



COMPTROLLER'S INVESTIGATIVE REPORT

Houston County Emergency Medical Services

June 17, 2020

Justin P. Wilson
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

June 17, 2020

Houston County Mayor
and County Commissioners
4725 East Main Street
P.O. Box 366
Erin, TN 37061

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Houston County Emergency Medical Services, 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 23rd 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", written over a light gray rectangular background.

Justin P. Wilson
Comptroller of the Treasury

JPW/MLC

INVESTIGATIVE REPORT

Houston County Emergency Medical Services

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Houston County Emergency Medical Services (EMS). This investigation was initiated after Houston County officials reported questionable compensation received by EMS Director Stephen Graybill. The investigation was limited to selected records for the period July 1, 2017, through June 30, 2019. The results of the investigation were communicated with the Office of the District Attorney General of the 23rd Judicial District.

BACKGROUND



Houston County is in Middle Tennessee, and the EMS office is in Erin, Tennessee. The EMS provides emergency and non-emergency medical services for citizens and visitors of Houston County. The EMS has approximately 20 full-time and part-time employees consisting of emergency medical technicians (EMTs), advanced emergency medical technicians (AEMTs), paramedics, and administrative staff. The EMS provides two ambulance trucks staffed by medically trained personnel who are on call 24/7 (twenty-four hours a day, seven days a week). The Houston County Commission provides funding for the EMS operations through the county's annual budgetary process.

As a full-time salaried employee, Director Stephen Graybill oversaw all aspects of EMS operations including hiring and retaining adequate staffing levels to provide mandated medical services. Graybill is also a licensed AEMT. Due to staffing shortages for medically trained personnel, Graybill worked ambulance shifts (responding to emergency calls) on an as-needed basis in addition to his duties as director. Starting in July 2017, the former Houston County Mayor verbally authorized Graybill to receive additional compensation for the hours he worked on ambulance shifts as well as his monthly director salary. The objective of the pay arrangement was to compensate Graybill for excess hours worked during the ambulance shifts, at the same time as he continued to make efforts to fill staffing shortages.

RESULTS OF INVESTIGATION

1. DIRECTOR STEPHEN GRAYBILL RECEIVED IMPROPER PAYMENTS OF \$7,579.46 BY CLAIMING TO HAVE WORKED AS THE DIRECTOR AND AN AEMT AT THE SAME TIME

Our examination of time sheet records revealed that Graybill claimed to have worked as the EMS director and an AEMT at the same time, and received separate compensation for both positions, a practice of double-dipping time. Investigators were provided two different sets of time sheet records showing when each shift started and ended for both positions. [See Exhibits 1 and 2.] Our investigation revealed that between July 2017 and June 2019, Graybill claimed to have worked 725.5 hours as the director and an AEMT at the same time, receiving \$7,579.46 in improper compensation for overlapping hours.

Exhibit 1 - Director Timesheet

Houston County E		Time Sheet		Paid fixed salary	
Name: Stephen Graybill (Director)					
	Date	Start of Shift	End of Shift	Hours Worked	Paid Time Off
Monday					
Tuesday	13	0900	1700	8	
Wednesday	14	0900	1700	8	
Thursday					
Friday	16	0900	1700	8	
Saturday	17	0700	1500	8	
Sunday					
				Regular Hours	24
				Overtime Hours	

Exhibit 2 – AEMT Timesheet

Houston County E		Time Sheet		Paid for hours worked		
Name: Stephen Graybill (AEMT)						
	Date	Start of Shift	End of Shift	Hours Worked	Paid Time Off	Holiday
Monday	12	0900	0900	8		
Tuesday	13	0900	0900	8		
Wednesday	14					
Thursday	15	0900	0900	8		
Friday	16					
Saturday	17	0700	2100	14		
Sunday	18	0900	0900	8		
				Regular Hours	110	
				Overtime Hours		

March 2018 time sheets detailing 16 hours of overlap

Graybill stated that he was verbally directed by the former Houston County Mayor to claim all the hours he worked during the ambulance shifts. While no documentation exists to validate the arrangement or verify the details of the verbal agreement, the former county mayor stated that he authorized Graybill to receive additional compensation for the hours he worked during the ambulance shifts. The former county mayor further stated that a former Houston County payroll clerk discussed Graybill’s pay arrangement with the County Technical Assistance Service (CTAS) consultants who advised that it was legally acceptable to pay the EMS director additional compensation for working the ambulance shift hours in addition to his director’s salary. However, the former payroll clerk stated that Graybill was not told to claim hours worked in both positions at the same time, but instead, to claim the ambulance shift hours separately from the director’s position; mostly during evenings, nights, and weekends.

2. GRAYBILL RECEIVED IMPROPER PAYMENTS OF \$14,650.90 BY MANIPULATING HOURS WORKED BETWEEN THE DIRECTOR AND AEMT POSITIONS

Our further analysis of time sheet records revealed questionable patterns in which Graybill claimed hours in both positions to maximize compensation received from the ambulance shifts. Graybill manipulated his director hours by working weekends (non-standard business hours) or shorter work weeks (working less than five days a week or working significantly less than 40 hours a week), while he claimed to work excess hours during the ambulance shifts for which he received additional compensation. [See Exhibits 3 and 4.]

Director Timesheet **Exhibit 3**

	Date	Start of Shift	End of Shift	Hours Worked	Paid Time Off	Holiday
Monday	2	0600	0900	3		
Tuesday						
Wednesday	4	0700	1700	10		
Thursday	5	0600	0900	3		
Friday						
Saturday						
Sunday						
				Regular Hours	16	Paid fix salary
				Overtime Hours		
				Hours		

Number of hours (16) worked as the Director in April 2018

AEMT Timesheet **Exhibit 4**

	Date	Start of Shift	End of Shift	Hours Worked	Paid Time Off	Holiday
Monday	2	0900	0900	24		
Tuesday	3	0900	0900	12		
Wednesday						
Thursday	5	0900	0900	24		
Friday	6	0900	0900	24		
Saturday	7	0900	0900	24		
Sunday	8	0900	0900	24		
				Regular Hours		Paid for hours worked
				Overtime Hours		
				Hours		

Number of hours (132) worked as an AEMT in the same week in April 2018

Between July 2017 and June 2019, Graybill claimed to have worked 1,402 hours as an AEMT that were unnecessary, as he could have worked as an AEMT while working in the director's role during regular business hours. The 1,402 hours represents \$14,650.90 in improper additional compensation received by Graybill.

Graybill admitted to investigators that it did not feel right to him the way he was getting paid and added that he was just following the verbal directions from the former county mayor who told him to claim all the hours he worked during the ambulance shifts. He commented that he was submitting his time sheets to the payroll clerk who knew how he claimed his hours in both positions. The former payroll clerk stated she did not review or question Graybill's time sheets; the former payroll clerk only processed the payroll information from the payroll summary sheets without asking questions or any type of review.

The improper payments are summarized in the table below:

<i>Summary of Improper Funds Received</i>		
Double-Dipping Hours	\$	7,579.46
Manipulating Hours to Maximize Compensation		14,650.90
Total Improper Funds Received	\$	22,230.36

Investigators reviewed Graybill’s hiring efforts to fill staff shortages and noted that while the director was sporadically advertising vacancies on some publicly available websites such as Facebook and Indeed, he was not advertising with all available sources for Tennessee counties, such as Jobs4TN or at EMT schools. He often failed to follow-up with candidates, and according to certain candidates he did follow-up with, he discouraged them from applying, indicating the pay was low after benefits were deducted.

3. GRAYBILL RECEIVED \$18,905.42 IN QUESTIONABLE COMPENSATION FOR RECEIVING A HIGHER PARAMEDIC PAY RATE WHEN HE DID NOT POSSESS A PARAMEDIC LICENSE

Between July 2017 and June 2019, the EMS director paid himself at the higher paramedic pay rate and received \$18,905.42 in questionable compensation without having a paramedic license.

Because paramedics possess higher credentials and provide a higher skill-set to the EMS, the EMS pays its paramedics a higher hourly rate than its AEMTs. Graybill is a licensed AEMT; however, he was receiving the higher paramedic hourly rate for the hours worked during the ambulance shifts as an AEMT. Graybill did not receive the overtime pay rate for overtime hours worked during the ambulance shifts; he received one straight rate for all hours worked, regardless of how many hours he worked in a pay period. Again, no documentation exists to verify this pay arrangement.

Graybill stated that his pay-rate for the ambulance hours was set by the former county mayor and the former payroll clerk. We could not reach the former county mayor for comment on this issue. The former payroll clerk stated that setting the director’s pay rate was outside her authority, and that such a decision would have been between the former county mayor and Graybill. The former payroll clerk further stated that as the department head, Graybill had the discretion to set his own hourly rate for the hours worked during the ambulance shifts.

4. GRAYBILL RECEIVED \$1,402.81 IN QUESTIONABLE COMPENSATION RELATED TO UNSUPPORTED HOURS AND NONCOMPLIANCE WITH THE HOLIDAY PAY POLICY

Based on our review of the time sheet and other payroll documentation between July 2017 and June 2019, we noted that Graybill:

- A. received compensation for 95.5 AEMT hours without adequate supporting documentation, resulting in an overpayment of \$997.98. The director could not explain the unsupported hours but suggested there may have been a few weeks that he had to submit the time sheets earlier than usual (perhaps due to a weekend), which could have caused the difference for unsupported hours.
- B. received compensation for 38.74 AEMT hours, which did not comply with policies in the EMS handbook, resulting in an overpayment of \$404.83. The director commented that he claimed to be working holidays on a few occasions, and that he followed the verbal direction of the former county mayor to claim holiday pay while working the ambulance shift hours.

The questionable payroll is summarized in the table below:

<i>Questionable Payroll Payments</i>	
Receiving questionable pay rate	\$ 18,905.42
Unsupported hours	997.98
Noncompliance with holiday pay	404.83
Total Questionable Payments	\$ 20,308.23

On June 15, 2020, the Houston County Grand Jury indicted Stephen Graybill on one count of Theft over \$10,000.

[Houston County Emergency Medical Services Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal controls and compliance, some of which contributed to the EMS director’s ability to perpetrate his compensation practices. These deficiencies included:

Deficiency 1: A lack of internal controls and inadequate oversight over the director’s pay arrangement

The former county mayor did not document the alleged pay arrangement for the EMS director’s extra duties nor provide adequate oversight.

- A. No documentation or records exist to validate the legitimacy and confirm the details of Graybill's alleged unique pay arrangement. We were informed that everything pertaining to the director's pay arrangement between the former county mayor, the former payroll clerk, and Graybill was communicated and acted upon through verbal communication. Without written documentation to detail this unique and uncommon agreement, there is an increased risk that noncompliance, fraud, waste, or abuse could occur.
- B. The former administration lacked due diligence to ensure the legal advice from CTAS pertaining to Graybill's pay arrangement was applied correctly. We were able to verify that the former payroll clerk had made inquiries for legal advice/opinion from CTAS on the director's pay arrangement. However, the inquiries into the matter did not reflect the pay arrangement in all aspects, and measures were not taken to ensure the director's pay arrangement followed reasonable and compliant labor practices. For example, one cannot claim to work 32 hours in a 24-hour workday (the issue of double dipping time).
- C. A conflict existed between Graybill's efforts to fill staffing shortages and his opportunity to get additional compensation. As the head of the department, Graybill has exclusive managerial control over the hiring and retention decisions. For the period we reviewed, Graybill received unusually high compensation from receiving pay as the director and as an AEMT. Having a direct monetary interest in the matter could have influenced his efforts or decisions to advertise and/or hire new employees or the incentives to retain present employees with the EMS.
- D. A lack of segregation of duties existed over the time sheet reporting processes. Graybill approved and signed-off on his own hours without any oversight. No one was reviewing his time sheets for compliance and reasonableness with the pay arrangement, pay rate, or the accuracy and correctness of the hours claimed. On the directives of the former county mayor, the former payroll clerk only processed Graybill's time sheets without any review or analytical procedures.

Officials indicated that they have corrected or intend to correct these deficiencies.