



Jason E. Mumpower, Comptroller of the Treasury

April 21, 2023

Major Mismanagement Found within Coffee County Drug Court Foundation

An investigation by the Tennessee Comptroller's Office has revealed a series of problems related to the Coffee County Drug Court Foundation, a nonprofit organization in Manchester. The foundation provides drug inpatient and outpatient therapy, testing, and other services.

The investigative report details eight serious findings related to the executive director's management of the foundation. Some of these issues place the foundation at risk for penalties, property seizure, refund of grant awards, or other legal action.

The Comptroller's Office has shared the results of the investigation with the U.S. Attorney's Office for the Eastern District of Tennessee and the Office of the District Attorney General of the 14th Judicial District. The eight findings are summarized below:



1. The Internal Revenue Service assessed the foundation \$235,922 in penalties and interest for failing to pay payroll taxes and file IRS forms timely. These problems began prior to 2014.
2. The executive director improperly expended \$224,698 of SBA COVID-19 relief funds on the late payment of payroll taxes.
3. The executive director made questionable discretionary payments to himself and employees for unused leave and comp time balances totaling \$155,417.
4. The executive director made improper payments to himself and other employees totaling \$45,386. The executive director overpaid himself \$6,526.
5. The executive director submitted the same expenditures totaling \$7,684 for reimbursement to at least two different grants.
6. The foundation received questionable grant funds totaling \$17,381.
7. The executive director submitted incorrect information to the Small Business Administration for COVID-19 funding.
8. The executive director maintained inaccurate and incomplete financial records.

“While the executive director’s mismanagement is apparent, the foundation’s board must also share the blame,” said Comptroller Mumpower. “During our investigation, we determined the board has not held any meetings since November 2021. The board also held no meetings in 2020. The board has clearly allowed the executive director to have too much control without the proper oversight of operations and finances.”

To view the investigative report, go to tncot.cc/doireports. To view a map depicting Comptroller investigations, go to tncot.cc/mappinginvestigations.

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