



## COMPTROLLER'S INVESTIGATIVE REPORT

# Anderson County Emergency and Rescue Squad

*September 10, 2024*

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



**DIVISION OF INVESTIGATIONS**



JASON E. MUMPOWER  
*Comptroller*

September 10, 2024

Anderson County Emergency and Rescue Squad Board Members  
145 JD Yarnell Industrial Parkway  
Clinton, TN 37716

and

Mayor, Sheriff, and Members of the County Commission  
100 North Main Street  
Clinton, TN 37716

Anderson County Emergency and Rescue Squad Management:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Anderson County Emergency and Rescue Squad, 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 7<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 that reads "Jason E. Mumpower".

Jason E. Mumpower  
Comptroller of the Treasury

JEM/MLC

# INVESTIGATIVE REPORT

## Anderson County Emergency and Rescue Squad

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Anderson County Emergency and Rescue Squad. The investigation was limited to selected records for the period March 2021 through December 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 7<sup>th</sup> Judicial District.

### BACKGROUND



The Anderson County Emergency and Rescue Squad (rescue squad), located in Clinton, Tennessee, was chartered as a nonprofit organization in 1958 and provides rescue services, including vehicle extrication, mountain rescue, fire support, K-9 search and rescue, water and recovery, and technical rescue to Anderson and surrounding counties. The rescue squad is a 26 U.S.C.A. § 501(c)(3) volunteer organization primarily funded by contributions from Anderson County government, donations, and fundraisers.

The rescue squad is governed by a board of directors (board) consisting of all rescue squad members and led by officers. The rescue squad operated a single bank account and the board chairman and a former treasurer were authorized signatories on the account. According to rescue squad bylaws, all members perform their duties without compensation.

Jessica Ridenour and Alex Ridenour, a married couple, volunteered for the rescue squad since at least 2012 and 2018, respectively. During the period reviewed, Jessica Ridenour held the position of rescue squad secretary, and Alex Ridenour was the rescue squad assistant chief. Although Jessica Ridenour was responsible for processing reimbursements and purchasing supplies, she was never an authorized signatory on the rescue squad bank account. Alex Ridenour did not have any financial responsibilities as the rescue squad assistant chief. Jessica and Alex Ridenour resigned from their positions in May 2022.

### RESULTS OF INVESTIGATION

#### 1. JESSICA AND ALEX RIDENOUR MISAPPROPRIATED ANDERSON COUNTY EMERGENCY AND RESCUE SQUAD FUNDS TOTALING AT LEAST \$39,310.97

Our investigation revealed that between May 2021 through April 2022, Jessica and Alex Ridenour knowingly misappropriated rescue squad funds totaling at least \$39,310.97 as follows:

**A. Checks to Jessica Ridenour**

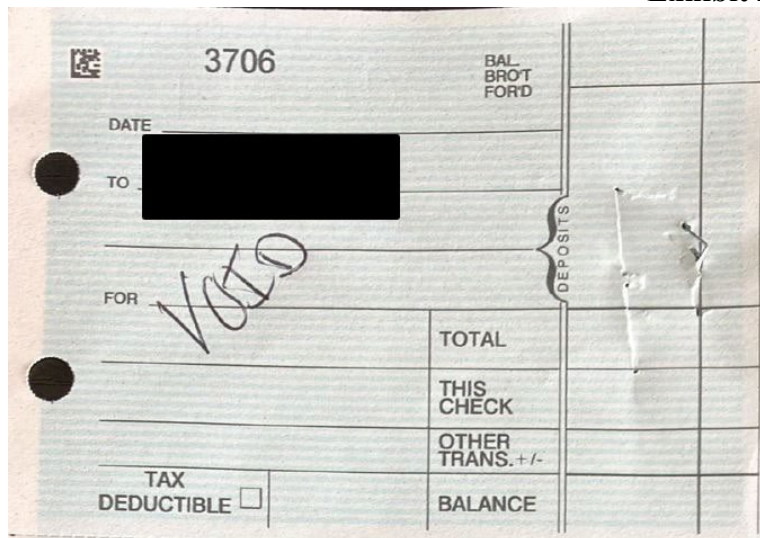
Jessica and Alex Ridenour knowingly misappropriated at least \$35,010.97 from the rescue squad bank account by writing 17 unauthorized checks to Jessica Ridenour (**Refer to Exhibit 1**) using the rescue squad checkbook. Investigators determined that Jessica Ridenour falsely documented on rescue squad check stubs that 12 unauthorized checks to herself were for reimbursement, monthly vendor payments, or voided (**Refer to Exhibit 2**). For the five remaining unauthorized checks, Jessica Ridenour either did not retain or complete the required information on the check stubs. Additionally, a bank signatory stated he did not sign eight of the unauthorized checks. Investigators determined that Jessica Ridenour endorsed each unauthorized check and either cashed the check or deposited the check into her personal joint bank account with Alex Ridenour.

**Exhibit 1**



**Unauthorized rescue squad check #3706 for \$2,500 to Jessica Ridenour for “reimbursement”**

**Exhibit 2**



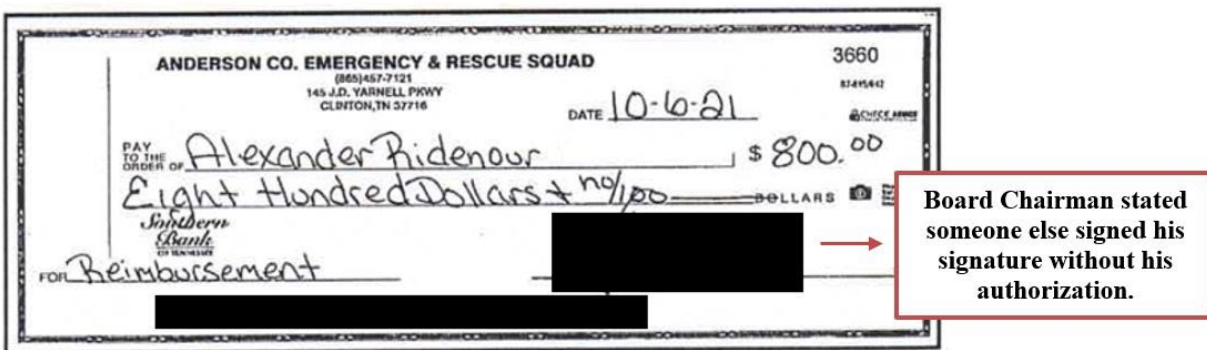
**Check stub for check #3706 indicating the check was voided**



**B. Checks to Alex Ridenour**

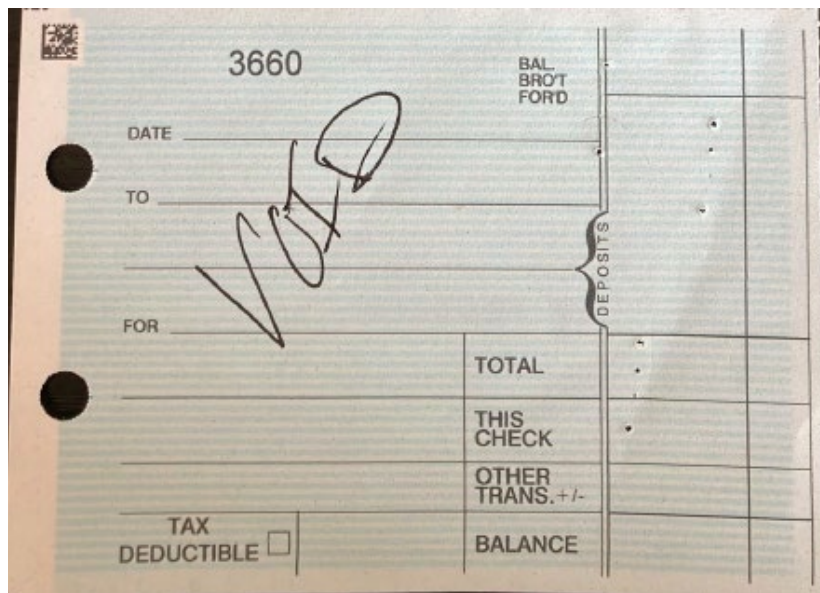
Jessica and Alex Ridenour knowingly misappropriated at least \$4,300 from the rescue squad bank account by writing five unauthorized checks to Alex Ridenour (**Refer to Exhibit 3**) using the rescue squad checkbook. Investigators determined that Jessica Ridenour falsely documented on rescue squad check stubs that two unauthorized checks to Alex Ridenour were voided (**Refer to Exhibit 4**). For the three remaining unauthorized checks, Jessica Ridenour did not retain the check stubs. Additionally, a bank signatory stated he did not sign two of the unauthorized checks. Investigators determined that Alex Ridenour endorsed each unauthorized check and deposited them into his personal joint bank account with Jessica Ridenour.

**Exhibit 3**



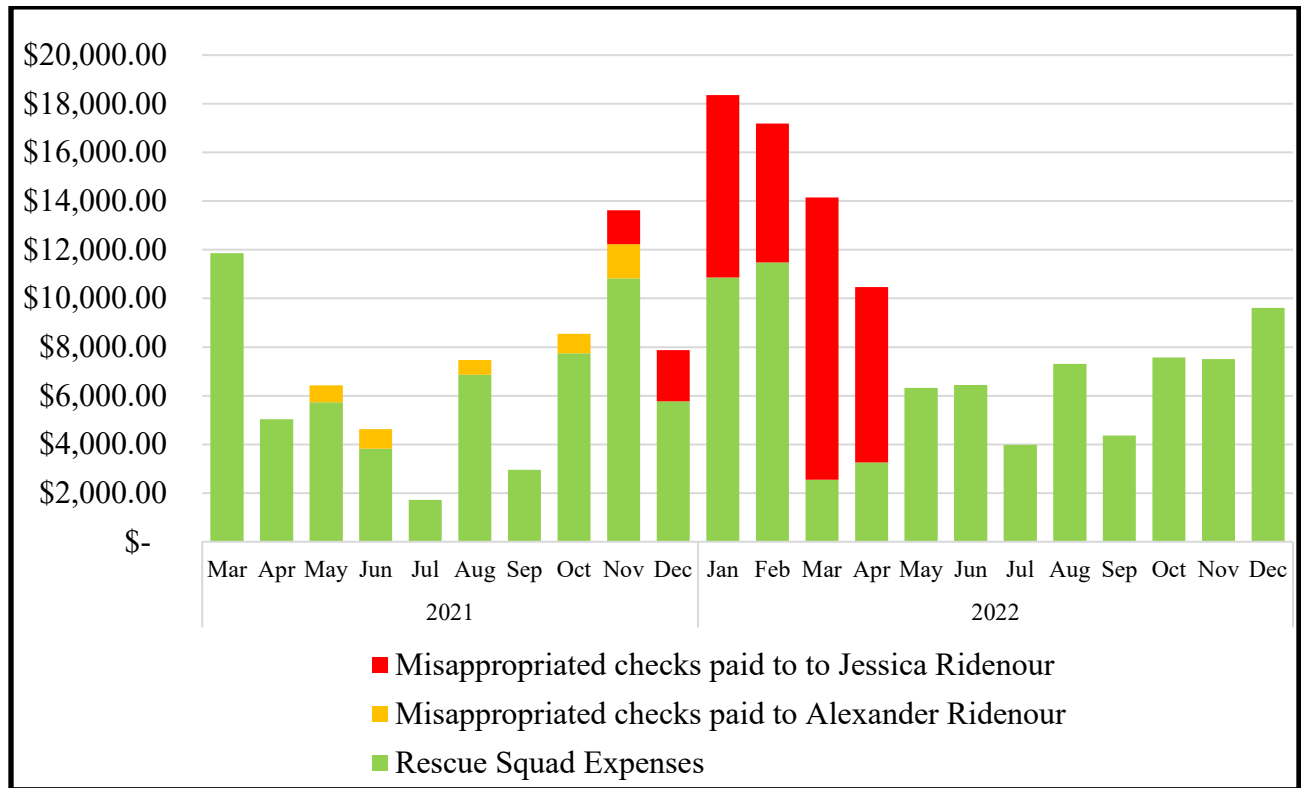
*Unauthorized rescue squad check #3660 for \$800 to Alex Ridenour for “reimbursement”*

**Exhibit 4**



*Check stub for check #3660 indicating the check was voided*

The following chart reflects Jessica and Alex Ridenour’s misappropriation compared to legitimate rescue squad expenses for the period reviewed:



On September 3, 2024, the Anderson County Grand Jury indicted Jessica Ridenour for one count of Theft of Property over \$10,000, three counts of forgery over \$2,500, and one count of Conspiracy to Commit Theft of Property over \$10,000.

On September 3, 2024, the Anderson County Grand Jury indicted Alexander Ridenour for one count of Theft of Property over \$10,000, three counts of forgery over \$2,500, and one count of Conspiracy to Commit Theft of Property over \$10,000.

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.

[Anderson County Emergency and Rescue Squad Investigative Exhibit](#)

## INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal controls and compliance resulting from a lack of board oversight, some of which contributed to Jessica and Alex Ridenour's ability to perpetrate their misappropriation without prompt detection. These deficiencies included:

### **Deficiency 1: The Anderson County Emergency and Rescue Squad board of directors failed to document internal control policies and procedures**

The rescue squad board established a charter and bylaws that defined certain officer responsibilities but did not document proper accounting and internal controls such as bank reconciliations, collections procedures, purchasing procedures, etc. Establishing and documenting sound internal controls ensures that funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation.

### **Deficiency 2: The Anderson County Emergency and Rescue Squad board of directors failed to properly oversee rescue squad operations, which contributed to multiple disbursement deficiencies**

Investigators noted the following disbursement deficiencies resulting from a lack of board oversight:

- The board did not require or retain adequate supporting documentation for most disbursements. Without adequate supporting documentation, investigators could not determine whether these disbursements were for the benefit of the rescue squad. The board should require and maintain adequate supporting documentation for all disbursements, such as invoices or receipts so that they can verify the payments as proper and reasonable.
- In some instances, rescue squad bank account signatories pre-signed checks prior to their preparation and issuance. In addition, the board did not require two signatures on checks. Checks should never be pre-signed and should contain two signatures to provide a degree of control for disbursements by indicating that both signers agree that the payment is proper and reasonable.
- The rescue squad bank account signatories allowed other individuals to sign checks on their behalf without reviewing checks and supporting documentation for proper authorization and appropriateness. Checks should only be signed by rescue squad bank account signatories after reviewing disbursement supporting documentation to ensure the payment is proper and reasonable.

### **Deficiency 3: The Anderson County Emergency and Rescue Squad board of directors did not review and reconcile bank statements**

The board did not review and reconcile bank statements with accounting records. The review and reconciliation of bank statements are necessary procedures to ensure all collections and

disbursements are recorded accurately in the accounting records. The failure to reconcile bank accounts with the rescue squad's checkbook and invoices increases the risk that errors or misappropriations will occur without prompt detection.

**Deficiency 4: The Anderson County Emergency and Rescue Squad board of directors failed to maintain meeting minutes**

The board did not maintain meeting minutes for any rescue squad board meetings. According to rescue squad bylaws, the secretary shall prepare, post, and provide minutes of monthly meetings. The minutes are the official record of the board, should accurately reflect the actions of the board, and should be on file for review.

The board has corrected or intends to correct these deficiencies.

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