JAMES M. SITTON, II
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October 2, 2026

John G. Danyluk, Esq.
Gentry Locke
101 W. Main Street, Suite 705
Norfolk, Virginia 23510

RE: ***Commonwealth v. Garlyn Renee Bundy***
Case No.: CR26-202-00 & CR26-207-00
Expert Witness Designation

Dear Mr. Danyluk:

Please find enclosed the above-named document, along with the CV of the expert and her report. Digital copies of the same, along with the supporting documentation, has been uploaded to the portal provided by your office.

I thank you for your time and assistance in this matter.

Sincerely,

James M. Sitton, II

JMS
enclosure

VIRGINIA:

IN THE CIRCUIT COURT FOR THE COUNTY OF ESSEX

COMMONWEALTH OF VIRGINIA,

v. Case Nos. CR26000202-00 & CR26000207-00

GARLYN RENEE BUNDY,
DEFENDANT.

Commonwealth's Expert Witness Designation

COMES NOW the Commonwealth's Attorney for the County of Essex, and submits the following designation of an expert witness under the Rules of the Virginia Supreme Court and any discovery order entered in this matter, and hereby states the following:

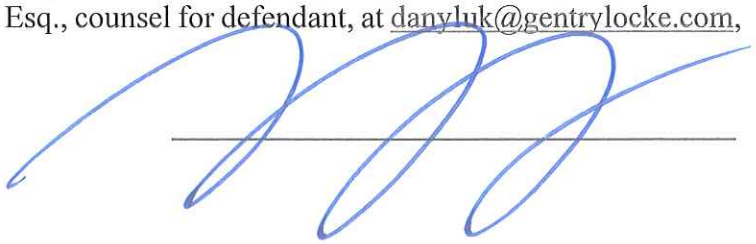
Niko Hamm, J.D., CFE
E. L. Hamm & Assoc., Inc.
4801 Columbus Street, Suite 202
Virginia Beach, Virginia 23462
(757) 497-5000
Witness is to be qualified as an expert in forensic accounting (see attached CV).
Witness is expected to testify about improper appropriation of school/county funds due to unauthorized payments, lack of required documentation, lack of procedure to authorize payments and failure to recoup funds. Witness' opinion is based upon a review of documentation provided by Essex County Public Schools, Essex County Public Schools policies and procedures and other such sources.

Respectfully submitted,

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Certificate of Service

I, James M. Sitton, II, hereby certify that a true and correct copy of the foregoing was sent via electronic mail to John G. Danyluk, Esq., counsel for defendant, at danyluk@gentrylocke.com, this 2nd day of October, 2026.



NIKO R. HAMM, J.D., CFE

Owner and President | E.L. Hamm & Associates Incorporated
Virginia Beach, Virginia | www.elhamm.com

Professional Summary

Attorney, Certified Fraud Examiner, government contracting executive, and public-sector management consultant with professional experience spanning three decades in operational oversight, financial controls, internal review, legal and regulatory analysis, government contracting, compliance, and organizational assessment. Experience includes cash and transaction accountability, internal audits, forensic and operational reviews, fraud risk assessment, procurement and contract reviews, grant compliance, payroll and payment testing, internal control analysis, policy and procedure development, and corrective action planning.

Ms. Hamm has led or supported work involving federal, state, and local government organizations, public school divisions, nonprofit organizations, and private-sector operations. Her work includes evaluating practices against applicable statutes, regulations, contractual requirements, policies, procedures, internal-control principles, and engagement-specific requirements.

Areas of Professional Expertise

- Forensic and operational reviews and investigative analysis
- Fraud risk assessment and fraud-prevention controls
- Internal controls and control-environment assessment
- Public-sector procurement and government contracting
- Grant management and grant compliance
- Payroll, personnel, accounts-payable, and expenditure controls
- Purchasing-card, vendor-payment, cash, and transaction accountability
- Segregation of duties and conflicts-of-interest controls
- Policy, procedure, regulatory, and contractual compliance
- Governance, management oversight, and operational risk assessment
- Records, documentation, asset-accountability, and offboarding controls
- Corrective-action planning and operational improvement

Education and Professional Credentials

- Juris Doctor (J.D.), Regent University School of Law | 2005
- Bachelor of Science, Business Administration / Management, Hampton University | 1994
- Certified Fraud Examiner (CFE), Association of Certified Fraud Examiners | April 2023-Present
- Attorney at Law, Commonwealth of Virginia; Virginia State Bar | 2005-Present | Active member in good standing | VSB No. 71052

Selected Professional Experience

E.L. Hamm & Associates Incorporated | Owner and President | 2022-Present

Acquired E.L. Hamm & Associates Incorporated in 2022 and serves as its owner and President. Directs forensic, operational, compliance, internal-control, procurement, grant-management, and risk-assessment engagements for government, educational, and nonprofit organizations. Responsibilities include engagement planning, risk assessment, transaction and document review, interviews, evidence analysis, evaluation of internal controls, development of findings and recommendations, and presentation of results to government executives, boards, administrators, and counsel.

National Services, Inc. | Owner and President | 2005-2022

Owned and led a government contracting firm serving the federal marketplace. Applied legal training and government-contracting experience to regulatory, contractual, financial, policy, compliance, internal-control, and operational matters. National Services, Inc. performed the first three NIH/HHS review engagements, later supported an 8(a) prime contractor after graduating from the 8(a) program, and was subsequently merged with E.L. Hamm & Associates Incorporated following Ms. Hamm's acquisition of E.L. Hamm in 2022.

Law Office of N.R. Hamm | Attorney | 2005-2008

Maintained a Virginia law practice providing legal representation and counsel, including representation of small businesses in federal government contract and administrative disputes.

SunTrust Bank (now Truist Bank) | Operations Supervisor and Teller Line Coordinator | 2000-2003
Supervised banking operations and teller-line activities, performed internal audits involving financial and audit compliance, and provided operations training. Responsibilities included the application of financial controls, operational procedures, compliance requirements, transaction accountability, and internal review processes.

Dulles Greenway Toll Road | Tollroad Supervisor | 1995-1996
Supervised toll-road operations, conducted audits of toll officers' cash drawers, including review of collections and drawer accountability, and provided operations training. This work provided early experience in cash controls, transaction accountability, reconciliation, operational oversight, and employee training.

Selected Forensic Audit and Public-Sector Review Experience

Essex County Public Schools | Forensic Audit - Engagement Lead / Project Manager | 2025-2026
Led a forensic audit covering fiscal years 2023 through 2025. Areas of review included payroll, grant management, procurement practices and procedures, conflicts of interest, board and executive oversight, segregation of duties, expenditure controls, purchasing cards, travel, school activity funds, personnel and offboarding controls, records management, asset management, and related financial and administrative processes. Responsibilities included development of the audit approach; risk assessment; document and transaction review; evaluation of policies, procedures, laws, regulations, and internal controls; interviews; evidence analysis; development of findings; assessment of control deficiencies; and preparation of reports and supporting analyses for government leadership. Ms. Hamm compiled and oversaw development of the report and coordinated the work of assigned team members.

Suffolk Public Schools | Forensic Audit
Selected to perform a comprehensive forensic audit involving financial, payroll, procurement, purchasing-card, vendor-payment, and related operational activity.

National Institutes of Health / U.S. Department of Health and Human Services | 2015-Present
Personally served as program director, project manager, lead analyst, or a combination of those roles on each NIH/HHS engagement performed or supported by her firms. Work included acquisition management reviews, internal control reviews, procurement assessments, interviews, analysis, development of findings, reporting, and briefings. Her oversight commitment to the Head of Contracting Activity was to personally oversee each project in a leadership or lead-analyst capacity.

Prince Edward County Public Schools | Division-Wide Efficiency Study | 2006
National Services, Inc. supported E.L. Hamm & Associates Incorporated in a division-wide efficiency study of Prince Edward County Public Schools. Ms. Hamm was specifically responsible for assessment work involving Human Resources, Audit Compliance, and Food Services.

Prince Edward County Public Schools | Operational Risk, Compliance, and Efficiency Assessment | 2022

At the request of the incoming Superintendent, Ms. Hamm and her team assisted the division in evaluating opportunities to streamline operations as temporary funding, including CARES Act funding, approached expiration. The team performed a comprehensive risk and compliance assessment of division operations. Ms. Hamm's responsibilities included grant and financial management, Board governance, and internal control compliance within the Finance and Human Resources functions. She also assessed transportation and safety operations, including applicable OSHA and workplace-safety considerations. The engagement evaluated compliance requirements, governance and oversight, internal controls, administrative processes, operational risks, and opportunities to strengthen the division's operating environment.

Surry County Public Schools | Operational and Management Assessment | 2004-2005
Personally participated, with members of her firm, as a subcontractor supporting E.L. Hamm & Associates Incorporated. Her work addressed compliance with administrative departments in Human Resources, Finance, Transportation, Food Service, and Facilities as part of the broader operational and management assessment.

Selected Compliance, Grant, and Organizational Transformation Experience

Urban League of Hampton Roads | 2023-2025
Provided compliance, professional training, and grant-management consulting services.

Hunton YMCA | 2024-2025
Provided compliance, professional training, and grant-management consulting services.

Across client engagements, develops and delivers training to support the implementation of operational, compliance, procurement, internal control, and process improvements resulting from consulting and assessment work. Training

addresses revised requirements, procedures, controls, roles, and responsibilities and supports implementation of organizational changes.

Internal Control, Risk, Procurement, Grant, and Fraud Examination Experience

Ms. Hamm regularly evaluates control environments, management oversight, authorization and approval controls, segregation of duties, reconciliations, financial transactions, procurement, vendor management, payroll, grants, purchasing cards, records management, asset accountability, personnel access and offboarding, monitoring, and corrective actions. Her work has included applying internal control concepts reflected in governmental frameworks, such as the U.S. Government Accountability Office Standards for Internal Control in the Federal Government (Green Book), when relevant to the engagement and governing requirements.

Her public-sector procurement and contracting experience includes competitive procurement, acquisition planning, contract administration, procurement file review, delegated purchasing authority, purchasing card controls, vendor management, procurement compliance, acquisition management reviews, procurement risk assessment, organizational design, and contract documentation and oversight. Grant-related work includes governance and oversight, allowability and supporting documentation, grant-funded procurement, financial controls, segregation of duties, reporting, records retention, and corrective actions.

As a Certified Fraud Examiner, Ms. Hamm applies fraud-examination principles in assessing transactions, controls, documentation, organizational practices, and potential indicators of fraud, waste, abuse, conflicts of interest, or control circumvention. Her work includes transaction testing, document examination, risk-based sampling, pattern and anomaly identification, source-document validation, payment and authorization review, procurement and vendor analysis, payroll review, purchasing-card analysis, interviews, evidence organization, timeline development, internal-control analysis, and development of findings and conclusions.

Legal, Litigation, and Dispute Experience

Admitted to the Virginia State Bar in 2005 and currently an active member in good standing (VSB No. 71052). Ms. Hamm has applied legal and regulatory analysis principally to government contracting, compliance, internal controls, policy and procedure development, and organizational risk. She is not admitted to practice in federal court.

- Board of Contract Appeals matter (2006): served as lead attorney representing a small business in a federal government contract dispute.
- U.S. Department of Labor proceeding (2006-2008): served as lead attorney representing a small business in an administrative matter involving Service Contract Act / prevailing-wage requirements arising from employee labor classification.
- Department of the Navy contract dispute (2008): served as lead attorney representing a small business in a federal government contract dispute.
- Department of the Army contract dispute (2008): served as lead attorney representing a small business in a federal government contract dispute.
- Small-business dispute preparation and advisory support (2008-Present): has assisted approximately five small businesses with research direction, document preparation, and issue organization in anticipation of consultation with counsel or mediation. She provided this support to the companies and was not identified as their attorney in these matters.

Expert Witness Experience

Prior expert witness testimony: None to date.

Professional Training and Continuing Education

Legal education and continuing professional development have addressed interviewing, internal controls, investigations, and compliance. These subjects supplement practical experience applying those disciplines in government contracting, internal audits, forensic and operational reviews, compliance assessments, and client engagements.

- Project Management Institute (PMI) | 2023-2025: completed professional coursework and training in project management and risk management. No PMP or PMI-RMP certification is claimed.
- Virginia Wesleyan University | 2022: completed online professional coursework hosted by Virginia Wesleyan University in project management and risk management.

Selected Training, Briefings, and Professional Instruction

Risk & Compliance: Protecting What You're Building | BGK HOPE Foundation | September 10, 2026

Developed and is scheduled to deliver a practical risk-management and compliance training program for small-business owners addressing risk identification and prioritization, contract risk, worker classification, operational controls, financial controls, segregation of duties, risk-response strategies, and decision-making accountability.

Federal Construction Funding Compliance Briefing | Confidential Organization (NDA)

Developed and delivered a briefing addressing federal compliance requirements applicable when federal funding is provided for construction projects. The organization is not identified because of confidentiality obligations.

Client Implementation and Transformation Training | Various Engagements

Develops and delivers client-specific training supporting implementation of operational, compliance, procurement, internal-control, and process improvements resulting from consulting and assessment engagements.

Other training and instruction has included Federal Acquisition Regulation fundamentals, internal-control compliance, grant writing and grant management, risk management and internal review, fraud concepts, and interviewing techniques, including The Art of the Interview. Operations training responsibilities also formed part of Ms. Hamm's Dulles Greenway and SunTrust roles.

Selected Professional Reports, Analyses, and Findings Presentations | 2010-Present

Developed, contributed to, and/or presented professional reports, assessments, analyses, findings, and management briefings for public-sector organizations, including the National Institute of Child Health and Human Development; National Institute on Drug Abuse; National Institute of Allergy and Infectious Diseases; U.S. Department of Health and Human Services; National Heart, Lung, and Blood Institute; NIH Clinical Center; Prince Edward County Public Schools; and Surry County Public Schools.

E.L. HAMM & ASSOCIATES
INCORPORATED

INTERNAL FRAUD RISK ASSESSMENT

Forensic Audit of Essex County Public Schools (ECPS)

Final Assessment

Prepared For:
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TAPPAHANNOCK, VA 22560
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September 10, 2026

CONFIDENTIAL. INTERNAL DOCUMENT (NOT FOR PUBLIC RELEASE).
SUBJECT TO REVISION.

E.L. Hamm & Associates, Incorporated (E.L. Hamm) offers this assessment as a value-added synthesis of the forensic audit already performed, prompted by a question raised near the engagement kickoff about the distinction between misfeasance and malfeasance. The firm asserts no privilege over this assessment and assumes it may be discoverable or used to inform other proceedings.

This assessment contains the names of individuals and facts that are closely related to a pending criminal matter. It is restricted to recipients with a need to know. The characterizations used throughout are assessments, not legal conclusions or findings of guilt. Intent and any determination of a violation of law are reserved for the proper authorities and to the appropriate investigative and prosecutorial authorities.

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Purpose and Scope

The distinction between misfeasance and malfeasance was raised as a question near the kickoff of this engagement, in connection with E.L. Hamm & Associates Incorporated's (E.L. Hamm's) work on the forensic audit already performed for Essex County Public Schools (ECPS) under the engagement contract. E.L. Hamm offers this assessment as a value-added synthesis responding to that question: it identifies areas where the information, data, documentation, and disclosures provided to E.L. Hamm support an assessment finding of malfeasance, malfeasance-consistent indicators, misfeasance, nonfeasance, or control failure. This assessment finding is a professional forensic risk characterization, not a legal finding and not a determination that fraud occurred. It synthesizes existing work, not new fieldwork. Every topic below is drawn from, and cites to, the findings already developed in full in the Report of Findings (the "main report"), reorganized here by fraud-relevant topic rather than by scope area.

This assessment does not itself constitute a fraud examination report under professional fraud-examination standards, and it reaches no legal conclusion about any person's guilt, civil liability, or state of mind. Every characterization below is an assessment finding: whether the facts documented in the main report are more consistent with a knowing, deliberate act than with an unintentional failure of care, judgment, or process. Legal professionals should further examine these assessment findings where legal significance, referral, recovery, personnel action, or other formal action may be implicated. The determination of intent, and any prosecutorial or civil decision that depends on it, is reserved exclusively to the appropriate investigating and prosecutorial authorities identified in the main report's Referral Pathway.

Section A addresses the topics Essex County identified. Section B addresses additional areas the audit team identified during the engagement that bear on the same question and that the County had not separately raised. Section C addresses additional concerning transactions and records the audit team identified through its review of purchase card records and paper documents. All three sections use the same method and confidence scale and are read together as a single assessment.

Applicable standards. Conduct and control gaps in this assessment are measured against the Code of Virginia; the Virginia School Boards Association (VSBA) model policy framework, through which the Essex County Public Schools (ECPS, or the Division) classifies and adopts its policies; the Virginia Department of Education (VDOE) financial-reporting and oversight standards,

including the Annual School Report Financial (ASRFIN) and the Uniform Chart of Accounts, fiscal monitoring, and pass-through grant requirements; and the recognized internal-control standards, the GAO Green Book and COSO. Where a duty to establish a policy or control arose from these standards, and none existed, the gap is treated as nonfeasance.

The limits of model guidance. These federal and state authorities, and the VDOE and VSBA guidance in particular, are deliberately general. They set outer boundaries and minimum expectations and are designed to be adapted rather than adopted verbatim. The framework leaves each division to implement local policies, regulations, and, above all, the written procedures that convert a general standard into a targeted, transaction-level control. Adopting a VSBA model policy or citing VDOE guidance satisfies the framework only at that level. It does not, by itself, establish the day-to-day controls operations require, and a board or administration that relies solely on that model guidance, without adopting the accompanying local procedures, has not put the necessary detailed controls in place. That omission is itself a control deficiency, and it is most consequential in fiscal management, human resources, and information security, where the distance between a general policy and a specific, enforced procedure is the distance between a control that exists on paper and one that actually operates.

Staffing and competence. Assigning existing staff to functions for which they had limited or no relevant background (over human resources, finance, accounting, grants, and student reporting), without compensating training or documented controls, is a further nonfeasance condition. The duty to ensure competent, trained staff for public-fund functions went unmet. Because official human resources records were not produced, corroboration comes from interviews with administrative staff and former Human Resources personnel rather than from personnel files.

Definitions: Fraud, Waste, and Abuse

These categories describe the type of exposure a condition creates. They are used here as risk classifications, not as legal conclusions about any individual. Intent and any determination of a violation of law are reserved to the proper authorities.

Fraud. As Virginia law defines it for the locality fraud, waste, and abuse function, intentional deception, including a false representation of a material fact or the concealment of what should have been disclosed, that could result in a benefit to the actor or a detriment to the locality (Va.

Code Section 15.2-2511.2(A)). It is not limited to the actor's gain: it reaches an omission of a fact that should have been disclosed, and the detriment to those entitled to rely on accurate information, including the Board, state and federal funders, auditors, and the public.

Waste. The careless or inefficient expenditure or use of public resources, whether or not any person benefits.

Abuse. The improper or excessive use of authority, position, or public resources that falls short of fraud, including the misuse of a locality's resources as defined by state law (Va. Code Section 15.2-2511.2).

Methodology: Malfeasance, Misfeasance, and Nonfeasance

Three categories, standard in forensic and internal-audit practice, organize each topic below.

Malfeasance. An act the actor had no lawful right to perform, undertaken knowingly. Indicators include concealment, deception, self-dealing, falsified or mismatched documentation, and steps taken specifically to defeat a control, a record, or an audit trail.

Misfeasance. The improper, careless, or negligent performance of an act that was otherwise lawful and within the actor's authority. The act itself was permitted. The way it was carried out, or the documentation that should have accompanied it, was not.

Nonfeasance. The failure to perform an act, or to establish a control, that a duty required. Much of what the underlying audit documents (an absent policy, an unretained record, a control never built) is nonfeasance: an omission, not a misstep. Nonfeasance is not itself evidence of intent, but a pattern of nonfeasance can be the condition that allows malfeasance elsewhere to go undetected, and the two are cross-referenced below where that connection exists.

The distinction matters because it points toward different next steps. Malfeasance indicators point toward referral for investigation. Misfeasance and nonfeasance point toward governance and control remediation, addressed in the main report's recommendations. A single topic can carry elements of more than one category. Where that is the case, the assessment below identifies which element carries which characterization, rather than forcing the whole topic into a single box.

Confidence levels used throughout:

- **High.** Multiple independent, corroborating sources or external validation, such as an active indictment or a third-party finding.
- **Moderate.** A documented fact pattern with a plausible innocent explanation that has not been ruled out.
- **Limited.** A single source, an inference already labeled as such in the main report, or a fact pattern equally consistent with error.

This assessment uses the terms malfeasance, misfeasance, and nonfeasance as professional forensic assessment findings based on the information, data, documentation, and disclosures provided to E.L. Hamm. They are not legal findings. A finding characterized as malfeasance or malfeasance-consistent should be further examined by legal professionals before any legal, administrative, personnel, recovery, referral, or prosecutorial action is taken.

The rating scale used elsewhere in the main report (likelihood and impact on a one-to-five scale) measures whether a control failure will recur and how serious it is. It does not measure intent. This document adds the malfeasance and misfeasance framework as a second, distinct axis, addressed to the specific question the County asked: not how serious a control gap is, but how likely the underlying conduct was intentional.

A note on the framework's source. The malfeasance, misfeasance, and nonfeasance distinction used throughout this assessment tracks the common-law framework long used in Virginia and elsewhere to evaluate the conduct of public officers and employees, including in the sovereign and qualified immunity context. E.L. Hamm has not identified and cited a specific controlling Virginia authority stating the three-part definition in these terms for purposes of this assessment. The definitions above are offered as a working framework consistent with that common-law usage, not as a quotation from a specific case or statute.

A note on sourcing. Several topics below rest on facts provided directly by Essex County, ECPS, or by engagement personnel with first-hand knowledge, in addition to the primary records the audit team examined. Where a fact rests on such an account rather than on a document the audit team independently reviewed, this document says so and rates confidence accordingly. In addition, each characterization is anchored to the single strongest source available for that topic, identified in the Related Findings column and developed in full in the corresponding finding of the main report, where the specific documents, pages, and exhibits are cited.

Topics that rest only on an account provided by the County, ECPS, or by engagement personnel, without a document independently reviewed by the audit team, are identified as such in the topic text and are held to Limited or Moderate confidence for that reason.

Summary

The table below lists every topic addressed in this assessment, the individuals or entities named, the related findings in the main report, the assessed characterization, and the confidence level. Topics 1 through 8 are the topics Essex County identified. Topics 9 through 20 are additional areas the audit team identified during the engagement.

The characterization column reflects an assessment of the pattern, not a finding of guilt or liability. A name appearing in the same row as "Malfeasance" means the topic concerning that individual shows evidentiary indicators consistent with knowing conduct. It is not a conclusion that the individual committed a crime or any other legal wrong. See the Methodology section above and the Limitations and Reservations section at the end of this document.

Color Key (Assessed Characterization). The fill denotes the type of characterization, not a severity rating.

- **Red** ratings indicate malfeasance-leaning items (indicators of intentional conduct, a deliberate choice, an undisclosed conflict, or a preferential-treatment pattern).
- **Yellow** ratings indicate misfeasance (a control or performance failure not shown to be intentional).
- **Grey** ratings indicate nonfeasance (the omission of a required control or a structural control gap).
- **Blue** ratings indicate a characterization reserved for assessment once additional documentation is assessed.

ASSESSMENT SUMMARY						
No.	**Topic**	**Individuals or Entities Named**	**Related Findings**	**Assessed Characterization**	**Confidence**	**FWA Determination**
1	Superintendent payout authorized without a full board vote, coded to a zero-appropriation account	Garlyn Bundy; Dr. Harry R. Thomas III	BA-2; SOD-2; SOD-10; H-3	**Indicators consistent with intentional conduct; intent reserved**	High	Fraud-consistent
2	Removal of digital files after administrative leave	Elizabeth Franklin	R-1; IS-1	**Indicators consistent with intentional conduct; intent reserved**	High	Fraud-consistent
3	Superintendent's possession of Division vehicles (a truck and a car recovered from his residence in Fredericksburg after he was placed on administrative leave)	Dr. Harry R. Thomas III	O-1, O-2, O-4	**Control/performance failure, not shown to be intentional**	Moderate	Abuse
4	Purchase-card use without supporting documentation	Dr. Harry R. Thomas III; other cardholders	O-6, O-7	**General control/performance failure**	Moderate	Abuse
5	Contractors paid without documented contracts	Dr. Joan Temple; Dr. Peter Dewitz	O-16	**Control/performance failure, not shown to be intentional**	Moderate	Abuse
6	Operating funds used; grant appropriation requested retroactively	Institutional; Elizabeth Franklin	GM-5	**Control/performance failure**	Limited to Moderate	Abuse
7	Improper grant reporting: IDEA, ESSER, Special Education, School Construction	Institutional; Elizabeth Franklin	GM-1, GM-3, GM-4, GM-5, GM-6	**Control/performance failure**	Limited to Moderate	Abuse
8	ADM reporting error, corrected before payment	Institutional; historical allegation involving the Chief Academic Officer, uncorroborated	ADM Reporting Controls	**Omission of a required control**	Moderate	Abuse

ASSESSMENT SUMMARY						
No.	**Topic**	**Individuals or Entities Named**	**Related Findings**	**Assessed Characterization**	**Confidence**	**FWA Determination**
9	Self-approval of expenses. Concentration of finance duties	Dr. Harry R. Thomas III; Elizabeth Franklin	O-8; SOD-8, SOD-9	**Structural control gap (root cause)**	High	Abuse
10	Zero-appropriation account used to pay four former employees, including the Superintendent	Dr. Harry R. Thomas III; three other former employees	SOD-2, SOD-10; Topic 1	**Consistent with a deliberate choice; intent reserved**	Moderate to High	Fraud-consistent
11	Undisclosed personal relationship in a payroll-clerk hire	Director of Finance; Payroll Coordinator	H-3, H-4	**Undisclosed conflict on a form that asked directly; intent reserved**	Moderate to High	Fraud-consistent
12	Contractor's high-level grant placement through a pre-existing relationship	Dr. Peter Dewitz; Dr. Cyndee Blount	O-16 (extension)	**Preferential-treatment pattern. Characterization reserved**	Moderate	Fraud-consistent
13	Board Chair's implication in irregularities and resignation	Garlyn Bundy	BA-1	**Consistent with a deliberate choice; intent reserved**	High	Fraud-consistent
14	Rehire of a former Board Vice-Chair as a paid contractor	Pamela Floyd	BA-3	**Control/performance failure**	Limited	Abuse
15	Vendor invoice paid above the quoted amount	Not individually identified: Sharon Saunders is indicated as a recipient of a "side payment". Payment by vendor can not be confirmed	O-6 (supporting detail)	**Control/performance failure, not shown to be intentional**	Limited	Waste
16	Possible link between the ESSER reclassification and the IDEA MOE shortfall	Elizabeth Franklin (per staff interviews)	GM-1, GM-6	**Characterization reserved**	Limited	Reserved

ASSESSMENT SUMMARY						
No.	**Topic**	**Individuals or Entities Named**	**Related Findings**	**Assessed Characterization**	**Confidence**	**FWA Determination**
17	Documentation falsification indicator: "book" was a golf game	Not individually identified	O-7	**Indicators consistent with intentional conduct; intent reserved**	High	Fraud-consistent
18	Recurring mislabeling of gift purchases under generic categories	Not individually identified	GF-1 through GF-3 (Purchase Card Gifts findings)	**Control/performance failure, not shown to be intentional**	Moderate	Fraud-consistent
19	Discussion of side payments connected to a vendor invoice	School board secretary; two teachers (per County account)	O-6 (See 15, above)	**Consistent with a deliberate choice; intent reserved**	Moderate to High	Fraud-consistent
20	Gift card purchases prohibited by School Board policy	Multiple cardholders, not individually attributed	GF-1 through GF-3 (Purchase Card Gifts findings)	**Control/performance failure, not shown to be intentional**	Moderate	Waste
21	Wine purchase made on the Superintendent's purchase card	Dr. Harry R. Thomas III	ACT-1 (Additional Concerning Transactions)	Consistent with a personal expense charged to public funds; intent reserved	Limited	Abuse
22	$415.95 lamp from a collegiate luxury retailer	Dr. Harry R. Thomas III	ACT-2 (Additional Concerning Transactions)	Discretionary purchase of questionable necessity; reserved	Limited	Waste
23	$35.00 "Central Virginia Sleep" charge recorded as "Superintendent Supplies"	Dr. Harry R. Thomas III	O-6; ACT-3 (Additional Concerning Transactions)	Indicators consistent with a personal charge under a misleading label; intent reserved	Limited to Moderate	Abuse
24	Fuel purchases outside the Division fuel system	Dr. Harry R. Thomas III	O-1; ACT-4 (Additional Concerning	Consistent with a deliberate choice to fuel off-system; intent reserved	Moderate	Fraud-consistent

ASSESSMENT SUMMARY						
No.	**Topic**	**Individuals or Entities Named**	**Related Findings**	**Assessed Characterization**	**Confidence**	**FWA Determination**
			Transactions, fuel outside the Division)			
25	Flowers and plants for staff without a governing policy	Institutional	DA, DA-R, DG, DGC, DM (funds-management policy findings)	Omission of a required control (policy gap). Not shown to be intentional	Moderate	Abuse
26	Potential vehicle-related fees and violations (toll, parking)	Dr. Harry R. Thomas III	ACT-6 (Additional Concerning Transactions)	Characterization reserved. Possible personal charges	Limited	Abuse
27	Unexplained $228.37 Macy's purchase	Dr. Harry R. Thomas III	ACT-7 (Additional Concerning Transactions)	Characterization reserved. Consistent with a personal purchase	Limited	Abuse
28	$80.00 E-Z Pass on the former Director of Finance's card	Former Director of Finance	ACT-8 (Additional Concerning Transactions)	Characterization reserved	Limited	Abuse
29	Vehicle-accident repair handled outside the insurance process	Dr. Harry R. Thomas III	O-5; O-11	Consistent with a deliberate choice to handle a repair outside insurance; intent reserved	Moderate	Fraud-consistent
30	Verification of Essex County Residence	Dr. Harry R. Thomas III	O-2	Verification item; characterization reserved	Limited	Waste
31	Unauthorized provision of student data to an outside consultant	Dr. Cyndee Blount; Dr. Peter Dewitz	IS-12; O-16; Topic 5; Topic 12	Control failure with malfeasance-consistent elements; intent reserved	Moderate	Fraud-consistent; Abuse

ASSESSMENT SUMMARY						
No.	**Topic**	**Individuals or Entities Named**	**Related Findings**	**Assessed Characterization**	**Confidence**	**FWA Determination**
32	Physical security of the Finance and Human Resources office	Not individually identified	IS-13	Control/performance failure, not shown to be intentional. Physical access to the Finance and Human Resources office not adequately restricted	Moderate	Abuse
33	Purchase card expenditure pattern: personal, prohibited, and mischaracterized charges	Dr. Harry R. Thomas III (cardholder); S. Saunders and G. Bundy (associated transactions)	Purchase Card / Gifts / ACT-1 through ACT-9 (Additional Concerning Transactions); O-1 (fuel and vehicle use)	Graduated across the characterization ladder (see detail). Top rung is one intentional-conduct item	Moderate	Fraud-consistent; Abuse; Waste

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Section A. Topics Identified by Essex County

Topic 1. Superintendent Payout Authorized Without A Full Board Vote

This topic concerns conduct subject to a pending criminal indictment. See the note on the pending criminal matter in the front of this assessment. The assessment takes no position on guilt or innocence. Intent is reserved to the proper authorities.

Facts

A March 26, 2024 letter from then-Board Chair Garlyn Bundy to Director of Finance Elizabeth Franklin states that "the members of the School Board agreed to pay Dr. Harry R. Thomas III, Superintendent, for 30 days of annual leave in lieu of a pay raise," and that "the decision was made on March 25, 2024." A calculation dated March 27, 2024, converted that leave to a cash payment of $22,176.60, paid within two days of the stated decision. E.L. Hamm's auditors independently reviewed all board documents available on BoardDocs and reviewed video recordings of the relevant Board meetings. Neither source mentioned a vote on this payment. This payment was coded to Code 2800, a Technology Instructional Support, Other Benefits account carrying zero appropriated budget authority, and was processed by the Payroll Coordinator whose undisclosed personal relationship with the Director of Finance is addressed at Topic 11. This is the same payment at issue in the pending criminal indictment of the former Superintendent. According to Essex County, the full Board later approved a second, similar leave-to-cash payment through a recorded vote.

Indicators

- The letter is written and signed by a single Board officer, the Chair, asserting Board agreement, rather than reciting a recorded vote in open session as Virginia law and the Board's own governance practice require for action with legal or financial effect.
- The absence of any record of a vote is not a gap in what E.L. Hamm was able to review. It is an affirmative finding from a direct review of the primary record, the Board's own document repository and its own meeting video, both of which are the records that would show a vote if one had occurred.

- The payment was coded to an account with no relationship to its actual purpose and no appropriated budget authority, rather than through the Division's ordinary payroll or leave-payout process. Multiple employees, independently, characterized this account as a slush fund. The Division's own analysis concludes that this account's structural features- no budget, no active manager, and payroll processing that would not appear in a vendor report- indicate it was selected as a payment vehicle precisely because it lacked the mechanisms that would have detected the payment.
- The second payment's full-Board approval, by contrast, is a matter of record, which shows the Board itself later followed, or was made to follow, a process this first payment did not, cutting against an innocent, one-time documentation oversight.
- The same pattern of committing compensation outside the Board's approval process appears in a July 29, 2024 offer letter to the prospective Executive Director of Human Resources, which stated a salary of $126,621.00 including a $5,000.00 adjustment the Board had not approved, above the $121,621.00 the Board had set. No $5,000.00 was ultimately paid, so no improper payment resulted, but the letter again committed the Division, in writing, to compensation the Board had not authorized (Observation BA-2).

The Board officer who signed the letter, then-Board Chair Ms. Bundy, is the subject of Topic 13, which addresses her broader implication in the financial irregularities and the differing accounts she gave when the audit team asked her about the payment.

Assessed Characterization

Assessed characterization: Indicators consistent with intentional conduct. Intent reserved | Confidence: High

With the absence of a recorded vote independently confirmed against BoardDocs and meeting video, the payment's routing through a zero-appropriation account with no relationship to its stated purpose, and that account's own structural features supporting an inference of deliberate selection to avoid detection, this topic now presents three independent and mutually reinforcing indicators rather than one. This is the same payment underlying the pending criminal indictment, which this assessment treats as the strongest available external validation of the seriousness of this fact pattern, though the indictment itself is a matter for the Commonwealth's Attorney and the courts, not a conclusion this assessment draws independently. The underlying compensation decision, and

the Board's later, correctly documented handling of the second payment, remain a separate documentation and transparency question addressed in the main report.

Related findings: BA-2 (Board-approved compensation actions outside the standard salary-setting process); SOD-2 and SOD-10 (zero-appropriation Code 2800 account); H-3 (undisclosed personal relationship in the Payroll Coordinator who processed this payment); Topic 13 (the Board Chair who signed the authorizing letter, and her differing accounts when questioned).

Topic 2. Removal Of Digital Files After Administrative Leave

Facts

According to a March 14, 2025 written statement by Demetrice Samuels, on February 3, 2025, Ms. Samuels unlocked Ms. Franklin's office for the incoming Chief Business Advisor and found the office "cleaned out," with grant-reimbursement documentation that should have been on file no longer present. Separately, on February 4, 2025, a vendor notified the division that its Bank of America credit card had been declined; the card had been reported lost or stolen by Ms. Franklin on January 29, 2025, and a second card, issued to Doranda Scott, was also closed by Ms. Franklin at the same time. Ms. Franklin became aware of her termination on January 28, 2025, one day before the card was reported lost or stolen. A Bank of America record shows Ms. Franklin active in the system on January 29, 2025, between 1:10 and 1:17 p.m. Central Standard Time, when the two accounts were closed; email correspondence and documentation from the Financial Specialist responsible for purchase card reconciliation and from Ms. Scott, together with interview statements from that clerk and from the then Director of Human Resources, corroborate the Chief Business Advisor's March 14, 2025 assessment. According to text and email correspondence among the Chief Administrative Officer, the Director of Human Resources, and the Director of Technology, keys and a laptop were provided to Dr. Thomas between January 30, 2025 and February 18, 2025; the laptop was not returned to Technology until sometime thereafter; the laptop was returned to Dr. Thomas by Laura Sullivan (Payroll Coordinator); and it remains unclear who provided the laptop to the Director of Technology.

Indicators

- The office was cleared and the grant-documentation file emptied between the date Ms. Franklin learned of her termination and the date her replacement took possession of the office, a narrow window consistent with deliberate removal rather than routine turnover.

- Reporting one's own division-issued card lost or stolen, the day after learning of termination, is an affirmative act with no apparent business purpose other than to interrupt the card's usability and the transaction trail associated with it.
- Closing a second card issued to a different named individual, Ms. Scott, who did not report her own card lost or stolen, extends the action beyond Ms. Franklin's own access and cannot be explained as securing her personal account.

Assessed Characterization

Assessed characterization: Indicators consistent with intentional conduct. Intent reserved | Confidence: High

This is the strongest documented indicator of knowing, deliberate conduct in the engagement to date, apart from the conduct already under criminal indictment. Retaining system access after separation could be a control gap (misfeasance on the Division's part). Affirmatively using that access to report one's own card lost or stolen and to close a colleague's card, after learning of termination, is difficult to explain as anything other than an intentional act directed at the division's records and financial-control environment.

Related findings: R-1 (reported deletion or removal of electronic division data); IS-1 (credential persistence and unauthorized financial actions); SOD-6 (unauthorized financial actions while on administrative leave).

Topic 3. Superintendent's Possession of Division Vehicles for Commuting and Personal Use

Facts

Dr. Thomas's residence was outside Essex County. The audit found no Board authorization for his use of a division vehicle to commute between that residence and division offices, and no record that the personal-use value of that commuting was calculated or reported as taxable wages, as federal tax rules require for personal use of an employer-provided vehicle. Dr. Thomas used two division vehicles; according to Essex County, both were parked at his personal residence when he was placed on administrative leave. The Division subsequently recovered both vehicles; according to Essex County, no documented procedure governed that recovery. The audit also found a breach of a contractual residency condition, a vehicle allowance unique to the Superintendent (O-2), and unreported accidents in Superintendent-driven vehicles (O-5). The audit also found a mileage-and-meals reimbursement form, showing a rate last updated in 2023, that division administrative staff

and at least one principal used for conference and training travel. Dr. Thomas did not use it. Instead, he charged fuel to his division credit card, and the records do not establish whether it was for a personally owned vehicle or a division vehicle. The distinction is reserved: whichever vehicle was fueled, an available control was bypassed, and no mileage record exists to substantiate business use.

Indicators

- Personal commuting use of a public vehicle, without Board authorization and without the associated tax reporting, recurred over the scope period rather than occurring once, which is consistent with an ongoing, accepted practice rather than an isolated error.
- No party with authority to approve the arrangement, the Board, appears to have done so, and no policy governed it.
- The conduct benefited the Superintendent personally and directly, at division expense, which is the hallmark of the abuse category defined in Virginia law, though abuse under that statute does not require proof of the specific intent that fraud requires.
- The vehicles were recovered, which removes any concern that the Superintendent retained division property against the Division's wishes. What remains is a narrower point: the recovery occurred without a documented procedure to govern it, the same absence of vehicle-lending and recovery controls the main report identifies at O-10, applied here to the Division's own chief executive rather than a third-party borrower.
- A reimbursement mechanism was available and used by other staff, but not by the Superintendent, which reflects a differential use of available controls by the official at the top of the structure rather than a mere gap in policy.

Assessed Characterization

Assessed characterization: Control/performance failure, not shown to be intentional | Confidence: Moderate

The record supports abuse of division resources. The current record does not establish whether the Superintendent understood the arrangement to be unauthorized, rather than an accepted perquisite of the office that no one corrected. Absent evidence that the arrangement was concealed from the Board or the public, this is assessed as misfeasance, recurring personal benefit taken under color of an authority that was never actually granted, rather than malfeasance. The vehicles' presence at

the residence during administrative leave, now that recovery is confirmed, is assessed as nonfeasance, an absent recovery procedure, rather than as an indicator bearing on the Superintendent's own intent.

Related findings: O-1 (uncontrolled use and fueling), O-2 (residency condition and vehicle allowance), O-3 (two division vehicles garaged at a private residence without board authorization), O-4 (personal use not valued or reported as taxable wages), O-5 (unreported accidents), O-10 (division-wide vehicle lending with no governing controls).

Topic 4. Purchase Card Use Without Supporting Documentation

Facts

The former Superintendent's division credit card was used for $35,022.00 across 409 purchases over the three fiscal years reviewed, and the audit team never received a card-use policy, purchase limit, or approval step. Charges included approximately $1,674.94 in FY24 gasoline purchased from external, non-division sources despite the division's own fuel pumps being available and despite the Superintendent having been told to use them. Coffee, meals, and hotel charges, many annotated as conference-related or as meetings with a board member or other individual. The audit team could not verify that the referenced conferences occurred or that the annotated meetings took place. Separately, in one instance, a description on a purchase card receipt did not match the item actually purchased, addressed in full at Topic 17 below; in another, sales tax was paid on purchases despite the division's tax-exempt status, and gratuities were paid with no governing policy on whether or how much to tip. A mileage-and-meals reimbursement form used by other staff and at least one principal for conference and training travel was available for substantiated meal claims; the Superintendent's meals were placed on the card instead, outside that form and the record it would have created.

The scope of the purchase card meal and refreshment spending is summarized here. In FY 2024, ECPS purchase cards were used for $12,354.57 in restaurant and coffee purchases. About one third of that, $4,276.55, appears to have been for student meals. The majority, $8,078.02, was for executive administrative meetings, conference meals, a holiday celebration for high-level staff, and executive-level retreats.

During the 2023-2024 school year, $2,058.02 was spent on steak and seafood meals or restaurants for staff. Slightly over half was two meeting lunches with the former State Superintendent of Public

Instruction: an $824.00 purchase from Lowery's for a Region 3 Superintendents Meeting on September 22, 2023, for which no itemized receipt was provided, and a $341.53 lunch at 528 Prime Steak & Seafood on August 31, 2023, whose receipt listed eighteen people on one tab, including an order that appears to be two prime rib sandwiches with four sides of macaroni and cheese ($48.00) and several ECPS teachers. A $594.95 leadership dinner for ten at Tarrant's Cafe in Richmond on July 17, 2024, included three New York strip steaks, three orders of jumbo shrimp, blackened rockfish, grilled sea scallops, and salmon, with a subtotal of $436.75 plus a 20 percent gratuity of $99.16 and $59.04 in tax. A $108.92 Board Retreat Lunch from 528 Prime Steak & Seafood on August 21, 2023, along with two Lowery's purchases totaling $101.54 and an $88.00 seafood boil lunch, made up the balance.

Some meals exceeded the applicable GSA per diem. Under DA-R Section 3(a), a meal served within twenty-five miles of the division must be reasonable and below the GSA per diem, which for a Tappahannock lunch in FY 2024 was $15.00. Purchases exceeding that rate included a $150.00 lunch from Northern Neck Technical Center on January 15, 2024, a $16.49 Bella Pizza lunch on March 20, 2024, and a $21.04 Roma Tappahannock charge for Administrative Professionals' Day on May 24, 2024, among others. The policy sets no limit on meals purchased more than twenty-five miles out, so a $32.79 single-person lunch at a Williamsburg Olive Garden on November 15, 2023 exceeded the per diem yet remained compliant.

The policies place no limit on the total amount or frequency of group meals. The two State Superintendent lunches alone totaled $1,165.53, with no regulation or written guideline to monitor such spending. Written pre-approval for group meals, which the policies require from the Superintendent, an Assistant Superintendent, or an Executive Director, was not provided, and where those officials attended, their approval was assumed rather than documented.

Coffee, which the policy treats as a personal expense subject to voluntary collection, was purchased on ECPS cards, totaling $252.72 in FY 2024. Tipping, for which the policy gives no guidance, included a $15.00 tip (about 45 percent) on a $32.92 Primanti Bros. order on March 19, 2024; a $10.00 tip on a $39.18 Prince St. Cafe bill dated May 6, 2024; a $12.00 tip on a $59.83 To-Do Cafe working lunch on February 9, 2024, above the restaurant's recommended maximum; $2.00 tips on single-beverage conference coffee purchases on October 19 and October 31, 2023; and an apparent $2.00 gratuity on an $8.96 purchase on November 16, 2023.

Several larger meal expenditures were noted outside the sample: $5,825.00 for Teacher Appreciation Lunches from Segar's Legacy Event Center and Restaurant on May 24, 2024; $4,700.00 for Faculty and Staff Appreciation Week from Segar's on May 11, 2023; $3,240.00 for an Essex Schools October Event from 528 Prime Steak & Seafood dated November 8, 2023; and $1,040.94 for a Holiday Luncheon from Lowery's Prime dated January 23, 2023.

Indicators

- The volume, 409 purchases with no policy and no approval step, is itself a control failure rather than a single incident.
- Annotations referencing conferences and meetings that could not be verified raise the possibility that some purchases were personal rather than business-related, though the audit team was not able to confirm this in either direction.
- The single instance in which a receipt description did not match the underlying purchase (O-7) is a materially different and stronger indicator than an undocumented purchase: a mismatch between what was claimed and what was bought is difficult to attribute to a missing receipt.

Measured against the DA-R public-scrutiny test and a county median household income of $56,520.00, with more than one in ten residents in poverty, the concentration of executive-level, steak-and-seafood, and appreciation-event spending is a waste and an optics risk, even where no policy expressly caps the amount.

Missing itemized receipts, such as the $824.00 Lowery's purchase, and assumed rather than documented pre-approval are documentation-control failures rather than evidence of intent.

Assessed Characterization

Assessed characterization: General control/performance failure | Confidence: Moderate

For the great majority of the $35,022.00 in card use, the audit team reports plainly that nothing in the records could be positively identified as fraud or misappropriation. The absence of a policy and of documentation is a control failure that enabled undocumented spending without, on this record, establishing that any specific purchase was personal or falsified. One instance, a documentation mismatch between a claimed purchase and the item actually bought, is a materially stronger fact pattern and is developed in full, separately, at Topic 17.

Related findings: O-6 (inadequate substantiation of travel and meal reimbursement) and the Purchase Card Transactions findings for meals, gifts, and gratuities. See Topic 17 for O-7.

Topic 5. Contractors Paid Without Documented Contracts

Facts

Dr. Joan Temple was paid $288,000.00 across FY23 through FY25, invoicing as a reading specialist, principal coach, and interim principal. Dr. Peter Dewitz was paid $82,650.00 over the same period for educational consulting. Neither individual has a signed contract on file. E.L. Hamm requested the Division's complete population of vendor contracts for fiscal years 2023 through 2025. None was provided, and ECPS reported it could not locate the records.

Indicators

- Payments of this size and duration, six figures over three years in Dr. Temple's case, without any written agreement, are difficult to reconcile with ordinary procurement practice, which requires a documented process even for professional services procured by competitive negotiation.
- The complete absence of any contract in the population requested, rather than a missing contract for one engagement, suggests an institutional practice rather than a single lost file.
- The audit team confirmed that no contracts exist for these engagements. None are documented or filed, and the ECPS administrative office that maintains those records does not store any hard-copy or digital contract files. On the current record the question is resolved: the contracts were never created, rather than created and later removed.

Assessed Characterization

Assessed characterization: Control/performance failure, not shown to be intentional | Confidence: Moderate

On the current record, this reads as a systemic contracting and records-retention failure, consistent with the sole-control and no-documentation pattern found throughout the Division's finance function, rather than as concealment of a specific improper payment. It would move toward malfeasance if a record surfaces showing a contract existed and was destroyed, or if the classification of these individuals as contractors, rather than employees, is shown to have been a

deliberate misclassification to avoid payroll taxes, benefits, or budget scrutiny. That classification question is open and is addressed further under Topic 12 as to Dr. Dewitz specifically.

Related findings: O-16 (absence of written contracts for individually paid service providers).

Topic 6. Operating Funds Used For Purchases, With Grant Appropriation Requested Retroactively

Facts

The School Construction Grant fund shows $1,046,716.00 in capital spending recorded before the School Board's own July 15, 2024 appropriation vote for that amount. The audit team found no information indicating that the underlying invoices, when incurred, were intended to be paid from ESSER or School Construction Grant funds. The grant coding and the appropriation request followed the spending rather than preceding it. The Division did not provide the grant reports for final confirmation, so the grant-related topics in this assessment remain subject to confirmation against the underlying grant reports.

Indicators

- Spending before appropriation is, by itself, a sequencing and budget-authority failure. What raises concern is the absence of any contemporaneous indication that the expenditures were understood as grant-funded when incurred, which raises the question of whether the grant characterization was decided after the fact to fit already completed spending to an available funding source.
- According to ECPS accounting personnel interviewed, including one staff member who has since separated, the Director of Finance/Accounting coded these expenditures to grant funds. Most accounting staff employed during the scope period have since separated from ECPS, and the information available comes from existing accounting personnel and that one separated staff member. Forensic metadata and system-log access that would fix when the coding decision was made was requested and was not provided, in order to preserve the evidence chain pending litigation.

Assessed Characterization

Assessed characterization: Control/performance failure, not shown to be intentional | Confidence: Limited to Moderate

The available record supports a sequencing and appropriation-authority failure. It does not, on its own, establish that the retroactive grant coding was a deliberate attempt to disguise general-fund overspending as grant-eligible cost, as opposed to a disorganized but good-faith effort to fund already-necessary capital work from whatever source became available. Confirming which it was requires records the engagement did not obtain, specifically, contemporaneous correspondence or budget documents showing whether the grant funding source was contemplated before or only after the expenditures were made.

Related findings: GM-5 (School Construction Grant, pre-appropriation expenditure).

Topic 7. Improper Grant Reporting: IDEA, ESSER, Special Education, And School Construction

Facts

VDOE's March 8, 2022 fiscal monitoring report found that ECPS lacked written policies and procedures for IDEA maintenance-of-effort (MOE) compliance and eligibility, and that source documentation for reported local special-education expenditures was not available. The resulting repayment demand is $451,036.00. VDOE rejected two attempts by division representatives to characterize the FY2022 through FY2023 MOE failure as a correctable reporting error. Separately, a bulk salary reclassification of approximately $745,000.00 from local funds to federal ESSER funds was posted in July 2024, retroactively to the June period, by a single entry operator with no independent review. The main report identifies and labels as an inference requiring further investigation the proximity between this reclassification and the prior year's MOE shortfall of $765,575.51, without concluding that the two are connected.

Indicators

- VDOE's rejection of two separate attempts to recharacterize the MOE failure as a reporting error is a third-party determination, not the audit team's own inference, and is the strongest single fact supporting more than simple negligence in the IDEA reporting specifically.
- A bulk reclassification entered by one person, retroactively, with no independent review, is a control failure that would allow a deliberate misclassification and an innocent, poorly supervised correction to look identical on the record. The audit cannot distinguish between them.

- The Special Education fiscal monitoring history shows a pattern of repeated corrective action plans, in 2021 through 2022 and again referenced in later monitoring cycles, indicating this is a recurring condition rather than a single-year lapse.
- The June 15, 2022 corrective action plan signed jointly by the Division Superintendent and VDOE was a binding commitment on the more demanding, compliance-driven one-year timeline, and it required ECPS to build the very controls that were missing: written Fund Manual procedures for Excess Cost, Maintenance of Effort eligibility, and Maintenance of Effort compliance, together with source documentation and procurement procedures. Responsibility was assigned to a single individual with no independent verification, the plan was not completed within its one-year window, and the same four concern areas remained unremediated as of the March 2025 assessment, three years later. A deficiency that a state agency formally required the Division to correct, and that the Division committed in writing to correct but did not, is materially more serious than a first-time gap. It establishes that the reporting and documentation failures were known, were the subject of a binding remediation obligation, and were allowed to persist (Observation GM-2).

Assessed Characterization

Assessed characterization: Control/performance failure, not shown to be intentional | Confidence: Limited to Moderate

The documentation and procedural failures underlying the IDEA MOE finding are well supported and are assessed as misfeasance, a division that did not build the infrastructure to track and report these figures correctly, compounded by VDOE's specific rejection of the reporting-error explanation. The Division's failure to complete the binding June 15, 2022 corrective action plan within its one-year timeline, and the persistence of the same conditions three years later, reinforce this assessment and place the confidence toward the Moderate end of the range. The possible connection to the ESSER reclassification remains, as the main report states, an inference reserved for further investigation and is not characterized here as either malfeasance or misfeasance.

Related findings: GM-1 (IDEA MOE); GM-2 (VDOE 2022 fiscal monitoring corrective action plan not completed, same conditions recurred through FY2025); GM-3 (OMEGA grant reporting, sole control); GM-4 (grant documentation cannot be located); GM-5 (School Construction Grant); GM-6 (ARP ESSER deferred-revenue material weakness and year-end salary reclassification).

Topic 8. Improper ADM Reporting

Facts

At one point, ECPS reported higher Average Daily Membership (ADM) attendance counts than were accurate. The discrepancy was corrected before any state funding payment was made based on the inflated figures, and no money was paid to the Division that contradicted the final, corrected attendance data. E.L. Hamm asked the employee currently responsible for entering ADM data into VDOE's reporting system about the reporting process and existing controls. She confirmed what two other individuals, the supervisor of the employee formerly responsible for data entry, and an ECPS board member, separately indicated: VDOE's reporting system will not permit final reporting to be completed where duplicate records or incorrect data are present. In her assessment, the earlier discrepancy sounded like user error.

A Separate, Uncorroborated Historical Allegation

A separate allegation exists that, before this engagement's scope period, the Chief Academic Officer directed an employee other than the individual then officially responsible for ADM reporting to act in that role and request access to make changes to the reporting account. This allegation was not corroborated during fieldwork and falls outside the period this engagement was engaged to review. It is included here for completeness, and to distinguish it clearly from the corrected reporting error described above, which the record supports characterizing as inadvertent.

Indicators

- Three separate individuals, occupying three different vantage points, the current data-entry employee, the former data-entry employee's supervisor, and a sitting board member, independently describe the same system-level control: VDOE's reporting system rejects submissions with duplicate or incorrect data before they become final. Independent corroboration from three people who did not have to agree with each other is a meaningfully stronger evidentiary basis than this assessment's typical single-source topic.
- The person with the most direct, current knowledge of the reporting process attributes the earlier discrepancy to user error rather than to any deliberate act, which is itself a form of evidence, the professional judgment of the individual who does this work today, even though it is not the same as an independent forensic reconstruction of what happened.

- The historical allegation regarding the Chief Academic Officer is qualitatively different from the ADM-count issue itself: it concerns who had access to a state-reporting system and how that access was obtained, not the accuracy of a reported count, and it remains unverified and outside the engagement's scope period. It should not be read as part of the same fact pattern as the corrected reporting error, and this assessment treats it separately for that reason.

Assessed Characterization

Assessed characterization: Omission of a required control | Confidence: Moderate

On the well-corroborated facts, this reads as a training and process-familiarity gap rather than an indication of malfeasance. E.L. Hamm's own review did not find an indication of malfeasance in the ADM reporting matter itself, consistent with the multiple, independent accounts describing the same system safeguard and the same user-error explanation. Confidence is rated Moderate rather than High only because the underlying attendance records and the exact correction timeline have not been independently examined by the audit team. The characterization itself, an inadvertent reporting error caught by an existing system control, is well supported. The separate historical allegation regarding access delegation is not characterized here at all: it is unverified, predates the scope period, and is presented as an open item rather than as an assessed fact.

Related findings: ADM Reporting Controls (Area 3, Revenue Management).

Section B. Additional Areas Identified by the Audit Team

The topics below were not raised in Essex County's request but bear directly on the same question, which findings in the engagement show the strongest indication of intentional conduct, and are included so the County has the complete picture the engagement supports.

Topic 9. Self-Approval Of Expenses And Concentration Of Finance Duties

Facts

The Superintendent self-approved expenses, with no segregation of duties and no Board-level review. The Director of Finance held authorization, processing, recording, reconciliation, reporting, and system-access management for the finance function in a single position, with no documented compensating control. This is the report's own identified root cause: Observation O-8 and Observations SOD-8 and SOD-9 describe the same structural condition from two vantage points.

Indicators

- This is a design condition, not an event. It did not itself take money. It removed the check that would have caught it if someone else had.
- Every malfeasance-consistent topic elsewhere in this assessment, the payout authorization, the file removal, the zero-appropriation payments, occurred inside this same unchecked structure, which is why it is listed here even though it is not itself an act of concealment.
- The same concentration was compounded by sustained turnover in the finance, accounting, and payroll positions, with payroll duties passing among seven individuals over a seventeen-week span in 2025. Rapid churn in these roles strips away the institutional knowledge and independent oversight on which every other control depends, and it widens the window in which errors or diversions go undetected (Observation H-9).

Assessed Characterization

Assessed characterization: Structural control gap (root cause) | Confidence: High

This is the clearest, best-documented finding in the entire engagement, and it is nonfeasance: the Board's failure to establish the independent review that recognized standards require when duties cannot be fully segregated. It is listed here, at high confidence, because it is the enabling condition

without which several of the malfeasance-consistent topics above would have been far harder to carry out or far easier to detect.

Related findings: O-8 (self-approval of the Superintendent's expenses); SOD-8 (Superintendent expense self-authorization, no Board approval); SOD-9 (director concentration, all finance functions, sole and unsupervised).

Topic 10. Zero-Appropriation Account Used To Pay Four Former Employees, Including The Superintendent

- This topic concerns conduct that is the subject of a pending criminal indictment. See the note on the pending criminal matter in the front of this assessment. The assessment takes no position on guilt or innocence. Intent is reserved to the proper authorities.

Facts

Code 2800, an account titled Technology Instructional Support, Other Benefits, carried zero appropriated budget authority and was used to pay a total of $25,116.40 to four individuals, none holding a technology instructional role and each either separated from the Division at the time of payment or, in the case of Payee 1, separated afterward. Payee 1 is Dr. Harry R. Thomas III, then-sitting Superintendent. This is the same $22,176.60 payment addressed at Topic 1, coded to this account rather than processed through the Division's ordinary leave-payout channel. Payees 2 through 4 are three additional former employees, already separated at the time of their payments, accounting for the remaining $2,939.80. Multiple ECPS employees, independently, described this account as a slush fund. No independent review of the coding of any of these four payments was documented, and no standard operating procedure governed the account's use.

Indicators

- Routing payments to individuals who had already left the Division through an account with no budget authority, no active manager, and no independent review is a harder pattern to explain as routine payroll administration than a comparable payment through ordinary channels would be.
- The account's own structural features, no appropriation to trigger a budget-variance flag, no assigned manager to question the charges, and payroll processing that would not surface in a vendor-payment report, mean it was invisible to every routine oversight mechanism

the Division had. That an account with exactly these characteristics was the one selected for four separate post-separation payments, rather than any of the Division's normal payment channels, is not easily explained as coincidence.

- More than one ECPS employee independently used the same characterization, a slush fund, without prompting from one another. Independent, unprompted agreement among multiple witnesses on the same characterization is a materially stronger evidentiary basis than a single account.

Assessed Characterization

Assessed characterization: Consistent with a deliberate choice; intent reserved | Confidence: Moderate to High

The pattern, post-separation payments, an unbudgeted and unmanaged account, no independent review, and multiple independent witnesses describing the account in the same terms, is consistent with a deliberate choice of the path with the least oversight. Confidence is Moderate to High rather than High because the audit has not established who decided to code any of the four payments to this account, or why, for the three payees other than Dr. Thomas. This topic and Topic 1 describe the same underlying transaction as to Payee 1, viewed from two angles, the authorization question and the accounting-vehicle question, and should be read and referred to together.

Related findings: SOD-2 (personnel payment miscoded to zero-appropriation technology account); SOD-10 (zero-appropriation account used as payment vehicle, four former employees); BA-2; Topic 1.

Topic 11. Undisclosed Personal Relationship In A Payroll-Clerk Hire

Facts

The Director of Finance hired the long-term girlfriend of the Director's brother as Payroll Coordinator. The two share a child. According to the person then serving as Director of Human Resources, the relationship was not disclosed to HR before the hire and was not disclosed on the employment application, which includes a relationship-disclosure question. The clerk in this position is also reported to have returned files the Director had previously removed and to have processed the payment at issue in the pending criminal indictment.

Indicators

- The application specifically asked the disclosure question, and it was not answered truthfully. Failing to volunteer a conflict is one thing, but not disclosing something the form directly asked about is closer to concealment than to oversight.
- The hire placed a personally connected individual in a direct subordinate, high-trust financial role, supervised by the person holding the relationship, which is exactly the condition a disclosure requirement exists to surface before it happens.
- This individual's later connection to both the file-return and the indicted payment means the undisclosed hire is not an isolated HR lapse. It placed a specific person in a position connected to two of the engagement's most serious realized events.
- During the prior external financial audit conducted by Robinson, Farmer, Cox Associates, PLLC for the year ended June 30, 2024, the Director of Finance answered "No" on a fraud-risk survey she signed on June 24, 2024, to the question whether management personnel had friends or relatives reporting directly to them. That was six days after a Roles and Responsibilities document distributed on June 18, 2024, identified her as directly supervising the Payroll Coordinator, Laura Sullivan, whom payroll records place in the role from January 9, 2024, and whose co-parenting relationship with the Director's brother is documented at least eighteen days before the hire. The survey answer could not be substantiated and is inconsistent with the contemporaneous supervisory record, which bears on the reliability of the prior audit's conclusions (Observation H-3).

Assessed Characterization

Assessed characterization: Undisclosed conflict on a form that asked directly. Intent reserved | Confidence: Moderate to High

The nondisclosure on a form that directly asked the question is assessed as malfeasance. The hiring decision itself does not meet the statutory definition of nepotism, because the relationship falls outside the closed list of covered relationships in Va. Code § 2.2-3119, a point the main report addresses directly. That statutory gap does not change the assessment of the nondisclosure, which is a separate, actionable failure under the Division's own hiring policy regardless of whether the underlying relationship was covered by the nepotism statute.

Related findings: H-3 (undisclosed close personal relationship in a direct payroll-reporting line); H-4 (structural gaps in the family-employment and conflict-of-interest controls).

Topic 12. Contractor's High-Level Grant Placement Through A Pre-Existing Relationship

Facts

According to accounts from four separate ECPS staff members, Dr. Peter Dewitz began working as a division contractor through his connection to a former administrator, Dr. Cyndee Blount, who directed the use of his services, and was, in one interviewee's words, "written into these grants at a very high level." Staff interviews establish a pre-existing relationship between Dr. Blount and Dr. Dewitz, though the degree of closeness is undetermined. Accounts also describe that after Dr. Blount left the Division, a building principal directed that Dr. Dewitz not return, but that he nonetheless appeared at the school afterward.

Indicators

- A contractor's placement into grant-funded work being attributed, independently, by four separate staff members to a personal relationship with a departed administrator rather than to a documented selection process is a materially stronger favoritism indicator than a single account would support, and is distinct from, and in addition to, the missing-contract finding addressed at Topic 5.
- Appearing at a school after being told not to return is a minor fact on its own, but it is consistent across accounts and consistent with someone who regarded the relationship, rather than a formal engagement, as the source of his access to the Division.

Assessed Characterization

Assessed characterization: Preferential-treatment pattern; characterization reserved | Confidence: Moderate

Four independent accounts describing the same placement mechanism is a meaningfully stronger evidentiary basis than this assessment's single-source topics, and confidence is rated accordingly. This has not been corroborated against a personnel or procurement record showing how Dr. Dewitz's engagement was actually authorized, which is why confidence is Moderate rather than High. If corroborated against such a record, this would move Dr. Dewitz's portion of Topic 5 from a documentation failure toward a favoritism-driven placement of grant funds, a materially more

serious characterization. Grant-personnel correspondence from the relevant period would further corroborate how Dr. Dewitz's engagement was authorized.

Related findings: O-16 (extension).

Topic 13. Board Chair's Implication In Financial Irregularities And Resignation

Facts

Two board members and one executive-level staff member, interviewed separately, independently described the same account: that the same financial irregularities that led to placing the Superintendent and the Director of Finance on administrative leave, pending a Virginia State Police investigation, also implicated the then-Board Chair, Garlyn Bundy. Board documents support this account. Meeting agenda documents confirm that Ms. Bundy resigned after the meeting at which her resignation had been arranged, rather than at the outset of that meeting. In conversations with the audit team, Ms. Bundy admitted she resigned after the closed-session discussion at that meeting, consistent with the timing the agenda documents and witness accounts describe.

The record now identifies one specific irregularity. Ms. Bundy's signature appears on the March 26, 2024 letter to Director of Finance Elizabeth Franklin authorizing the payment to Dr. Thomas of $22,176.60 for 30 days of annual leave in lieu of a pay raise, the payment addressed in Topic 1. In that letter, Ms. Bundy states that on March 25, 2024, the School Board had agreed to the payment. No formal Board vote was held, however, and the Board's own records contain no recorded vote. When the audit team asked Ms. Bundy about the matter, she provided differing accounts.

Indicators

- Three independent accounts, from three people occupying different positions relative to the events, two board members and one executive-level staff member, describing the same implication is a materially stronger evidentiary basis than a single account, and is corroborated further by board documents rather than resting on recollection alone.
- Ms. Bundy's own admission that she resigned after the closed session, rather than at the start of the meeting as had been arranged, confirms the sequence of events from the one

person with direct personal knowledge of her own conduct that day, even though it does not by itself confirm the underlying financial irregularities said to have implicated her.

- Departing from an arranged resignation, in a public meeting, and resigning only after a closed session, is consistent with an individual who did not accept, or wished to contest, the premise that immediate resignation was warranted, which cuts against an innocent, fully cooperative account of the underlying conduct.

The signed letter ties Ms. Bundy directly to the payout in Topic 1: she certified a Board agreement in writing and authorized a payment for which no formal vote is recorded, and her differing accounts when questioned further indicate this.

Assessed Characterization

Assessed characterization: Consistent with a deliberate choice; intent reserved | Confidence: High

With three independent accounts, supporting board documents, Ms. Bundy's own admission of the resignation sequence, and her signature on the March 26, 2024 authorization letter, this topic is corroborated well beyond this assessment's typical single-source item. The March 26, 2024 letter, the $22,176.60 payment it authorized without a formal Board vote, and Ms. Bundy's differing accounts when questioned are the nature and extent of the financial irregularities available to E.L. Hamm at the time of the audit. This is a specific, documented act rather than implication alone, which is why the topic is characterized as malfeasance-consistent, with intent reserved. The Board's own failure to document and govern the underlying irregularities remains separately assessed as nonfeasance.

Related findings: BA-1 (governance response to financial irregularities reaching the Board's own presiding officer); Topic 1 and BA-2 (the payout Ms. Bundy authorized); SOD-2 and SOD-10 (the zero-appropriation account through which it was paid).

Topic 14. Rehire Of A Former Board Vice-Chair As A Paid Contractor

Facts

Pamela Floyd served as an elected Board member and Vice-Chair through June 2025. In July 2025, the Executive Director of Human Resources recruited her as an independent contractor to teach a virtual class, a subject she had previously taught as an ECPS employee. No written contract was

executed; E.L. Hamm obtained a copy of her initial invoice, which reflects the agreed monthly payment. The Division approved the engagement through its personnel agenda rather than a competitive procurement process, and Ms. Floyd stated that at least one board member raised questions about the arrangement before approval.

Indicators

- The engagement began the month after Ms. Floyd's board service ended, without a competitive process and without the conflict-of-interest review that a former officeholder's return as a paid vendor would ordinarily invite.
- A board member is reported to have raised questions before approval, indicating the timing was not unnoticed internally, even though it was approved anyway.

Assessed Characterization

Assessed characterization: Control/performance failure, not shown to be intentional | Confidence: Limited

Ms. Floyd's prior experience teaching the subject is a legitimate basis for the engagement, and there is no indication the arrangement was concealed. An identifiable, if informal, process approved it. The concern is procedural. The absence of a competitive process and a documented conflict-of-interest review for a recently serving officeholder (rather than an indication of concealment) is therefore assessed as misfeasance rather than malfeasance.

Related findings: BA-3 (rehire of a recently serving board member as a paid independent contractor without a competitive process).

Topic 15. Vendor Invoice Paid Above The Quoted Amount

Facts

A vendor invoice was paid at $3,000.00 against a documented quote of $2,500.00 (a difference the main report addresses as part of its purchase-order and procurement testing).

Indicators

- A payment exceeding a documented quote, without an amendment or a documented reason for the increase, is a specific, quantifiable procurement-control failure distinct from the general absence of quotes and purchase orders found elsewhere in the testing.
- The engagement could not identify who approved the payment at the higher amount. No invoice-approval records were located that would identify the approver, and the individual who entered the payment information, the Director of Finance/Accounting, is not available for interview because the matter is subject to litigation.

Assessed Characterization

Assessed characterization: Control/performance failure, not shown to be intentional | Confidence: Limited

A single instance of an unexplained overpayment against a quote is consistent with a lack of invoice-to-quote matching controls, the three-way match finding developed elsewhere in the main report, rather than with a kickback or diversion scheme on the current record. It is flagged separately here because an unexplained overpayment is one of the specific fraud-scheme indicators the main report's own methodology treats as a warning sign, and it should be tested for recurrence across a larger sample before being closed out as a control gap alone.

Related findings: Addressed within O-6 and the Division-Wide Expenditure and Purchase-Order Analysis testing in Area 1.

Topic 16. Possible Link Between The ESSER Reclassification And The IDEA MOE Shortfall

Facts

This topic restates, for completeness, the inference already identified under Topic 7: the proximity between the approximately $745,000.00 FY2024 bulk salary reclassification from local to ESSER funds and the $765,575.51 IDEA MOE shortfall reported for the prior year. The main report labels this an inference requiring further investigation, not a conclusion, and this assessment does not change that status. Interviews of ECPS and County staff suggest that the Director of Finance/Finance was responsible for all grant reporting and related financial entry.

Indicators

- If local special-education salary costs were moved to a federal grant account, the local-only expenditure figure used for the MOE calculation would fall, which could produce or worsen an apparent MOE failure independent of any change in actual program spending.
- The reclassification and the MOE shortfall involve overlapping fiscal years and overlapping dollar magnitudes, which is why the main report notes the proximity, but proximity alone does not establish that the reclassification caused, or was intended to affect, the MOE calculation.

Assessed Characterization

Assessed characterization: Characterization reserved | Confidence: Limited

This assessment does not characterize this topic as either malfeasance or misfeasance. Doing so would require establishing the order of events and the intent behind the reclassification. That information is not documented in the records produced and was not available to the audit team. It is retained here, rather than dropped, because it is the one topic in this assessment with the clearest potential to reclassify from a documentation issue into a deliberate manipulation of a federal compliance calculation, and it should be a priority for follow-up records requests: corroboration, against the system record, of the entry operator's identity, which staff interviews attribute to the Director of Finance/Finance, any written justification for the reclassification, and whether the same individual or supervisor had visibility into the MOE calculation at the time.

Related findings: GM-1 (IDEA MOE); GM-6 (ARP ESSER deferred-revenue material weakness and year-end salary reclassification).

Topic 17. Documentation Falsification Indicator: A "Book For A Leadership Meeting" Was A Golf Game

Facts

ECPS's own purchase card spreadsheet describes a $17.90 Walmart purchase, transaction date July 12, 2022 (invoiced August 5, 2022), on the card ending in 7074, as "Book for Leadership Meeting." A reverse receipt look-up performed directly against Walmart's records identified the item actually purchased as a "Backyard Golf Chipping Game," a novelty golf product. The receipt confirms that only this single item was purchased in that transaction.

Indicators

- This is not a missing receipt or an undocumented purchase. A record exists, and it affirmatively states something other than what was bought. Every other purchase card item in this assessment is a documentation gap. This one is documentation that does not match the actual purchase.
- The mismatch was established through an independent, verifiable method, Walmart's own transaction records, not through inference or a source's recollection, which is why this item carries higher confidence than most others in this assessment.
- The main report itself identifies this as the most serious realized item in the underlying engagement and specifically directs that the submitted receipt, the reverse look-up result, and the reimbursement claim it supported be preserved together before further circulation.

Assessed Characterization

Assessed characterization: Indicators consistent with intentional conduct. Intent reserved | Confidence: High

A supporting document that does not match the underlying purchase is the clearest documentary indicator of a knowingly false claim in this entire engagement. E.L. Hamm's own methodology states this finding as a fact without characterizing intent, and this assessment follows that same discipline: it does not conclude that any specific individual knowingly submitted a false claim, only that the objective, independently verified fact pattern, a claimed book that was in fact a golf game, is the single strongest documentation-based indicator of malfeasance identified in the engagement to date. Confirming who submitted the claim and who approved it, without questioning the description, is the necessary next step and falls squarely within the self-approval condition addressed at Topic 9.

Related findings: O-7 (supporting documentation that did not match the underlying purchase).

Topic 18. Recurring Mislabeling Of Gift Purchases Under Generic Categories

Facts

A $53.50 Dollar Tree purchase, check dated April 24, 2024, was recorded under the category "Office Supplies." A handwritten note on the underlying Bank of America statement indicates the purchase was actually for sympathy gift baskets. No receipt was included, so the specific contents

cannot be confirmed. Separately, a $25.00 KFC gift card purchased November 22, 2024, described elsewhere in the same records as a "Get Well Soon" gift given "in lieu of a plant," was recorded under the label "SBO Supplies."

Indicators

- Recording a personal-occasion gift purchase under a generic supply category removes it from view in any review that scans purchase card logs by category, whether that review is internal or a future audit.
- The same generic labeling practice appears at least twice, for two unrelated personal-occasion purchases roughly seven months apart, which is more consistent with a recurring coding habit, deliberate or careless, than with a single clerical error.
- Gift card purchases for staff are separately prohibited by ECPS Policy Manual § DA-R 3(c), addressed at Topic 20. Labeling a gift card purchase as a generic supply category would also, whether intended or not, obscure a purchase that policy does not permit in the first place.

Assessed Characterization

Assessed characterization: Control/performance failure, not shown to be intentional | Confidence: Moderate

The available record does not establish who chose the label or why, and a generic miscoding habit across a purchase card program with weak oversight is a plausible innocent explanation. It is assessed as misfeasance rather than malfeasance on that basis. The characterization would shift toward malfeasance if evidence shows the same individual coded both purchases and did so aware that gift card purchases were specifically policy-prohibited, since that would support an inference that the generic label was chosen to obscure a purchase the purchaser knew was not allowed.

Related findings: Purchase Card Transactions findings, "Supplies for Sympathy Gift Baskets were Labeled as Office Supplies" and the related gift-card findings.

Topic 19. Discussion Of Side Payments Connected To A Vendor Invoice

Facts

The Northern Neck Technical Center (NNTC) quoted ECPS $2,500.00 for a dinner event (100 attendees at $25.00 per person). The ECPS invoice reflects a payment of $3,000.00 to NNTC,

$500.00 more than the quoted amount. An internal email, dated the same day as the invoice, discusses side payments to three ECPS employees in connection with the event. According to Essex County, the payments discussed totaled $500.00: $300.00 to the school board secretary and $100.00 each to two teachers who assisted with the event. This total reconciles exactly against the $500.00 difference between NNTC's quote and the amount actually paid.

Indicators

- A vendor payment $500.00 above the vendor's own written quote, with an internal email discussing side payments to specific employees dated the same day as the invoice, is a fact pattern without an apparent innocent business explanation on its face.
- The discussed $500.00 total matches the overpayment exactly, which supports a direct, one-to-one inference that the $500.00 difference between the quote and the amount paid was the source of the payments discussed in the email, rather than two unrelated events that happen to share a date.
- A cash or off-payroll payment to employees for event assistance, distributed unevenly across three individuals by role, bypasses payroll tax withholding and reporting and raises the concerns the underlying engagement materials themselves identify: tax withholding, potential kickbacks, and the general risk of undocumented off-book payments to public employees.

Assessed Characterization

Assessed characterization: Consistent with a deliberate choice; intent reserved | Confidence: Moderate to High

With the dollar amounts now reconciled, the fact pattern (an invoice paid above quote by the exact amount later discussed as side payments to named categories of employees, on the same day) is a strong, internally consistent indicator that funds were routed around the vendor to specific individuals outside the Division's normal compensation process. This assessment stops short of a high-confidence, unqualified malfeasance characterization only because E.L. Hamm has not confirmed that the discussed payments were actually disbursed, to whom, or through what mechanism. Obtaining the full email and any supporting disbursement or petty-cash record should be a near-term priority.

Related findings: Area 1 (Procurement Practices) and Area 2 (Accounts Payable and Payroll).

Topic 20. Gift Card Purchases Prohibited By School Board Policy

Facts

ECPS Policy Manual § DA-R 3(c) prohibits the purchase of gift cards for ECPS faculty or staff. From the purchase card records reviewed, a total of $640.91 in gift card purchases were identified across FY23 through FY25, including a $500.00 Sheetz gas card purchase for years-of-service recipients, a $25.00 Applebee's gift card for staff recognition, a $20.00 Kroger gift card for school-board-member recognition, and a $35.00 Sheetz gift card. In one instance, a cardholder purchased a $20.00 Applebee's gift card and added a $5.00 gratuity, a 20 percent tip, on a purchase the policy did not permit in the first place.

Indicators

- These are not undocumented purchases; the policy violation is on the face of the transaction; the purchases are recorded, categorized as gifts or recognition, and made with a division purchase card despite a specific, unambiguous policy prohibition.
- The purchases recur across multiple fiscal years and multiple cardholders rather than reflecting a single individual's one-time error, indicating the prohibition was not generally known, not enforced, or both.
- Adding a gratuity to an already-prohibited purchase compounds rather than mitigates the violation, and suggests the purchase was not treated as unusual or sensitive by the person making it.

Assessed Characterization

Assessed characterization: Control/performance failure, not shown to be intentional | Confidence: Moderate

A clear, recurring policy violation across multiple cardholders is more consistent with a control and training failure. No one enforced or perhaps communicated the prohibition, which is more consistent with a scheme to divert funds. Gift cards of this size and description do not suggest personal enrichment beyond the modest face value of the cards themselves. This is assessed as misfeasance. It is nonetheless a real and easily correctable failure, and its recurrence across cardholders and years is evidence relevant to the broader purchase card oversight failure addressed throughout this assessment.

Related findings: Purchase Card Transactions findings, "Gift Cards Purchased Using ECPS Purchase Cards."

Section C. Additional Concerning Transactions and Records

The items below draw on additional purchase card records and paper documents provided to E.L. Hamm. Consistent with the rest of this assessment, each is characterized against the malfeasance, misfeasance, and nonfeasance framework, and no conclusion of intent is drawn. Intent is reserved to the proper authorities.

Topic 21. Wine Purchased On The Superintendent's Purchase Card

Facts

On December 15, 2022, two glasses of Havenscourt Pinot wine, totaling $8.00, were charged to the Superintendent's ECPS purchase card.

The purchase was incurred in connection with a Rotary Club event, a personal or civic function rather than a school activity. E.L. Hamm found no correspondence or documentation indicating that the charge was questioned, reimbursed, or otherwise addressed by the accounting or finance office.

Indicators

The amount is small, and no School Board policy provision expressly addresses alcohol. The concern is that charging alcohol to public education funds is difficult to reconcile with the DA-R public-scrutiny test.

Alcohol charged to public funds at a personal event should not have been permitted, and the absence of any documented finance or accounting response means that even an inadvertent charge was neither caught nor corrected.

Regardless of the amount, the optics of using school funds for alcohol at a personal event, where the Superintendent represents the school division, are poor and fail the public-scrutiny test.

Assessed Characterization

Assessed characterization: Consistent with a personal expense charged to public funds; not shown to be intentional beyond the charge itself; intent reserved. **Confidence: Limited.**

Although the amount is de minimis, this is a personal expense of public funds that the record does not show was ever caught or addressed. That it may have been inadvertent does not excuse it, because the accounting and finance controls that should have caught and corrected it produced no documented response. Intent is reserved, but the charge should not have been allowed to stand.

Related findings: DA-R public-scrutiny standard; Additional Concerning Transactions in the main report.

Topic 22. A $415.95 Lamp From A Collegiate Luxury Retailer

Facts

On September 26, 2023, a lamp costing $415.95 was purchased for the Superintendent's office on his purchase card, with a check-stub date of November 2, 2023. The vendor was M. LaHart & Co., a collegiate luxury retailer.

Indicators

The cost and nature of the vendor raise questions about whether the item was a reasonable and necessary Division expense.

Assessed Characterization

Assessed characterization: Discretionary purchase of questionable necessity. Characterization reserved. **Confidence: Limited.**

Without an explanation of the business need, the purchase is reserved rather than characterized. The record does not show concealment or a false description.

Related findings: Additional Concerning Transactions in the main report.

Topic 23. A $35.00 Charge From "Central Virginia Sleep" Recorded As "Superintendent Supplies"

Facts

On January 24, 2023, a $35.00 charge coded "Superintendent Supplies" appears on the Superintendent's purchase card, while the check stub records the vendor as "Central Virginia Sleep," based in Fredericksburg. The description is consistent with the Central Virginia Sleep Center, a provider of sleep studies, and $35.00 is a common copay amount.

Indicators

The label recorded for the transaction ("Superintendent Supplies") does not match the vendor shown on the check stub ("Central Virginia Sleep").

If the vendor is a medical provider, the charge would be personal, and the recorded description would mislabel it.

Assessed Characterization

Assessed characterization: Indicators consistent with a personal charge recorded under a misleading label; intent reserved; verification needed. **Confidence: Limited to Moderate.**

A mismatch between a recorded description and the actual vendor is an indicator associated with intentional mischaracterization, but the amount is small, the vendor is not confirmed, and the pattern is equally consistent with a clerical coding error. Verification of the vendor is the necessary next step.

Related findings: O-6; Additional Concerning Transactions in the main report.

Topic 24. Fuel Purchases Outside The Division Fuel System

Facts

E.L. Hamm understands the Superintendent was expected to refuel at ECPS fuel pumps to control costs. Fuel purchases attributed to him nonetheless totaled approximately $172.01 in FY 2022 (one invoice), $2,017.32 in FY 2023, $1,580.91 in FY 2024, and $1,279.23 in FY 2025, including six "GAS - SCHOOL CAR" purchases between August 16 and September 11, 2024 totaling $288.08. The FY 2022 and FY 2025 totals are incomplete.

Indicators

Off-system fueling recurs across multiple fiscal years despite a stated expectation to use Division pumps.

Six fuel purchases within a single month are unexplained on the record.

Assessed Characterization

Assessed characterization: Consistent with a deliberate choice to fuel off-system despite a cost-control expectation. Intent reserved. **Confidence: Moderate.**

Recurrence across years, against an expectation to use Division pumps, is more consistent with a deliberate practice than with isolated error, though the purpose of individual purchases is not documented and no concealment is shown.

Related findings: O-1 (uncontrolled fueling of Division vehicles).

Topic 25. Flowers And Plants For Staff Without A Governing Policy

Facts

At least $1,817.27 was spent on flowers and plants for ECPS staff in FY 2023, much of it apparently to express sympathy and support for employees during significant life events.

Indicators

Even well-intentioned expenditures of public funds should rest on a formal policy establishing when such purchases are appropriate. No such policy was identified.

Assessed Characterization

Assessed characterization: Omission of a required control (no governing policy). Not shown to be intentional. **Confidence: Moderate.**

This is a nonfeasance-type gap: the absence of a policy governing sympathy and morale expenditures, rather than any improper act by an individual. The remedy is a written policy.

Related findings: Fiscal policy findings (funds management); Additional Concerning Transactions in the main report.

Topic 26. Potential Vehicle-Related Fees And Violations

Facts

A single check stub linked to the Superintendent's purchase card included a toll charge of $152.29 and a $91.24 parking expense from the Nguyen Law Firm. The $152.29 toll was explained as an "E3 Meeting" expense but carried a transaction date of November 8, 2024, while other E3 Meeting transactions carried a date of November 21, 2024. The $91.24 charge was explained as "City of Richmond Parking," though the vendor is a law firm.

Indicators

The date discrepancy leaves open whether the toll was a personal expense charged to the card.

A law-firm vendor for a charge described as parking may instead relate to a parking ticket or other violation.

Assessed Characterization

Assessed characterization: Characterization reserved; consistent with possible personal charges. **Confidence: Limited.**

The record does not resolve whether these charges were incurred on Division business. Both are reserved for supporting documentation.

Related findings: Additional Concerning Transactions in the main report.

Topic 27. Unexplained $228.37 Macy's Purchase

Facts

A $228.37 purchase at the Macy's Spotsylvania Center location appears on the Superintendent's purchase card (ending 7074) on September 21, 2022. No business purpose was documented.

Indicators

A general-retail purchase on a public card, without a documented business purpose, is consistent with a personal purchase.

Assessed Characterization

Assessed characterization: Characterization reserved; consistent with a personal purchase. **Confidence: Limited.**

Without a documented purpose, the purchase is reserved rather than characterized. No false description is shown on the current record.

Related findings: Additional Concerning Transactions in the main report.

Topic 28. $80.00 E-Z PASS Payment On The Former Director Of Accounting's Card

Facts

An $80.00 E-ZPass payment was charged to the former Director of Finance's purchase card on August 23, 2023.

Indicators

The charge sits on a finance-department card rather than the Superintendent's. The business purpose and the toll account it applied to are not confirmed.

Assessed Characterization

Assessed characterization: Characterization reserved. **Confidence: Limited.**

Reserved for confirmation of the business purpose and the toll account.

Related findings: Additional Concerning Transactions in the main report.

Topic 29. Vehicle-Accident Repair Handled Outside The Insurance Process

Facts

One of the two accidents in O-5 (involving the repaired 2022 Chevrolet Malibu) is supported by a paper estimate from Bill's Body Shop, Inc. with the words "final bill" written across the top and in the amount of $4,214.00. The last page of that document states that the estimate is for an owner paying out of pocket; that if an insurance company is involved, different rates and parts usage may apply; and that if the owner declines the insurance company's estimate, Bill's Body Shop will not accept the insurance company's check and any hidden-damage cost must be paid by the vehicle owner. Neither accident was reported to the School Board; the totaled vehicle went through an insurance claim and was replaced.

Indicators

A paper record now documents a repair that may have been handled outside the insurance process, at a cost above the shop supervisor's rough estimate.

The accidents were unreported to the Board, and the Division maintained no central accident, repair, or claim records.

Whether the repair was paid out of pocket or through insurance, and by whom, is unresolved.

Assessed Characterization

Assessed characterization: Consistent with a deliberate choice to handle a repair outside the insurance process. Intent reserved. **Confidence: Moderate.**

The out-of-pocket language on the paper bill, combined with the failure to report the accidents and the absence of Division claim records, is more consistent with deliberately handling the repair outside normal insurance channels than with routine processing. Who bore the cost and why is reserved to the proper authorities. This item raised O-11 (liability and insurance exposure) from a composite of 16 to 20 in the main report.

Related findings: O-5 (unreported accidents); O-11 (liability and insurance exposure).

Topic 30. Verification Of Essex County Residence

Facts

The Superintendent's contract required an Essex County residence. A fuel purchase was identified at a station approximately ten minutes from the Fredericksburg residence listed on the Superintendent's 2024 W-2 form.

Indicators

The record raises, but does not resolve, whether the contractual residency condition was met.

Assessed Characterization

Assessed characterization: Verification item; characterization reserved. **Confidence: Limited.**

This is a verification item, not a characterized topic. It bears on the residency condition in O-2.

Related findings: O-2 (contractual residency condition).

Topic 31. Unauthorized Provision Of Student Data To An Outside Consultant

Facts

Contemporaneous ECPS emails provided to the audit team document that Dr. Peter Dewitz, an outside consultant engaged without a written contract and paid a daily rate from grant funds, obtained access to Google Drive files containing student personally identifiable information at Tappahannock Elementary School (TES), with access granted through his personal email account. On May 1, 2025, the Director of Technology (Jon Barnes) reported removing Dr. Dewitz's access from approximately 25 files identified in a search, stated that the full extent could not be confirmed because access logs were not available, and restricted access going forward. The Executive Director of Teaching and Learning (Angela Gross) reported, on April 28, 2025, that Dr. Dewitz stated he had been writing a book about his work in the Division for approximately three years and needed student literacy data, that he had been obtaining that data from Dr. Cyndee Blount, that this was not disclosed to her (including when Dr. Blount requested that Dr. Dewitz be paid to work with teachers using Title I funds), and that Dr. Dewitz appeared at TES uninvited after being told he was not needed. A sitting Board member (Scott Croxton) and the Board Vice-Chair (Pamela Floyd) each stated in writing that the Board had not approved the engagement or the use of student data; Board involvement was limited to an awareness presentation estimated to the Summer-Fall 2022 period. The Executive Director of Human Resources (Doranda Scott) raised the matter in writing as a potential FERPA violation.

Governing rule

The Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g and 34 C.F.R. Part 99, prohibits disclosure of personally identifiable information from student education records (34 C.F.R. § 99.3) without prior written consent (34 C.F.R. § 99.30), subject to limited exceptions. The exception most relevant here permits disclosure to a contractor or consultant performing an institutional service for which the agency would otherwise use employees, provided the party is under the agency's direct control as to the use and maintenance of education records and is bound by the redisclosure limits of 34 C.F.R. § 99.33(a) (34 C.F.R. § 99.31(a)(1)(i)(B)).

Indicators

Student PII was made available to an outside individual through a personal email account, outside any documented access-control process, and the technology office could not determine the full scope because no logs existed.

No written contract established Dr. Dewitz as a school official under the Division's direct control or bound him to FERPA's use and redisclosure limits. The missing contract at Topic 5 is directly implicated.

The data was reportedly used for a personal publishing project unrelated to any institutional service, and was reportedly supplied by Dr. Blount without disclosure to human resources or Board approval.

Multiple officials in different roles, in contemporaneous writing, independently identified the concern and the absence of Board approval.

Student education records are a Division information asset. Their release outside any access-control process also implicates the Division's stewardship of its own assets.

Assessed Characterization

This reads as a control failure with malfeasance-consistent elements. Student data was provided to an outside contractor without documented authorization, in tension with FERPA and the Division's data-governance duties. Whether the provision was knowing is reserved to the proper authorities.

Assessed characterization: Control failure with malfeasance-consistent elements as to the provision of student data. Intent reserved. **Confidence: Moderate.**

The record establishes that student PII was provided to an outside individual without the contract, control, or consent FERPA requires, and without Board approval. The provision of the data, reportedly by a named administrator for a personal purpose and without disclosure, carries malfeasance-consistent indicators. Confidence is Moderate rather than High because the specific records accessed, whether the book was published, and who authorized each disclosure have not been confirmed against a system record. Intent, and any determination of a violation of law, are reserved to the proper authorities.

Related findings: IS-12 (unauthorized outside access to student education records); O-16 and Topic 5 (no written contract); Topic 12 (the Blount-Dewitz relationship and grant placement); the grant and Title I findings; and the Board-approval findings (BA series).

Topic 32. Physical Security Of The Finance And Human Resources Offices And Records Areas

Facts

When the audit team asked about the security procedures and other controls governing access to the Human Resources and Finance records, which contain sensitive personnel and financial information, multiple staff stated that the Finance office lacked sufficient physical security. Staff stated that the security cameras did not cover the Human Resources and Finance offices and that camera coverage was limited to hallway intersections and building entrances, and that there was no controlled access, whether by electronic or physical locks, that could restrict and create a record of who entered those areas and when.

Indicators

Cameras trained on hallways and entrances record movement through the building but do not establish who entered the specific rooms where sensitive records are kept, and access that is neither restricted by a lock nor recorded by a log leaves no way to determine, after the fact, who was in a records area at a given time. For offices holding personnel files, payroll data, and financial records, the absence of access control and access logging removes both the deterrent to unauthorized access and the ability to detect or reconstruct it. This is the physical-access counterpart to removing records after administrative leave in Topic 2. The same lack of monitored, access-controlled space allowed those records to be removed unobserved.

Assessed Characterization

Assessed characterization: Nonfeasance, a control that should exist but does not. Intent reserved | Confidence: Moderate

Assessed as nonfeasance: a control that should exist, the physical safeguarding and access-logging of the areas that hold the Division's most sensitive records, was not in place. The condition does not, by itself, establish that any individual accessed or removed records improperly. It establishes that the Division cannot demonstrate that access was controlled or monitored, which is both an asset-protection failure under the Board's duty to manage and control Division property and a fraud-enabling condition. Intent and any determination of improper access are reserved to the appropriate investigative authorities.

Related findings: Topic 2 (removal of digital files after administrative leave). The asset-management and physical-security finding, the offboarding and records-custody findings, and IS-1 and IS-3 in the main report.

Topic 33. Purchase Card Expenditure Pattern: Personal, Prohibited, And Mischaracterized Charges

Facts

The purchase card ledger documents $14,905.10 in charges on the card of Dr. Harry R. Thomas III across eight categories: personal items ($1,886.90), questionable purchases ($1,621.96), food, coffee, tips, and donations ($5,443.64), one mischaracterized item ($17.90), prohibited gift cards ($525.00), fuel ($5,257.41), and tolls ($152.29).

Indicators

The charges span the full characterization ladder. One $17.90 transaction, a personal backyard golf game from Walmart charged and labeled as another item, presents indicators consistent with intentional conduct. $525.00 in gift-card purchases are prohibited under School Board Policy DA-R(3). $7,296.60 in personal items, fuel, and tolls were charged for personal benefit. $5,443.64 in food, coffee, tips, and donations reflect control and performance failures, including tips exceeding 45 percent, absent any business-purpose or approval control.

Assessed Characterization

Assessed characterization: Graduated across the characterization ladder, from intentional conduct through personal charges to control failures. Intent reserved | Confidence: Moderate

The characterizations run from intentional conduct (malfeasance-consistent), through personal charges (misfeasance), to control failures (nonfeasance). Confidence is Moderate. Several transactions lack sufficient supporting documentation (missing receipts, presumed business purposes, and unresolved amounts noted in the ledger), which limits the characterization notwithstanding the well-defined pattern. Whether any charge was knowing is reserved to the proper authorities.

Related findings: ACT-1 through ACT-9, and the Purchase Card and Gifts findings in the main report.

OVERALL ASSESSMENT

Of the topics addressed in this assessment, six are assessed as malfeasance or malfeasance-consistent at high confidence on the current record:

1. The payout authorization (now confirmed as the same payment underlying the pending criminal indictment) routed through a zero-appropriation account that multiple witnesses independently called a slush fund, with no Board vote confirmed against BoardDocs and Board meeting video (Topic 1)

2. The removal of digital files and closure of a colleague's card after learning of termination (Topic 2)

3. The undisclosed personal relationship in the payroll-clerk hire (Topic 11)

4. The Board Chair's implication, corroborated by three independent accounts, supporting board documents, and Ms. Bundy's own admission of the resignation sequence (Topic 13)

5. The documentation falsification indicator in which a claimed book was in fact a golf game (Topic 17), and

6. The side-payment discussion connected to the NNTC invoice, which reconciles exactly against the documented overpayment (Topic 19).

Topic 10, the same zero-appropriation account's use for three additional former employees beyond the Superintendent, is assessed at Moderate to High confidence given multiple independent witnesses describing the account in identical terms

Topics 1 and 10 describe the same underlying transaction as to the Superintendent's payment, viewed from the authorization angle and the accounting-vehicle angle, and should be referred together.

The remainder are assessed as misfeasance or nonfeasance (real control failures, several of them serious and recurring) but, on the current record, distinguishable from unintentional process failure. They are as follows:

- The vehicle use

- The general purchase card documentation gaps
- The contractor payments (generally)
- The grant-appropriation sequencing
- The grant-reporting documentation failures
- The Floyd rehire
- The gift-mislabeling pattern, and
- The gift-card policy violations

The vehicle-recovery element of Topic 3 is likewise resolved as nonfeasance. (However, the fact that there were two vehicles in the Superintendent's driveway (a car and pickup truck) at the time of his separation is concerning because there was no documented authorization of his use of personal vehicles). The Division recovered both vehicles, but no documented procedure governed that recovery. The physical-security and access-logging gap over the areas that hold the Finance and Human Resources records (Topic 32) is likewise assessed as nonfeasance.

The self-approval and duty-concentration condition (Topic 9) is listed separately because it is not an act itself. It is the structural absence of oversight that made several of the above topics possible and harder to detect.

Topics 1 and 10 concern the same underlying transaction as to the Superintendent and should be referred as a single matter with the three additional Code 2800 payees addressed alongside it. Topics 1, 2, 11, 13, 17, and 19 are corroborated at high confidence and warrant the most immediate attention.

The additional items in Section C are, for the most part, control or performance failures or reserved. Two of them, the sleep-center charge recorded as "Superintendent Supplies" (Topic 23) and the vehicle repair that a paper "final bill" indicates may have been handled outside the insurance process (Topic 29), carry malfeasance-leaning indicators at limited-to-moderate confidence and warrant the same verification and, if confirmed, referral.

Limitations and Reservations

- This assessment is a synthesis of the relevant findings and facts provided by Essex County and by ECPS engagement personnel. It does not reflect new fieldwork beyond what the main report describes, except where a topic specifically states that a document, such as the March 26, 2024 letter or the March 14, 2025 statement, was reviewed directly.
- Confidence levels reflect the strength of the evidentiary pattern, not a probability of guilt, and should not be read as a percentage likelihood of any legal outcome.
- Several topics rest on a single source or on an account provided by the County rather than on independently verified documentation. Those topics are marked Limited confidence and are flagged for specific follow-up records above.
- Nothing in this assessment should be read as a conclusion that any named individual committed a crime, breached a civil duty, or is otherwise legally liable. Those determinations belong to the investigating and prosecutorial authorities identified in the main report.

APPENDIX. GLOSSARY OF ACRONYMS AND TERMS

This glossary defines every acronym and specialized term used in this report, in a single alphabetical list, followed by the Essex County Public Schools board policy codes referenced in the report. Definitions are written in plain language. Where a term has a specific legal meaning, the definition states it and the body of the report controls.

Abuse. The improper or excessive use of authority, position, or public resources that falls short of fraud. Under state law, it includes the misuse of a locality's resources.[1] Used here as a risk category, not a legal finding.

Accounting packet. A standardized monthly bundle of financial records assembled for a single account or fund so that a person who did not handle the money can independently verify and reconcile it. It typically includes the bank statement and a bank reconciliation, the cash receipts record with its pre-numbered receipts and deposit slips, the cash disbursements record with the invoice, purchase order, evidence of the procurement method, receiving record, and written approval behind each payment, a statement of activity showing each fund's beginning balance, receipts, disbursements, transfers, and ending balance, and any transfers, adjustments, or voided transactions with explanations. Its purpose is to make an independent reconciliation possible.

Accounts payable (AP). The function that records and pays what the organization owes to vendors and others.

ACH (Automated Clearing House). The electronic network used to move funds between bank accounts, including direct deposit and electronic vendor payments.

ADA (Americans with Disabilities Act). The federal civil-rights law prohibiting discrimination based on disability.

APA (Auditor of Public Accounts). The independent auditor of Virginia state and local government entities.

Appropriation. A formal action by a governing body authorizing money to be spent for a stated purpose. Spending before appropriation means spending before that authorization exists.

ARP (American Rescue Plan). The 2021 federal law that, among other things, funded the ARP ESSER grant program.

ASRFIN (Annual School Report, Financial Section). The annual financial report that Virginia school divisions submit to the Virginia Department of Education.

AUP (Acceptable Use Policy). The policy governing how staff and students may use the Division's computer systems.

Barrier crime. A criminal conviction that, under Virginia law, legally bars a person from certain employment, including positions in a school division.

BOS (Board of Supervisors). The elected governing body of the county, which appropriates funds to the school division.

CAP (Corrective Action Plan). A formal, and often binding, plan to fix identified deficiencies. Here it refers to the plan the Division signed with the state in 2022.

CCRE (Central Criminal Records Exchange). Virginia's central repository for criminal-history records, checked as part of employment screening.

CFE (Certified Fraud Examiner). A professional credential in fraud detection and deterrence.

CFR (Code of Federal Regulations). The published body of federal agency regulations. Federal grant rules appear at 2 CFR Part 200.

[1] Va. Code § 15.2-2511.2.

COI (Conflict of interest). A situation in which a person's private relationships or interests could improperly influence their official duties.

Compensating control. An alternative control used to reduce risk when the preferred control, such as full separation of duties, is not feasible. An example is independent after-the-fact review.

Composite score. The product of the likelihood and impact scores, on a scale of 1 to 25, used to set the risk band.

Connected hands. Financial duties held by people who are personally related or associated rather than independent of one another. When incompatible duties are concentrated in connected hands, the independence that segregation of duties depends on is lost, because a personal relationship can override even an informal review.

COSO (Committee of Sponsoring Organizations of the Treadway Commission). The body whose Internal Control Integrated Framework is a recognized standard for designing and evaluating internal control.

COVID (Coronavirus disease 2019). The pandemic that prompted the federal ESSER relief funding.

Deferred revenue. Money received but not yet earned or eligible to be recognized as revenue. Recording it incorrectly was the basis of an audit material weakness.

Deprovisioning. Removing a person's access to buildings, systems, and accounts, normally at separation from employment.

Director of Finance. The division officer responsible for the Division's financial operations, including accounting, disbursements, payroll, and financial reporting. The title of this position was changed in 2025 to Director of Accounting; for consistency, this report refers to the position as Director of Finance throughout.

DOE (U.S. Department of Education). The federal agency that administers programs such as IDEA and ESSER. Its Office of Inspector General investigates fraud and misuse.

ECPS (Essex County Public Schools). The school division that is the subject of this report. Also called the Division.

EEO (Equal Employment Opportunity). The body of law and policy prohibiting employment discrimination.

ESSER (Elementary and Secondary School Emergency Relief). The federal pandemic-relief grant program for schools. The American Rescue Plan funded the ARP ESSER round.

FBI (Federal Bureau of Investigation). The federal agency whose fingerprint-based background check is part of employment screening.

Fidelity bond. Insurance that reimburses an organization for losses caused by employee dishonesty, such as theft or embezzlement.

FLSA (Fair Labor Standards Act). The federal law governing minimum wage, overtime, and related pay rules.

FOIA (Freedom of Information Act). Virginia's open-records law. A pending FOIA request suspends any destruction of the records it covers.

Flow-down language. Contract provisions that a prime contractor is required to include, or pass down, in its subcontracts and purchase orders, so that obligations imposed on the prime contractor (such as prevailing-wage, nondiscrimination, or federal-award terms) also bind lower-tier subcontractors and vendors.

Fraud. Under Virginia Code Section 15.2-2511.2(A), intentional deception, including a false representation of a material fact or the concealment of what should have been disclosed, that could result in a benefit to the actor or a detriment to the locality. It is not limited to the actor's gain: an omission of a fact that should have been disclosed, and the detriment to those entitled to rely on accurate information, are each within it. Used here as a risk category; intent is reserved to the proper authorities.

Fringe benefit. A form of non-cash compensation, such as personal use of an employer vehicle, that may be taxable and reportable as wages.

FWA (Fraud, waste, and abuse). The three risk categories used throughout this report to classify the type of exposure a condition creates.

FY (Fiscal year). The 12-month budget year. The Division's fiscal year runs July 1 through June 30.

GAAP (Generally Accepted Accounting Principles). The standard framework of accounting rules. For governments these are set with the Governmental Accounting Standards Board.

GAO (U.S. Government Accountability Office). The federal agency whose Standards for Internal Control in the Federal Government, known as the Green Book, are a recognized internal control standard.

GASB (Governmental Accounting Standards Board). The body that sets accounting standards for United States state and local governments.

General ledger (GL). The central accounting record in which all financial transactions are posted.

GFOA (Government Finance Officers Association). A professional association whose best practices are widely used in government finance.

Ghost employee. A person on the payroll who does not actually work for the organization, used as a means of diverting funds.

Green Book. The common name for the GAO Standards for Internal Control in the Federal Government.

GSA (U.S. General Services Administration). The federal agency that publishes the Federal Travel Regulation and the per diem rates often used as a travel-reimbursement benchmark.

Human Resources (Human Resources). The function responsible for recruitment, hiring, records, evaluation, discipline, and separation of employees.

IDEA (Individuals with Disabilities Education Act). The federal law funding and governing special education. It requires maintenance of effort.

Immediate family. Under the State and Local Government Conflict of Interests Act, a spouse or a person who lives in the same household and is a dependent of the employee. This is a narrower meaning than ordinary usage.

Impact. On the 1 to 5 scale, the severity of the consequence if a condition occurs.

Imputed income. The taxable value of a non-cash benefit, such as personal vehicle use, that must be added to reported wages.

Finding structure. The four-part method (Issue, Requirements, Observations, and Conclusion) used to develop each finding in this report.

IRC (Internal Revenue Code). The body of federal tax law.

IRS (Internal Revenue Service). The federal tax agency.

IT (Information technology). The function responsible for computer systems and access.

Instance inventory. The compiled, itemized list of the specific documented occurrences of a condition identified during the review. The dollar calculations and the instance inventory reflect the records provided, and the cited instances are illustrative rather than necessarily exhaustive.

Journal entry. A manual or system accounting entry that records or adjusts a transaction. Entries made without independent review are a control risk.

Likelihood. On the 1 to 5 scale, the probability that a condition will recur if it is not fixed. For a condition that has already happened, it is anchored to that history.

Maintenance of effort (MOE). A federal grant requirement that a recipient maintain at least a set level of its own spending. Falling short can trigger a repayment demand.

Material weakness. An internal control deficiency serious enough that a material misstatement of the financial statements could occur and not be caught.

Nepotism. Under Virginia Code § 2.2-3119, the hiring of certain close relatives of a superintendent or board member. It applies only to a defined, closed list of relationships.

OMEGA. The Virginia Department of Education's online grants management system, used to apply for, amend, and request reimbursement on state and federal grant awards. It is commonly expanded as Online Management of Education Grant Awards; the exact expansion should be confirmed.

Per diem. A fixed daily allowance for travel meals and expenses, used instead of itemized receipts.

Positive pay. A bank fraud-control service that matches checks presented for payment against a list the organization issued, identifying any that do not match.

Public record. Under the Virginia Public Records Act, recorded information made or received in the transaction of public business, regardless of format.

RAG (Red, Yellow, Green). The traffic-light rating scheme used in the risk register. It is shown by both color and the words RED, YELLOW, and GREEN so the rating never depends on color alone.

Realized instance. A condition that has already occurred, as opposed to a hypothetical risk. Realized instances anchor the likelihood score.

Reclassification. Moving a recorded amount from one account or category to another. Year-end salary reclassifications without support were a grant finding.

Reconciliation. Comparing two independent records, such as the bank statement and the general ledger, to confirm they agree and to surface differences.

Records officer. The person an agency must designate under the Virginia Public Records Act to manage records retention and authorize any lawful destruction.

Respondeat superior. A legal doctrine (Latin for "let the superior answer") under which an employer or principal may be held liable for the wrongful acts an employee or agent commits within the scope of their employment or authority.

Retention schedule. The approved timetable that sets how long each type of record must be kept before it may be destroyed. The Library of Virginia General Schedule GS-21 covers school records.

Segregation of duties (SOD). The control principle that no single person should control all parts of a transaction, such as authorizing it, recording it, and holding custody of the related assets.

Single sign-on (SSO). An authentication method that lets a user reach multiple systems with one set of login credentials, so access is centralized and can be granted or revoked in one place rather than system by system.

SLA (Service Level Agreement). A defined standard for how quickly a request or complaint must be handled. It is recommended here for the complaint and access-removal processes.

SOP (Standard Operating Procedure). A written, step-by-step procedure stating who does each task, who reviews it, and what records are required.

SPED (Special education). Instruction and services for students with disabilities, funded in part by IDEA.

Site. An individual school within the Division (Tappahannock Elementary, Tappahannock Intermediate, or Essex High School), as distinct from the central office. Site funds and site-level purchases are those collected, held, or made at a school (such as activity funds) rather than through the central office or the county treasurer.

Substantiation. The documentation, such as itemized receipts and mileage logs, required to support that an expense was legitimate and business-related.

Three-way match. An accounts-payable control that confirms the purchase order, the receiving record, and the vendor invoice all agree before a payment is released.

Tie-out. Reconciling one report or schedule to another so the totals agree, for example tying the annual financial report to the general ledger.

Uniform Chart of Accounts (UCOA). A standardized account structure prescribed by the Virginia Department of Education for classifying and reporting school division financial transactions.

Uniform Guidance. The federal rules for managing federal grants, found at 2 CFR Part 200, covering financial management, internal control, allowable costs, and records.

VDOE (Virginia Department of Education). The state agency overseeing public education and administering state and federal education grants.

VPPA (Virginia Public Procurement Act). The state law governing how public bodies buy goods and services.

VPRA (Virginia Public Records Act). The state law governing the creation, retention, and lawful destruction of public records.

VSBA (Virginia School Boards Association). The statewide association whose model policy and coding system the Division uses to classify and adopt its policies. The letter codes referenced throughout this report are VSBA classifications.

VSP (Virginia State Police). The state law-enforcement agency. Its Economic Crimes Division investigates financial crimes.

Waste. The careless or inefficient expenditure or use of public resources. Used here as a risk category, not a legal finding.

WCAG (Web Content Accessibility Guidelines). The standard for making digital content accessible, referenced for accessible document design.

W-2 (Internal Revenue Service Form W-2, Wage and Tax Statement). The annual form reporting an employee's wages and tax withholding. Taxable benefits must be included on it.

Zero-appropriation account. A budget line with no money formally authorized in it. Using such a line, here Code 2800, as a payment vehicle bypasses budget controls.

Board policy codes. Essex County Public Schools identifies its adopted policies by letter codes assigned through the Virginia School Boards Association coding system. The codes referenced in this report are listed below with their titles.

Code	Policy Title
BBBFA	Board Member Conflict of Interest
CBG	Evaluation of the Superintendent
CLA	Reporting of Violence and Substance Abuse
CM, CMA	School Division Annual Report, and Annual Report Card
DA, DA-R	Management of Funds, and its Regulation
DB	Annual Budget

Code	Policy Title
DG	Custody and Disbursement of Funds
DGC	School Activity Funds
DGD	Funds for Instructional Materials and Office Supplies
DI	Financial Accounting and Reporting
DIA	Report of Per-Pupil Costs
DJ	Small Purchasing
DJA	Purchasing Authority
DJB	Petty Cash Funds
DJF	Purchasing Procedures
DJG	Vendor Relations
DK	Payment Procedures
DL	Payroll Procedures
DLB	Salary Deductions
DLC	Expense Reimbursement
DM	Cash in School Buildings
DN	Disposal of Surplus Items
DO	Non-Local Fund Programs
ECA	Inventory and Reporting of Loss or Damage
ECAB	Vandalism
GAB, IIBEA	Acceptable Computer System Use (IIBEA-R is its regulation)
GAH	Employee Conflict of Interest
GBI	Staff Gifts and Solicitation
GBL	Personnel Records
GBN	Staff Hiring
GCCB	Employment of Family Members
GCDA	Effect of Criminal Conviction or Founded Complaint of Child Abuse
GCN	Evaluation of Professional Staff
GCPA	Reduction of Professional Staff Workforce
GCPB	Resignation of Staff Members
GDN	Evaluation of Support Staff