



## COMPTROLLER'S INVESTIGATIVE REPORT

# Town of Tellico Plains Water and Sewer Department

*April 9, 2026*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF INVESTIGATIONS**



JASON E. MUMPOWER  
*Comptroller*

April 9, 2026

Town of Tellico Plains  
405 Veterans Memorial Drive  
Tellico Plains, TN 37385

Town of Tellico Plains Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Town of Tellico Plains Water and Sewer 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 10<sup>th</sup> 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

JEM/MLC

# INVESTIGATIVE REPORT

## Town of Tellico Plains Water and Sewer Department

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Town of Tellico Plains Water and Sewer Department. The investigation was initiated after Tellico Plains officials identified and reported questionable invoices. The investigation was limited to selected records for the period August 2021 through July 2023. The results of the investigation were communicated with the office of the District Attorney General of the 10<sup>th</sup> Judicial District.

### BACKGROUND



The Town of Tellico Plains (town) is located in Monroe County, Tennessee. In 2023, the town had a population of 1,124 residents. The town's Water and Sewer Department provides water and wastewater treatment and distribution to the town and adjacent areas of Monroe County.

The former manager of the Tellico Plains Water and Sewer Department (TTPWSD) began his employment on August 15, 2011. He resigned and concluded his employment with TTPWSD on July 7, 2023. The former manager was responsible for water and wastewater sample collection, testing, and reporting test results to the Tennessee Department of Environment and Conservation (TDEC).

### RESULTS OF INVESTIGATION

#### 1. THE FORMER MANAGER OF THE TELLICO PLAINS WATER AND SEWER DEPARTMENT COLLECTED WATER SAMPLES FOR HIS PERSONAL BUSINESS DURING WORK HOURS

The former manager of TTPWSD collected water samples for his personal business during work hours. The former manager operated a personal business that involved collecting water and wastewater samples for private businesses; these activities were similar to the duties he performed on behalf of the town. Investigators compared the former manager's timesheets and water sample collection times to water samples collected for his personal business. Investigators determined that the former manager went to at least 18 locations for his personal business during work hours. Furthermore, investigators determined that the former manager was also paid for travel time between the former manager's private business sample locations and the Tellico Plains Water

Plant. For example, on September 13, 2022, the former manager went to three sample locations for the town with the final sample collected at 9:12 a.m. near the Tellico Plains water plant (**Refer to Exhibit 1**).

**Exhibit 1**

|                   |  |                         |                  |
|-------------------|--|-------------------------|------------------|
| Accession Number: | [REDACTED]   | Sample Collector:       | Former Manager   |
| Location Code:    | [REDACTED]   | Phone:                  | [REDACTED]       |
| Sample Location:  | [REDACTED]   | Repeat Sample Location: | [REDACTED]       |
| Water System:     | Tellico Plains Water System                                  | Reason for retest:      | [REDACTED]       |
| Address:          | 201 Southard Street<br>City Hall<br>Tellico Plains, TN 37385 | County:                 | Monroe - 62      |
| PWSID Number:     | [REDACTED]   | Sampling Agency:        | Knoxville EFO    |
| Sample Source:    | Drinking Water   | Chlorine Residual:      | 1.1              |
| Sample Type:      | (D) Distribution   | Date/Time Collected:    | 09/13/2022 09:12 |
|                   |  | Date Received:          | 09/13/2022       |

*A TTPWSD sample collected by the former manager on 9/13/2022 at 9:12 a.m. for the town*

Yet also on September 13, 2022, the former manager drove to three locations to obtain water samples for his personal water sampling business during work hours for TTPWSD (**Refer to Exhibit 2 and Exhibit 3**). The former manager collected these samples for his personal business on September 13, 2022, at 9:59 a.m., 10:30 a.m., and 10:50 a.m. while his timecards reflected that he was working for TTPWSD from 7:53 a.m. to 6:15 p.m. with a 30-minute break.

**Exhibit 2**

|                   |                     |                         |                  |
|-------------------|---------------------|-------------------------|------------------|
| Accession Number: | [REDACTED]          | Sample Collector:       | Former Manager   |
| Location Code:    | [REDACTED]          | Phone:                  | [REDACTED]       |
| Sample Location:  | [REDACTED]          | Repeat Sample Location: | [REDACTED]       |
| Water System:     | Private Business #1 | Reason for retest:      | [REDACTED]       |
| Address:          | [REDACTED]          | County:                 | Monroe - 62      |
|                   |                     | Sampling Agency:        | Knoxville EFO    |
|                   |                     | Chlorine Residual:      | 1.1              |
|                   |                     | Date/Time Collected:    | 09/13/2022 09:59 |
|                   |                     | Date Received:          | 09/13/2022       |

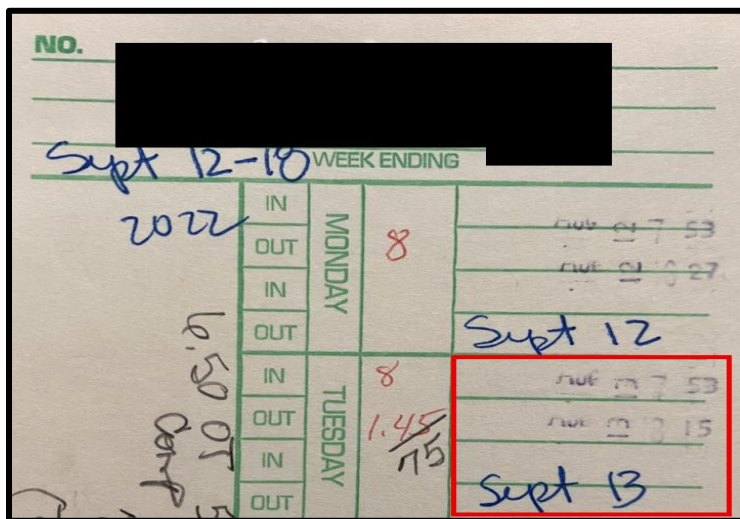
|                   |                     |                         |                  |
|-------------------|---------------------|-------------------------|------------------|
| Accession Number: | [REDACTED]          | Sample Collector:       | Former Manager   |
| Location Code:    | [REDACTED]          | Phone:                  | [REDACTED]       |
| Sample Location:  | Private Business #2 | Repeat Sample Location: | [REDACTED]       |
| Water System:     | [REDACTED]          | Reason for retest:      | [REDACTED]       |
| Address:          | [REDACTED]          | County:                 | Loudon - 53      |
| PWSID Number:     | [REDACTED]          | Sampling Agency:        | Knoxville EFO    |
| Sample Source:    | Drinking Water      | Chlorine Residual:      | 1.4              |
| Sample Type:      | (D) Distribution    | Date/Time Collected:    | 09/13/2022 10:30 |
|                   |                     | Date Received:          | 09/13/2022       |

|                  |                     |                         |                  |
|------------------|---------------------|-------------------------|------------------|
| Sample Location: | Private Business #3 | Sample Collector:       | Former Manager   |
| Water System:    | [REDACTED]          | Phone:                  | [REDACTED]       |
| Address:         | [REDACTED]          | Repeat Sample Location: | [REDACTED]       |
|                  |                     | Reason for retest:      | [REDACTED]       |
| PWSID Number:    | [REDACTED]          | County:                 | Monroe - 62      |
| Sample Source:   | Drinking Water      | Sampling Agency:        | Knoxville EFO    |
| Sample Type:     | (D) Distribution    | Chlorine Residual:      | 1.3              |
|                  |                     | Date/Time Collected:    | 09/13/2022 10:50 |
|                  |                     | Date Received:          | 09/13/2022       |

*Water samples from three private businesses collected by the former manager during work hours for TTPWSD*

**Exhibit 3**



**Former manager’s timecard documenting his hours reported for September 13, 2022 between 7:53 a.m. and 6:15 p.m. with a 30-minute break**

The former manager received and signed the Town of Tellico Plains employee handbook in 2011, which contained all personnel policies. The town’s “Outside Employment” policy states, “No full-time employee of the town may accept any outside employment without written authorization from the mayor.” Further, the “Use of Municipal Time, Vehicles, Facilities, Etc.” policy provides, “No employee may use or authorize the use of municipal time, facilities, equipment, or supplies for private gain or advantage to oneself...” Investigators determined that the former manager was conducting personal water sampling for private businesses and entities and receiving payment without proper authorization from the mayor.

**2. THE FORMER MANAGER OF THE TOWN OF TELLICO PLAINS WATER AND SEWER DEPARTMENT USED THE TELLICO PLAINS TOWN HALL AS HIS BILLING ADDRESS, WHICH RESULTED IN THE TOWN PAYING INVOICES FOR HIS PERSONAL BUSINESS**

The former manager provided personal water sampling services for private businesses and entities. Investigators determined that the former manager used his official title and the address of the Tellico Plains Town Hall when documenting the collected samples for his personal business (**Refer to Exhibit 4**). This resulted in the former manager’s personal business invoices from sample testing laboratories being sent to the Tellico Plains Town Hall. The town’s “Use of Position” policy states, “No town officer or employee shall make or attempt to make private purchases, for cash or otherwise, in the name of the town, nor shall he otherwise use or attempt to use his position to secure unwarranted privileges...” The town paid invoices unrelated to the town’s water and sewer sample collection and testing. Furthermore, the town paid invoices that listed private businesses associated with the former manager’s personal business.

**Exhibit 4**

| <b>Town Of Tellico Plains</b><br><b>Former Manager</b><br>405 Veterans Memorial DR<br>Tellico Plains, TN 37385   |   | <b>Project Name:</b> Private Business #3<br>Project / PO Number: N/A<br>Received: 06/10/2022<br>Reported: 06/21/2022 |           |                |                  |            |         |                     |  |          |            |                  |  |                |                           |  |  |  |   |                   |            |         |  |         |           |  |  |  |  |                 |   |   |  |        |  |        |                       |  |  |  |  |         |  |  |  |
|--|---|--|-----------|----------------|------------------|------------|---------|---------------------|--|----------|------------|------------------|--|----------------|---------------------------|--|--|--|---|-------------------|------------|---------|--|---------|-----------|--|--|--|--|-----------------|---|---|--|--------|--|--------|-----------------------|--|--|--|--|---------|--|--|--|
| <b>Analytical Testing Parameters</b>   |   |  |           |                |                  |            |         |                     |  |          |            |                  |  |                |                           |  |  |  |   |                   |            |         |  |         |           |  |  |  |  |                 |   |   |  |        |  |        |                       |  |  |  |  |         |  |  |  |
| <b>Client Sample ID:</b> Wastewater<br><b>Sample Matrix:</b> Wastewater<br><b>Lab Sample ID:</b> R2F0692-01  | <b>Collected By:</b> Former Manager<br><b>Collection Date:</b> 05/27/2022 18:00 |  |           |                |                  |            |         |                     |  |          |            |                  |  |                |                           |  |  |  |   |                   |            |         |  |         |           |  |  |  |  |                 |   |   |  |        |  |        |                       |  |  |  |  |         |  |  |  |
| <b>Work Order:</b> R2F0692   |   |  |           |                |                  |            |         |                     |  |          |            |                  |  |                |                           |  |  |  |   |                   |            |         |  |         |           |  |  |  |  |                 |   |   |  |        |  |        |                       |  |  |  |  |         |  |  |  |
| <table border="1"> <thead> <tr> <th>QUANTITY</th> <th>ANALYSIS</th> <th>MATRIX</th> <th>UNIT COST</th> <th>UNIT SURCHARGE</th> <th>TOTAL COST</th> </tr> </thead> <tbody> <tr> <td>R2F0692</td> <td>Private Business #3</td> <td></td> <td>Received</td> <td>06/10/2022</td> <td>Subtotal \$85.50</td> </tr> <tr> <td></td> <td># of Samples 2</td> <td>Dates 5/27/2022, 6/9/2022</td> <td></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>Ammonia as N AUTO</td> <td>Wastewater</td> <td>\$42.75</td> <td></td> <td>\$85.50</td> </tr> <tr> <td colspan="5">Line Item</td> <td>Subtotal \$7.00</td> </tr> <tr> <td>2</td> <td>Environmental Sustainability Fee per Sample</td> <td></td> <td>\$3.50</td> <td></td> <td>\$7.00</td> </tr> <tr> <td colspan="5">Total Current Charges</td> <td>\$92.50</td> </tr> </tbody> </table> | QUANTITY  | ANALYSIS   | MATRIX    | UNIT COST      | UNIT SURCHARGE   | TOTAL COST | R2F0692 | Private Business #3 |  | Received | 06/10/2022 | Subtotal \$85.50 |  | # of Samples 2 | Dates 5/27/2022, 6/9/2022 |  |  |  | 2 | Ammonia as N AUTO | Wastewater | \$42.75 |  | \$85.50 | Line Item |  |  |  |  | Subtotal \$7.00 | 2 | Environmental Sustainability Fee per Sample |  | \$3.50 |  | \$7.00 | Total Current Charges |  |  |  |  | \$92.50 |  |  |  |
| QUANTITY   | ANALYSIS  | MATRIX   | UNIT COST | UNIT SURCHARGE | TOTAL COST       |            |         |                     |  |          |            |                  |  |                |                           |  |  |  |   |                   |            |         |  |         |           |  |  |  |  |                 |   |   |  |        |  |        |                       |  |  |  |  |         |  |  |  |
| R2F0692  | Private Business #3   |  | Received  | 06/10/2022     | Subtotal \$85.50 |            |         |                     |  |          |            |                  |  |                |                           |  |  |  |   |                   |            |         |  |         |           |  |  |  |  |                 |   |   |  |        |  |        |                       |  |  |  |  |         |  |  |  |
|  | # of Samples 2  | Dates 5/27/2022, 6/9/2022  |           |                |                  |            |         |                     |  |          |            |                  |  |                |                           |  |  |  |   |                   |            |         |  |         |           |  |  |  |  |                 |   |   |  |        |  |        |                       |  |  |  |  |         |  |  |  |
| 2  | Ammonia as N AUTO   | Wastewater   | \$42.75   |                | \$85.50          |            |         |                     |  |          |            |                  |  |                |                           |  |  |  |   |                   |            |         |  |         |           |  |  |  |  |                 |   |   |  |        |  |        |                       |  |  |  |  |         |  |  |  |
| Line Item  |   |  |           |                | Subtotal \$7.00  |            |         |                     |  |          |            |                  |  |                |                           |  |  |  |   |                   |            |         |  |         |           |  |  |  |  |                 |   |   |  |        |  |        |                       |  |  |  |  |         |  |  |  |
| 2  | Environmental Sustainability Fee per Sample                                     |  | \$3.50    |                | \$7.00           |            |         |                     |  |          |            |                  |  |                |                           |  |  |  |   |                   |            |         |  |         |           |  |  |  |  |                 |   |   |  |        |  |        |                       |  |  |  |  |         |  |  |  |
| Total Current Charges  |   |  |           |                | \$92.50          |            |         |                     |  |          |            |                  |  |                |                           |  |  |  |   |                   |            |         |  |         |           |  |  |  |  |                 |   |   |  |        |  |        |                       |  |  |  |  |         |  |  |  |

*Invoice for the former manager's personal business sampling at a private business, paid for by the town*

**INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES**

Our investigation revealed deficiencies in internal control and compliance, some of which contributed to the investigative findings outlined above. These deficiencies included:

**Deficiency 1: Town officials failed to adequately review supporting documentation for disbursements**

Town officials failed to adequately review supporting documentation for disbursements. Reviewing documentation allows officials to verify that transactions are for legitimate and appropriate purposes. Failure to adequately review invoices and supporting documentation increases the risk that errors or misappropriations could occur without prompt detection.

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