



COMPTROLLER'S INVESTIGATIVE REPORT

City of Martin Public Works Department

September 9, 2021

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

September 9, 2021

City of Martin
Mayor Randy Brundige and City Council Members
109 University Street
Martin, TN 38237

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the City of Martin Public Works Department, 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 27th 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 blue ink, appearing to read "Jason E. Mumpower", is written over a faint, larger version of the signature.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

City of Martin Public Works Department

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the City of Martin Public Works Department. The Comptroller's Office initiated the investigation after city officials reported improper use of a city credit card by John Worrell, the assistant director of the Public Works Department. The investigation was limited to a review of selected records for the period January 1, 2017, through November 31, 2019. The results of the investigation were communicated with the Office of the District Attorney General of the 27th Judicial District.

BACKGROUND



The City of Martin, located in Weakley County, Tennessee, is governed by a Mayor and Board of Aldermen. The city oversees police, fire, public works, parks and recreation departments, and other municipal sectors. The Public Works Department (department) provides day-to-day maintenance of the city's infrastructure services and oversees a street division, a water plant division, and a wastewater division.

The department's assistant director, John Worrell, was promoted to his current position in November 2018. In this capacity, Worrell's responsibilities included overseeing administrative operations of the department. He reported to the department's director. Prior to his promotion, Worrell worked as the department's secretary, beginning in March 2017.

RESULTS OF INVESTIGATION

1. ASSISTANT DIRECTOR JOHN WORRELL MISAPPROPRIATED CITY FUNDS TOTALING AT LEAST \$5,465.26

During the period March 2017 through November 2019, Assistant Director John Worrell misappropriated department funds totaling at least \$5,465.26. Worrell perpetrated his misappropriation by making unauthorized personal purchases using the department's credit card:

A. Unauthorized Credit Card Purchases at Amazon

Investigators determined that Worrell made \$2,224.79 in personal-related purchases at Amazon (an online retail vendor) using the department’s credit card. Worrell’s transactions included purchases for a curling iron, home upgrade and renovation items, children’s toys, collector’s items, personal cellphone accessories, security surveillance items, clothing, and personal vehicle accessories. Our investigation found that none of these purchases benefited the department or its employees. Worrell was able to conceal his scheme by having the merchandise shipped to his home address, effectively avoiding detection, or raising red flags in the process (**Refer to Exhibit 1**).

Exhibit 1

Shipped on February 27, 2018	
Items Ordered 1 of: Hot Tools I # 1181 Spring Grip 1" Professional Curling Iron, Hot Tools <small>Sold by: Altima Beauty (seller profile)</small> Condition: New	Price \$39.99
Shipping Address: JOHN WORRELL [REDACTED] United States	<div style="background-color: #003366; color: white; padding: 5px; border: 1px solid black;"> Worrell had the merchandise purchased on Amazon shipped to his home address. </div>
Shipping Speed: Standard Shipping	
Payment information	
Payment Method: Visa Last digits: 0071 Billing address John Worrell 703 N LINDELL ST MARTIN, TN 38237-1314 United States	Item(s) Subtotal: \$39.99 Shipping & Handling: \$5.48 ----- Total before tax: \$45.47 Estimated tax to be collected: \$0.00 ----- <div style="border: 1px solid red; padding: 2px; display: inline-block;"> Grand Total: \$45.47 </div>
Credit Card transactions Visa ending in 0071: February 27, 2018: \$45.47	

An unauthorized Amazon purchase made in February 2018.

B. Unauthorized Credit Card Purchases at Verizon Wireless

Investigators determined that Worrell improperly used the department’s credit card to pay his monthly phone services and to purchase cellphone equipment and various electronic devices (e.g., an Apple Watch) from the vendor. Worrell charged a total of \$3,240.47 at Verizon Wireless on the department’s credit card for his personal benefit.

Worrell admitted to investigators that he used the department’s credit card charging \$5,465.26 (\$2,224.79 plus \$3,240.47) for his personal benefit. Prior to the conclusion of our investigation, the City of Martin City Recorder’s Office performed its own internal review and identified \$3,657.61 in unauthorized purchases made by Worrell. Upon the conclusion of the city’s review, Worrell repaid \$3,657.61 to the city. The \$1,807.65 difference between the total misappropriation (\$5,465.26) and the repaid amount (\$3,657.61) remains outstanding. Worrell told investigators he would pay the remaining amount.

Summary of Misappropriations by John Worrell

Method of Misappropriation	Total
A. Unauthorized Credit Card Purchases at Amazon	\$ 2,224.79
B. Unauthorized Credit Card Purchases at Verizon Wireless	3,240.47
Total Misappropriation by Worrell	5,465.26
<i>Less: Amount Paid Back to the City</i>	(3,657.61)
Remaining Amount Owed to the City of Martin	\$ 1,807.65

2. INVESTIGATORS IDENTIFIED UNSUPPORTED AND QUESTIONABLE CREDIT CARD PURCHASES TOTALING AT LEAST \$3,951.61

Investigators identified at least \$3,951.61 in unsupported and questionable credit card purchases. Worrell did not adequately document certain purchases with itemized receipts or invoices. These purchases included payments at various retail stores such as Amazon, Wal-Mart, Lowe’s, D-Bass Pro, etc. Investigators could not conclusively determine who made these purchases or whether these purchases were exclusively for the benefit of the department.

On September 7, 2021, the Weakley County Grand Jury indicted John Randolph Worrell on one count of Theft over \$2,500, one count of Fraudulent Use of a Credit Card, and one count of Official Misconduct.

The charges and allegations contained in the indictment are merely accusations of criminal conduct, and not evidence. The defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt and convicted through due process of law.

[City of Martin Public Works Department Investigative Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal controls and compliance, some of which contributed to Worrell's ability to use the department's credit card for personal benefit without prompt detection. These deficiencies included:

Deficiency 1: City officials failed to provide adequate oversight of operations and failed to implement effective internal controls over the use of the department's credit card.

City officials did not provide adequate oversight of operations and did not design or implement effective internal controls over the use of the department's credit card. Management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and the effectiveness and efficiency of operations. Providing adequate oversight and establishing internal controls reduces the risks that errors or intentional misappropriations will remain undetected. The City of Martin's *Internal Control Manual* (manual) outlines processes and procedures that help safeguard and promote the accountability of city funds; however, these controls were insufficient and failed to prevent the assistant director from making personal purchases using the department-issued credit card. This allowed Worrell's schemes to remain undetected. Specifically:

- The manual does not address the purchasing and procurement procedures. There is no review of purchases made, formal approval process for credit card purchases, nor any criteria for invoices and/or receipts.
- Credit card purchases are not reviewed to ensure accuracy nor confirmation of receipt of the item purchased.
- The City Recorder's Office did not receive the credit card statements; instead, the department was the recipient of the monthly credit card statements and performed the reconciliations with the purchase receipts, which facilitated Worrell's improper use of the department's credit card.

Deficiency 2: City officials did not require adequate supporting documentation for some disbursements.

City officials did not require or retain adequate supporting documentation for some disbursements. Investigators noted that certain receipts, invoices, and other supporting documentation were insufficient to determine what was purchased with the department's credit card. Requiring documentation, such as invoices or receipts, allows officials to verify that the payment is proper and reasonable. Without adequate supporting documentation, investigators were unable to determine whether certain department disbursements were for legitimate expenses.

The City of Martin officials indicated that they have corrected or intend to correct these deficiencies.

