



NEW MARKET VOLUNTEER FIRE DEPARTMENT

Comptroller's Investigative Report
April 18, 2017

Justin P. Wilson, Comptroller





**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DIVISION OF INVESTIGATIONS**

**Justin P. Wilson
Comptroller of the Treasury**

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April 18, 2017

Officers of the New Market
Volunteer Fire Department
934 West Old Andrew Johnson Highway
New Market, TN 378200

Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the New Market Volunteer Fire Department, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Haslam, the State Attorney General, the District Attorney General, certain state legislators, and various other interested parties. A copy is available for public inspection in our office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

Comptroller of the Treasury

JPW/RAD

INVESTIGATIVE REPORT

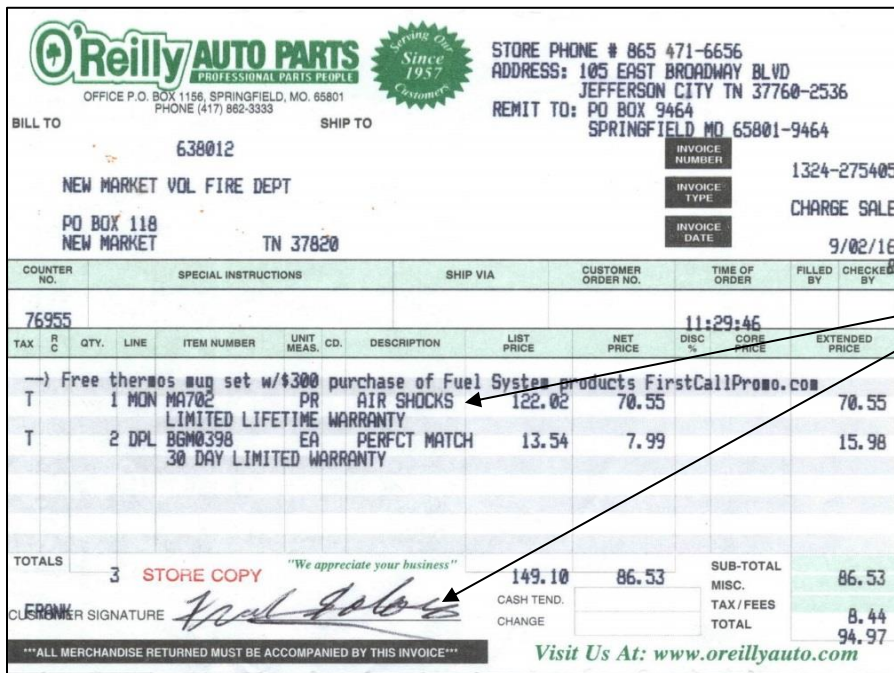
New Market Volunteer Fire Department

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the New Market Volunteer Fire Department [fire department].

INVESTIGATIVE RESULTS

- Chief Frank Solomon misappropriated at least \$1,105 from the fire department

During the period July 2014 through October 2016, New Market Volunteer Fire Department Chief Frank Solomon misappropriated fire department funds totaling at least \$1,105. Chief Solomon perpetrated his misappropriation by charging personal purchases to fire department accounts at multiple auto parts stores. These personal purchases included auto parts and accessories for his personal vehicles, for a family member's personal vehicle, and for vehicles that he had contracted to repair for other individuals. All charges on these fire department accounts, including Chief Solomon's personal charges, were paid with fire department funds. **[Refer to the following exhibit.]**



O'Reilly AUTO PARTS
 PROFESSIONAL PARTS PEOPLE
 OFFICE P.O. BOX 1156, SPRINGFIELD, MO. 65801
 PHONE (417) 862-3333

STORE PHONE # 865 471-6656
 ADDRESS: 105 EAST BROADWAY BLVD
 JEFFERSON CITY TN 37760-2536
 REMIT TO: PO BOX 9464
 SPRINGFIELD MO 65801-9464

BILL TO: 638012
 NEW MARKET VOL FIRE DEPT
 PO BOX 118
 NEW MARKET TN 37820

SHIP TO:

INVOICE NUMBER: 1324-275405
 INVOICE TYPE: CHARGE SALE
 INVOICE DATE: 9/02/16

COUNTER NO.	SPECIAL INSTRUCTIONS	SHIP VIA	CUSTOMER ORDER NO.	TIME OF ORDER	FILLED BY	CHECKED BY
76955				11:29:46		

TAX	QTY.	LINE	ITEM NUMBER	UNIT MEAS.	CD.	DESCRIPTION	LIST PRICE	NET PRICE	DISC %	CORE PRICE	EXTENDED PRICE
T	1	MON	MA702	PR		AIR SHOCKS	122.02	70.55			70.55
T	2	DPL	BGM0398	EA		PERFECT MATCH	13.54	7.99			15.98
						30 DAY LIMITED WARRANTY					

TOTALS: 3 STORE COPY "We appreciate your business" 149.10 86.53 SUB-TOTAL 86.53
 CASH TEND. 8.44 TAX / FEES 8.44
 CHANGE TOTAL 94.97

CUSTOMER SIGNATURE: *Frank Solomon*
 ALL MERCHANDISE RETURNED MUST BE ACCOMPANIED BY THIS INVOICE
 Visit Us At: www.oreillyauto.com

Invoice for air shocks for a 1965 Pontiac. This invoice was charged to the fire department account and was signed by Chief Frank Solomon.

- Chief Frank Solomon misused the sales tax exemption and the vehicle title and registration discount intended for government service vehicles

Chief Frank Solomon received a personal benefit to which he was not entitled by misrepresenting the intended use of a vehicle he registered in the fire department's name. In September 2016, Chief Solomon submitted a Government Service Vehicle Registration Application to the Jefferson County Clerk affirming that a Dodge Charger he purchased with his personal funds was a fire department vehicle and was to be used "exclusively for fire protection purposes." **[Refer to the following exhibit.]** As a result, the chief was not required to pay sales tax, and he paid only \$17.50 for the related license and registration fees. Subsequently, the fire department assumed financial responsibility for insurance, purchased fuel, and paid for maintenance related to the vehicle.

Vehicles registered with government service plates must be operated exclusively for essential government purposes or **exclusively for fire protection purposes**. Qualified senior citizen service centers, human resource agencies, development districts, and community action agencies may register vans owned by the organization. These vans must be used exclusively for the activities the organization. Independent contractors operating a local transit company may also qualify for government plates under certain conditions per Tenn. Code Ann. § 55-4-223(c)1. For more information, please visit www.tn.gov/revenue.

Applicant Information

Name of Agency: New Market Fire Dept. Rescue ^{Tenn} Date of Application: 9.6.2014

Qualified Purpose (check one): ☐ Federal Government ☐ State Government ☐ County Government ☐ City Government ☒ **Volunteer Fire Department** ☐ Senior Citizen Center ☐ Local Transit Service

Agency Address: 934 W. Ash Hwy New Market ^{TN 37840} Telephone Number: 865-475-4060

Name and Title of Person Making Application: Frank Solomon

Vehicle Information

Make	Model	Vehicle Identification Number	License Number
Dodge	CHS	2B3CA3CV0AH122293	98046C

The investigation revealed that Chief Solomon, an elected constable in Jefferson County, placed decals and other markings identifying the Dodge Charger as a constable car and used the vehicle for various constable duties as well as for fire department duties. **[Refer to picture below.]**



Constable vehicles are not included under state law as a government service vehicle eligible for government service tags. Therefore, these vehicles are not exempted from sales tax and owners are not entitled to reduced title and registration fees. If Chief Solomon had titled, registered, and licensed the vehicle in his name, sales tax and registration fees totaling \$677 would have been assessed.

Chief Solomon acknowledged to investigators that he charged personal purchases to the fire department accounts at auto parts stores. He further stated that the board was not aware of these purchases and that they had not approved the purchases. He also acknowledged that he used the Dodge Charger for constable duties as well as for fire department purposes.

These matters were referred to the local district attorney general. In April 2017, the Jefferson County Grand Jury indicted Frank Solomon on one count of Theft over \$1,000, one count of Sales Tax Fraud over \$500, one count of Theft under \$500, and two counts of Official Misconduct.

ADDITIONAL ISSUES

Our investigation revealed significant deficiencies in financial and other processes, some of which contributed to the fire chief's ability to perpetrate his misappropriation without prompt detection. These deficiencies included:

- Fire department board members failed to review financial transactions handled solely by the board treasurer. The remaining board members did not review bank statements or other financial documents.
- Fire department officials did not require and retain adequate supporting documentation for some disbursements. Payments for charges on the auto parts store accounts were often documented only by a statement, instead of by a detailed invoice showing the specific parts purchased and the signature of the individual making the charge.
- Fire department officials did not require two signatures on checks.
- Fire department officials failed to adequately account for all fundraising collections.

The fire department board members and other fire department officials have indicated that they have corrected or intend to correct these deficiencies.