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Comptroller's Office Releases 2nd South Fork Utility District Investigation

The Tennessee Comptroller's Office has released a second investigative report related to business practices within the South Fork Utility District (SFUD), which serves approximately 3,400 water customers in Sullivan County.

On April 7, 2022, the Comptroller's Office released its first SFUD investigative report detailing numerous potential conflicts of interest involving the former district manager, questionable transactions, and deficiencies. The 2022 report can be viewed [here](#).

The new investigation found that SFUD made questionable payments to an employee's business totaling at least \$148,277.50 between August 2020 and April 2022.

The employee told investigators he started the business at the recommendation of former SFUD officials with the sole purpose of employing his father to work as a heavy machinery contractor for SFUD. Investigators question why the employee's father was not hired as a SFUD employee or directly by the SFUD as a contractor.



Comptroller investigators determined the invoices supporting the payments to the employee's business lacked sufficient detail to determine the scope of work performed or what individuals performed the work. Additionally, investigators say all pay to employees for work performed should have been made through the SFUD's payroll system to ensure proper payroll taxes, social security, and Medicare deductions are paid.

The results of this investigation have been communicated to the District Attorney General of the 2nd Judicial District.

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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