



## COMPTROLLER'S INVESTIGATIVE REPORT

### Doe Mountain Recreation Authority

*February 10, 2025*

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



**DIVISION OF INVESTIGATIONS**



JASON E. MUMPOWER  
*Comptroller*

February 10, 2025

Doe Mountain Recreation Authority  
Board of Directors  
1203 Harbin Hill Rd  
Mountain City, TN 37683

Board Members:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Doe Mountain Recreation Authority, 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 1<sup>st</sup> Judicial District, certain state legislators, and various other interested parties. A copy of the report is available for public inspection in our Office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

A handwritten signature in blue ink, 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

## Doe Mountain Recreation Authority

The Office of the Comptroller of the Treasury, in conjunction with the Johnson County Sheriff's Office, investigated allegations of malfeasance related to the Doe Mountain Recreation Authority. The investigation was initiated after Doe Mountain Recreation Authority officials identified and reported questionable financial activity. The investigation was limited to selected records for the period June 1, 2023, through August 31, 2023. The results of the investigation were communicated with the Office of the District Attorney General of the 1<sup>st</sup> Judicial District.

### BACKGROUND



The Doe Mountain Recreation Authority (authority), located in Johnson County, Tennessee, is a nonprofit corporation created by Tenn. Code Ann. § 11-25-101 *et seq.*, The Tennessee Doe Mountain Recreation Authority Act of 2012, to protect and conserve Doe Mountain's natural resources, foster economic development, and operate an outdoor recreation park. The authority maintains 8,600 acres of protected mountain terrain and trails and provides public recreational opportunities, including off-highway vehicle trails, mountain

biking, hiking, archery, and axe throwing. The authority is governed by a 15-member board of directors (board) and receives funding from grants, emission reduction benefit sales, annual and day pass sales, rental fees, and private donations.

From September 2022 until November 2022, and again from June 2023 until July 26, 2023, Dmitriy Groesbeck worked part-time at the authority, assisting with rentals, pass sales, website design, and social media content. From August 2022 until July 26, 2023, Groesbeck's wife worked full-time for the authority as an administrative assistant and board liaison. Groesbeck's wife had full access to the authority's accounting system and processed receipts, deposits, and accounts payable.

### RESULTS OF INVESTIGATION

#### 1. FORMER EMPLOYEE DMITRIY GROESBECK MISAPPROPRIATED DOE MOUNTAIN RECREATION AUTHORITY FUNDS TOTALING \$12,026

On July 25, 2023, at 8:04 p.m., the evening prior to leaving employment with the authority, Groesbeck used the authority's computer assigned to his wife to transfer \$12,026 from the

authority's bank account to a personal bank account. Groesbeck initiated the transfer using his wife's computer login information, which she previously shared with him, and her accounting system user credentials, which were saved on the computer. Groesbeck made the bill payment through a third-party payment processor integrated with the accounting system. He attempted to conceal the misappropriation by using a vendor's name, invoice number, and amount for the authority's monthly lease of off-highway vehicles. Groesbeck directed the payment to his personal bank account instead of the vendor's bank account. In a further attempt to conceal the misappropriation, Groesbeck deleted the transaction from the accounting system at 8:11 p.m. on the same day (**Refer to Exhibit 1**). However, deleting the transaction did not void the payment within the third-party payment processor's system. As a result, \$12,026 was deposited into Groesbeck's personal bank account on July 31, 2023 (**Refer to Exhibit 2**).

**Exhibit 1**

Date Changed	User	Event
Jul 25, 2023, 3:20 pm Eastern Daylight Time	Groesbeck - Inactive	Uploaded File
Jul 25, 2023, 3:21 pm Eastern Daylight Time	Groesbeck - Inactive	Edited Attachment Spectrum 6-23-23.pdf
Jul 25, 2023, 3:21 pm Eastern Daylight Time	Groesbeck - Inactive	Recorded expense for Spectrum for \$187.97
Jul 25, 2023, 3:26 pm Eastern Daylight Time	Groesbeck - Inactive	Edited Attachment Invoice-40001299255 (1).pdf
Jul 25, 2023, 3:26 pm Eastern Daylight Time	Groesbeck - Inactive	Recorded expense for Nextiva for \$53.58
Jul 25, 2023, 3:26 pm Eastern Daylight Time	Groesbeck - Inactive	Added Attachment Invoice-40001299255 (1).pdf
Jul 25, 2023, 3:26 pm Eastern Daylight Time	Groesbeck - Inactive	Uploaded File
Jul 25, 2023, 3:29 pm Eastern Daylight Time	Groesbeck - Inactive	Edited Attachment Web capture_25-7-2023_152912_www
Jul 25, 2023, 3:29 pm Eastern Daylight Time	Groesbeck - Inactive	Completed Deposit of \$12.99 to Amazon
Jul 25, 2023, 3:29 pm Eastern Daylight Time	Groesbeck - Inactive	Added Attachment Web capture_25-7-2023_152912_www.amazon.com.jpeg
Jul 25, 2023, 3:29 pm Eastern Daylight Time	Groesbeck - Inactive	Uploaded File
Jul 25, 2023, 7:38 pm Eastern Daylight Time	Groesbeck - Inactive	Signed In.
Jul 25, 2023, 7:39 pm Eastern Daylight Time	anking Administration	Manually updated Online Banking accounts for Johnson County Bank (deleted)
Jul 25, 2023, 7:39 pm Eastern Daylight Time	anking Administration	Manually updated Online Banking accounts for Edward Jones - Credit Card (deleted)
Jul 25, 2023, 7:57 pm Eastern Daylight Time	Groesbeck - Inactive	Signed In.
Jul 25, 2023, 8:04 pm Eastern Daylight Time	Groesbeck - Inactive	Added Bill Payment (Check) to Polaris for \$12026.00
Jul 25, 2023, 8:05 pm Eastern Daylight Time	Groesbeck - Inactive	Signed In.
Jul 25, 2023, 8:09 pm Eastern Daylight Time	Groesbeck - Inactive	Signed In.
Jul 25, 2023, 8:11 pm Eastern Daylight Time	Groesbeck - Inactive	Deleted Bill Payment (Check) to Polaris for \$12026.00
Jul 25, 2023, 8:19 pm Eastern Daylight Time	Groesbeck - Inactive	Signed In.
Jul 26, 2023, 11:36 am Eastern Daylight Time	Groesbeck - Inactive	Signed In.
Jul 26, 2023, 12:52 pm Eastern Daylight Time	Groesbeck - Inactive	Signed Out.
Jul 26, 2023, 1:27 pm Eastern Daylight Time	Groesbeck - Inactive	Signed In.
Jul 26, 2023, 4:24 pm Eastern Daylight Time	Groesbeck - Inactive	Signed Out.

Username for Dmitriy Groesbeck's wife.

Added bill payment.

Deleted bill payment.

*Audit log entries from the authority's accounting system on July 25, 2023, showing the username belonging to Groesbeck's wife, added a \$12,026 bill payment at 8:04 p.m. and then deleted the bill payment at 8:11 p.m.*

**Exhibit 2a**

*** CHECKING ACCOUNT TRANSACTIONS ***			DEBITS	CREDITS
DATE	DESCRIPTION			
07/26	AC-Polaris - INV-13160I NV-13160 Invoice no. INV-1316		12,026.00	

**Exhibit 2b**

Deposits, credits and interest			AMOUNT(\$)
DATE	DESCRIPTION		
07/31	INV-13160 Doe Mountain Rec Polaris CUSTOMER ID [REDACTED]		12,026.00

*Bank statement transactions documenting \$12,026 was deducted from the authority's bank account on 7/26/2023 (2a) and deposited into Groesbeck's bank account on 7/31/2023 (2b) for payment on the vendor's invoice 13160.*

On July 31, 2023, prior to the \$12,026 being deposited, Groesbeck's bank account had a \$0 balance. Within four days of receiving the \$12,026, Groesbeck electronically transferred most of the funds to different individuals, including \$5,904.96 to his wife. On August 4, 2023, his bank account again had a \$0 balance.

On August 15, 2024, Groesbeck told investigators that he initiated the \$12,026 transfer to his bank account for his personal benefit, his wife did not know about the transaction, and he planned to repay the funds back to the authority.

On November 8, 2024, the Johnson County Grand Jury indicted Dmitriy Alexander Groesbeck on one count of Theft of \$10,000 or more but less than \$60,000 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.

[Doe Mountain Recreation Authority Investigation Exhibit](#)

## INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal control and compliance, some of which contributed to Groesbeck's ability to perpetrate his misappropriation without prompt detection. These deficiencies included:

**Deficiency 1: Doe Mountain Recreation Authority officials failed to provide adequate oversight over employees' computer and accounting system login information**

Authority officials failed to provide adequate oversight over employees' computer and accounting system usernames and passwords. Investigators determined that Groesbeck's wife shared her computer password with her spouse and other employees and stored system access credentials directly on the computer. In addition, investigators noted a printed registry of usernames and passwords in the authority's office. 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 2: Doe Mountain Recreation Authority officials improperly paid an authorized bonus to Groesbeck’s wife**

On July 26, 2023, Groesbeck and his wife left their employment with the authority to take different employment in another state, and they notified authority officials several weeks in advance of their resignations. On July 17, 2023, the board authorized a \$4,000 bonus to Groesbeck’s wife in appreciation of her hard work and dedication to the authority. On July 20, 2023, the authority wrote the bonus check to Groesbeck’s wife, and the \$4,000 check cleared the authority’s bank account on July 21, 2023. Johnson County Government (county) processes all full-time authority employees’ payroll checks. Since the bonus check was paid directly to Groesbeck’s wife, a former full-time authority employee, and not through county payroll, the bonus was not subjected to income tax, Social Security, or Medicare deductions. Also, the county (on behalf of the authority) did not report and pay its required matching Social Security and Medicare associated with the bonus. Failure to process payroll through the county increases the risk that employee benefits, tax withholdings, and other required deductions will not be accounted for properly.

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

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