



COMPTROLLER'S INVESTIGATIVE REPORT

A.C.T.I.O.N Coalition

January 14, 2021

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

January 14, 2021

A.C.T.I.O.N Coalition Board of Directors and
Executive Director Trish Burchette
138 East Main Street
Mountain City, TN 37683

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the A.C.T.I.O.N Coalition, 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 1st 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

A.C.T.I.O.N COALITION

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to A.C.T.I.O.N Coalition (A.C.T.I.O.N). The Comptroller's Office initiated the investigation after the board of directors reported questionable transactions. The investigation was limited to selected records for the period July 1, 2014 through August 14, 2018. The results of the investigation were communicated with the Office of the District Attorney General of the 1st Judicial District.

BACKGROUND



Established in 2005, A.C.T.I.O.N, an acronym of Alliance of Citizens Together Improving Our Neighborhoods, is a nonprofit organization created to provide educational resources and, through collaboration with community organizations, to reduce tobacco, drug, and alcohol use among youth of Johnson County, Tennessee. A.C.T.I.O.N. is funded primarily

through government grants and private donations. A.C.T.I.O.N is governed by a ten-member board.

Johnson County Safe Haven, Inc. (Safe Haven) acted as the fiscal agent for A.C.T.I.O.N regarding the receipt of grant funding and provided fiscal management on behalf of A.C.T.I.O.N. Safe Haven collected an administrative fee from A.C.T.I.O.N as compensation for performing this and other administrative services. Safe Haven is a nonprofit organization created to provide emergency temporary shelter and support to victims of domestic violence in Johnson County, Tennessee. Safe Haven provided credit cards for A.C.T.I.O.N employees to use for organizational purchases.

RESULTS OF INVESTIGATION

1. FORMER A.C.T.I.O.N EXECUTIVE DIRECTOR ANGELA DICKENS MISAPPROPRIATED A.C.T.I.O.N FUNDS TOTALING AT LEAST \$3,674

During the period reviewed, A.C.T.I.O.N Executive Director Angela Dickens misappropriated A.C.T.I.O.N funds totaling at least \$3,674. Dickens incurred cell phone plan charges, including the purchase of equipment, totaling at least \$3,462 for a family member's phone, which were

paid by A.C.T.I.O.N. The family member was not an A.C.T.I.O.N employee. Dickens also used A.C.T.I.O.N funds to purchase food from a local grocery store for her personal use totaling at least \$212.

The Safe Haven executive director, acting as fiscal agent for A.C.T.I.O.N, was responsible for reviewing and paying all expenses. He told investigators that he was unaware that Dickens had included a family member's phone on the organizations cell phone plan. He was also unaware that Dickens had made personal purchases at a local grocery store that were paid with A.C.T.I.O.N funds. Dickens told investigators that she knew it was wrong for A.C.T.I.O.N to pay for her family member's phone expenses and to purchase food for her family with A.C.T.I.O.N funds.

2. FORMER A.C.T.I.O.N EXECUTIVE DIRECTOR ANGELA DICKENS IMPROPERLY USED THE ENTITY'S CREDIT CARDS FOR HER PERSONAL USE

Dickens charged personal purchases totaling at least \$14,046 on A.C.T.I.O.N credit cards. **[Refer to Exhibit 1.]** The Safe Haven executive director told investigators that he was aware, as the fiscal agent for A.C.T.I.O.N, that Dickens was using the A.C.T.I.O.N credit cards for personal purchases. He did not advise the A.C.T.I.O.N board of this arrangement. He reviewed the monthly credit card statements and supporting documentation and, along with Dickens, determined her personal purchases. Dickens issued a personal check payable to the credit card company for her portion. Safe Haven's executive director enclosed Dickens' check with the entity's payment and mailed both payments to the credit card vendor. In some instances, Dickens' failed to make a timely reimbursement, resulting in finance charges and late fees. In most instances, the Safe Haven executive director required Dickens to pay those charges and fees; however, investigators could not determine if Dickens reimbursed all finance charges and late fees. Several A.C.T.I.O.N board members told investigators they were not aware that Dickens made personal use of the organization credit cards. Investigators were able to determine that Dickens reimbursed A.C.T.I.O.N for personal purchases made with the organization credit cards.

Exhibit 1

03/26	03/23	Paparazzi LLC	855-697-2727 UT	24707808082027016346534	40.88
03/26	03/22	Paparazzi LLC	855-697-2727 UT	24707808082027016251379	88.50
03/26	03/22	Paparazzi LLC	855-697-2727 UT	24707808082027016253821	172.13
03/26	03/24	Paparazzi LLC	855-697-2727 UT	24707808084027013922863	44.05
03/26	03/23	Paparazzi LLC	855-697-2727 UT	24707808084030088813355	203.20
03/30	03/28	Paparazzi LLC	855-697-2727 UT	24707808088027016460818	204.49
04/02	03/29	Paparazzi LLC	855-697-2727 UT	24707808089027016624271	246.17
04/02	03/30	Paparazzi LLC	855-697-2727 UT	24707808090027015071273	353.94

Examples of personal purchases made by Dickens using A.C.T.I.O.N credit cards.

Summary of Misappropriation by Dickens

Description	Amount
Credit Card	\$ 14,046
Verizon	3,462
Grocery Store	212
Subtotal	17,720
Less: Payments/Reimbursements	-14,280
Total Remaining Misappropriation	\$ 3,440

3. QUESTIONABLE PURCHASES TOTALING \$17,200 WERE MADE WITH A.C.T.I.O.N FUNDS

Investigators identified additional questionable purchases made with the entity credit card (\$16,322), and at a local grocery store (\$878), totaling \$17,200. In some instances, purchases for food, travel, and supplies were not supported with itemized receipts or detail. Therefore, investigators could not determine whether these purchases were exclusively for A.C.T.I.O.N purposes. Purchases should be made only for authorized expenditures, and the office should maintain adequate documentation to support all purchases.

Dickens resigned on May 18, 2018.

On January 11, 2021, the Johnson County Grand Jury indicted Angela Wills Dickens on one count of Theft over \$2,500.

[A.C.T.I.O.N Coalition Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal controls and compliance, some of which contributed to the former executive director’s ability to perpetrate her misappropriation without prompt detection:

Deficiency 1: The board of directors did not provide adequate oversight of operations of A.C.T.I.O.N

A.C.T.I.O.N board of directors did not provide adequate oversight and did not establish internal controls to ensure accountability of A.C.T.I.O.N funds. The board of directors failed to ensure that

employees used the entity's credit cards strictly for organizational purchases. Management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations.

Deficiency 2: A.C.T.I.O.N had purchasing deficiencies

Investigators noted the following deficiencies related to purchasing:

- *Credit Card Purchases*

In some instances, A.C.T.I.O.N employees failed to submit adequate documentation for credit card purchases. Employees did not always note the business purpose of meals/meetings and did not always document the attendees. Therefore, even if an employee documented a business purpose or the attendees, investigators could not determine whether the expense was appropriate or reasonable.

A.C.T.I.O.N had no written policies for the use of credit cards or the purchase of food or meals. The board of directors should provide written guidance identifying those who are entitled to use the credit cards and the purposes for which the credit cards can be used. The guidance should prohibit personal use of A.C.T.I.O.N credit cards, prohibit employees sharing the credit cards, and provide guidance for the business use of the credit cards. The board of directors should also obtain credit cards issued directly through and to A.C.T.I.O.N and not through their fiscal agent.

- *Grocery Purchases*

During the period examined, A.C.T.I.O.N employees made purchases for food, drinks, paper products and snacks from a local grocery store. Due to inadequate documentation, investigators could not determine if all of these purchases were business related or personal in nature.

Deficiency 3: A.C.T.I.O.N management failed to adequately maintain leave records

A.C.T.I.O.N. management did not maintain employee leave records adequately. A.C.T.I.O.N's leave policy permits employees to accumulate earned but unused leave; however, the office was unable to provide accurate leave balances of employees for the period reviewed. The failure to maintain adequate documentation of accumulated leave weakens internal controls over the payroll process and increases the risk of improper payments.

Deficiency 4: Some travel reimbursement claims were not approved by a supervisor

A.C.T.I.O.N had adopted formal policies governing business-related travel reimbursement for employees. However, in some instances, a supervisor did not sign employees' travel reimbursement claims as evidence of review and approval. Travel reimbursement claims should be properly reviewed and approved by a supervisor to decrease the risk of improper payments.

Deficiency 5: A.C.T.I.O.N did not have a formal written agreement with Safe Haven for acting as their fiscal agent

A.C.T.I.O.N paid Safe Haven to act as their fiscal agent but did not have a formal written agreement. As noted above, the Safe Haven executive director failed to provide due diligence in reviewing expenditures and failed to promptly notify the A.C.T.I.O.N board of directors when he became aware that Dickens was using the organization credit card for personal purchases. Further, the Safe Haven executive director failed in his role as fiscal agent by allowing Dickens to make personal payments to the credit card company, thereby concealing her improper conduct. Without a formal written agreement, A.C.T.I.O.N and Safe Haven had no guidelines detailing both organizations responsibilities, obligations or expectations.

The A.C.T.I.O.N board of directors indicated that they have corrected or intend to correct these deficiencies.
