



STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF MUNICIPAL AUDIT

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Dennis F. Dycus, CPA, CFE, Director  
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Honorable Hansel McCadams  
District Attorney General  
P. O. Box 686  
Huntingdon, TN 38344

Dear General McCadams:

Pursuant to your request, we have concluded our investigative audit of selected records of the City of Parsons. The purpose of the investigative audit was to address specific allegations related to improper city fuel purchases made through the Fuelman system. This investigative audit focused on the period April 1, 2009, through December 31, 2009. However, when warranted, this scope was expanded.

Our investigative audit established that, during the period April 1, 2009, through December 31, 2009, fuel purchases totaling at least \$4,176 were apparently diverted by a former employee for use in noncity vehicles. The agency used the Fuelman fueling system whereby authorized operators obtained fuel from participating retail gas stations. Essentially, each vehicle was assigned a unique vehicle card and each authorized operator was assigned a unique personal identification number [PIN]. The vehicle card was swiped at the gas station in the same way a credit card would be used. The operator entered his or her PIN as well as the vehicle odometer reading. The purchase information for each transaction, including the vehicle, operator, location, odometer, etc., was recorded and communicated to the agency on a weekly basis.

A former employee admitted to city officials that he had used a city Fuelman card to purchase fuel for personal use. He stated he had found the vehicle card while cleaning out a city vehicle. The recorder indicated that, at that time, they did not have effective internal controls in place to detect this unauthorized use of a city fueling card.

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

Very truly yours,

Dennis F. Dycus, CPA, CFE, Director  
Division of Municipal Audit