



COMPTROLLER'S INVESTIGATIVE REPORT

Union County Emergency Communications District

May 1, 2020

Justin P. Wilson
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JUSTIN P. WILSON
Comptroller

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May 1, 2020

Union County 911 Board
130 Veteran's Street
Suite A
Maynardville, TN 37807

Board Members:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Union County Emergency Communications District, 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 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

UNION COUNTY EMERGENCY COMMUNICATIONS DISTRICT

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Union County Emergency Communications District. The investigation was initiated after the Comptroller's Office received allegations of questionable practices and was limited to selected records for the period July 2016 through August 2018. The results of the investigation were communicated with the Office of the District Attorney General of the 8th Judicial District.

BACKGROUND

The Union County Emergency Communications District (district), located in Maynardville, Tennessee, provides enhanced 911 emergency telephone service for the area. The district operates through the directives of a nine-member board appointed by the Union County Mayor and confirmed by the Union County Commission. A board appointed director oversees its daily operations.

The district does not have the authority to levy or collect taxes but is instead supported primarily by a 911 surcharge collected by communication service providers. The providers remit the surcharge to the Tennessee Department of Revenue and collections are subsequently remitted to the district by the Tennessee Emergency Communications Board pursuant to distribution methodologies established by state law. Districts may receive funds from federal, state, and local governments as well as private sources.

INTERNAL CONTROL DEFICIENCIES

Investigators reviewed district employee time sheets and other district records for the period July 2016 through August 2018 and noted the following deficiencies in the maintenance of time sheets:

Deficiency 1: Time sheets did not always reflect actual time worked

Time sheets did not always accurately reflect time worked. Several employees, including the director, told investigators that the hours listed on the time sheets were scheduled hours and did not always reflect the actual hours worked each day. The failure to accurately record time worked on employee time sheets increases the risks of improper payments and could expose the district to liability under federal wage and hour laws. This deficiency is the result of a lack of management oversight.

Deficiency 2: District employees did not document shift substitutions

District employees could substitute shifts or portions of their assigned shifts with other district employees. As noted above, time sheets did not always reflect actual time worked, and investigators found no documentation to support employee shift substitutions and were thus unable to determine if employees made up their hours that they had substituted with other employees, or if they were paid for time not worked. The district director advised investigators that he allowed district employees to substitute shifts, however, there is no district policy allowing this practice. According to the district director, each employee was responsible for keeping up with their shift substitutions. The absence of a formal policy for substituting shifts and the failure to maintain adequate documentation of time weakens internal controls over the payroll process and increases the risk of improper payments.

Union County Emergency Communications District Officials indicated that they have corrected or intend to correct these deficiencies.
