July 13, 2011

Members of the Legislative Audit Committee:

An investigation by the State Auditor’s Office’s Special Investigations Unit led to the Travis County Attorney’s Office filing criminal charges on June 3, 2011, against Sharon Davis. Ms. Davis was a former employee of the Mansfield Independent School District (MISD) in Mansfield, Texas.

In February 2010, the Special Investigations Unit received an allegation of fraud involving a state warrant issued by the Office of the Comptroller of Public Accounts. Ms. Davis reported not receiving a warrant from the Teacher Retirement System for her retirement pension. After a second warrant was issued, Ms. Davis cashed both the original warrant and the second warrant. Ms. Davis had requested the original warrant after ending her employment with MISD.

If you have any questions, please contact Ralph Disher, Senior Investigator, Special Investigations Unit, at (512) 936-9794 or me at (512) 936-9500.

Sincerely,

John Keel, CPA
State Auditor

cc: The Honorable Rick Perry, Governor of Texas
    The Honorable David Escamilla,
    Travis County Attorney
    Mr. Ronnie Jung, Executive Director,
    Teacher Retirement System

The Teacher Retirement System

The Teacher Retirement System (System) was created in November 1936, with the approval of voters to amend the Texas Constitution to establish a statewide teacher retirement system.

The System was officially formed with the passage of enabling legislation in 1937. The System has a pension trust fund and retirement plan that provide service and disability retirement benefits and death benefits.

As a System member, if an individual permanently terminates employment in a System-covered position and has neither applied for nor received a promise of employment in another System-covered position, the individual may terminate membership in the System and withdraw the accumulated contributions in the individual’s account.

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

Texas Government Code, Section 321.022, requires state agencies and universities to report suspected fraud or unlawful conduct to the State Auditor’s Office if there are facts that point to fraud or unlawful conduct.

To report suspected illegal activity, call 1-800-TX-AUDIT (1-800-892-8348), send a fax to (512) 936-9400, visit http://sao.fraud.state.tx.us, or mail information to the State Auditor’s Office, Attn: SIU, P.O. Box 12067, Austin, Texas 78711.
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