



John Keel, CPA
State Auditor

A Special Investigations Unit Report on
**The San Felipe-Del Rio
Consolidated Independent School District**

April 2, 2008

Members of the Legislative Audit Committee:

An investigation by the State Auditor's Office's Special Investigations Unit led to criminal charges being filed against a former agent-dealer of a copier equipment manufacturer and distributing company who sold copier and printer equipment to the San Felipe-Del Rio Consolidated Independent School District (SFDRICISD) in Del Rio, Texas.

On March 4, 2008, the District Attorney of the 63rd Judicial District obtained indictments for Mathew J. Stavley of Del Rio, Texas, for two counts of theft in the amount of \$20,000 or more but less than \$100,000, which are third degree felonies. Each offense carries a penalty of imprisonment for 2 to 10 years and fines not to exceed \$10,000. The 63rd Judicial District includes Edwards, Kinney, Terrell, and Val Verde counties.

District Attorney Fred Hernandez contacted the Special Investigations Unit and requested an investigation into these alleged offenses. The investigation revealed that, between December 2002 and August 2003, Mr. Stavley allegedly took copier and printer equipment belonging to SFDRICISD without the SFDRICISD Board of Trustee's consent. Mr. Stavley allegedly took possession of the copiers and printers when SFDRICISD upgraded to newer, larger copiers in December 2002. The printers were included with the new upgrade.

Between March 2003 and August 2003, Mr. Stavley allegedly sold 16 SFDRICISD copiers to wholesalers in Tennessee and Missouri without the consent of the SFDRICISD Board of Trustees. Mr. Stavley personally benefited by allegedly receiving more than \$40,000 from the sale of the copiers. The copier equipment consisted mostly of new models financed by SFDRICISD in 2000. Authority to remove school district property must be obtained from the SFDRICISD Board of Trustees.

In April 2007, Marjorie P. Thetford, while in her capacity as risk manager for SFDRICISD, was indicted on one count of securing execution of a document by deception in an amount of more than \$200,000, which is a first degree felony. The offense carries a penalty of imprisonment of 5 to 99 years and a fine not to exceed \$10,000. The indictment was related to alleged misrepresentations Ms. Thetford made to school officials regarding a copier and printer contract between SFDRICISD and the copier company.

The Special Investigations Unit investigates reports of illegal activity involving state agencies and universities. It refers the results to prosecuting authorities.

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The funds SFDRICISD used to purchase the copier and printer equipment included state funds.

If you have any questions, please contact Pamela Munn, Special Investigations Unit Manager, or me at (512) 936-9500.

Sincerely,

John Keel, CPA
State Auditor

cc: The Honorable Rick Perry, Governor
The Honorable Fred Hernandez, District Attorney, 63rd Judicial District



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