



## COMPTROLLER'S INVESTIGATIVE REPORT

### Clay County Highway Department

*September 11, 2024*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF INVESTIGATIONS**



JASON E. MUMPOWER  
*Comptroller*

September 11, 2024

Clay County Board of Mayor  
and Commissioners  
145 Cordell Hull Drive  
Celina, TN 38551

Clay County Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Clay County Highway Department, 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 13<sup>th</sup> 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

## Clay County Highway Department

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Clay County Highway Department. The investigation was limited to selected records for the period July 1, 2020 through January 31, 2024. The District Attorney General for the 13<sup>th</sup> Judicial District was recused, and the results of the investigation were communicated with the District Attorneys General Conference, serving as *Pro Tem* in this matter.

### BACKGROUND



The Clay County Highway Department (department) is in Celina, Tennessee, and is responsible for maintaining all Clay County (county) roadways and bridges. The department operates under the direction and control of an elected highway superintendent who serves a four-year term. The department does not receive any county property tax revenue but is instead supported by local and state fuel taxes. These taxes are collected by the State of Tennessee, and a portion of these taxes are subsequently returned to the county. The department is subject to the Tennessee County Uniform Highway Law codified in Tenn. Code Ann. § 54-7-101 *et seq.*

### RESULTS OF INVESTIGATION

- 1. CLAY COUNTY HIGHWAY SUPERINTENDENT JASON BROWNING MISAPPROPRIATED AT LEAST \$56,971.60 IN 16,200 GALLONS OF DEPARTMENT-PURCHASED DIESEL FUEL FOR HIS PERSONAL TRANSPORTATION BUSINESS**



Clay County Highway Superintendent Jason Browning misappropriated at least \$56,971.60 in 16,200 gallons of department-purchased diesel fuel for his personal transportation business. Browning admitted that from July 2021 through July 2023, he used an estimated 150 gallons of department-purchased diesel fuel each week to fuel his personal Peterbilt 379 semi-truck. Browning purchased the 2007 Peterbilt 379 in July 2021 for his private trucking business, Browning Trucking (**Refer to Exhibit 1**).

**Exhibit 1**



*Browning's 2007 Peterbilt 379*

The department has an on-site divided fuel tank that holds 2,000 gallons of diesel fuel as well as 1,000 gallons of gasoline fuel, which is used to fuel department equipment (**Refer to Exhibit 2**).

**Exhibit 2**



*Fuel tank located at the department, including the diesel fuel nozzle (left) and gasoline fuel nozzle (right)*

After purchasing the 2007 Peterbilt 379, Browning hired a driver to haul raw milk from a dairy farm to a commercial food ingredients manufacturer in Kentucky. When the 2007 Peterbilt 379 was not in transit, Browning typically kept it parked at the driver’s personal residence in Overton County. Each week, Browning pumped an estimated 150 gallons of department-purchased diesel fuel into the transfer tank on the back of his department-issued pick-up truck and drove the fuel from the department to the 2007 Peterbilt 379. On at least one occasion, Browning parked the 2007 Peterbilt 379 at the department overnight to refuel and pressure wash it (**Refer to Exhibit 3**). Browning sold the 2007 Peterbilt 379 in July 2023.

**Exhibit 3**



*Browning loading county-purchased department diesel fuel into his transfer tank*

With the intent to benefit his personal trucking business, Browning deprived the department of resources needed to maintain the operation of the county’s roadways and increased the costs of fuel usage. Because Browning’s misappropriation of 16,200 gallons of fuel resulted in the department operating on and having less fuel on reserve than believed by department employees, his actions put the department at risk of having insufficient fuel supplies in the case of a natural disaster, large project, or any other occurrences requiring a significant amount of fuel needed to operate department equipment.

On September 5, 2024, the Clay County Grand Jury indicted Jason Earl Browning on one count of Theft of Property over \$10,000 but less than \$60,000, and three counts of Official Misconduct.

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.

[Clay County Highway Department Investigative Exhibit](#)



## INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal control and compliance, which contributed to Browning's ability to misappropriate department-owned diesel fuel for personal use.

### **Deficiency 1: The department did not maintain adequate controls over fuel**

The department dispensed diesel and gasoline fuel from fuel tanks located on-site but did not maintain inventory records documenting the receipt, usage, and storage of fuel. In March 2023, the department put a notebook at the pumps for employees to log fuel usage, but the department did not use the log to reconcile the amount of purchased fuel to the fuel used. The department's failure to track and reconcile fuel usage prevented the prompt detection of Browning's misappropriation of 16,200 gallons of department-owned diesel fuel. The failure to maintain adequate records of a consumable asset, such as fuel, weakens controls over assets and increases the risk of inventory loss.

### **Deficiency 2: Department employees were not required to complete and/or submit individual time records**

Department employees were not required to complete and/or submit individual time records. The department bookkeeper was responsible for the time records of 23 hourly employees, including hours worked and any leave taken. According to the department's Personnel Policy, "an employee will be paid a regular hourly rate of wage which covers all hours worked up to 40 during each work week. Anything over 40 hours per week will be paid time and a half." The policy states that the work week will begin at 7:00 a.m. on Monday and end at 3:30 p.m. on Friday. Although time records were not individually maintained and lacked sufficient documentation, employees were eligible to accrue overtime pay. Allowing the accrual of overtime pay without proper documentation increases the risk of errors or misappropriation occurring without prompt detection.

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