



COMPTROLLER'S INVESTIGATIVE REPORT

Persevere

April 17, 2025

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

April 17, 2025

Tennessee Department of Human Services
James K. Polk Building, 14th Floor
505 Deaderick Street
Nashville, TN 37243

and

Persevere
4163 Willow Lake Blvd
Memphis, TN 38118

Tennessee Department of Human Services and Persevere Management:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of Persevere, 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 30th 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

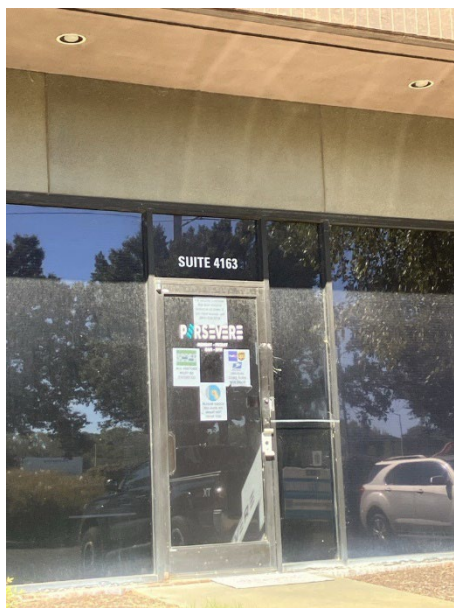
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INVESTIGATIVE REPORT

Persevere

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to Persevere. The Comptroller’s Office initiated the investigation after officials with the Tennessee Department of Human Services reported suspected misappropriation of grant funds. The investigation was limited to selected records for the period January 1, 2023, through July 31, 2023. The results of the investigation were communicated with the Office of the District Attorney General of the 30th Judicial District.

BACKGROUND



Founded in 2019, Persevere is a nonprofit organization that provides case management, mental health support, and the training and equipment needed for incarcerated individuals to learn information technology (IT) and prepare for technology-based careers. With locations in Tennessee, Arizona, South Carolina, Nebraska, Virginia, and Florida, Persevere is the recipient of state and federal grants to serve the community at large. The overall goal of the organization is to recruit, train, and help individuals secure employment or improve employment in the technology field. In furtherance of that goal, Persevere offers a one-year computer programming course to train individuals in prison to become developers after release.

Eagles Nest Services (Eagles Nest) is a licensed nonprofit substance abuse and mental health agency headquartered in Jackson, Tennessee that provides individual and group-level substance abuse and mental health services, parenting education, and Driving Under the Influence (DUI) classes. Eagles Nest is the recipient of state and federal grants to fund operations and has service locations in West Tennessee counties, including Madison, Shelby, Dyer, Crockett, Haywood, Lauderdale, Tipton, Fayette, and Hardeman. Eagles Nest receives referrals for parenting education from Child Protective Services (Tennessee Department of Children’s Services) and partners with Youth Villages. Youth Villages is a private nonprofit organization dedicated to helping emotionally and behaviorally troubled children and their families live successfully. For substance abuse services, Eagles Nest Services has a driver’s license DUI school, and it offers outpatient services and drug testing to satisfy probation requirements for clients.

The mission of the Tennessee Department of Human Services (DHS) is to “Strengthen Tennessee by Strengthening Tennesseans”. In furtherance of that goal, DHS operates as a pass-through entity

to award grants under the federal Temporary Assistance for Needy Families (TANF) program. Both Persevere and Eagles Nest received TANF grant funds from DHS. The TANF grants operate on a cost reimbursement basis, which requires both organizations to submit claims for the reimbursement of expenditures, including staff payroll.

Broderick Webster was hired as a full-time certified mental health counselor at Persevere in Memphis, Tennessee, on December 22, 2020. Webster's responsibilities were to provide mental health counseling on a one-to-one basis to clients, including managing his own paperwork and case management system. He also recruited clients for Persevere. Webster's employment with Persevere was terminated on September 1, 2023.

Webster was hired as a counselor at Eagles Nest in Jackson, Tennessee, on January 10, 2023. As a counselor, Webster's responsibilities were to work with clients to help them with any challenges they had and equip them with coping strategies to implement. Between late January 2023 and early February 2023, Webster transitioned from being a counselor to a community outreach specialist. As a community outreach specialist, Webster's responsibilities were the same as that of a counselor, as well as to connect clients with available resources. Webster's employment with Eagles Nest was terminated on July 27, 2023.

RESULTS OF INVESTIGATION

1. FORMER MENTAL HEALTH COUNSELOR BRODERICK WEBSTER IMPROPERLY RECEIVED AT LEAST \$17,239.63 IN UNEARNED WAGES AND EMPLOYER-PAID BENEFITS FROM PERSEVERE

Between January 2023 and July 2023, Webster received at least \$17,239.63 in improper payroll payments consisting of unearned wages and other employer-paid benefits from Persevere as follows:

A. Webster improperly received at least \$15,333.05 in unearned wages from Persevere

Both Persevere and Eagles Nest entered into separate cost reimbursement grant contracts with DHS to receive TANF funds for their respective organizations. The reimbursement process required each organization to submit an invoice to DHS detailing their incurred expenditures. During a routine review of grant reimbursement requests, DHS discovered that both Persevere and Eagles Nest requested and received salary reimbursements for Webster. Webster submitted timesheets claiming to have worked the same hours for both organizations.

Investigators confirmed with Persevere officials that Webster was expected to work 40 hours per week, primarily on-site in Memphis, Tennessee. While the majority of Webster's work was expected to be performed in the office, Webster was allowed to spend approximately 30-40% of his week recruiting clients at various locations in West Tennessee. Investigators confirmed with Eagles Nest officials that Webster was allowed to work remotely.

Webster was responsible for maintaining all case files for his mental health clients. Investigators discovered that Webster did not maintain any documentation to substantiate that

he performed any work for Persevere. Investigators interviewed officials with various agencies where Webster was expected to recruit as part of his fieldwork for Persevere. Agency officials confirmed that Webster had not been present at their locations for various events. One agency official informed investigators that not only was Webster not allowed at the agency, he was not allowed to conduct work on behalf of Persevere or any other agency associated with them.

Investigators compared Webster’s Persevere timesheets with his Eagles Nest timesheets for the period January 2023 through July 2023 and determined that Webster submitted timesheets for 108 days, with an overlap of 469 hours, that Webster claimed to be working for both entities simultaneously, a practice called double-dipping. Webster received at least \$15,333.05 in unearned wages from Persevere for the 469 overlapped hours.

For example, the chart below presents Webster’s duplicate time reporting on April 24, 2023.

Persevere timesheets		Eagles Nest Services timesheets		Overlap in Time	Overlap in Hours
Start Time	End Time	Start Time	End Time		
8:00 a.m.	5:00 p.m.	3:00 p.m.	7:00 p.m.	3:00 p.m. – 5:00 p.m.	2 hours

Persevere’s outside employment policy specifically states that employees must disclose secondary employment (**Refer to Exhibit 1**). Investigators confirmed that Webster did not disclose to Persevere officials that he was also performing work for Eagles Nest. Furthermore, Persevere officials confirmed that they believed that any travel Webster had to Jackson, Tennessee during the work week was on behalf of their organization, not a secondary employer.

Exhibit 1

2.10 Outside Employment

Employees may pursue and participate in employment or other business activities outside of normal working hours, provided such arrangement neither creates a conflict of interest, nor detracts from performance and/or effectiveness while working for Persevere, and provided the employee does not offer or provide such services to the company. Any employee who has other employment must disclose such employment to his or her supervisor and human resources, so that an evaluation can be made as to whether a conflict of interest exists. The failure to adhere to this guideline, including the failure to disclose any potential conflicts, may result in disciplinary action up to and including termination.

Persevere’s Outside Employment Policy

B. Webster received unearned employer-paid benefits totaling at least \$1,906.58 from Persevere

Webster received employer-paid benefits totaling \$1,906.58 for time not worked during the 469 overlapping hours outlined in Finding 1A above. This amount represents prorated matching

employee benefits and payments for Medicare, Social Security, state unemployment benefits, and 401K/Roth matching benefits that Persevere incurred.

Summary of Broderick Webster’s Misappropriation from Persevere	
Description	Amount
A. Unearned Wages from Persevere	\$15,333.05
B. Unearned Employer-Paid Benefits from Persevere	1,906.58
Broderick Webster’s Total Misappropriation from Persevere	\$17,239.63

On April 10, 2024, the Shelby County Grand Jury indicted Broderick Webster for one count of Theft of Property over \$10,000.

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.

[Persevere Investigation Exhibit](#)

INTERNAL CONTROL DEFICIENCY

Our investigation revealed a deficiency in internal control, which contributed to Webster’s ability to perpetrate his misappropriation without prompt detection.

Deficiency 1: Persevere officials did not require Webster to maintain client case files

Persevere officials did not require Webster to maintain client case files during his tenure with Persevere. Webster’s supervisor advised that Webster maintained his client case files on a USB flash drive, kept in his office desk. After Webster’s employment was terminated, Persevere officials searched his office desk and could not locate the USB flash drive containing his client case files. Persevere officials also advised investigators that they also checked Webster’s laptop and did not find client case files, notes, or documents. Establishing adequate internal controls related to the maintenance of client case files can assist with ensuring staff work is properly accounted for and reduce the risks of errors or intentional misappropriations.

Persevere officials indicated that they have corrected or intend to correct the deficiency.