



COMPTROLLER'S INVESTIGATIVE REPORT

Lake View Fire Department, Incorporated

August 14, 2025

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

August 14, 2025


Chief Curtis Bean
1007 Old Hwy 11W
Rogersville, TN 37857

Chief Bean:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Lake View Fire Department, Incorporated, 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 3rd 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

Lake View Fire Department, Incorporated

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Lake View Fire Department, Incorporated. The investigation was limited to selected records for the period July 1, 2023, through May 30, 2025. The results of the investigation were communicated with the Office of the District Attorney General of the 3rd Judicial District.

BACKGROUND



The Lake View Fire Department, Incorporated (LVFD), a volunteer fire department located in Rogersville, Tennessee, was chartered as a nonprofit in 1977 and provides fire protection services within Hawkins County. LVFD is primarily funded by contributions from Hawkins County and fundraising events.

LVFD is governed by officers, including a president, vice-president, secretary, treasurer, and two lieutenants. In December 2019, Peggy Long became LVFD's treasurer. As treasurer, Long was responsible for issuing LVFD disbursements, preparing bank reconciliations, and record keeping.

On June 16, 2025, LVFD officers removed Long as treasurer.

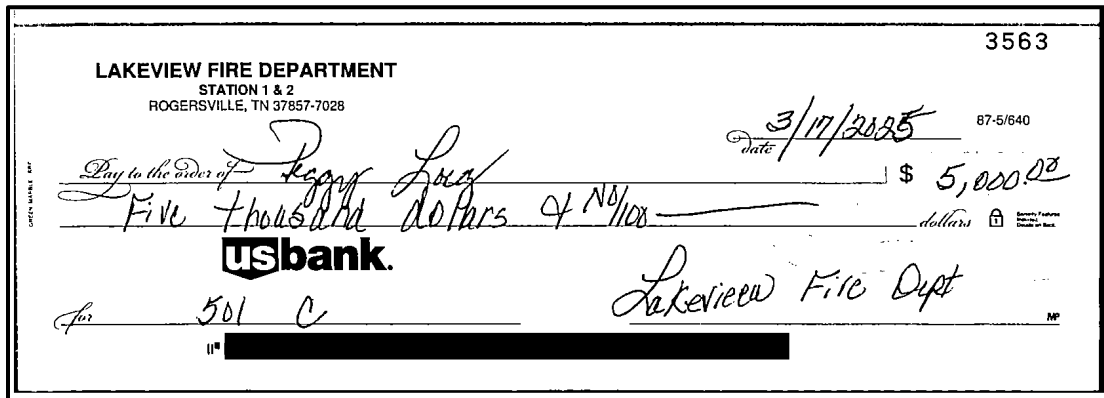
Pursuant to Tenn. Code Ann. § 68-102-309 *et seq.*, "The governing board of each recognized volunteer fire department receiving appropriations from the federal government, the state, a county, or a municipality, either directly or indirectly, shall file an annual financial report with the comptroller of the treasury and with each local government body from which the department received appropriations. The annual financial report shall be for the year ended June 30, in a form prescribed by the comptroller of the treasury, and such governing board shall file the report within six (6) months of the close of its fiscal year." To assist the board in discharging their duties, the Comptroller published the *Volunteer Fire Departments Financial Reporting and Procedures Manual (VFD Manual)* in August 2024. The *VFD Manual* prescribes a set of accounting controls to ensure funds are used to further the organization's goals and objectives.

RESULTS OF INVESTIGATION

1. FORMER TREASURER PEGGY LONG MISAPPROPRIATED LAKE VIEW FIRE DEPARTMENT, INCORPORATED FUNDS TOTALING AT LEAST \$26,000

From January 2025 through March 2025, Long knowingly misappropriated LVFD funds totaling at least \$26,000 by writing seven unauthorized checks to herself for personal use. Investigators determined that Long drafted checks to herself (**Refer to Exhibit 1**), signed the checks “Lakeview Fire Dept” or similar, and deposited them into her personal bank account. Long documented “work” or “501 C” on certain check memos; however, Long told investigators that the checks were not for LVFD work that she performed or for an authorized LVFD purpose, but rather, they were used to pay her personal expenses. On July 28, 2025, Long deposited a \$26,000 check from her personal funds into the LVFD bank account as reimbursement for her misappropriation.

Exhibit 1



LAKEVIEW FIRE DEPARTMENT
STATION 1 & 2
ROGERSVILLE, TN 37857-7028

3563

date 3/17/2025 87-5/640

Pay to the order of Peggy Long \$ 5,000.00

Five thousand dollars & No/100

usbank.

for 501 C Lakeview Fire Dept

March 17, 2025 LVFD check to Peggy Long for \$5,000

Summary of Misappropriation by Peggy Long			
Check Date	Payee	Check Memo	Amount
1/17/2025	Peggy Long	work	\$ 3,000.00
2/25/2025	Peggy Long	501 C	\$ 2,500.00
3/13/2025	Peggy Long	501 C	\$ 2,500.00
3/17/2025	Peggy Long	501 C	\$ 5,000.00
3/17/2025	Peggy Long	501 C	\$ 5,000.00
3/17/2025	Peggy Long	501 C	\$ 5,000.00
3/17/2025	Peggy Long		\$ 3,000.00
Total Misappropriation			\$26,000.00

On August 11, 2025, the Hawkins County Grand Jury indicted Peggy Long on one count of Theft of Property \$10,000 or more but less than \$60,000.

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.

[Lake View Fire Department, Incorporated Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

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

Deficiency 1: Lake View Fire Department, Incorporated officers did not adequately segregate financial duties among members

LVFD officers did not adequately segregate their financial duties. Long was solely responsible for disbursing funds, reconciling bank statements, accounting, and maintaining records. According to the *VFD Manual*, "Ideally, no one person should initiate, approve, record, or reconcile a transaction." Allowing one officer to maintain control over all financial duties of a transaction increases the risk that fraud, waste, or abuse will occur without prompt detection.

Deficiency 2: Lake View Fire Department, Incorporated officers did not require dual signatures on checks

LVFD officers did not require dual signatures on checks during the investigative period. Also, Long often signed checks as "Lakeview Fire Dept" or similar instead of signing her own name. The *VFD Manual* recommends dual signatures on checks. Dual signatures on checks using the names of the authorized check signers ensures that more than one individual verifies the appropriateness and reasonableness of check payments.

Deficiency 3: Lake View Fire Department, Incorporated officers failed to safeguard and maintain accurate records

LVFD officers failed to require or retain invoices or other adequate supporting documentation for all disbursements during the investigative period. In addition, LVFD did not provide any bank reconciliations, although reconciling bank accounts was one of Long's responsibilities as treasurer. Due to the lack of supporting documentation and bank reconciliations, investigators could not determine if all disbursements benefited the LVFD. According to the *VFD Manual*, "Complete

records regarding all purchases and payments should be maintained for a minimum of five years. Records should include, as applicable: purchase requisitions, purchase orders, receiving tickets, invoices, expense reports, credit card statements, check copies, bid documents, bank statements, and bank reconciliations.” Failure to retain and review supporting documentation for purchases increases the risk that errors or misappropriations could occur without prompt detection.

Deficiency 4: Lake View Fire Department, Incorporated officers failed to perform cash counts for certain collections

LVFD officers did not perform cash counts for “roadblock” fundraiser collections. Therefore, investigators could not determine if all collections were properly deposited into the LVFD bank account. The *VFD Manual* states, “When custody of the cash box changes hands, a count shall be conducted, and a receipt shall be written to prove the amount of cash turned over.” The lack of cash counts at the conclusion of fundraisers when cash changes hands increases the risk that fraud, waste, and abuse will occur without prompt detection.

LVFD officers indicated that they have corrected or intend to correct these deficiencies.
