



COMPTROLLER'S INVESTIGATIVE REPORT

City of Celina Wastewater Treatment Plant

July 15, 2022

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

July 15, 2022

City of Celina
Board of Mayor and Alderman
330 Dow Avenue
Celina, TN 38551

City of Celina Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the City of Celina Wastewater Treatment Plant, 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 13th 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 line extending to the right.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

CITY OF CELINA WASTEWATER TREATMENT PLANT

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the City of Celina Wastewater Treatment Plant. The investigation was initiated after the former City Mayor identified and reported questionable invoices found at the treatment plant. The investigation was limited to the period January 1, 2014, through November 30, 2020. The results of the investigation were communicated with the Office of the District Attorney General of the 13th Judicial District.

BACKGROUND



Built in 1988, the City of Celina Wastewater Treatment Plant (plant) is responsible for treating Celina's wastewater for suspended solids and adequate oxygen levels before discharging the treated water back into Celina's surface water systems. Plant personnel are required to perform sample tests and analyses on the treated wastewater and record the results. Results are monitored to ensure the proper levels of pollutants are not being discharged into Celina's water systems.

RESULTS OF INVESTIGATION

1. PLANT PERSONNEL PERFORMED WATER SAMPLE TESTING AND ANALYSES FOR THEIR PRIVATE BUSINESS WHILE USING CITY RESOURCES

Our investigation revealed that the plant supervisor terminated on August 22, 2020 (former 2020 supervisor), who was terminated under the previous administration, the plant supervisor who retired on March 5, 2021 (retired supervisor), and the plant employee (employee) performed water sample testing and analyses for their private business using city resources, such as time, chemicals, the laboratory, and equipment. Since plant personnel operated their private business out of the city's plant, the costs to operate their private business were significantly lower as local taxpayer dollars provided the funding to operate the plant.

A. Plant personnel were paid \$10,847.52 by the city for the same work time they were working for their private business

The former 2020 supervisor, retired supervisor, and employee were on the city's payroll at the same time they were performing services for their private business. From January 1, 2014, through November 30, 2020, the city paid the former 2020 supervisor \$8,910.17, the employee \$1,081.83 and the retired supervisor \$855.52 as compensation for time they spent working for their private business, for a cumulative total of \$10,847.52. Timesheets for the three plant personnel were cross-referenced with documents obtained from the entities who received sample testing services from their private business. Monthly Operating Reports (MORs) were used by plant personnel to document the dates and times that samples were collected as well as the results of analyses performed on each sample. **(Refer to Exhibit 1.)** Like MORs, Inspection Sheets were used to validate sample collection times. **(Refer to Exhibit 2.)**

Exhibit 1

MONTHLY OPERATION REPORT FOR PACKAGE TREATMENT PLANTS																			FACILITY _____ NPDES PERMIT NO. _____			
																			PERMITTER _____ MONTH <u>JUNE</u> 20 <u>15</u>			
																			CITY <u>CELINA</u> COUNTY <u>CLAY</u>			
MOR/DMR	DATE	TIME OF SAMPLING	TREATMENT FLOW (MGD)	INFLUENT				OPERATION TESTS					EFFLUENT				SLUDGE DISPOSAL				COMMENTS ABOUT OPERATION AND COMPLIANCE	
				BOC1, mg/l	SUSPENDED SOLIDS (mg/l)	WATER LIQUOR SUSPENDED SOLIDS	WATER LIQUOR SETTLABLE SOLIDS (CYLINDER FEET)	ADSORPTION TANK COAGULATED FLOCCULES (CYLINDER FEET)	CLAYBANKS BULKHEAD (CYLINDER FEET)	BOC2, mg/l	SUSPENDED SOLIDS (mg/l)	SETTLABLE SOLIDS (MANHOLES) (CYLINDER FEET)	DISCHARGE OVERFLOW (CYLINDER FEET)	DISCHARGE RESIDUAL (mg/l)	FECAL COLIFORM (per 100 ml of water)	AMMONIA NITROGEN (mg/l)	PH (per 100 ml)	SLUDGE FROM HOLDING TANKS (CYLINDER FEET)	SLUDGE FROM HOLDING TANKS TO FINAL DISPOSAL (CYLINDER FEET)	SLUDGE		
1	6:30	10:30						16	6	<0.1	7.5	0.4										
2																						
3																						
4																						
5	10:45	14:40								<0.1	7.6	0.2										
6																						
7	7:30	12:00								<0.1	7.4	0.4										
8																						
9																						
10																						
11																						
12	9:00	10:40								<0.1	7.0	0.2										
13																						
14																						
15	7:40	11:20								<0.1	7.7	0.3										
16																						
17																						
18																						
19	7:00	14:40								<0.1	7.0	0.1										
20																						
21																						
22	8:00	9:50								<0.1	7.8	0.4										
23																						
24																						
25																						
26	10:45	11:00								<0.1	6.8	0.2										
27																						
28																						
29	7:45	14:40								<0.1	7.6	0.4										
30																						
31																						
TOTAL								16	6													
PERMIT FLOW LIMIT								30	20		1.0 GPM				200						0.2 MIN	
ACTUAL FLOW VALUE								16	6		6.8 GPM				100							0.2
PERMIT FLOW LIMIT								45	1.0		0.5											0.2
ACTUAL FLOW VALUE								16	6		0.4											0.2
PERMIT FLOW LIMIT								4000	375		375											375
ACTUAL FLOW VALUE								4000	375		375											375
PERMIT FLOW LIMIT								6	6		6											6
ACTUAL FLOW VALUE								6	6		6											6

June 2015 MOR submitted to a client of the private business, signed by the former 2020 supervisor (Highlighted dates and times indicate overlap in work hours reported to the City of Celina)

Exhibit 2

Monitoring Dates & Times

Location: _____

Date	Time	Contractor Signature	Attendant	Date	Time	Contractor Signature	Attendant
6-7-15	11:55	[Redacted]	[Redacted]			[Redacted]	[Redacted]

June 2015 Inspection Sheet submitted to a client of the private business, signed by the former 2020 supervisor (Highlighted date / time indicates overlap in work hours reported to the City of Celina)

Of the 11 days that the former 2020 supervisor performed sample testing for clients of the private business during June 2015, sample work hours reported on seven of the days overlapped with work hours reported on the former 2020 supervisor's city timesheets. In June 2015, the former 2020 supervisor accrued 42 hours of compensatory time with the City of Celina. (Refer to Exhibit 3.)

Exhibit 3

June 2015

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧
	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧		
	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧
	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧
	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧	7:00 3:00 ⑧	5:00 1:00 ⑧	

EMPLOYEE SIGNATURE _____

COMP HRS. GAINED: 42hrs.

COMP HRS USED _____

Vac Time _____

Sick Time _____

Straighttime _____

Handwritten notes:
 June 6, 15 - 8.00 x 1.5 = 12hrs.
 June 7, 15 - 4.00 x 1.5 = 6.0hrs.
 June 20, 15 - 8.0 x 1.5 = 12hrs.
 June 27, 15 - 8.0 x 1.5 = 12hrs.

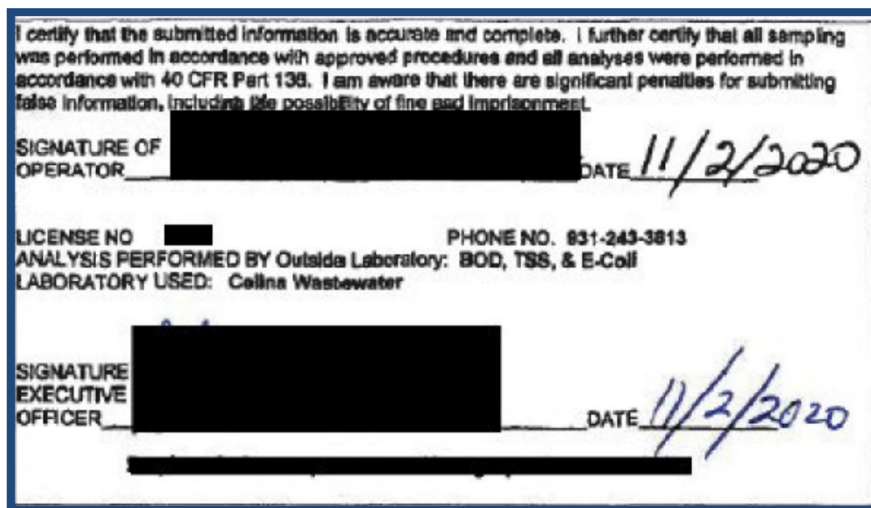
June 2015 timesheet indicating dates of water sample testing for the private business (Highlighted dates and times indicate overlap in work hours reported to the City of Celina)

The above example shows the former 2020 supervisor’s overlap between the City of Celina and water sample testing for a client of the private business. However, the retired supervisor and employee also performed water sample testing for clients of their private business while reporting the same work hours to the City of Celina.

B. The plant’s laboratory and equipment were used to perform testing for the private business resulting in a cost of \$10,898.04 to the City of Celina

Because of the former 2020 supervisor, retired supervisor and employee’s unauthorized use of the plant telephone system, laboratory equipment, chemicals and other supplies in the conduct of the private business, the City of Celina incurred \$10,898.04 in costs and expenses. From January 1, 2014, through November 30, 2020, \$9,813.43 of treatment plant laboratory abuse was attributable to the former 2020 supervisor, \$779.21 to the employee, and \$305.40 to the retired supervisor. Water sample tests and analyses performed for clients of the private business were analyzed by investigators to determine the specific amounts of various tests performed by plant personnel using the plant’s laboratory, equipment, and chemicals. Personnel also used the plant’s phone system and computer to manage National Pollutant Discharge Elimination System permits, manage invoices, and contact clients for the operation of the private business. (Refer to Exhibit 4).

Exhibit 4



I certify that the submitted information is accurate and complete. I further certify that all sampling was performed in accordance with approved procedures and all analyses were performed in accordance with 40 CFR Part 136. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

SIGNATURE OF OPERATOR _____ DATE 11/2/2020

LICENSE NO. _____ PHONE NO. 831-243-3813
 ANALYSIS PERFORMED BY Outside Laboratory: BOD, TSS, & E-Coli
 LABORATORY USED: Celina Wastewater

SIGNATURE EXECUTIVE OFFICER _____ DATE 11/2/2020

October 2020 MOR submitted to a client of the private business signed by the retired supervisor

C. Plant personnel generated \$277,875.00 for their private business while using city resources

Although the private business had multiple clients in the local area, the former 2020 supervisor, retired supervisor, and employee began to expand their private business operations into the Nashville area in early 2020. From January 1, 2014, through November 30, 2020, plant personnel generated \$277,875.00 for their private business, while often working on city time and using city plant equipment. (Refer to Exhibit 5.)

Exhibit 5

01/01/14 - 12/31/14	\$	41,840.00
01/01/15 - 12/31/15	\$	40,840.00
01/01/16 - 12/31/16	\$	34,415.00
01/01/17 - 12/31/17	\$	35,600.00
01/01/18 - 12/31/18	\$	40,635.00
01/01/19 - 12/31/19	\$	37,560.00
01/01/20 - 11/30/20	\$	46,985.00
01/01/14 - 11/30/20	\$	277,875.00

Income generated by the private business within the scope of the investigation

2. PLANT PERSONNEL HAD QUESTIONABLE AMOUNTS OF ACCRUED COMPENSATORY TIME

Our investigation revealed that while performing water sample testing for clients of the private business during the same work hours reported to the City of Celina, the former 2020 supervisor, retired supervisor, and employee accrued questionable amounts of compensatory time. Time dedicated to performing water sample testing for the private business that overlapped with time reported to the City of Celina was analyzed to determine an approximate amount of time abuse, which should not have resulted in the accrual of compensatory time.

A. Plant personnel accrued compensatory time while operating their private business

While working for the city, the former 2020 supervisor accrued a significant amount of compensatory time while performing water sample testing for the private business. During July 2015, the former 2020 supervisor performed water sample testing for the private business on seven of the 24 days that he reported work hours to the City of Celina, while accruing 59 hours of compensatory time. (Refer to Exhibit 6.)

Exhibit 6

TUE THUR SAT

JULY 2015

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			7:00 3:00 ⑧	1 7:00 3:00 ⑧	2 7:00 3:00 ⑧	3 7:00 3:00 ⑧
5	7:00 3:00 ⑧	6 7:00 3:00 ⑧	7 7:00 3:00 ⑧	8 7:00 3:00 ⑧	9 7:00 3:00 ⑧	10 7:00 3:00 ⑧
12		13 -8 comp	14 7:00 3:00 ⑧	15 7:00 3:00 ⑧	16 7:00 3:00 ⑧	17 7:00 3:00 ⑧
19	7:00 3:00 ⑧	20 7:00 3:00 ⑧	21 7:00 3:00 ⑧	22 7:00 3:00 ⑧	23 7:00 3:00 ⑧	24 7:00 3:00 ⑧
26		27 7:00 3:00 ⑧	28 7:00 3:00 ⑧	29 7:00 3:00 ⑧	30 7:00 3:00 ⑧	31 7:00 3:00 ⑧

1 week of July 4, 15 - 2 straight hrs.
 22.0 x 1.5 = 33 hrs.
 1 week of July 11, 15 = 3.0 x 1.5 = 4.5 hrs.
 July 25, 15 = 3.0 x 1.5 = 4.5 hrs.

EMPLOYEE SIGNATURE

COMP HRS. GAINED: 57 hrs.
 COMP HRS USED: 2 comp hrs.
 Vac Time: _____
 Sick Time: _____
 Straighttime: 2

July 2015 timesheet, highlighted dates indicate dates of water sample testing for the private business

Compensatory time for the City of Celina is calculated by multiplying the number of additional hours worked by 1.5. However, any personnel working on a holiday will receive their hours worked multiplied by 2. For the seven days that overlapped in time during July 2015, the amount of time taken by the former 2020 supervisor to collect water samples, test and analyze each sample, and drive to the various collection sites for his private business was approximately 30 hours and seven minutes.

B. Questionable compensatory time totaling \$15,328.69 was paid by the City of Celina to the former 2020 supervisor and employee

The City of Celina paid the former 2020 supervisor and employee a total of \$15,328.69 in questionable compensatory time. Since plant employees regularly accrued significant amounts of compensatory time, their balances soon became excessive for the City of Celina. Beginning June 14, 2018, the City of Celina bought a significant amount of accrued compensatory time from the former 2020 supervisor and employee to maintain a balance of 200 hours or less for each employee. During this time, the former 2020 supervisor sold 909 accrued compensatory hours for \$11,589.75, and the employee sold 293.25 accrued compensatory hours for \$3,738.94. Although the former 2020 supervisor and employee were operating the private business throughout the scope of the investigation, the retired supervisor did not become involved until 2020.

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal controls and compliance, some of which contributed to the City of Celina Wastewater Treatment Plant personnel's ability to perpetrate their misappropriation without prompt detection:

Deficiency 1: City officials did not provide adequate supervision and oversight of plant employees

Several former City Mayors failed to discover the malfeasance orchestrated by the plant employees because of inadequate supervision and oversight. Investigators noted multiple reservations to a golf course in Kentucky as well as numerous documents providing the results of water sample testing for the U.S. Army Corps of Engineer that overlap with time reportedly worked for the City of Celina.

Deficiency 2: Plant personnel exceeded the amount of accumulated employee compensatory time allowed by federal law

The Fair Labor Standards Act limits compensatory time for state and local employees to 240 hours. The former 2020 supervisor accrued a balance of approximately 1,101 hours of compensatory time before "selling" 909 hours at a rate of \$12.75 on June 14, 2018. The employee accrued a balance of approximately 493.25 hours of compensatory time before "selling" 293.25 hours at a rate of \$12.75 on June 14, 2018. The retired supervisor accrued a balance of 1,072.75 hours of compensatory time before "selling" 872.75 hours at a rate of \$12.75 on June 14, 2018.

Deficiency 3: City management did not ensure compliance with the City of Celina personnel policies

City management did not ensure compliance with the city's policies set forth in the city's personnel handbook. The former 2020 supervisor, retired supervisor, and employee disregarded the outside employment policy applicable to the City of Celina. The former 2020 supervisor and employee disregarded the sick leave abuse policy applicable to the City of Celina while they were claiming to be sick while performing services for their private business.

Deficiency 4: Plant employees accrued incorrect and questionable amounts of compensatory time

There were multiple months where compensatory time noted on the former 2020 supervisor, retired supervisor, and employee's timesheets did not match compensatory time reported on their leave balance summaries. For May 2015, the former 2020 supervisor's timesheet reflected 12 hours of compensatory time accrued while his 2015 leave balance summary reflected 32 hours of compensatory time accrued during May. Another example occurred during November 2015 when the former 2020 supervisor's timesheet reflected zero hours of compensatory time accrued.

However, the former 2020 supervisor's 2015 leave balance summary reflected 24 hours of compensatory time accrued during November 2015. The former 2020 supervisor used five vacation days and did not report time on Veteran's Day, Thanksgiving Day, or the day after Thanksgiving.
