



COMPTROLLER'S INVESTIGATIVE REPORT

Lighthouse Counseling and Mental Health, LLC, & Tennessee Sex Offender Treatment Board

April 19, 2024

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

April 19, 2024

Tennessee Sex Offender Treatment Board
2472 Old Fort Parkway
Murfreesboro, TN 37128

Tennessee Sex Offender Treatment Board Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Lighthouse Counseling and Mental Health, LLC, & Tennessee Sex Offender Treatment Board, 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 16th 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

Lighthouse Counseling and Mental Health, LLC, & Tennessee Sex Offender Treatment Board

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to a treatment provider of the Tennessee Sex Offender Treatment Board, Lighthouse Counseling and Mental Health, LLC. The investigation was initiated after Tennessee Sex Offender Treatment Board officials identified and reported questionable charges billed to the Tennessee Department of Correction's Indigent Fund by Lighthouse Counseling and Mental Health, LLC. The investigation was limited to selected records for the period November 28, 2018, through December 31, 2021. The results of the investigation were communicated with the office of the District Attorney General of the 16th Judicial District.

BACKGROUND

Pursuant to Tenn. Code Ann. § 39-13-704, the Tennessee Sex Offender Treatment Board (TSOTB) consists of 12 members and is responsible for developing standardized procedures for the evaluation and identification of sex offenders, recommending behavior management monitoring and treatment of sex offenders, and developing guidelines and standards for sex offender treatment programs that can be utilized by sex offenders placed on probation, incarcerated with the department of correction, placed on parole, or placed in community corrections. The TSOTB is administratively housed at the Tennessee Department of Correction (TDOC) and is responsible for supervising the treatment of convicted sex offenders placed on the TDOC sex offender registry. Tenn. Code Ann. § 39-13-707 requires the TSOTB to maintain a list of approved counselors and therapists, or "providers," whom TSOTB has deemed qualified pursuant to the provisions of Tenn. Code Ann. § 39-13-704(d)(5) to provide treatment to the sex offenders on the TDOC sex offender registry. Providers sign a provider agreement with TDOC, but providers are not state employees, nor are they contracted with the state. TDOC's Indigent Fund is part of the TDOC budget allocation and is used to pay for the cost of treatment for sex offenders who meet certain indigency standards.

TDOC parole officers issue indigency waivers for sex offenders under their supervision who qualify as indigent, thereby exempting them from paying treatment costs to providers. Each indigency waiver has a stated effective date and duration. Providers must attach a copy of an indigency waiver to an invoice for any sex offender for whom the provider is billing TDOC's Indigent Fund. Providers may bill TDOC's Indigent Fund for three types of services provided: evaluations of sex offender risk, objective testing, and group therapy. TSOTB has standard rates that apply to providers who are allowed to bill TDOC's Indigent Fund for these three types of services. The vast majority of charges billed to TDOC's Indigent Fund are for group therapy, as the bulk of sex offender treatment occurs in weekly group therapy sessions.

The TSOTB reported allegations of questionable charges billed to TDOC's Indigent Fund by Lighthouse Counseling and Mental Health, LLC (Lighthouse Counseling), one of its approved providers operating in Nashville and Murfreesboro. Lighthouse Counseling is owned and operated

by one professional counselor and has no other employees. Lighthouse Counseling was suspended from conducting sex offender treatment by the TSOTB in March 2023.

RESULTS OF INVESTIGATION

1. LIGHTHOUSE COUNSELING RECEIVED \$8,670 FOR QUESTIONABLE CHARGES TO TDOC’S INDIGENT FUND

Lighthouse Counseling received \$8,670 for questionable charges submitted to TDOC’s Indigent Fund from November 28, 2018, to December 31, 2021. These charges were deemed questionable due to a lack of active indigency waivers, duplicate charges, and evidence that sex offenders did not attend treatment.

A. From November 28, 2018, to December 31, 2021, Lighthouse Counseling received \$3,600 for questionable charges to TDOC’s Indigent Fund for sex offenders who did not have active indigency waivers for the relevant service dates. Investigators analyzed available indigency waivers to identify service dates billed by Lighthouse Counseling that were not supported by an active indigency waiver. This analysis reflected instances of Lighthouse Counseling billing TDOC’s Indigent Fund for sex offenders who did not have active indigency waivers. The charges not covered by an active indigency waiver were predominantly the result of Lighthouse Counseling billing for sex offenders whose indigency waivers had recently expired. In some instances, the sex offender was only briefly not covered by an active indigency waiver but was presumably still indigent during that time (**Refer to Exhibit 1**). Investigators found no instances of Lighthouse Counseling billing for a sex offender who never had an indigency waiver.

Exhibit 1

Exemption Type and Duration		
SSDB - Social Security Disability or sole income from welfare - Permanent		Court Ordered Exemption <input type="checkbox"/>
Fee Exemption Effective Date	Duration	Fee Exemption Expiration Date*
10/1/2020	12 Months/1 Year	9/30/2021
<small>*If permanent exemption, the expiration date MUST NOT exceed one calendar year from Fee Exemption Effective Date. Permanent exemptions MUST be renewed on a yearly basis.</small>		
Fee Exemption Effective Date	Duration	Fee Exemption Expiration Date*
11/1/2021	12 Months/1 Year	10/31/2022
<small>*If permanent exemption, the expiration date MUST NOT exceed one calendar year from Fee Exemption Effective Date. Permanent exemptions MUST be renewed on a yearly basis.</small>		

Excerpts from two consecutive indigency waivers for the same sex offender show a one-month gap between the active dates (October 2021) despite the sex offender having a permanent exemption.

B. From November 28, 2018, to December 31, 2021, Lighthouse Counseling received \$2,280 for 76 duplicate charges billed to TDOC’s Indigent Fund. Based on a review of Lighthouse

Counseling invoices, these duplicate charges typically appeared as a sex offender being listed twice on the same invoice with the same service dates (**Refer to Exhibit 2**). These duplicate charges typically occurred on larger invoices containing multiple pages. Since Lighthouse Counseling billed on a monthly basis and included four or five service dates for each sex offender, these 76 duplicate charges are the result of 18 instances of duplicated invoice line items. The duplicate charges billed by Lighthouse Counseling in the creation of its invoices are considered questionable.

Exhibit 2

Sex Offender Treatment Provider Invoice					
Invoice Number:	VilleSeptember21	Provider Name:	[REDACTED]		
Date of Invoice:	October 15, 2021	Street Address:	[REDACTED]		
Invoice Month and Year:	September-21	City, ST, Zip Code	[REDACTED]		
		Phone Number:	[REDACTED]		
		Email Address:	[REDACTED]		
Group Therapy					
Offender Name	TOMIS #	Date of Service	Type of Service	Description of Service (i.e. Group Treatment)	Total
[REDACTED]	[REDACTED]	9/7,14,21,28	Treatment	weekly group treatment	\$120.00
[REDACTED]	[REDACTED]	9/7,14,21,28	Treatment	weekly group treatment	\$120.00
[REDACTED]	[REDACTED]	9/7,14,21,28	Treatment	Weekly group treatment-	\$120.00
[REDACTED]	[REDACTED]	9/7,14,21,28	Treatment	Weekly group treatment-	\$120.00
[REDACTED]	[REDACTED]	1,8,15,22,29	Treatment	weekly group treatment	\$150.00
[REDACTED]	[REDACTED]	1,8,15,22,29	Treatment	weekly group treatment	\$150.00
Jones	175	1,8,15,22,29	Treatment	weekly group treatment	\$150.00
[REDACTED]	[REDACTED]	1,8,15,22,29	Treatment	weekly group treatment	\$150.00
[REDACTED]	[REDACTED]	2,9,16,23,30	Treatment	weekly group treatment	\$150.00
[REDACTED]	[REDACTED]	1,8,15,22,29	Treatment	weekly group treatment-	\$150.00
[REDACTED]	[REDACTED]	2,9,16,23,30	Treatment	weekly group treatment	\$150.00
Jones	175	1,8,15,22,29	Treatment	weekly group treatment	\$150.00
[REDACTED]	[REDACTED]	1,8,15,22,29	Treatment	weekly group treatment	\$150.00
[REDACTED]	[REDACTED]	1,8,15,22,29	Treatment	weekly group treatment	\$150.00

Excerpts from a Lighthouse Counseling invoice show that a sex offender with the last name of Jones and TOMIS ID number ending 175 appears twice on the invoice with the same service dates.

- C. From January 1, 2021, to December 31, 2021, Lighthouse Counseling received \$2,790 for questionable charges to TDOC’s Indigent Fund for sex offenders who were absent from treatment sessions. Investigators analyzed available treatment attendance records and sex offender supervision records to identify any information contradicting the service dates billed by Lighthouse Counseling. Analysis of these records identified instances of Lighthouse Counseling billing TDOC’s Indigent Fund for sex offenders who were absent from treatment on the service dates invoiced for various reasons.

Summary of Questionable Charges for Sex Offenders Absent from Treatment		
Description		Total
Sex Offender Absent on Service Date	\$	1,140
Sex Offender Incarcerated		750
Sex Offender Not Enrolled		30
Sex Offender with Expired Sentence		210
Sex Offender Terminated from Treatment		480
Service Date Prior to Sex Offender Start of Treatment		180
Total	\$	2,790

The charges for sex offenders absent from treatment occurred at random and appeared to be the result of a failure to reconcile invoices to attendance records diligently and, therefore, are considered questionable. All business functions at Lighthouse Counseling are performed by one individual.

The table below summarizes the questionable charges billed by Lighthouse Counseling to TDOC's Indigent Fund.

Summary of Questionable Charges from Lighthouse Counseling		
Description		Total
A. Lack of Active Indigency Waiver	\$	3,600
B. Duplicate Charges		2,280
C. Charges for Sex Offenders Absent from Treatment		2,790
Total	\$	8,670

2. LIGHTHOUSE COUNSELING USED QUESTIONABLE PRACTICES IN ITS SEX OFFENDER TREATMENT PROGRAM

Investigators obtained statements from TDOC parole officers who witnessed Lighthouse Counseling engage in questionable practices, as well as complaints from sex offenders who attended sex offender treatment at Lighthouse Counseling. Both TDOC parole officers and sex offenders reported that Lighthouse Counseling sex offender treatment group sessions would often not last a full hour. According to the TSOTB Reimbursement Management guidelines, weekly group treatment sessions must be conducted for one clinical hour, and time spent on administrative duties such as recording attendance and collecting fees is not eligible for reimbursement. TSOTB officials defined a clinical hour as 60 minutes and told investigators that providers were trained on this requirement. However, Lighthouse Counseling defined a clinical hour as 45 minutes. A TDOC parole officer performed a week of surveillance of Lighthouse Counseling group sessions in September 2021 and witnessed several group therapy sessions end short of one clinical hour, or 60 minutes. While it is clear that the duration of Lighthouse Counseling sex offender treatment group sessions was questionable at times, investigators have limited information to confirm whether these sessions were consistently shorter than one clinical hour, 60 minutes, throughout the entire investigative period.

INTERNAL CONTROL DEFICIENCIES

The investigation revealed the following deficiencies in internal controls:

Deficiency 1: The TSOTB invoice review process failed to identify charges submitted without a supporting active indigency waiver attached to the invoice

TSOTB approved sex offender treatment providers are required to attach active indigency waivers for the sex offenders for whom the approved provider is billing TDOC's Indigent Fund. TDOC employees reviewing invoices submitted to TSOTB are responsible for confirming that an active

indigency waiver is attached for each sex offender listed on the invoice. The TSOTB review process failed to identify 131 charges submitted without a supporting active indigency waiver attached to the invoice, and these charges were approved for payment.

Deficiency 2: TDOC failed to maintain copies of all indigency waivers created and did not appropriately record all waivers in the TDOC sex offender fee system

TDOC did not maintain copies of all waivers submitted to the TSOTB email account and, therefore, was not able to provide copies of waivers to investigators. Upon the creation of a new indigency waiver, the parole manager signing the indigency waiver is required to email a copy to the TSOTB email account, which is a TDOC email account, and the indigency exemption type and active date range of the waiver must be entered into the TDOC sex offender fee system. TDOC employees did not appropriately enter all indigency waiver information into the TDOC sex offender fee system. Failure to maintain sufficient indigency documentation increases the risk of errors or misappropriation occurring without prompt detection.

Deficiency 3: Indigency waivers were created and approved by TDOC parole officers with errors included in pertinent information

Indigency waivers have a stated duration that is determined by the exemption type, and the effective date and expiration date of the waiver are listed. Although some exemption types are permanent, the maximum duration allowed for an indigency waiver is one year. Investigators identified a number of indigency waivers with effective and expiration dates that did not match the stated duration. There were indigency waivers with date ranges shorter and longer than the stated duration, including waivers with a date range in excess of one year (**Refer to Exhibit 3**). Investigators also identified indigency waivers that listed an incorrect TOMIS identification number. Each indigency waiver is signed by a TDOC parole officer and parole manager. TDOC parole managers failed to appropriately review indigency waivers to ensure the information was accurate and complete.

Exhibit 3

Fee Exemption Effective Date	Duration	Fee Exemption Expiration Date*
1/1/2018	12 Months/1 Year	12/31/2019

If permanent exemption, the expiration date **MUST NOT exceed one calendar year from Fee Exemption Effective Date. Permanent exemptions **MUST** be renewed on a yearly basis.*

Excerpt from an indigency waiver shows the stated duration of the waiver was one year, but the date range listed covered two years, 2018-2019.

Tennessee Department of Correction officials indicated that they have corrected or intend to correct these deficiencies.