

Statement of the HCCSC Board of School Trustees

Re: Scott Bumgardner (former employee)

April 8, 2024

On March 19, 2024, criminal charges were filed against former HCCSC Business Manager Scott Bumgardner regarding his theft of approximately \$462,000. The filing of these charges came after a 6 month long investigation by the Indiana State Police and the Indiana State Board of Accounts.

Members of the Board of School Trustees first became aware of the possibility of financial wrongdoing by Mr. Bumgardner when the Indiana State Board of Accounts contacted Superintendent John Trout in October 2023. We were presented with the Audit Report from the State Board of Accounts on February 27, 2024, but signed Confidentiality Agreements as requested by ISBOA which meant we were not able to discuss their Audit Report until after it had been finalized and posted to their website.

When first presented with the Audit Report, all Board Members were shocked that someone in Mr. Bumgardner's position would commit such heinous acts and deprive the students at HCCSC of the use of these funds. To think that someone supposedly dedicated to the students of Huntington County would do something like this is truly disheartening.

Some might question how this could happen, and we sympathize with that sentiment. Mr. Bumgardner was our Business Manager, a bonded employee, who was hired in August 2018 when Mr. Randy Harris was Superintendent. The system of checks and balances we had in place at that time included the appointment of a Treasurer who was to review, approve, and record all financial transactions, with additional oversight by the HCCSC Superintendent. During Mr. Bumgardner's acts of theft, the Treasurer was Edette Eckert, and the Superintendent was Mr. Chad Daugherty, both of whom have left their employment with HCCSC, with Mr. Daugherty resigning in June 2022 and moving to South Carolina. Additional safeguards included the requirement that a gift card recipient sign a form of acknowledgement. Unfortunately, Mr. Bumgardner did not follow this policy and disregarded HCCSC's internal financial control policies, bypassing other members of the business office staff, and overriding financial account systems processes. Neither the Treasurer or Superintendent reported Mr. Bumgardner's failure to follow the policy to the School Board or to the ISBOA.

A similar system of checks and balances was in place in the Marion School Corporation, and their Treasurer immediately reported Mr. Bumgardner's suspicious activity, which allowed them to stop his acts of theft almost immediately. Unfortunately, that system failed at HCCSC due to a lack of following proper procedures by key employees, all of whom are no longer employed at HCCSC. We regret that this happened, but will continue to do everything we can to provide the best experience for our students, our teachers, and the staff of HCCSC.

In response to these unfortunate events, the Board has approved the complete overhaul of the Business Office by Superintendent Trout and the creation of the position of Chief Financial Officer and the hiring of Valerie Moore to fill that role. We have also instituted a “no gift card” policy at HCCSC. None of the ISBOA audits revealed any significant problems after Mr. Bumgardner’s departure.

In terms of recovering the misappropriated funds, we are working with our insurance carrier to recover the maximum amount possible from coverage that was in place at that time. We will also vigorously pursue recovery through the criminal and civil court system with the goal of having HCCSC made whole, and the maximum amount of misappropriated funds recovered.

Your HCCSC Board of Trustees remains committed to providing a high quality of education to the students of Huntington County and will continue to meet all challenges with integrity and transparency. Many current Board Members have served multiple terms and have had the opportunity to be a part of exciting changes and improvements such as the construction of the new Roanoke Elementary School, the addition to the Learning Center, and the stadium adjacent to Huntington North High School. We have also faced challenges such as redistricting, the closure of Northwest and Lancaster Elementary Schools, and other difficult decisions. We firmly believe that we can meet this latest challenge as part of our duties and responsibilities as your elected Board of School Trustees.