



COMPTROLLER'S INVESTIGATIVE REPORT

Gibson County Sheriff

June 12, 2024

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

June 12, 2024

Gibson County Mayor's Office
and Board of Commissioners
1 Court Square Suite 200
Trenton, TN 38382

and

Tennessee Department of Correction Commissioner
Rachel Jackson Building, Sixth Floor
Nashville, TN 37243

Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Gibson County Sheriff, 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 21st Judicial District who was appointed to serve as District Attorney General *Pro Tem* in this matter, 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", is written over a faint, larger version of the signature.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Gibson County Sheriff

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Gibson County Sheriff. The Comptroller's Office initiated the investigation at the request of the District Attorney General of the 25th Judicial District. The investigation was limited to selected records for the period July 1, 2019 through October 31, 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 21st Judicial District who was appointed to serve as District Attorney General *Pro Tem* in this matter pursuant to Tenn. Code Ann. § 8-7-106.

BACKGROUND



The Gibson County Sheriff, Paul Thomas, was first elected in 2014 and was subsequently re-elected in 2018 and 2022. As sheriff, Thomas is charged with numerous law enforcement duties including keeping the peace, attending the courts, serving process and orders of the courts, and operating the county jail. Thomas oversees the Gibson County Correctional Complex (jail) located in Trenton, Tennessee. Tenn. Code Ann. § 8-8-201(a)(3) provides that the sheriff is charged with receiving persons lawfully committed to the jail and with keeping them until they are lawfully discharged. Pursuant to Tenn. Code Ann. § 40-35-302, offenders ordered to

serve a sentence of 11 months 29 days or less in confinement are to serve in the local custody of the jurisdiction in which they offended.

The Tennessee Department of Correction (TDOC) was created in 1923 by Tenn. Code Ann. § 4-3-601. TDOC is responsible for the oversight of all state prisons, as well as community supervision and rehabilitative services. Pursuant to Tenn. Code Ann. §§ 40-35-209, 40-35-212, and 40-35-319, all felony offenders receiving a sentence of 12 months or more are remanded into the custody of TDOC for the duration of their sentences. TDOC houses approximately 21,000 incarcerated individuals and supervises some 79,000 offenders on parole, probation, or community corrections release status. Due to housing constraints, the TDOC Commissioner has the discretion to contract with various local governmental agencies to house offenders remanded into TDOC custody under the County Correctional Incentives Act of 1981, Tenn. Code Ann. § 41-8-101, et seq. There are approximately 3,532 offenders sentenced to TDOC custody who are serving sentences in local facilities, and these inmates are referred to as the backup population.

On March 11, 2020, Thomas presented a resolution to the Gibson County Commission (commission) to declare the jail as the Gibson County Correctional Complex Workhouse (workhouse) in accordance with Tenn. Code Ann. § 41-2-102 and establish a work release program under Tenn. Code Ann. §§ 41-2-133 and 41-2-134. The resolution designated Thomas as *ex officio* superintendent of the workhouse and, as an alternative to a board of commissioners under Tenn. Code Ann. § 41-2-104(h)(1)(b), delegated Thomas administrative control of the operation, supervision, and control of the workhouse as provided in Tenn. Code Ann. § 41-2-108.

Tenn. Code Ann. § 41-2-129 provides that when inmates are employed for wages, the county shall collect the wages, and the sheriff shall assure the monies are deposited in trust accounts and to maintain ledgers reflecting the status of individual accounts. For inmates, these trust accounts are often called commissary accounts, and a separate account is created for each inmate. Tenn. Code Ann. § 41-2-129 further outlines the approved purposes for which disbursements from trust accounts can be made, including the prisoner's board in the workhouse, necessary travel expenses to and from work, other incidental expenses of the prisoner, support of the prisoner's dependents, outstanding court costs assessed against the inmate, obligations acknowledged by the prisoner in writing, and any judgments for restitution in favor of a victim.



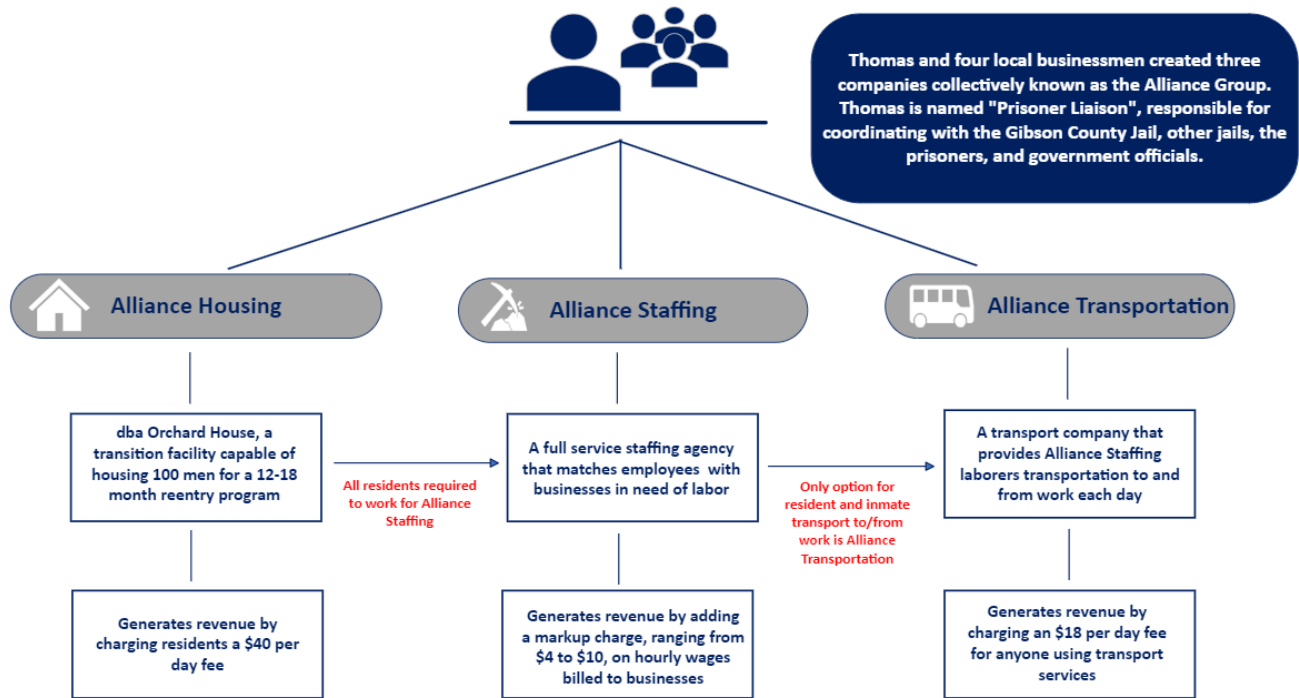
During the year 2020, a group of local investors comprised of Thomas and four local businessmen created three for-profit business entities collectively known as the Alliance Group (group). Thomas was named “Prisoner Liaison”, responsible for coordinating with the jail, other jails, the prisoners, and government officials. The group consists of:

Alliance Staffing, LLC (Alliance Staffing) was organized in February 2020 as a full-service employee staffing agency. It is located in Trenton, Tennessee, and acts as an

intermediary agent between workers and businesses who need laborers. It derives its revenue from a markup fee applied to the hourly wages of labor provided.

Alliance Housing, LLC, dba Orchard House (Orchard House), was formed in June 2020 as a transitional home to prepare inmates for reentry into society. It is located in Milan, Tennessee, and can house up to 100 men. In furtherance of its stated mission, Orchard House offers a 12-18 month rehabilitative reentry program. Participants in the Orchard House program are charged a \$40 daily rate for housing. Orchard House residents are required to obtain gainful employment solely through Alliance Staffing.

Alliance Transportation, LLC (Alliance Transportation) was formed in June 2020 as a transport company located in Trenton, Tennessee. Alliance Transportation provides transportation to and from work each day for Alliance Staffing laborers. Individuals are charged a fee of \$18 per day for each day Alliance Transportation services are used.



RESULTS OF INVESTIGATION

1. THOMAS IMPROPERLY DIRECTED \$1,417,204.06 IN INMATE WAGE FEES AND DEDUCTIONS TO DIRECTLY PROFIT THE ALLIANCE GROUP

From February 1, 2020, through October 31, 2022, the Alliance Group improperly received \$1,417,204.06 from inmate wage fees and deductions. In February 2020, Thomas began exclusively using Alliance Staffing, in which he holds an ownership stake, to employ inmates participating in his work release program. Investigators found that at least 170 inmates in the custody of Thomas were employed by Alliance Staffing during the scope of the investigation. Investigators analyzed the Alliance Group financial records for the period reviewed to determine the gross wages earned by inmates, deductions taken, and net pay received by inmates. Investigators found the following:

A. Alliance Staffing received gross revenue totaling \$916,567.80 from markup fees charged to inmate wages

Investigators determined that the 170 inmates employed by Alliance Staffing worked approximately 175,427 hours, consisting of both regular and overtime hours. The analysis revealed that Alliance Staffing charged a markup fee of \$4 to \$10 per hour that each inmate worked, generating a total gross revenue of \$916,567.80 from wages earned by the inmates.

B. Alliance Transportation received gross revenue totaling \$405,460.69 from inmate wage deductions

While employed by Alliance Staffing, inmates were required to use Alliance Transportation for transport to and from work each day. Each inmate was charged a mandatory transportation fee of \$18 per day for the service. Fees charged to the 170 inmates who participated in the work release program resulted in Alliance Transportation deriving gross revenue of \$405,460.69 directly from deductions taken from inmate wages.

C. Orchard House received gross revenue totaling \$95,175.57 from inmate wage deductions

As sheriff, Thomas is responsible for receiving individuals lawfully sentenced into the jail and keeping them in his custody until lawfully released. As the *ex officio* superintendent of the workhouse, Thomas is responsible for ensuring that all persons liable to imprisonment for safekeeping, whether charged with felonies or misdemeanors, are confined in the workhouse, securely kept, and properly cared for, including seeing that the prisoners are properly guarded to prevent escape under Tenn. Code Ann. §§ 41-2-108 and 41-2-109. Additionally, pursuant to Tenn. Code Ann. § 41-2-134(b), Thomas is authorized and empowered as the *ex officio* superintendent of the workhouse to permit prisoners to leave the workhouse during approved working hours to work at a place of employment and to earn a living to meet, in whole or in part, the cost of the prisoner's current financial obligations; provided, that the prisoner returns to the workhouse each day after work.

Investigators discovered that Thomas allowed some inmates to reside at Orchard House, a non-custodial transitional house of which he was an owner, before they were lawfully released from his custody. As no properly executed contract exists between the county and Orchard House, and the facility is not a secure facility staffed by jail personnel, custody of the inmates was improperly relinquished by Thomas to Orchard House officials. Investigators determined that 82 inmates were allowed to reside at Orchard House instead of the jail without proper approval by a judge or parole board. Some of these inmates were charged a housing fee of \$40 per day by Orchard House. Orchard House received a gross revenue of \$95,175.57 directly from deductions to these inmates' wages.

Summary of the Alliance Group Revenues from Inmate Wage Fees and Deductions

Description	Amount
Alliance Staffing	\$916,567.80
Alliance Transportation	405,460.69
Orchard House	95,175.57
Total of the Alliance Group Revenues from Inmate Wage Fees and Deductions	\$1,417,204.06

D. Investigators question if participation in the Orchard House program served as a benefit to inmates

The Orchard House program was promoted by Thomas as a way to reduce recidivism, help inmates get a head start after release from custody by placing them in a job, help inmates pay

finances/fees, and allow them to save money for the future. However, the sheriff’s department could not provide any data to substantiate reductions in recidivism rates for participants in the Orchard House program after release, and analysis revealed that the majority of inmate wages were taken for deductions that directly benefited the Alliance Group, such as transportation, rent, education, and administrative fees.

Investigators noted several instances of inmates receiving a net pay of \$0.00 after deductions were taken from their wages. The chart below represents actual payroll records for an inmate who was employed by Alliance Staffing for eight weeks. The inmate earned gross wages totaling \$3,057.36 during his employment but only netted \$120 after deductions. Deductions for rent, transportation, and administrative fees totaled \$2,203.31, approximately 72% of the inmate’s gross wages, and only benefited the Alliance Group.

Gross Wages	Tax	FICA	Orchard House Rent	Alliance Transportation	Clothing/Vending	Tithes	Admin	Net Wages
\$ 400.00	(35.00)	(30.60)			(54.40)		(280.00)	-
\$ 320.00	(26.00)	(24.48)		(269.52)				-
\$ 400.00				(280.00)				\$ 120.00
\$ 400.00	(35.00)	(61.20)	(154.00)	(126.00)	(23.80)			-
\$ 566.80	(55.00)	(43.36)	(154.00)	(126.00)	(188.44)			-
\$ 320.00	(26.00)	(24.48)	(154.00)	(115.52)				-
\$ 320.00	(26.00)	(24.48)	(140.00)	(126.00)		(3.52)		-
\$ 330.56	(27.00)	(25.29)	(154.00)	(124.27)				-
\$ 3,057.36	(230.00)	(233.89)	(756.00)	(1,167.31)	(266.64)	(3.52)	(280.00)	\$ 120.00

Investigators could not substantiate if the inmates received any benefit or advantage from participation in the Orchard House program. Inmates could participate in the work release program while living at the jail for a fee of \$25 per day rather than the \$40 per day housing fee assessed for Orchard House. Inmates at the jail have access to the same classes and services offered at Orchard House at no additional cost. Additionally, residents of Orchard House attend a church chosen by Orchard House officials and are subjected to mandatory requirements to tithe weekly to the church. Investigators found that Alliance Staffing made deductions from inmate earnings for mandatory weekly tithes.

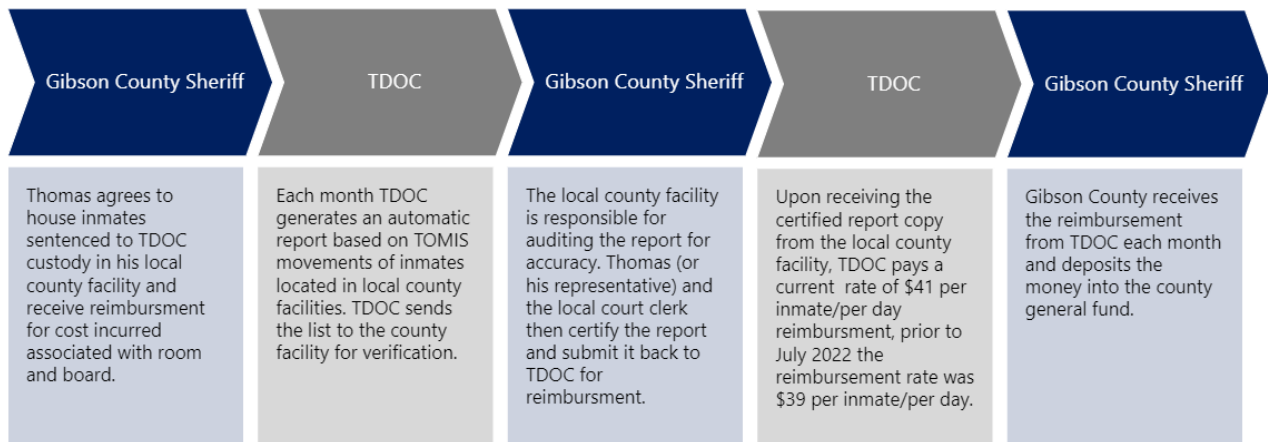
Investigators obtained an email Thomas sent to the other Alliance Group owners that stated, “when you prioritize everything for the men, they take care of us in the end.” Investigators determined that the Alliance Group received more benefits than the inmates from their participation in the Orchard House program.

2. THOMAS IMPROPERLY OBTAINED \$507,273 IN TDOC INMATE BOARD BILL FUNDS AND TRANSFERRED THEM TO ORCHARD HOUSE

Due to overcrowding in state facilities and pursuant to the County Correctional Incentives Act of 1981, Tenn. Code Ann. § 41-8-101, et seq., TDOC has the discretion to house inmates sentenced to their custody in local facilities as needed. These inmates, referred to as the backup population, are assigned a TDOC identification number and tracked in the Tennessee Offender Management Information System (TOMIS) by the local facility in which they are confined. The jail is one local

facility that houses TDOC inmates, and in return for providing room and board, TDOC will reimburse the county a board bill subsidy pursuant to Tenn. Code Ann. § 41-8-106 for costs incurred at a current rate of \$41 per inmate per day, which was \$39 per inmate, per day prior to July 1, 2022.

The board bill for inmates housed in county jails is an automatically generated report created each month that is based on inmate movements reported in TOMIS. It is the responsibility of jail officials to ensure accurate information is maintained in TOMIS and the inmate location is current to date. Pursuant to Tenn. Code Ann. § 41-2-119, the number of prisoners held in the jail and bills for the same shall be made out and sworn to by the sheriff or superintendent and certified by the clerk. Once created, the bill is sent to the county to verify it is accurate and certify it with the local court clerk. After receiving the certified report back from the jail, TDOC will submit the board bill payment to the county.



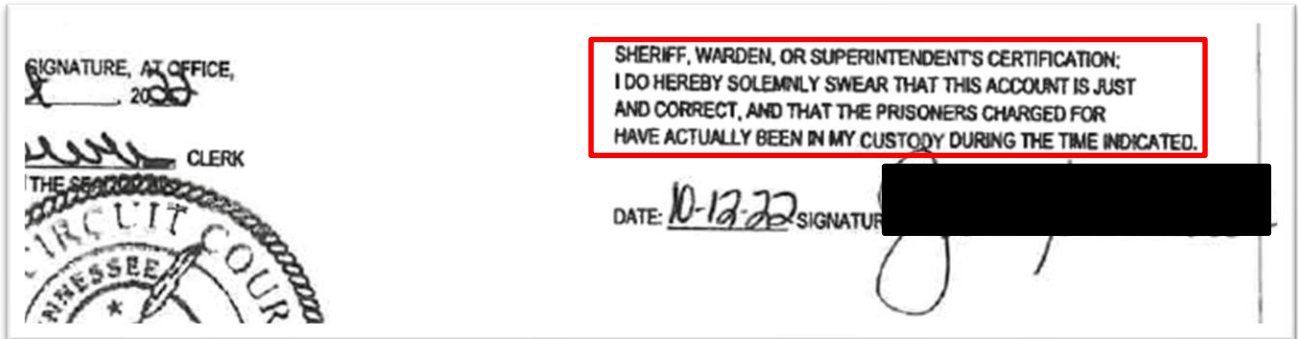
In May 2020, Thomas began allowing state inmates held in his custody to reside at Orchard House, a private business in which he holds an ownership stake, instead of the jail. Investigators found that unbeknownst to TDOC, Thomas allowed 74 inmates classified in TDOC custody to reside at Orchard House without proper approval by a judge. Thomas continued to show the jail as the inmate location in TOMIS for these 74 inmates. By doing so, he knowingly failed to maintain continuous custody of these 74 inmates in a proper secure penal setting and deceived TDOC regarding the actual non-secure nature and location of the inmates residing at Orchard House.

The TDOC Jail Manual provides clear instructions that an inmate should not appear on the board bill if the offender was not present in the jail for more than four hours of that day. Investigators found that the 74 TDOC inmates resided at Orchard House, on average, for 161 days. Investigators also noted that 74% of the inmates residing at Orchard House did not return to the jail earlier than 30 days from their release date, with 95% of those inmates returning on the day of their scheduled release for the purpose of being processed out of the jail system.

Between May 2020 and October 2022, Thomas instructed his representative to certify the false monthly board bill for these 74 TDOC inmates as if they were actually present, incarcerated, and residing in the jail, resulting in reimbursements totaling \$507,273 from TDOC to the Gibson County General Fund (General Fund) (**Refer to Exhibit 1**). Thomas then required the county to

disburse these board bill funds from the General Fund to Orchard House without TDOC's knowledge or consent.

Exhibit 1



Board bill signed by Thomas' representative each month swearing that inmates had been in his custody

Investigators interviewed Gibson County officials about the funds paid to Orchard House. Officials stated that Thomas informed them that TDOC had agreed to pay the rate to Orchard House and approved the process of the jail receiving the reimbursement each month and then disbursing the funds to Orchard House.

Tenn. Code Ann. § 41-4-139 provides that reimbursement will be made for TDOC inmates kept in county penal institutions. TDOC officials apprised investigators that Orchard House was not considered by them to be a county facility because it was not attached to the jail or staffed by jail personnel; it was a privately owned business with no existing contract between the entity and the county. Officials further stated that Thomas had been informed of this and was made aware that TDOC inmates could not be approved to reside at Orchard House until there was a contract. As a result of Orchard House not being approved or certified as a county penal facility by TDOC under the County Correctional Incentives Act of 1981, Tenn. Code Ann. § 41-8-104, the county was not eligible or entitled to participate in the compensation program to receive the \$507,273 in reimbursement for the 74 TDOC inmates who resided at Orchard House.

During the investigation, TDOC audited a sample of inmates in Thomas' custody. Based on information in TOMIS, TDOC stated to investigators that no TDOC inmates were residing at Orchard House. However, investigators confirmed that was inaccurate. Thomas was able to misrepresent and conceal the location of 74 inmates from TDOC by failing to update their movements in TOMIS. Thomas instructed his employees to do a "cell transfer" for selected inmates to Orchard House (**Refer to Exhibit 2**). This made it appear as if the inmates were still physically present, incarcerated, and residing in the jail but were transferred to, or housed, in a cell named "Orchard". As a result of that misrepresentation, when TDOC generated the board bill each month for purposes of reimbursement, the inmates in question appeared to still be properly in Thomas' continuous secure custody and residing at the jail.

Exhibit 2

Transfer(Y/N)?	Facility: GCCC
Reason for Release:	SENT EX
Length of Stay:	
Booking Officer:	
Cell Assignment:	ORCHARD

Jail software showing an inmate cell assignment as “Orchard”

Thomas knowingly acted as a pass-through, receiving money from TDOC under the false claim and guise of reimbursement for costs incurred by the county for housing the 74 TDOC inmates in the jail, then improperly exercising control over the funds by directing and forwarding them to Orchard House.

3. THOMAS IMPROPERLY RECEIVED \$181,644.50 FROM INMATE LABOR FOR HIS PERSONAL BENEFIT, PROFIT, AND GAIN

In February 2020, Thomas entered into a business organization with four local businessmen to form Alliance Staffing, LLC (Alliance Staffing). Thomas’ role in the organization was defined as “Prisoner Liaison,” responsible for coordinating, facilitating, and being the liaison between any jails, the prisoners, and government officials. As part of the LLC agreement, Thomas received a 20% ownership interest in the business organization and the guarantee of an annual salary. After Thomas entered into the LLC, Alliance Staffing became the sole and exclusive employer of inmates confined to the custody of Thomas at the Gibson County Jail.

Tenn. Code Ann. § 41-2-148 provides that “no sheriff, jailer, or other person responsible for the care and custody of inmates housed in a county jail may employ, require or otherwise use any inmate housed in the jail to perform labor that will or may result directly or indirectly in the sheriff’s, jailer’s or other person’s personal gain...profit or benefit to a business partially or wholly owned by the sheriff, jailer or other person.” As a member of Alliance Staffing with an ownership interest and custodian of the inmates supplied for their labor force, Thomas directly, personally, and unlawfully benefited from only selecting and allowing inmates in his custody to perform labor for the company.

During the period February 2020 to October 2022, Thomas knowingly received at least \$181,644.50 in profit from inmate labor as follows:

A. Thomas received \$113,000 in compensation from the Alliance Group

Investigators analyzed financial records from the Alliance Group and found that in March 2020, Thomas began receiving a weekly salary of \$500. In September 2020, Thomas’ salary was increased to \$1,000 a week. During the scope of the investigation, Thomas received 128 checks totaling \$113,000 in compensation from Alliance Staffing.

As an owner of the Alliance Group, Thomas personally benefited from profits generated from all three companies. However, due to all ownership salaries being paid from Alliance Staffing, investigators could not determine the portion of compensation Thomas received as a direct result of deductions from inmate wages or the \$507,273 in board bill reimbursements he redirected to Orchard House.

B. Thomas received \$8,644.50 in personal payroll benefits from the Alliance Group

Thomas received \$8,644.50 in personal payroll benefits from the Alliance Group. This amount represents matching benefits and payments for Medicare and Social Security that the Alliance Group paid on behalf of Thomas.

C. Thomas received \$60,000 in legal representation

In October 2022, Alliance Staffing paid \$60,000 to retain legal representation specifically for Thomas. The company issued two checks, one for \$50,000 and one for \$10,000. The memo line on the checks read “Retainer for Paul Thomas-Alliance, GCSD, Orchard” and “Advance for Expenses-Paul Thomas-Alliance, GCSD” respectively. As Alliance Staffing revenues are generated from labor provided by inmates selected, directed, and controlled by Thomas, these payments for legal representation resulted in an indirect personal benefit for Thomas.

Summary of Misappropriation by Paul Thomas

Misappropriation	Amount
Compensation from Alliance Staffing	\$113,000
Payroll Benefits	8,644.50
Legal Representation	60,000
Total Misappropriation	\$181,644.50

Thomas concealed his ownership stake in the Alliance Group by failing to file truthful statements of interest disclosures each year with the State of Tennessee Ethics Commission. Tenn. Code Ann. § 8-50-502 requires elected officials to annually disclose any sources of income over \$1,000, as well as any investment in any corporation or business organization in excess of \$10,000 or 5% of the total capital. Investigators reviewed Thomas’ statements of disclosure of interest filings and found that he failed to disclose his investment in the Alliance Group, even though he maintained more than a 5% ownership share therein.

4. THOMAS IMPROPERLY DIRECTED WAGES TOTALING \$448,637.09 TO AN ALLIANCE HOUSING SAVINGS ACCOUNT AND IMPROPERLY TRANSFERRED \$100,000 TO ALLIANCE STAFFING

Tenn. Code Ann. § 41-2-129 requires that when inmates are employed for wages, the superintendent or other person in charge of the workhouse shall collect the wages or require the prisoner to turn over the prisoner's wages when received and deposit the wages in a trust checking account and shall keep a ledger showing the status of the account of each prisoner. For inmates,

these trust accounts are often called commissary accounts. Tenn. Code Ann. § 41-2-129 further outlines the approved purposes for which disbursements from trust accounts can be made, including the prisoner’s board in the workhouse, necessary travel expenses to and from work and other incidental expenses of the prisoner, support of the prisoner's dependents, outstanding court costs assessed against the inmate, obligations acknowledged by the prisoner in writing, and any judgments for restitution in favor of a victim. Furthermore, trust accounts may only be used for the benefit of one of the inmates with funds in the account.

Pursuant to the workhouse resolution approved by the commission on March 11, 2020, all wages earned by an inmate shall be collected by the sheriff and deposited into the inmate’s commissary account, where the funds will be available for viewing by the inmate. However, investigators discovered that Thomas improperly directed inmate wages, totaling \$448,637.09, to be deposited into a private account owned and controlled by the Alliance Group, referred to as Alliance Housing Savings (housing savings).

Analysis of the housing savings account revealed that in October 2022, two separate transfers of \$50,000 each were processed to exercise control over and move inmate trust funds to an account held by Alliance Staffing (**Refer to Exhibit 3**). One of these transactions contained the memo “overdrawn” while the other stated “replace funds.”

Exhibit 3

10/20	Transf to Staffing overdrawn Confirmation number [REDACTED]	50,000.00-
10/27	Transf to Staffing replace funds Confirmation number [REDACTED]	50,000.00-

Housing savings bank records showing inmate trust funds improperly transferred to Alliance Staffing

Investigators analyzed the bank records for Alliance Staffing and confirmed that the account would have been overdrawn without the transfer of funds and the cause of the shortage was unrelated to the approved purposes for which inmate wages can be used. Investigators also noted that during the same month of October 2022, Alliance Staffing paid \$91,435 for legal representation, with \$60,000 of that specifically designated for Thomas.

5. THOMAS OPERATED AN UNAUTHORIZED WORK RELEASE PROGRAM AND IMPROPERLY AWARDED SENTENCE CREDITS FOR INMATE LABOR PERFORMED TO BUILD ORCHARD HOUSE

Tenn. Code Ann. §§ 41-2-133 and 41-2-134 provide that in order for a work release program to exist, the facility must be designated as a workhouse, or the commission must approve a program and establish a work release commission to oversee the program. Thomas received approval from the commission designating his jail as a workhouse in March 2020. However, while reviewing work release sign-out sheets, investigators discovered that Thomas had been allowing inmates to perform work release as early as July 2019. Investigators confirmed that no work release commission exists for Gibson County.

Investigators also found that at least 26 inmates provided the labor to build and construct Orchard House prior to March 2020. Jail officials apprised investigators that inmates were not paid for labor provided during the construction of Orchard House. Investigators interviewed one of the former inmates to substantiate that the inmates in question were not paid for their labor. The former inmate apprised investigators that they were not paid for labor performed on Orchard House; instead, inmates were awarded sentence credits by Thomas.

Tenn. Code Ann. § 41-2-147 authorizes sentence credits for the performance of any of the duties set out in Tenn. Code Ann. § 41-2-123, such as work and litter abatement within the county on roads, parks, public property, public easements, or alongside public waterways; or Tenn. Code Ann. § 41-2-146, such as work programs for workhouse or jail maintenance work. Tenn. Code Ann. § 41-2-148 prohibits persons responsible for the care and custody of inmates in jails or workhouses from permitting inmates to perform any labor for the gain, profit, or benefit of a private citizen, or for-profit corporation, partnership, or other business unless such labor is part of a court-approved work release program, or unless the work release program operates under a commission established pursuant to Tenn. Code Ann. § 41-2-134.

Investigators determined that Thomas operated an unauthorized work release program for at least eight months. During that time, Thomas did not have the authority to issue sentence reduction credits in lieu of wages to inmates, as his work release program did not meet the operational requirements described by state statute. Investigators also noted that Thomas would eventually become one of the owners of Orchard House after construction was completed.

On May 2, 2024, the Davidson County Grand Jury indicted Paul Thomas on one count of Theft of Property over \$60,000, two counts of Computer Crimes over \$60,000, and one count of Forgery over \$60,000.

On May 6, 2024, the Gibson County Grand Jury indicted Paul Thomas on eighteen 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.

[Gibson County Sheriff Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

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

Deficiency 1: Thomas did not disclose his investment in the Alliance Group on the annual statement of disclosure of interests to the Tennessee Ethics Commission

Accurate yearly financial disclosures are required to sustain public confidence in government by increasing the integrity and transparency of potential conflicts of interest of public officials and candidates. According to Tenn. Code Ann. § 8-50-502, public officers and employees are required to annually disclose sources of income over \$1,000, as well as any investment with any corporation or business organization in excess of \$10,000 or 5% of the total capital. From 2020 through 2022, although Thomas disclosed that he received income from Alliance Staffing, he failed to disclose that he maintained more than a 5% ownership share in the Alliance Group.

Deficiency 2: The Gibson County Sheriff's Department and Gibson County officials failed to establish a contract between the county and Orchard House

Tenn. Code Ann. § 41-8-106 allows for counties to receive reimbursement from the state for TDOC inmates that are housed in county-owned facilities or facilities in which the county has contracted. Even though Thomas was apprised by TDOC officials that TDOC inmates could not be housed at Orchard House without a contract, the Gibson County Sheriff's Department continued to conduct business with Orchard House and receive reimbursement from the state without an official contract ever being executed or established. The failure to establish official contracts between the county and other entities increases the risk of the county incurring additional and unnecessary costs and liabilities that could arise from conducting unauthorized business.

Deficiency 3: Gibson County Sheriff’s Department officials did not ensure that TOMIS was accurately updated

Information regarding the location of state inmates classified as the backup population is kept in the TOMIS database and is maintained by county officials. TDOC relies upon the accuracy of this information to track the location of the approximately 3,532 inmates in the backup population across the state. Since county officials were instructed by Thomas to denote Orchard House residents as “cell transfers,” the location of the inmate in TOMIS still showed the inmate as being physically present, incarcerated, and housed at the jail instead of at the unsecured off-site location of Orchard House. Notating the inmates’ movement to Orchard House as a cell transfer was not an accurate representation of the true location of the inmates and concealed the whereabouts of the backup population inmates from TDOC, which consequently resulted in the misappropriation of state funds.

Deficiency 4: Orchard House officials failed to follow TDOC Guidelines

Orchard House became an approved TDOC transitional house in January 2021. Transitional houses are provided with and required to follow the TDOC *Guidelines for Transitional Housing Providers* manual (manual). Orchard House had the following deficiencies:

- Per the manual, housing providers must maintain an up-to-date file on each resident, which includes copies of monthly progress reports on all inmates that are to be sent to the TDOC supervising officer. Investigators verified that Orchard House officials did not maintain or submit the required monthly reports for the 74 TDOC inmates Thomas allowed to reside at Orchard House. This failure by Orchard House officials further concealed the location of inmates in Thomas’ custody.
- The manual provides that no staff member of the transitional house should be under supervision and must be free from supervision or incarceration for at least one year. Investigators found at least two individuals who were employed by Alliance Staffing less than a year out from incarceration.

Deficiency 5: Thomas failed to uphold his duties to securely keep and properly guard inmates as prescribed by state statute

Tenn. Code Ann. § 8-8-201(a)(3) provides that the sheriff is charged with receiving persons lawfully committed to the jail and with keeping them until they are lawfully discharged. An inmate may be lawfully discharged through several avenues, all of which will have corresponding orders signed by a judge or parole board. Investigators determined that Thomas circumvented this process by using his own discretion for 82 inmates he allowed to reside unsecured at Orchard House, therefore violating his duty to keep inmates until lawfully discharged.

Orchard House is a non-custodial transitional facility, not a penal institution or secure correctional setting. Therefore, residents were knowingly permitted by Thomas to be out of custody outside of the jail facility and Gibson County. Investigators found one TDOC inmate serving a 15-year

sentence at 30% on a Class A felony conviction was allowed to reside at Orchard House by Thomas two months after being sentenced. While residing at Orchard House, the inmate was allowed to attend a wedding in Tipton County without accompaniment or supervision by jail personnel.

Deficiency 6: Thomas improperly issued sentence credits to inmates in lieu of wages for the construction of the Orchard House

Workhouse inmates who are eligible to earn sentence credits under Tenn. Code Ann. § 41-2-147 can earn such credits by working for a private employer other than a government, municipality, charitable organization, or nonprofit corporation if such labor is part of a court-approved work release program or a work release program operated under a commission established pursuant to Tenn. Code Ann. § 41-2-134. Op. Tenn. Att’y Gen. 03-125. During the construction of Orchard House in 2019, Thomas did not have a properly approved work release program operating pursuant to Tenn. Code Ann. § 41-2-134. This led to Thomas improperly issuing sentence credits to at least 26 inmates who contributed labor to the construction.

Deficiency 7: Gibson County Sheriff’s Department officials failed to maintain accurate records related to the work release program

Pursuant to Tenn. Code Ann. § 41-2-134(b), prisoners can be permitted to leave the workhouse during approved working hours to work at a place of employment and to earn a living to meet, in whole or in part, the cost of the prisoner's current financial obligations, provided that the prisoner returns to the workhouse each day after work. Failure to maintain accurate work release records reflecting the daily release, movement, and return of inmates increases the risk of escape from custody. Investigators reviewed work release sign-out sheets and found multiple discrepancies with the records. The documents did not accurately reflect which inmates left the facility each day or the responsible individual providing transportation for the inmate. Investigators also noted several instances where inmates were signed out of the facility but never signed back in and instances where inmates signed back into the facility that never signed out.

Deficiency 8: Thomas failed to enforce the workhouse program policies and procedures

In March 2020, Thomas submitted a copy of the policies and procedures for the workhouse along with a proposed resolution to approve the jail as a workhouse. Per the approved policies and procedures, all participants in the program would be sentenced by judges of the Gibson County courts. Investigators reviewed sentencing documents for inmates and could not find any documentation of approval by a judge to participate in the workhouse program. Additionally, investigators confirmed that 68 inmates who participated in the work release program were serving sentences under the jurisdiction of counties other than Gibson County without proper judicial approval or order sentencing them to the Gibson County workhouse as required by Tenn. Code Ann. § 41-2-103.

Deficiency 9: Thomas violated state law regarding inmate wages deposited into trust accounts

Tenn. Code Ann. § 41-2-129 provides that when inmates are employed for wages, the superintendent or other person in charge of the workhouse shall collect the wages and shall assure the moneys are deposited in trust accounts, and ledgers are maintained reflecting the status of individual accounts for each inmate. Trust accounts may only be used for the benefit of one of the inmates with funds in the account. However, investigators discovered that Thomas directed and allowed the inmate wages to be deposited into a savings account held and controlled by the Alliance Group, a private business, instead of maintaining inmate funds in commissary accounts held by the jail.

Deficiency 10: TDOC officials failed to ensure compliance with department policies regarding work release by the backup population

TDOC has adopted a policy governing Work Release Job Placement, #505-10, which states that its application is “To all Tennessee Department of Correction (TDOC) employees and inmates...” This application does not denote a difference between inmates housed at TDOC facilities and inmates classified as the backup population who are housed at local jails. Policy #505-10 was not followed in relation to the backup population inmates housed at the jail when determining which inmates were allowed to become participants in the Orchard House program. TDOC has no separate policy to require that the backup population inmates should be governed by local policies adopted by jails regarding work release prior to their transfer to a TDOC facility.

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