

**INVESTIGATIVE AUDIT REPORT OF THE RECORDS  
OF THE TURNBULL-WHITE BLUFF UTILITY DISTRICT  
FOR THE PERIOD JANUARY 1, 1995, THROUGH OCTOBER 31, 2001**

**LEGAL ISSUES**

1. **ISSUE:           Undeposited tap and line extension fees of at least \$52,636.80**

Our examination revealed that between February 8, 1995, and May 24, 2001, the former office manager, Juanita Price, failed to properly deposit at least \$52,636.80 in tap fee and line extension collections into district bank accounts. Although prenumbered receipts were issued for these collections, the former office manager did not record these collections in the district's accounting journals. As a result, she was able to conceal this scheme from management and other employees.

2. **ISSUE:           Unrecorded checks totaling at least \$4,576.76 exchanged for cash**

Our examination revealed that between January 12, 1995, and October 16, 2001, the former office manager, Juanita Price, intercepted and set aside unrecorded checks payable to the district totaling at least \$4,576.76. She then exchanged these checks for cash through the district's cash drawer, keeping the cash for her own use. Since the former office manager controlled what collections were recorded in the district's records, she was able to conceal this scheme from management and other employees.

<b>Scheme</b>	<b>Amount</b>
Undeposited tap and extension fees	\$ 52,636.80
Unrecorded checks exchanged for cash	4,576.76
Total shortage	<u>\$ 57,213.56</u>

**DISPOSITION:**

This matter was referred to the local district attorney general.

On May 14, 2002, Juanita Price pled guilty to one count of theft over \$10,000, one count of theft over \$500, and one count of official misconduct. Upon her plea, the court sentenced her to an effective sentence of ten years. The court granted her request for probation conditioned upon her making full restitution to the utility district. Further, the court prohibited her during the term of her probation from working for any municipality, school district, public utility, county, state, or any other public entity in any supervisory capacity or in a capacity where she has access to or control over the collection or disbursement of money.

## GLOSSARY OF STATE STATUTES

Section 39-14-103, *Tennessee Code Annotated*

### **Theft of property.**

A person commits theft of property if, with intent to deprive the owner of property, the person knowingly obtains or exercises control over the property without the owner's effective consent.

Section 39-14-105, *Tennessee Code Annotated*

### **Grading of theft.**

Theft of property or services is . . .

(2) A Class E felony if the value of the property or services obtained is more than five hundred dollars (\$500) but less than one thousand dollars (\$1,000) . . .

(4) A Class C felony if the value of the property or services obtained is ten thousand dollars (\$10,000) or more but less than sixty thousand dollars (\$60,000) . . .

Section 39-16-402, *Tennessee Code Annotated*

### **Official misconduct.**

(a) A public servant commits an offense who, with intent to obtain a benefit or to harm another, intentionally or knowingly . . .

(4) Violates a law relating to the public servant's office or employment; or

(5) Receives any benefit not otherwise authorized by law.

## **APPENDIX**

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