



UNION GROVE VOLUNTEER FIRE DEPARTMENT

Special Investigation
January 21, 2015

Justin P. Wilson, Comptroller





STATE OF TENNESSEE

COMPTROLLER OF THE TREASURY

Justin P. Wilson

Comptroller

STATE CAPITOL

NASHVILLE, TENNESSEE 37243-9034

PHONE (615) 741-2501

January 21, 2015

Officials of the Union Grove Volunteer Fire Department
922 County Road 316
Niota, TN 37826

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted a special investigation of selected records of the Union Grove Volunteer Fire Department. 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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson".

Justin P. Wilson
Comptroller of the Treasury

JPW/RAD

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SPECIAL INVESTIGATION

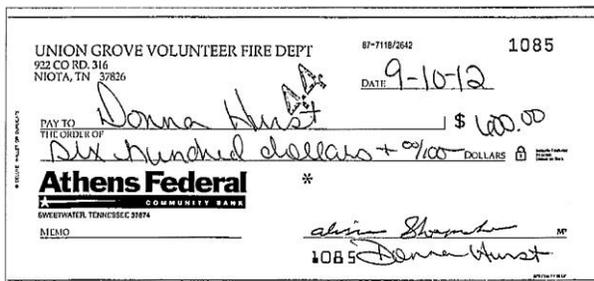
UNION GROVE VOLUNTEER FIRE DEPARTMENT

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Union Grove Volunteer Fire Department (the “fire department”).

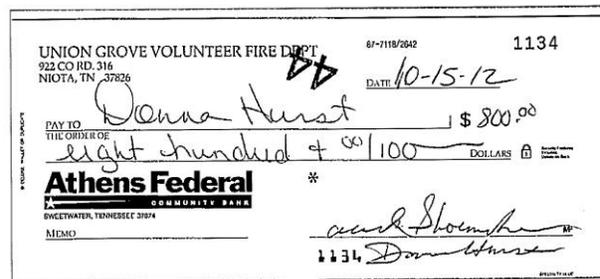
INVESTIGATIVE RESULTS

1. **Former fire department treasurer misappropriated fire department funds totaling at least \$4,954**

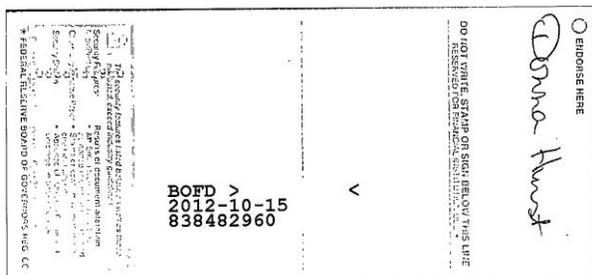
During the period June 2012 through January 2013, former fire department treasurer Donna Hurst misappropriated fire department funds totaling at least \$4,954 by cashing 21 unauthorized fire department checks she wrote to herself and retaining the proceeds for her personal benefit. [Refer to the examples below.] Ms. Hurst signed the fire chief’s name on all of these unauthorized checks.



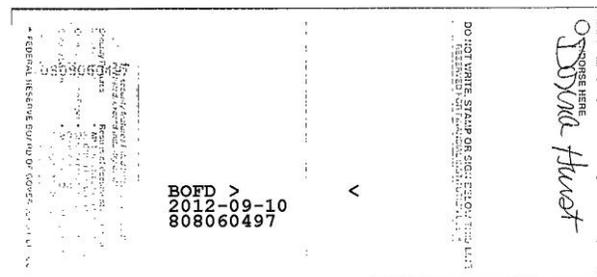
UNION GROVE VOLUNTEER FIRE DEPT 87-7118/2642 1085
922 CO RD. 316
NIOTA, TN 37826
DATE: 9-10-12
PAY TO THE ORDER OF Donna Hurst \$ 600.00
Six hundred dollars + 00/100 DOLLARS
Athens Federal
MEMO
1085 Donna Hurst



UNION GROVE VOLUNTEER FIRE DEPT 87-7118/2642 1134
922 CO RD. 316
NIOTA, TN 37826
DATE: 10-15-12
PAY TO THE ORDER OF Donna Hurst \$ 800.00
Eight hundred + 00/100 DOLLARS
Athens Federal
MEMO
1134 Donna Hurst



DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
ENDORSE HERE
Donna Hurst
BOFD >
2012-10-15
838482960



DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
ENDORSE HERE
Donna Hurst
BOFD >
2012-09-10
808060497

2. **Former treasurer misappropriated fire department fundraiser collections**

The former treasurer misappropriated an indeterminable amount of fire department fundraiser collections. Although fire department officials stated that several individuals counted the cash collections received from intermittent department “boot drive” and car wash fundraisers, the officials acknowledged that the money was turned over to the former treasurer for deposit with no documentation of the amounts collected. The former treasurer told investigators that the fire department held two boot drives each month, collecting approximately \$400 to \$500 in cash at each. She further stated that she retained custody of the boot drive collections until she deposited the money on the following Monday.

According to fire department bank records, during the 21-month period from January 2012 through September 2013, only two deposits – one on January 17, 2012, and one on March 18, 2013 – included any cash. These deposits included cash amounts of \$60 and \$146.36, respectively. Even combined, these amounts total less than the former treasurer estimated would have been collected for a single boot drive. Due to a complete lack of documentation related to the boot drive and car wash fundraisers, investigators were unable to determine the actual amounts of the missing collections.

This matter was referred to the local district attorney general. In November 2014, the McMinn County Grand Jury indicted the former treasurer, Donna Hurst, on 20 counts of Forgery and 1 count of Theft over \$1,000.

ADDITIONAL ISSUES

Our investigation also revealed that fire department officials failed to separate financial duties adequately or to provide increased oversight when appropriate. The former treasurer received collections, prepared and delivered deposits to the bank, prepared and signed checks, and was the only official who reviewed bank statements. This contributed to the former treasurer’s ability to perpetrate the misappropriation without prompt detection.

The officials of the Union Grove Volunteer Fire Department have indicated they have corrected or intend to correct these issues.