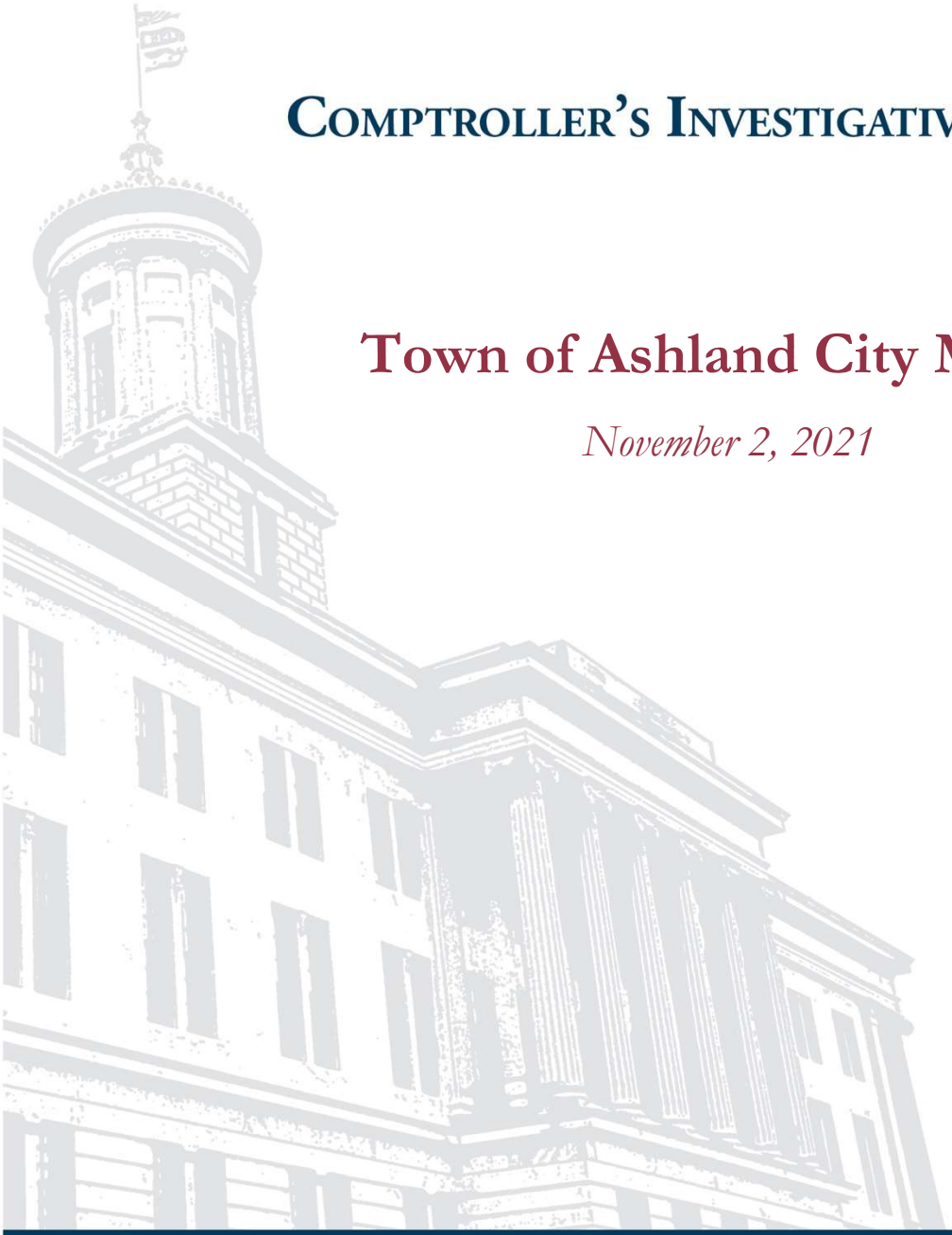

Comptroller's Investigative Report

Town of Ashland City Mayor

November 2, 2021

Jason E. Mumpower
Comptroller of the Treasury

Division of Investigations

Jason E. Mumpower
Comptroller

November 2, 2021

Town of Ashland City
101 Court Street
Ashland City, TN 37015

Town of Ashland City Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Town of Ashland City Mayor, 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,

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Town of Ashland City Mayor

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Town of Ashland City Mayor. The Comptroller's Office initiated the investigation after an official reported possible misuse of town assets. The investigation was limited to selected records for the period from November 2018 through September 2021. The results of the investigation were communicated with the Office of the District Attorney General of the 23rd Judicial District.

BACKGROUND

The Town of Ashland City (town) is in Cheatham County, Tennessee and is governed by a mayor and six-member council who are elected to serve four-year terms. Steve Allen (Allen) was a city councilman and served as vice mayor until he was sworn in as the town's mayor in November 2018 after the previous mayor resigned. Allen was elected mayor in January 2020.

RESULTS OF INVESTIGATION

1. MAYOR STEVE ALLEN USED TOWN EQUIPMENT AND PERSONNEL FOR HIS PERSONAL BENEFIT

Mayor Steve Allen used a town-owned public lawnmower on three occasions for his personal benefit. Allen admitted to investigators that he had used the lawnmower on three separate occasions in spring 2020. He told investigators he used the town's lawnmower because his personal lawnmower was in the process of being repaired. Town surveillance cameras captured video of two of the three instances, April 9 and April 30, 2020. In the surveillance footage, Allen was seen leaving the Public Works/Utilities Building and towing a trailer that was hauling a zero-turn lawnmower **(See Exhibit 1)**. Investigators determined that both the trailer and lawnmower were property of the town.

In addition, Allen authorized the use of town equipment and personnel to repair his personal lawnmower tire. Allen was observed on surveillance video at the town public works facility on August 23, 2021, entering the shop area with a lawnmower tire on a rim and a tire of comparable size. After discussions with town personnel, investigators discovered Allen had a town employee change the tire for him using town equipment.

The town's Personnel Manual, section IX, page 65 - Use of Municipal Time, Facilities, ETC. states:

"No employee of the Town of Ashland City shall use or authorize the use of municipal time, facilities, equipment or supplies for private gain or advantage to oneself or any other private person or group without prior approval of the Department Head and or Mayor. No town employee shall have in his/her possession tools or equipment that should obviously belong on town property (i.e., bulldozers, truck, etc.) unless acting in his/her capacity as a town employee."

Exhibit 1

Image taken from surveillance video footage provided by the town showing Allen driving the town's lawnmower.

2. MAYOR STEVE ALLEN MADE QUESTIONABLE PURCHASES FOR FOOD TOTALING $3,290.53

Allen made 75 questionable meal purchases using the town's credit card totaling $3,290.53, during the period January 2019 through September 1, 2021. The town has credit cards that are issued to multiple employees and pays the balances off each month. Allen had sole possession of a card he used for the meal purchases. He failed to provide adequate supporting documentation for 27 of these purchases. Allen had been instructed by a town official to only use the credit card for town business. Subsequently, Allen began taking multiple individuals for meals purportedly for business purposes. **(See Exhibit 2.)**

Exhibit 2

02/06	02/08	853535416WGNA27AE	NEW CHINA STARS ASHLAND CITY TN	$16.98
02/14	02/15	05436841EBLJJKYLL	WM SUPERCENTER #1226 ASHLAND CITY TN	$73.26
02/14	02/17	85353541EWGNA27AE	NEW CHINA STARS ASHLAND CITY TN	$14.18
02/19	02/21	75217691KQEDE1988	SIDE LINES GRILL ASHLAND CITY TN	$40.00
02/20	02/22	85353541LWGNA27AF	NEW CHINA STARS ASHLAND CITY TN	$16.38
02/25	02/27	85353541TWGNA27AL	NEW CHINA STARS ASHLAND CITY TN	$18.41
03/01	03/03	25247801W002T2GB3	RIVERVIEW RESTAURANT & ASHLAND CITY TN	$58.07
03/05	03/06	25247802000DF8VTY	RIVERVIEW RESTAURANT & ASHLAND CITY TN	$31.94
			STEVE ALLEN	
			TOTAL XXXXXXXXXXXX2563 $269.22	

A portion of a credit card statement for meal purchases made by Allen.

The town requires expenditures to have an original receipt and a written explanation for each purchase. In addition, the town requires each purchase to have a budgetary line-item on receipts for each expenditure. Allen did not always provide documentation in the form of a receipt or adequate business purpose for the meals after being instructed to do so. Investigators were unable to determine whether Allen had a legitimate business purpose for each of these meal purchases due to the lack of documentation.

Investigators noted one meal to Pizza Hut in May 2020, in the amount of $18.55, made by Allen that he reimbursed to the town after being questioned by town personnel. Allen advised town personnel this expenditure was personal in nature and was made by accident.

Summary of Questionable Meal Purchases by Ashland City Mayor Steve Allen

Meal Purchases by Year		Amount
2019	$	1,435.95
2020		1,259.81
2021		594.77
Total	**$**	**3,290.53**

On November 1, 2021, the Cheatham County Grand Jury indicted Steve Allen for three (3) counts 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.

Town of Ashland City Mayor Investigative Exhibit

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal controls and compliance, some of which contributed to the mayor's questionable use of the town's resources:

Deficiency 1: **The mayor failed to provide and retain adequate supporting documentation for many disbursements**

The mayor failed on at least 27 of 75 credit card transactions to provide adequate supporting

documentation for his credit card charges whether by a receipt, a written explanation of the purchase, or by a "*Lost Receipt Form*." Failure to provide and retain adequate supporting documentation increases the risk that errors or misappropriations could occur without prompt detection.

Deficiency 2: Town officials failed to establish a written policy for the use of town credit cards

Tenn. Code Ann. § 9-18-102(a) (2), requires, that municipal governments shall establish and maintain internal controls which shall provide reasonable assurance that "Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation." The town failed to establish a written credit card policy to provide guidance to town employees regarding the proper use of the town's credit cards. The lack of a written credit card policy increases the risk of improper use or misappropriation of town funds.

Deficiency 3: Town officials failed to establish a written policy for business-related meals

Town officials failed to establish a written policy for business-related meals purchased by town officials. Meal purchases were made on a regular basis and appeared to be a general practice of the mayor. Between January 2019 and September 2021, the mayor spent $3,290.53 using his town-issued credit card for meals on 75 separate occasions. As stated above, town records were insufficient to determine whether the town received the benefit of these meal purchases made by the mayor. Town officials should establish a written policy addressing permissible uses of town funds for officials' meals including how that furthers the goals and objectives of the town to improve accountability and provide increased transparency.

Additionally, town officials should consider including appropriations for officials' business-related meals and training events in the town's annual budget.

Deficiency 4: The mayor directed the use of the town's public works equipment and personnel to haul gravel for a non-profit without council approval

The town properly approved a cash donation of $25,000 to a local veteran's memorial park in addition to other local donors of both money and resources. However, investigators also determined the mayor directed the use of town equipment and personnel to haul six dump truck loads of gravel for the project without the knowledge and authorization of the town council.

Local governments are authorized by state law to make donations to non-profit charitable and non-profit civic organizations; however, the mayor failed to receive approval from the town council for hauling the gravel to the project.

Town of Ashland City officials indicated that they have corrected or intend to correct these deficiencies.