



COMPTROLLER'S INVESTIGATIVE REPORT

Shelby County Criminal Court Clerk's Office

September 9, 2022

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

September 9, 2022

Shelby County Mayor Lee Harris
Vasco A. Smith, Jr. County Administration Building, 11th Floor
160 N Main Street
11th Floor
Memphis, TN 38103

and

Shelby County Criminal Court Clerk Heidi Kuhn
Vasco A. Smith, Jr. County Administration Building
160 N Main Street
Memphis, TN 38103

Shelby County Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Shelby County Criminal Court Clerk's Office, 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 30th 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 line extending to the right.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Shelby County Criminal Court Clerk's Office

The Office of the Comptroller of the Treasury, in conjunction with the Tennessee Bureau of Investigation, investigated allegations of malfeasance related to the Shelby County Criminal Court Clerk's Office. The Comptroller's Office initiated the investigation after Shelby County Criminal Court Clerk's Office property and evidence personnel discovered that money was missing from two evidence boxes located in the property and evidence room. This investigation was limited to a review of all evidence case boxes in the custody of the clerk that contained currency. The results of the investigation were communicated with the Office of the District Attorney General of the 30th Judicial District.

BACKGROUND

The Shelby County Criminal Court Clerk's Office (clerk's office) is responsible for maintaining court records, the administration of 10 criminal court divisions, and collecting fines and fees. As directed by *Tennessee Code Annotated*, revenue is generated by fees for services.



The property and evidence storage facility and personnel section falls under the umbrella of the clerk's office. This section acts as a custodian for all properties and exhibits held in evidence for cases before the criminal court prior to proceedings and acts to preserve evidence for any future appellate proceedings. At the time of our review, the property and evidence section had four full-time employees (one supervisor and three principal court clerks). This section has two evidence rooms in Memphis, a main evidence room located at 201 Poplar Avenue and a second evidence room located at 994 South Bellevue Road.

In 2018, the clerk's office began using a software database storage application called BEAST as their record-keeping system. BEAST is the primary record system used to track case files. Records held in years prior to 2018 utilize a paper system to document the case files. These two record-keeping systems document the property and evidence rooms' disposal of property and evidence, and the return of property and evidence to the owner. The paper files also contain the judge ordered court documents requiring evidence be returned to its owner, as well as disposal dates. Records for evidence admitted to the evidence room, prior to the 2018 implementation of BEAST, exist in both BEAST and the paper format.

In an interview with the former Chief Administrative Officer Cedrick Wooten (CAO), we were informed this investigation originated based on an adjudicated case. A family member of a victim came to the evidence room to claim the victim's belongings since the judge ordered that the family member was entitled to the victim's belongings. When a staff member proceeded to retrieve the items for the family member, the evidence could not be located. Principal Court Clerk Steven Sharp located the evidence box; however, the box was not in the correct location according to the BEAST records. As the items were being compared with the itemized list kept in the evidence box, another office employee noticed the money was missing. A second incident happened subsequently in which the staff noticed money was missing from another evidence box. These two incidents prompted the CAO to perform an audit within the property and evidence rooms. The evidence room staff were notified that a mandatory audit would take place on October 19, 2020. The only employee who did not report for work the day of the audit was Steven Sharp. Sharp did not answer any calls from his supervisor or management. Sharp did not return to his job after the audit was performed, and his employment was officially terminated on October 22, 2020, for job abandonment.

On June 4, 2021, investigators received a complete list of all evidence cases containing currency from the clerk's staff. The list detailed 2,045 evidence cases that contained money stored in the evidence rooms. Investigators utilized this list to review and examine evidence boxes at both locations to verify their content.

RESULTS OF INVESTIGATION

- **FORMER PRINCIPAL COURT CLERK STEVEN SHARP MISAPPROPRIATED AT LEAST \$61,890.87 FROM THE CLERK'S OFFICE EVIDENCE ROOMS**

Former Principal Court Clerk Steven Sharp misappropriated at least \$61,890.87 from 270 of the 2,045 cases reviewed in the two evidence room locations. During the period June 8, 2021, through June 24, 2021, investigators reviewed 715 evidence cases. Of the 715 evidence cases, 247 boxes were identified to have missing money totaling \$56,258.19. During the period June 25, 2021, through July 9, 2021, 1,330 evidence cases were reviewed, most of which were identified as disposed of or returned to the owner. For each case identified as disposed of or returned to owner, investigators verified the action taken. During the review of the 1,330 evidence cases, investigators discovered approximately 50 cases still in boxes or envelopes, not disposed of or returned to the owner. Upon reviewing and confirming these cases, investigators identified 23 evidence boxes and envelopes that were still in their appropriate locations in an evidence room (per the BEAST system) and discovered money missing from these cases totaling \$5,632.68. During our observation of the 2,045 case files investigators observed only money missing from these case files examined.

On February 18, 2022, Sharp admitted to investigators to taking money from the evidence boxes in both evidence room locations. However, Sharp advised most of the money was taken from the Bellevue location, and he began taking money in 2018. He admitted to taking money only from

evidence boxes. Additionally, he admitted to taking the money from the evidence boxes, which prompted the mandatory audit, and this was his reason for abandoning his job.

Summary of Misappropriation by Steven Sharp

Misappropriations by Evidence Cases	# Of Boxes Missing Money	Amount
Review of 715 evidence cases*	247	\$56,258.19
Review of 1,330 evidence cases	23	5,632.68
Total	270	\$ 61,890.87

*Majority misappropriated from the Bellevue evidence room

On August 9, 2022, the Shelby County Grand Jury indicted Steven Sharp for one count of Theft of Property over \$2,500 and one count of Official Misconduct.

The charges and allegations contained in the indictment are merely accusations of criminal conduct, and not evidence. The defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt and convicted through due process of law.

[Shelby County Criminal Court Clerk Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed multiple deficiencies in internal control and compliance, some of which contributed to the former principal court clerk's ability to misappropriate money from the clerk's office evidence rooms without prompt detection. These deficiencies included:

Deficiency 1: Management did not provide adequate oversight over the evidence rooms

Management did not provide adequate oversight over the evidence rooms. The former principal court clerk was left unattended in the Poplar Avenue evidence room on occasions and was allowed to make trips by himself to the Bellevue Road evidence room. Management is responsible for designing internal controls to give reasonable assurance related to safeguarding assets and the effectiveness and efficiency of operations. Providing increased oversight within the evidence rooms reduces the risks that fraud or theft will remain undetected.

Deficiency 2: Management did not verify the BEAST record-keeping system data on a current basis

The clerk's office supervisor of property and evidence informed investigators the BEAST system has never been updated since its implementation. Additionally, management never verified the BEAST system data to ensure the evidence information is accurate. Failure to update and verify the BEAST system data on a current basis increases the risk of errors not being detected in a timely manner and increases the risk for fraud or theft.

Deficiency 3: Management did not implement a password policy that instructs staff to change their password periodically

Management did not implement a password policy that instructs staff to change their password periodically. Investigators determined that the property and evidence room employees were not prompted to change their passwords for the BEAST system. Investigators were informed that Sharp obtained access to another employee's BEAST password during his tenure with the clerk's office. A password not being changed periodically may result in sensitive information being breached whether it be from an in-house source or an outside attack. Safeguarding your password and changing passwords reduces risks of unauthorized access to the system and reduces the risk of fraud and theft. Management has a duty to ensure that data is safely stored in an environment where crucial data such as evidence is maintained.

Deficiency 4: Periodic inventories were not conducted to ensure the integrity of the property and evidence rooms

Management did not complete periodic inventories to ensure the correct location and content of evidence boxes. There was evidence we could not find according to the BEAST system locations and descriptions. In instances where management could locate an evidence box (although in the wrong location), items were missing. Conducting periodic inventory analyses would bring awareness that items are being safeguarded and accounted for in the evidence room and potentially deter theft.

Officials indicated that they have corrected or intend to correct these deficiencies.
