



COMPTROLLER'S INVESTIGATIVE REPORT

Knox County General Sessions Court Clerk's Office

February 4, 2021

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

February 4, 2021

Knox County General Sessions Court Clerk's Office
Michael Hammond, Clerk of the Courts
400 Main Street SW
Knoxville, TN 37902

Mr. Hammond:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Knox County General Sessions Court Clerk's Office, 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 6th 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 that reads "Jason E. Mumpower".

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Knox County General Sessions Court Clerk's Office

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Knox County General Sessions Court Clerk's Office (clerk's office) in Knox County, Tennessee. This investigation was initiated after county officials reported questionable practices by a deputy clerk and was limited to selected records for the period January 1, 2019 through October 22, 2019. Staff of the clerk's office provided extensive assistance during the investigation. The results of the investigation were communicated with the Office of the District Attorney General of the 6th Judicial District.

BACKGROUND



The Knox County General Sessions Court Clerk is responsible for keeping records and performing administrative duties for the county courts. Such administrative duties include the collection of court costs, fines, and other fees assessed by the General Sessions Court. Deputy clerks accept payments via cash, check, or credit card and record the payments in the computerized system the office uses to account for all collections. After a payment is made, the deputy clerk issues a paper receipt, and a duplicate is saved and stored electronically in the computerized system.

RESULTS OF INVESTIGATION

- **DEPUTY CLERK STEVEN HARMON MISAPPROPRIATED CASH COLLECTIONS TOTALING AT LEAST \$6,577**

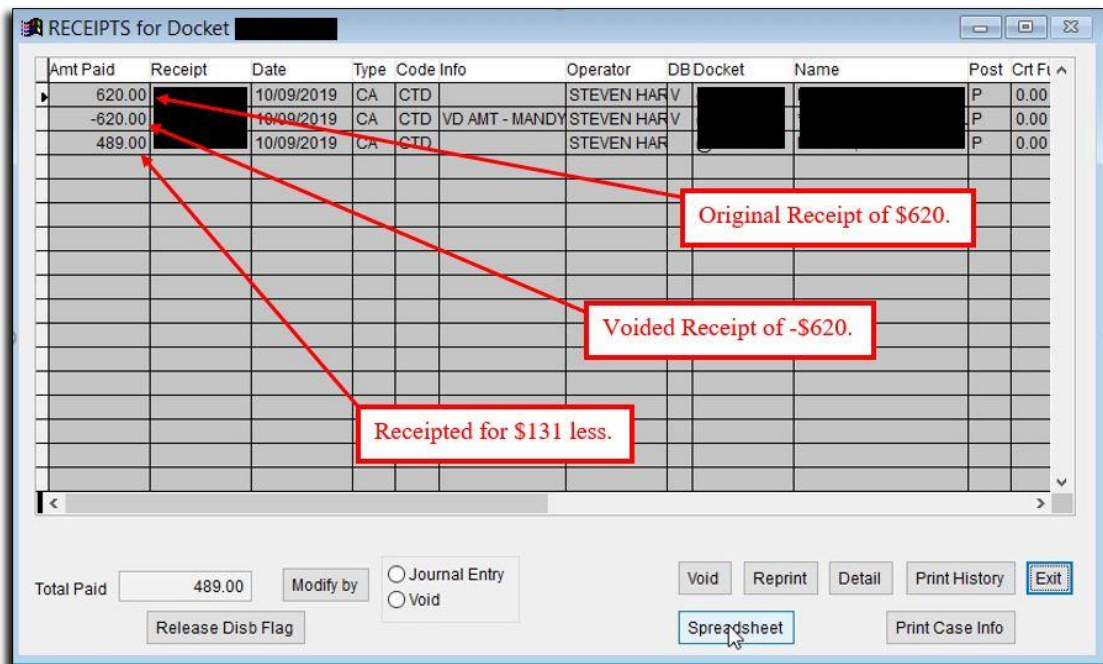
During the period January 11, 2019 through October 22, 2019, deputy clerk Steven Harmon misappropriated cash collections totaling at least \$6,577 (\$5,194 plus \$352 plus \$1,031). In October 2019, county officials reviewed office records and discovered numerous cash payments had been voided, re-receipted for a lesser amount, and the cash difference had not been refunded to the defendants.

During their review of the respective defendants' bills of cost, officials could not find any legitimate reason for voiding the payments. Officials also discovered that the amounts re-receipted did not match the amounts owed by the defendants.

The investigation determined Harmon used the following three schemes to conceal his misappropriation of county funds:

1. Harmon misappropriated at least \$5,194 by voiding cash payments received from 45 defendants, re-receipting the cash payments for a lesser amount, and retaining the cash difference for his personal benefit. He concealed his misappropriation by removing fees, such as subpoena fees, from the defendants' bill of costs in an amount equal to the amount of cash he retained. Ultimately, the defendants did not pay or owe more than originally adjudicated. **(Refer to Exhibit 1).**

Exhibit 1



Amt Paid	Receipt	Date	Type	Code Info	Operator	DB Docket	Name	Post	Crt Ft
620.00		10/09/2019	CA	CTD	STEVEN HARV			P	0.00
-620.00		10/09/2019	CA	CTD	VD AMT - MANDY	STEVEN HARV		P	0.00
489.00		10/09/2019	CA	CTD	STEVEN HAR			P	0.00

Total Paid: 489.00

Receipt showing an original charge, the void entered by Harmon and the new receipted amount.

2. Harmon misappropriated at least \$352 by adding erroneous fees to three defendants' bill of costs, such as extra subpoena fees, to increase the total they owed. He then told the defendants they owed the increased amount, receipted their payment of the increased amount, voided that receipt, re-receipted the payment for the lesser correct amount, and retained the cash difference. The clerk's office will reimburse these defendants for any overpayments.
3. Harmon misappropriated at least \$1,031 by voiding cash payments from 12 defendants, re-receipting the cash payments for a lesser amount, and retaining

the cash difference. He did not alter these defendants' bill of cost. The clerk's office has committed to adjusting these accounts to what was actually paid.

During the period investigated, Harmon made at least 120 false entries in the accounting records to facilitate and conceal his misappropriations.

Harmon was placed on administrative leave with pay on October 31, 2019, and subsequently placed on administrative leave without pay effective February 1, 2020. Harmon's employment was terminated effective November 24, 2020.

On February 4, 2021, Steven Harmon pled guilty to one count of Theft over \$1,000.

[Knox County General Sessions Court Clerk's Office Investigation Exhibit](#)

INTERNAL CONTROL DEFICIENCY

Our investigation revealed a deficiency in internal control, which contributed to Harmon's ability to misappropriate cash collections for his personal use. This deficiency was:

Deficiency: Supervisors failed to adequately review transactions prior to approving voids

Officials failed to adequately review void transactions prior to approving them. A supervisor's approval was required for each fraudulent void transacted by Harmon. These supervisors failed to verify the voided transactions were legitimate, instead they relied upon Harmon's assurances that each void was necessary to correct an error.

Clerk's office officials indicated that they have corrected or will correct this deficiency.
