



COMPTROLLER'S INVESTIGATIVE REPORT

Town of Oliver Springs

October 30, 2024

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

October 30, 2024

Town of Oliver Springs
Board of Mayor and Aldermen
717 Main Street
Oliver Springs, TN 37840

Town of Oliver Springs Board of Mayor and Aldermen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Town of Oliver Springs, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Lee, the State Attorney General, the District Attorney Generals of the 9th and 7th Judicial Districts, 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

Town of Oliver Springs

The Office of the Comptroller of the Treasury, in conjunction with the Tennessee Bureau of Investigation, investigated allegations of malfeasance related to the Town of Oliver Springs. This investigation was initiated after Town of Oliver Springs officials reported concerns of questionable financial activity. The investigation was limited to selected records for the period July 2022 through July 2024. The results of the investigation were communicated with the Offices of the District Attorney General of the 7th Judicial District and the District Attorney General of the 9th Judicial District.

BACKGROUND



The Town of Oliver Springs (town) is situated in Anderson, Morgan, and Roane counties in Tennessee and is governed by a mayor and six aldermen.

The town manager and finance director are the chief administrative officers of the town and have authority and responsibility for carrying out policies adopted by the mayor and alderman, managing the operations of town departments, officers and employees, making town purchases, and recording expenditures. With a population of approximately 3,200 residents, the town provides services, including police and fire protection, sanitation, streets, and water/wastewater.

Travis Thrasher, Chief Wastewater Operator, began working for the town water/wastewater department in July 2019. On August 2, 2024, town officials placed Thrasher on administrative leave without pay. On September 13, 2024, Thrasher resigned from his employment with the town.

RESULTS OF INVESTIGATION

1. CHIEF WASTEWATER OPERATOR TRAVIS THRASHER MISAPPROPRIATED TOWN FUNDS TOTALING AT LEAST \$1,022

From March 2023 through June 2024, Thrasher made unauthorized personal purchases with town funds totaling at least \$1,022. The unauthorized personal purchases included a new set of tires for Thrasher's personal vehicle (**Refer to Exhibit 1**), hardware, and other auto parts. Thrasher did not

pay sales tax for these unauthorized personal purchases. Investigators determined that the purchased tires and other auto parts did not fit any town vehicles. Thrasher told investigators that a former town manager approved the purchase of tires for his personal vehicle due to damage. The former town manager told investigators he approved the purchase of tires; however, he assumed the tires were for a town vehicle. Investigators reviewed text messages between the former town manager and Thrasher regarding the purchase of tires, and Thrasher did not indicate the tires were for his personal vehicle (truck).

Exhibit 1



Tires purchased by Thrasher without authorization for his personal vehicle using town funds

Summary of Misappropriation	
Set of Tires	\$ 820
Auto Parts	\$ 155
Hardware	\$ 47
Total	\$ 1,022

2. CHIEF WASTEWATER OPERATOR TRAVIS THRASHER MADE QUESTIONABLE FUEL PURCHASES WITH TOWN FUNDS FOR HIS PERSONAL VEHICLES TOTALING AT LEAST \$2,448

For the period reviewed, Thrasher used a town fuel card to make numerous fuel purchases for his personal vehicles totaling at least \$2,448. The town provided Thrasher with a fuel card to purchase fuel for town vehicles and equipment. Thrasher told investigators that a former water/wastewater supervisor authorized him to use the town fuel card to purchase fuel for his personal vehicles if they were used for town business. The former town manager and the former water/wastewater department supervisor stated they did not authorize fuel purchases for personal vehicles. Due to

conflicting statements regarding fuel purchases authorized for personal vehicles used for town business, and due to a lack of documentation supporting personal vehicle use for town business, investigators could not determine if Thrasher’s fuel purchases benefitted the town.

3. CHIEF WASTEWATER OPERATOR TRAVIS THRASHER KEPT AN AIR COMPRESSOR OWNED BY THE TOWN IN HIS PERSONAL VEHICLE (TRUCK)

On July 19, 2024, investigators determined that Thrasher was on leave status but had an air compressor owned by the town in his personal vehicle (truck). Thrasher stated that the air compressor was in his possession for repairs and stored in his personal vehicle (truck). Investigators were unable to determine if the compressor was in Thrasher’s possession for repairs, town business, or personal use.

4. TOWN OF OLIVER SPRINGS EMPLOYEES MADE ADDITIONAL QUESTIONABLE PURCHASES TOTALING AT LEAST \$3,010

Town employees made additional questionable purchases totaling at least \$3,010. The questionable purchases included food, auto parts, gift cards, and supplies that were not supported by itemized receipts or other documentation. Therefore, investigators could not determine whether these purchases were exclusively for the benefit of the town. The town should only make authorized purchases and maintain adequate supporting documentation for all disbursements.

On September 5, 2024, the town receipted a check from Thrasher totaling \$3,471.00 for “repayment” of his personal purchases using town funds.

On October 21, 2024, the Roane County Grand Jury indicted Travis Dale Thrasher on one count of Theft over \$1,000 but less than \$2,500 and one count of Official Misconduct.

The charges and allegations contained in the indictment are merely accusations of criminal conduct, and not evidence. The defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt and convicted through due process of law.

[Town of Oliver Springs Investigative Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal control and compliance:

Deficiency 1: Town of Oliver Springs officials failed to sufficiently oversee purchasing operations, which resulted in numerous purchasing deficiencies

Town officials failed to sufficiently oversee purchasing operations, which resulted in numerous purchasing deficiencies, as noted below:

- A. Town officials did not provide adequate oversight or establish a written policy and internal controls to ensure proper use of the town's credit card and purchasing procedures. The lack of a written credit card policy increases the risk of improper use or misappropriation of town funds without prompt detection.
- B. Town officials did not ensure all employees entered necessary information when fueling to allow adequate reconciliation of fuel card purchases; therefore, investigators were unable to determine if all fuel was used exclusively for town purposes. When purchasing fuel for vehicles or equipment, the employee would scan their fuel card. In some instances, employees did not enter the vehicle odometer readings needed to calculate miles per gallon and properly reconcile fuel purchases. Town officials should ensure employees enter accurate odometer readings at each fuel purchase so they can properly reconcile fuel purchases monthly.
- C. In some instances, town officials did not maintain invoices or other supporting documentation identifying the town vehicles for which parts were purchased. Therefore, investigators were unable to determine if all purchases were for town vehicles or personal use.
- D. In November 2023, 43 gift cards, \$30 each, were purchased from a local store, totaling \$1,290. Town officials stated the gift cards were given to employees as holiday gifts; however, they did not maintain documentation to support the distribution of the gift cards. Due to the lack of supporting documentation, investigators could not determine how the gift cards were used. The practice of issuing gift cards without maintaining supporting documentation, including recipients, increases the risks of misuse and misappropriation without prompt detection.

Deficiency 2: Town of Oliver Springs officials failed to enforce town disconnect policies for delinquent water/wastewater department customer accounts

During the period reviewed, investigators found several water/wastewater department customer accounts with unpaid balances, some of which belonged to town employees, with outstanding balances as high as \$1,054.83 and delinquent periods as great as 22 months. The water/wastewater department bills state, "If a bill remains unpaid 10 days after the gross amount due date, service will be discontinued without further notice." Town officials failed to comply with or properly administer the town's approved water/wastewater department disconnect policies. To adequately perform the responsibilities entrusted to them, town officials should implement and enforce all provisions of approved town policies. Failure to adhere to approved town policies increases the risk that errors or misappropriations will occur without prompt detection.

Deficiency 3: Town of Oliver Springs officials failed to review all adjustments to water/wastewater department customer accounts

In some instances, town officials failed to review adjustments to water/wastewater department customer accounts to ensure appropriateness and documented support. Town officials reviewed certain customer account adjustments but not all adjustments. During the period reviewed, employees had the authority to make certain adjustments to customer accounts without management oversight or approval. The town's computerized accounting system provides a report of account adjustments performed by employees, and this report is available for review. However, town officials did not review this report during the period reviewed. Town officials should periodically review and approve all adjustments to customer accounts to reduce the risk of errors or misappropriations going undetected.

Deficiency 4: Town of Oliver Springs officials failed to sufficiently oversee payroll operations, which resulted in numerous payroll deficiencies

Town officials failed to sufficiently oversee payroll operations, which resulted in numerous payroll deficiencies, as noted below:

- A. Several former employees received town-paid health benefits for several months after leaving employment. This deficiency occurred because town officials failed to promptly remove the former employees from the health insurance policies, causing the town to absorb these costs.
- B. Town officials did not reconcile payroll liability accounts with payroll records, invoices, and payments. In some instances, payroll personnel miscalculated employee health insurance and other deduction amounts, resulting in insufficient deductions from employee pay. Therefore, the town erroneously paid more than required for certain employee benefits. In addition, payments to benefit carriers were not always submitted in a timely manner. Sound business practice dictates that town officials should reconcile payroll liability accounts monthly with payroll records, invoices, and payments, and they should pay benefit carriers timely to ensure that those benefits remain in effect. The failure of town officials to regularly reconcile payroll liability accounts and make timely payments increases the risk that errors or misappropriations will not be discovered and corrected promptly.
- C. In some instances, town officials and town employees did not sign employee timesheets as evidence of review and approval. Sound business practice dictates that payroll records be properly reviewed and approved by the employee and their supervisor. The town officials' and employees' failure to review and approve timesheets increases the risk of improper payroll payments.
- D. In some instances, overtime was paid without supervisory approval. Overtime requires supervisory approval and is documented on timesheet attachments reflecting the day, extra hours worked, and justification for overtime hours worked.

Deficiency 5: Town of Oliver Springs officials did not reconcile bank statements with the general ledger monthly

Town officials did not reconcile bank statements with the general ledger. Sound business practices dictate that town officials should reconcile bank statements to the general ledger at least monthly. The failure to reconcile bank statements with the general ledger increases the risk that errors or misappropriations will occur and not be detected promptly. In March 2024, town employees told investigators that bank statements had not been reconciled since the summer of 2023.

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