



Jason E. Mumpower, Comptroller of the Treasury

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Investigation Raises Concerns about Nashville Nonprofit's Use of Grant Funds

An investigation by the Tennessee Comptroller's Office shows that a Nashville-based nonprofit used grant money to make \$42,249.74 of unallowable payments, including checks written to the executive director.

Successful Survivors is a nonprofit that assists individuals with mental illness and substance abuse issues. In 2018, the organization partnered with the Tennessee Department of Mental Health & Substance Abuse Services (MHSAS) to obtain \$299,670 in grant funds to purchase and renovate a home in Nashville to use as a rehabilitation house.



Investigators determined the executive director used these grant funds to pay himself "developer fees" totaling \$27,000. The executive director told investigators that he believed he deserved the payment for facilitating the property purchase and overseeing the renovation. Successful Survivors did not receive approval from MHSAS to pay these "developer fees" and failed to provide any written documentation justifying the payments.

Additionally, investigators found that \$4,000 in grant funds was donated to the Greater Heights Missionary Baptist Church, where the executive director of Successful Survivors serves as pastor. Contributions and donations are prohibited according to the Code of Federal Regulation grant guidelines.

Successful Survivors also failed to provide invoices or receipts for 34 payments totaling \$9,404.11 related to the renovation of the Nashville home and paid miscellaneous unallowable taxes totaling \$1,845.63 with grant funds.

Other findings noted by investigators include Successful Survivors filing false information with the Internal Revenue Service and Tennessee Secretary of State.

The results of this investigation have been communicated to the Office of the District Attorney General of the 20th Judicial District.

"Nonprofits must ensure they collect and retain adequate documentation to support grant expenditures," said Comptroller Mumpower. "It's also vital the Board of Directors provide adequate oversight to implement internal controls over financial reporting and other operations."

To view the investigative report, go to tncot.cc/doireports. To view a map depicting Comptroller investigations, go to tncot.cc/mappinginvestigations

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