



North East I. S. D.
Police Department
Follow Up Case Report
10333 Broadway, San Antonio, TEXAS, 78217
PHONE: 210-407-0911 FAX: 210-657-8787 neisd-pd@neisd.net

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| | | | Case No. 18-01155 | |
| Location of Occurrence / Address NEEC Building, NEEC 6th Floor, 8961 TESORO DR., SAN ANTONIO, TX 78217 | | | Cad No. 18-03-22-009987 | Date and Time Reported 03/22/2018 11:51 |
| CODE SECTION 32.21 PC 31.03 (F)(1) | CRIME DESCRIPTION Forgery Theft \$1500-\$20K Public Servant | CLASSIFICATION FRAUD THEFT | | |
| Status: CLEARED | Follow up Date: 10/03/2018 | Time From: 00:00 | Time To: 00:00 | |
| NARRATIVE: <p>I am a Texas Peace Officer employed with the North East ISD Police Department, currently assigned to investigate various crimes committed within the district. On 03/22/2018 this case was assigned to me for follow-up investigation.</p> <p>Initial Police Report</p> <p>I reviewed the initial report authored by NEISD Police Officer Travis Echols #5141. Officer Echols reported that he took the following information from (Complainant) Anthony Mitchell (NEISD Director of Internal Audit). Mitchell revealed that he was notified by a concerned Roosevelt High School parent (Reporting Person) James Hart, that Roosevelt High School Teacher, and Rocket Club Sponsors, (Suspect 1) Christina Moreno was making purchases of rocket parts at whole sale costs, inflating the price to the district, and submitting personal reimbursement, with the inflated costs, to the district. Mitchell advised he conducted an investigation of those claims and discovered the following discrepancies in Moreno's procedures.</p> <p>1. Moreno was making purchases from an online vendor known as Un Manned Propulsion. Mitchell's investigation revealed that Un Manned Propulsion was owned by Moreno's son, (O2) Joshua Moreno (Former Roosevelt High School Student). This proved to be a conflict of interest, due to the fact that C. Moreno was in a position to exercise discretion in the planning, recommending, selecting, or contracting of a vendor on behalf of NEISD and the Roosevelt Rocket Club. Total amount of markups is \$6,145.23.</p> <p>2. Between November 2016 and April 2017, Moreno submitted 15 invoices for reimbursement from a secondary vendor named Unmanned System Sources. The supplies ordered on these invoices were documented as being purchased with Moreno's personal credit cards. Mitchell discovered that the invoices were fictitious and there was no inventory at the school which showed that those supplies were ever received. The total amount of reimbursement to Moreno under these fictitious invoices was \$5,504.04.</p> <p>3. In February of 2016, the Roosevelt High School Rocket Club, through Moreno, ordered \$3,386.00 worth of popsicles for a fund raiser. The total amount of popsicles was documented at 7,695 for a potential earning of \$ 7,695.00. Upon conclusion of the sales, Moreno deposited \$2,267.36, a difference of \$5,428.09. Mitchell interviewed Moreno who told him that she did not know where the money for those sales was at.</p> <p>4. In September of 2016, the Roosevelt High School Rocket Club, through Moreno, ordered 300 pairs of sunglasses at a cost of \$550.00. The club members were to sell these sunglasses for \$5.00 each, for a potential earning of \$1,500.00. Mitchell discovered only \$69.28 was deposited leaving a difference of \$1430.72.</p> | | | | |
| Reporting Officer DOMINGUEZ, GABRIEL | | Approved By: MCCAMPBELL, WALLACE | | Approval Date and Time 01/14/2019 14:21 |
| Signatures | | Print Date and Time 01/16/2019 10:55 | Printed By JENNINGS, STEPHEN | |
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5. In July of 2017 Moreno claimed to have attended an "Auto Desk Inventor" training seminar. Moreno paid for the training with her personal credit card and submitted reimbursement to NEISD in the amount of \$1,603.50. Mitchell discovered that the Hotel in which Moreno stated the training was held, had no record of that training being held at their facility. Mitchell reported that the invoice for reimbursement was prepared by Un Manned Propulsion, the same company found to be owned by her son, Joshua Moreno.

The North East ISD Internal Audit Director, Anthony Mitchell estimated the total loss to NEISD at \$18,907.00.

North East ISD Human Resources

On 03/27/2018 I met with HR (O3) Employee Relations Officer Michael Wiley who verified that Moreno was employed with the district and assigned to Roosevelt High School in the Engineering, and Technologies Academy, and was on administrative leave for the duration of this administrative and criminal investigation.

Interview with Mitchell

I met with Anthony Mitchell and was provided with a copy of his findings. Mitchell said the initial complaint was made on 01/26/2018 by one of the Roosevelt High School students who reported that Moreno was engaging in a conflict of interest, and that Moreno may be involved in marking up the prices of the products she was purchasing with school money. Mitchell said he opened an investigation into the allegations and found the following violations.

1 Confirmation was made that Moreno was purchasing products for the students from a company that was reported to have been owned and operated by her son. Mitchell's investigation concluded that neither Moreno, nor her son, disclosed to the district this conflict of interest; a clear violation of district policy. The result of this violation was that Moreno paid in excess of \$6,145 worth of inflated prices over a one year period.

2. Confirmation was made that Moreno created and submitted several fictitious invoices for reimbursement; a clear violation of district policy, and violation of the law. Moreno received in excess of \$5,500.04 in invalid reimbursements from the ETA program.

3. The investigation revealed that there were unaccounted for and missing fundraising proceeds. Moreno failed to maintain an accurate fundraising record, and was unable to account for the missing pallet's (Popsicles), and sunglass fundraising sales. The total missing fundraising amount was found to be \$5,659.81.

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4. The investigation further revealed that Moreno submitted a fictitious training expense reimbursement form for training she did not actually purchase or attend. The amount of the reimbursement is \$1,603.50

Note:

Please see the attached Summary of the Internal Audit Investigation authored by Mitchell.

Note:

Mitchell also provided me with Moreno's Bankruptcy paperwork, indicating a possible motive.

Interview of James Hart

On 03/28/2018 I met with Reporting Person James Hart. Hart stated he is a parent and that his daughter is currently the Treasurer for the Rocket Club at Roosevelt High School. Hart stated his daughters primary responsibility was the budget, funding, and procurement within the club. Hart stated he has volunteered time to help the club this school year 2017-2018. Hart stated his daughter made him aware of some purchases that she found to be peculiar. Hart stated several purchases were being made for rocket parts and the cost of the parts was higher than usual and the orders were being made to a vendor they had previously not used. Other purchases were being made to a known vendor but the prices seemed to be higher than normal. Hart stated he made personal purchases of the exact rocket parts ordered, from Unmanned System Sources. Once he received the parts he noticed that the prices were lower when he ordered from the vendor than when Moreno ordered from the same vendor. Hart also noted that his invoice and the invoice used by Moreno from Unmanned Systems Sources were not the same. Hart stated he contacted a representative from Unmanned System Sources and shared the two invoices. Hart stated he received an email from Unmanned Systems Sources which indicated that the invoice used by the school/Moreno was not one generated by their company and there were multiple indicators that the invoice was in fact fictitious.

Note:

Please see attached email from Unmanned Systems Sources employee Jennifer Jerrick, who responded both to Hart and to this investigator on two different requests. In this email Jerrick identifies six issues with the invoice submitted to NEISD ETA Administrative Assistant Andrea Smith, by Moreno, bearing Unmanned Systems Sources (USS) logo.

1. General Appearance and Format different than what USS uses.
2. Incorrect address listed for USS.
3. Incorrect company email listed.

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4. The invoice number format differs than that used by USS.
5. The seal/stamp on the forged invoice. USS does not use a seal or a stamp on any of their invoices.
6. USS does not actually sell the items listed in the forged invoice. Those items they do not carry nor did they carry at the time and date listed on the forged invoice.

In addition to the above discrepancies, Jerrick also noted the following issues of concern.

1. USS also does not have a record of sale to anyone named Christina, , or Joshua Moreno in their files/records.
2. USS does not have a record of sale to Roosevelt High School NEISD.
3. USS has no record of shipment to the address listed on the forged invoices.
4. USS has no record of credit card transactions made with cards ending in either or as listed on the forged invoices.
5. USS also has no record of the credit card billing address on file either.

Mr. Hart's Email - Statement

In this email Hart indicates he is the father of an ETA student who is the treasure of the Rocket Club. Hart indicated he volunteered to help be the project manager for the team and was allowed by Moreno and the ETA Director Mr. Lozano. It was during this time as a volunteer he began noticing discrepancies in the orders received, the packing slips, and the order requisitions. After further investigation Hart discovered that one possible reason for the ongoing problem was due to the fact that the orders were not being placed with any of the approved and authorized vendors. The invoice requisitions they were filling out contained the item numbers from the approved vendor's sites/catalogs. The orders were instead coming from an unauthorized vendor, Unmanned Propulsion Corp. After further investigation Hart discovered that not only were the orders placed with this unknown, unauthorized vendor, but the prices for the items were marked up, sometimes twice as high as the cost of the authorized vendors. Hart also discovered that Moreno's son, Joshua Moreno was listed as the President of UnManned Propulsion Corp., a Florida based company.

Interview with Andrea Smith

On 04/04/2018 I interviewed Smith and was provided with the following information.

Smith stated she has been employed with the district for almost three years as an Administrative assistant to ETA Director Robert Lozano. Smith stated when she was first employed she received some on the job training in working with the Student Activity Funds and Campus Activity Funds accounts. Smith said that she utilizes her training to place orders for various different instructors and or the director for the ETA program.

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When working an order, Smith said she obtains a requisition form the instructor for whatever material/equipment they need. Smith said there are times when she may receive a requisition from a student. Once received, Lozano will sign off on it and Smith will then make a check out to the instructor. Smith indicated that there were times when the instructor would just make a purchase from a vendor, pay with their personal funds, and submit a receipt or invoice for reimbursement. If this happens, Lozano reviews the paperwork and will authorize a reimbursement.

Smith said she was familiar with Moreno because she had a very active club that required her to make multiple purchases a year. Smith said she is confident that she has reimbursed Moreno on multiple occasions throughout the year for making purchases for rocket parts with her own monies. Smith said she was aware that some of the orders were shipped directly to Moreno's residence instead of the standard, being shipped to the school address. Please see the attached statement provided by Smith for other details.

Interview of Christina Moreno

On 03/29/2018 I conducted a non-custodial interview of Moreno at the NEISD Police Office. Moreno was informed that she was not under arrest, and that she was free to terminate the conversation at any time and leave. Moreno arrived to the facility in her personal vehicle and opted to remain and speak with this investigator.

Moreno identified herself as being a Teacher with NEISD, and assigned to Roosevelt High School's Engineering and Technologies Academy (ETA). Moreno said she was also the Rocket Club Sponsor this school year.

Moreno stated she understood that the reason she was being investigated was because she was informed that she had misused district funds.

Moreno understood the allegations against her and stated that she did not misuse any district funds at any time during her employment with the district.

Moreno stated that Mrs. Smith was very unorganized and didn't check any of the clubs monies.

Regarding the fictitious invoices from Unmanned System Source, Moreno stated she had no direct dealings with that company but that several students were responsible for placing those orders. Moreno stated she had a concern with one of her female students who she described as being distant from Moreno and was difficult to work with. This female student placed orders during the previous school year.

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Moreno then categorically denied each of the other allegations made against her, to include not being in possession of her district issued HP brand laptop because she turned it in to the IT Technician at the school.

Note:

Retrieval of District Laptop from Moreno at her residence.

On 04/16/2018, I was instructed to retrieve the school district laptop which was assigned to Moreno for work and educational purposes. At 1300 hours, I arrived to Moreno's address at _____ in _____. Moreno answered the door and I advised I was there to pick up the district laptop. Moreno handed me one HP brand Laptop bearing Serial Number: CNV320B405. I had Moreno sign a property receipt form indicating she was releasing this property to me. Moreno signed the receipt and I departed the location without incident. I then transported the laptop to Rick Lopez's office as instructed.

Unmanned Systems Sources

On 03/09/2018 I contacted Unmanned System Source and spoke with President Jennifer Jerrick who confirmed that she did speak with Hart about the concern and provided him with a confirmation email documenting the reasons the invoices Moreno submitted were fraudulent. Jerreck then stated she would provide that documentation to me as well.

Note:

Email confirmation of fraudulently manufactured invoices from Jerrick is attached to this report.

North East ISD Declines Charges

On 07/16/2018 at approximately 1050 hours I spoke with the school district's attorney Rick Lopez and was advised that an agreement was made with Moreno regarding paying back the amount lost. Lopez stated that the agreement included that Moreno would pay the amount lost with what the school district was slated to pay her for the remainder of her contract. Once the district received that payment they would not file any criminal charges against Moreno for any of the above described criminal acts discovered in this case.

NEISD Human Resources

NEISD Human Resources Employee Relations Officer Michael Wiley provided me a copy of an email he submitted to the Texas Education Agency's Investigator Mario Ramirez. The email states that Moreno made the district whole by accepting the terms of her resignation which was effective 04/17/2018. The terms included that Moreno would not be paid out the remainder of her contract for this school year which was 43 days. The remainder of her salary, and what the district would

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have had to pay out for her medical insurance equalled \$16,054.07. Please see the attached copy of Wiley's email for the itemized breakdown and additional information.

Conclusion

Based on the information obtained during this investigation Moreno would have been charges with P.C. 32.46 Securing Execution of Document By Deception with the pecuniary interest being between \$2,500 and \$30,000; a State Jail Felony. Due to the district making a payment arrangement with the Moreno, this case is now a civil matter and no charges can be filed. In regards to Moreno purchasing items from her son's company at an inflated price, the Bexar County Public Integrity Unit indicated they would not take a case with that information alone. This case is closed and no further action will be taken.

-End of Report-

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