



COMPTROLLER'S INVESTIGATIVE REPORT

City of Ardmore

November 3, 2022

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

November 3, 2022

City of Ardmore Officials
25844 Main Street
P.O. Box 55
Ardmore, TN 38449

City of Ardmore Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the City of Ardmore, 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 22nd 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". The signature is stylized and includes a long horizontal line extending to the right.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

City of Ardmore, Tennessee

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the City of Ardmore, Tennessee. This investigation was initiated after the Comptroller's Office received allegations that the mayor used city personnel and equipment on private property. The investigation was limited to selected records for the period January 1, 2019, when the mayor took office, through June 2, 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 22nd Judicial District.

BACKGROUND



The City of Ardmore, Tennessee (city), is in Giles and Lincoln counties and shares administrative and financial responsibilities with its sister town, Ardmore, Alabama. Both Ardmore, Tennessee and Ardmore, Alabama share emergency and selected utility services. The city is governed by a mayor and six aldermen who are elected to serve four-year terms.

RESULTS OF INVESTIGATION

THE MAYOR DIRECTED CITY EMPLOYEES TO PERFORM WORK ON PRIVATE PROPERTY USING CITY-OWNED EQUIPMENT

Interviews with former and current city employees revealed the mayor directed city personnel to perform work on private property using city-owned equipment. Investigators confirmed street department employees performed work on private property during regular work hours using city-owned equipment. All such work was done without approval by the city's board of aldermen.

- The mayor directed street department employees to move storage racks, tools, and two children's bicycles that he donated from his personal barn (private property) to a city facility (**Refer to Exhibit 1**). Even though the mayor claimed he donated these items to the city, the removal of these items from his personal property was also to his benefit.

Exhibit 1



Shelving located at a city facility that was donated by the mayor.

- On April 4, 2021, the mayor directed city street department employees to move four truckloads of debris from private property to a city-owned lot to level the lot for future development (**Refer to Exhibit 2**). Removal of this debris from private property also benefitted the property owner.

Exhibit 2



Debris removal from private property using city-owned equipment.

- The mayor directed city street department employees on multiple occasions to use city-owned equipment, including a bush hog, to clear private properties owned by two businesses (**Refer to Exhibit 3**) located at 25390 Crockett Drive and 25400 Industrial Park Drive. The clearing of private properties was done at no cost to the businesses. The mayor stated the properties had to be cleared to maintain an unobstructed right-of-way to the city

owned water tower and to reduce the risk of a fire hazard. These two properties were directly adjacent to city-owned property located on Crockett Drive.

Exhibit 3



Private property bushhogged by the street department.

- The mayor directed city street department employees to deliver and install two kitchen appliances to a family purportedly in need in Ardmore, Alabama. The time spent delivering and installing the appliances was for the benefit of the resident, not the city.

By giving direction to city employees to perform work on private property during normal work hours, to use city-owned equipment, without approval from the board of aldermen, the mayor violated the city's Municipal Code 4-205 (**Refer to Exhibit 4**).

Exhibit 4

4-205. Use of municipal time, facilities, etc. No municipal officer or employee shall use or authorize the use of municipal time, facilities, equipment, or supplies for private gain or advantage to himself or any other private person or group. Provided, however, that this prohibition shall not apply where the board of mayor and aldermen has authorized the use of such time, facilities, equipment, or supplies, and the municipality is paid at such rates as are normally charged by private sources for comparable services. (1969 Code, § 1-705)

City of Ardmore, Tennessee, Municipal Code 4-205.

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal controls and compliance, some of which contributed to the mayor's ability to have work done on private property without the approval of the Board of Mayor and Alderman:

Deficiency 1: City officials did not sign some employee timesheets as evidence of review and approval

In most instances, management did not sign employees' timesheets as evidence of review and approval. Sound business practice dictates that payroll records be properly reviewed and approved. Management's failure to review and approve timesheets increases the risk of improper payroll payments.

Deficiency 2: City officials did not follow or enforce *Municipal Code 13-104*

The mayor directed city employees to cut overgrown grass and vegetation on private property which violated *Municipal Code 13-104*, which states:

13-104. Weeds. Every owner or tenant of property shall periodically cut the grass and other vegetation commonly recognized as weeds on his property, and it shall be unlawful for any person to fail to comply with an order by the city recorder or chief of police to cut such vegetation when it has reached a height of over one (1) foot. (1969 Code, § 8-407)

Investigators found no evidence to indicate that the city recorder or chief of police ordered the cutting of vegetation for one of the private property owners.

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