



COMPTROLLER'S INVESTIGATIVE REPORT

Hamblen County Morristown Solid Waste Disposal System

March 5, 2021

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

March 5, 2021

Hamblen County Morristown Solid Waste Disposal System
Board of Directors
3849 Sublett Road
Morristown, TN 37813

Dear Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Hamblen County Morristown Solid Waste Disposal System, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Lee, the State Attorney General, the District Attorney General of the 3rd Judicial District, certain state legislators, and various other interested parties. A copy of the report is available for public inspection in our Office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

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

Hamblen County Morristown Solid Waste Disposal System

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Hamblen County Morristown Solid Waste Disposal System. The investigation was limited to selected records for the period July 1, 2018 through June 30, 2020. The results of the investigation were communicated with the Office of the District Attorney General of the 3rd Judicial District.

BACKGROUND



The Hamblen County Morristown Solid Waste Disposal System (system) is a joint venture between Hamblen County and the City of Morristown. The system operates a landfill which can accommodate various types of waste. The system is governed by an eight-member board of directors appointed by Hamblen County and the City of Morristown. The board appoints and employs a director to oversee the day to day operation and

maintenance of the system. The board appointed Dan Winter as director on June 1, 2014.

Under the system's established purchasing policy, every purchase must have a completed purchase order approved by either the director or his authorized agent. The purchase order must include the pertinent facts including business name, description of purchase, and cost.

RESULTS OF INVESTIGATION

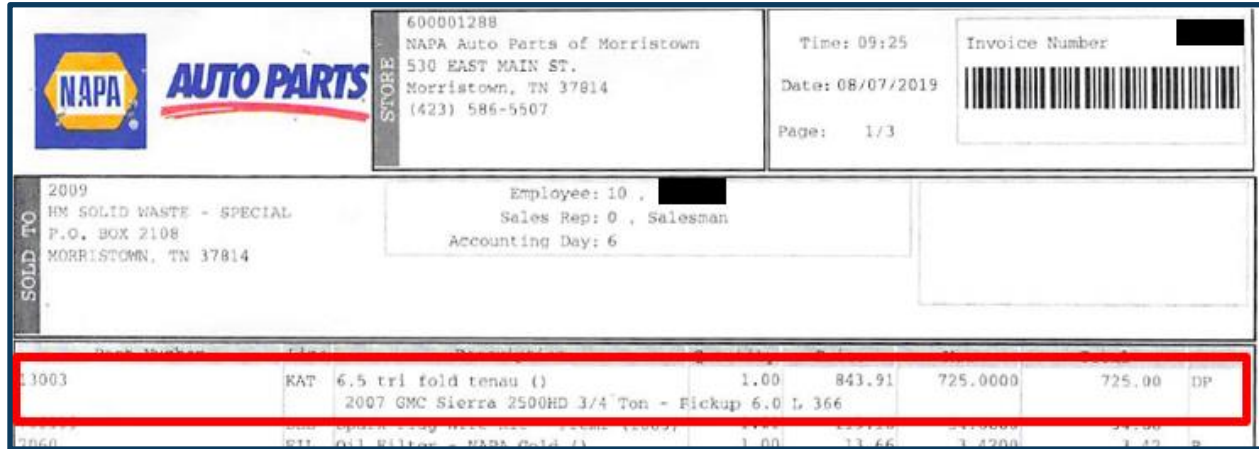
- **DIRECTOR DAN WINTER MISAPPROPRIATED SYSTEM FUNDS TOTALING AT LEAST \$1,695.70**

Our investigation revealed Winter misappropriated system funds totaling at least \$1,695.70 by making unauthorized purchases using the system charge accounts and a credit card as described below:

- A. Winter used system charge accounts for unauthorized purchases for his personal vehicle totaling \$918.35.

Winter used the system charge accounts at Napa Auto Parts and Porter’s Tire Stores to make unauthorized purchases for his personal vehicle including a truck bed cover (\$725) and a new tire (\$193.35) (**Refer to Exhibit 1.**) Winter authorized the purchase orders for these items and then proceeded to purchase these items for his personal vehicle.

Exhibit 1



Receipt detailing the purchase of a truck bed cover Winter placed on his personal vehicle.

Winter told investigators he purchased the truck bed cover to protect system files when they were transported to and from a storage unit. Although the invoice indicated the bed cover was for a 2007 GMC Sierra, which is a system vehicle, Winter installed the bed cover on his personal vehicle. Winter claimed he made the tire purchase because a tire on his personal vehicle sustained non-repairable damage while he was driving at the landfill.

- B. Winter used a system credit card for unauthorized purchases for his personal vehicle totaling \$777.35.

Winter used a system credit card to make unauthorized purchases including a monthly car wash subscription (\$599) and another tire (\$178.35) for his personal vehicle. (**Refer to Exhibits 2 and 3.**) Winter told investigators he needed the car wash due to the mud that gets caked on his vehicle during use at the landfill. Winter received a \$650 per month vehicle allowance payment, however, he told investigators that he did not consider the mud to be normal wear and tear on his vehicle. Winter claimed the tire previously replaced by the system as noted in Finding Part A, also suffered non-repairable damage while he was driving at the landfill; therefore, he purchased another tire.

Exhibit 2

Porter's Tire Stores
6012 West Andrew Johnson Hwy, Talbot, TN 378
Phone: 423-581-9420 Fax: 423-289-1193

Remit To: P.O. Box 68, Morristown, TN 3
Brakes - Alignments - Batteries - Shocks - Filters

Customer Information	Invoice	
Dan Winter Acct Number: Contact:	Date: 7/09/2018 Reference: Salesperson: Route: Delivery Date: 7/09/2018	Ultimate Shine Express 3452 W. Andrew Johnson Highway 423-289-1046 Car # 0 FP # 63762 + 159641 2015 Chevrolet Trucks Silverado 2500 HD Pickup Automatic Recharge, 09/01/19, 05:24 AM Shift 1, Empl 10000, Sale * OFFLINE SALE RECEIPT * 1 Ultimate Shine Rchg 29.95 (The Ultimate Sh,Exp:10/01/19) Subtotal 29.95 Sales Tax 0.00 Total 29.95 Visa (Sale Appr)

Vehicle: 2015 Chevrolet Trucks Silverado 2500 HD LT
 Desc: TPMS Equipped *Lug Torque (ft. lbs): 140 *Inflation Front/Rear (psi): 60/80
 Lic No: Unit:
 VIN:

Qty	Description	Unit Price	Ext. Price
2.00	28030712, 265/7017 121S, Wildpeak AT3 RBL E (10 Ply), Falken	175.00	350.00
Non-Taxable		Subtotal:	350.00
		TN Tire Fee:	2.70
Terms: N/A		Scrap Tire Fee Pass/LT:	4.00
		Total:	\$356.70
		Amount:	\$356.70
Visa Mastercard		178.35	178.35
Balance:			\$0.00

Receipts showing tires and a car wash subscription purchased for Winter's personal vehicle.

Exhibit 3



Winter's personal vehicle tire purchased using a system credit card.

Winter told investigators that although the board did not approve these items before purchase, they were included in the financial packet presented to the board at board meetings. The minutes for the board meetings and the related financial packets did include listings of payments each month, however, they did not include information that these purchases were for Winter's personal vehicle. The Chairman of the Board advised investigators that the board does not vote to approve financial transactions and the purchases, as detailed above, were neither discussed with nor approved by the board.

Summary of Misappropriation by Winter

Account	Vendor	Item	Amount
Checking	Napa Auto Parts	Truck Bed Cover	\$725.00
Credit Card	Ultimate Shine 2 Minute	Car Wash	599.00
Checking	Porter's Tire Stores	Tire	193.35
Credit Card	Porter's Tire Stores	Tire	178.35
		Total	<u>\$1,695.70</u>

On March 1, 2021, the Hamblen County Grand Jury indicted Dan Winter on one count of Theft over \$1,000 and one count of official misconduct.

[Hamblen County Morristown Solid Waste Disposal System Investigation Exhibit](#)

INTERNAL CONTROL DEFICIENCY

Our investigation revealed the following internal control deficiency:

Deficiency 1: The board of directors failed to provide adequate oversight of the director's time

The board of directors did not require the director to complete a time sheet. Although the position is salaried, the director is accountable to the board of directors. Ensuring the director maintains complete time records, and those records are reviewed and approved, enables the board of directors to provide increased operational oversight.

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