



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY**

JAMES K. POLK STATE OFFICE BUILDING, SUITE 1600

505 DEADERICK STREET

NASHVILLE, TENNESSEE 37243-1402

PHONE (615) 401-7907

FAX (615) 532-4499

**Justin P. Wilson
Comptroller of the Treasury**

December 11, 2014

Honorable Mayor and Members of the
City Commission
City of Williston
P. O. Box 131
Williston, TN 38076

Mayor and Commissioners:

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the City of Williston. As set forth below, the special investigation revealed several deficiencies, including that the mayor failed to comply with state law and publicly acknowledge her indirect conflict of interest related to a city contract with her husband.

Throughout March 2014 the town advertised for a "Ditching of Right-Of-Way" contract. The contract was to include ditching and clean-up of city rights of way, culvert work as needed, and roadway graveling as needed. City officials opened the bids received for this contract at the April 7, 2014, meeting of the mayor and board of commissioners. Per documentation located at city hall, three bids were received in the amounts of \$8,800, \$10,977, and \$42,000. The minutes of this meeting indicated that the bid was awarded to the mayor's husband, Ricky McQueen, in the amount of \$42,000.

The investigation revealed the following:

- Mayor Audrey McQueen did not expressly acknowledge her indirect conflict of interest related to work performed for the city by her husband, including a \$42,000 "Ditching of Right-Of-Way" contract awarded to Mr. McQueen in April 2014. Section 12-4-101(b), *Tennessee Code Annotated*, states that an indirect conflict of interest in a contract is unlawful, unless the officer publicly acknowledges such officer's interest.

City commissioners present at the meeting when the ditching contract was awarded stated that Mayor McQueen left the meeting area as the remaining two officials discussed and voted on the bids for the "Ditching of Right-Of-Way" contract work. The minutes of the meeting reflect that the mayor did not vote on the contract award. Mayor McQueen conceded she did not expressly acknowledge her indirect conflict of interest in this contract or in the work related to city checks paid to Mr. McQueen in July and November 2013 in the amounts of \$2,450 and \$2,500, respectively.

- The minutes of meetings of the mayor and board of commissioners did not include adequate documentation of submitted bids or sufficient information related to the bid selection process. The city's municipal code requires a bidding process which provides for selection of the "lowest and best" bid. For the three bid processes reviewed, the contract was not awarded to the lowest bidder; however, the minutes included no discussion as to why city officials selected a different bid. Such documentation is especially critical to mitigate the appearance of conflicts of interest and the possible public perception of favoritism in situations in which the contract is not awarded to the lowest bidder or is awarded to relatives or coworkers.
- City officials did not prepare written bid specifications for the "Ditching of Right-Of-Way" contract or for other contract bids reviewed. For the ditching contract, information concerning specific work to be performed was provided by a city commissioner, who separately drove each potential bidder around the city and told them what work was expected related to this bid. Investigators noted that the three submitted bids contained significant differences in the stated work to be performed, as well as in the bid amounts. The investigation revealed that city officials had not adopted a formal purchasing policy as required by the city charter and the *Internal Control and Compliance Manual for Tennessee Municipalities*. A detailed bid process, including written bid specifications, is an essential element of a formal city purchasing policy.
- Commissioner Richard Glover apparently violated state statutes relating to direct conflicts of interest when he received payments of city checks totaling \$1,000 for clearing city roadways and repairing a city sign post. Section 12-4-101(a)(1), *Tennessee Code Annotated*, states:

It is unlawful for any officer, committee member ... whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation... created by statute shall or may be interested, to be directly interested in any such contract.
- City officials did not maintain adequate supporting documentation for some disbursements and bid transactions in city files. In addition, city officials did not execute written agreements for some contracts.
- Several bank statements provided to investigators had not been opened and several bank statements could not be located at city hall. In addition, city officials did not ensure bank reconciliations were prepared timely.

Mayor and Members of the City Commission
City of Williston
December 11, 2014
Page 3

City officials have indicated that they intend to correct these deficiencies. If you have any questions concerning the above, please contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with the first name "Justin" being the most prominent.

Justin P. Wilson
Comptroller of the Treasury

JPW/RAD