



COMPTROLLER'S INVESTIGATIVE REPORT

Bays Mountain Park & Planetarium

December 2, 2024

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

December 2, 2024

The Honorable Mayor
and Board of Aldermen
City of Kingsport
415 Broad Street
Kingsport, TN 37660

City of Kingsport Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Bays Mountain Park and Planetarium, 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 2nd 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 line extending to the right.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Bays Mountain Park & Planetarium

The Office of the Comptroller of the Treasury, in conjunction with the Kingsport Police Department, investigated allegations of malfeasance related to the Bays Mountain Park & Planetarium. The investigation was initiated after City of Kingsport officials reported questionable transactions. The investigation was limited to selected records for the period January 2021 through December 2021. The results of the investigation were communicated with the Office of the District Attorney General of the 2nd Judicial District.

BACKGROUND



Bays Mountain Park & Planetarium (BMPP) is a 3,750-acre nature preserve owned and operated by the City of Kingsport, Tennessee (city). BMPP features a 44-acre lake, planetarium, and multiple animal habitats used for community programs and recreation. The city funds BMPP through parking and program fees and provides a computer system (receipt system) to account for these receipts. The Bays Mountain Park Association, a registered 501(c)(3), provides BMPP with volunteer and financial assistance through memberships, donations, and gift shop purchases.

On August 1, 2010, Mark Kilgore became a Park Ranger at BMPP. On June 29, 2020, Kilgore became the Program Coordinator at BMPP where he was responsible for BMPP finances. On January 28, 2022, the city placed Kilgore on administrative leave and on February 23, 2022, the city terminated Kilgore's employment at BMPP.

RESULTS OF INVESTIGATION

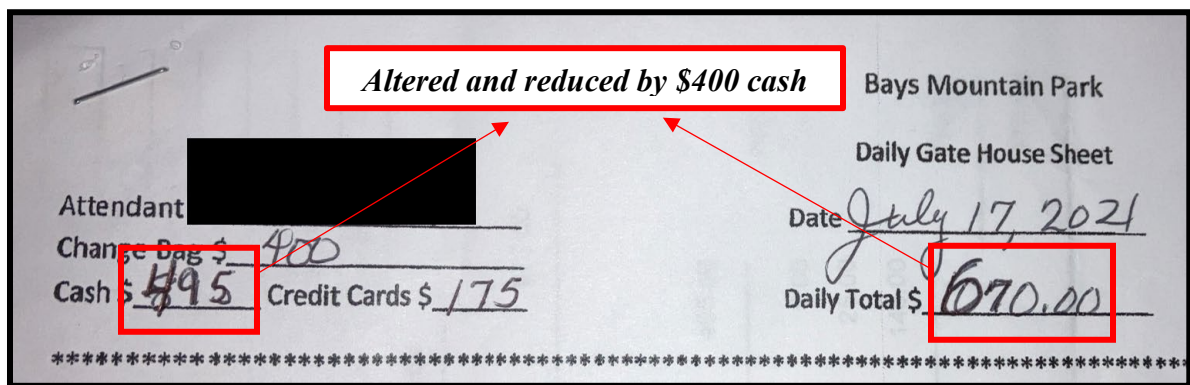
1. FORMER PROGRAM COORDINATOR MARK KILGORE MISAPPROPRIATED FUNDS TOTALING AT LEAST \$31,370

For the period January 2021 through December 2021, Kilgore knowingly misappropriated cash from BMPP gate house deposits totaling at least \$31,370. The gate house deposits only included customer parking fees collected by BMPP employees. Kilgore altered cash collection totals on daily gate house deposit sheets with correctional fluid or pen and removed cash from BMPP

collections to be deposited. Kilgore concealed these alterations by voiding cash receipts in the city’s receipt system, predominantly using other employees’ access information on his primary work computer, which allowed deposits to match receipt system daily collections totals. Investigators analyzed available gate house daily deposit sheets and determined 270 sheets had been altered. Of the 270 sheets, investigators identified 177 altered sheets that correlated with voided cash receipts posted in the receipt system from Kilgore’s primary computer. Investigators determined that cash from 97 of the sheets was voided in the receipt system using a retired BMPP employee’s access information totaling at least \$15,505. Kilgore misappropriated the remaining \$15,865 using other employees’ access information.

Exhibit 1, below, is an example of Kilgore using pen alterations and a retired BMPP employee’s receipt system access information to misappropriate \$400 cash received on July 17, 2021. Kilgore altered the July 17, 2021, deposit sheet cash total and daily total deposit to reflect \$400 cash less than the actual amount received (**Refer to Exhibit 1**).

Exhibit 1




BMPP gate house deposit sheet from 7/17/2021 documenting a cash total of \$895 altered to \$495 (left) and daily total deposit of \$1,070 altered to \$670 (right)

The receipt system documented that a retired BMPP employee voided 32 cash receipts collected on July 17, 2021, totaling \$400 cash (**Refer to Exhibit 2**). According to the receipt system, the retired BMPP employee voided these cash receipts on July 19, 2021, between 12:46 A.M. and 1:20 A.M., outside normal work hours (**Refer to Exhibit 3**). Furthermore, investigators determined through computer analysis that these cash receipts were voided using Kilgore’s primary work computer (**Refer to Exhibit 4**).

Investigators determined that only Kilgore had access to use both other employee receipt system access information and his primary computer. Kilgore confirmed with investigators the location of his primary work computer and stated he did not share his computer access username and password with other BMPP employees.

Exhibit 2

V139452	07/17/2021 09:06	Pay, Cash	Voided	BMP215246	-15.00	████████
V139453	07/17/2021 09:41	Pay, Cash	Voided	BMP215252	-10.00	████████
V139454	07/17/2021 09:57	Pay, Cash	Voided	BMP215262	-15.00	████████
V139455	07/17/2021 10:33	Pay, Cash	Voided	BMP215271	-10.00	████████


Retired BMPP Employee's Username

Four (\$50) of 32 (\$400) voided 7/17/2021 cash receipts, which listed a retired BMPP employee's username

Exhibit 3

Date	Time	URL
7/19/2021	12:46:26 AM	https://etrak-ne1.com/etrak/jsp/shoppingcart/ReceiptForVoidList.jsp?btnReceiptNumberList=Void&receiptNumber=BMP215246
7/19/2021	12:48:10 AM	https://etrak-ne1.com/etrak/jsp/shoppingcart/ReceiptForVoidList.jsp?btnReceiptNumberList=Void&receiptNumber=BMP215252
7/19/2021	12:49:08 AM	https://etrak-ne1.com/etrak/jsp/shoppingcart/ReceiptForVoidList.jsp?btnReceiptNumberList=Void&receiptNumber=BMP215262
7/19/2021	12:50:03 AM	https://etrak-ne1.com/etrak/jsp/shoppingcart/ReceiptForVoidList.jsp?btnReceiptNumberList=Void&receiptNumber=BMP215271

Computer data documenting the 7/17/2021 cash receipts (in Exhibit 2) were voided on 7/19/2021 outside of normal work hours

Exhibit 4

URL	Source
Number: BMP215246	BaysMountainPark2023_Dell_SN_BQ2K9Z2.E01 - Partition 3 (Microsoft NTFS, 236.73 GB) OS\Users\kilgore\AppData\Roam
Number: BMP215252	BaysMountainPark2023_Dell_SN_BQ2K9Z2.E01 - Partition 3 (Microsoft NTFS, 236.73 GB) OS\Users\kilgore\AppData\Roam
Number: BMP215262	BaysMountainPark2023_Dell_SN_BQ2K9Z2.E01 - Partition 3 (Microsoft NTFS, 236.73 GB) OS\Users\kilgore\AppData\Roam
Number: BMP215271	BaysMountainPark2023_Dell_SN_BQ2K9Z2.E01 - Partition 3 (Microsoft NTFS, 236.73 GB) OS\Users\kilgore\AppData\Roam

Further computer data (continued from Exhibit 3) identifying the computer user as "kilgore" voiding the 7/17/2021 cash receipts

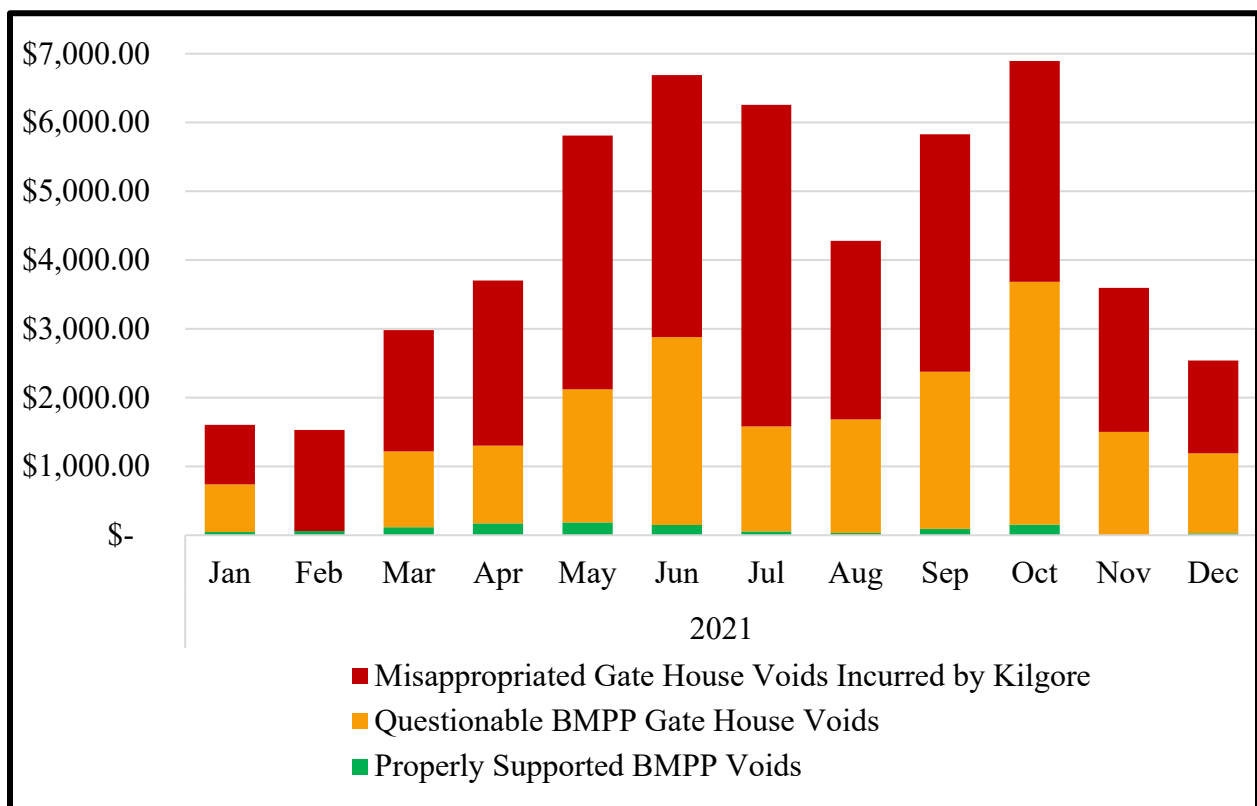
2. INVESTIGATORS IDENTIFIED OTHER QUESTIONABLE VOIDED RECEIPTS TOTALING AT LEAST \$19,250

Investigators identified other questionable gate house receipts voided in the receipt system that did not correspond to altered gate house deposit sheets totaling at least \$19,250. These questionable gate house voids include any voids, other than those mentioned in Finding 1, above, that were not properly supported by gate house deposit sheets. Of these voided receipts, at least \$13,655 occurred from Kilgore's primary work computer or the work computer Kilgore used in his

previous position at BMPP. Due to a lack of documentation supporting voided receipts and management oversight, investigators were unable to determine if the questionable voided receipts were voided for authorized and appropriate purposes.

Investigators also determined that multiple BMPP nature center program deposit sheets were manipulated with correctional fluid to reflect a lower participant count and lower total for cash collected. BMPP programs were not recorded in the receipt system; therefore, investigators were unable to determine who altered the deposit sheets and if the alterations were for legitimate purposes.

The following chart reflects Kilgore’s misappropriated gate house voids and questionable BMPP gate house voids compared to properly supported BMPP gate house voids for the period reviewed:



On October 30, 2024, the Sullivan County Grand Jury indicted Mark Kilgore on one count of Theft of \$10,000 or more but less than \$60,000, one count of Violation of the Tennessee Personal and Commercial Computer Act of 2003, and one count of Identity Theft.

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.

[Bays Mountain Park & Planetarium Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal control and compliance, some of which contributed to Kilgore's ability to misappropriate funds without prompt detection. These deficiencies included:

Deficiency 1: City of Kingsport officials did not adequately segregate financial duties

City officials did not adequately segregate BMPP financial duties among its employees. Kilgore was responsible for preparing daily BMPP deposits, which included making receipt system entries and reconciling collections records, and he was also involved in receipting and depositing funds with the city. Investigators noted that Kilgore was the primary BMPP deposit preparer without additional oversight, which allowed his misappropriation, including altered physical documentation and voided electronic receipts, to remain undetected. Allowing one individual to have exclusive control over all financial duties increases the risk that fraud, waste, or abuse will occur without prompt detection.

Deficiency 2: City of Kingsport officials failed to provide adequate oversight of employees' computer and receipt system login information

City officials failed to provide adequate oversight of employees' computer and receipt system access information. Investigators determined that BMPP employees shared the gate house computer username and password, and Kilgore used other employees' receipt system access information on his primary work computer to perpetrate his misappropriation. Kilgore continued to use a retired BMPP employee's receipt system access information for more than one year after the employee retired from the city. Safeguarding each employee's login information reduces the risks of unauthorized system access, and that fraud, waste, or abuse will occur without prompt detection. Sound business practices dictate that each transaction be identified to the individual creating the transaction.

Deficiency 3: City of Kingsport officials failed to ensure funds were deposited within three days of collection

City officials failed to ensure funds were deposited within three days of collection. Tenn. Code Ann. § 6-56-111 requires every municipal official to deposit funds within three days of collection. The delay in depositing funds weakens internal controls over collections and increases the risk of fraud and misappropriation.

City officials indicated that they have corrected or will correct these deficiencies.
