



COMPTROLLER'S INVESTIGATIVE REPORT

Rhea County Sheriff's Department

October 9, 2024

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

October 9, 2024

Rhea County Executive
and Members of the County Commission
1475 Market Street
Suite 301
Dayton, Tennessee 37321

Rhea County Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Rhea County Sheriff's 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 6th 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

Rhea County Sheriff's Department

The Office of the Comptroller of the Treasury, in conjunction with the Tennessee Bureau of Investigation, investigated allegations of malfeasance related to the Rhea County Sheriff's Department. The investigation was limited to selected records for the period January 1, 2017, through May 31, 2024. The results of the investigation were communicated with the Office of the District Attorney General of the 6th Judicial District who was appointed as *Pro Tem* in this matter pursuant to Tenn. Code Ann. § 8-7-106.

BACKGROUND



The Rhea County Sheriff was first elected in 2002 and has been subsequently re-elected every four years since. The sheriff is charged with numerous law enforcement duties, including keeping the peace, preventing crime, making arrests, and operating the county jail, located in Dayton, Tennessee. Pursuant to Tenn. Code Ann. § 8-8-201(a)(3), the county sheriff is responsible for the jail, including taking charge and custody of the inmates in the custody of the jail, and keeping them until they are discharged by law.

The sheriff incorporated a personal trucking business on July 27, 2020, and a personal farming business on August 4, 2020.

The Rhea County Animal Shelter (shelter) is operated by the Rhea County Sheriff's Department (department). In June 2015, Rhea County signed a memorandum of understanding (MOU) with the Animal Shelter Alliance of Rhea County (ASAR), a nonprofit organization, which stated that the ASAR would work "in furtherance of the ASAR [sic] assuming responsibility for the day-to-day operations of the Rhea County Animal Shelter, including but not limited to the daily care, medical care and adoptions of animals within Rhea County." Rhea County, through the department, provides funding for personnel and employs animal control officers and a shelter administrator. The department also provides funding for the facility including maintenance and utilities. The department collects surrender fees; however, all donations from fundraisers or citizens are remitted to ASAR. Jail inmates work at the shelter regularly.

The department operates the Rhea County Angel Tree Toy Drive (toy drive), a nonprofit organization managed by department employees to provide for needy children and adults. From at least 2005 to 2020, the department bookkeeper and jail administrator managed the toy drive's finances. The shelter administrator began assisting in managing the toy drive's finances in June 2021.

During the scope of this investigation, the sheriff's son operated a business at the Dayton Boat Dock, which included a restaurant and fishing supply shop. The sheriff's son incorporated his business on January 23, 2013. The sheriff's son leased the boat dock property from the City of Dayton. The lease for the property required the sheriff's son to maintain the property. The sheriff's son closed the restaurant and fishing supply shop in October 2022, and the business registration dissolved due to inactivity in August 2023.

RESULTS OF INVESTIGATION

1. THE SHERIFF AND JAIL STAFF IMPROPERLY RELEASED INMATES FROM THE JAIL

Investigators found that the sheriff and jail staff improperly released inmates in multiple ways.

A. The sheriff and the department's chief deputy exceeded their authority by releasing at least three inmates from jail without court officer approval

The sheriff released inmates from jail without the approval of a court officer. Tenn. Code Ann. § 40-11-105 states that persons who have committed a bailable offense are entitled to be admitted to bail before trial by "the committing magistrate, by any judge of the circuit or criminal court, or by the clerk of any circuit or criminal court." Pursuant to Tenn. Code Ann. § 40-11-106, the sheriff or commissioner releasing the inmate has the responsibility to determine the sufficiency of the surety and the validity of the bond. Once bail has been secured, the sheriff may release inmates within the confines of the conditions set by the court officer.

On August 22, 2017, the sheriff released an inmate from jail without the approval of a court officer. The court officer set a bond of \$7,500. According to documentation filed with the court, the sheriff approved the inmate's release on their signature without identifying at least two sufficient sureties. Following the sheriff's approval of the inmate's release from jail, the inmate failed to appear in court on at least three occasions. After the inmate was re-arrested, the court set a \$45,000 bond for the inmate and required that only a professional bondsman approved by the court could issue the bond on behalf of the inmate. Despite the court order, on January 5, 2018, jail staff released the inmate from jail to a private citizen at the direction of the sheriff without documented court officer approval (**Refer to Exhibit 1 & Exhibit 2**). On January 16, 2018, the improperly released inmate was arrested again and charged with theft of property, ten days after their second improper release from jail.

Exhibit 1

APPEARANCE BOND - ~~State~~ Court

State of Tennessee, Rhea County

We, [Redacted] # [Redacted], Principal and
[Redacted], and
Sureties, agree to bind ourselves and pay the State of Tennessee 2500
Dollars, unless the said [Redacted]
appears before the Rhea Court at DAYTON
in said County, on the 20 day of OCT, 2017, at 9:00 o'clock A. M., and
from day to day until the case is finally disposed of, to answer for the offense of FTA

and does not depart the Court without leave.

Witness our hands this the 22 day of Aug, 2017

[Redacted] Surety. [Redacted] Principal.
(Address) (Address)

Approved: Sheriff [Redacted] [Redacted] Surety.
(Address) (Address)

Release form showing the inmate's first release from jail by the sheriff without the approval of a court officer

Exhibit 2

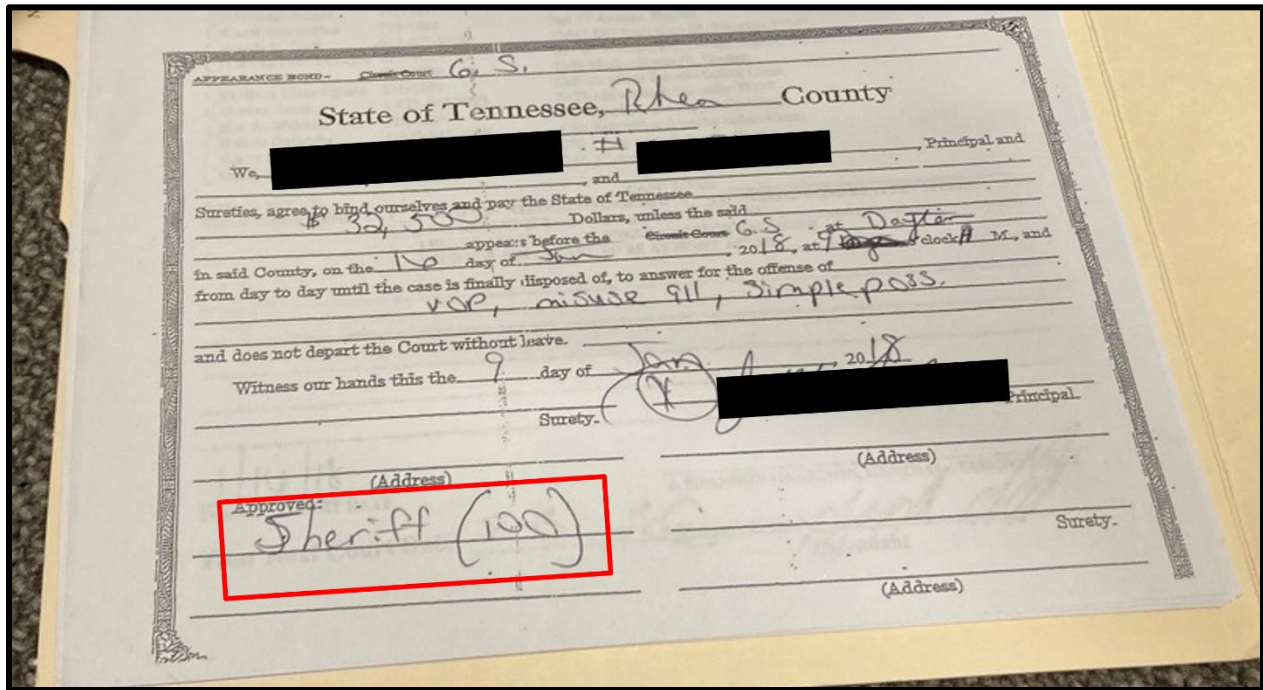
APPEARANCE BOND - General
Circuit Court

State of Tennessee, Rhea County

We, [Redacted], Principal and
[Redacted], and
Sureties, agree to bind ourselves and pay the State of Tennessee 2000
Dollars, unless the said [Redacted]
appears before the Circuit Court
in said County, on the 11th day of Feb, 2018, at Dayton
at 9:00 o'clock A M., and
from day to day until the case is finally disposed of, to answer for the offense of
Failure to appear Empire Beckwith
and does not depart the Court without leave.
Witness our hands this the 5th day of Jan, 2018
[Redacted] Surety Principal
[Redacted] (Address) (Address)
Approved: [Redacted] (Address)
[Redacted] Surety
(Address)

*The inmate's second release form without the court-ordered bond amount
and without documented approval*

The sheriff also improperly released an inmate from jail on January 9, 2018, without the approval of a court officer. The inmate was released without surety to a private citizen (Refer to Exhibit 3).



Release form showing the inmate's release from jail by the sheriff without the approval of a court officer

On January 16, 2018, the Rhea County General Sessions Court Judge in office at that time issued a letter by certified mail to the sheriff regarding these improper releases in which the judge told the sheriff that sheriffs do not have the authority to release inmates on bond. The letter included the 12th District Attorney General in office at that time, and stated:

“Effective government, and the law of the land, require that each branch of government only exercise the powers granted to it by the laws and Constitutions of Tennessee and the United States. I certainly would not undertake to exercise any powers that exclusively, and squarely, belong to another branch of government, or you as Sheriff, and I expect the same consideration in return...I request that you make your jailers aware of the Order of the Court. Additionally, I hope this letter will resolve the issues I have addressed, so that Sheriff's Department and the Rhea County General Sessions Court can continue a relationship where all work together for the protection, and good, of Rhea County and its citizens.”

On July 14, 2022, despite previous warnings from the Rhea County General Sessions Court Judge regarding the improper release of inmates, the department's chief deputy released an inmate from jail on their signature without identifying sureties, without the approval of a court officer (**Refer to Exhibit 4**). The bond states that the inmate was released from jail for medical reasons.

APPEARANCE BOND - Circuit Court

State of Tennessee, Rhea County

We, [Redacted], Principal and [Redacted], and [Redacted], Sureties, agree to bind ourselves and pay the State of Tennessee 200 Dollars, unless the said [Redacted] appears before the Circuit Court 65 at J. Ayton in said County, on the 22 day of July, 2022, at 9:00 o'clock A.M., and from day to day until the case is finally disposed of, to answer for the offense of Dublic Intox and does not depart the Court without leave.

Witness our hands this the 14 day of July, 2022

[Redacted] Surety. [Redacted] Principal.

Medical **Chief Deputy** (Address) X Homeless (Address)

Approved: [Redacted] Surety.

Release form showing the inmate's release from jail by the department's chief deputy without obtaining surety or the approval of a court officer

B. The sheriff issued an inappropriate inmate release policy

The Tennessee Corrections Institute (TCI) sets minimum standards for local jails and performs inspections of local jails. Pursuant to Tenn. Code Ann. § 41-2-148, inmates may be afforded work opportunities through a court order or a work release commission. The TCI defines a working inmate as:

An inmate who has been screened, selected, and assigned to a formal jail work program (occurring within the security area of the jail, or external to the jail). This includes those inmates who are taken out by various persons/agencies to work offsite (for example, a county employee comes to the jail each day to take a group of inmates to work at a recycling center).

The department may also grant an inmate trusty (also called trustee) status, which the TCI defines as "An inmate, usually in a minimum-security classification, who is responsible for performing various maintenance tasks under supervision in a jail."

In September 2020, the 12th District Attorney General in office at that time initiated an investigation of the improper inmate releases to department employees and volunteers. The investigation determined that inmates were released from jail to a department employee and a volunteer who did not have the required training. On November 23, 2020, the 12th District Attorney General in office at that time issued a letter to the sheriff in which he demanded that the sheriff cease improper inmate releases immediately.

On March 11, 2021, the sheriff issued an inappropriate work release policy, the *Inmate Work Crew and Trustees* policy (policy), which states, "Inmates cannot be used for personal gain or to work on private property, with few exceptions that require approval by Jail Administrator or Rhea County Sheriff." Tenn. Code Ann. § 41-2-148(a) does not provide for any exceptions to the prohibition of inmates being used for personal gain or to work on private property, and specifically states,

No sheriff, jailer or other person responsible for the care and custody of inmates housed in a county or municipal jail or workhouse may employ, require or otherwise use any inmate housed in the jail or workhouse 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 or in gain, profit or benefit to a business partially or wholly owned by the sheriff, jailer or other person. This subsection (a) shall apply regardless of whether the inmate is or is not compensated for the labor.

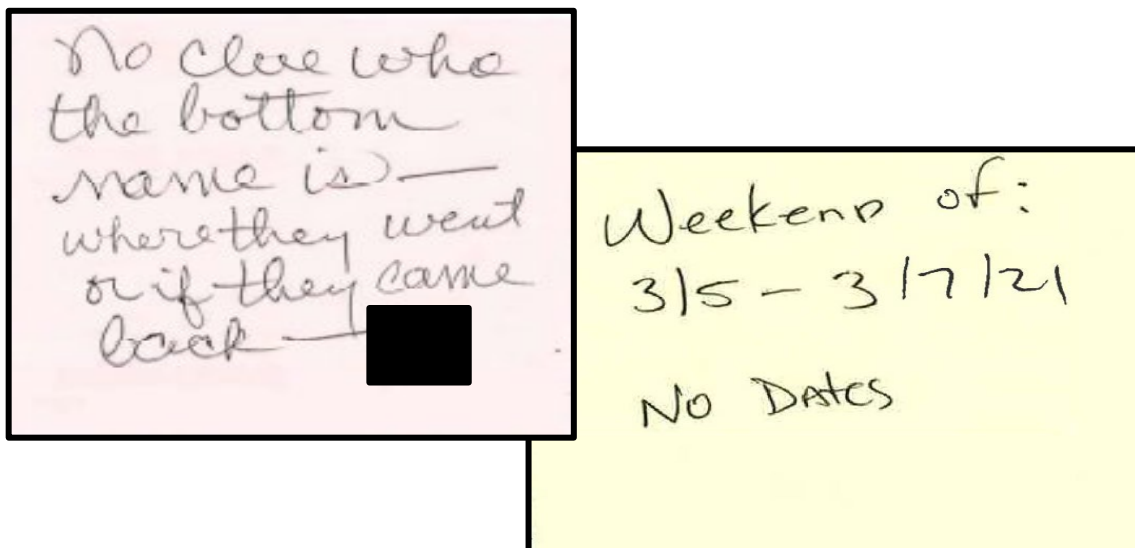
Additionally, the policy failed to address the release of inmates from jail to locations other than county property or to citizens who have received training from the TCI.

C. The sheriff and the department's jail administrator regularly authorized improper sign-outs of inmates from jail

Investigators determined that the sheriff and the department's jail administrator regularly authorized improper sign-out of inmates from jail. Inmate sign-out sheets were often missing the time inmates left the jail, the names of individuals responsible for the inmates, the location the inmates were taken, and the time inmates returned to the jail. Additionally, many of the sign-outs were illegible or did not contain complete identifying information of the inmate or the responsible party.

Furthermore, inmates were signed out to individuals without proper training and with no deputy supervision, including family members and local business owners and to addresses of privately-owned properties. Investigators determined that inmates were signed out on Sundays and for long periods of time.

Two sign-out sheets included notes from the department's jail staff stating that there was insufficient information on the forms (**Refer to Exhibit 5**).



Notes found on inmate sign-out sheets

Prior to March 3, 2021, sign-out sheets required the inmate's name, departure and return times, inmate's location, and the name and phone number of the person (also known as the responsible party) signing the inmate out. The documentation process for the department's inmate release from jail changed on March 3, 2021. The updated sign-out sheets removed the field for the responsible party signing the inmate out. Investigators found that on the new forms, jail staff frequently left the field for location and responsible party phone number blank. Pursuant to Tenn. Code Ann. § 8-8-201(3), the sheriff is responsible for the jail and for the inmates in the custody of the jail. The sheriff should ensure that each inmate's location is known and documented at all times.

TCI officials confirmed that they did not have training documentation on file for any of the people to whom inmates were released, including county employees who took inmates to work on government property. The TCI's *Minimum Standards for Local Adult Correctional Facilities* state that inmates designated as trustys may perform various maintenance tasks with supervision, but individuals overseeing the inmates are still required to have TCI training. When asked by investigators about the training provided to individuals who sign out inmates, the department's chief jailer stated that jail staff provide a handbook to individuals that tells them what the "dos and don'ts" for inmate supervision include. Investigators requested a copy of this handbook, but the department did not provide any such handbook.

The department's jail administrator admitted to investigators that on at least one occasion, a signed-out inmate did not return to the jail at the end of the day.

D. Inmates maintained two privately managed boat docks, including one managed by the sheriff's son

Inmate sign-out records revealed that inmates performed work at two privately managed boat docks, including the Dayton Boat Dock, a business owned by the sheriff's son. The

department's jail administrator told investigators that inmates frequently picked up trash and used lawnmowers and weed eaters to maintain the boat dock properties. She justified the use of inmates at the Dayton Boat Dock by stating that the property belonged to the City of Dayton; however, the lease between the City of Dayton and the sheriff's son assigned property maintenance responsibilities to the sheriff's son.

Regarding the release of inmates to work anywhere other than local government property, Tenn. Code Ann. § 41-2-148(b)(1) states,

No sheriff, jailer or other person responsible for the care and custody of inmates housed in a county or municipal jail or workhouse may permit any inmate housed in the jail or workhouse to perform any labor for the gain, profit or benefit of a private citizen or for-profit corporation, partnership or other business, unless the labor is part of a court-approved work release program or unless the work release program operates under a commission established pursuant to § 41-2-134.

E. Inmates, in plain clothes, were released from the jail to animal control officers and left without oversight

Inmate sign-out records revealed that inmates regularly worked at the shelter six days per week from approximately 7 a.m. to 7 p.m., and inmates were sometimes signed out from jail to the shelter for as long as 16 hours. However, shelter employees typically only work five days per week between 7 a.m. and 4 p.m. Monday through Friday. When questioned about this, the department's jail administrator responded that she did not know who supervised the inmates after the shelter employees' shifts ended and that inmates were picked up from the shelter by an officer at shift change, which occurred at 7 p.m. Inmates were left without oversight between the end of shelter employees' shifts and being picked up by an officer at shift change.

During visits to the shelter to obtain records, investigators observed inmates working in plain clothes with nothing visually identifying them as being in the custody of the jail. The department's jail lieutenant justified this by stating that the inmates wear plain clothes to avoid dirtying their jail uniforms. The department has policies for inmates who work outside the jail as part of a work release program, but the policy does not address clothing restrictions for other inmates who leave jail property for county work assignments.

The shelter administrator told investigators that two K9s live full-time at the shelter, a bloodhound and a cadaver dog, which she uses for missing person searches conducted by the department and other law enforcement agencies in the region. Inmates left unattended after hours at the shelter had access to the K9s. The shelter housed other assets, such as electronics and tools. Leaving inmates unattended with county and nonprofit assets increases the risk of legal liabilities and misuse or misappropriation of assets. Inmates should not be left unsupervised at the shelter nor allowed to work in plain clothes.

F. Jail staff failed to retain inmate sign-out sheets for the period December 2020 through January 2021

Investigators found no inmate sign-out sheets for the period December 2020 through January 2021. Investigators noted that the jail had sign-out sheets prior to and following the period for which records were missing. Investigators also noted that the period for which records were missing coincided with the time at which jail staff were interviewed by 12th District Attorney's Office staff regarding improper inmate releases.

2. TWO DEPARTMENT EMPLOYEES PERFORMED WORK FOR THE SHERIFF AND HIS SON WHILE BEING PAID BY THE DEPARTMENT USING DEPARTMENT-ASSIGNED ELECTRONICS

A. The sheriff directed the former bookkeeper and shelter administrator to perform work related to personal businesses owned by the sheriff or his son while being paid by the department

The former bookkeeper told investigators that she began bookkeeping for the sheriff's personal farming business during her working hours at the department in 2015 and continued to perform both roles during her working hours until her resignation in 2021. She stated that the sheriff did not pay her for the work she did for his farming business, but he compensated her by giving her days off without using her county leave balance. In an interview with investigators, the former bookkeeper also said that on at least one occasion, she bussed tables at the Dayton Boat Dock, a business owned by the sheriff's son, on county time. The former bookkeeper stated that prior to her resignation in 2021, she slowly transferred bookkeeping responsibilities for the sheriff's personal businesses to the shelter administrator.

In an interview with investigators, the shelter administrator said that she worked at the sheriff's farm and admitted to using her work-assigned shelter truck to drive to and from the farm, but she claimed that she only worked at the farm in the evenings. However, GPS records retrieved from the shelter administrator's work-assigned cell phone revealed that on at least 18 occasions, she was at the sheriff's farm while listed as on duty at the shelter. Additionally, investigators found a general ledger for the sheriff's farming business and notebooks with notes related to farming in the shelter administrator's office at the shelter. Investigators noted missing timesheets for the former bookkeeper for the period June 27, 2020, through June 24, 2021, and the shelter administrator for the period May 9, 2017, through July 2021.

Due to questionable timekeeping practices of the department noted in **Deficiency 2** and **Deficiency 3** of this report, investigators were unable to determine the amount of time misappropriated or the amount of improper benefit received by the private companies at the county's expense for work performed by the former bookkeeper and the shelter administrator.

B. The shelter administrator and former bookkeeper used department-assigned electronics to perform work for the sheriff's personal businesses

Investigators reviewed computer forensics from electronic equipment assigned to the shelter administrator and former bookkeeper, including a cell phone, laptop, and desktops, revealing that the shelter administrator and former bookkeeper used department-assigned electronic equipment to perform work related to the sheriff's personal farm and trucking businesses.

Personal records accessed by the shelter administrator and former bookkeeper included farm expenses, trucking records, and farm and trucking employee records for the former road patrol sergeant, the school resource sergeant, and the road patrol deputy.

3. THREE RHEA COUNTY SHERIFF'S DEPARTMENT EMPLOYEES MISAPPROPRIATED AT LEAST \$20,678.58

Three department employees misappropriated at least \$20,678.58 by receiving compensation for time not worked. Investigators reviewed dispatch records, supervisor time accountability forms (when available), and payroll records for the former road patrol sergeant, the school resource sergeant, and the road patrol deputy. Investigators found that dispatch records and supervisor time accountability sheets did not support paychecks issued to these three department employees. Records revealed that all three department employees were also employed by the sheriff's personal farm and trucking businesses.

Summary of Time Misappropriation

Employee	Amount
Former road patrol sergeant	\$11,463.72
School resource sergeant	\$6,158.76
Road patrol deputy	<u>\$3,056.10</u>
Total	<u>\$20,678.58</u>

A. The former road patrol sergeant misappropriated at least \$11,463.72

The former road patrol sergeant misappropriated at least \$11,463.72 from the department by receiving pay for time not worked. On July 10, 2020, in advance of his retirement, the former road patrol sergeant began a paid leave of absence using his accumulated sick leave. However, dispatch records showed that the former road patrol sergeant stopped working regular shifts as a road deputy sergeant on March 22, 2020, and he did not begin using his accumulated leave until July 10, 2020. Between the end of March 2020 and the beginning of July 2020, the former road sergeant was dispatched in to work for the department for only five hours as seen in the table below, but he continued to receive full pay without using leave. Investigators noted missing timesheets for the former road patrol sergeant for the period March 16, 2020, through July 10, 2020.

Dispatch Records for the Former Road Patrol Sergeant
March 23, 2020, through July 10, 2020


Date	Time	Status	Badge Number
5/20/2020	6:51:01 PM	ON DUTY	128
5/20/2020	9:03:11 PM	OFF DUTY	128
6/4/2020	10:52:40 PM	DISPATCHED	128
6/4/2020	10:52:40 PM	AVAILABLE	128
6/5/2020	1:10:42 AM	OFF DUTY	128

B. The school resource sergeant misappropriated at least \$6,158.76

The school resource sergeant misappropriated at least \$6,158.76 from the department by receiving pay for time not worked. Investigators reviewed the school resource sergeant's timesheets, dispatch records, and records from the sheriff's personal trucking and farming businesses. Records revealed that the school resource sergeant delivered truckloads of corn and soybeans for the sheriff's personal trucking and farming businesses to granaries in Calhoun and Fairmount, Georgia, and Guntersville, Alabama, while he claimed to be stationed at the county schools (**Refer to Exhibit 6**). In an interview with investigators, the school resource sergeant claimed that he only made deliveries outside of work hours or by using compensatory leave. However, the school resource sergeant made deliveries while claiming time worked for the department on at least 85 occasions and made deliveries while claiming sick leave from the department, in violation of the department's leave policies on at least nine occasions.

Resource Officer's Time Sheet		
Name	12/06/2020	
	Sunday	Monday
Sgt [REDACTED]		8

The school resource sergeant claimed 8 hours worked on 12/07/2020, but drove a semi-truck of soybeans to Guntersville, AL, which is a minimum 5-hour round trip from the sheriff's farm.



REPRINT NON-NEGOTIABLE
UNITED STATES WAREHOUSE ACT
INBOUND TRUCK GRAIN WEIGHT AND INSPECTION CERTIFICATE
(Inspection not valid for purposes of the United States Grain Standards Act.)

#13

Cert. # 11-0001009840

Yellow Soybeans

Warehouseman: Cargill, Incorporated
 Licensed Warehouse: Cargill Oilseeds Processing Plant/Elevator
 Location: Guntersville, AL (2930 Lake Guntersville Park Drive)
 Customer: [REDACTED]
 Dayton, TN [REDACTED]

Unload Date: 12/07/20

Wgt-ID1: 1607352200 Wgt-ID2: 1009840

Time: 09:05	Scale: 11 North Bean	Gross Weight: 85360 LB
Time: 09:10	Scale: 11 North Bean	Tare Weight: 30700 LB

Net Weight: 54660 LB

911.00 BU Gross
BU Shrink
7.29 BU Dockage
903.71 BU Net

Farm Split:
 For Acct Of:
 Shipper Ref:
 Commodity: Yellow Soybeans Disposition: Open Contract
 Carrier: Customer Truck Truck ID: [REDACTED]
 Driver (on): [REDACTED] Trk/Trl Lic. No.: TN
 Remarks:

The school resource sergeant's timesheet entry for the department, compared with a grain weight certificate obtained from the sheriff's personal farming business

C. The road patrol deputy misappropriated at least \$3,056.10

The road patrol deputy misappropriated at least \$3,056.10 from the department by receiving pay for time not worked. Investigators reviewed the road patrol deputy's timesheets, dispatch records, and records from the sheriff's personal trucking and farming businesses. Records revealed that on at least 14 days, the road patrol deputy received pay from the department for time worked that was not supported by dispatch records. Additionally, on one occasion, the road patrol deputy listed himself as on duty with the department before he delivered a truckload of soybeans for the sheriff's personal trucking and farming businesses to a granary in Guntersville, Alabama. Investigators also found that on at least 3 occasions, the road patrol deputy made purchases at Napa Auto Parts for the sheriff's personal farming business while on duty. Investigators noted missing timesheets for the road patrol deputy for the period June 29, 2020, through July 20, 2021.

4. THE SHERIFF AUTHORIZED A SHELTER ADMINISTRATOR TO PERFORM QUESTIONABLE DUTIES AND USE DEPARTMENT EQUIPMENT

The sheriff authorized a shelter administrator to perform questionable duties and use department equipment.

The shelter administrator began working for the department as an animal control officer on November 21, 2016. In addition to her shelter duties during the period reviewed, the shelter administrator performed duties to assist the department. These duties included responding to calls with the department's K9 units. The department assigned the shelter administrator a weapon (**Refer to Exhibit 7**), and investigators observed the shelter administrator wearing a uniform matching those worn by deputies and driving a marked patrol car.

Exhibit 7



An image posted by department officials on social media identifying the shelter administrator as a member of the department's K9 tracking unit in which she wore a department-assigned weapon and uniform

The shelter administrator stated that the department assigned her equipment to assist her in answering animal control calls; however, dispatch records revealed that the shelter administrator responded with the department's K9 units to calls unrelated to animal control duties, including calls involving fugitives and traffic stops. On at least one occasion, the shelter administrator identified herself as a deputy. The sheriff and the shelter administrator advised she was not certified by the Peace Officer Standards & Training Commission (P.O.S.T.). The sheriff's authorization of the shelter administrator to perform these duties using department equipment could implicate Tenn. Code Ann. § 38-8-106 and Rules 1110-02-.03 and 1110-08-.02 of the P.O.S.T. Commission, which require any person employed as a police officer, including any person "employed or utilized as a part-time, temporary, reserve or auxiliary police officer or as a special deputy," to meet certain

requirements prior to employment, including medical and psychological evaluations and submission of fingerprints to the Tennessee Bureau of Investigation.

The department should implement policies and procedures to ensure that any person employed by the department either meets the minimum pre-employment requirements for P.O.S.T. certification or does not perform duties that require P.O.S.T. certification. Failure to implement such policies and procedures increases the risk of injury to animal control officers and others during emergency calls and could increase both the county and department's risk of legal liabilities.

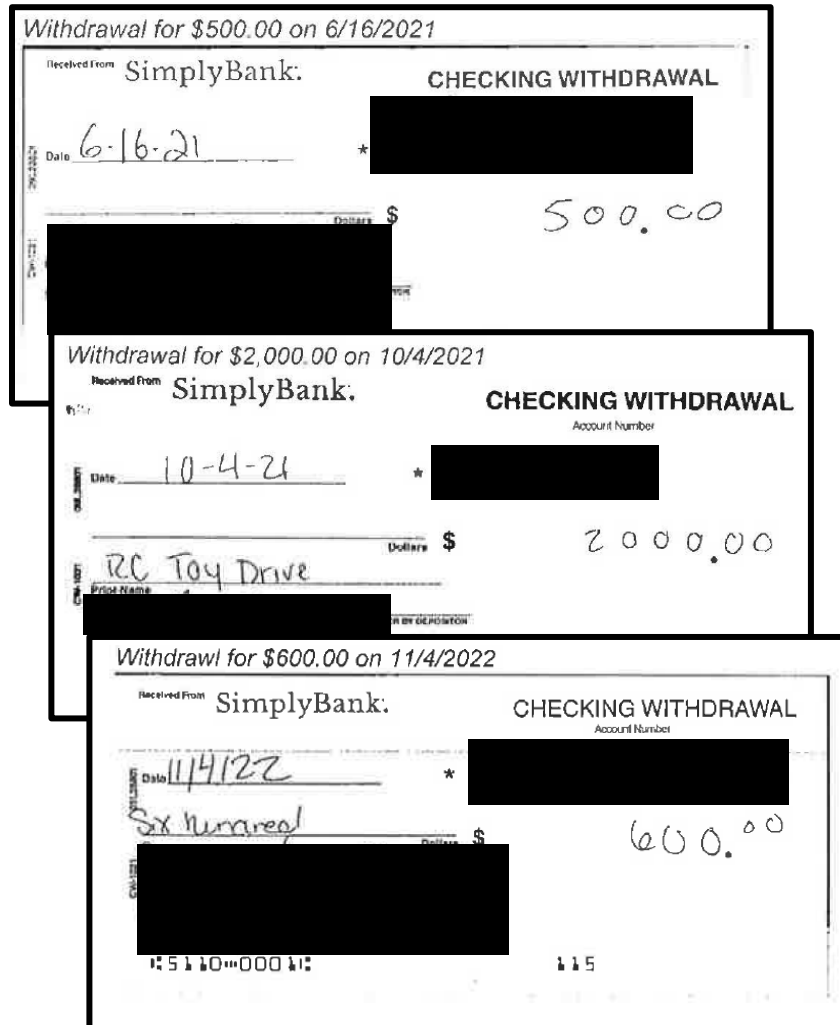
5. THE RHEA COUNTY ANGEL TREE TOY DRIVE MADE QUESTIONABLE EXPENDITURES TOTALING AT LEAST \$12,124.22

Investigators noted questionable expenditures totaling at least \$12,124.22 made by department employees from toy drive funds.

A. The shelter administrator and the former bookkeeper made cash withdrawals from the toy drive account totaling \$5,419.70 without supporting documentation

A review of the toy drive bank account revealed that on eight occasions, withdrawal slips were prepared and signed to withdraw \$5,419.70 without supporting documentation (**Refer to Exhibit 8**). Of the eight withdrawals from the toy drive account, seven were made by the shelter administrator, and one was made by the former bookkeeper. Seven of the eight withdrawals occurred around the time of the department's annual toy drive fundraisers, but department employees did not retain documentation to support the expenditures, therefore investigators question whether the cash was used exclusively for the benefit of the toy drive.

Exhibit 8



Examples of withdrawals made by the shelter administrator from the toy drive account

B. Department employees made automated teller machine withdrawals from the toy drive account totaling \$440 without supporting documentation

A review of the toy drive bank account revealed two automated teller machine (ATM) withdrawals in June 2020 (\$400) and June 2021 (\$40) totaling \$440 without supporting documentation (**Refer to Exhibit 9**). Both withdrawals occurred within close proximity of the Strawberry Festival, an annual event held in Dayton, Tennessee. Department employees often performed toy drive fundraising at the Strawberry Festival that could require start-up funds to make change, but the 2020 Strawberry Festival was cancelled, and no funds were redeposited in June 2020.

Exhibit 9

06/12/2020 ATM Withdrawal 420 THIRD STREET DAYTON TN #4505	400.00
06/17/2021 ATM Withdrawal 420 THIRD STREET DAYTON TN #4505	40.00

ATM withdrawals from the toy drive bank account

C. Department employees wrote checks to one another from the toy drive bank account totaling \$3,545.26 without retaining supporting documentation

Department employees wrote seven checks from the toy drive bank account, totaling \$3,545.26, to one another without retaining supporting documentation for the expenditures, as shown in the table below.

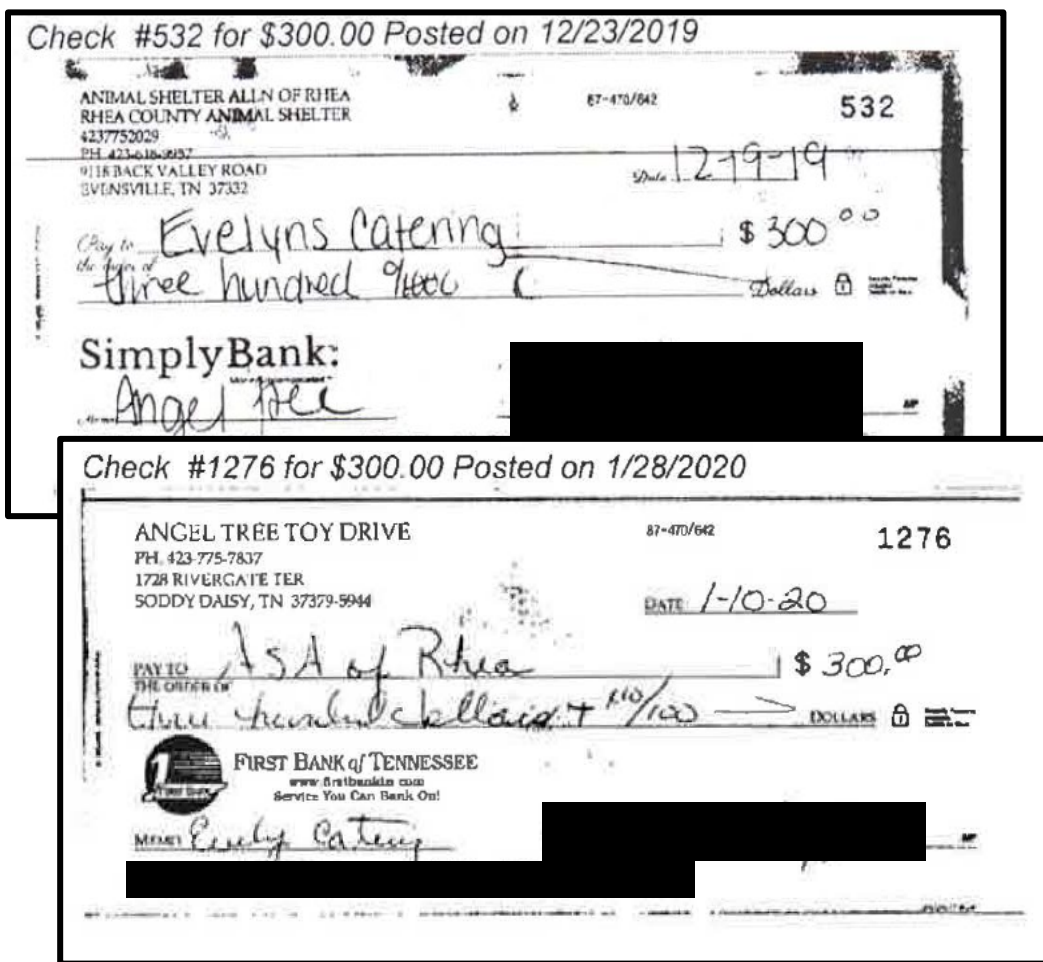
Checks Written from Toy Drive Account Unsupported by Receipts

No.	Check Date	Payee	Amount	Memo Comments	Signer
1	11/18/2019	Shelter Administrator	\$1,098.35	None	Jail Administrator
2	12/18/2019	Jail Administrator	\$32.93	Pizza	Former Bookkeeper
3	12/9/2020	Shelter Administrator	\$87.00	Toy Bags	Jail Administrator
4	6/18/2021	Shelter Administrator	\$184.09	Food for Strawberry Fest	Former Bookkeeper
5	10/26/2021	Shelter Administrator	\$1,837.24	None	Jail Administrator
6	11/6/2021	Jail Administrator	\$52.37	Food	Shelter Administrator
7	11/15/2021	Shelter Administrator	\$143.28	Toys	Jail Administrator
8	2/21/2023	Shelter Administrator	\$110.00	Sam's Club Membership	Jail Administrator

D. Department staff made questionable expenditures from the toy drive bank account totaling at least \$527.98 for catering services

Department employees made questionable expenditures from the toy drive bank account for catering on two occasions. On December 19, 2019, the shelter administrator made the first catering purchase from an ASAR account; however, investigators noted a check from the toy drive bank account signed by the jail administrator on January 10, 2020, as reimbursement to ASAR. (Refer to Exhibit 10).

Exhibit 10



A check written from the ASAR account by the shelter administrator, and a check written by the jail administrator for reimbursement from the toy drive bank account

The former bookkeeper told investigators that department employees made the second catering purchase from the toy drive bank account for Mo-Mo's BBQ in February 2021 at the sheriff's direction. She stated that the barbecue was ordered as part of a birthday party for the jail administrator. Investigators confirmed that the check date matched the jail administrator's birthday. Investigators questioned these purchases because the purchases did not appear to further the toy drive's mission of providing for needy children and adults.


E. Department employees made questionable purchases of alcohol and alcohol-related items totaling at least \$429.91

When asked for toy drive receipts, department employees provided investigators with receipts that included:

- a purchase made on December 2, 2021, for two Christmas-themed whisky glasses; and
- purchases made on October 25, 2022, for three alcohol calendars and a bottle of Jägermeister (**Refer to Exhibit 11**).

Exhibit 11


Richland Wine & Spirits
230 16th Ave #138
Dayton, TN 37321
Phone: (423) 428-9455
Date: 10/25/2022 INVOICE 291104
Clerk: STAC (# Items: 1)
Merchant ID: 922000000639
Station: POS2 15:41:07



Description	Total
DON JULIO 1742 750ml	159.98
SKU: 7454500032	
Total:	159.98
Tax:	15.71
Grand Total:	175.69
Tendered:	175.58
Cash:	175.58

OUR PHONE NUMBER IS (423) 428-9455
Thank You


Richland Wine & Spirits
260 16th Ave #138
Dayton, TN 37321
Phone: (423) 428-9455
Date: 10/25/2022 INVOICE 291105
Clerk: STAC (# Items: 1)
Merchant ID: 922000000639
Station: POS2 15:41:54



Description	Total
JACK DANIELS CALENDAR	109.99
SKU: 8218420502	
Total:	109.99
Tax:	10.72
Grand Total:	120.71
Tendered:	120.71
Cash:	120.71

OUR PHONE NUMBER IS (423) 428-9455
Thank You

Richland Wine & Spirits
260 16th Ave #138
Dayton, TN 37321
Phone: (423) 428-9455
Date: 10/25/2022 INVOICE 291108
Clerk: STAC (# Items: 1)
Merchant ID: 922000000639
Station: POS2 15:42:13



Description	Total
JACK DANIELS CALENDAR	109.99
SKU: 8218420502	
Total:	109.99
Tax:	10.72
Grand Total:	120.71
Tendered:	120.71
Cash:	120.71

OUR PHONE NUMBER IS (423) 428-9455
Thank You

Richland Wine & Spirits
260 16th Ave #138
Dayton, TN 37321
Phone: (423) 428-9455
Date: 10/25/2022 INVOICE 291116
Clerk: STAC (# Items: 1)
Merchant ID: 922000000639
Station: POS2 16:17:25



Description	Total
Jagermeister 750ml /12	23.99
SKU: 8308952400	
Total:	23.99
Tax:	2.34
Grand Total:	26.33
Tendered:	26.33
Cash:	26.33

OUR PHONE NUMBER IS (423) 428-9455
Thank You

CHRISTMAS WHISKY GLASS 2021	1	1.00	1.00
CHRISTMAS WHISKY GLASS 2021	1	1.00	1.00

Receipts for alcohol and whisky glasses

The whisky glasses were purchased using a toy drive bank account debit card. The receipts show the alcohol was purchased with cash, but department employees did not provide investigators with the applicable bank statement to determine whether toy drive funds were used to purchase the alcohol.

F. Department employees made other questionable purchases totaling at least \$1,761.37 from the toy drive bank account

Investigators question an additional \$1,761.37 in purchases made from the toy drive bank account for expenditures unrelated to toy purchases or fundraising activities. Department employees failed to provide receipts to support the purchases made at home improvement

stores, restaurants, grocery stores, and gas stations; department employees provided a receipt for vehicle cleaning supplies, which did not appear to relate to toy drive activities. Investigators also noted that three of the restaurant purchases were made in Georgia.

Questionable Purchases by Category

Questionable Expenditures	Amount Questioned
Home Improvement	\$1,205.16
Restaurants	\$296.29
Groceries	\$150.00
Gas Station	\$97.93
Vehicle Cleaning Supplies	<u>\$11.99</u>
Total	<u>\$1,761.37</u>

6. RHEA COUNTY SHERIFF'S DEPARTMENT EMPLOYEES PERFORMED WORK ON BEHALF OF THE ANIMAL SHELTER ALLIANCE OF RHEA COUNTY

A. Department employees assigned to the shelter violated the memorandum of understanding by performing work on behalf of ASAR

The memorandum of understanding (MOU) and later contracts with cities within Rhea County set the following funding structure for the shelter:

Rhea County Animal Shelter – Division of Financial Responsibility Per MOU

	Rhea County	ASAR
Revenues	<ul style="list-style-type: none"> Animal surrender fees Animal control fees charged to Dayton, Spring City, and Graysville 	<ul style="list-style-type: none"> Private donations Animal adoption fees
Expenditures	<ul style="list-style-type: none"> Personnel to operate county shelter Facilities, including maintenance and utilities 	<ul style="list-style-type: none"> Personnel to operate ASAR Veterinary care

Under this agreement, Rhea County pays for a majority of the operational expenditures of the shelter, and ASAR receives a majority of the revenue.

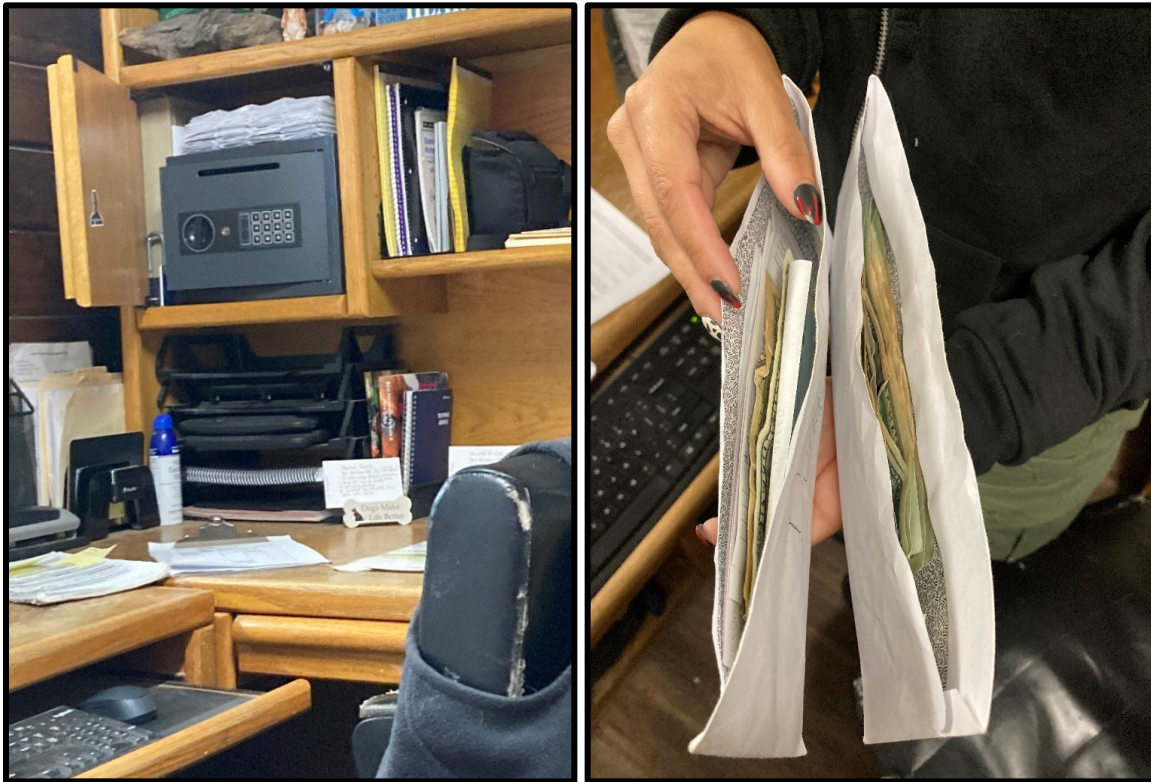
During the scope of this investigation, ASAR did not employ anyone. Instead, department employees assigned to the shelter acted on behalf of ASAR by collecting, disbursing, and creating accounting records for ASAR funds. Department employees also created and maintained an ASAR savings fund for ASAR to build new buildings on shelter property, which is owned and maintained by the county.

B. Department employees assigned to the shelter had weak internal controls over cash collections and storage

Duties were not segregated adequately among department employees assigned to the shelter. Employees who were responsible for maintaining accounting records were also involved in receipting and depositing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations.

Additionally, Comptroller's Office investigators and auditors observed funds left unsecured on two occasions. On October 6, 2022, investigators visited the shelter and found that department employees left cash totaling \$1,206 unsecured (**Refer to Exhibit 12**).

Exhibit 12



The safe door sitting slightly ajar as observed by investigators, and its contents held by a department employee

On January 31, 2023, the ASAR board and department employees working at the shelter pledged to implement a lockbox procedure to ensure that money collected by the shelter is secure and handled exclusively by ASAR volunteers rather than department employees. However, auditors from the Division of Local Government Audit in the Comptroller's Office reported to investigators that when visiting for a surprise cash count on Tuesday, May 7, 2024, auditors noted they did not see a lockbox present at the shelter and that they observed funds marked as donations lying unsecured on the kitchen counter of the shelter that had not yet been receipted.

Funds handled by department employees should be receipted and deposited with the Rhea County Trustee. Department employees should not handle nonprofit funds.

7. THE SHELTER ADMINISTRATOR USED A WORK-ASSIGNED CELL PHONE FOR PERSONAL USE

Investigators found the use of social media applications on the shelter administrator's work-assigned cell phone. Investigators also found that the shelter administrator improperly used her work-assigned cell phone to access social media applications and exchange nonwork-related messages with others, including the sheriff.

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal control and compliance, some of which contributed to the investigative findings above. These deficiencies included:

Deficiency 1: The sheriff did not hold Rhea County Sheriff Department employees accountable for pervasive issues in department operations

The Rhea County Sheriff's Department *Policy and Procedure Manual* includes a law enforcement code of ethics, which states, "I RECOGNIZE the badge of my officer as a symbol of public faith, and I accept it as a public trust to be held so long as I am true to the ethics of police service." [sic] The manual also requires that department employees know the law and uphold it in their personal and professional lives. Despite this clear written code of ethics, the sheriff's failure to hold department employees accountable for department operations resulted in repeated violations of the department's policies and procedures and benefited himself and others at the expense of the department.

The *Internal Control and Compliance Manual for Governmental Units and Other Organizations* (Internal Control and Compliance Manual) issued by the Comptroller's Office provides local government agencies a comprehensive overview of the structure required for a strong control environment. Regarding the control environment, the Internal Control and Compliance Manual states, "The oversight body and management should demonstrate a commitment to integrity and ethical values...The governing body or other oversight body and management's directives, attitudes, and behaviors should reflect the integrity and ethical values expected throughout the entity."

The sheriff should ensure that the actions of the sheriff and department employees align with the codes of ethics and conduct set forth in department policies and procedures.

Deficiency 2: The Rhea County Sheriff's Department had questionable timekeeping practices

Through interviews and a review of time policies by investigators, timesheets, and dispatch records, investigators found that the department had questionable timekeeping practices.

A. Department staff failed to maintain timesheets for all employees

In interviews with the sergeant of school resource officers and the shelter administrator, both stated that they do not keep timesheets, but instead clock in and out using dispatch records. However, Rhea County 911 officials confirmed that the department only requested dispatch records related to individual calls and had never requested dispatch records for timekeeping purposes.

Despite statements by the sergeant of school resource officers and the shelter administrator, investigators found timesheets, labeled as “supervisor’s time accountability forms,” in county offices. A review of these timesheets revealed that they appeared to be used widely across the department but were sometimes not maintained.

Investigators noted missing timesheets during the scope of this investigation, including but not limited to timesheets for the department employees listed below.

Missing Timesheets by Department Employee

Department Employee	Missing Timesheet Period
Chief deputy	June 27, 2020, through July 20, 2021
Former road patrol sergeant	March 16, 2020, through July 10, 2020
Road patrol deputy	June 29, 2020, through July 20, 2021
Former bookkeeper	June 27, 2020, through June 24, 2021
Shelter administrator	May 9, 2017, through July 20, 2021

B. Department employees did not always document compensatory time

The chief deputy told investigators that detectives can earn compensatory leave but are not required to document their compensatory time earned. The chief deputy’s timesheets revealed that not only detectives but also department administrators, including the chief deputy, used timesheets that were designed only to capture compensatory leave taken, not compensatory time earned. In 2020, the timesheet for administrators and detectives changed to remove any mention of compensatory time altogether. The chief deputy told investigators that he vacationed every year, but investigators noted from the timesheets provided by the department that between May 4, 2015, and June 26, 2020, the chief deputy’s timesheets had no documentation of compensatory time or any day in excess of an 8-hour day or 40-hour week. They further noted that according to an accumulated leave report obtained from the Rhea County Finance Office, the chief deputy only used annual leave on one occasion between the chief deputy’s hire date on September 4, 2002, and August 31, 2022.

C. Time records not submitted to the finance department

In an interview with investigators, the sheriff stated that department employees used to just turn in sick time, but now they turn in a “log system.” The sheriff explained the “girls up front do it [manage time sheets].” Investigators determined through a review of time records from the Rhea County Finance Office that the former bookkeeper was responsible for submitting payroll information to the Rhea County Finance Department. After the former bookkeeper resigned, a new bookkeeper took over this responsibility.

Investigators also spoke with representatives from the Rhea County Finance Department, who stated that the sheriff and the former bookkeeper were resistant to submitting time records to the Rhea County Finance Department to process payroll. The department only submitted leave and overtime forms for full-time employees; any employee for whom a leave or overtime form was not submitted was paid as though the full-time employee worked all required hours for the pay period. The now-former Rhea County Finance Director told investigators that because she suspected department staff were being paid for time not worked, she began requiring that in addition to providing leave and overtime forms, the department provide a roster, listing leave taken and overtime earned by each employee for the period. As of September 2023, Rhea County Finance Department officials told investigators that the department has reverted to submitting only leave and overtime forms.

The control environment concerning timekeeping and accurate time reporting for employees ultimately resulted in misappropriations from the county. The inconsistency of timekeeping procedures and lack of accountability to ensure that all employees accurately reported time worked or leave taken ultimately contributed to an internal control breakdown concerning time reporting, which enabled the use of department labor to the detriment of the county, and in some instances, for the benefit of private companies owned by the sheriff and his son.

The department should design and implement timekeeping procedures to ensure that employees are paid only for time worked and that accurate time records are maintained. Additionally, department employees should ensure that adequate records are provided to the Rhea County Finance Department to process payroll for department employees.

Deficiency 3: Department officials did not provide adequate oversight of operations and did not establish internal controls to ensure the accountability of the Rhea County Angel Tree Toy Drive’s funds

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

- A. The department did not have a written agreement or policies regarding its role in operating the toy drive

The department operated a nonprofit corporation for the toy drive. Department employees registered the nonprofit, maintained control of the nonprofit’s financial accounts, and used department time and resources, including department vehicles and employee time, to manage the toy drive. Tenn. Code Ann. § 5-9-109 permits a county to contribute to nonprofit organizations with county commission approval. However, the County Commission never

approved the use of county-owned vehicles and a county-owned building by the nonprofit corporation, and the county did not have a written agreement (contract) with the toy drive nonprofit concerning the use of department vehicles and employees.

County resources should not be used by a nonprofit agency without the approval of the county commission, as required by state statute. A county should enter into a contract with the nonprofit agency detailing each party's responsibilities concerning the partnership of the organizations.

Following any approval of a partnership between the department and the toy drive nonprofit, policies and procedures should be written and implemented to ensure that the partnership is maintained in accordance with any agreement approved by the Rhea County Commission.

B. Toy drive financial activities were not segregated adequately

Department employees managing the toy drive program did not ensure that financial activities were segregated adequately among those managing the toy drive. Department employees responsible for maintaining toy drive accounting records were also involved in depositing and disbursing funds. The lack of segregation of duties increases the risk of unauthorized transactions.

C. Department staff overseeing toy drive fundraising failed to document cash counts for fundraising activities

Department employees did not document cash counts for cash handled through fundraising activities, including start-up funds used to make change or final cash contributions received. Documenting cash counts with multiple participants ensures that all funds collected are ultimately deposited back into the toy drive bank account.

D. Toy drive purchases often included sales tax

Receipts showed that department employees regularly paid sales tax on toy drive purchases. The toy drive operates as a registered 501(c)(3) nonprofit corporation; as a result, purchases should be made using a tax-exempt card.

E. Department staff overseeing the toy drive failed to provide documentation

Toy drive documents collected from the shelter director were missing receipts for all toy drive purchases made prior to November 4, 2020. Additionally, the shelter director failed to provide toy drive bank statements for January 1, 2022, through October 31, 2022.

Deficiency 4: The Animal Shelter Alliance of Rhea County and Rhea County Angel Tree Toy Drive did not provide annual reports to the Rhea County Clerk as required by Tenn. Code Ann. § 5-9-109

The ASAR and toy drive received financial assistance from the county through the use of the department's physical assets and employee time. This support qualified the organizations to provide the county clerk with the financial information required by Tenn. Code Ann. § 5-9-109, which states that to receive financial assistance from the county, a nonprofit organization "shall file with the County Clerk a copy of an annual report of its business affairs and transactions, which includes ... an annual audit, its program which serves the citizens of the county, and the proposed use of the county assistance ... [or the organization may file] an annual report detailing all receipts and expenditures."

Rhea County officials should ensure that the value of services provided to nonprofits is appropriately budgeted. Rhea County officials should then ensure that all nonprofit organizations that receive county support file the required financial information with the county clerk.
