



COMPTROLLER'S INVESTIGATIVE REPORT

Tipton County Emergency Communications District

March 25, 2024

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

March 25, 2024

Director Ashley Strickland
and Board Members
Tipton County Emergency Communications District
220 Highway 51 North, Suite 4
Covington, TN 38019

Tipton County Emergency Communications District Management:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Tipton 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 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,

A handwritten signature in blue ink that reads "JEM".

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Tipton County Emergency Communications District

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Tipton County Emergency Communications District. The investigation was initiated after the Comptroller's Office received allegations from Tipton County Emergency Communications District officials, who identified and reported questionable payroll transactions. The investigation was limited to selected records for the period June 15, 2020, through December 31, 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 25th Judicial District.

BACKGROUND



The Tipton County Emergency Communications District (district) was established to provide county-wide emergency telephone services. The district is governed by a nine-member board of directors responsible for its operational directives and organizational oversight. The district is a component unit of Tipton County, and the county commission appoints the board of directors. The district director is responsible for its day-to-day operations.

Glenda Brown began her employment with the district as a dispatcher in June 2020. In September 2021, Brown was appointed as the district's acting assistant director while still performing her duties as a dispatcher. In December 2021, Brown was promoted to assistant director. As the assistant

director, Brown was responsible for performing various business functions such as payroll processing, accounting reconciliations, and banking transactions. Brown was also responsible for tracking leave accruals and usage for all district employees.

Brown's employment was terminated by the board of directors effective December 12, 2022, after being placed on administrative leave on November 14, 2022.

RESULTS OF INVESTIGATION

- **FORMER ASSISTANT DIRECTOR GLENDA BROWN IMPROPERLY RECEIVED AT LEAST \$6,150.51 IN UNAUTHORIZED PAYROLL PAYMENTS AND EMPLOYER PAID BENEFITS FROM THE TIPTON COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

From October 21, 2022, through November 4, 2022, Brown misappropriated at least \$6,150.51 from the district by overpaying herself payroll and benefits as follows:

A. Brown improperly paid herself unearned compensatory leave of \$2,190.80

As a dispatcher, Brown was eligible to earn compensatory time in lieu of overtime pay for time worked in excess of 40 hours per week. After assuming the position of assistant director, Brown was no longer eligible to accrue compensatory leave. However, she was able to use accruals earned prior to her promotion. As the district's assistant director, Brown was solely responsible for accurately tracking all district employees' compensatory time accruals and usage.

Investigators analyzed the district's official compensatory time log and found that on June 15, 2021, Brown had accrued a compensatory leave balance of 74.875 hours. Investigators confirmed that Brown did not accrue any additional compensatory leave following this date.

Brown's official payroll records revealed that between July 26, 2021, and July 25, 2022, Brown used 76.90 hours of compensatory leave, resulting in a negative balance of 2.025 hours. On October 21, 2022, Brown processed payroll to herself claiming an additional 70.88 hours of compensatory leave, resulting in an overpayment of 72.905 hours, totaling \$2,190.80.

Summary of Compensatory Leave Used by Brown

Pay Period End Date	Hours of Compensatory Leave Used	Balance
6/8/2021	0.00	74.875
7/26/2021	4.00	70.875
12/27/2021	0.90	69.975
5/30/2022	32.00	37.975
7/25/2022	40.00	(2.025)
10/21/2022	70.88	(72.905)

Brown stated that she used timesheets to update the official compensatory time log and referred to the log when determining her compensatory leave balance for the payroll in question. Brown further asserted that she had not used any compensatory time prior to the payroll on October 21, 2022.

Investigators confirmed that Brown updated the official compensatory time log to reflect compensatory leave used for other employees accurately but failed to record her own compensatory leave usage. Investigators also confirmed Brown submitted four timesheets between June 22, 2021, and June 25, 2022, reflecting the usage of compensatory leave, three of which she signed.

B. Brown improperly paid herself unauthorized annual leave of \$1,923.20

The district's annual leave policy allows employees to accrue one week plus one day (48 hours) in annual leave for the first year through the third year of employment. After the third year, the annual leave accrual increases based on the employee's longevity (**Refer to Exhibit 1**). Annual leave accruals are awarded to employees annually after the first year of employment on their anniversary date. As the district's assistant director, Brown was solely responsible for applying employees' annual leave accruals based on the hours allowed, per policy.

Exhibit 1

ANNUAL LEAVE

(a) Regular employees who have been notified that they have successfully completed their Introductory Period shall accrue annual leave, starting from their date of hire and in accordance with the following schedule, with it being understood that an employee must have one (1) year of service before being eligible to use accrued annual leave:

<u>Term of Service</u>	<u>Benefit</u>
1 year but less than 3 years	1 week + 1 day
3 years but less than 7 years	2 weeks
7 years but less than 11 years	2 weeks + 3 days
11 years or more	3 weeks

The district's annual leave policy detailing approved accrual amounts

Brown began her employment with the district in June 2020. Per the district policy, she was eligible to receive 48 hours of annual leave in June 2021 and an additional 48 hours of annual leave in June 2022, resulting in a total maximum accrual of 96 hours of annual leave. Investigators analyzed Brown's official annual leave records and found that on April 9, 2021, and April 8, 2022, accruals of 80 hours each were credited to Brown's annual leave balance. Each accrual was 32 hours in excess of what the district's policy allowed. On October 21, 2022, Brown processed a payment to herself for 112 hours of annual leave, 64 hours in excess of what the district's policy allowed her to accrue, resulting in an overpayment totaling \$1,923.20.

Brown told investigators that she was aware of the district's annual leave policy, which awarded employees on their one-year employment anniversary date an accrual of 48 hours of annual leave. Investigators confirmed that Brown did not have authorization to award herself annual leave hours in excess of what the district's policy allowed, nor was she authorized to award annual leave accruals to herself prior to her employment anniversary date.

C. Brown improperly paid herself an excess unearned salary compensation of \$1,202

As the district's assistant director, Brown was a salaried employee and was not eligible to receive compensation for more than 80 hours per pay period. Brown was responsible for accurately entering time worked by employees, including herself, into the district's accounting software.

Investigators confirmed that Brown informed her supervisor that she would use sick leave for some days within the pay period of October 18, 2022, to October 31, 2022. Brown's official payroll records revealed that on November 4, 2022, she processed payroll to herself for 80 hours of salary and 40 hours of sick leave, resulting in excess unearned salary compensation totaling \$1,202 (**Refer to Exhibit 2**).

Exhibit 2

GLENDA L. BROWN	PAY	Hours	Rate	Current
[REDACTED]	Salary	-	-	0.00
TN, 38058	Regular Pay	80.00	30.05	2,404.00
	Sick Pay	40.00	30.05	1,202.00
	Vacation Pay	-	30.05	0.00
	Bonus	-	-	0.00

Brown's check, dated November 4, 2022, shows the excess unearned salary compensation

Investigators confirmed that Brown processed the improper payroll in the days following the pay period ending date of October 31, 2022.

Brown admitted to investigators that for the pay period that ended on October 31, 2022, she worked the first week and then was on sick leave for 40 hours (the second week). Brown further admitted that she intentionally paid herself for the additional 40 hours of salary compensation without authorization.

D. Brown received employer-paid unearned payroll benefits totaling \$834.51 from the district for improper payroll payments

Brown received employer-paid unearned payroll benefits totaling \$834.51 for the 176.905 hours of improper payroll payments noted above. This amount represents matching benefits for Medicare, Social Security, and TCRS employer contributions costs that the district incurred.

Summary of Brown's Misappropriation

Description	Amount
A. Unearned Compensatory Leave	\$ 2,190.80
B. Unauthorized Annual Leave	1,923.20
C. Excess Unearned Salary Compensation	1,202
D. Unearned Payroll Benefits	834.51
Brown's Total Misappropriation	\$ 6,150.51

Brown attempted to conceal her misappropriation by sending separate emails to the district's external accountant and the former board chairman, and she gave conflicting reasons as to why her paychecks were so large. Investigators found Brown further attempted to conceal her misappropriation by improperly entering her excessive payroll payments in the district's accounting software under line items not assigned to her.

Brown subsequently repaid the district \$7,381.19 after she learned that district officials became aware of her improprieties. This amount was calculated by district officials to include Brown's improper payroll payments and the value of district equipment assigned to her that she did not return upon termination from employment.

On March 4, 2024, the Tipton County Grand Jury indicted Glenda Brown for one count of Theft of Property over \$2,500, one count of Destruction of and Tampering with Governmental Records, and one count 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.

[Tipton County Emergency Communications District Investigative Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal control and compliance, some of which contributed to Brown's ability to perpetrate misappropriations without prompt detection:

Deficiency 1: District officials did not provide adequate oversight of payroll operations

- District officials failed to ensure that payroll duties were properly segregated. Brown was responsible for creating employee timesheets, entering the time worked into the accounting system, and processing payroll. Adequate segregation of payroll duties enhances accountability over employee time reporting and reduces the risk that errors or intentional misappropriations will remain undetected.
- District officials failed to ensure that Brown's timesheets were approved by a supervisor before the payroll was processed. Investigators noted that the last timesheet for Brown approved by a supervisor was in February 2022, approximately 10 months before her termination. Routinely reviewing and confirming employees' reported time reduces the risk of improper payroll payments.
- District officials did not employ adequate procedures to track employee compensatory leave balances. Brown was responsible for manually maintaining the official compensatory time log. Investigators found that the log did not accurately reflect compensatory leave used by Brown. District officials should review official leave logs and corresponding timesheets to ensure leave accruals are accurately calculated, maintained, and comply with the district's policies.
- District officials failed to retain payroll records. Investigators requested documents pertinent to the investigation, such as timesheets, and district officials could not produce all of the records requested. Failure to retain required documentation increases the risk of fraud.

Deficiency 2: District officials failed to ensure that the annual leave policy was followed

- The district policy allows for 48 hours of annual leave per year for the first through third year of employment. Per the policy, the annual leave accruals will be awarded on the employees' first anniversary date and then annually on each subsequent anniversary date. Brown was responsible for awarding the annual leave accruals in the accounting software according to policy guidelines. District officials failed to review leave records that could have revealed that Brown accrued an annual leave balance in excess of what the district's annual leave policy authorizes and outside of the policy award dates. District officials should review annual leave accruals to ensure the date and amounts awarded are compliant with the district's policy. Failure to comply with policy increases the risk that noncompliance with approved policies will occur and not be detected in a timely manner.

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