



COMPTROLLER'S INVESTIGATIVE REPORT

Madison County Juvenile Detention Center

July 6, 2020

Justin P. Wilson
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JUSTIN P. WILSON
Comptroller

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Deputy Comptroller

July 6, 2020

Mayor Jimmy Harris
100 E. Main Street
Room 302
Jackson, TN 38301

and

Director Ray Washington
310 North Parkway
Jackson, TN 38305

Mayor Harris and Director Washington:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Madison County Juvenile Detention Center, 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 that reads "Justin P. Wilson".

Justin P. Wilson
Comptroller of the Treasury

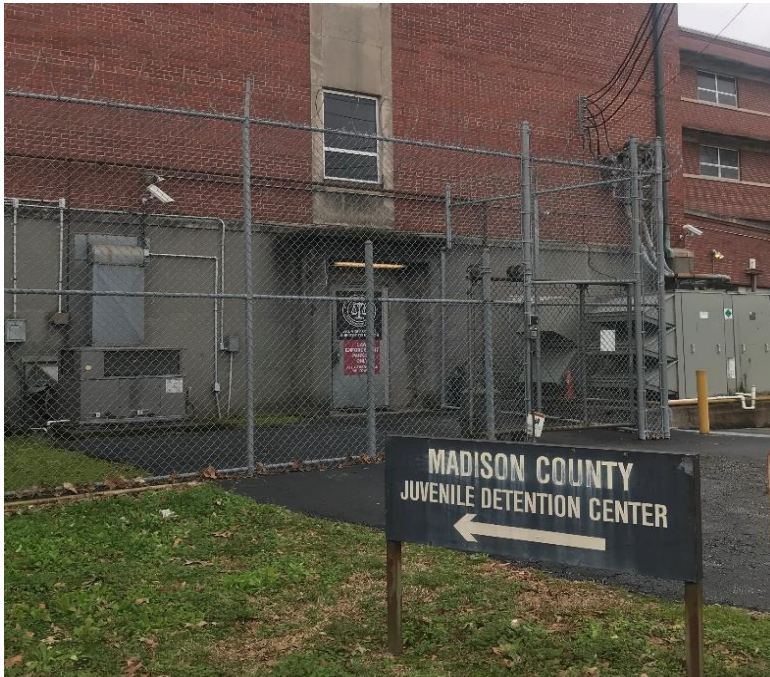
JPW/MLC

INVESTIGATIVE REPORT

Madison County Juvenile Detention Center

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Madison County Juvenile Detention Center. The Comptroller's Office initiated the investigation after officials with the Jackson-Madison County School System reported time reporting inconsistencies to the Jackson Police Department concerning two teachers. The investigation was limited to selected records for the period August 1, 2017, through November 30, 2018. The results of the investigation were communicated with the Office of the District Attorney General of the 26th Judicial District.

BACKGROUND



The Madison County Juvenile Detention Center (MCJDC) is in Jackson, Tennessee, and provides secured housing for juvenile offenders while they await legal action. The MCJDC has approximately 19 employees who supervise offenders and monitor activities at the facility 24 hours a day, 7 days a week. The MCJDC can accommodate a maximum of eight juveniles, and the length of stay for each juvenile at the center varies.

During their stay at the center, offenders are provided educational opportunities. In July 2017, the U.S. Department of Education

awarded the Jackson-Madison County School System (JMCSS) a Title 1, Part D grant to fund the continuation of educational services at the MCJDC. The purpose of the grant is to offer prevention and intervention programs for children and youth who are neglected, delinquent, or at-risk. Using the grant money, JMCSS hired two teachers, Catherine "Nikki" Hilton and Holland "Gene" Hilton (a husband and wife team), to mentor juvenile offenders at MCJDC by providing supplementary educational services, tutoring, career counseling, and vocational training. The Hiltons mentored offenders at the center from August 2017 through November 2018. Prior to and during mentoring offenders at the center, both Catherine and Holland Hilton were employed by JMCSS.

RESULTS OF INVESTIGATION

1. TEACHERS CATHERINE AND HOLLAND HILTON RECEIVED IMPROPER PAYMENTS OF \$13,741 BY FALSIFYING TIME WORKED ON THEIR STUDENT SIGN-IN SHEETS

Our investigation revealed that between August 1, 2017, and October 30, 2018, Catherine and Holland Hilton received \$13,741 in Title 1 grant funds by falsifying student sign-in sheets. JMCSS requires a student sign-in sheet for each class session documenting the date, hours taught, participants' names, and their signatures. MCJDC staff maintain log-book notes showing when the Hiltons entered and exited the facility while they mentored offenders. Investigators compared the student sign-in sheets submitted by the Hiltons with the MCJDC log-books entries (**Refer to Exhibits 1, 2, and 3**). The comparison and review of the documentation revealed the following discrepancies:

- A. No-Show Days. The Hiltons reported time worked on student sign-in sheets for days when they were not present at MCJDC. Investigators found the Hiltons falsified the student sign-in sheets by claiming they taught classes, when in fact, they were not present at MCJDC during those days. In this way, Catherine Hilton falsified 71 sign-in sheets and Holland Hilton falsified 81 sign-in sheets.

- B. Shortened Class-Time Days. The Hiltons reported teaching full class sessions on the student sign-in sheets when they only taught partial class sessions. Investigators found Catherine and Holland Hilton falsified the student sign-in sheets, overreporting the actual time worked. In this way, Catherine Hilton falsified 68 sign-in sheets and Holland Hilton falsified 67 sign-in sheets.

The table below summarizes misreported hour discrepancies investigators noted pertaining to the period August 1, 2017, through October 31, 2018:

Days/Hours Reported by Teachers			Discrepancies Investigators Found			
Teacher	Number of Days Reported Teaching*	Number of Hours Reported Teaching**	(a) Number of No-Show Days	(b) Number of Days Classes Shortened	(a)+(b) No-Show and Shortened Class Days Combined	Number of Over Reported Hours***
Catherine Hilton	140	347.00	71	68	139	249.99
Holland Hilton	152	386.00	81	67	148	299.65
Total						549.64

*The Hiltons' schedule for mentoring at MCJDC was flexible and varied from week to week. They reported teaching offenders in class sessions lasting 1-4 hours, usually 2-3 days a week.

**Through the grant proceeds, JMCSS compensated the Hiltons for mentoring at MCJDC at an hourly rate of \$25 for each hour claimed working on the student sign-in sheet.

***Investigators calculated the over-reported hours based on the comparison of the hours claimed by the Hiltons on the student sign-in sheets and the log-book entries maintained by MCJDC staff. These hours represent time the Hiltons were not physically present at MCJDC while they claimed the hours on the student sign-in sheets.

Exhibit 1

2/18/2018 9:00:21 AM	[REDACTED]	NS males are laying down movement notice
2/18/2018 8:45:41 AM	[REDACTED]	NS males are laying down movement notice
2/18/2018 8:30:28 AM	[REDACTED]	NS males are laying down movement notice
2/18/2018 8:16:43 AM	[REDACTED]	Mr.Hilton called and stated that they will not be here for Lifeskills group today
2/18/2018 8:16:34 AM	[REDACTED]	NS males are laying down movement notice
2/18/2018 8:15:04 AM	[REDACTED]	SS female laying down with visual movement.
2/18/2018 8:00:35 AM	[REDACTED]	NS males are laying down movement notice

The log-book entries made by MCJDC staff from February 18, 2018 showing Catherine and Holland Hilton did not visit the facility that day.

Exhibit 2

Number of Hours Reported Teaching

Detention Center
2-18-18

Nikki Hilton
8.0 10.0 2 Career Exploration

STUDENT'S NAME (PLEASE PRINT) [REDACTED]

STUDENT'S SIGNATURE [REDACTED]

Date Reported Teaching

Teacher Signatur & Date
Nikki Hilton 2-18-18

Exhibit 3

Number of Hours Reported Teaching

JD
2-18-18

Gene Hilton
8:00 10:00 2 Career Exploration

STUDENT'S NAME (PLEASE PRINT) [REDACTED]

STUDENT'S SIGNATURE [REDACTED]

Date Reported Teaching

Teacher Sign ture & Date
Gene Hilton 2-18-18

Student sign-in sheets submitted to JMCSS by Catherine "Nikki" Hilton and Holland "Gene" Hilton showing they each claimed two hours teaching at MCJDC on February 18, 2018.

Investigators attempted to interview both teachers; however, only Catherine Hilton met with investigators. Catherine Hilton admitted to investigators that during class sessions at MCJDC, she had student offenders print and sign their names on a blank student sign-in sheet, and she would wait until the end of the month to complete the remaining information on the forms. She stated to investigators she completed the rest of the information from memory. She also stated she was never formally trained on how to fill out the student sign-in sheets. Investigators interviewed JMCSS personnel and confirmed that instructions on how to report the time on the student sign-in sheets were provided to Catherine Hilton. Catherine Hilton informed investigators that she and her husband Holland Hilton are willing to pay the money back.

Summary of Improper Payments

(For the period August 1, 2017 through October 31, 2018)

Teacher	Improper Payments Received (Based on Over-Reported Hours)
Catherine Hilton	\$6,249.75
Holland Hilton	\$7,491.25
Total	\$13,741.00

In addition to the amounts listed above, Catherine and Holland Hilton submitted falsified sign-in sheets for November 2018 totaling \$904.50. Due to the investigation into their time reporting practices, JMCSS did not compensate the Hiltons for this time period.

Jackson-Madison County Board of Education suspended both Catherine and Holland Hilton from JMCSS effective January 28, 2019.

2. TEACHERS CATHERINE AND HOLLAND HILTON RECEIVED \$4,584 IN QUESTIONABLE COMPENSATION BY SUBMITTING PHOTOCOPIED, FABRICATED, AND OTHERWISE UNRELIABLE STUDENT SIGN-IN SHEETS

Investigators question Catherine and Holland Hilton’s receipt of \$4,584 in payroll compensation due to suspicious supporting documentation. While the comparison of student sign-in sheets and MCJDC log-book notes confirms the physical presence of the Hiltons at MCJDC pertaining to this amount, investigators found the following red-flag patterns questioning the legitimacy of the documentation submitted by the Hiltons:

- A. Catherine and Holland Hilton submitted student sign-in sheets with photocopied students’ names and signatures.
- B. Catherine and Holland Hilton submitted student sign-in sheets listing student offenders who were not present at the MCJDC on the day the classes were taught.
- C. Catherine and Holland Hilton submitted student sign-in sheets claiming to work hours that differed from the MCJDC log-book entries.

D. Holland Hilton’s signature was inconsistent on the student sign-in sheets submitted to JMCSS.

When interviewed by investigators, Catherine Hilton stated she did not recall making any photocopies or that she did not think she did it. Catherine Hilton did admit she completed most of the student sign-in sheets for Holland Hilton, and on occasion she even signed Holland’s signature for him.

The questionable payroll payments are summarized in the table below:

Teacher	Questionable Amounts
Catherine Hilton	\$2,425.25
Holland Hilton	\$2,158.75
Total Questionable Payments	\$4,584.00

On June 29, 2020, the Madison County Grand Jury indicted Catherine and Holland Hilton on one count of Theft over \$10,000.

[Madison County Juvenile Detention Center Investigation Exhibit](#)

INTERNAL CONTROL DEFICIENCIES

Our investigation revealed deficiencies in internal controls, some of which contributed to the Hiltons’ ability to perpetrate their questionable time reporting practices without prompt detection. These deficiencies included:

Deficiency 1: The Hiltons were provided flexible schedules to teach at MCJDC

The Hiltons were provided a high degree of flexibility to teach classes at MCJDC without implementing appropriate accountability control measures. The Hiltons taught at MCJDC when it fit their personal schedules, and their attendance at MCJDC varied from week to week. This flexibility was mutually agreed between the Hiltons, JMCSS grant personnel, and the director of MCJDC prior to the start of the Hiltons mentoring at MCJDC. On certain days, the Hiltons taught together, on other days Catherine and Holland Hilton alternated teaching classes individually. Because of the high unpredictability of the Hiltons’ attendance, MCJDC staff were unaware if the Hiltons complied with mentoring expectations.

Deficiency 2: Lack of supervisory oversight at MCJDC over the Hiltons’ attendance

Personnel at MCJDC failed to perform any supervisory oversight over the Hiltons' mentoring and attendance at the center. While staff documented the Hiltons' presence in the MCJDC log-book notes as part of their standard operating procedures, no steps were implemented utilizing this information into the Hiltons' attendance for verification or supervisory purposes.

Deficiency 3: Weak internal control processes over the Hiltons' time reporting procedures

While there was a process to approve the Hiltons' summary time sheets (monthly hours reported) before the JMCSS fiscal services processed their payroll, this process lacked effectiveness or the intent of internal control. There were no clear directions on what the approval process of the Hiltons' time sheet should entail, and there was miscommunication between the approvers on the expectations and responsibilities of each approving party.

The approval process of the Hiltons' time consisted of the following steps:

- Level 1 approval: The director of MCJDC approved the Hiltons' summary time sheets (monthly hours reported) by simply signing the form without any supporting documentation (e.g. daily student sign-in sheets) or any verification of the Hiltons' attendance noted in the MCJDC log-book entries. The director of MCJDC stated that prior to commencing the investigation she was unaware that the Hiltons maintained the student sign-in sheets for each class they taught. Further, the director of MCJDC said that a JMCSS Federal Program Consultant only informed her that Catherine Hilton would send her the monthly summary time sheets without outlining specific directions or expectations on how to approve the time sheets. Therefore, the director's approval entailed simply signing the monthly summary time sheets without any follow-up steps. The director stated it would have taken her a long time to verify the Hiltons' attendance through MCJDC log-book records.
- Level 2 approval: Either a JMCSS Federal Program Consultant or a Federal Program Coordinator verified whether number of hours the Hiltons reported on the student sign-in sheets added up to the number of hours reported on the monthly summary time sheets. This process entailed mostly the mathematical accuracy of hours reported. Both the Federal Program Consultant and the Federal Program Coordinator relied on the approval of the Hiltons' attendance made by the director of MCJDC (Level 1 approver).
- Level 3 approval: The director of Federal Programs at JMCSS approved the Hiltons' time sheets after ensuring the Level 1 and Level 2 approvers already signed the monthly summary time sheets. Occasionally, the director of Federal Programs would check whether hours on the student sign-in sheets added up to the hours on the monthly summary time sheets. The director of Federal Programs stated that the Hiltons reported to her with grant-related questions, but she did not provide day-to-day oversight over the Hiltons and was unaware of details on whether and how the oversight was provided over the Hiltons' time by the director of MCJDC. The director of Federal Programs relied on the director of MCJDC (Level 1 approver) and the approval by the Federal Program Consultant or Coordinator (Level 2 approvers) assuming they performed the due diligence prior to approving the Hiltons' summary time sheets. Also, the director of Federal Programs

thought that the director of MCJDC received the monthly summary time sheets along with the daily student sign-in sheets during the approval step, when in fact, the director of MCJDC only received the summary time sheets.

None of the approval steps described above included processes to verify that 1) the Hiltons were actually teaching student offenders and were physically present at MCJDC as reported on the student sign-in sheets and corresponding monthly summary time sheets; and 2) student offenders were actually present at MCJDC on days as claimed on the student sign-in sheets by the Hiltons. The approval process merely consisted of obtaining signatures from the three approving levels.
