



COMPTROLLER'S INVESTIGATIVE REPORT

Hawkins County Emergency Communications District

April 4, 2022

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

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Hawkins County Emergency Communications District
Director Robert L. Campbell
2291 E Main Street
Rogersville, TN 37857

and

Hawkins County Emergency Communications District Board
Board Members
2291 E Main Street
Rogersville, TN 37857

Hawkins County Emergency Communications District Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Hawkins County Emergency Communications District, 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 3rd 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", with a long horizontal flourish extending to the right.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

HAWKINS COUNTY EMERGENCY COMMUNICATIONS DISTRICT

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Hawkins County Emergency Communications District (district). The investigation was initiated after district officials identified and reported questionable purchases. The investigation was limited to selected records for the period July 2017 through March 2020. The results of the investigation were communicated with the Office of the District Attorney General of the 3rd Judicial District.

BACKGROUND



The district operations center is in Rogersville, Tennessee. The district provides enhanced 911 emergency telephone services, which ties a physical location to a 911 call. The district is managed by a nine-member board of directors that is responsible for operational directives and organizational oversight. Day-to-day district operations are managed by a director.

The district does not have the authority to levy or collect taxes but is funded primarily by a 911 surcharge collected by communications service providers. The providers remit the surcharge to the Tennessee Department of Revenue, which remits the funds to the Tennessee Emergency Communications Board (TECB) for distribution to the individual local districts.

Use of district funds is governed by state statutes, the TECB, and a comprehensive accounting manual. Any use of district revenue must comply with Section 7-86-102(d), *Tennessee Code Annotated*, which states funds received by districts “from all sources shall be used exclusively in the operation of the emergency communications district.” All funds received by emergency communications districts (ECDs) are public funds and are limited to purposes for the furtherance of 911. Pursuant to Section 7-86-306(a)(11), *Tennessee Code Annotated*, the TECB is required to establish operating standards concerning acceptable uses of revenue for ECDs. Accordingly, the TECB has established required, permissible, and prohibited uses of 911 revenue to ensure the appropriate expenditure and use of 911 funds by ECDs. Furthermore, the district is required to follow the Accounting and Financial Reporting Manual for Tennessee Emergency

Communications Districts (E911 Manual) prescribed by the Tennessee Comptroller of the Treasury.

The director, who served during the period reviewed, had her employment terminated by the board of directors on March 12, 2020.

RESULTS OF INVESTIGATION

1. THE DIRECTOR PERMITTED VIOLATIONS OF PAYROLL AND LEAVE POLICIES

The director permitted certain employees to accrue, use, transfer leave, and receive pay outside of approved district policies. The director's employment agreement provides:

The Director shall exercise complete and exclusive authority to hire, terminate, discipline, and supervise all employees and consultants in accord with District policy....

A. The director provided compensatory time to an employee for work on private property

In September 2019, the director gave 18 hours of compensatory time to an employee as compensation for painting her family member's house. The employee who was given the compensatory time told investigators she neither requested nor has used the unauthorized time. District policy does not allow compensatory time, and the board did not authorize granting of compensatory time for non-district work.

B. The director transferred sick leave to a family member

The director transferred at least 93.25 hours of sick leave to a family member who was employed by the district. The family member redeemed the transferred sick leave at a cost of \$1,595.39 to the district. Sick leave does not have a monetary value until it is used; at the time of use the employee is paid at their regular hourly rate. District policy does not allow transferring sick leave from one employee to another, and the board did not authorize this departure from policy.

C. The director allowed two employees to accrue leave at a higher rate than their positions allowed

The director permitted two employees to accrue vacation leave and sick leave at a higher rate than other employees that worked in the district's office. Per district policy, vacation and sick leave accrual is based on the length of the employee's work shift.

- Between July 2017 and March 2020, one employee accrued and was paid for at least 168 hours of vacation leave in excess of district policy totaling \$2,826.64. During the same period, the employee accrued and was paid for at least 84 hours of sick leave in excess of district policy totaling \$1,420.32. The employee had worked 12-hour shifts until January 2016, but then transferred to a position that required 8-hour shifts. The

employee was allowed to continue accruing vacation leave and sick leave at a base rate of 12 hours instead of her actual rate of eight hours.

- Between July 2017 and March 2020, one employee accrued and was paid for at least 240 hours of vacation leave in excess of district policy totaling \$5,342.40. The employee transferred from a 12-hour position to an 8-hour position in January 2016 and then to a 10-hour position in October 2019; however, she was allowed to continue accruing vacation leave at a base rate of 12 hours instead of her actual rate of eight and ten hours.

District policy does not allow granting vacation leave and sick leave accrual at an accelerated rate, and the board did not authorize these departures from policy.

D. The director allowed an employee to receive compensation for leave in violation of district policy

Between July 2017 and March 2020, an employee was paid for 486 hours of unused vacation leave totaling \$7,858.14. District policy does not allow employees to receive compensation for unused vacation leave during their employment, and the board did not authorize this departure from policy.

E. The director allowed two employees to receive compensation for holiday pay accrued in violation of district policy

Two employees received 70 hours and 128 hours, respectively, of accrued holiday pay in excess of district policy. The employees received excess payroll payments totaling \$1,185.60 and \$2,849.28, respectively. District policy states that eligible employees receive a full day of regular pay for each holiday; however, these employees were allowed to accrue holiday leave at a higher rate. District policy does not allow employees to earn holiday leave at a higher than regular rate, and the board did not authorize this departure from policy.

F. The director allowed three employees to receive compensation for bereavement leave in excess of district policy

Between July 2017 and March 2020, three employees received 99.5 hours of bereavement leave in excess of district policy totaling \$1,602.37. District policy allows for up to three days of paid bereavement leave, with additional time off without pay granted for travel time or for compelling circumstances. District policy does not allow employees to receive excess paid bereavement leave, and the board did not authorize this departure from policy.

G. The director requested and received payroll payments in advance

On at least seven occasions, the director requested her paycheck be paid in advance of the regular pay day. The earliest pay issued was noted five days before the regular pay date.

The director's employment contract states that the director is to be paid on the same schedule as other employees.

2. MULTIPLE EMPLOYEES WERE NOT CERTIFIED TO PROVIDE EMERGENCY DISPATCH SERVICES

The director failed to monitor dispatcher training and certifications and failed to ensure training documents were submitted to the certifying agency. Due to the lack of monitoring, an audit was performed by the certifying agency, the Association of Public-Safety Communications Officials (APCO). APCO determined that in November 2019, seven of the 11 employees performing dispatch services at the district were either not Emergency Medical Dispatch (EMD) certified, or their certification had expired. The district had to cease providing emergency medical dispatch services for five days until employees could be trained and re-certified. The APCO audit indicated that as of November 20, 2019, all employees of the district had been EMD trained, and certifications were up to date. The APCO audit and training to recertify district employees cost the district \$10,281.48. The director's job duties include:

Monitor basic dispatcher training requirements and assure they are achieved and/or exceeded.

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal control and compliance. These deficiencies included:

Deficiency 1: The director failed to comply with or administer the board's policies

The director failed to comply with or administer the board's policies. To adequately perform the responsibilities entrusted to her, the director should have implemented and enforced the provisions of approved policies. The director did not oversee and monitor payroll transactions. A review of payroll transactions could have prevented errors and potential losses to the district.

Deficiency 2: The board of directors failed to provide adequate oversight of payroll

The board of directors failed to adequately oversee payroll-related payments. As noted, the director did not comply with multiple district policies. This noncompliance allowed employees to receive benefits they were not authorized to receive and to receive benefits at an accelerated rate. A review of payroll records could have revealed this noncompliance. Failing to oversee and monitor payroll transactions increases the risk that noncompliance with approved policies will occur and not be detected in a timely manner.

Deficiency 3: The board of directors failed to ensure some disbursements had adequate supporting documentation

Investigators identified at least \$5,704 in unsupported disbursements from the district bank account between July 2017 and March 2020. District employees did not adequately document certain purchases with itemized receipts or invoices. Investigators could not conclusively determine whether these purchases were exclusively for the benefit of the district.

District officials indicated that they have corrected or will correct these deficiencies.
