



COMPTROLLER'S INVESTIGATIVE REPORT

Mt. Gilead Volunteer Fire Department and White County Firefighters Association

February 1, 2024

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

February 1, 2024

White County Executive
and Members of the County Commission
1 East Bockman Way
Sparta, TN 38583

White County Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Mt. Gilead Volunteer Fire Department and White County Firefighters Association, 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 13th 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

Mt. Gilead Volunteer Fire Department and White County Firefighters Association

The Office of the Comptroller of the Treasury, in conjunction with the Office of the District Attorney General of the 13th Judicial District, investigated allegations of malfeasance related to the Mt. Gilead Volunteer Fire Department and the White County Firefighters Association after officials reported questionable banking activity. The investigation was limited to selected records for the period December 1, 2021, through October 31, 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 13th Judicial District.

BACKGROUND



The Mt. Gilead Volunteer Fire Department (fire department) is an all-volunteer, nonprofit organization providing emergency services in White County. The fire department is located in Sparta and is funded by a combination of fundraisers, donations, and contributions from the White County government. Brittney Webb was the fire department's secretary and treasurer (treasurer) from approximately June 30, 2020, until the fire department board removed her from these positions on October 6, 2022.

The White County Firefighters Association (association) is a nonprofit organization funded by the White County government to provide financial support to volunteer fire departments within White County, including Mt. Gilead Volunteer Fire Department. A board governs the association and assists the county's volunteer fire departments with insurance and training costs. Webb's former husband was the association's treasurer from April 1, 2019, until October 6, 2022. Webb did not occupy a position with the association and did not have the authority to act on the association's behalf. Webb gained access to the association's bank account and checks without her former husband's or association officials' authorization or knowledge.

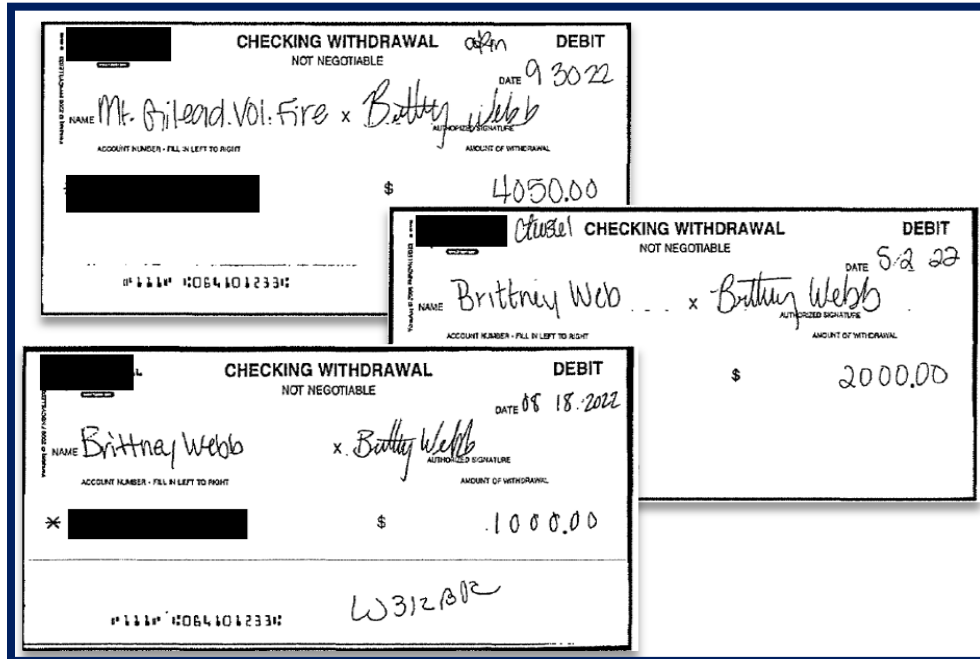
RESULTS OF INVESTIGATION

1. FORMER FIRE DEPARTMENT TREASURER BRITTNEY WEBB MISAPPROPRIATED FIRE DEPARTMENT FUNDS TOTALING AT LEAST \$45,983

Former fire department treasurer Brittney Webb knowingly misappropriated fire department funds totaling at least \$45,983. Without the authority or knowledge of fire department members, Webb made at least 24 unauthorized transactions. She withdrew cash totaling \$36,863 from the fire department's bank account using 16 cash withdrawal slips (**Refer to Exhibit 1**), negotiating four checks to herself totaling \$8,000, and making four ATM cash

withdrawals totaling \$1,120 (Refer to Exhibit 2). Webb's actions effectively deprived the fire department of their funds without effective consent.

Exhibit 1



Examples of Webb's cash withdrawal slip transactions

Exhibit 2

Business Checking
Account number [REDACTED]
Enclosures [REDACTED]

CHECKS

Number	Date	Amount	Number	Date	Amount
1505	06-17	175.00	1525 *	06-15	464.00

* Skip in check sequence

DEBITS

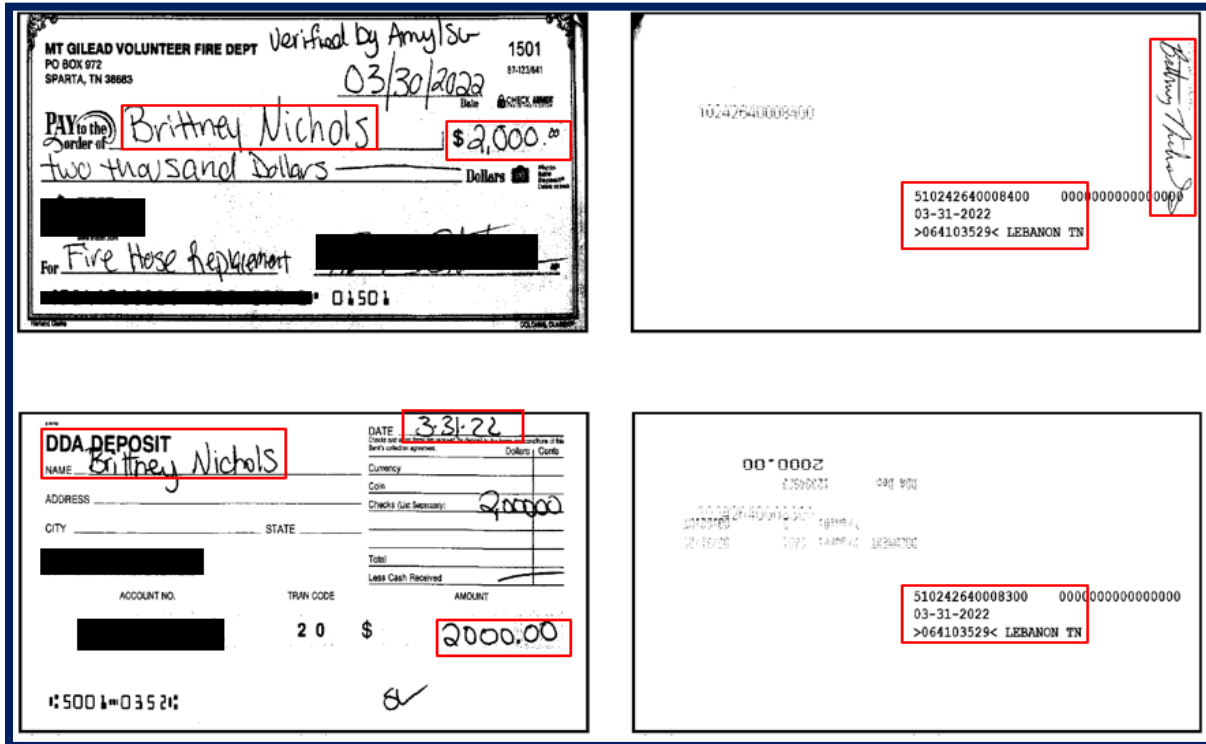
Date	Description	Subtractions
06-06	POS Purchase MERCHANT PURCHASE TERMINAL 405523 ATT BILL PAYMENT 800 331 0 TX TRAN DATE 06-04-22XXXXXXXXXXXX5071	100.67
06-10	POS Purchase MERCHANT PURCHASE TERMINAL 315796 [REDACTED] ION [REDACTED] TRAN DATE 06-10-22XXXXXXXXXXXX5071	75.19
06-13	ATM Withdrawal CASH WITHDRAWAL TERMINAL T6580014 [REDACTED] [REDACTED] TRAN DATE 06-10-22XXXXXXXXXXXX5071	500.00
06-14	POS Purchase POS PURCHASE TERMINAL 00616201 [REDACTED] [REDACTED] 06-14-22XXXXXXXXXXXX5071	30.00
06-23	ATM Withdrawal CASH WITHDRAWAL TERMINAL T6580014 [REDACTED] [REDACTED] TRAN DATE 06-23-22XXXXXXXXXXXX5071	120.00

Examples of ATM cash withdrawals

As part of her duties as fire department treasurer, Webb had access to the fire department checking account and was assigned a debit card attached to the department's account. However, these 24 transactions were not approved or authorized by fire department officials. According to fire department officials, there was no department need or expense that would have required Webb to withdraw large amounts of cash from the account. Further, two of the

four checks written from the fire department bank account were traced directly to deposits into Webb's personal account (**Refer to Exhibit 3**).

Exhibit 3



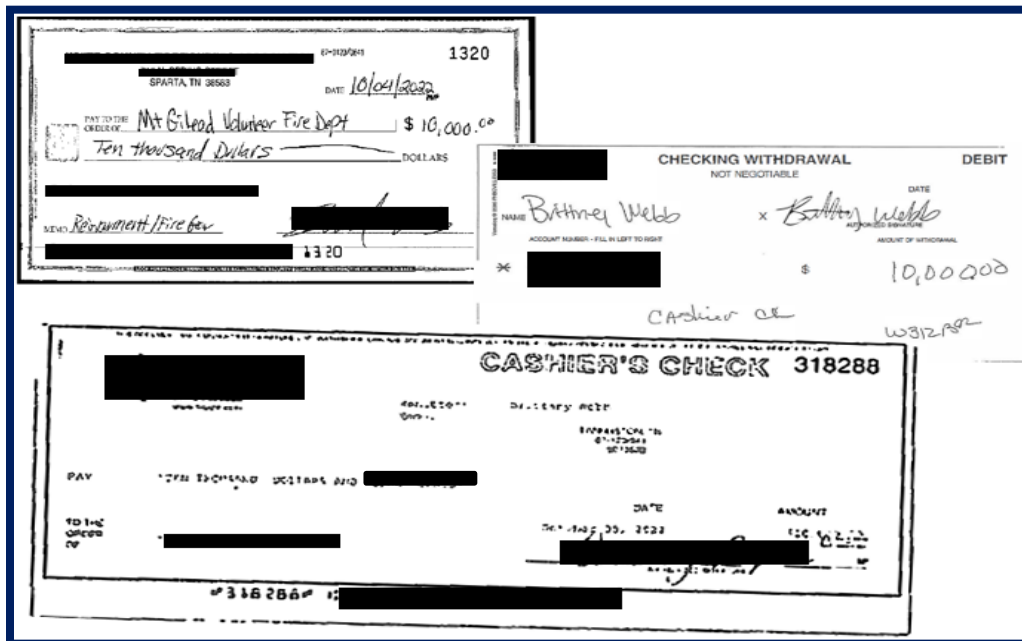
Example of a \$2,000 check written from the fire department's account and then deposited in Webb's personal account

2. FORMER FIRE DEPARTMENT TREASURER BRITTNEY WEBB MISAPPROPRIATED ASSOCIATION FUNDS TOTALING AT LEAST \$27,598

Webb misappropriated association funds totaling at least \$27,598. Without the authority or knowledge of association officials, Webb improperly obtained access to the association's bank account and used association funds to make eight unauthorized transactions. Webb was able to access the association's account via her former husband's position as the treasurer of the association. Webb obtained and negotiated two unauthorized checks from the association's bank account to the fire department totaling \$20,000. Webb then used \$10,000 from the fire department account (originally from the association account) to obtain a \$10,000 cashier's check that was used for earnest money to purchase a home (**Refer to Exhibit 4**). To facilitate and effectively conceal her misappropriation of unlawful proceeds taken from the fire department, Webb used the other \$10,000 of unlawfully obtained association funds to replenish the fire department's bank account and pay operating expenses (**Refer to Exhibit 5**). Webb also obtained and negotiated two additional unauthorized checks from the association's account for building materials to remodel the fire department's station, totaling \$4,430. Additionally, Webb wrote two unauthorized checks from the association's account to herself totaling \$3,000. Those funds were directly traced to deposits into her personal bank accounts

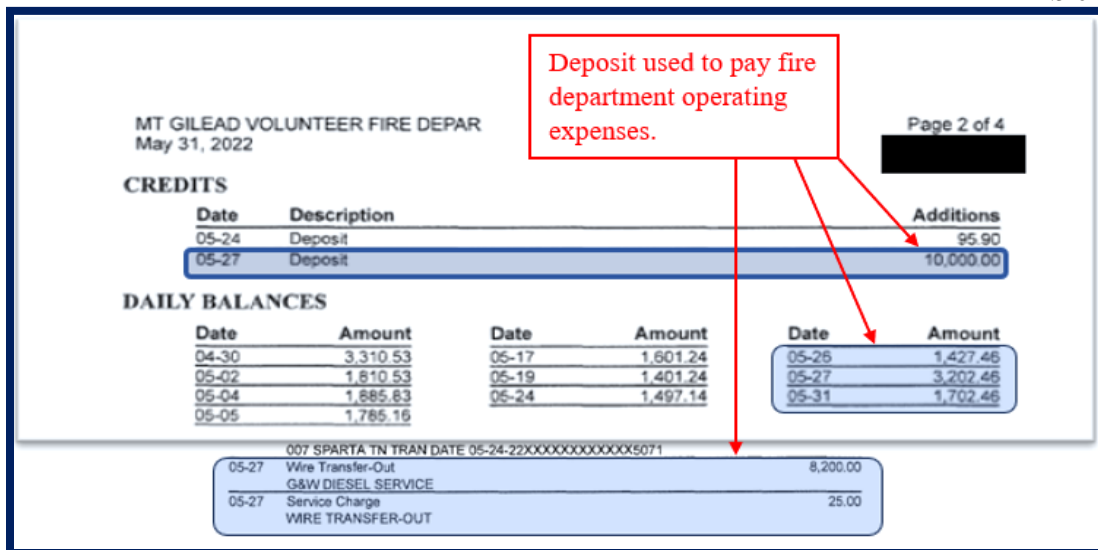
(Refer Exhibit 6). Lastly, Webb accessed the association’s bank account to issue two unauthorized electronic vendor payments to a debt-collecting agency totaling \$168.

Exhibit 4



\$10,000 in association funds deposited into the fire department’s account, used as earnest money for Webb to purchase a home

Exhibit 5



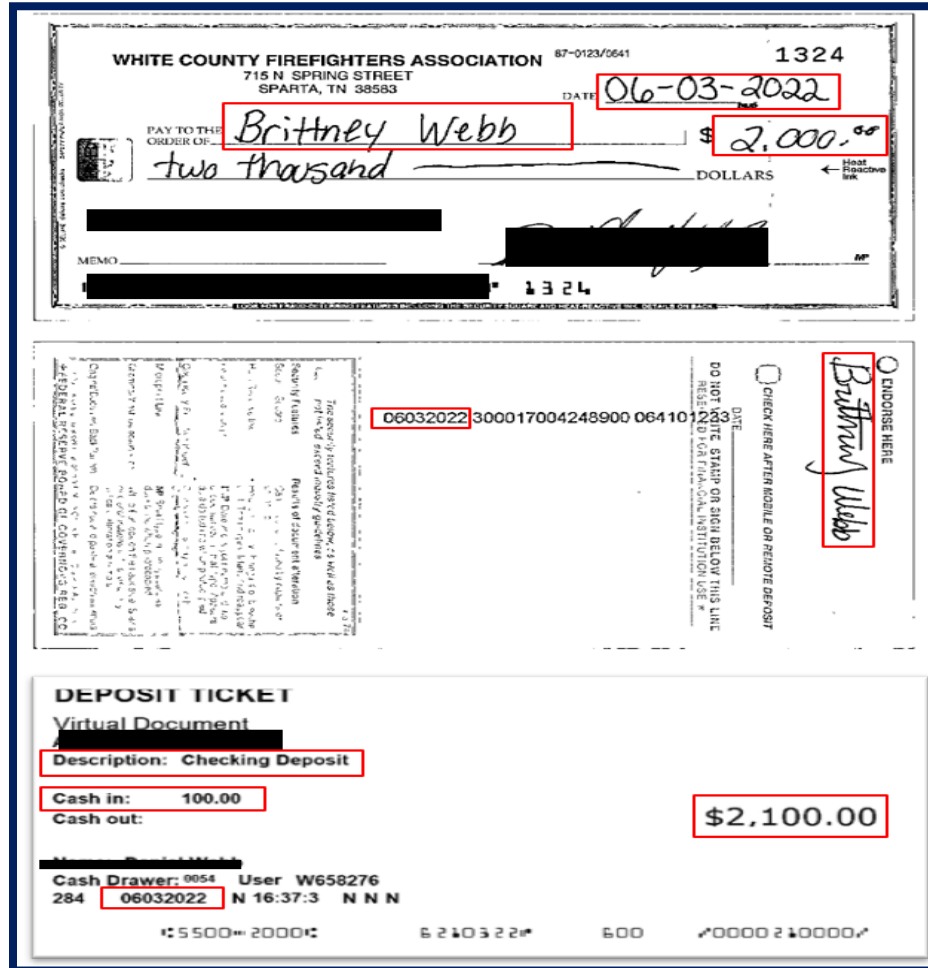
The image is a screenshot of a bank statement for MT GILEAD VOLUNTEER FIRE DEPAR as of May 31, 2022. A red box highlights a deposit of \$10,000.00 on 05-27. Red arrows point from this deposit to a debit of \$8,200.00 on 05-27 for 'Wire Transfer-Out' and another debit of \$25.00 on 05-27 for 'Service Charge'. The statement also shows a daily balance of 1,702.46 on 05-31.

CREDITS		DAILY BALANCES	
Date	Description	Date	Amount
05-24	Deposit	05-17	1,601.24
05-27	Deposit	05-19	1,401.24
		05-24	1,497.14
		05-05	1,785.16
		05-26	1,427.46
		05-27	3,202.46
		05-31	1,702.46

Date	Description	Amount
05-27	Wire Transfer-Out	8,200.00
05-27	G&W DIESEL SERVICE	
05-27	Service Charge	25.00
	WIRE TRANSFER-OUT	

\$10,000 in association funds deposited in the fire department’s account to supplement the account balance for fire department operating expenses

Exhibit 6



WHITE COUNTY FIREFIGHTERS ASSOCIATION 87-0123/0641 1324
715 N SPRING STREET
SPARTA, TN 38583
DATE 06-03-2022
PAY TO THE ORDER OF Brittney Webb \$ 2,000.00
two thousand DOLLARS
MEMO [REDACTED]
1324

06032022 300017004248900 06410103
DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE
DATE [REDACTED]
CHECK HERE AFTER MOBILE OR REMOTE DEPOSIT
ENDORSE HERE
Brittney Webb

DEPOSIT TICKET
Virtual Document [REDACTED]
Description: Checking Deposit
Cash in: 100.00
Cash out: \$2,100.00
Cash Drawer: 9054 User W658276
284 06032022 N 16:37:3 N N N

Example of a \$2,000 check written from the association's account, deposited in Webb's personal account

Summary of Total Misappropriation by Webb

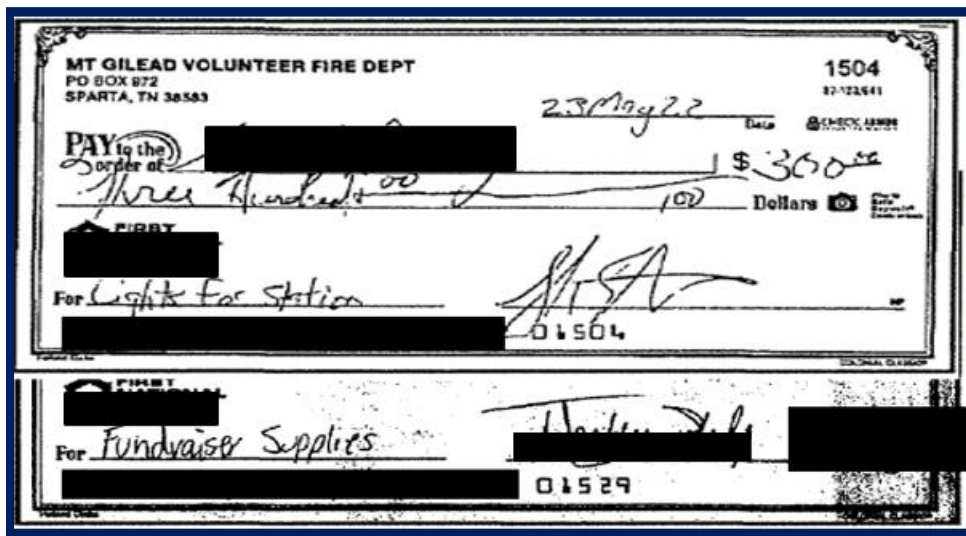
Misappropriation		Amount
A. Fire Department		
Unauthorized Cash Withdrawal Slips	\$	36,863
Unauthorized ATM Cash Withdrawals		1,120
Unauthorized Checks		8,000
B. Association		
Unauthorized Checks		27,430
Unauthorized Electronic Vendor Payment		168
Total Misappropriated	\$	<u>73,581</u>

Investigators determined that Webb reimbursed a portion of the misappropriated funds from both entities. On June 30, 2022, Webb transferred \$20,000 into the fire department's account and \$17,345 into the association's account from her personal bank account.

3. WEBB SIGNED OTHER INDIVIDUALS' NAMES ON AT LEAST TEN DIFFERENT CHECKS WITHOUT THEIR KNOWLEDGE OR AUTHORIZATION TO HELP PERPETRATE HER MISAPPROPRIATION

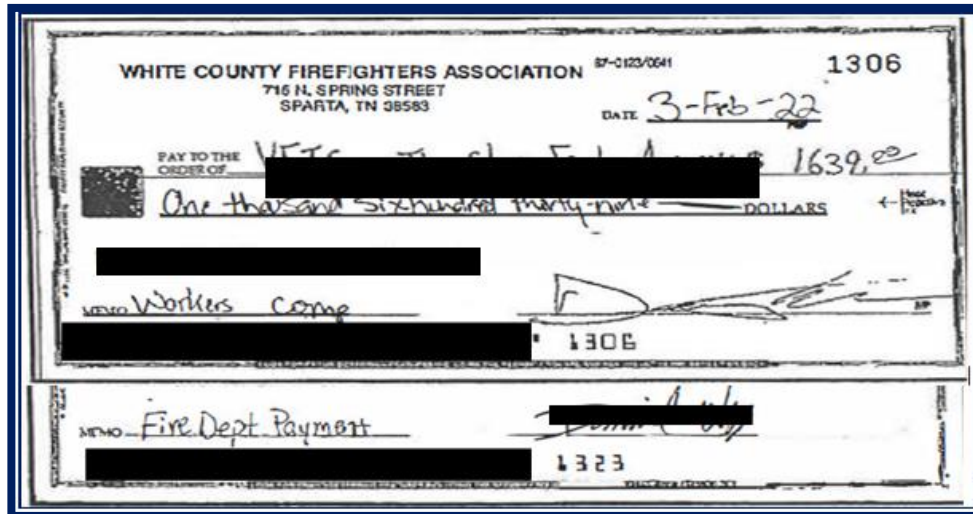
Webb signed other individuals' names on at least ten different checks without their knowledge or authorization to help perpetrate her misappropriation. During a review of the fire department and association bank records and check images, investigators noticed that the authorized check signers' signatures appeared to change (**Refer to Exhibits 7 and 8**). Investigators confirmed with the authorized signatories of the fire department and the association bank accounts that the signatures on the ten checks in question were not authentic and were not authorized. The amounts of the checks are included in the total misappropriation calculation. Additionally, the misappropriated fire department checks were only signed by one individual, but the department policy requires there to be two signatures.

Exhibit 7



Example of fire department signatures that do not match

Exhibit 8



Example of association signatures that do not match

On January 8, 2024, the White County Grand Jury indicted Brittney Webb on one count of Theft over \$60,000 and 9 counts of Forgery.

The charges and allegations contained in this 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.

[Mt. Gilead Volunteer Fire Department Investigative Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal controls and compliance, some of which contributed to Webb’s ability to misappropriate fire department and association funds without prompt detection. These deficiencies include:

Deficiency 1: The fire department board failed to separate financial responsibilities adequately and failed to provide adequate oversight and accountability

The fire department board failed to separate financial responsibilities adequately and failed to provide adequate oversight and accountability. The former treasurer had sole responsibility for all financial transactions and was the only reviewer of the bank statements, allowing her to control transactions and financial records without oversight by the fire department board. The fire department board failed to ensure bank statements were reconciled monthly, failed to review bank statements, and did not ensure all collections were deposited. The fire department board did not require and retain adequate supporting documentation for some disbursements and other

withdrawals, did not require two signatures on checks, nor did they have a written policy regarding the use and accountability of fire department funds. Requiring and reviewing documentation, such as invoices or receipts, allows officials to verify that the payment is proper and reasonable. The fire department board also failed to ensure that official minutes were maintained and available for review or inspection. The fire department board is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and the effectiveness and efficiency of operations. Separating financial duties and providing increased oversight reduces the risk that errors or misappropriations will occur and remain undetected.

Deficiency 2: The fire department board failed to require adequate supporting documentation

The fire department did not acquire or retain invoices, vendor receipts, or other adequate supporting documentation for most disbursements. Requiring documentation such as invoices and receipts provides verification that the payment is proper and reasonable. Without adequate supporting documentation, investigators were unable to determine if all of the fire department's disbursements were for legitimate expenses. Failure to maintain sufficient documentation reduces transparency and increases the risk that fraud, waste, or abuse will occur without prompt detection.

Deficiency 3: The fire department board failed to account for fundraising and other collection activities adequately

The fire department board failed to account for fundraising and other collection activities adequately . Investigators determined that the fire department failed to create or maintain any cash counts or other documentation confirming amounts collected from donations or fundraisers. Therefore, investigators could not verify that all revenue was properly remitted to the fire department's bank account or if it was remitted timely. Providing adequate accountability and oversight of collections reduces the risk of errors and misappropriation.

Deficiency 4: The fire department board failed to file annual financial reports with the Comptroller of the Treasury

The fire department board failed to file annual financial reports with the Comptroller of the Treasury. Based on a review of the Comptroller's Office database of annual financial reports for volunteer fire departments, investigators determined that the fire department last submitted the required financial reports in 2018, failing to do so from 2019 to 2022 despite receiving county and municipal funds. Pursuant to Tenn. Code Ann. § 68-102-309,

The governing board of each recognized volunteer fire department receiving appropriations from the federal government, the state, a county, or a municipality, either directly or indirectly, shall file an annual financial report with the Comptroller of the Treasury and with each local government body from which the department received appropriations...

Fire department officials indicated they have corrected or intend to correct these deficiencies.