



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DIVISION OF INVESTIGATIONS  
FINANCIAL AND COMPLIANCE UNIT**

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Comptroller of the Treasury

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October 16, 2013

Honorable Mayor and Members of the  
Board of Aldermen  
City of Ripley  
110 South Washington Street  
Ripley, TN 38063

Ladies and Gentlemen:

The City of Ripley Fire Department is a department within the City of Ripley, Tennessee government. The department has 16 full-time firefighters that operate three shifts and each shift is 24 hours in duration. Our office was notified on June 13, 2013, through the Comptroller's hotline of possible irregularities regarding donations made to the fire department. As a result of information gathered by auditors through preliminary interviews of certain employees regarding missing and unaccounted-for donations, our office initiated an investigation. This finding and recommendation has been reviewed with management to provide an opportunity for their response. This finding and recommendation will be reviewed with the district attorney general.

**INVESTIGATIVE FINDING**

1. **FINDING: Former City of Ripley Fire Chief improperly used donations for his personal benefit**

An examination of records provided by a local business, the city recorder's office, and interviews of city employees, disclosed the following improper use of donations by the former fire chief:

- A. We were informed by the manager of a local business that the former fire chief had solicited and received donations on behalf of the fire department for a Christmas toy drive for underprivileged children. The former fire chief requested the checks be written to him personally, and not to the fire department. Documents were provided by the local business detailing how the fire chief received and cashed checks for \$100 each year from 2008 through 2011 totaling \$400.

- B. The fire department employees have a tradition of contributing money for the purchase of flowers. These flowers are sent on behalf of the fire department employees for deceased coworkers or deceased family members of coworkers. As a result of our interviews with the former fire chief and fire department employees, we were informed that contributions of approximately \$200 had been raised for this purpose. The contributions were given to the former fire chief to purchase flowers. However, rather than use the money collected to purchase these flowers, the former fire chief opened an account at a local florist and charged the purchase of the flowers to the fire department and retained the collections for his personal benefit.
- C. The fire department began collecting donations from department employees at the beginning of calendar year 2012 for a Christmas toy drive for underprivileged children. These collections were turned over to the former fire chief. Although we have been unable to independently determine the total amount of donations collected from employees, during the month of November 2012, an undocumented count of these collections by a fire department employee determined \$430 had been collected. However, when it came time to purchase the toys in December 2012, we were informed by two fire department employees who were planning to purchase the toys that only \$9 was on hand. The total amount of donations collected from department employees that were unaccounted for could not be determined due to the absence of any documentation.

On August 8, 2013, we interviewed the former fire chief. During the interview, the former fire chief admitted to the following: 1) he received and cashed checks totaling \$400 from a local business that were donated funds for the Christmas toy drive, 2) he received approximately \$200 from his employees for flowers and did not use the cash collected to make the flower purchase, and 3) he kept contributions from fire department employees for the calendar year 2012 toy drive for his personal benefit. The policy of the city is that the city recorder's office should collect all donations collected by the fire department for proper accounting and disbursement.

**RECOMMENDATION:**

Officials should take immediate steps to recover these funds from the former fire chief. All donations, whether made to the city or contributed by employees, should be turned over to the city recorder's office and properly receipted and disbursed according to the purpose for which they were intended.

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**MANAGEMENT'S RESPONSE:**

**Mayor and Members of the Board of Aldermen:**

The City of Ripley concurs with the finding and recommendation stated in the investigative audit report. We feel your department provided a complete and thorough investigation of the facts.

The board of mayor and aldermen will take immediate steps to recover funds the former fire chief admitted using for his personal use. The former fire chief provided a letter of resignation dated August 14, 2013.

The long-standing policy of the City of Ripley is that the city recorder's office should collect all donations collected by all departments of the city for proper accounting and disbursement. A meeting has been scheduled with all department heads to reemphasize the City of Ripley's policy that all donations, whether made to the city or contributed by employees, should be turned over to the city recorder's office and properly receipted and disbursed according to the purpose for which they were intended. Procedures will be reviewed with staff to reiterate the importance of financial procedures.

If you have any questions concerning the above matter, please contact me.

Sincerely,



Kevin B. Huffman, CPA, CFE, CGFM  
Investigative Audit Manager  
Division of Investigations  
Financial and Compliance Unit

KBH/RAD