

**SPECIAL PURPOSE EXAMINATION OF SELECTED RECORDS
OF THE TOWN OF NEW TAZEWell
FOR THE PERIOD APRIL 1, 1999, THROUGH FEBRUARY 28, 2001**

LEGAL ISSUE

In April 1992, the district attorney general notified town officials that “[w]e expect that you will prohibit any use of city employees and/or property to advance private business interests and that the use of the same will be strictly confined to city business.” This notification resulted from an investigation conducted by the district attorney general.

Pursuant to a request from the local district attorney general, we have completed our special purpose examination of selected records of the Town of New Tazewell. Our examination revealed that during the period noted above, Mr. Hershel Beeler, town recorder, operated his private business out of town hall, during business hours and from time to time directed town employees to perform work solely related to his private business while they were being paid by the town. A telephone with a number listed as Beeco Trucking was installed in town hall adjacent to Mr. Beeler’s desk. In addition, the town paid fax and long distance phone charges related to the operation of his private business. We have determined that the town incurred a cost and the recorder derived a benefit of at least \$2,695.01 from these activities. Although while being paid by the town, employees regularly interrupted their town duties to spend short periods of time on the recorder’s private business, we have not included their time in these instances in the benefit value calculated above. Nor does the benefit calculation include the value of office space, parking facilities, and utilities diverted to his personal use.

Section 39-16-402(a), *Tennessee Code Annotated*, states, “A public servant commits a offense who, with intent to obtain a benefit or to harm another, intentionally or knowingly: . . (5) Receives a benefit not otherwise authorized by law.”

It appears that this situation was allowed to continue undetected because the mayor signed town checks without reviewing the related invoices as required by Title 2, Section 2, of the *Internal Control and Compliance Manual for Tennessee Municipalities*. Although formal approval was never given, the recorder operated his trucking business from his office in town hall, using town equipment, supplies, and employees.

The results of our examination have been communicated to the local district attorney general.