



COMPTROLLER'S INVESTIGATIVE REPORT

Mid-Cumberland Human Resource Agency

October 26, 2021

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

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Mid-Cumberland Human Resource Agency
Board of Directors
1101 Kermit Drive, Suite 300
Nashville, TN 37217

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Mid-Cumberland Human Resource Agency, 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,

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

Mid-Cumberland Human Resource Agency

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to Mid-Cumberland Human Resource Agency (MCHRA). The investigation was initiated after MCHRA officials reported that a misdemeanor program officer was violating agency policy in connection with the collection of cash payments. The investigation was limited to selected records for the period from July 1, 2016, through June 30, 2020. The results of the investigation were communicated with the Office of the District Attorney General of the 23rd Judicial District.

BACKGROUND



The MCHRA was established in accordance with the Human Resource Agency Act of 1973, Tenn. Code Ann. § 13-26-101, et. seq. Agencies created pursuant to that Act are considered to be governmental entities.

The Misdemeanor Management Services Program at MCHRA works with the General Sessions and Circuit Courts and local District Attorneys General offices to provide an alternative to incarceration in the sentencing of misdemeanor offenders. The program connects offenders with drug and alcohol rehabilitation, educational training, and counseling services, as well as providing supervised probation services. The program services Cheatham, Dickson, Hickman, Houston, Humphreys, Perry, Stewart, Sumner, Trousdale, and Williamson Counties.

MCHRA currently employs seven misdemeanor program officers. The role of a misdemeanor program officer is to serve as a probation officer for offenders in the program, monitor court payments, monitor special recommendations (anger management classes, etc.), and monitor and collect program fees such as supervision fees or drug test fees. The officers are responsible for recording the payments in JustWare, the case management system used by MCHRA to track offender supervision dates and monthly payments.

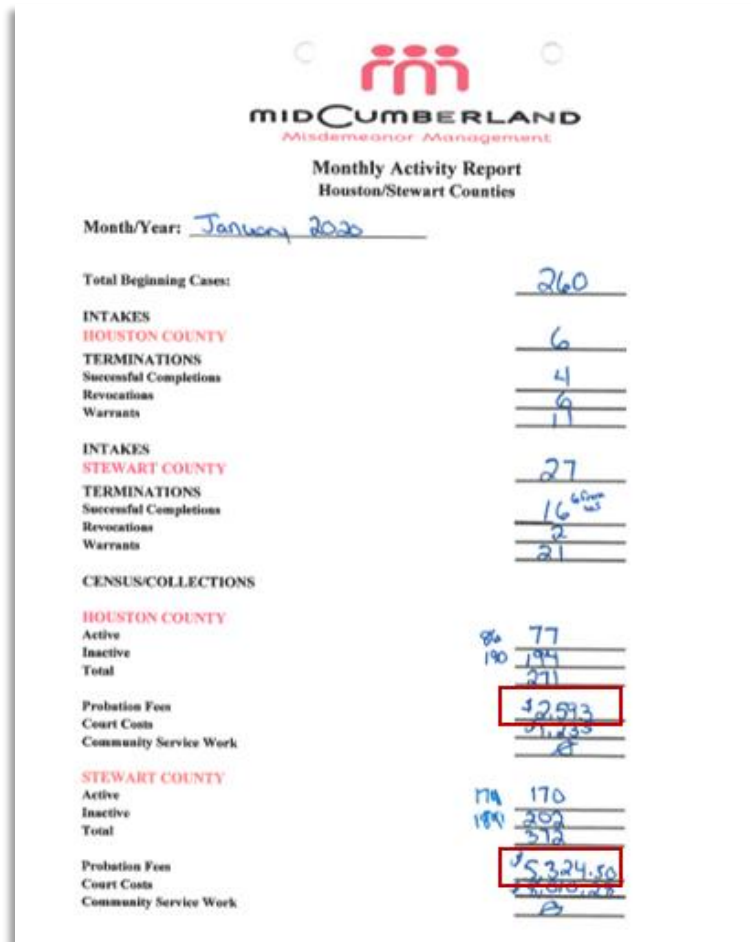
RESULTS OF INVESTIGATION

- **FORMER MISDEMEANOR PROGRAM OFFICER ROBERT PARKER MISAPPROPRIATED FUNDS TOTALING \$14,713.49**

During the period July 2017 through June 2020, former misdemeanor program officer Robert Parker (Parker) engaged in a scheme to misappropriate \$14,713.49 by failing to deposit some of the cash payments he received from offenders. By accepting cash payments, Parker violated MCHRA policy, which requires payments to be made by money orders and certified checks only. Investigators compared receipts entered into the JustWare case management system with deposits made in the MCHRA bank account and determined that Parker recorded the cash collections in JustWare and credited the offenders' accounts but did not deposit some of the cash collections.

Parker made false entries in monthly activity reports and presented them to his supervisor that routinely underreported the amount of fee collections received, effectively concealing his ongoing misappropriation. The fees he reported on the monthly activity reports as being collected did not agree with the total dollar value of receipts or deposits for the respective months. Investigators determined that Parker underreported the amount of fees he collected on 27 of the 31 monthly activity reports that he submitted to management during the period from July 2017 through January 2020. For example, in January 2020, Parker receipted a total of \$12,845.50 into the JustWare case management system, but only listed collections at \$7,917.50 on the monthly activity report, specifically \$2,593 from Houston County and \$5,324.50 from Stewart County, thereby underreporting collections for the month by \$4,928 (\$12,845.50 less \$7,917.50). [Refer to Exhibit 1.]

Exhibit 1



MID-CUMBERLAND Misdemeanor Management	
Monthly Activity Report Houston/Stewart Counties	
Month/Year: <u>January 2020</u>	
Total Beginning Cases:	<u>260</u>
INTAKES	
HOUSTON COUNTY	
Successful Completions	<u>4</u>
Revocations	<u>9</u>
Warrants	<u>7</u>
INTAKES	
STEWART COUNTY	
Successful Completions	<u>16</u> ^{6 from}
Revocations	<u>2</u>
Warrants	<u>21</u>
CENSUS/COLLECTIONS	
HOUSTON COUNTY	
Active	<u>86</u> 77
Inactive	<u>190</u> 194
Total	<u>276</u> 271
Probation Fees	<u>2,593</u>
Court Costs	<u>21,233</u>
Community Service Work	<u>8</u>
STEWART COUNTY	
Active	<u>174</u> 170
Inactive	<u>189</u> 202
Total	<u>363</u> 372
Probation Fees	<u>5,324.50</u>
Court Costs	<u>2,300.00</u>
Community Service Work	<u>8</u>

January 2020 monthly report submitted by Parker to management that underreported collections receipted into the JustWare case management system.

When confronted by MCHRA management, Parker admitted to accepting cash from offenders and keeping some cash collections for his personal use. He told his supervisor that he began by borrowing money for a few days and replacing it before making the related deposit, but eventually could not keep up with replacing the money. He apologized and offered to pay the shortage back to MCHRA. Parker’s employment was terminated effective April 22, 2020.

Summary of Misappropriation			
Total Received			
Fiscal Year	Fees	Total Deposits	Misappropriation
2017-2018	\$ 92,105.30	\$ 87,136.86	\$ (4,968.44)
2018-2019	84,937.55	82,658.50	(2,279.05)
2019-2020	90,195.00	82,729.00	(7,466.00)
2017-2020	\$ 267,237.85	\$ 252,524.36	\$ (14,713.49)

On October 18, 2021, the Houston County Grand Jury indicted Robert Parker on one count of Theft over \$10,000, one count of Official Misconduct, and one count of Tampering with Governmental Records.

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.

[Mid-Cumberland Human Resource Agency Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal controls and compliance, some of which contributed to Parker’s ability to misappropriate funds without prompt detection:

Deficiency 1: Management did not provide adequate oversight and did not segregate duties adequately

Management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and the effectiveness and efficiency of operations. Separating financial duties and providing adequate oversight reduces the risks that errors or misappropriations will remain undetected. Management did not provide adequate oversight and did not separate incompatible financial duties. Parker was responsible for receipting collections, preparing bank deposits, and reconciling receipts with bank deposits. Management failed to adequately reconcile

monthly activity reports submitted by Parker with deposits made to the bank account. Parker routinely reported collection totals and made bank deposits that did not agree with collections entered into the JustWare case management system. Management also failed to reconcile fees received in JustWare with deposits made by other misdemeanor officers.

Deficiency 2: Parker failed to make some deposits intact and timely

Parker did not deposit some collections in the amount in which they were collected. The amount of funds he deposited frequently did not agree with the amount of cash that was received. Parker also failed to deposit collections within three days of receipt. For example, Parker receipted collections on August 28, 2019, but did not deposit the funds until September 5, 2019, eight days after receipt. Management failed to review receipts entered in the JustWare system and bank deposits to ensure deposits were made according to policy. Ensuring deposits are made timely and intact reduces the risks that errors or misappropriations will remain undetected.

Management indicated that they have corrected or intend to correct these deficiencies.
