



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

December 2, 2019

MEMORANDUM

TO: Honorable Justin P. Wilson
Comptroller of the Treasury

A handwritten signature in black ink, appearing to read "James R. Arnette".

FROM: James R. Arnette, Director
Division of Local Government Audit

SUBJECT: Report of Cash Shortages, Thefts and Judicial Actions in County
Offices/Departments as Reported in the Annual Financial Reports for the Year
Ended June 30, 2018, and Certain Special Reports

The Division of Local Government Audit has prepared the enclosed schedule of cash shortages and thefts; and explanations of cash shortages, thefts, and judicial actions reported in the annual financial reports for the year ended June 30, 2018, and certain special reports for Tennessee's 90 county governments and related entities audited by our division and for five counties and related entities audited by CPA firms.

If you have any questions, please let me know.

Enclosures

This report is available at www.comptroller.tn.gov

**REPORT OF CASH SHORTAGES, THEFTS AND JUDICIAL ACTIONS
IN COUNTY OFFICES/DEPARTMENTS AS REPORTED IN THE ANNUAL FINANCIAL
REPORTS FOR THE YEAR ENDED JUNE 30, 2018, AND CERTAIN SPECIAL REPORTS**

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Exhibit A

Division of Local Government Audit
Schedule of Cash Shortages and Thefts in County Offices/Departments as Reported in the
Annual Financial Reports for the Year Ended June 30, 2018, and Certain Special Reports

<u>Shortages Reported by the</u> <u>Comptroller's Office</u>	Fiscal Year First Reported	Original Amount of Shortage	Beginning Report Cash Shortage	Increase in Shortage	Reduction of Shortage	Ending Report Cash Shortage	(1) Last Day of Fieldwork
County/Office or Department							
<u>Benton</u>							
1. Animal Control Shelter	2014-15	\$ 3,600	\$ 3,600	\$ 0	\$ 0	3,600	11/8/18
<u>Bradley</u>							
2. Office of County Mayor	2015-16	15,818	15,818	0	0	15,818	11/28/18
<u>Carter</u>							
3. Elizabethton-Carter County Animal Control	2016-17	9,516	9,516	0	0	9,516	1/25/19
4. Solid Waste/Sanitation Fund - Landfill	2017-18	119	0	119	(119)	0	1/25/19
<u>Cocke</u>							
5. Office of Clerk and Master	1996-97	101,821	31,599	0	(2,580)	29,019	1/30/19
<u>Crockett</u>							
6. Office of Director of Schools	2014-15	30,000	20,000	0	0	20,000	10/15/18
<u>Cumberland</u>							
7. Veteran's Service Office	2012-13	134,244	24,545	0	(24,545)	0	2/15/19
<u>Decatur</u>							
8. Offices of County Mayor and Sheriff	2016-17	54,262	54,262	0	0	54,262	1/8/19
<u>Dickson</u>							
9. Office of Sheriff	2017-18	2,000	0	2,000	0	2,000	2/28/19
<u>Fayette</u>							
10. Office of Director of Schools	2009-10	177,629	6,474	0	(300)	6,174	1/24/19

Continued

Exhibit A

Division of Local Government Audit
Schedule of Cash Shortages and Thefts in County Offices/Departments as Reported in the
Annual Financial Reports for the Year Ended June 30, 2018, and Certain Special Reports

<u>Shortages Reported by the</u> <u>Comptroller's Office</u>	Fiscal Year First Reported	Original Amount of Shortage	Beginning Report Cash Shortage	Increase in Shortage	Reduction of Shortage	Ending Report Cash Shortage	(1) Last Day of Fieldwork
County/Office or Department							
<u>Fentress</u>							
11. County Library	2012-13	\$ 40,945	\$ 12,084	\$ 0	\$ (2,400)	9,684	12/20/18
<u>Gibson</u>							
12. Office of Sheriff	2015-16	109,429	82,204	0	(6,027)	76,177	9/6/18
<u>Hardeman</u>							
13. Solid Waste Department	2014-15	3,062	1,949	0	(50)	1,899	11/15/18
<u>Hawkins</u>							
14. Office of Director of Schools	2017-18	64,800	0	64,800	0	64,800	2/14/19
<u>Henderson</u>							
15. Finance Department	2016-17	14,419	1,668	0	0	1,668	2/6/19
16. Office of Assessor of Property	2016-17	1,987	1,987	0	(1,987)	0	2/6/19
<u>Hickman</u>							
17. Office of Circuit and General Sessions Courts Clerk	2014-15	1,106	486	0	0	486	10/25/18
<u>Humphreys</u>							
18. Volunteer Fire Department - District 2	2016-17	48,084	48,084	0	0	48,084	10/24/18
<u>Lake</u>							
19. Office of County Mayor	2009-10	202,344	21,244	0	(2,000)	19,244	11/30/18
<u>Lauderdale</u>							
20. Office of Director of Schools	2015-16	42,644	40,874	0	(9,488)	31,386	2/21/19

Continued

Exhibit A

Division of Local Government Audit
Schedule of Cash Shortages and Thefts in County Offices/Departments as Reported in the
Annual Financial Reports for the Year Ended June 30, 2018, and Certain Special Reports

<u>Shortages Reported by the</u> <u>Comptroller's Office</u>	Fiscal Year First Reported	Original Amount of Shortage	Beginning Report Cash Shortage	Increase in Shortage	Reduction of Shortage	Ending Report Cash Shortage	(1) Last Day of Fieldwork
County/Office or Department							
<u>Madison</u>							
21. Office of County Clerk	2013-14	\$ 23,178	\$ 1,353	\$ 0	\$ (653)	700	11/1/18
22. Finance Office	2017-18	8,281	0	8,281	(2,876)	5,405	11/1/18
<u>Marion</u>							
23. Orena Humphreys Public Library	2016-17	3,680	3,680	0	0	3,680	2/9/18
24. Office of County Clerk	2017-18	7,268	0	7,268	0	7,268	11/28/18
<u>McNairy</u>							
25. Office of Circuit and General Sessions Courts Clerk	2007-08	13,528	3,390	0	0	3,390	1/22/19
26. Office of Sheriff	2011-12	9,782	6,441	0	(100)	6,341	1/22/19
<u>Morgan</u>							
27. Office of County Clerk	2009-10	54,611	6,932	0	(200)	6,732	2/21/19
<u>Overton</u>							
28. Millard Oakley Public Library	2011-12	5,999	3,150	0	(440)	2,710	2/7/19
<u>Robertson</u>							
29. Landfill Office	2017-18	4,661	0	4,661	(4,661)	0	10/18/18
<u>Rutherford</u>							
30. Office of Circuit, General Sessions and Juvenile Courts Clerk	2017-18	200	0	200	(200)	0	11/30/18
<u>Sequatchie</u>							
31. Office of Circuit and General Sessions Courts Clerk	2016-17	2,500	2,500	0	(2,500)	0	10/19/18
<u>Sumner</u>							
32. Office of Director of Schools	2011-12	18,697	5,000	0	0	5,000	3/1/19

Continued

Exhibit A

Division of Local Government Audit
Schedule of Cash Shortages and Thefts in County Offices/Departments as Reported in the
Annual Financial Reports for the Year Ended June 30, 2018, and Certain Special Reports

<u>Shortages Reported by the</u> <u>Comptroller's Office</u>	Fiscal Year First Reported	Original Amount of Shortage	Beginning Report Cash Shortage	Increase in Shortage	Reduction of Shortage	Ending Report Cash Shortage	(1) Last Day of Fieldwork
County/Office or Department							
<u>Washington</u>							
33. Office of Sheriff	1999-2000	\$ 17,863	\$ 14,648	\$ 0	\$ 0	14,648	11/30/18
<u>Wayne</u>							
34. Office of Sheriff	2015-16	7,723	1,100	0	(1,100)	0	12/18/18
<u>Weakley</u>							
35. Finance Department	2016-17	18,986	18,986	0	(18,986)	0	2/1/19
<u>Williamson</u>							
36. Recreation Department	2005-06	45,037	32,598	0	(246)	32,352	2/4/19
37. Animal Control Department	2009-10	106,446	104,281	0	(1,060)	103,221	2/4/19
38. Recreation Department	2017-18	7,615	0	7,615	(7,615)	0	2/4/19
<u>Wilson</u>							
39. Office of Trustee	2016-17	14,333	2,500	0	(2,500)	0	1/18/19
<u>Eight Judicial District</u>							
40. Drug Task Force	2015-16	\$ 21,872	\$ 11,431	\$ 0	\$ (1,600)	\$ 9,831	4/22/19
Total		\$ 1,450,089	\$ 594,384	\$ 94,944	\$ (94,233)	\$ 595,095	

Continued

Exhibit A

Division of Local Government Audit
Schedule of Cash Shortages and Thefts in County Offices/Departments as Reported in the
Annual Financial Reports for the Year Ended June 30, 2018, and Certain Special Reports

<u>Shortages Reported for Entities Audited</u> <u>by Public Accounting Firms</u>	Fiscal Year First Reported	Original Amount of Shortage	Beginning Report Cash Shortage	Increase in Shortage	Reduction of Shortage	Ending Report Cash Shortage	(1) Last Day of Fieldwork
County/Office or Department							
<u>Bedford County Emergency Communications District</u>							
1. Emergency Communications District	2012-13	\$ 46,806	\$ 46,806	\$ 0	\$ 0	\$ 46,806	N/A
<u>Coffee County Public Building Authority</u>							
2. Manchester Coffee County Convention Center	2016-17	31,097	31,097	0	0	31,097	N/A
<u>Metropolitan Government of Nashville and Davidson County</u>							
3. Mayor's Office and Police Department	2017-18	56,000	0	56,000	(56,000)	0	N/A
4. Police Department	2017-18	109,910	0	109,910	(28,941)	80,969	N/A
<u>Hamblen County - Morrison Solid Waste Disposal</u>							
5. Solid Waste Disposal	2014-15	\$ 227,792	\$ 2,500	\$ 0	\$ 0	\$ 2,500	N/A
<u>Knox</u>							
6. Office of Director of Schools - Maintenance Garage	2016-17	187,670	187,670	0	0	187,670	N/A
<u>Oneida Special School District</u>							
7. Special School District	2016-17	60,532	60,532	0	0	60,532	N/A
<u>Shelby</u>							
8. Circuit Court Clerk	2017-18	500	0	500	(500)	0	N/A
9. Board of Education - Payroll	2014-15	49,619	49,619	0	0	49,619	N/A
10. Board of Education - Payroll	2017-18	2,000	0	2,000	0	2,000	N/A
11. Board of Education - Charter School	2017-18	13,168	0	13,168	0	13,168	N/A
Total		\$ 785,094	\$ 378,224	\$ 181,578	\$ (85,441)	\$ 474,361	
Grand Total All Counties		\$ 2,235,183	\$ 972,608	\$ 276,522	\$ (179,674)	\$ 1,069,456	

Footnote:

(1) The ending report cash shortage amount as of the last day of field work.

Division of Local Government Audit
Explanations of Cash Shortages, Thefts and Judicial Actions in County
Offices/Departments as Reported in the Annual Financial Reports for the Year
Ended June 30, 2018, and Certain Special Reports

Shortages Reported by the Comptroller's Office

1. **Benton County - Animal Control Shelter**

An investigative report issued May 26, 2015, for the period July 2, 2013, through July 2, 2014, by the Comptroller's Division of Investigations, disclosed a cash shortage of at least \$3,600 existed at the Animal Shelter on July 2, 2014. Due to the poor condition of the accounting records, it could not be determined if all collections were accounted for properly; therefore, the cash shortage could be greater. A former employee pled guilty to theft on November 19, 2015, and was ordered to pay restitution of \$3,600. No restitution had been received as of November 8, 2018.

2. **Bradley County - Office of County Mayor**

In April 2016, officials in the Bradley County Mayor's Office discovered that an employee, who had been dismissed from employment in July 2013 for an unrelated incident, allegedly made payments to fictitious persons for contracted services. These payments were purportedly for the former employee's personal benefit during the period December 2012 through June 2013. While updating the county's accounting software, office employees became suspicious of some payments that had been made for umpiring ballgames for the county's Recreation Department and discovered 70 suspicious payments totaling \$15,818 for the above-noted period. These payments were made to fictitious persons whose names were very similar to the name of the former employee and her husband, payments made to individuals with different names but living at the same address, and the fact that most of the checks were deposited at the same credit union.

Bradley County officials filed a Fraud Reporting Form with the state Comptroller's Office as required by state statute, and auditors with the Division of Local Government Audit confirmed the results of the internal investigation. Also, Bradley County officials provided documentation to the local district attorney general; however, as of November 28, 2018, we are not aware that any legal actions have been taken.

3. **Carter County - Elizabethton-Carter County Animal Control**

An investigation by the Comptroller's Division of Investigations of the Elizabethton-Carter County Animal Shelter disclosed a cash shortage of \$9,516 at June 30, 2017. This investigation covered the period December 1, 2105, through June 2, 2017, and disclosed a total cash shortage of \$9,516, which consisted of certain fees totaling \$9,236 that were diverted to a citizen's organization, and donations totaling \$280 that were unaccounted for. As of January 25, 2019, officials with the animal shelter had taken no action to determine whether these funds can be recovered.

4. **Carter County – Solid Waste/Sanitation Fund - Landfill**

On June 22, 2018, the finance director filed a Fraud Reporting Form with the Comptroller of the Treasury indicating that the Carter County Landfill had a cash shortage related to collections for June 13-14, 2018. This shortage was discovered by Office of Trustee employees on June 19, 2018, when these collections were taken for deposit. During the audit, we determined that a cash shortage of \$119 occurred on June 13, 2018. It was also noted that three checks totaling \$22 were deposited with the trustee on June 19, 2019, which had no corresponding receipts/transactions noted for these checks that reduced the shortage. The shortage appears to be due to a lack of management oversight and inadequate close-out procedures. It should be noted that the shortage was repaid as of November 30, 2018.

5. **Cocke County - Office of Clerk and Master**

The audit of the Constitutional Officers – Agency Fund for the 1996-97 year reported details of a \$101,821 cash shortage in the Office of Clerk and Master. The clerk and master pled guilty to theft and conversion of office funds and was ordered to pay restitution totaling \$101,821. The clerk's surety bond company paid the office \$50,000, and the clerk has been making payments toward the restitution. The remaining restitution balance due the office totaled \$29,019.

6. **Crockett County – Office of Director of Schools**

On September 2, 2015, the Comptroller's Division of Investigations issued a special report on the School Department for the period September 1, 2002, through September 9, 2014. This report disclosed that the former director of technology falsified an invoice resulting in a cash shortage of at least \$5,923. In addition, the former employee misappropriated electronics and supplies totaling \$5,451. Also, the former director of technology admitted to receiving kickbacks from his former employer for steering business that included equipment purchases and bid projects to businesses that his former employer owned. He also admitted to falsifying bids and invoices and stealing from the School Department. The report details numerous findings, including other questionable disbursements of at least \$372,455, and is available at www.comptroller.tn.gov. The former director of technology was indicted by a grand jury on July 20, 2015, on one count of theft of property, one count of tampering with evidence, and one count of official misconduct. On April 5, 2018, the former director of technology pled guilty to one count of theft in excess of \$10,000 and was ordered to pay restitution of \$30,000. The remaining charges were dismissed. On April 5, 2018, the former director paid restitution of \$10,000, leaving an outstanding balance of \$20,000.

7. **Cumberland County - Veteran's Service Office**

The Comptroller's Division of Investigations issued an investigative report dated August 26, 2013, on the Cumberland County Veteran's Service Office (VSO), an organization to assist veterans and needy veteran families to obtain government benefits. A cash shortage of at least \$134,244 was identified in the VSO. On October 3, 2014, the defendant pled guilty to theft over \$10,000, received an eight-year

suspended sentence, and paid \$50,000 in restitution. The plea agreement reduced the theft amount by \$12,437. The remaining restitution is to be paid at \$175 per week through the Cumberland County Office of Circuit Court. As of June 30, 2018, the former veterans service officer had paid the full restitution and fines ordered by the court.

8. **Decatur County - Offices of County Mayor and Sheriff**

An investigation by the Comptroller's Division of Investigations of the Offices of County Mayor and Sheriff disclosed a cash shortage of \$54,262 at June 30, 2017. During the period August 2014 through October 2014, several former employees of the Offices of County Mayor and Sheriff received improper payments for compensatory, vacation, and holiday time without adequate documentation and in violation of Decatur County's personnel policy, and the former county mayor received payments in-lieu-of accepting the county's health insurance benefits. These irregularities resulted in a cash shortage of at least \$54,262. On September 19, 2017, the Decatur County Grand Jury returned indictments on former County Mayor Michael Smith and several of his former employees on numerous charges including theft of property, criminal responsibility for conduct of another, and forgery. The cash shortage totaled \$54,262, which included the General (\$50,849) and Solid Waste/Sanitation (\$3,413) funds.

9. **Dickson County - Office of Sheriff**

The Sheriff's Office collects various payments and fees, including child support payments. On June 13, 2017, the Sheriff's Office was contacted by a child support attorney with the Twenty-third Judicial District inquiring why a \$2,000 child support payment that was made by an inmate at the jail had never been submitted to the State of Tennessee. Upon investigation, department personnel determined \$2,000 in cash was receipted in the jail on May 9, 2016. The cash was signed out to be delivered to the sheriff's administrative office for deposit into the bank; however, the payment was never received by the administrative office. On July 21, 2017, a \$2,000 check was issued from the county's General Fund to replace the \$2,000 child support payment of the former inmate. As of February 28, 2019, the \$2,000 shortage had not been recovered, nor had any criminal charges been filed.

10. **Fayette County - Office of Director of Schools**

On April 27, 2010, a special report was issued on the Fayette County School Food Service Department for the period July 1, 2007, through December 15, 2009. This report disclosed that the food service supervisor circumvented purchasing procedures resulting in a cash shortage of \$142,433. In addition, the food service supervisor altered time sheets of a part-time cafeteria worker, resulting in a cash shortage of \$35,196. In May 2010, the School Department's insurance carrier paid the department \$149,500. Three individuals entered into plea agreements. The restitution outstanding totals \$6,174.

11. Fentress County - Library

On January 28, 2014, the Comptroller's Division of Investigations issued an investigative report of selected records of the Fentress County Library. The investigation focused primarily on the period January 1, 2010, through May 31, 2013. The investigation revealed that the Fentress County Library Director misappropriated library funds totaling at least \$40,217 and historical society funds collected by library employees totaling at least \$728. The director used several schemes to divert the funds for personal use. Investigators determined that the director had deposited \$7,000 of personal funds into the library account reducing the outstanding balance of misappropriated funds owed to the county of \$33,217. In January 2014, the Fentress County Grand Jury indicted the former director on multiple counts of theft, forgery, and one count of official misconduct. On September 25, 2014, the former director pled guilty, received ten years' probation, ordered to pay restitution of \$25,345, and was allowed to pay \$200 per month beginning October 2014 toward the restitution. The restitution outstanding totals \$9,684.

12. Gibson County – Office of Sheriff

On December 1, 2015, an investigative report by the Comptroller's Division of Investigations revealed that for the period July 1, 2013, through October 16, 2014, the Sheriff's Department had a cash shortage of at least \$109,429 as a result of numerous irregularities. On November 30, 2015, the Gibson County Grand Jury returned indictments on former Sheriff Chuck Arnold and several of his former employees on numerous charges including official misconduct, theft, and forgery. Three employees subsequently pled guilty to various charges and were ordered to pay restitution totaling \$6,859. On October 21, 2016, the former sheriff and several former employees were ordered to pay restitution totaling \$62,395. County officials continue to pursue collection of the remaining shortage. The cash shortage outstanding was \$76,177.

13. Hardeman County - Solid Waste Department

The Comptroller's Division of Investigations issued an investigative report dated February 4, 2015, on the Hardeman County Solid Waste Department, which revealed a cash shortage of at least \$3,062 at September 9, 2014, which resulted from a department employee failing to make deposits of collections. The former employee was indicted by a grand jury on May 4, 2015, pled guilty to theft between \$1,000 and \$10,000 on January 7, 2016, and was ordered to pay restitution of \$3,070 and a \$500 fine. The outstanding cash shortage totals \$1,899.

14. Hawkins County – Office of Director of Schools

A cash shortage of \$64,800 existed in the Office of Director of Schools at June 30, 2018. This cash shortage resulted from an investigation by the Comptroller's Division of Investigations into the operation of the Rogersville Water Department. As a result of that investigation, it was determined that the director of the Rogersville Water Department had contracted with the Hawkins County Board of Education to perform wastewater treatment system testing as a contract certified operator. The Division of Investigations report dated August 22, 2018, revealed that during the period of April

8, 2011, through December 12, 2017, the contracted certified operator fraudulently claimed and received \$64,800 in fees from the Hawkins County Board of Education. As part of the contract agreement the contract certified operator was to complete Discharge Monitoring Reports (DMRs) documenting the results of the tests and provide them to the School Department for filing with the Tennessee Department of Environment and Conversation. The contract certified operator signed and filed the DMRs; however, no proof could be established that any of the required testing had been performed.

On August 20, 2018, the Hawkins County Grand Jury indicted the former contract certified operator on one count of theft over \$60,000, one county of forgery over \$60,000, and fifty-five counts of violation of the Water Pollution Control Act. Hawkins County School Department officials provided documentation to the local district attorney general's office requesting that the contracted certified operator be ordered by the court to pay restitution of \$64,800.

15. Henderson County – Finance Department

The audit of Henderson County 2016-17 year reported a cash shortage of \$14,419. A joint investigation by the Tennessee Bureau of Investigation, the Comptroller's Division of Investigations, and the Division of Local Government Audit disclosed that the former deputy finance director paid herself unauthorized salary payments of \$14,419. On March 15, 2017, the deputy finance director reimbursed the county \$12,751, leaving an outstanding balance of \$1,668. On June 1, 2017, this matter was presented to the Henderson County Grand Jury, and a no-true bill was returned. The county attorney has made attempts to collect the remaining unpaid balance of \$1,668; however, the amount remains unpaid.

16. Henderson County – Office of Assessor of Property

The Comptroller's Division of Investigations issued an investigative report dated January 11, 2018, on the Henderson County Office of Assessor of Property, which revealed a cash shortage of at least \$1,987 on May 6, 2016. This shortage resulted from a field appraiser in the assessor's office being absent from work 22 days. No vacation and/or sick leave was claimed by the field appraiser while receiving payroll payments from the county. The assessor falsified 16 timesheets by approving time that the field appraiser did not work. The assessor then submitted the timesheets to the county's finance department for payment. The assessor liquidated the shortage during the 2017-18 year.

17. Hickman County – Office of Circuit and General Sessions Courts Clerk

The audit of Hickman County for the 2014-15 year reported a cash shortage of at least \$1,106 in the Office of Circuit and General Sessions Courts Clerk. We noted outstanding deposits listed from four-to six-months old that had never been deposited to the bank. We expanded our procedures to review all deposits for the year and found other deposits that were made for less than the recorded amount. These discrepancies resulted in the cash shortage of \$1,106 (\$856 in General Sessions Court and \$250 in Circuit Court). During the year ended June 30, 2016, an envelope containing \$600

was found in the office safe and an office employee paid \$20 toward the shortage reducing the outstanding balance to \$486.

18. Humphreys County – Volunteer Fire Department - District 2

The Comptroller’s Division of Investigations issued an investigative report dated December 6, 2017, on the Humphreys County Volunteer Fire Department – District 2, which revealed a cash shortage of at least \$48,084. This shortage resulted from:

- A. The fire chief improperly disbursed \$47,692 from two bank accounts for personal use. An examination of these disbursements revealed the funds were used to pay for his home satellite system (\$6,106); personal monthly credit card billings for five credit cards (\$19,137); payments for Apple iTunes purchases (\$1,559); and other personal items (\$20,890). Other personal items included bank debit card charges and checks issued for purchases at Walmart, convenience stores, Amazon.com (online purchases), grocery stores, auto parts stores, fuel outlets, hardware stores, NRA membership, magazine subscriptions, multiple restaurants, clothing purchases, etc.
- B. The fire chief installed county purchased auto parts on his personal vehicles on five different occasions. These auto parts cost the county \$392.

Former fire chief Michael J. Simpson was indicted by the Humphreys County Grand Jury on December 4, 2017, and was charged with Class B Felony theft. As of October 24, 2018, this case has not been to trial and no restitution has been made.

19. Lake County - Office of County Mayor

The audit of Lake County for the 2009-10 year reported irregularities in the Lake County Mayor’s Office. Our investigation revealed that from October 18, 2005, through July 26, 2010, the county mayor’s bookkeeper issued 191 vendor checks totaling \$202,344 from the county’s General Fund for personal use. The bookkeeper pled guilty and was ordered to pay \$53,344 in restitution. The county’s insurance company paid the county \$149,000, Regions Bank paid the county \$17,500 to settle a civil lawsuit, and the bookkeeper has paid \$16,600 restitution, leaving an outstanding balance of \$19,244 due the county.

20. Lauderdale County - Office of Director of Schools

On June 26, 2017, an investigative report was issued by the Comptroller’s Division of Local Government Audit on the Lauderdale County Director of School’s Office. This report disclosed that two former employees continued to receive compensation after their employment was terminated. Devlyn Green, an educational assistant, received additional compensation and benefits of \$37,844 and Milton Waller, a bus driver, received additional salary and benefits of \$4,800 resulting in a total cash shortage of \$42,644. On June 5, 2017, the Lauderdale County Grand Jury returned indictments against Devlyn Green for the Class C Felony offense of theft over \$10,000 and against Milton Waller for the Class D Felony offense of theft over \$2,500. On June 28, 2017, Ms. Green pled guilty to theft over \$10,000, and was ordered to pay restitution of \$33,510. On September 22, 2017, Mr. Waller pled guilty to an amended charge of theft

under \$1,000 and was ordered to pay restitution of \$4,459. During the 2016-17 year, retirement contributions made by the School Department on behalf of Ms. Green in the amount of \$1,770 were refunded by the Tennessee Consolidated Retirement System. A cash shortage of \$31,386 remains.

21. Madison County - Office of County Clerk

The audit of Madison County for the 2013-14 year reported a cash shortage of \$23,178 in the Office of County Clerk due to the theft of cash and checks from an office safe in December 2014. On January 6, 2015, an office employee admitted to Sheriff's Department investigators that she stole the funds and burned the checks. The former employee plead guilty to the theft on July 14, 2015, and was ordered to pay restitution totaling \$700. No restitution has been paid as of the date of this report. The actual missing checks (\$19,472) that were stolen have not been located; however, the county clerk recovered some of these checks by contacting individual payors and having them reissue their checks to the county. As of June 30, 2016, \$18,820 had been received from the collection of individuals providing replacement checks. In addition, the missing cash of \$3,705 was seized by the Sheriff's Department during the arrest of the former employee. This cash was returned to the County Clerk's Office after the case was settled in September 2015. The County Commission wrote off the cash shortage balance of \$653 during the 2017-18 year leaving only the restitution balance totaling \$700 outstanding.

22. Madison County - Finance Office

The Comptroller's Division of Investigations issued an investigative report dated July 5, 2018, on the Madison County Finance Office which revealed a cash shortage of \$8,281. This shortage resulted from:

- A. The accounts payable clerk in the finance department collaborated with the county facilities maintenance supervisor to receive county funds through an unauthorized landscaping project. The clerk falsified two invoices for the project by creating an unauthorized vendor using a friend's name on the invoices. The clerk then prepared and disbursed two county checks totaling \$6,075 (\$2,875 and \$3,200) made payable to her friend. The two then cashed the checks at a local bank. The clerk paid the county facilities maintenance supervisor two cash payments totaling \$1,800 for allowing the clerk to receive the unauthorized funds out of the county's maintenance department budget. The clerk retained the balance of the funds totaling \$4,275 (\$6,075 minus \$1,800). The accounts payable clerk's employment was terminated on September 25, 2017. The county facilities maintenance supervisor acknowledged his involvement in the scheme and refunded the county \$1,800 from personal funds on December 13, 2017, the date of his resignation.
- B. The accounts payable clerk made 12 unauthorized charges to the county's procurement card (credit card) to pay her personal cable bill totaling \$2,206. Our investigation determined that she periodically reimbursed the county procurement card provider \$1,076 with personal money orders. The clerk has an outstanding credit card balance of \$1,130 due to the county for these charges. She

was able to conceal these improper transactions by removing the charges from the monthly procurement card statements that were distributed to department heads.

Cash Shortage Summary

Unauthorized Landscape Project	\$	6,075
Payments for Personal Cable Bill		<u>2,206</u>
Total Cash Shortage	\$	<u>8,281</u>
Less: Repayment by Maintenance Supervisor	\$	(1,800)
Less: Repayment by Clerk		<u>(1,076)</u>
Total Repayments	\$	<u>(2,876)</u>
Total Remaining Shortage	\$	<u><u>5,405</u></u>

This matter was referred to the local district attorney general. On July 2, 2018, Donna Williams, the former accounts payable clerk, and Eric Skinner, the former county facilities maintenance supervisor, were each indicted for Theft over \$1,000 and Official Misconduct by the Madison County Grand Jury.

23. **Marion County – Orena Humphreys Public Library**

The Comptroller’s Division of Investigations issued an investigative report dated February 9, 2018, on the Orena Humphreys Public Library (OHPL) which revealed a cash shortage of at least \$3,680 on June 30, 2017. This amount could be greater due to a lack of complete and accurate accounting records for donations; therefore, investigators could not determine if the OHPL properly accounted for all funds donated by individuals or organizations.

The table below summarizes the components of the cash shortage:

City of Whitwell Reimbursement	\$	1,115
Marion County Library Board Reimbursement		140
Donations		1,125
Food Purchases		1,407
Cigarette Purchases		<u>22</u>
Subtotal	\$	<u>3,809</u>
LESS: Documentation to Support Cash Purchases		(128)
Total	\$	<u><u>3,680</u></u>

24. **Marion County - Office of County Clerk**

The county clerk received a salary overpayment which resulted in a cash shortage of \$7,268 at June 30, 2018. In Marion County, the county clerk serves as the clerk of the Juvenile Court. Section 8-24-102(j)(2), *Tennessee Code Annotated*, allows additional compensation of ten percent of a clerk’s base salary for a clerk of court who serves more than one court, and the clerk calculated and included this additional

compensation (\$7,268) in his annual salary. However, the county clerk only serves one court and is not eligible for the additional compensation. This deficiency appears to be due to a misunderstanding or misapplication of the statute and resulted in the overpayment to the clerk totaling \$7,268. The county clerk had his current salary adjusted to repay the shortage over a period of nine months.

25. McNairy County - Office of Circuit and General Sessions Courts Clerk

The audit of McNairy County for the 2007-08 year reported a cash shortage of \$13,528 in the Office of Circuit Court Clerk. A former office employee admitted taking the funds and has restored the \$13,528 in missing funds to the office. On June 20, 2008, the former employee pled guilty in Circuit Court to official misconduct, was sentenced to two years in state prison, and immediately granted probation. In addition, she was ordered to pay \$4,405 for restitution to the county for audit expenses. The former employee has unpaid audit expense restitution of \$3,390.

26. McNairy County - Office of Sheriff

The audit of McNairy County for the 2011-12 year reported a cash shortage of \$9,782 in the Office of Sheriff commissary operation. This cash shortage consisted of \$8,537 from a kiosk machine identified by the TBI and an additional cash shortage of \$1,245 in the commissary operation, which remained undetected by the Sheriff's Office until discovered by our audit. We were unable to determine the exact amount of the cash shortage as of June 30, 2012, because of inadequate records. Due to these deficiencies, there could be other collections that have not been accounted for properly and have not yet been detected. The defendant was found guilty on February 3, 2014, and was ordered to pay restitution of \$8,600 plus court costs of \$2,371 for a total of \$10,971. An unpaid balance of \$6,341 remains.

27. Morgan County - Office of County Clerk

A special report dated February 10, 2011, for the period July 1, 2009, through December 22, 2010, reported a cash shortage of \$54,611 on December 14, 2010. The state Comptroller's Office conducted a special investigation with the assistance of the Tennessee Bureau of Investigation resulting in the above-noted cash shortage. Subsequently, the former county clerk liquidated the cash shortage. However, the clerk was also ordered by the Criminal Court of Morgan County to repay \$11,562 to Morgan County for a portion of the extended audit costs associated with the cash shortage. The unpaid balance of the audit costs totals \$6,732 as of February 21, 2019.

28. Overton County - Millard Oakley Public Library

A special audit report dated June 4, 2012, for the period July 1, 2008, through March 26, 2012, reported a cash shortage of \$5,999 at March 2, 2012. This cash shortage included disbursements from the library's checking account for personal expenses of the deputy director totaling \$2,289. In addition to the personal expenses, the deputy director also collected cash and checks on behalf of a nonprofit organization, Friends of the Library; however, instead of turning the collections over to the Friends of the Library, the deputy director deposited these funds into the library's checking account in an apparent attempt to balance the library's books by replacing the cash taken from

the library with the nonprofit's funds. This substitution scheme totaled \$3,710. On February 18, 2014, the defendant pled guilty to theft of property over \$1,000 and received a three-year sentence suspended to three years of supervised probation and 100 hours community service, as well as being ordered to pay restitution of \$3,710. An unpaid balance of \$2,710 remains.

29. Robertson County – Landfill Office

On July 17, 2017, the Robertson County Landfill discovered a theft of funds from the office safe totaling \$4,661. An insurance claim was made, resulting in \$2,161 being recovered (total theft less deductible of \$2,500). The investigation by the Robertson County Sheriff's Department has not revealed any suspects and the insurance deductible of \$2,500 has been written off.

30. Rutherford County – Office of Circuit, General Sessions and Juvenile Courts Clerk

A cash shortage of \$200 existed in the Office of Circuit, General Sessions, and Juvenile Courts Clerk at June 30, 2018. This cash shortage resulted from missing cash collections of \$100 from Juvenile Court on July 12, 2017, and missing cash collections of \$100 from Circuit Court on July 18, 2017. The Circuit, General Sessions, and Juvenile Courts Clerk liquidated the shortage subsequent to June 30, 2018, by depositing personal funds.

31. Sequatchie County - Office of Circuit and General Sessions Courts Clerk

The audit of Sequatchie County for the 2016-17 year reported a cash shortage of \$2,500. On January 27, 2017, an employee of the office was preparing a deposit and noticed that \$420 was missing. These funds were determined to be part of the prior day's collections that had been placed in the office safe awaiting deposit. The clerk immediately notified the Sheriff's Department and contacted representatives with the Comptroller's Office. On January 29, 2017, the clerk liquidated the shortage from personal funds, and on February 1, 2017, submitted a fraud reporting form to the Comptroller's Office. The Sheriff's Department contacted the District Attorney General's Office and was instructed to perform the investigation.

On June 28, 2017, a deputy clerk confessed to taking the money from the safe, and her employment was immediately terminated. The clerk notified a representative from the Comptroller's Office and was advised of several specific accounting functions that should be reviewed in light of the theft. The clerk performed an internal review of voided transaction reports and determined that \$1,984 (\$1,884 in General Sessions Court and \$100 in Circuit Court) in receipts had been voided and re-issued for lesser amounts. On July 3, 2017, the clerk filed an additional fraud reporting form with the Comptroller's Office and notified the Sheriff's Department, district attorney general, and the Tennessee Bureau of Investigation. On September 25, 2017, the Sequatchie County Grand Jury returned an indictment charging the former employee with one count of theft \$1,000 - \$2,500 and three counts of official misconduct. The former employee pled guilty on January 26, 2018, to one count of theft \$1,000 or less and four counts of official misconduct. She was also sentenced to serve four days in jail, four

years of supervised probation, and was ordered to pay restitution of \$2,500. The former employee paid \$2,500 during the 2017-18 year to liquidate the shortage.

32. Sumner County - Office of Director of Schools

The audit of Sumner County for the 2011-12 year reported a cash shortage of \$18,697 in the School Department. An investigation by the School Department's internal auditor and the local police revealed that an employee had purchased personal items with school funds. On February 15, 2013, the former employee pled guilty to one count of theft of property between \$10,000 and \$60,000. The former employee was sentenced to six years of probation and was ordered to pay restitution of \$18,697 to the Sumner County School Department. The School Department's insurance carrier paid the county \$13,697 on May 7, 2013, leaving an unrecovered shortage of \$5,000. The former employee has made no restitution.

33. Washington County - Office of Sheriff

The audit of Washington County for the 1999-2000 year reported a reported a cash shortage of \$17,863 in the Office of Sheriff. On March 14, 2000, a former bookkeeper for the office was found guilty of theft in excess of \$10,000 and ordered to pay restitution of \$17,863. The former bookkeeper has paid restitution of \$3,215 leaving an unpaid balance of \$14,648. Per court records, the former bookkeeper has not made any restitution since 2007.

34. Wayne County - Office of Sheriff

On October 3, 2016, the Comptroller's Division of Investigations issued a special report on the Wayne County Sheriff's Office (WCSO). This report disclosed that the former Chief Deputy Gerald Baer misappropriated WCSO funds totaling at least \$7,723. Mr. Baer did this through two schemes. He misappropriated at least \$3,440 from the county's confidential drug fund by taking funds for his personal use and misappropriated at least \$4,283 by using a county fuel card for his personal benefit. On September 29, 2016, Mr. Baer was indicted by the Wayne County Grand Jury on two counts of theft over \$1,000, 111 counts of forgery, and once count of official misconduct. On November 28, 2016, the county received insurance recovery of \$6,623 leaving an outstanding cash shortage balance of \$1,100. On June 27, 2017, Mr. Baer plead guilty to theft, sentenced to three years probation, and ordered to pay restitution of \$6,523 to the Sheriff's Office. During the 2017-18 year, Mr. Baer paid the outstanding cash shortage balance of \$1,100 to the county to liquidate the shortage. Any remaining restitution payments received will be paid to the county.

35. Weakley County - Finance Department

The audit of Weakley County for the 2016-17 year reported a cash shortage of \$18,986. On May 4, 2017, the director of finance filed a Fraud Reporting Form with the Comptroller's Office disclosing that a former teacher continued to receive compensation after his employment had been terminated on August 19, 2016. The former teacher continued to receive compensation through direct deposits to his personal bank account until February 15, 2017, resulting in salary overpayments of \$16,056. Also, Weakley County had paid the employer's portion of Social Security and

Exhibit B

Medicare totaling \$1,228, contributed \$1,452 to the Tennessee Consolidated Retirement System (TCRS), and contributed \$250 to Great-West Financial on behalf of the former teacher. This overpayment resulted in a cash shortage of \$18,986 in the General Purpose School Fund as of June 30, 2017. A summary of the cash shortage is listed below:

<u>Description</u>	<u>Cash Shortage</u>
Salary Overpayments	\$ 16,056
Employer's portion of Social Security and Medicare	1,228
Employer's TCRS Contributions	1,452
Employer's Great-West Financial Contributions	<u>250</u>
 Total Cash Shortage	 <u>\$ 18,986</u>

This deficiency was the result of a lack of management oversight and a failure of Finance Department personnel to follow the procedures in place when terminating the employment of an employee. It should also be noted that Finance Department staff became aware of the overpayments during February 2017, but failed to notify the director of finance. During the 2017-18 year, the county reached a settlement agreement with Mr. Curtis to repay the salary overpayment and Mr. Curtis repaid the county \$16,056 on March 27, 2018. In addition, the county received various refunds totaling \$2,386 from TCRS and the IRS. The remaining shortage balance of \$544 was written off by the county.

36. Williamson County - Recreation Department

The audit of Williamson County for the 2005-06 year reported a cash shortage of at least \$45,037 as of June 30, 2006, at the Fairview Recreational Center. This cash shortage resulted from collections that were not deposited or otherwise accounted for properly. On October 6, 2008, the defendant pled guilty and was sentenced to four years' probation and ordered to pay restitution to Williamson County. On October 7, 2008, the defendant signed a promissory note with Williamson County. The promissory note stated that the debtor shall pay the principal amount in full no later than 48 months from November 1, 2008, but was extended for an additional four years in FY 2012 and again in FY 2016. During the 2017-18 year the former employee paid \$246 to the county leaving an outstanding cash shortage of \$32,352.

37. Williamson County - Animal Control Department

A special audit report by the Comptroller's Office dated July 26, 2010, for the period May 17, 2005, through March 31, 2010, reported a cash shortage of at least \$106,446 from receipts that were not deposited with the county or otherwise accounted for properly. On November 15, 2010, an employee pled guilty to theft over \$60,000 and was sentenced to eight years' confinement, which was suspended to eight years' probation, and was ordered to pay restitution of \$106,446. During the 2017-18 year the former employee paid \$1,060 to the county leaving an outstanding cash shortage of \$103,221.

38. Williamson County – Recreation Department

On August 28, 2018, the Comptroller's Division of Investigations issued a special report on the Williamson County Parks and Recreation Department (WCPR), which disclosed a cash shortage of at least \$7,615. During the period January 2015 through August 2017, Daniel Lawson, an assistant adult sports coordinator, misappropriated WCPR funds totaling at least \$7,615 designated for the adult softball league program. Mr. Lawson perpetrated his scheme by failing to turn over for deposit some funds he collected from patrons as payment for league registration fees and out-of-county fees. In several instances, Mr. Lawson met patrons at an offsite location and collected cash, or checks naming him as the payee. Mr. Lawson did not remit these funds for deposit into a WCPR bank account. Instead, he retained the cash and the proceeds of the checks for his personal benefit. Mr. Lawson altered WCPR computer records, effectively concealing his actions. On January 14, 2019, Mr. Lawson pled guilty to one of Theft under \$1,000 and one count of official misconduct, was sentenced to supervised probation, and paid court ordered restitution of \$7,615 to liquidate the shortage.

39. Wilson County - Office of Trustee

An investigation by the state Comptroller's Division of Investigations dated July 18, 2017, resulted in the identification of a cash shortage of \$14,333 in the Office of Trustee from a former employee removing cash that had been recorded and substituting checks that had not been recorded. During the 2016-17 year, the county had recovered \$11,833 from insurance, leaving a cash shortage of \$2,500. On October 19, 2018, the former employee pled guilty to theft under \$1,000, was granted judicial diversion and was ordered to pay restitution of \$11,833 to the insurance company and \$2,500 to the county. On October 22, 2018, the former employee paid \$11,833 to the insurance company and \$2,500 to the county to liquidate the shortage.

40. Eighth Judicial District - Drug Task Force

An investigation was conducted by the Tennessee Bureau of Investigation (TBI) in March 2015. The director of the Drug Task Force was placed on leave with pay due to suspicions of tampering with evidence and misuse of cash held in the office. The director's employment was later terminated, and the TBI investigation revealed that evidence and cash were missing. At the conclusion of the investigation, the former director was charged with two felony counts of official misconduct and one felony count of theft over \$10,000. In September 2015, the former director was found guilty on all three counts and was sentenced to five years of supervised probation. He was ordered by the court to pay court costs and \$21,872 in restitution at \$400 per month. As of April 22, 2019, the former director has paid all court costs and has paid restitution of \$12,041, leaving a balance owed of \$9,831.

Shortages for Entities Audited by Public Accounting Firms**1. Bedford County - Emergency Communications District**

Questionable purchases totaling \$46,806 were made from Bedford County Emergency Communications District funds during the period July 1, 2005, through March 31, 2012. These questionable purchases were published in a Special Report on March 25, 2013, by the State of Tennessee Comptroller's Office. A former district employee pled nolo contendere and was sentenced to three years' probation beginning March 31, 2015. The former employee was also ordered to pay restitution of \$22,392, which was the amount paid by the district for the investigative audit fee. No restitution has been received; therefore, the cash shortage remains \$46,806.

2. Coffee County Public Building Authority – Manchester Coffee County Convention Center

An investigation by the state Comptroller's Division of Investigations dated March 3, 2017, resulted in the identification of a cash shortage of at least \$31,097 in the Manchester Coffee County Convention Center. This cash shortage resulted from the misappropriation of cash, withdrawals from the center's bank account for personal use, and the misuse of the center's bank account to pay personal bills by the former general manager. In December 2016, the former general manager was found guilty of one count of theft over \$10,000 and two counts of Official Conduct. As of June 30, 2018, the center had not received any restitution.

3. Metropolitan Government of Nashville and Davidson County – Mayor's Office and Police Department

During the 2017-18 year, the former mayor and a former police sergeant pled guilty to theft in excess of \$10,000 as a result of an investigation regarding these two individuals using government dollars to pay for their personal travel expenses and that excessive overtime pay was received by the police sergeant. In March 2018, the former mayor resigned her position and entered into a plea arrangement, which included a restitution payment of \$11,000. Also, in March 2018 the former sergeant retired from the Police Department and entered into a plea arrangement which included a restitution payment of \$45,000. The basis of these restitution payments was not disclosed by the District Attorney General's Office. Restitution was made by both the former mayor and the former police sergeant at the time of their plea agreements.

4. Metropolitan Government of Nashville and Davidson County – Police Department

An investigation into the activities of a Metro Narcotics Investigator by the Police Department revealed that the officer has stolen \$109,910 between November 2015 and November 2017. The officer pled guilty in June 2018 and in October 2018 was sentenced to serve up to 10 years in prison and a \$250,000 fine. In November 2018,

the former officer was ordered to pay restitution of \$80,969 with the remaining shortage to be written off by the government.

5. Hamblen County – Morristown Solid Waste Disposal

The state Comptroller's Division of Investigations released a Special Report in March 2015 on the Hamblen County – Morristown Solid Waste Disposal System. This report disclosed that the former director, Ronald Brady, misappropriated solid waste system funds totaling at least \$227,792 and used the proceeds for his personal benefit. Mr. Brady was indicted by a grand jury in March 2015. During the year ended June 30, 2015, insurance provided payments of \$225,292. The remaining \$2,500 will be sought from the former director.

6. Knox County – Office of Director of Schools/Maintenance Garage

On February 16, 2018, the state Comptroller's Division of Investigations issued a report disclosing a cash shortage of at least \$187,670 in the Knox County Schools Maintenance Garage. During the period July 2014 through November 2017, Michael James, former Knox County Schools Maintenance Garage lead mechanic, purchased vehicle parts for his personal automotive repair business totaling at least \$187,670. The former mechanic's employment was terminated by the School Department in November 2017, and he was indicted by the Knox County Grand Jury in February 2018 on one count of Theft of Property over \$60,000. At June 30, 2018, the case was still pending.

7. Oneida Special School District

On August 23, 2017, the state Comptroller's Division of Investigations issued a report disclosing a cash shortage of at least \$60,532 to the Oneida Special School District's (OSSD's) Schools Nutrition program. Former OSSD Food Service Director Verna Wright misappropriated school funds totaling at least \$60,532 by paying for personal purchases with OSSD Food Service funds. School district officials allowed the former food service director to use her personal credit cards to make purchases and pay these personal credit card balances with food service funds without providing adequate documentation to support or justify purchases. The investigation revealed that Ms. Wright made numerous purchases with OSSD funds that did not benefit the OSSD's Food Service operations or the school district in general. These purchases included eight computers, three iPads, and eight iPods, none of which she kept on school property. In addition, Ms. Wright's fraudulent purchases also included excessive quantities of certain items that were not appropriate for food service activities. For instance, she purchased more than 110 phone cases and decorations for Samsung cell phones at a cost to the school system of more than \$1,400. Most of these items were never removed from their packaging. Ms. Wright also used school system money totaling over \$2,500 to purchase more than 65 Vera Bradley designer bags. Ms. Wright purchased various electronic and entertainment items inappropriate for food service, including DVD/VCR recording devices and players, DVD movies, Dyson bladeless fans, and a Bose Wave Music System. Ms. Wright's contract of employment with Oneida Special School District was allowed to expire on June 30, 2017. These matters were referred to the local district attorney general. In August 2017, the Scott County Grand Jury indicted Verna Wright on one count of Theft of Property over

\$60,000 and one count of Official Misconduct. As of June 30, 2018, the case was still awaiting trial and the cash shortage of \$60,532 remains outstanding.

8. Shelby County – Office of Circuit Court Clerk

At the end of the business day on April 18, 2018, the daily collections were placed into the office safe per office procedures. The next morning it was discovered that \$500 had been stolen from the cash collections. The Shelby County Sheriff's Department was notified and the safe was dusted for fingerprints. In addition, the security videos were reviewed with no unusual activity noted. It should be noted, that only the hallways of the first and second floors were filmed and that no video surveillance of the interior of the office was available. Since the theft, the clerk's office is in the process of installing cameras in the interior of all offices that accept and process cash. The office has written off the shortage since no suspect has been identified.

9. Shelby County Board of Education - Payroll

On two separate occasions in July 2014 and September 2014, the employee portal related to payroll was compromised, which led to \$49,619 of employee compensation being diverted to several prepaid cards. A police report was filed after each incident. The Information Technology Department, along with the software vendor, and other personnel of the Board, have taken steps to improve system security and prevent a recurrence of the compromise. As of June 30, 2018, no suspects have been identified.

10. Shelby County Board of Education - Payroll

On June 12, 2018, an employee notified the Chief of Staff Office that they had not received their \$2,000 teacher stipend. After researching, the Payroll Department determined that a change to the teacher direct deposit information was faxed to the payroll office. The teacher reviewed this request and advised that she did not make the request.

11. Shelby County Board of Education – Charter School

On May 22, 2018, the Shelby County Board of Education received notice from the Tennessee Department of Treasury that Legacy Leadership, a charter school, had not submitted their required Tennessee Consolidated Retirement System (TCRS) monthly reports and contribution payments for the months of November 2017, February 2018, March 2018, and April 2018. The amount of contributions not submitted was determined to be \$13,168 plus lost earnings. In addition, it was discovered that Leadership Academy had not submitted their May 2018 payment to TCRS. The board contacted Leadership Academy on June 15, 2018, and was advised by the charter school that they had established a payment plan with TCRS for the outstanding debt.