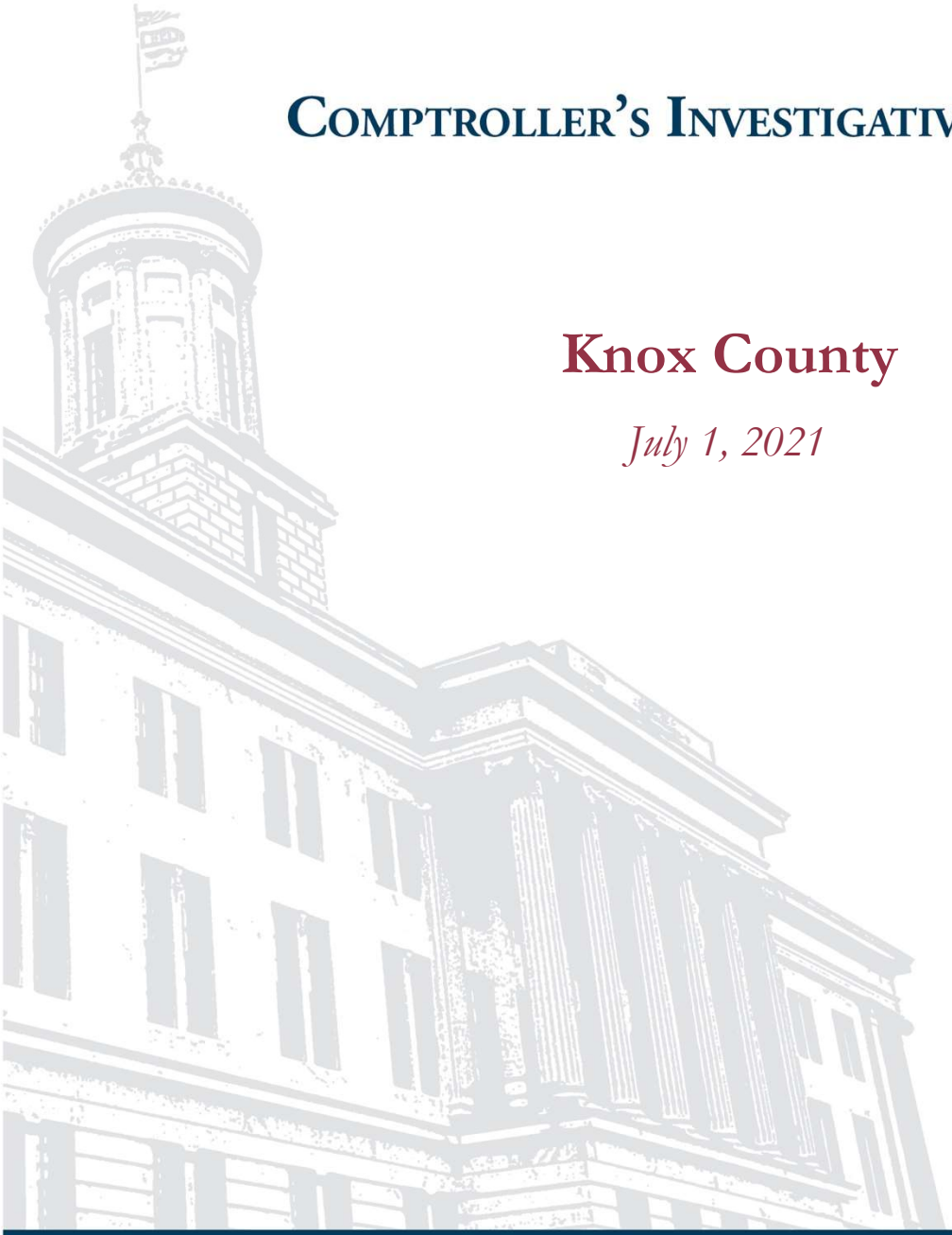


Comptroller's Investigative Report

Knox County

July 1, 2021

Jason E. Mumpower
Comptroller of the Treasury

Division of Investigations

Jason E. Mumpower
Comptroller

July 1, 2021

Knox County Mayor
400 Main Street
Knoxville, TN 37902

and

Knox County Board of Commissioners
400 Main Street
Knoxville, TN 37902

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Knox County, 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,

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

KNOX COUNTY

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to Knox County. The investigation was limited to selected records for the period July 1, 2019 through October 31, 2020. The investigation was initiated after Knox County officials reported questionable transactions. The results of the investigation were communicated with the Office of the District Attorney General of the 6th Judicial District.

BACKGROUND

Knox County is located in East Tennessee. An 11 member county commission acts as the county's legislative body, and the county mayor is responsible for carrying out the policies and resolutions of the county commission. The county mayor oversees the day-to-day operations of the government and appoints the county's department heads. Serving under the direct supervision of the county mayor, the chief of staff provides direct management support of all county departmental senior directors and agencies, including the Knox County Parks and Recreation Department (department). The department offers adult softball leagues, assists with local youth sport leagues, and maintains several athletic facilities across the county as well as over 2,500 acres of parks and recreation space, walking trails, and greenways.

RESULTS OF INVESTIGATION

1. FORMER KNOX COUNTY CHIEF OF STAFF BRYAN HAIR USED A COUNTY-OWNED GOLF CART FOR HIS PERSONAL USE

Former Knox County Chief of Staff Bryan Hair used a $3,700 county-owned golf cart for his personal use **[Refer to Exhibit 1]**. On May 21, 2020, Knox County Parks and Recreation Senior Director authorized and signed for the purchase of two used golf carts from a dealer in Sevierville **[Refer to Exhibit 2]**. Although one of these golf carts was appropriately delivered to a county park, the other golf cart was delivered to Hair's home. A county employee told investigators he was directed to pick up the golf carts from the dealer using a county truck and deliver one golf cart to a county park and the other golf cart to Hair's home. According to the county employee, around the first of October 2020, he was instructed to pick up the golf cart from Hair's home and store the golf cart in his barn for a few days, then later deliver the golf cart to a county park. Hair acknowledged to investigators that he did use the county golf cart for his personal use between May and October 2020.

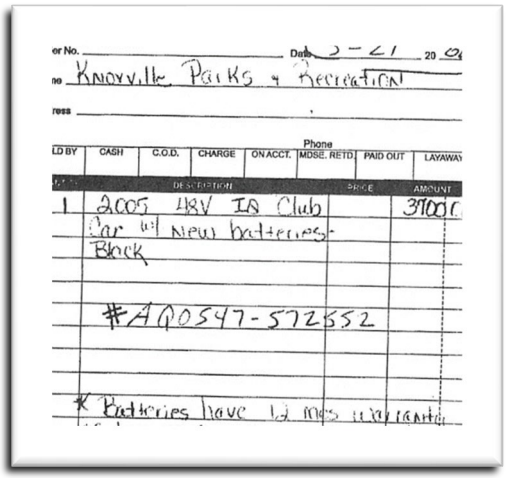
Knox County's handbook provides county equipment, materials, vehicles, and/or other resources assigned shall be used with care and economy and shall be used only for county purposes. The county's ethics policy, adopted in August 2018, states:

> No public official or employee shall make use of facilities, equipment, personnel, or supplies of the county or its agencies for private use or gain except to the extent that the use is incidental or minimal or is lawfully available to the general public.

Exhibit 1

County- owned golf cart used by Hair

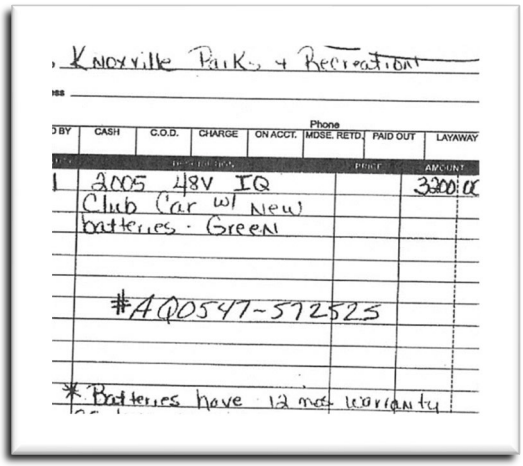
Exhibit 2



Knoxville Parks + Recreation

CASH	C.O.D.	CHARGE	ON ACCT.	Phone MDSE. RETD.	PAID OUT	LAYAWAY

	DESCRIPTION	PRICE	AMOUNT
1	2005 48V IQ Club Car w/ New batteries - Black		3900.00
	#AQ0547-572552		
	* Batteries have 12 mos warranty		



Knoxville Parks + Recreation

CASH	C.O.D.	CHARGE	ON ACCT.	Phone MDSE. RETD.	PAID OUT	LAYAWAY

	DESCRIPTION	PRICE	AMOUNT
1	2005 48V IQ Club Car w/ New batteries - Green		3200.00
	#AQ0547-572525		
	* Batteries have 12 mos warranty		

May 21, 2020 golf cart invoices

Bryan Hair resigned from his position as chief of staff on October 18, 2020. Knox County terminated the Parks and Recreation Senior Director's employment effective October 19, 2020.

2. PARKS AND RECREATION DEPARTMENT EMPLOYEES USED COUNTY TIME AND ASSETS FOR PRIVATE PURPOSES

Based on interviews with department employees and a review of time records, investigators determined that some employees performed work on private property during work hours using county assets. These employees stated they felt pressured to perform the private work for fear of losing their jobs. Most county vehicles were equipped with GPS tracking systems that tracked their locations; however, the employees stated they used a county truck without a GPS tracking device for some of the private work. In most cases, employees told investigators they believed they were using flex time while performing work on private property during work hours. Flex time is earned when additional hours are worked on some days which can be used as leave on other days. The department maintained no records of this arrangement, so investigators could not verify these claims made by employees. Investigators noted the following improprieties:

- Two employees stated that on June 23, 2020, they used a county truck during work hours to move a playground set **[Refer to Exhibit 3]** from a neighbor's home to Hair's residence. The employees estimated the job took roughly one hour. The employees told investigators they assumed they were on leave (flex time); however, time records indicated the work was performed on county time and did not indicate any leave was requested, claimed, or assessed.

Exhibit 3

Playground set that was moved on June 23, 2020

- Department employees used county equipment, the maintenance shop, and county time to work on personal property during the period examined. For example, one employee stated he worked on automobiles owned by the Parks and Recreation Senior Director and members of his family. Investigators were unable to determine if county supplies were used for these projects.

- Two department employees told investigators that, in early July 2020, they were instructed to travel to Claiborne County, during county work hours, to cut up a tree on the property owned by one of the Parks and Recreation Senior Director's relatives. The employees stated they used a county truck and county chainsaws to cut up the tree, and the job took roughly one hour. One employee stated he assumed they were using leave (flex time) for the job; however, time records indicated the work was performed on county time and did not indicate any leave was requested, claimed, or assessed.

- Two department employees told investigators that on May 12, 2020, they used county chainsaws during county work hours to cut down a tree **[Refer to Exhibit 4]** on a county employee's private property located outside of Knox County. The employees stated the job took roughly 3 to 4 hours. Again, the employees stated they assumed they were using leave (flex time) for the job, although time records indicated the work was performed on county time and did not indicate any leave was requested, claimed, or assessed.

Exhibit 4

Pictures of the tree that was cut down on May 12, 2020

On December 15, 2020, one Knox County Parks and Recreation employee's employment was terminated, and another employee was disciplined for performing work on private properties during work hours using county equipment.

On June 30, 2021, the Knox County Grand Jury indicted Bryan Hair on 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.

Knox County Investigation Exhibit

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal controls and compliance:

Deficiency 1: **Several Parks and Recreation Department employees violated the county's Safety Footwear Policy**

Several purchases did not comply with county policies and procedures. In some instances, the county paid for safety boots ranging in cost from $150 to $220. The county's Safety Footwear Policy provides employees safety footwear up to $125 and must carry a Class 75 rating. Investigators were unable to determine if the footwear purchased complied with the required safety ratings. Management's failure to monitor the type and cost of safety boot purchases increases the risk that the cost exceeds the authorized limit, and that the footwear does not meet the required safety ratings.

Deficiency 2: **The Parks and Recreation Department did not adequately account for its equipment and tool inventory**

The department did not adequately account for its equipment and tool purchases. The department assigned certain employees procurement cards for the purpose of purchasing equipment and tools to be used in the scope of their employment. The employees primarily stored the purchased items on department vehicles for their convenience or at the maintenance shop. Several employees were unable to provide an inventory of equipment and tools on their truck or in the maintenance shop. Investigators performed a physical observation of equipment and tools and noted inventory logs were incomplete or did not exist. A lack of accountability over equipment and tools increases the risk of loss. Management should maintain a current inventory of equipment and tools purchased for the department.

Deficiency 3: **Parks and Recreation Department employee time records did not always accurately reflect time worked**

Time records for department employees did not always accurately reflect time worked. In most instances, time records for employees reflected that they worked five days a week for eight hours each day. However, investigators were advised by some employees that employees were working the required 40 hours per week but not always in eight-hour daily increments as reflected on their time records. Employees told investigators, that in some instances, they worked additional hours and were advised by management to take the extra hours off on a subsequent day; however, these additional hours and leave were not properly reflected on their time records. Due to the failure to accurately record time, investigators were unable to determine the actual hours worked by some employees. Knox County's handbook requires non-exempt employees to complete an accurate time record of beginning and ending work times, including lunch. Furthermore, sound business practices dictate that time, attendance records, and accumulated leave should be accurately maintained for all employees. The failure to maintain adequate documentation of time worked weakens internal controls over the payroll process, increases the risks of improper payments and

reduces accountability over employee time. Management should review employee time records to ensure employee time records accurately reflect time worked.

Knox County officials indicated that they have corrected or intend to correct these deficiencies.