



COMPTROLLER'S INVESTIGATIVE REPORT

Town of Greeneville Parks and Recreation Department

August 6, 2026

Jason E. Mumpower

Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

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Town of Greeneville Mayor and City Council
200 North College Street
Greeneville, TN 37745

Town of Greeneville Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Town of Greeneville Parks and Recreation Department, 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

Town of Greeneville Parks and Recreation Department

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Town of Greeneville Parks and Recreation Department. The investigation was limited to selected records for the period January 2025 through April 2026. The results of the investigation were communicated with the Office of the District Attorney General of the 3rd Judicial District.

BACKGROUND



The Town of Greeneville (town) is located in Greene County, Tennessee, and has a population of approximately 15,500 residents. The town is governed by a mayor and four city council members; the mayor is elected at large to a four-year term, and two city council members are elected from each of the town's two wards to four-year terms. The city manager is the chief administrative officer of the town, supervising all employees, implementing city council decisions, and advising the city council on improvements for the town.

The town's Parks and Recreation Department (department) is managed by a director and offers recreational activities for youth and adults, including baseball, softball, basketball, volleyball, a splash pad, and other family events, each held at one of the town's facilities. Department employees schedule recreational activities, reserve town facilities for recreational activities and other citizen use and collect associated fees. The department director also manages an athletic director who supervises youth and adult sports. The former department director was hired by the town on February 17, 1997, and served in that capacity during the investigative period until retiring on May 29, 2026. The current athletic director was hired on January 3, 2011.

On May 13, 2025, the former department director and the current athletic director formed a limited liability company (LLC) in Tennessee to organize and operate high school and college softball, volleyball, and basketball tournaments separate from recreational activities offered by the department.

RESULTS OF INVESTIGATION

1. THE FORMER PARKS AND RECREATION DIRECTOR AND CURRENT ATHLETIC DIRECTOR USED TOWN FACILITIES TO OPERATE PRIVATELY SPONSORED TOURNAMENTS THROUGH THEIR LLC

From January 2025 through March 2026, the former department director and current athletic director used town facilities to organize and operate privately sponsored softball, volleyball, and basketball tournaments through their LLC. Investigators could not determine how much revenue the former department director and current athletic director received from the privately sponsored tournaments, why the department did not operate the tournaments, or if town employees worked on the tournaments during town work hours. According to the town's *Ethics Policy*, "An official or employee may not use or authorize use of municipal time, facilities, equipment, or supplies for private gain or advantage to himself" (Refer to Exhibit 1).

Exhibit 1

1-1907. Use of municipal time, facilities, etc.

- (1) An official or employee may not use or authorize the use of municipal time, facilities, equipment, or supplies for private gain or advantage to himself.
- (2) An official or employee may not use or authorize the use of municipal time, facilities, equipment, or supplies for private gain or advantage to any private person or entity, except as authorized by legitimate contract or lease that is determined by the governing body to be in the best interests of the City.
- (3) The foregoing notwithstanding, a governing body may adopt a policy allowing incidental and de minimis activities which would otherwise be prohibited.

A portion of the town's ethics policy related to municipal time and facilities use

According to a former town mayor and former city manager, they verbally authorized the former department director and current athletic director to hold privately sponsored tournaments using town facilities if they paid the normal facility rental fees and did not perform work during town business hours. The former town mayor and former city manager indicated the tournaments benefited the town and that the former department director and current athletic director should be permitted to rent town facilities in the same manner as any other citizen. Town records indicate that the LLC or individuals associated with the privately sponsored tournaments paid the required rental fees at least seven times during the investigative period. However, due to a lack of sufficient supporting documentation, investigators could not determine the total number of privately sponsored tournaments operated by the former department director, current athletic director, or others who used town facilities during or prior to the investigative period.

Additionally, the former department director and current athletic director failed to submit a written request for approval of their outside employment, involving the LLC and the operation of privately sponsored tournaments, to the city manager. According to the town's *Outside Employment Policy*, "...before outside employment begins (including self-employment), employees must present a written request to their department director for City Manager approval, describing the work to be

performed, name and location of employer, contact information for employer, and the estimated work schedule including hours and days of the workweek on the approved form(s). Outside employment requests will become part of the employee's human resources file.” (Refer to Exhibit 2). Although complying with the town's *Outside Employment Policy* does not override or nullify the town's *Ethics Policy* that prohibits the use of facilities by an employee for personal gain, it is always management's responsibility to determine if an employee's outside employment would result in a conflict of interest or impairment of work performance for the town.

Exhibit 2

5.10 OUTSIDE EMPLOYMENT

With the approval of the City Manager, outside employment (“moonlighting”) is permissible, provided that there is no conflict of interest or impairment of work performance for the Town. Before outside employment begins (including self-employment), employees must present a written request to their department director for City Manager approval, describing the work to be performed, name and location of employer, contact information for employer, and the estimated work schedule including hours and days of the workweek on the approved form(s). Outside employment requests will become part of the employee's human resources file.

The town's outside employment policy

The former department director and current athletic director told investigators that they were unaware of the town's *Ethics Policy* as it relates to facility use and that all work associated with the privately sponsored tournaments was performed outside of the town's work hours. After town officials identified the issue, the former department director and current athletic director submitted outside employment forms to the town documenting their ownership interest in the LLC and their involvement in operating privately sponsored tournaments.

INTERNAL CONTROL DEFICIENCIES

Our investigation revealed deficiencies in internal control, some of which contributed to the finding above. These deficiencies included:

Deficiency 1: The Town of Greeneville Parks and Recreation Department had collection deficiencies

Investigators noted the following collection deficiencies at the department resulting from a lack of management oversight:

A. Insufficient information on receipts

Department employees failed to include all pertinent information on customer receipts. Although department employees issued prenumbered receipts for collections, investigators determined that receipts did not include pertinent information, such as the payment method. The failure to include all information on customer receipts increases the risk of errors, unrecorded collections, and misappropriation without prompt detection.

B. Failure to safeguard cash collections

Department employees failed to safeguard cash collections. Investigators found that cash was stored in an employee's unsecured desk drawer that several employees had access to during normal business hours. Additionally, employees shared the same cash box for collections and making change. Sound business practices dictate that each employee involved in collections has their own cash drawer, starts the day with a standard, fixed amount of cash for making change, and deposits all but the initial amount of cash at the end of the day. The failure to safeguard cash collections and maintain individual cash drawers increases the risk of errors and misappropriation without prompt detection.

Deficiency 2: The Town of Greeneville's policies and procedures do not address facility rentals

Town officials did not establish policies and procedures governing facility rentals. Investigators determined that the town did not have written policies governing the use and rental of town facilities. Due to a lack of detail and supporting documentation, in many instances, investigators were unable to determine specific town facilities rented and whether the fees collected by department employees were sufficient for the time used, and any other associated maintenance or staffing costs.

Without written policies, department employees lacked guidance on whether to collect total rental fees at the time of the reservation or at the conclusion of the event. In one instance, investigators identified a facility rental fee for an athletic field that was not collected until approximately six months after a privately sponsored tournament. Officials should establish policies and procedures governing facility rentals and require a standard rental agreement that documents the customer, facility rented, date(s) and time of use, and the payment received. The lack of formal town policies for facility rentals increases the risk of legal liabilities, errors, abuse, and misappropriation without prompt detection.

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