

When it seemed certain that we were not going to be able to get definitive answers in that meeting, I asked the Board to allow me the opportunity to sit down with the Director of Schools and the Energy Manager to ask additional questions and to look at more documentation.

As discussion of the Energy Managers' travel records began and as additional questions of concern arose, a reference folder was established to address these questions with existing documentations. This folder includes but is not limited to a job description of the Bradley County Energy Manager, energy manager weekly report, energy manager program, support grants information, and yearly listings of miles traveled per year for 2007-2008 through 2012-2013. Also included is an explanation of energy usage comparisons, sick leave and professional leave outlined in the school system policy. Additional documentation is also included in an effort to help answer questions that came to my mind over the last several weeks, hoping to establish a framework to address the questions before us.

As I understand it, some members of the local community have also requested information to help them understand the events that created the questions regarding the travel expense reports.

The questions that seemed to be most important at the time were these:

- Did the Energy Manager travel all the miles reported on the forms?
- Why did the Energy Manager travel back to the Central Office after every school trip?
- Why did the Energy Manager travel on weekends and many holidays?
- When did the Director of Schools begin signing for approval of these travel forms?
- Did the Director of Schools sign all of the Energy Manager's travel expense reports?

At this time, I am prepared to offer a report to the Board the steps I have taken, the details I have found, and the questions that remain unanswered. A copy of this report has been given to each Board member and to the press. My goal is for this report to give each Board member the knowledge needed to understand what has happened.

Let's start with what I have done.

First, a conversation was held with the Director of Schools and the Energy Manager to discuss the mileage reported on the single year of data we had received at the last board meeting. We had what I considered to be a constructive meeting. I'll talk more about that a little later.

Second, after our meeting, three years of monthly reports were requested in order to see how the pattern may have changed or remained the same.

Third, later a review of six years of monthly reports was made in order to go back to those expense reports filed under a former Director of Schools. Again, the purpose was to see how the pattern had changed over time and also the pattern from one director to another.

Fourth, the records related to the alarm codes at the Central Office were requested..

Fifth, phone records of the phone provided by Bradley County Schools were requested from the Energy Manager.

Sixth, the official Bradley County Schools Mileage Chart used by all system employees was requested.

Seventh, a discussion of travel recorded on days the Energy Manager had reported as being absent from work,

My hope was that I would be able to state, with certainty, that the reports were filed accurately. In order to do that, every possible avenue to collect data was explored.

Here are the findings.

While meeting with the Director of Schools and the Energy Manager, several questions were asked. Following are the answers offered.

- The Energy Manager's job description states that the Energy Manager is to spend 20% of his time in the office and 80% of his time in the field. It also states that he will be available during "off hours," when needed, to conduct his job duties.
- The Energy Manager travels from school to school to check on various items related to energy efficiency. He reads reports at the local school and then returns to the Central Office to determine if the report being generated on his computer program in the office has the same information. The travel back to the Central Office after every school trip is part of a check-and-balance routine to verify the desired energy efficiencies are in real time.
- While there are times when the Energy Manager would need to make weekend or holiday trips to schools (after flooding, electrical storms, tornadoes, etc), the travel reported on weekends and other "off hours" probably served a purpose but could easily be viewed as unnecessary.
- At some point in the past, the Energy Manager would leave a note at each school to alert the principal he had been on campus. For whatever reason, the practice of leaving

audit reports became less and less routine. As a result, there is no check-in procedure for the Energy Manager to demonstrate that he was at a school for a particular length of time.

After review of six years of travel reports I came to the understanding that two and one half days reported as leave from work by the Energy Manager were also days travel was reported. Seeing this I reviewed school board policy in reference to sick leave and professional leave and realized this practice, while highly irregular, could easily be explained and didn't necessarily indicate inappropriate behavior.

Let us begin with the most obvious findings.

The alarm codes were requested to address the question whether or not all of these trips had, in fact, been made. It seemed the easiest way to confirm that would be to look at the dates the Energy Manager used his override code to access the Central Office or schools during weekend hours.

What I found is that the Central Office alarm system is not monitored by a third party security service that would be responsible to keep such records. Basically, the alarm system at the Central Office is one that sets off a loud noise to frighten an intruder.

After exploring several different sources, the answer remains the same. Bradley County Central Office does not have a method to validate records for access to the building nor for use of codes to turn off the alarm.

After that proved to be insufficient, the Energy Manager was asked to voluntarily show me printed records of his cell phone usage for the phone provided to him by Bradley County Schools. Throughout this process, the Energy Manager has been very cooperative and promptly provided information. His response to this request was no different.

The purpose for this request was to assist in determining his location when certain phone calls were made. For example, if the travel expense report indicated travel to different schools on a day during Spring Break, but the phone record indicated he made calls from a different city, then we would have a problem.

Unfortunately, ordinary phone records do not show the location of the caller when a call is made. It only shows that his number is a Cleveland, TN, number.

Hours have been invested to manually add up mileage. Additional time – perhaps far too much time – has been spent trying to ensure both accuracy and thoroughness.

And, overall, it seemed that the mileage day to day was consistent in the distance between schools. In other words, It did not appear that the day to day mileage reported had been "padded" in any way to benefit the Energy Manager.

With those items covered, details found in the travel reports themselves will be shared.

Early in the process, a statement made to me that the Energy Manager had, at some point, asked the Director of Schools to sign off on his expense reports. For some unknown reason, the Energy Manager no longer wanted the Business Manager to sign the forms.

This statement turned out to be totally false. Review of Travel Expense Forms dated back to the previous Director of Schools indicates that the Director also signed these forms. The Director of Schools has always signed off on these forms. And, as a matter of course, it is the job of the direct supervisor to sign off on these forms in every level across the system.

Another question that was raised was whether or not the Director of Schools was actually signing the forms. The question arose because signatures did not seem to be identical. All the forms are signed as "Johnny McDaniel." However, the signatures themselves appear to be different.

While it is understandable that when hurried a signature might look different than when more time is taken to sign a document, the differences in signatures were not worrisome to me. The one definitive occurrence was when it was obvious that at least on one form a signature stamp was used. It was obvious that the stamp was used twice, and both times the middle of the signature did not stamp properly. However, use of the stamp did not appear to be a pattern.

One immediate question was the time involved for travel to schools on the weekends. Nearly every weekend, both Saturdays and Sundays, have expense items for travel to schools and the Central Office. An important question is simply, "When did this start?" It appears to always have been this way. Even under the previous Director of Schools, the Energy Manager has claimed mileage on Saturdays and Sundays throughout most of the year.

When you look at the total number of miles claimed over a six year period, there appears to have been a significant increase between the school year 2009-2010 and the 2010-2011 school year. From 2007-2010 there was a slight steady increase, but in 2010-2011 there was a large increase in miles traveled.

In some years, there was significant travel outside the county which would account for increased mileage. On a regular basis, the Energy Manager made trips to Knoxville for energy meetings. He made trips to Chattanooga to meet with a company working with his office, and he made trips to several schools in other systems. There were other out-of-county trips, but these were more frequent prior to 2010-2011 school year.

The concern that surfaces is that in the last two to three years, these out-of-county trips have all but ended yet the total number of miles traveled continued to increase. This appears to be due to the following:

- There are more trips reported to individual schools. (In some instances the same school is visited two or three times in the same day. However, this is not a pattern. Just a statement).
- The Energy Manager began taking fewer vacation days and continued to travel.
- The Energy Manager apparently did not take designated school holidays. He reported travel during Spring Break, Fall Break, Christmas Break, Monday federal holidays, during the entire summer, etc.

The biggest question I had going into this research was this, "Is there anything illegal going on here?" I think we all wanted to know if the reports were accurate, or if there was some evidence that they had been falsified. I cannot find any evidence that would indicate the records are more than what is reported.

Some have wondered if the mileage reported on the expense reports are accurate, or were even driven. I admit that looking at the reports, the first thing I thought was, "Is this possible?"

However, there is no evidence that it *did not* happen. The evidence is, at best, inconclusive. As a result, we are left with accepting the reports as written. So, as I talk about the things I have found, they will be based on the assumption that the Energy Manager Expense Reports for the last six years are to be accepted at face value.

That leaves us with the question. How did this happen?

Here is the sequence of events that brought us where we are today,

- At one time the Energy Manager was leaving notes to school administrators to let them know he was in the building. At some point, the Energy Manager decided that it was no longer necessary to follow that procedure regularly. As a result, there is no evidence at the schools that the Energy Manager visited during the week, let alone on weekends and holidays.
- The alarm codes used to deactivate and activate alarms are not recorded when used. As a result, there is no evidence one way or the other that the Energy Manager visited schools during off hours, or that he came to the Central Office several times on a Saturday or Sunday.
- The Energy Manager job description states that 80% of the individual's time should be in the field plus irregular hours and weekend hours. The Energy Manager position has gradually been modified to being the first responder if a school is having HVAC problems. Therefore, irregular hours has apparently become more common place as needs arise. Even with travel being a part of the job description, the increased mileage should have been realized and modification made to address the rising cost of travel.

Were all the trips necessary to maximize the cost avoidance percentage? That question does not have a definitive answer. However, it does appear to be a time to review and put into place safe guards that would better serve our employees our system and our community.

At this time I will ask Mr. McDaniel if he has any comments in reference to my report. It should be understood that personnel decisions are the responsibility of the director of schools. As previously stated the reason for my report was to shed light on a situation that developed over several years causing questions to come to the floor at our last board meeting. Mr. McDaniel

Information Records

School Year	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Miles Recorded	17,320	18,296	18,443	31,962	29,032	33,916
% of Cost Avoidance		29.77%	31.59%	30.52%	35.50%	37.60%

Bradley County Schools

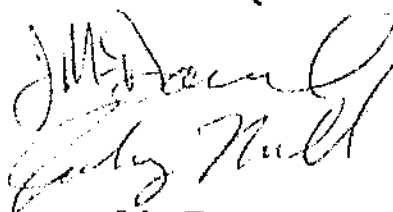
Director of Schools Memo

To: Johnny Mull, Energy Manager

From: Johnny McDaniel, Director of Schools

Date: August 2, 2013

Re: Update to Job Description



In an effort to improve the efficiency and effectiveness of the Energy Management program, the following changes are in place.

The energy manager works under the Director of Schools to establish accountability for energy consumption at every level in the school district. The energy manager is responsible for developing and monitoring the school system's energy management program under board policy and Director's guidelines for the purpose of transferring dollars from the utility budget into the instructional budget.

1. All in-county travel of the energy manager will be provided through a vehicle provided by BCS. No reimbursement will be made to the energy manager for use of a personally owned vehicle for in-county-travel. A state tax free gas card will be used for all fuel. No fuel reimbursements will be made for fuel purchased without the card. All fuel purchases will be documented.
2. A travel log with dates, times, destinations and job-action will be maintained for all in-county travel.
3. Any out-of-county travel will be preapproved via the same system and forms used by all employees for out-of-county travel.
4. A travel plan to maximize efficiency of travel to schools will be submitted to the Director of Schools.
5. The energy manager will be provided with a laptop computer in order to do energy system checks and other work as needed on-site in order to work from the field. Trips to and from Central Office will be minimized.
6. Reports and documented feedback to principals will be part of school visits and checks.
7. The business manager will review the travel log and gas receipts, and report monthly to the Director of Schools.

*NOTE: Mr. Mull made the decision this school year, "14-"15, to sparingly use the van provided for him due to efficiency, effectiveness, and other factors. Mr. Mull primarily uses his own personal vehicle and is not compensated for that.