

TEXAS TWIST OF FATE – THE SAD STORY OF COPPELL’S MAYOR

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ABSTRACT

The purpose of this research is to share a case study that involved both financial impropriety and a murder-suicide tragedy. Our hope that that people will learn from this case and use preventative measures in terms of internal control as well as be vigilant of the violence that can erupt as a result of financial fraud.

INTRODUCTION

The purpose of this case is to teach the students how a financial crime can lead to a much more serious crime and tragedy – homicide and suicide. While the authors are familiar with the case because it happened in the Dallas Fort Worth metroplex, most of the data came from secondary reporting sources. The theme of this case involves procurement card abuse by a city official. The more unique aspect of the theme is how a homicide of the mayor’s daughter and suicide of the mayor occurred when the financial crimes were being investigated and the mayor was being confronted with the situation. Also, contrary to the information that most fraudsters are menⁱ, the primary perpetrator in this case was a woman. Our hope is that educators will be interested in the case and share it with their students so that they can learn from the mistakes of others and perhaps prevent this type of fraud from occurring again.

BASIC FACTS OF THE CASE

Ms. Jayne Peters’ husband died of cancer in 2008 and left no money for his wife and daughter to continue their lives. Ms. Peters was a contract software developer and had served with the Coppellⁱⁱ City Council for about 10 years before being elected mayor in 2009. While she seemed to be a prominent community leader, she had serious financial problems and was constantly asking people for money. While Ms. Peters and her daughter, Corinne, lived in a home valued at \$423,000, it was in foreclosure – perhaps out of respect for the mayor, the house never made it to auction. Their lives seemed “normal” to the outside world and her daughter often talked about going the University of Texas for higher education.

The financial pressures began to emerge when the Coppell's City Manager, Clay Phillips, began to investigate unusual charges on the Jayne Peters' city-issued procurement card. Charges for clothing, pet supplies, rental car, and grocery store expenses were found in the procurement card billings. He confronted Ms. Peters about the expenses and asked the City Attorney to look into the matter as well. The charges were relatively small in nature and totaled a \$6,353.39 loss to the city.

When Ms. Jayne Peters' failed to appear at a City Council meeting, police arrived at her home. They found a key to the home with a typed note that said, "To our first responders, here is the key for the front door. I am so sorry for what you are about to discover. Please forgive me. Jayne." There were several other notes left in the home and police found the bodies of both Jayne Peters and her daughter, Corinne.

City employees reflected on the situation and asked themselves whether she had shown any signs of trouble and concluded that she seemed to be the same "happy-go-lucky" person that they knew. Officials at the University of Texas said that Corinne had never applied to the school. Only a neighbor noticed Corinne packing some personal things in her car on the day of the murder-suicide and was concerned when Ms. Peters came outside and brought the items back into the home. The weapon used was actually borrowed from Cedar Hillⁱⁱⁱ Mayor Rob Franke. He explained that they had gone to a shooting range for target practice and she asked to borrow it for a class. Seemingly innocent situations resulted in a tragic loss of two lives.

Epilogue

A "Good Samaritan" donated \$10,000 to the City of Coppell about 10 days after this tragedy occurred. A check with a typed note that said, "Please use these dollars to reimburse the city for any and all credit card charges of Jayne Peters, with any remainder to go to the City."

CONCLUSION

The purpose of this research is to simply present some basic facts relating to an accounting fraud that ultimately resulted in a homicide (the mayor's daughter) and suicide of the City of Coppell's mayor. Three lessons learned the hard way were: 1) auditors need to educate city officials about the use of city-issued procurement cards and the temptations that go along with that privilege, 2) city accountants need to be vigilant when paying for expenses associated with the procurement cards and reconcile personal vs. official city business expenses every month, and 3) safety is an important concept when dealing with embezzlements and fraud. Again, the authors hope that students can learn from this case so that preventative measures are used to keep this type of tragedy from happening again.

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ⁱ This statement is found in both Core Concepts of Accounting Information Systems (Bagranoff, et al) and the Certified Fraud Examiners' material.

ⁱⁱ Coppel is a suburb northwest of Dallas, Texas.

ⁱⁱⁱ Another suburb of Dallas, Texas.