



COMPTROLLER'S INVESTIGATIVE REPORT

City of LaFollette

June 7, 2022

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

June 7, 2022

LaFollette City Council
207 South Tennessee Avenue
LaFollette, TN 37766

LaFollette City Council Members:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the City of LaFollette, 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 8th 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

City of LaFollette

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the City of LaFollette. The investigation was limited to the period from March 2020 through July 2021. The results of the investigation were communicated with the Office of the Pro-Tem District Attorney General of the 8th Judicial District.

BACKGROUND

The City of LaFollette is in Campbell County, Tennessee, and is governed by a mayor, city administrator, and city council. The former mayor was first elected 2008, was re-elected in 2020, and was ousted following a grand jury indictment resulting from a joint investigation by the state Comptroller's Office and the Tennessee Bureau of Investigation. An interim mayor was appointed in December 2021 after a petition to oust the former mayor was granted in the Eighth Judicial District Circuit Court. The mayor referenced in this report is the former mayor (held office from 2008-2021).



Founded in 1897, the City of LaFollette Fire Department (fire department) is responsible for the protection of lives and property. The fire department is tasked with the organization and direction of all fire service functions including planning, directing and conducting fire inspections, and fire prevention operations. The fire department staffs three fire stations throughout the City of LaFollette. The current fire department chief was appointed in June 2020.

RESULTS OF INVESTIGATION

- 1. FIRE DEPARTMENT PERSONNEL AND EQUIPMENT WERE USED FOR THE BENEFIT OF PRIVATE CITIZENS AND BUSINESSES**

Fire department personnel and equipment were used for the benefit of private citizens and businesses, potentially compromising the fire department's ability to respond to emergencies. Investigators determined the mayor and city council members requested the use of fire department personnel and equipment to benefit private citizens and businesses, which was outside of their roles as first responders. Fire department personnel were asked to clean off parking lots of private businesses, attend funerals with the ladder truck in order to display the flag, lower flags to half-mast for the deaths of people known to the mayor, and conduct repairs to private property (**Refer to Exhibit 1 and Exhibit 2**).

Exhibit 1



Fire department ladder truck and flag at a funeral

Exhibit 2



Firefighter cleaning the parking lot of a private business

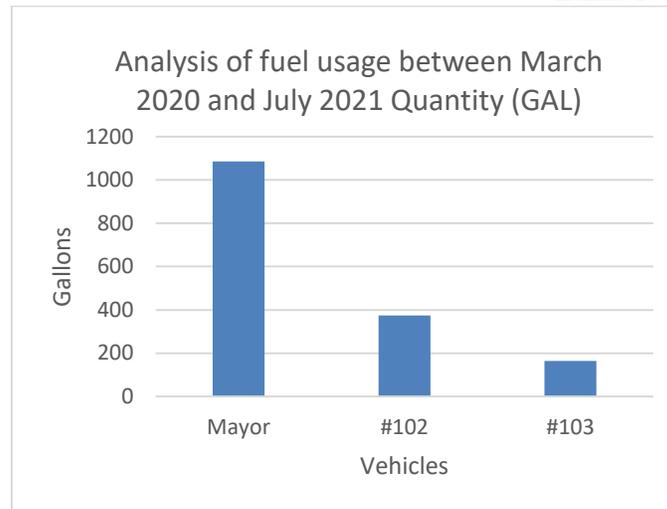
These benefits were not available to all citizens of the community. Furthermore, these requests interfered with the fire department's preparedness in the event of an emergency by tying up equipment and personnel, sometimes outside of the city limits. Fire department officials felt they could not refuse these requests out of fear of retaliation by the mayor.

2. THE MAYOR'S USE OF CITY-OWNED VEHICLES AND FUEL WAS EXCESSIVE AND NOT COMMENSURATE WITH HIS JOB RESPONSIBILITIES

The mayor's use of city-owned vehicles and fuel was excessive and not commensurate with his job responsibilities. The duties of the mayor are limited to the following: signing paychecks, breaking a tie vote within the city council, and ceremonial duties; none of these responsibilities appear to require the use of a vehicle. However, the mayor drove numerous city-owned vehicles during his tenure, without being held accountable for how those vehicles were used. The city council approved the mayor's use of a city-owned vehicle; however, the council failed to restrict the use of the vehicle to city related activities or duties. The mayor was not assigned a specific vehicle but drove any city-owned vehicle he wanted. Investigators determined the amount of fuel used by the mayor and paid for with

city funds was significantly more than any other member of the city administration who was issued a vehicle. Investigators examined fuel records from March 2020 through July 2021 and found the mayor purchased 1,085.7 gallons of fuel during this time frame versus 539.6 gallons for the remainder of the city administration combined (**Refer to Exhibit 3**).

Exhibit 3



Fuel usage by LaFollette City Administration

Furthermore, witnesses observed the mayor in city vehicles outside of the city limits and with other people, including family members, in the city vehicle with him. Finally, investigators noted instances where the mayor obtained fuel more than once a day and obtained diesel fuel, which he had no need for based on the vehicles he drove. Investigators noted the mayor routinely had more than one city vehicle parked at his residence (**Refer to Exhibit 4**).

Exhibit 4



One of the two city-owned vehicles parked outside the Mayor's residence.

3. THE CITY COUNCIL FAILED TO TAKE CORRECTIVE ACTION AFTER THE ISSUANCE OF AN INVESTIGATIVE REPORT BY THE STATE COMPTROLLER’S OFFICE, RESULTING IN CONTINUED ABUSE BY THE MAYOR

The city council failed to take corrective action after the issuance of an investigative report dated March 2021 by the state Comptroller’s Office, resulting in continued abuse by the mayor. The 2021 investigation conducted by the Comptroller’s Office and the Tennessee Bureau of Investigation resulted in the indictment of the mayor. In light of the results of that investigation, the city council took no corrective action to limit the mayor who remained in office until November 2021, which allowed the mayor to continue his pattern of malfeasance.

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal controls and compliance, some of which contributed to city officials’ misdeeds without prompt detection:

Deficiency 1: The mayor and city council abused the use of fire department personnel and equipment.

Fire department personnel and equipment were used at the request of the mayor and city council members to perform tasks for private citizens and businesses, which compromised the fire department’s ability to respond to emergencies. Written policies and procedures should be on file detailing the allowable use of fire department personnel and equipment for non-emergency tasks that take into consideration the primary responsibility and readiness of the fire department to respond to emergencies.

Deficiency 2: The mayor was not held accountable for his use of city-owned vehicles.

The mayor used numerous city-owned vehicles during his tenure without being accountable for how the vehicles were used. The city council had previously voted to allow the mayor to use city vehicles; however, the city council did not restrict the use of the vehicles to city related duties. Extending the existing policy governing city employees to anyone using a city-owned vehicle and/or using city purchased fuel to include elected officials could prevent the abuse of city resources. The current city policy did not apply to the mayor and, therefore, did not restrict his use of city vehicles to work duties.

After the ouster of the mayor, the City of LaFollette began drafting and implementing changes to remedy the above-noted issues.