TENNESSEE COMPTROLLER OF THE TREASURY

COMPTROLLER'S INVESTIGATIVE REPORT

Sullivan County Veteran Service Office

November 19, 2026

Jason E. Mumpower

Comptroller of the Treasury

DIVISION OF INVESTIGATIONS

TENNESSEE COMPTROLLER OF THE TREASURY

JASON E. MUMPOWER
Comptroller

November 19, 2026

Sullivan County Government Officials
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Blountville, TN 37617

Sullivan County Government Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Sullivan County Veteran Service Office, 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 2nd 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

Sullivan County Veteran Service Office

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Sullivan County Veteran Service Office. The investigation was limited to selected records for the period February 2023 through August 2026. The results of the investigation were communicated with the Office of the District Attorney General of the 2nd Judicial District.

BACKGROUND



The Sullivan County Veteran Service Office (SCVSO), located in Blountville, Tennessee, is an office of Sullivan County government (county). SCVSO provides counseling, guidance, and assistance to military veterans, surviving family members, and dependents in applying for and obtaining veterans' benefits. SCVSO is funded through county appropriations and other available funding sources, including donations. The Sullivan County Veteran Service Officer (VSO) was hired on February 6, 2023.

The *Sullivan County Employee Handbook (Employee Handbook)* and the *Sullivan County Ethics Policy (Ethics Policy)* establish standards of conduct applicable to county employees. In addition, the county maintains financial policies that detail internal controls intended to promote accountability for county funds and property, safeguard public resources, and help ensure that those resources are used only for authorized county purposes.

RESULTS OF INVESTIGATION

1. THE SULLIVAN COUNTY VETERAN SERVICE OFFICER HAD QUESTIONABLE PAYROLL AND FACILITY-USE PRACTICES

During the investigative period, the VSO had questionable payroll and facility-use practices. According to county payroll department records and the *Employee Handbook*, the VSO is considered a salaried employee and does not qualify (exempt) for overtime in compliance with the Fair Labor Standards Act. Investigators found the following questionable payroll and facility-use practices by the VSO:

A. Timesheets

From April 17, 2023, to July 17, 2026, the county payroll department paid the VSO without requiring him to submit timesheets documenting his time worked. The *Employee Handbook* does not explicitly require all county employees to submit timesheets; however, according to the county payroll department, it has been standard business practice for all county employees to submit weekly timesheets during the VSO's tenure. According to the VSO, he was unaware of the timesheet requirement for salaried county employees. After the county payroll department notified the VSO on August 3, 2026, that salaried county employees had to submit timesheets to be paid, he began submitting them consistently.

Additionally, the county's payroll system processes payments to salaried county employees regardless of whether a timesheet has been submitted. This creates a lack of internal controls to ensure that timesheets are submitted and reviewed before payments are processed. Timesheets should be maintained for all county employees, including salaried county employees, to ensure accurate and complete records of time worked and leave taken.

B. Compensatory Time

According to the VSO, he earned compensatory (comp) time during weeks he worked over 40 hours and later used this comp time as paid leave during pay periods where he did not work a full 40 hours. The VSO stated that he tracked his comp time accruals and usage separately from the county's official payroll or leave systems, but investigators found no documentation supporting these claims. The VSO also stated that he used accrued comp time for a vacation in May 2024, but investigators could not determine how many days the VSO did not perform work.

As previously noted, the VSO is a salaried county employee and not eligible for overtime (exempt). Additionally, since comp time is accrued as a substitute for overtime pay, and the *Employee Handbook* only authorizes comp time for non-exempt employees, the VSO was not eligible for comp time. Due to the lack of timesheets and comp time records, investigators could not determine the number of hours the VSO was paid for periods when work was not performed. The VSO should only use authorized vacation or personal leave for vacation or personal time off.

C. Vacation Leave

The VSO stated he took a week (40 hours) of vacation in September 2025 but failed to request and use vacation leave. Instead, the VSO was paid his normal salary while on vacation. Investigators determined the VSO did not request or take any vacation leave during the investigative period. Because no vacation leave was taken, the VSO converted his vacation leave balances to sick leave at the conclusion of each calendar year. In 2026, he received a payout for just over 39 hours, totaling $1,041.60, which represented vacation leave exceeding the maximum amount permitted for conversion to sick leave. Because the VSO did not submit timesheets, investigators were unable to verify whether additional vacation leave should have been requested

or used for periods when work was not performed. On August 20, 2026, the former county mayor authorized the deduction of 40 hours from the VSO's current vacation leave balance for the VSO's September 2025 vacation.

D. Nonprofit Corporation's Use of SCVSO Facility

During the investigative period, the VSO allowed a nonprofit corporation to use the SCVSO facility to operate and store food and other items for its outreach ministry without a written contract or authorization by the county commission, as required by the *Ethics Policy*. Additionally, since the VSO failed to submit timesheets, investigators could not determine if he was paid by the county for the time he volunteered for the outreach ministry. The nonprofit corporation listed the SCVSO facility as its principal address and used it to prepare and serve food outside normal county work hours, often without county employees present.

According to the *Ethics Policy*, "An official or employee may not use or authorize the use of County time, facilities, equipment, or supplies for the private gain or advantage to any private person or entity, except as authorized by legitimate contract or lease or that is determined by the board of commissioners to be in the best interest of the county." The lack of a written contract or authorization by the county commission for the nonprofit corporation's use of the SCVSO facility, and the lack of timesheets by the VSO, potentially increase the risk of legal liabilities, abuse, and misappropriation without prompt detection.

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