



VAN BUREN COUNTY'S BURRITT MEMORIAL LIBRARY

Comptroller's Investigative Report
February 12, 2019

Justin P. Wilson, Comptroller





JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

February 12, 2019

Mayor and County Officials
Van Buren County
121 Taft Drive
Spencer, Tennessee 38585
and
Members of the Library Board
Burritt Memorial Library
427 College Street
Spencer, Tennessee 38585

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Van Buren County's Burritt Memorial Library, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Lee, the State Attorney General, the District Attorney General of the 31st Judicial District, 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, appearing to read "Justin P. Wilson", written over a light gray rectangular background.

Justin P. Wilson
Comptroller of the Treasury

JPW/MLC

INVESTIGATIVE REPORT

VAN BUREN COUNTY'S BURRITT MEMORIAL LIBRARY

BACKGROUND



On May 15, 2018, the Office of the Comptroller of the Treasury received allegations regarding time reporting issues at Van Buren County's Burritt Memorial Library. As a result, we performed an investigation of selected records for the period January 1, 2017 through May 31, 2018.

The Burritt Memorial Library is in the City of Spencer in Van Buren County, Tennessee. Van Buren County government is the library's primary source of funding, and the

library operates as a department reported in the county's General Fund.

The Burritt Memorial Library Board is responsible for providing management oversight over the library, including the library director. The library director is charged with overseeing the daily operation of the library. During the period of our investigation, there were three different library directors; however, our investigation focused on the library director employed during the period the library was closed for repairs from January 2018 through May 28, 2018, due to freezing temperatures, which caused pipes to burst and flooding to occur.

The findings and recommendations, as a result of our investigation, are presented below. These findings and recommendations have been reviewed with management. Furthermore, the findings and recommendations have been reviewed with the district attorney general for the Thirty-First Judicial District of Tennessee.

INVESTIGATIVE FINDINGS AND RECOMMENDATIONS

FINDING 1

THE LIBRARY DIRECTOR SUBMITTED TIME SHEETS THAT DID NOT REFLECT ACTUAL TIME WORKED

The library director submitted time sheets that did not reflect actual time worked. The library was closed for repairs from January 2018 through May 28, 2018. While the library was closed, the

library director submitted time sheets indicating she worked her regular full-time 32 hours per week. When investigators met with the library director to discuss her time reporting during the library's closure, the library director stated her hours worked varied. The library director explained there were days she was not at the library, and there were days she was at the library. The library director detailed that the week of gluing new carpet down, she was at the library approximately 20 hours.

The former librarian also stated she was told by her Board members to write down her full-time hours because the closure was not her fault. The day she realized they were going to have to close the library, the Board chairman told her to write her time down like she was at the library full-time, and he would sign the time sheets. The library director also stated she talked to other Board members about her time reporting, and the board members said the library closure was not her fault, and there was no reason why the Library Board should not pay her. The library director told investigators the only record of her time worked is her time sheets. She did not keep a separate record of her actual time worked during the library closure. As a result, investigators question the accuracy of the library director's time sheets filed with the Van Buren County government.

When investigators talked with the library's Board Chairman about the time reporting issues, he stated that he or the vice-chairman signed the former library director's time sheets. He said employee time reporting is based on an honesty system, and he was not at the library all the time to see if the library director was working. He advised investigators that he had no clue about the county's time reporting policy, and he did not know of a Library Board time reporting policy.

FINDING 2 THE LIBRARY DIRECTOR'S FULL-TIME STATUS IS QUESTIONABLE

The library director's full-time status is questionable. As detailed in Finding 1, the former library director submitted time sheets which indicated she was working full-time (32 hours per week) during the library's closure; however, the library director did not work all the hours she reported. Van Buren County paid the library director her full-time wages and benefits during the library's closure (January 1, 2018 through May 28, 2018). The total amount of the library director's full-time wages and benefits for the period are calculated below:

Type of Benefit:	Total Amount of Benefit:
Gross Wages from Paychecks	\$8,015.60
Paid Leave	829.20
TCRS – County Contributions	856.18
Health Insurance – County Contributions	1,029.10
TOTAL BENEFITS	\$10,730.08

Library Board members were consistent in confirming the information provided by the Board Chairman. Board members also confirmed the Board collectively made the decision to close the library for necessary repairs and to continue paying the librarian as though she were working full-

time. Most Board members emphasized they believe the library director completed enough work to continue paying her for full-time work while the library was closed for repairs. Management should determine if any amounts should be recovered for wages and benefits paid but not earned.

FINDING 3 **A FRAUD REPORTING FORM WAS NOT FILED TIMELY**

The Van Buren County Mayor filed a fraud reporting form with the state Comptroller's Office on May 15, 2018, alleging the librarian was not working her required hours. Our review of supporting documentation and conversations with county officials revealed the county mayor was not only aware of the potential fraud, but he also took action to correct the problem in March 2018 when he directed the county's finance director to change the library director's time sheet and take 60 hours of accumulated vacation time from her. The library director advised investigators that she was not aware of and did not approve the use of her vacation time.

Section 8-4-503, *Tennessee Code Annotated*, requires a person elected or appointed to any office of a public entity, to notify the Comptroller of the Treasury, within a reasonable amount of time under the particular circumstances, but shall not under any circumstances exceed five working days, of any unlawful conduct including theft, forgery, credit card fraud, or any other act of unlawful taking, waste, or abuse of, or official misconduct, involving public money, property, or services.

INTERNAL CONTROL AND COMPLIANCE DEFICIENCY

FINDING 4 **ACCOUNTING AND INTERNAL CONTROL DEFICIENCIES
EXISTED AT THE LIBRARY**

Our investigation revealed the following accounting and internal control deficiencies at the Burritt Memorial Library, which can be attributed to a lack of management oversight and an inadequate maintenance of accounting records by the library Board.

- A. A review of the library's checking account revealed the balance in the account was not remitted to the Trustee's Office at the end of each month from at least January 1, 2017 through August 31, 2017. Furthermore, collections of library fines and fees were not deposited every three business days from at least January 1, 2017 through December 31, 2017, as required by Section 5-8-207, *Tennessee Code Annotated*. As a department within the county's General Fund, the library should remit its checking account balance to the Trustee's Office at the end of each month. Collections of library fines and fees should be deposited at least every three business days as required by state law.

- B. In January 2017, the library's checking account was charged \$24 for an overdraft fee. Cash flow should be monitored to prevent overdraft charges.

- C. From January 1, 2017 through the present day, the library director is the only signatory listed on both the regular checking account and the Imagination Library account. Also, the library directory is the only individual to collect funds, write receipts, make deposits, make disbursements, and sign checks. Officials should segregate duties to the extent possible using available resources. A member of the Board could be added to the library's accounts and provide supervisory review and approval.

 - D. Bank statements were not independently reconciled or reviewed. A member of the Board or their appointee should review the bank reconciliations for accuracy.

 - E. The library's Imagination Library account/program is currently not sponsored by an existing and active 501(c)(3) as required by the Dolly Parton's Imagination Library program.
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