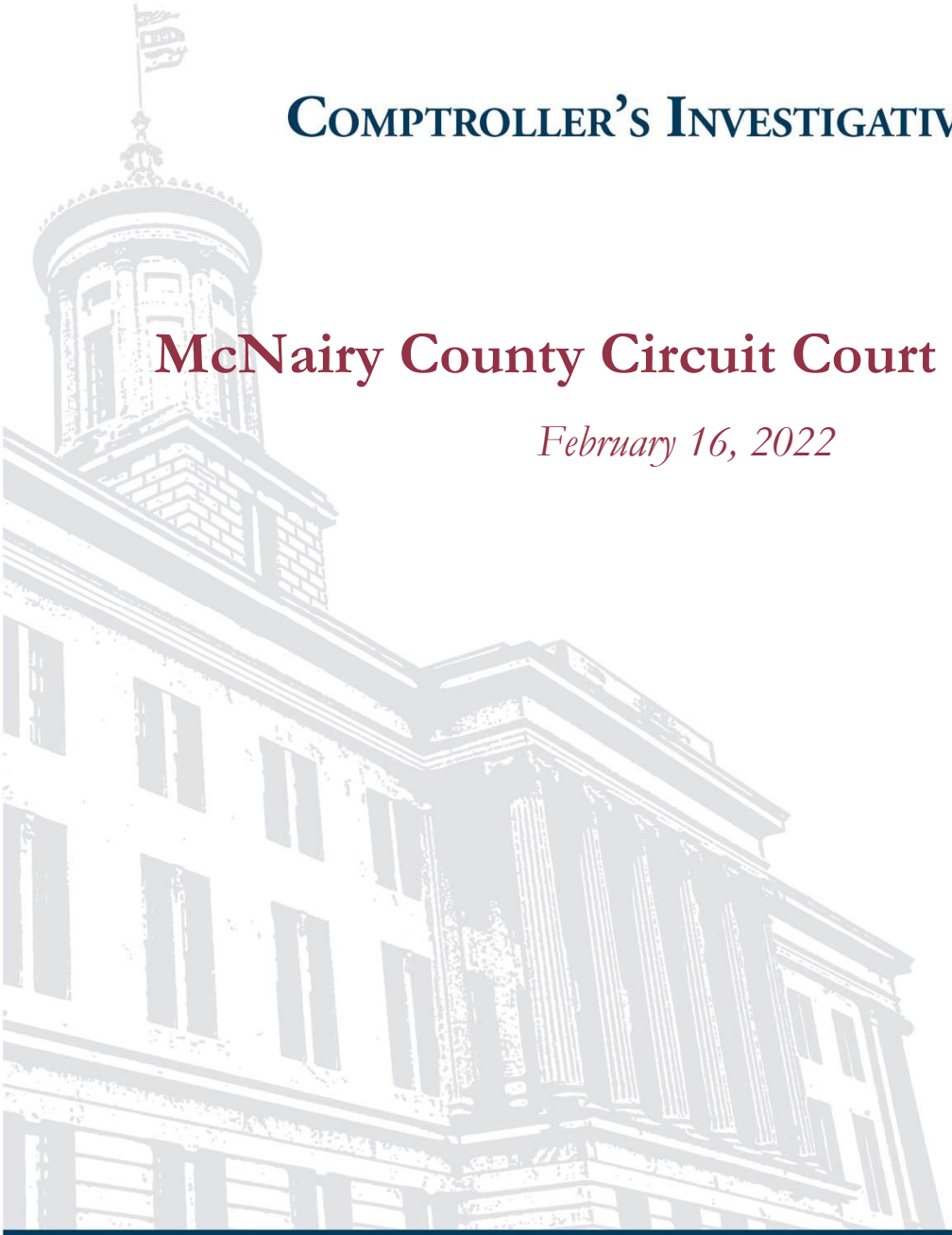


Comptroller's Investigative Report

McNairy County Circuit Court Clerk's Office

February 16, 2022

Jason E. Mumpower
Comptroller of the Treasury

Division of Investigations

Jason E. Mumpower
Comptroller

February 16, 2022

McNairy County Mayor
and Board of Commissioners
170 West Court Avenue, Suite 201
Selmer, TN 38375

McNairy County Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the McNairy County Circuit Court Clerk's Office, 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 25th 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

McNairy County Circuit Court Clerk's Office

The Office of the Comptroller of the Treasury investigated allegations of malfeasance involving time and attendance records in the McNairy County Circuit Court Clerk's Office. This investigation was initiated after officials reported questionable payroll disbursements to former Deputy Court Clerk Stephanie Maxedon. The investigation was limited to selected records for the period from October 1, 2019, through April 30, 2020. The results of the investigation were communicated with the Office of the District Attorney General of the 25th Judicial District.

BACKGROUND

The McNairy County Circuit Court Clerk's Office is in Selmer, Tennessee. The Circuit Court Clerk (clerk) is responsible for keeping the records for three courts: circuit, general sessions, and juvenile. Administrative duties include the collection of all court costs, fines, and other charges assessed by the courts. The clerk's duties also include the hiring and oversight of office employees, reviewing and confirming the accuracy of employees' payroll time sheets, and submitting these payroll time sheets to the McNairy County Mayor's Office for payment.

The Circuit Court Clerk is an elected official who serves a four-year term. Former Circuit Court Clerk Byron Maxedon was first elected to a partial term in November 2012 and resigned as of December 13, 2021. Prior to his service as the circuit court clerk, Maxedon was in law enforcement.

Former Deputy Court Clerk Stephanie Maxedon (deputy clerk) is the spouse of former Circuit Court Clerk Byron Maxedon. She was hired by the former clerk, effective October 14, 2019, and her employment was terminated by the former clerk, effective April 20, 2020. Prior to her being hired by the former clerk, she was employed as a bailiff with the McNairy County Sheriff's Department.

RESULTS OF INVESTIGATION

FORMER DEPUTY COURT CLERK STEPHANIE MAXEDON RECEIVED WAGES AND BENEFITS TOTALING AT LEAST $4,598.39 FOR TIME NOT WORKED

During the period reviewed, former Deputy Court Clerk Stephanie Maxedon received wages and benefits totaling at least $4,598.39 for 313.23 hours of time not worked as noted below:

A. Former Deputy Court Clerk Stephanie Maxedon received wages for time not worked totaling at least $3,163.62

Our investigation revealed the clerk submitted 14 time sheets to the County Mayor's Office during Deputy Court Clerk Stephanie Maxedon's employment. The former clerk was aware that 11 of these time sheets included time the deputy clerk did not work. Investigators were able to confirm the deputy clerk's work history by using and reviewing the office computer user change log records and documenting hours during which she was inactive and unaccounted. These records documented when her workday began and ended. Of the 1,040 total hours reported, the deputy clerk was not working approximately 30 percent of the time she was employed in the clerk's office (**Refer to Exhibit 1**). We determined that the former clerk Byron Maxedon completed and falsified four of these time sheets on Stephanie Maxedon's behalf (**Refer to Exhibit 3 and 4**). During our interview with the clerk on August 24, 2021, he admitted to knowingly completing one of the four time sheets (pay period January 13, 2020, through January 17, 2020) when Stephanie Maxedon did not work (**Refer to Exhibit 2**). Several interviews with county employees confirmed that Stephanie Maxedon missed a significant amount of work time during her abbreviated tenure in the clerk's office.

Exhibit 1

Bi-Weekly Dates	Inactive Hours	Inactive Hours Due to Lunch, Breaks, and/or Training	Unaccounted for Inactive Hours	Employee's Hourly Pay	Dollar Amount of Inflated Hours
10.14.2019 to 10.20.2019	28.94	28.94	0.00	$11.12	$0.00
10.21.2019 to 11.03.2019	54.95	54.95	0.00	$11.12	$0.00
11.04.2019 to 11.17.2019	43.97	43.97	0.00	$11.12	$0.00
11.18.2019 to 12.01.2019	51.76	20.00	31.76	$10.10	$320.78
12.02.2019 to 12.15.2019	54.15	20.00	34.15	$10.10	$344.92
12.16.2019 to 12.29.2019	58.94	20.00	38.94	$10.10	$393.29
12.30.2019 to 01.12.2020	48.72	20.00	28.72	$10.10	$290.07
01.13.2020 to 01.26.2020	48.39	20.00	28.39	$10.10	$286.74
01.27.2020 to 02.09.2020	52.62	20.00	32.62	$10.10	$329.46
02.10.2020 to 02.23.2020	38.04	20.00	18.04	$10.10	$182.20
02.24.2020 to 03.08.2020	37.63	20.00	17.63	$10.10	$178.06
03.09.2020 to 03.22.2020	55.24	20.00	35.24	$10.10	$355.92
03.23.2020 to 04.05.2020	63.23	20.00	43.23	$10.10	$436.62
04.06.2020 to 04.19.2020	24.51	20.00	4.51	$10.10	$45.55
Total	661.09	347.86	313.23	-	$3,163.62

Summary of wages paid to Stephanie Maxedon for time not worked.

Exhibit 2

WE HAVE A UNDOCUMENTED PERSON THAT SAID STEPHANIE WAS NOT AT WORK THE WEEK OF 1-13 – 1-17. AFTER ASKING QUESTIONS THIS PERSON WAS NOT WILLING TO COME FORWARD & MAKE A FORMAL STATEMENT ABOUT THE ISSUE. 1-29-2020 Larry Smith

MCNAIRY COUNTY GOVERNMENT

EMPLOYEE NAME: Stephanie Maxedon MONTH Jan 2020
SOCIAL SECURITY#:
DEPARTMENT: Circuit
APPROVAL: BM

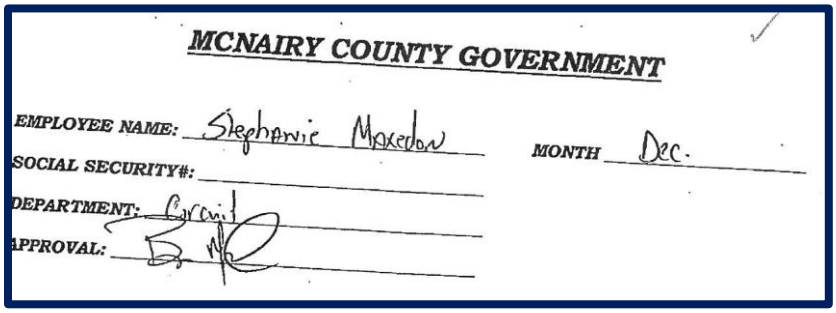
	DATE	IN	OUT	IN	OUT	TOTAL HRS	SICK LEAVE	VACATION TIME	TOTAL HRS
MONDAY	1-13-20	0800	1200	100	~~0~~ 1630	8 75			
TUESDAY	1-14-20	0800	1200	100	1630	8 75			
WEDNESDAY	1-15-20	0800	1200	100	1630	8 75			
THURSDAY	1-16-20					8	1		
FRIDAY	1-17-20					8	1		
SATURDAY									
SUNDAY									
MONDAY	1-20-20	Holiday				8			38.5
TUESDAY	1-21-20	0800	1200	100	1630	8 75			
WEDNESDAY	1-22-20	0800	1200	100	1630	8 75			
THURSDAY	1-23-20	0800	1200	100	1630	8 75			
FRIDAY	1-24-20	0800	1200	100	1630	8 75			
SATURDAY									
SUNDAY									38

TOTAL HOURS TO BE PAID: ~~80~~ 76.5

	SICK LEAVE	VACATION
BALANCE BROUGHT FORWARD	2	0
ACCURED THIS MONTH	1	0
TAKEN THIS PAY PERIOD	2	0
BALANCE CARRIED FORWARD	1	0

Time sheet that includes time not worked between January 13, 2020, through January 15, 2020, and includes a note from the county mayor.

Exhibit 3


MCNAIRY COUNTY GOVERNMENT

EMPLOYEE NAME: Stephanie Maxedon MONTH Dec.

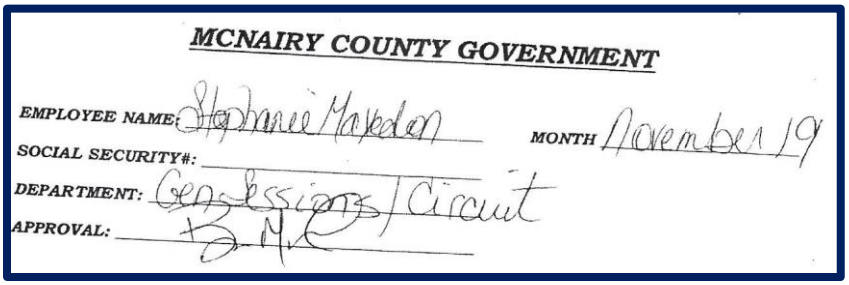
SOCIAL SECURITY#:

DEPARTMENT: Circuit

APPROVAL:

Former clerk Byron Maxedon's handwriting sample.

Exhibit 4


MCNAIRY COUNTY GOVERNMENT

EMPLOYEE NAME: Stephanie Maxedon MONTH November 19

SOCIAL SECURITY#:

DEPARTMENT: Gen Sessions / Circuit

APPROVAL:

Former deputy Stephanie Maxedon's handwriting sample.

B. Former Deputy Court Clerk Stephanie Maxedon received county provided benefits for time not worked totaling at least $1,434.77

Our investigation revealed that former Deputy Court Clerk Stephanie Maxedon received county provided benefits for the time not worked totaling at least $1,434.77 **(Refer to Exhibit 5**).

Exhibit 5

Matching Benefits Paid By Employer	Amount Paid By Employer		
Social Security	$649.90		
Medicare	$151.99		
State Retirement	$559.80		
Other Deductions (Health Insurance)	$3,402.09		
Total Amount Paid By Employer on Behalf of Employee		$4,763.78	
Employee Reported Total Hours		1,040.00	
Average Amount Employer Paid on Employee's Behalf Per Hour			$4.58
Total Hours Improperly Report by Employee			313.23
Improperly Reported Dollar Amount of Matching Benefits Paid on Behalf of Employe Total			$1,434.77

Summary of county provided benefits paid on behalf of Stephanie Maxedon for the time not worked.

Summary of Unearned Compensation

Method of Misappropriation	Total
Wages for Time not Worked	$ 3,163.62
County Provided Benefits Paid on Behalf of Stephanie Maxedon for the Time not Worked	1,434.77
Total Misappropriation	**$ 4,598.39**

On February 14, 2022, the McNairy County Grand Jury indicted Byron Maxedon for one count of Official Misconduct, one count of Theft over $2,500, and one count of Falsifying Government Records.

On February 14, 2022, the McNairy County Grand Jury indicted Stephanie Maxedon for one count of Official Misconduct, one count of Theft over $2,500, and one count of Falsifying Government 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.

McNairy County Court Clerk's Office Investigation Exhibit

INTERNAL CONTROL DEFICIENCIES

Our investigation revealed the following deficiencies in internal controls, some of which contributed to the former deputy court clerk's ability to submit time sheets for time not worked without prompt detection. These deficiencies included:

Deficiency: **The former Circuit Court Clerk did not provide adequate oversight of operations and failed to implement effective internal controls over the timekeeping process**

We noted the following internal control deficiencies:

- The former clerk did not review all employees' time sheets for accuracy and completeness before submitting them to the County Mayor's Office. The former clerk admitted to investigators that employee's timekeeping is largely based on the honor system.

- There are no policies and procedures regarding the timekeeping process. Requests for vacation, sick leave, and variations from employees' scheduled work time are verbally approved. This process does not consider if the employee has accumulated time available for sick or annual leave. Time sheets are completed at the end of every two-week cycle instead of daily, which increases the likelihood for errors to occur.

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