



COMPTROLLER'S INVESTIGATIVE REPORT

Minor Hill Utility District

August 11, 2025

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

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Board of Commissioners
12950 Minor Hill Highway
Minor Hill, TN 38473

Minor Hill Utility District Management:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Minor Hill Utility District, 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 22nd 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,



Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Minor Hill Utility District

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Minor Hill Utility District. The investigation was initiated after Minor Hill Utility District Commissioners notified the Comptroller's Office of suspicious disbursements. The investigation was limited to selected records for the period March 1, 2021, through May 3, 2024. The results of the investigation were communicated with the Office of the District Attorney General of the 22nd Judicial District.

BACKGROUND



Minor Hill Utility District (district) in Minor Hill, Tennessee, provides water service to approximately 3,000 customers in Giles County, Tennessee. The district is governed by a three-person board of commissioners. The district employs a district manager and a "leadman" who manage the district's operations. The district employs two full-time office staff members who perform water billing and collection from customers. Additionally, the district employs a part-time bookkeeper who is responsible for maintaining the district's accounting records, disbursing checks, and processing payroll. Checks are signed on the day of the district's monthly board meetings. The district's checks must be signed by two commissioners.

Ashley Stogner was hired as the district's bookkeeper on March 1, 2022. On January 26, 2023, the district received a Giles County General Sessions Court order to garnish Stogner's wages for a court judgment against her. The board of commissioners instructed Stogner to process the garnishment and make the required payments.

In April 2024, after concerns surfaced about Stogner's job performance, the board of commissioners requested that she surrender all district records in her possession. Stogner returned the records and district property on May 3, 2024, the same date her employment with the district was terminated. A new bookkeeper was hired on May 10, 2024. Upon reviewing the district's records, district officials discovered that checks had been issued to Giles County General Sessions Court to pay Stogner's court judgment. However, it did not appear that the payments for the court judgment were garnished from Stogner's wages.

RESULTS OF INVESTIGATION

1. FORMER BOOKKEEPER ASHLEY STOGNER MISAPPROPRIATED \$1,943.37 FROM THE MINOR HILL UTILITY DISTRICT BY USING THE DISTRICT'S FUNDS TO PAY HER COURT JUDGMENT

Stogner misappropriated \$1,934.37 from the district by using district funds to pay her court judgment. She prepared eight checks drawn on the district's account totaling \$1,943.37 for Giles County General Sessions Court. The Giles County Court Clerk confirmed that the checks were received and applied to the balance of Stogner's court judgment.

Checks to Giles County General Sessions Court		
Check Number	Check Date	Amount
1557	02/09/2023	\$ 176.67
1577	02/28/2023	176.67
1725	07/14/2023	530.01
1727	07/31/2023	176.67
1658	09/05/2023	176.67
1556	10/10/2023	176.67
1760	11/21/2023	176.67
1840	01/31/2024	<u>353.34</u>
Total		\$ 1,943.37

Stogner failed to garnish her wages to cover the amounts paid to Giles County General Sessions Court to satisfy her court judgment. Investigators found no evidence that garnishments were deducted from Stogner's payroll checks per her pay stubs (**Exhibit 1**) or in the related entries in the district's accounting software.

Exhibit 1

MINOR HILL UTILITY DISTRICT

1705

Employee

Ashley S Stogner, [REDACTED]

Pay Period: 09/11/2023 - 10/10/2023

Pay Date: 10/10/2023

Earnings and Hours	Hours	Rate	Current	YTD Amount
Hourly	39:30	20.00	790.00	7,974.00
Taxes			Current	YTD Amount
Medicare Employee Addl Tax			0.00	
Federal Withholding			0.00	
Social Security Employee			-48.98	-494.39
Medicare Employee			-11.45	-115.62
			-60.43	-610.01
Net Pay			729.57	7,363.99

Example of one of Stogner's pay stubs that shows she did not deduct the garnishment from her paycheck

Current and former district commissioners reviewed the eight checks written to Giles County General Sessions Court and determined that it was not their signatures on the checks.

To conceal her improper payments, Stogner classified the checks payable to Giles County General Sessions Court under non-payroll expense accounts. Investigators analyzed the accounting entries related to the checks written to Giles County General Sessions Court and determined that the checks were inappropriately classified under various non-payroll expense accounts, including Auto & Truck Expense, Fuel/Gasoline Expense, and Dues/Subscriptions Expense.

2. STOGNER SIGNED THE NAMES OF DISTRICT COMMISSIONERS ON 61 CHECKS

Stogner signed the names of district commissioners on a total of 61 checks. Stogner signed the names of district commissioners without authorization on eight checks payable to Giles County General Sessions Court, for which she received a financial benefit, and 53 checks were made to various vendors. The current and former district commissioners whose names appeared on the 53 vendor checks reviewed their signatures. While they could not confirm whether every signature was theirs, the commissioners confirmed at least one of the two signatures on each check was not authentic. Based on this, investigators consider these 53 vendor checks to contain unauthorized signatures.

A commissioner and the new bookkeeper reviewed the 53 questionable vendor checks and determined that they were for legitimate district expenses. It is unclear why Stogner signed district commissioners' names without authorization on the checks used for legitimate district expenses.

On July 9, 2025, the Giles County Grand Jury indicted Ashley Stogner for criminal charges resulting from concurrent investigations of the Minor Hill Utility District and the City of Minor Hill. The complete list of charges can be found in the City of Minor Hill Investigative Report found [here](#).

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.

INTERNAL CONTROL DEFICIENCY

Our investigation revealed a deficiency in internal control, which contributed to Stogner's ability to misappropriate funds without prompt detection. These deficiencies included:

Deficiency 1: District officials did not provide adequate oversight of payroll and checks

District officials did not provide adequate oversight of the payroll process and checks. District officials are responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and the effectiveness and efficiency of operations. The lack of oversight by the board of commissioners led to failures in the following areas:

- The former bookkeeper was not required to submit timesheets, and thus there was no board approval of hours worked. The board did not ensure that garnishments were appropriately deducted from the former bookkeeper's wages. Sound business practice dictates that payroll records be properly reviewed and approved. The board's failure to review and approve timesheets and pay stubs increases the risk of improper payroll payments.
- The board did not review check registers or bank statements to ensure all district checks written were properly approved. Providing adequate oversight reduces the risk that errors or misappropriations will remain undetected.

District officials indicated that they have corrected or intend to correct this deficiency.
