



DEPARTMENT OF CORRECTION TURNNEY CENTER INDUSTRIAL COMPLEX

Investigative Report
June 7, 2016

Justin P. Wilson, Comptroller





STATE OF TENNESSEE

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June 7, 2016

Derrick D. Schofield, Commissioner
Tennessee Department of Correction
6th Floor, Rachel Jackson Building
Nashville, Tennessee 37243

Kevin Genovese, Warden
Turney Center Industrial Complex
1499 R.W. Moore Memorial Highway
Only, Tennessee 37140

Gentlemen:

We performed an investigation of selected records connected to the Turney Center Industrial Complex (TCIX) for the period July 18, 2013 through April 15, 2016. Our investigation revealed the following deficiencies:

- The former fiscal director forged the signature of two wardens, resulting in at least three unauthorized transactions totaling \$2,102.99.
- The former fiscal director violated the Department of Correction's Information Technology Resources and Services Use Policy.

On April 15, 2016, the Lawrence County Grand Jury indicted the former fiscal director on one count of theft over \$250,000, one count of theft over \$10,000, and 136 counts of forgery. This indictment was not related to the information contained in this report. Also, the former fiscal director was terminated from his employment with TCIX on the same day.

The findings and recommendations, as a result of our investigation, are presented in this report. These findings and recommendations were reviewed with management. Also, these findings and recommendations have been reviewed with the district attorney general for the Twenty-First Judicial District.

BACKGROUND

The Tennessee Department of Correction consists of 14 state prisons located across the state. Ten of those prisons are operated by the department, and four are managed privately

by Corrections Corporation of America. The department also operates the Tennessee Correction Academy, which trains corrections professionals as well as criminal justice professionals from other government agencies.

Turney Center Industrial Complex (TCIX), which is located in Hickman County, is a time-building prison with emphasis on industry. The security designation is close, which is a level between maximum and medium security. The majority of beds are medium security.

Academic programs available at the prison include GED and adult basic education. Vocational programs include cosmetology, cabinet making and mill work, industrial maintenance, landscaping, vocational office education, commercial food services, and Career Management for Success. TRICOR industry programs include wood and metal specialties. Offenders are also involved in support jobs at the prison. TCIX also has a dog training program.

The Turney Center Industrial Complex Annex, which is located in Wayne County, has a security designation of minimum custody. It houses the Probation Technical Violators Diversion Program (PTVDP) Unit and the Special Alternative Incarceration Unit (SAIU). Both are highly disciplined and structured programs combining community service work, life skills and drug treatment.

INVESTIGATIVE FINDINGS AND RECOMMENDATIONS

FINDING 1 THE FORMER FISCAL DIRECTOR FORGED THE SIGNATURES OF TWO WARDENS, RESULTING IN AT LEAST THREE UNAUTHORIZED TRANSACTIONS TOTALING \$2,102.99

Based on our examination of records, various policies and procedures, and interviews, we noted that the former fiscal director forged the signatures of two wardens on at least three unauthorized transactions totaling \$2,102.99. The former fiscal director admitted to signing the former warden's signature for two of the transactions and signing the current warden's signature for the other transaction. These events are discussed below in sections A through C.

- A. The former fiscal director submitted reservation details for a future hotel stay involving out-of-state travel for professional development training hosted by the Association of Government Accountants (AGA). The training will take place on July 17-20, 2016, in Anaheim, CA. The former fiscal director used General Services Administration lodging rates to calculate the amount due to the hotel for the five night stay for the training. The one-time payment transaction, which had the former warden's signature as approver, was processed and a check was issued from the Department of Finance and Administration (F&A) in the amount of \$878, payable to the hotel. Ultimately, this check was found and stopped by officials within the central office of the Department of Correction. The former warden denied that the signature on the transaction indicating she approved the transaction was her signature. The former fiscal director admitted to having forged the former warden's signature and acknowledged that submitting a travel authorization should

have been the appropriate course of action, but he was worried the travel authorization would not be approved, so he submitted the forged transaction as a one-time payment transaction.

- B. The former fiscal director submitted a requisition for professional development training hosted by the Nashville Chapter of AGA, which took place on March 29-30, 2016, at the Gaylord Opryland Resort and Convention Center in Nashville. The transaction appeared to be properly approved with the former warden's signature. The requisition was processed and a check in the amount of \$375 was issued to AGA Nashville for the cost of the training. The former warden denied the signature on the transaction was her signature and stated that she would not have approved the training because the training was during the same time TCIX was having its accreditation review, and the former fiscal director would have been expected to be at TCIX. Ultimately, TCIX received a refund from AGA Nashville for the amount of the check. The former fiscal director admitted to having forged the former warden's signature on the requisition.
- C. The former fiscal director processed a procurement request by signing the request as the approving business manager and signing the current warden's name and initialing the signature with his initials. The procurement request was for an \$848.99 Nikon camera for institutional projects including inmate photos as needed. We determined that the camera was accounted for and was being used as listed on the request, which was dated March 7, 2016. The current warden began working on March 1, 2016, and denied giving anyone at the facility authority to sign his name.

The following table summarizes the unauthorized transactions of \$2,102.99.

<u>Transaction</u>	<u>Amount</u>
A	\$ 878.00
B	375.00
C	<u>849.99</u>
Total	<u><u>\$2,102.99</u></u>

RECOMMENDATION

TCIX officials should require any transaction that requires the warden's approval to actually be signed by the warden or at the very least have the warden verify permission was given for someone to sign on his behalf for each transaction in the future.

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

FINDING 2 **THE FORMER FISCAL DIRECTOR VIOLATED THE DEPARTMENT OF CORRECTION'S INFORMATION TECHNOLOGY RESOURCES AND SERVICES USE POLICY**

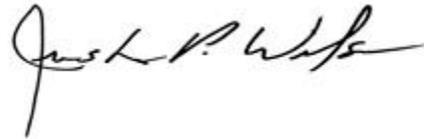
The former fiscal director admitted to using his state issued iPhone and iPad in conducting improper personal for-profit activities. As stated earlier, the former fiscal director was indicted by the Lawrence County Grand Jury for, among other accusations, using illicit funds to purchase Wal-Mart gift cards. The department's policy, in part, states that it is unacceptable and prohibited to conduct any personal, for-profit activities using network resources. The former fiscal director stated he used the iPhone to post gift cards to eBay and to check his PayPal account for the proceeds, which would eventually be transferred into his personal checking account. The former fiscal director also stated he used the iPad to check his PayPal account but did not visit eBay due to the state's firewall protection.

RECOMMENDATION

The Department of Correction's Information Technology Resources and Services Use Policy should be followed. TCIX officials, to the extent possible, should ensure employees are following the policy.

If you have any questions concerning the above, please contact this office.

Sincerely,



Justin P. Wilson
Comptroller of the Treasury

JPW/kbh