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Alabama Attorney General



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## **Attorney General Marshall Announces Felony Conviction of Former Montgomery County Public Schools Employee for Theft of Over \$291,000**

**(Montgomery)** – Alabama Attorney General Steve Marshall announced the convictions of former Montgomery County Public Schools Interim Chief School Financial Officer (CSFO) Brenda Palmer on two felony ethics charges and two felony counts of lying to the Attorney General’s Office about a matter under investigation. Palmer, whose trial was set to begin Monday, instead pleaded guilty to all four counts of the indictment against her. Because Palmer has previously been convicted of first-degree theft of property, she will be sentenced as a habitual felony offender.

Attorney General Steve Marshall stated, “Betraying the public’s trust is never acceptable and will not be tolerated in our state. In this case, Mrs. Palmer’s brazen corruption and utter disregard for the law was astonishing. My office will continue to identify and prosecute those exploiting the public sector for personal gain.”

Palmer served as the interim CSFO for the Montgomery Public Schools (MPS) system, and in that role, she facilitated a fraudulent billing scheme that deceived MPS out of \$291,367 between November 2017 and April 2019. Her accomplice, Walter James, the former vice-principal of Jefferson Davis High School (now JAG), pleaded guilty in both state and federal court for his role in the scheme and is serving a sixty-month prison term.

As part of their scheme, James submitted fraudulent invoices from nearly a dozen non-existent companies that purported to provide various MPS entities with books, professional development, and other goods or services. In reality, Palmer and James knew that no goods or services were being provided. After James created the fraudulent invoices (with the help of Palmer), Palmer used her position as CSFO to ensure they were paid without attracting attention. Palmer’s efforts to avoid detection included forging at least two employees’ names on checks and other written instruments and directing subordinate employees to work overtime to prepare legitimate checks so that the fraudulent ones would be less likely to be noticed. Palmer then pulled out the fraudulent checks from the legitimate ones so that James could pick them up personally. This was necessary because the face of the checks showed addresses for the fake companies that were either non-existent or otherwise undeliverable. After James deposited the MPS checks into his Navy Federal Credit Union account, he paid Palmer



with cash in the amounts she demanded, as documented by text messages between the two.

When examiners with the Alabama Department of Examiners of Public Accounts began their yearly audit of the MPS system in 2019, they requested supporting documents for many of the fraudulent checks. Palmer was asked to help produce some of those check files. Instead of providing those check files, Palmer shredded them and claimed that she bypassed procedures because she just wanted to get vendors paid. When confronted by the new CSFO, Palmer resigned, walking away with her pension, which she earned until pleading guilty yesterday.

In addition, Palmer voluntarily sat down for two interviews with State investigators. During both interviews, Palmer lied repeatedly to the Attorney General's Office about her knowledge of the scheme, her role in the scheme, her relationship with Walter James, and virtually every other aspect of the State's investigation. Palmer even lied about speaking with James just two weeks prior. Unbeknownst to her, James had begun cooperating with state and federal authorities and agreed to record a phone call with Palmer. During that call, Palmer instructed James to not send text messages, to tell authorities that certain addresses for the fraudulent companies used to exist, that he didn't see her when he got the bogus checks, and "to put [the crime] on the white boy," an innocent third party who worked in the Accounts Payable Department of MPS.

A sentencing hearing for Palmer will be held at 1:30 p.m. on October 3, 2023, before Montgomery County Circuit Judge James Anderson. Because Palmer is a habitual felony offender, she faces ten years to ninety-nine years on the two ethics charges, and two years to twenty years on the lying charges. The State will be seeking prison time because of the gravity of Palmer's crimes, her repeated lies, her attempt to influence James, and her refusal to accept responsibility until the day of trial, when she would have finally had to face a jury that would have heard this evidence and more. Palmer's counsel indicated that they intend to seek a community-corrections sentence, a form of alternative punishment that would permit Palmer to avoid prison or jail.

The Attorney General thanked the Alabama Department of Examiners of Public Accounts and the finance office for Montgomery Public Schools system for their assistance in this case. Individuals at both organizations devoted substantial amounts of time to uncovering Palmer's crimes and preparing to testify in her trial. In addition, Attorney General Marshall commended the Special Agents of his Special Prosecutions Division and the FBI who investigated the case, as well as Assistant Attorneys General Jasper B. Roberts, Jr., Kyle Beckman, and Alana Cammack who prosecuted.