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# STATE OF TENNESSEE

**REPORT ON THE  
HALETOWN VOLUNTEER FIRE  
DEPARTMENT**

**FOR THE PERIOD JANUARY 1, 2005  
THROUGH APRIL 12, 2010**



**Division of County Audit**



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**REPORT ON THE  
HALETOWN VOLUNTEER FIRE DEPARTMENT  
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October 20, 2010

To the Marion County Mayor,  
Board of County Commissioners, and  
Haletown Volunteer Fire Department Chief  
Marion County, Tennessee

On April 6, 2010, the district attorney general for the Twelfth Judicial District requested that we assist the Tennessee Bureau of Investigation (TBI) in conducting an investigation into the fiscal management of the Haletown Volunteer Fire Department (HVFD). The district attorney general had concerns that certain funds donated by Marion County to the HVFD had been diverted by the fire department's secretary/treasurer, Mr. B.J. Henegar, for his personal use. As a result of our investigation, we determined a cash shortage of at least \$94,823.91 existed in the HVFD. This cash shortage resulted from checks written on HVFD bank accounts to pay personal expenses of Mr. Henegar (\$92,620.25), together with \$2,203.66 cash withheld from bank deposits of private donations and a county contribution. Mr. Henegar remitted personal funds totaling \$7,800 to the HVFD, leaving a cash shortage balance of \$87,023.91 at April 12, 2010.

We reviewed the finding resulting from this investigation with Mr. Henegar, the county mayor, the current fire chief of the Haletown Volunteer Fire Department, and the district attorney general. This finding, together with our recommendation and management's response, is presented in this report.

Sincerely,

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

Jim Arnette, Director  
Division of County Audit

cc: Honorable J. Michael Taylor, District Attorney General  
Carl Lowe, Mid-East Audit Manager

# **REPORT ON THE HALETOWN VOLUNTEER FIRE DEPARTMENT**

For the Period January 1, 2005 through April 12, 2010

On April 6, 2010, the district attorney general for the Twelfth Judicial District requested that we assist the Tennessee Bureau of Investigation (TBI) in conducting an investigation into the fiscal management of the Haletown Volunteer Fire Department (HVFD). The district attorney general had concerns that certain funds donated by Marion County to the HVFD had been diverted by the fire department's secretary/treasurer, Mr. B.J. Henegar, for his personal use. The finding and recommendation, as a result of our investigation, is presented below. We reviewed this finding and recommendation with the county mayor and Mr. Henegar to provide an opportunity for their response. We also reviewed this finding and recommendation with the current fire chief of the HVFD and the district attorney general. The written response of Marion County Mayor David Kirk is paraphrased in this report.

## **BACKGROUND**

We issued a special investigative report on the Marion County Election Office (MCEO) dated August 25, 2010 (see a separate report for details concerning the special investigation of the MCEO at [www.tn.gov/comptroller](http://www.tn.gov/comptroller)), and during that investigation we noted five warrants issued by the MCEO that had been endorsed and deposited into the bank account of the HVFD. The former MCEO administrator's husband is Mr. Henegar, the secretary/treasurer for the HVFD. As a result of our questions about these five warrants deposited to the HVFD and a request by the Twelfth Judicial District Attorney General, an investigation was conducted of the HVFD.

The scope of our investigation was to determine whether funds donated by Marion County and citizens to the HVFD had been diverted by Mr. Henegar for his personal use. Section 5-9-101(23), Tennessee Code Annotated, authorizes county legislative bodies to appropriate funds to nonprofit volunteer fire departments. Marion County annually appropriates funds to the county's volunteer fire departments based on households served. The HVFD is the largest volunteer fire department in Marion County and receives the largest annual contribution. We reviewed all disbursements from HVFD bank accounts for the period January 1, 2005 through April 12, 2010, examined personal bank records of Mr. Henegar, and conducted interviews.

**FINDING 10.01      A CASH SHORTAGE OF AT LEAST \$94,823.91 EXISTED IN THE HALETOWN VOLUNTEER FIRE DEPARTMENT  
(Internal Control – Material Weakness Under Government Auditing Standards)**

A cash shortage of at least \$94,823.91 existed in the Haletown Volunteer Fire Department (HVFD). This cash shortage resulted from checks written on HVFD bank accounts to pay personal expenses of Mr. B.J. Henegar, the secretary/treasurer (\$92,620.25), together with \$2,203.66 cash withheld from bank deposits of private donations and a county contribution.

Mr. Henegar remitted personal funds totaling \$7,800 to the HVFD, leaving a cash shortage balance of \$87,023.91 at April 12, 2010.

On September 15, 2010, our office and the TBI interviewed Mr. Henegar. During that interview, he advised us that he had borrowed funds from the HVFD. He stated that he had some records of the payments made for personal use, had lost a lot of the records that had been on the computer, but had no idea how much he had borrowed.

Based on our investigative work, admissions made by Mr. Henegar, and our interview with the current fire chief, we concluded the following:

- A. Mr. Henegar maintained three bank accounts in the name of the HVFD (Citizens Tri-County Bank, First Volunteer Bank, Franklin County United Bank). All three bank accounts had the names of Mr. Henegar and his wife (the former Marion County administrator of elections) listed as being authorized users. Mr. Henegar advised us that no one other than himself, his wife, and the former fire chief's wife knew about the bank account maintained at First Volunteer Bank, which was funded by donations and transfers from the HVFD's primary bank account at Citizens Tri-County Bank. None of these bank accounts required two signatures on checks issued on the accounts. Only the signature of Mr. Henegar was required.
- B. Mr. Henegar issued several checks payable to the bank for cash purportedly to pay the volunteer firemen in cash instead of issuing each fireman a check. We could not determine whether all of this cash was disbursed to the firemen.
- C. Mr. Henegar issued checks from each of the HVFD accounts to pay \$92,620.25 of personal expenses such as credit cards, utilities, computer equipment, food purchases, and cellular phone services. Included in the \$92,620.25 were payments his wife purportedly for radio repairs (\$14,039.55) and to a bank to make a loan payment (\$259.10) for his son. Exhibit A lists each individual check that was misappropriated, summarizes the checks by vendor and bank, and what percentage of all the checks paid by the banks that were misappropriated.
- D. In at least four instances, Mr. Henegar improperly received cash back from bank deposits made from private donations and Marion County's annual contribution. This amount has been included in the cash shortage.

Deposit Date	Bank	Cash Back From Deposit
12-27-2006	First Volunteer Bank	\$ 43.66
3-11-2009	Citizens Tri-County Bank	200.00
8-3-2009	Citizens Tri-County Bank *	1,900.00
1-28-2010	Citizens Tri-County Bank	60.00
Total		<u>\$ 2,203.66</u>

\* This \$1,900 was cash received back from the deposit of Marion County's annual contribution totaling \$35,179.84.

- E. Donations were solicited annually for the HVFD by Mr. Henegar and his wife; however, no records of the donations appear to have been maintained. Therefore, we could not determine if all funds donated by individuals were properly remitted to the HVFD.
- F. On at least two occasions the HVFD borrowed funds from two volunteer fire department members. The fire department subsequently issued checks to repay these individuals. These loans were obtained during the same time period funds appear to have been misappropriated by Mr. Henegar.
- G. There were 59 checks totaling \$19,134.48 issued by the HVFD purportedly for various department expenses; however, there is insufficient documentation to determine the legitimacy of these disbursements. Included in the 59 checks were 28 checks totaling \$3,147.12 issued to Charter Communications for cable television services that Mr. Henegar admitted to us included both his personal service and the HVFD service; however, we did not have documentation to separate the expenses. Since we were unable to determine the legitimacy of these 59 payments, we have not included these payments (\$19,134.48) as part of the cash shortage.
- H. Duties were not segregated in the fiscal management of the HVFD. Mr. Henegar had total control over receipts and disbursements with no review from other parties. This lack of segregation of duties is the result of a lack of management oversight and poor management decisions by those parties over the volunteer fire department operations and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

It should be noted that in April 2010, Mr. Henegar resigned his position and advised the county mayor and the current fire chief that he had borrowed roughly \$12,000 from the fire department. As of April 12, 2010, Mr. Henegar has remitted \$7,800 to the HVFD. On

October 4, 2010, Mr. Billy Joe Henegar was indicted by the Marion County grand jury on theft over \$60,000.

RECOMMENDATION

Management of the Hometown Volunteer Fire Department should ensure that the remaining cash shortage of \$87,023.91 is liquidated. The HVFD should strengthen internal controls by maintaining only one bank account, requiring at least two signatures on all checks, disbursing all funds by check, and issuing checks only for official department expenses. Also, cash should not be withheld from bank deposits, detailed records of all donations and expenditures should be maintained, and funds should not be borrowed from its volunteer members. Management should review the 59 checks in question and determine the legitimacy of these disbursements. Management should segregate duties to the extent possible using available resources.

WRITTEN RESPONSE – MARION COUNTY MAYOR DAVID KIRK

Proper procedures will be taken to prevent this from recurring. I am requesting copied bank statements beginning July 1 through June 30 each year before a contribution will be made by the county to the HVFD.

Haletown Volunteer Fire Department  
Schedule of Checks Misappropriated  
For the Period January 1, 2005 through April 12, 2010

Exhibit A

Date	Payee	Bank	Check Number	Amount
1/25/2005	FSNB	FVB	1	\$ 419.46
1/27/2005	Verizon	FVB	1	117.75
2/1/2005	Holly's Radio Shop	FVB	305	150.00
2/4/2005	Dell Financial	FVB	301	100.00
2/7/2005	Capital One	FVB	306	268.64
2/7/2005	Monumental Life	FVB	304	47.00
2/18/2005	Holly's Radio Shop	FVB	313	175.00
3/1/2005	Holly's Radio Shop	FVB	316	503.28
3/7/2005	Dell Financial	FVB	348	100.00
3/8/2005	Providian Card	FVB	349	100.00
4/7/2005	Providian Card	FVB	356	100.00
4/8/2005	Capital One	FVB	355	150.00
4/8/2005	Providian Card	FVB	357	100.00
4/18/2005	MBNA/IBS	FVB	300	200.00
4/28/2005	Capital One	FVB	422	100.00
4/28/2005	Capital One	FVB	423	100.00
5/25/2005	Holly's Radio Shop	FVB	359	178.00
6/8/2005	Providian Card	FVB	361	50.00
6/14/2005	Bankcard	CTCB	620	1,500.00
6/14/2005	Capital One	FVB	360	150.00
Total of 20 Checks for 2004-05				<u>\$ 4,609.13</u>
7/1/2005	Capital One	FVB	381	\$ 50.00
7/1/2005	Providian Card	FVB	382	50.00
7/5/2005	Capital One	FCUB	2503	50.00
7/5/2005	Verizon	FVB	383	112.05
7/6/2005	Bankcard	CTCB	683	500.00
7/6/2005	Bankcard	CTCB	684	500.00
7/7/2005	Capital One	FCUB	2505	50.00
7/11/2005	Capital One	CTCB	689	100.00
7/29/2005	Capital One	FVB	363	50.00
8/1/2005	Verizon	FVB	364	77.43
8/8/2005	Capital One Arc	CTCB	697	50.00
8/8/2005	Providian Card	CTCB	698	50.00
8/8/2005	SST Card	CTCB	699	50.00
8/15/2005	Capital One	CTCB	704	100.00
8/15/2005	SunTrust Bank	CTCB	703	250.00
8/16/2005	Holly's Radio Shop	FVB	440	435.19

Haletown Volunteer Fire Department  
Schedule of Checks Misappropriated (Cont.)

Exhibit A

Date	Payee	Bank	Check Number	Amount
8/25/2005	Holly's Radio Shop	FVB	365	350.00
8/30/2005	Capital One	FVB	368	50.00
8/30/2005	MBNA/IBS	CTCB	709	1,000.00
8/30/2005	Verizon	FVB	367	93.84
8/31/2005	Dell Financial	FVB	366	100.00
9/1/2005	Bankcard	CTCB	708	4,000.00
9/6/2005	Capital One	FVB	370	100.00
9/9/2005	Capital One	FVB	372	50.00
9/12/2005	Capital One	FVB	371	50.00
9/12/2005	Providian Card	FVB	373	50.00
9/21/2005	Bankcard	CTCB	716	200.00
9/21/2005	Bankcard	CTCB	717	200.00
9/26/2005	Capital One	FVB	376	100.00
9/26/2005	SST Card	FVB	374	50.00
9/27/2005	Holly Henegar	FVB	380	393.00
9/27/2005	Holly's Radio Shop	FCUB	2506	974.00
9/27/2005	Verizon	FVB	378	93.84
10/3/2005	Dell Financial	FVB	384	100.00
10/3/2005	SST Card	FVB	385	100.00
10/5/2005	Capital One	FVB	386	100.00
10/7/2005	Verizon	FVB	387	56.82
10/11/2005	Providian Card	FVB	388	50.00
10/12/2005	MBNA/IBS	CTCB	724	200.00
10/12/2005	MBNA/IBS	CTCB	725	500.00
10/13/2005	Capital One	FVB	389	150.00
10/27/2005	Capital One	FVB	321	179.80
10/28/2005	MBNA/IBS	FVB	323	300.00
10/31/2005	Dell Financial	FVB	325	100.00
10/31/2005	Verizon	FVB	320	95.20
11/1/2005	SST Card	FVB	324	50.00
11/4/2005	Capital One	FVB	390	100.00
11/7/2005	Providian Card	FVB	393	261.11
11/7/2005	Verizon	FVB	391	56.13
11/8/2005	MBNA/IBS	FVB	394	500.00
11/9/2005	MBNA/IBS	CTCB	745	500.00
11/22/2005	MBNA/IBS	FVB	326	500.00
11/28/2005	Holly Henegar	FVB	328	277.96
12/2/2005	Dell Financial	FVB	330	100.00
12/2/2005	Verizon	FVB	329	95.17

Haletown Volunteer Fire Department  
Schedule of Checks Misappropriated (Cont.)

Exhibit A

<u>Date</u>	<u>Payee</u>	<u>Bank</u>	<u>Check Number</u>	<u>Amount</u>
12/5/2005	SST Card	FVB	333	50.00
12/5/2005	Verizon	FVB	332	82.96
12/7/2005	Capital One	FVB	334	50.00
12/7/2005	MBNA/IBS	CTCB	728	500.00
12/9/2005	MBNA/IBS	CTCB	731	500.00
12/15/2005	Capital One	FVB	336	100.00
12/15/2005	Holly Henegar	FVB	337	368.35
1/3/2006	Dell Financial	FVB	340	100.00
1/3/2006	MBNA/IBS	CTCB	747	200.00
1/3/2006	SST Card	FVB	339	50.00
1/10/2006	MBNA/IBS	CTCB	750	500.00
1/11/2006	Capital One	CTCB	751	150.00
1/13/2006	Verizon	FVB	395	95.17
1/23/2006	MBNA/IBS	FVB	396	500.00
1/30/2006	Dell Financial	FVB	426	100.00
1/30/2006	SST Card	FVB	427	50.00
1/30/2006	Verizon	FVB	424	95.27
2/1/2006	MBNA/IBS	FVB	425	200.00
2/7/2006	Capital One	FVB	400	50.00
2/7/2006	Marion Nat. Gas	CTCB	774	214.50
2/10/2006	MBNA/IBS	CTCB	776	200.00
2/13/2006	Capital One	FVB	401	100.00
2/14/2006	MBNA/IBS	FVB	404	200.00
2/28/2006	Verizon	FVB	407	95.27
3/6/2006	Dell Financial	FVB	409	100.00
3/6/2006	SST Card	FVB	408	50.00
3/8/2006	Capital One	FVB	410	50.00
3/13/2006	Capital One	FVB	412	100.00
3/13/2006	MBNA/IBS	CTCB	762	500.00
3/13/2006	MBNA/IBS	FVB	413	300.00
3/30/2006	Verizon	FVB	415	95.27
4/3/2006	Dell Financial	CTCB	780	50.00
4/4/2006	Capital One Arc	CTCB	782	50.00
4/4/2006	SST Card	CTCB	781	50.00
4/7/2006	MBNA/IBS	CTCB	770	600.00
4/10/2006	Capital One	CTCB	802	347.07
4/18/2006	MBNA/IBS	CTCB	803	336.16
5/1/2006	Verizon	CTCB	805	95.45
5/1/2006	Wells Fargo	CTCB	804	100.00

Haletown Volunteer Fire Department  
Schedule of Checks Misappropriated (Cont.)

Exhibit A

<u>Date</u>	<u>Payee</u>	<u>Bank</u>	<u>Check Number</u>	<u>Amount</u>
5/5/2006	SST Card	FVB	417	100.00
5/8/2006	Capital One	FVB	419	100.00
5/8/2006	Dell Financial	FVB	418	100.00
5/9/2006	MBNA/IBS	CTCB	807	500.00
5/12/2006	MBNA/IBS	CTCB	811	500.00
5/15/2006	Capital One	CTCB	812	205.77
5/23/2006	MBNA/IBS	CTCB	815	500.00
5/30/2006	Wells Fargo	FVB	429	200.00
6/5/2006	Dell Financial	FVB	430	100.00
6/6/2006	Capital One Arc	CTCB	819	100.00
6/6/2006	SST Card	CTCB	818	186.12
6/13/2006	Bankcard	CTCB	821	550.00
6/13/2006	Capital One	FVB	431	1.07
Total of 107 Checks for 2005-06				<u>\$ 25,219.97</u>
7/3/2006	Dell Financial	FVB	434	\$ 50.00
7/3/2006	Verizon	FVB	432	104.59
7/3/2006	Wells Fargo	FVB	433	100.00
7/10/2006	Capital One	CTCB	825	100.00
7/11/2006	MBNA/IBS	CTCB	827	796.36
7/17/2006	MBNA/IBS	CTCB	829	300.00
7/27/2006	Wells Fargo	FVB	437	100.00
7/31/2006	Verizon	FVB	436	157.08
8/7/2006	Capital One	CTCB	869	232.87
8/11/2006	MBNA/IBS	CTCB	832	954.45
8/15/2006	FSSB	FVB	439	95.51
8/17/2006	MBNA/IBS	FVB	438	300.00
8/28/2006	FSSB	FVB	444	391.34
8/29/2006	Wells Fargo	FVB	442	100.00
8/30/2006	Verizon	FVB	443	150.32
9/11/2006	MBNA/IBS	CTCB	786	500.00
9/13/2006	MBNA/IBS	CTCB	872	604.63
9/28/2006	Wells Fargo	FVB	445	100.00
9/29/2006	Verizon	FVB	446	117.19
10/10/2006	FIA Card Services	CTCB	797	500.00
10/17/2006	FIA Card Services	FVB	448	450.00

Haletown Volunteer Fire Department  
Schedule of Checks Misappropriated (Cont.)

Exhibit A

<u>Date</u>	<u>Payee</u>	<u>Bank</u>	<u>Check Number</u>	<u>Amount</u>
10/26/2006	Wells Fargo	FVB	449	100.00
10/30/2006	Dell Financial	FVB	451	100.00
11/6/2006	Target	FVB	453	226.83
11/6/2006	Verizon	FVB	452	215.83
11/10/2006	FIA Card Services	CTCB	878	500.00
11/16/2006	FSSB	FVB	455	95.51
11/17/2006	FIA Card Services	FVB	454	450.00
11/27/2006	Wells Fargo	CTCB	895	100.00
11/30/2006	Target	CTCB	898	270.22
12/5/2006	Verizon	CTCB	899	123.83
12/11/2006	FIA Card Services	CTCB	885	500.00
12/21/2006	FIA Card Services	CTCB	902	300.00
12/29/2006	Wells Fargo	FVB	461	100.00
1/2/2007	Dell Financial	FVB	464	100.00
1/2/2007	Verizon	FVB	462	127.60
1/8/2007	FIA Card Services	CTCB	906	500.00
1/9/2007	Target	FVB	465	200.00
1/17/2007	Target	FVB	468	200.00
1/22/2007	FIA Card Services	CTCB	907	300.00
1/29/2007	FSSB	FVB	471	279.21
2/1/2007	Marion Nat. Gas	CTCB	911	107.25
2/1/2007	Verizon	FVB	472	123.50
2/1/2007	Wells Fargo	FVB	474	100.00
2/2/2007	Dell Financial	FVB	473	100.00
2/5/2007	Target	FVB	475	206.05
2/8/2007	FIA Card Services	CTCB	912	500.00
2/20/2007	FIA Card Services	CTCB	889	300.00
2/26/2007	Wells Fargo	FVB	582	100.00
3/6/2007	Verizon	FVB	477	123.94
3/12/2007	Dell Financial	FVB	478	50.00
3/12/2007	FIA Card Services	CTCB	918	300.00
3/13/2007	Target	FVB	479	50.00
3/22/2007	FIA Card Services	CTCB	921	300.00
4/10/2007	Dell Financial	FVB	481	50.00
4/10/2007	FIA Card Services	CTCB	924	300.00
4/13/2007	Verizon	CTCB	926	136.95
5/7/2007	FIA Card Services	CTCB	932	600.00
6/6/2007	FIA Card Services	CTCB	1099	229.59
6/7/2007	FIA Card Services	CTCB	936	200.00

Haletown Volunteer Fire Department  
Schedule of Checks Misappropriated (Cont.)

Exhibit A

<u>Date</u>	<u>Payee</u>	<u>Bank</u>	<u>Check Number</u>	<u>Amount</u>
6/25/2007	Wells Fargo	CTCB	1070	50.00
6/25/2007	Wells Fargo	CTCB	1071	100.00
6/26/2007	Verizon	CTCB	940	<u>135.47</u>
Total of 63 Checks for 2006-07				<u>\$ 15,156.12</u>
7/10/2007	FIA Card Services	CTCB	942	\$ 300.00
7/10/2007	FIA Card Services	CTCB	1097	300.00
8/24/2007	FIA Card Services	CTCB	948	300.00
8/27/2007	FIA Card Services	CTCB	949	300.00
9/5/2007	Verizon	CTCB	1096	270.23
9/6/2007	FIA Card Services	CTCB	954	10,441.92
9/7/2007	Holly Henegar	CTCB	1095	1,295.63
9/17/2007	Dell Financial	FVB	483	50.00
9/18/2007	Home Depot/Expo	FVB	482	50.00
9/24/2007	Target Natl Bank	FVB	485	100.00
9/24/2007	Wells Fargo	FVB	486	100.00
10/2/2007	Home Depot/Expo	FVB	487	100.00
10/9/2007	FIA Card Services	FVB	490	200.00
10/9/2007	FIA Card Services	FVB	491	200.00
10/30/2007	Dell Financial	FVB	493	30.00
11/9/2007	FIA Card Services	CTCB	1093	300.00
11/9/2007	FIA Card Services	CTCB	1094	200.00
1/15/2008	CTCB	CTCB	980	15.00
2/14/2008	Verizon	CTCB	1090	235.72
2/14/2008	Wells Fargo	CTCB	1091	100.00
2/14/2008	Wells Fargo	CTCB	1092	100.00
2/27/2008	(blank)	CTCB	1089	232.45
3/3/2008	CTCB	CTCB	985	43.88
3/3/2008	Marion Nat. Gas	CTCB	986	238.00
3/13/2008	FIA Card Services	CTCB	1088	500.00
3/19/2008	Holly Henegar	CTCB	890	1,977.86
4/10/2008	FIA Card Services	CTCB	1085	160.00
4/11/2008	FIA Card Services	CTCB	1086	500.00
4/17/2008	CTCB	CTCB	993	57.52
5/28/2008	FSSB	CTCB	1081	580.53

Haletown Volunteer Fire Department  
Schedule of Checks Misappropriated (Cont.)

Exhibit A

Date	Payee	Bank	Check Number	Amount
5/28/2008	Verizon	CTCB	1080	368.51
6/2/2008	CTCB	CTCB	1001	<u>117.73</u>
Total of 32 Checks for 2007-08				<u>\$ 19,764.98</u>
8/14/2008	CTCB	CTCB	1019	\$ 52.64
8/20/2008	FIA Card Services	CTCB	1078	1,000.00
9/4/2008	Holly Henegar	CTCB	1077	1,993.28
9/8/2008	Dell Financial	FVB	456	100.00
9/16/2008	CTCB	CTCB	1032	570.00
9/16/2008	Holly Henegar	CTCB	1076	750.00
9/23/2008	Save-A-Lot	FVB	495	46.15
9/29/2008	Holly Henegar	FVB	497	175.00
10/2/2008	Holly Henegar	CTCB	1070	750.00
10/9/2008	Dell Financial	FVB	(1)	100.00
10/14/2008	Verizon	FVB	E	187.86
10/15/2008	Save-A-Lot	FVB	504	83.63
10/16/2008	SunTrust Bank	CTCB	1071	252.52
10/20/2008	HSN	FVB	502	38.36
10/21/2008	CTCB	CTCB	1046	46.00
10/27/2008	FIA Card Services	FVB	9999	567.00
10/30/2008	Save-A-Lot	FVB	541	203.06
11/10/2008	Verizon	FVB	E	180.00
11/12/2008	Save-A-Lot	FVB	543	86.42
11/13/2008	Holly Henegar	CTCB	1250	2,500.00
11/14/2008	Marion Nat. Gas	CTCB	1051	216.75
11/19/2008	CTCB	CTCB	1052	10.59
12/2/2008	FIA Card Services	FVB	5000	310.00
12/16/2008	Save-A-Lot	FVB	547	122.19
12/22/2008	Benjamin Perry, DDS	FVB	505	55.00
12/30/2008	FIA Card Services	FVB	5010	310.00
1/5/2009	Holly Henegar	CTCB	1084	275.00
1/15/2009	CTCB	CTCB	1067	267.36
1/29/2009	Save-A-Lot	FVB	552	40.95
2/2/2009	FIA Card Services	FVB	9000	310.00
2/3/2009	Save-A-Lot	FVB	553	159.36
2/4/2009	SunTrust Bank	FVB	583	80.00
2/9/2009	Citi	FVB	584	234.91
2/11/2009	Dell Financial	FVB	585	100.00

Haletown Volunteer Fire Department  
Schedule of Checks Misappropriated (Cont.)

Exhibit A

Date	Payee	Bank	Check Number	Amount
2/18/2009	Check Connection	CTCB	1101	226.99
2/19/2009	CTCB	CTCB	1102	289.41
2/26/2009	Chattanooga Times	FVB	506	37.50
3/3/2009	Save-A-Lot	FVB	554	187.33
3/10/2009	Save-A-Lot	FVB	555	113.27
3/12/2009	Marion Nat. Gas	FVB	510	200.00
3/19/2009	CTCB	CTCB	1108	200.00
3/25/2009	Verizon	CTCB	E	223.00
4/2/2009	American Gen.	CTCB	1191	500.00
4/14/2009	CTCB	CTCB	1115	100.00
5/1/2009	FSSB	CTCB	1219	226.00
5/12/2009	FIA Card Services	FVB	7111	310.00
5/21/2009	American Gen.	CTCB	1192	464.00
5/22/2009	CTCB	CTCB	1123	100.00
6/4/2009	FIA Card Services	FVB	7112	310.00
6/16/2009	CTCB	CTCB	1131	100.00
Total of 50 Checks for 2008-09				<u>\$ 15,761.53</u>
7/27/2009	CTCB	CTCB	1138	\$ 100.00
8/18/2009	CTCB	CTCB	1223	2,000.00
9/1/2009	Verizon	CTCB	1193	141.98
9/11/2009	CTCB	CTCB	1155	800.00
9/11/2009	Dell Financial	CTCB	1153	100.00
9/25/2009	Holly Henegar	CTCB	1194	518.00
10/9/2009	Dell Financial	CTCB	1249	100.00
10/19/2009	CTCB	CTCB	1165	118.57
10/20/2009	Sams	CTCB	1224	306.00
11/12/2009	Dell Financial	CTCB	1190	100.00
11/13/2009	CTCB	CTCB	1171	68.00
12/7/2009	Dell Financial	CTCB	1189	100.00
12/18/2009	CTCB	CTCB	1179	500.00
1/4/2010	Citifinancial	CTCB	1180	466.00
1/8/2010	Dell Financial	CTCB	1208	100.00
1/14/2010	CTCB	CTCB	1209	314.43
1/26/2010	Marion Nat. Gas	CTCB	1184	286.25
1/29/2010	CollectCorp	FCUB	DP	1,550.00
2/1/2010	American Gen.	CTCB	(1)	523.32
2/8/2010	Dell Financial	CTCB	1188	100.00

Haletown Volunteer Fire Department  
Schedule of Checks Misappropriated (Cont.)

Exhibit A

<u>Date</u>	<u>Payee</u>	<u>Bank</u>	<u>Check Number</u>	<u>Amount</u>
2/16/2010	CTCB	CTCB	1210	180.00
3/1/2010	CollectCorp	FCUB	DP	1,550.00
3/5/2010	Dell Financial	CTCB	1216	100.00
3/15/2010	CTCB	CTCB	1227	259.10
3/18/2010	CTCB	CTCB	1252	176.87
4/2/2010	CollectCorp	FCUB	DP	<u>1,550.00</u>
Total of 26 Checks for 2009-10				<u>\$ 12,108.52</u>
Total of 298 Checks				<u><u>\$ 92,620.25</u></u>

(1) - Information not available.  
 DP - direct payment  
 E - electronic check  
 FCUB - Franklin County United Bank  
 CTCB - Citizens Tri-County Bank  
 FVB - First Volunteer Bank

Haletown Volunteer Fire Department  
Schedule of Checks Misappropriated (Cont.)

Exhibit A

SUMMARY BY VENDOR

<u>Vendor</u>	<u>Amount</u>
American Gen.	\$ 1,487.32
Bankcard	7,450.00
Benjamin Perry, DDS	55.00
(blank)	232.45
Capital One	3,835.22
Chattanooga Times	37.50
Check Connection	226.99
Citifinancial	700.91
CollectCorp	4,650.00
CTCB	6,487.10
Dell Financial	2,680.00
FIA Card Services	23,048.51
FSNB	419.46
FSSB	1,668.10
Holly Henegar/Holly's Radio Shop	14,039.55
Home Depot	150.00
HSN	38.36
Marion Nat. Gas	1,262.75
MBNA/IBS	13,191.60
Monumental Life	47.00
Providian Card	811.11
Sams	306.00
Save-A-Lot	1,042.36
SST Card	786.12
SunTrust Bank	582.52
Target	1,253.10
Verizon	4,481.22
Wells Fargo	1,650.00
Total	<u>\$ 92,620.25</u>

Haletown Volunteer Fire Department  
Schedule of Checks Misappropriated (Cont.)

Exhibit A

SUMMARY BY BANK

<u>Bank</u>	<u>Number of Checks</u>	<u>Cash Shortage</u>
CTCB	138	\$ 63,983.73
FVB	154	22,912.52
FCUB	<u>6</u>	<u>5,724.00</u>
Total	<u>298</u>	<u>\$ 92,620.25</u>

<u>Bank</u>	<u>Total Checks Paid By Bank During The Period Examined</u>	<u>Percentage of Checks Paid By Bank That Were Misappropriated</u>
CTCB	\$ 186,272.93	34 %
FVB	31,997.31	72
FCUB	<u>6,917.27</u>	83
Total	<u>\$ 225,187.51</u>	