



COMPTROLLER'S INVESTIGATIVE REPORT

Jackson City Court Clerk's Office

June 4, 2020

Justin P. Wilson
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JUSTIN P. WILSON
Comptroller

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Deputy Comptroller

June 4, 2020

City of Jackson Mayor and
Council Members
101 East Main Street
Jackson, TN 38301

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Jackson City Court Clerk's Office, 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 26th Judicial District, certain state legislators, and various other interested parties. A copy of the report 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", is written over a light gray rectangular background.

Justin P. Wilson
Comptroller of the Treasury

JPW/MLC

INVESTIGATIVE REPORT

Jackson City Court Clerk's Office

The Office of the Comptroller of the Treasury investigated allegations of malfeasance and noncompliance related to questionable transactions by the Jackson City Court. The scope of the investigation was initially limited to a review of selected records for the period from July 1, 2017, through June 30, 2018. However, investigators expanded the scope to include selected court case records from December 1, 2016, through December 31, 2017 and July 1, 2018, through July 31, 2019. The results of the investigation were communicated with the Office of the District Attorney General of the 26th Judicial District.

BACKGROUND



Jackson City Court is in Madison County, Tennessee, and has jurisdiction to hear cases involving violations of city ordinances, including building codes, zoning, traffic, and parking violations and offenses. The city judge and court clerk are elected officials. Deputy clerks are appointed by the clerk. The current city judge is Blake Anderson, and the court clerk is Daryl Hubbard.

RESULTS OF INVESTIGATION

1. INVESTIGATORS FOUND IRREGULARITIES IN THE HANDLING OF INDIGENT CASES

Investigators noted the following irregularities in the clerk's office handling of indigent cases:

- A. Under well established procedures, a litigant seeking indigent status must file a motion, a court may grant the motion and enter an order of indigency. Investigators found evidence indicating that in one case, the clerk conferred such status on a litigant where no motion had been filed and no order was entered by the court.
- B. In multiple cases related to one defendant, the clerk notified the Tennessee Department of Safety and Homeland Security (TDOSHS) that the defendant had paid fines and court costs when in fact court records indicated the court dismissed

the citations due to indigency, without any assessment of fines or court costs. In addition, the clerk reported dispositions to TDOSHS for two Driving Under the Influence (DUI) cases after the court had lost subject matter jurisdiction. Investigators determined these cases had been bound over to the Madison County Circuit Court. Staff members admitted to improperly reporting such dispositions, despite lacking jurisdiction, because they wanted to help the defendant get their license reinstated.

- C. The judge waived all fines and court costs for a defendant who pled guilty on a DUI case without the judge determining the defendant was indigent under the criteria in *Tennessee Code Annotated*, Section 40-14-202(b).

2. THE CLERK'S OFFICE FAILED TO REPORT REQUIRED CASE DISPOSITION INFORMATION TO THE TENNESSEE DEPARTMENT OF SAFETY AND HOMELAND SECURITY AS REQUIRED BY STATE LAW

The clerk's office failed to report required case disposition information as required by state law in the following instances:

- A. *Tennessee Code Annotated (TCA)*, Section 55-10-306, states that court clerks are required to report DUI convictions or forfeitures of bail immediately to TDOSHS. This information should include an abstract of the record of the case along with certain required information to be forwarded within 30 days after conviction or forfeiture of bail. The clerk failed to forward the required reports (abstract) to TDOSHS in a timely manner. On several cases, investigators determined it took the clerk between 358 days and 371 days after conviction to provide the required information. Failure to provide timely reports leads to a failure to suspend driver licenses in a timely manner. Investigators identified multiple offenders that may not have been properly charged on second and subsequent offenses because the necessary and relevant information was not available in TDOSHS' database.
- B. The clerk failed to report a defendant's forfeiture of bail to TDOSHS within 30 days as required by *TCA*, Section 55-10-306.
- C. The clerk failed to report a guilty plea to TDOSHS within 30 days as required by *TCA*, Section 55-10-306. The clerk's office reported the plea to TDOSHS 189 days after the judgement (plea), which delayed or may have averted the suspension of the offender's driver license.

3. THE CLERK USED THE OFFICE COMPUTER SYSTEM TO CONCEAL FAILURE TO APPEAR CASES FROM THE CITY JUDGE AND THE TENNESSEE DEPARTMENT OF SAFETY AND HOMELAND SECURITY

The clerk's computer system is designed to notify the court of offenders who fail to appear and to also report them to TDOSHS. The notice to TDOSHS facilitates suspensions of their licenses. For the system to function as intended, information must be entered into

designated fields. The clerk's office intentionally entered information into the wrong fields in the computer system and thus concealed information concerning failure to appear cases from the court and TDOSHS. Investigators interviewed staff to determine why this information was purposely entered incorrectly. The staff stated that in their opinion a defendant should not be penalized for failing to appear. Investigators interviewed the city judge who stated that his expectation was that failure to appear should be reported within 30 days to TDOSHS. By circumventing the court software's electronic reporting procedures, the clerk's office hindered TDOSHS from promptly suspending driver licenses as required by law.

4. THE CLERK FAILED TO ISSUE CAPIASES IN A TIMELY MANNER

Under the established procedures of the Jackson City Court and the city judge's expectation, capiases (an order requiring an officer to take a named defendant into custody) are to be issued within 30 days after entry of the court's order. The clerk failed to issue capiases in a timely manner as investigators found multiple capiases that were issued between 46 and 106 days after being ordered.

On June 1, 2020, the Madison County Grand Jury indicted Shenile Ward on two counts of Forgery and two counts of Official Misconduct.

[Jackson City Court Clerk's Office Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed internal control and compliance deficiencies, some of which contributed to the clerk's office ability to deviate from state requirements and the judge's orders, without prompt detection. These deficiencies included:

Deficiency 1: Jackson City Court Clerk's Office had multiple deficiencies related to safeguarding cash

Good internal controls dictate that each employee have their own locked cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be reconciled with the employee's receipts at the end of each day. Cash and checks received the prior day should also be locked away with limited access. Each employee should enter transactions only with his/her assigned login/username, and each transaction entered in the system should trace back to the actual person entering it. Failure to adhere to this control regimen increases the risks that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. The

following deficiencies are the result of a lack of management oversight related to safeguarding cash:

- A. Investigators observed the City Court Clerk using computers and cash drawers assigned to various deputy clerks to execute transactions and collect funds.
- B. Although cash drawers have locks, investigators observed the drawers unlocked even when the responsible clerk was not in the office area.
- C. Investigators observed cash and checks receipted from the prior day were openly left out on the counter and openly accessible to anyone who entered the administrative area of the office.

Deficiency 2: Jackson City Court Clerk's Office did not have adequate application controls

All staff have full access to the computer system, including the ability to void any transactions, including their own. In addition, usernames and passwords of former employees remain active in the computer software system. Management should implement proper user rights to ensure the reliability and integrity of the transactions maintained by the system. Management should also contact the software developer and deactivate former employees' usernames and passwords.

Deficiency 3: Jackson City Court Clerk's Office did not maintain accurate and detailed records of all transactions and affairs of the court

The City Court Clerk could not provide an accurate and detailed report of all financial transactions and affairs of the court as required by *TCA*, Section 16-18-310(b). Investigators requested documentation from the City Court Clerk to substantiate how the office disposed of certain cases, and the City Court Clerk stated that the office no longer had the documents.

Deficiency 4: Jackson City Court Clerk's Office is not using the Uniform Affidavit of Indigency forms

The Tennessee Administrative Office of the Courts has produced a Uniform Civil and Criminal Affidavit of Indigency form to be used when determining a person's indigent status. Jackson City Court does not utilize the form set forth by the administrative office nor do they verify any information given to them by the offender before determining the indigency status.
