



# PEA RIDGE VOLUNTEER FIRE DEPARTMENT

**Special Investigation**  
January 26, 2016

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**Justin P. Wilson, Comptroller**





**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**

January 26, 2016

Pea Ridge Volunteer Fire Department  
7245 Holly Creek Road  
Celina, TN 38551

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted a special investigation of selected records of the Pea Ridge Volunteer Fire Department, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Haslam, the State Attorney General, the District Attorney General, certain state legislators, and various other interested parties. A copy is available for public inspection in our office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

Comptroller of the Treasury

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# SPECIAL INVESTIGATION

## PEA RIDGE VOLUNTEER FIRE DEPARTMENT

The Office of the Comptroller of the Treasury, in conjunction with the District Attorney General's Office of the 13<sup>th</sup> Judicial District, investigated allegations of malfeasance related to the Pea Ridge Volunteer Fire Department (the "fire department").

### INVESTIGATIVE RESULTS

1. **Former fire chief and former assistant fire chief took fire department funds totaling at least \$8,705 for their personal benefit**

During the period April 2012 through May 2015, former fire chief Laurence Bradford Stafford and his wife, former assistant fire chief Tabitha Stafford, misappropriated fire department funds totaling at least \$8,705. The investigation revealed that

- Mr. and Mrs. Stafford used fire department money totaling at least \$5,400 to purchase property for their own use, including a mobile home, a vehicle, and other items.
- Mr. Stafford traded a fire department fire engine valued at \$2,000 in exchange for a second mobile home for his personal use.
- Mr. Stafford withheld collections from a fire department benefit totaling at least \$685 from deposit.
- Mr. Stafford ordered payments totaling at least \$620 to other fire department members that were not for legitimate fire department expenses. Most of the other individuals acknowledged that they were not due these funds.

2. **Former fire chief and assistant fire chief received undocumented reimbursement payments totaling \$4,475**

Mr. and Mrs. Stafford received other payments from the fire department totaling \$4,475 for which there was no supporting documentation. Handwritten notes on the canceled checks implied that the payments were reimbursements for expenses paid by the Stafford's. Due to the lack of documentation, investigators were unable to determine if the expenses were for legitimate fire department purposes, had ever been incurred or had ever been paid by the Stafford's.

3. **Former fire chief and assistant fire chief made, and allowed others to make, inappropriate and undocumented fuel purchases**

Mr. and Mrs. Stafford charged, and allowed others to charge, fuel for personal use on the fire department's account. The fire department paid for fuel totaling \$6,424 during the three years ended May 2015. The investigation revealed that fire department officials exercised little restraint or oversight over what they, other members, and even nonmembers, charged to the fire department's fuel accounts. Due to the lack of documentation, investigators were unable to determine which fuel purchases were made for legitimate fire department purposes.

**Summary of Misappropriation**

Method	Amount
Misappropriation	\$ 8,705
Other undocumented payments	<u>4,475</u>
Total	<u>\$ 13,180</u>

This matter was referred to the local district attorney general. On December 14, 2015, the Clay County Grand Jury indicted the former fire chief, Laurence Bradford Stafford, the former assistant fire chief, Tabitha Stafford, and three others on several counts of Theft and Conspiracy to Commit Theft.

**ADDITIONAL ISSUES**

Our investigation revealed significant deficiencies in financial processes that contributed to the ability of the former chief and his spouse, who served as assistant chief, to perpetrate their misappropriation without prompt detection. These financial process deficiencies included:

- Fire department officials failed to separate financial duties adequately or to provide increased oversight when appropriate. The former chief and assistant chief performed all financial duties of the fire department. They prepared and cosigned most checks. They received collections and prepared and delivered deposits to the bank. The fire department bank balance decreased from over \$38,000 in April 2012, when Mr. Stafford became fire chief, to a deficit of \$62 in September 2015.
- Fire department officials did not require and retain adequate supporting documentation for disbursements and other withdrawals.