



UNICOI COUNTY VETERANS' SERVICE OFFICER

Comptroller's Investigative Report
August 9, 2018

Justin P. Wilson, Comptroller





JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

August 9, 2018

County Mayor and Members of the
County Commission
Unicoi County
P. O. Box 458
Erwin, TN 37650

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Unicoi County Veterans' Service Officer, 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,

A handwritten signature in black ink that reads "Justin P. Wilson".

Justin P. Wilson
Comptroller of the Treasury

JPW/RAD

INVESTIGATIVE REPORT

UNICOI COUNTY VETERANS' SERVICE OFFICER

BACKGROUND

The veterans' service officer (VSO) assists veterans and their dependents in obtaining benefits earned through their military service. The VSO is not a county employee but has volunteered his services to help veterans for several years. The VSO works from his home since the county provides him no office space. The county appropriates funds annually and provides these funds to the VSO funds at the beginning of each year for his operational expenses.

INVESTIGATIVE FINDING AND RECOMMENDATION

FINDING 1: Unicoi County did not report its contributions to the veterans' service officer or require documentation of how funds were expended

The following table summarizes Unicoi County's annual contributions to the VSO:

Date	Amount
11/14/2013	\$ 950
01/23/2015	950
11/18/2015	950
08/26/2016	7,950
09/05/2017	<u>5,000</u>
	<u>\$15,800</u>

Our examination of contributions made to the VSO over the last five years revealed the following deficiencies:

- A. Unicoi County did not issue the VSO a federal tax Form 1099 for contributions of more than \$600 as required by Internal Revenue Service regulations.
- B. A written agreement was not on file to support Unicoi County's contributions to the VSO for work to be performed. Sound business practices dictate that a written agreement between Unicoi County and the VSO should document each party's responsibilities.
- C. Unicoi County did not require the VSO to provide documentation of how its contributions were expended. Sound business practices dictate documentation should be required to support the use of the contributions.

RECOMMENDATION:

County officials should ensure the county mayor's office meets any Internal Revenue Service reporting requirements. Unicoi County should enter into a written agreement with the VSO setting forth each party's responsibilities. The county should require the VSO to provide documentation of how its contributions are expended or in lieu of an annual contribution, have the VSO submit invoices to the county, and the county pay the invoices through its budgetary process.

MANAGEMENT'S RESPONSE – COUNTY MAYOR GREG LYNCH:

“The current Veteran's Service Officer is awaiting Administration change in the County Mayor's Office to determine if his services are still wanted. I am certain the Unicoi County Commission and the new Mayor will develop protocol within the recommendations of the Comptroller's Office sometime after September 1, 2018 pertaining to service, expectations, and financial arrangements.”