



COMPTROLLER'S INVESTIGATIVE REPORT

Campbell County Clerk

August 27, 2020

Justin P. Wilson
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

August 27, 2020

Campbell County Mayor
and County Commission
P.O. Box 435
570 Main Street
Jacksboro, TN 37757

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Campbell County Clerk, 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 8th 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 that reads "Justin P. Wilson".

Justin P. Wilson
Comptroller of the Treasury

JPW/MLC

INVESTIGATIVE REPORT

Campbell County Clerk

The Office of the Comptroller of the Treasury, in conjunction with the Tennessee Bureau of Investigation, investigated allegations of malfeasance related to the Campbell County Clerk's Office (clerk's office). The investigation was initiated after the county clerk identified and reported questionable transaction date changes. The investigation was limited to a review of selected records for the period January 1, 2018 through April 30, 2019. The results of the investigation were communicated with the Office of the District Attorney General of the 8th Judicial District.

BACKGROUND



The Campbell County Clerk has offices in Jacksboro, LaFollette, and Jellico. The county clerk is elected every four years and employs deputy clerks to perform many of the office's daily duties. The clerk's office provides various services including automobile and motorcycle registrations, vehicle titles and tags, sales tax, marriage licenses, business licenses, hunting and fishing licenses, building permits, beer permits, and notary public.

RESULTS OF INVESTIGATION

- **DEPUTY CLERK JODI OWENS MISAPPROPRIATED COLLECTIONS OF AT LEAST \$702**

During the period reviewed, Deputy Clerk Jodi Owens misappropriated at least \$702 from the clerk's office by failing to deposit collections and improperly changing recorded transactions. Investigators reviewed bank statements and daily transaction logs and determined that on November 20, 2018, Owens collected \$680 in cash, and a \$22 check from a customer and processed the transaction. Owens then changed the date of this transaction so the transaction would not show up on daily reports or the daily deposit. Owens changed the date of this transaction eight times.

The county clerk discovered irregularities during a review the office's audit logs. Subsequently, the county clerk performed a surprise count on all office cash drawers on December 14, 2018 and found a shortage of \$702 in Owens drawer. According to the county clerk, Owens left the office and returned with personal funds to repay the cash shortage. Owens resigned that same day. Investigators made multiple attempts to meet with Owens without success.

- **AT LEAST OWENS AND A SECOND DEPUTY CLERK USED CASH FROM OFFICE COLLECTIONS FOR PERSONAL CASH ADVANCES**

A review of system audit logs indicated that between January 1, 2018 and December 31, 2018, at least Owens and a second deputy clerk used cash from office collections as personal cash advances. The deputy clerks had multiple transactions in which the clerks changed the original collection dates to subsequent dates after the transactions were complete. The records indicate that each deputy repaid the cash advances before their employment was terminated.

- Owens had 148 questionable changes totaling at least \$3,946 and changed transaction dates by as much as 33 days from the original transaction date. The county clerk was unable to determine a valid reason for changing these transaction dates.
- A second deputy clerk had 138 questionable changes totaling at least \$1,253 and changed transaction dates by as much as 32 days from the original transaction date. The county clerk could not identify any valid reason for changing these transaction dates. In April 2019, this employee admitted to taking money from her cash drawer for personal use by changing properly recorded customers' transaction dates to a subsequent date she was able to pay the money back. This employee's employment was terminated by the county clerk on April 15, 2019.

The table below summarizes the questionable changes for the period under review.

Employee	Questionable Changes	Amount
Owens	148	\$3,946
Second Deputy	138	1,253
Total	286	\$5,199

On May 20, 2020, the Campbell County Grand Jury indicted Jodi Owens on one count of Official Misconduct.

[Campbell County Clerk Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal control and compliance, some of which contributed to the deputy clerk's ability to perpetrate her misappropriation without prompt detection. These deficiencies included:

Deficiency 1: The clerk's office did not adequately secure cash in the Jacksboro and LaFollette offices

The clerk's office did not adequately secure cash. Office employees placed cash in an unlocked safe during the day. Also, employees in the LaFollette office did not lock their cash drawers. To ensure accountability and reduce the risk of loss, each employee should secure their cash drawer during the workday and management should restrict access to the safe which should be locked when not in use.

Deficiency 2: The office did not deposit some funds within three days of collection

The clerk's office failed to ensure that all funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*. During our investigation, we noted that at least two deputy clerks held collections for up to 33 days prior to deposit. This delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

Office officials indicated that they have corrected these deficiencies.
