



## State of Tennessee

Justin P. Wilson, State Comptroller

For Immediate Release: Oct. 21, 2010

### **Former Employee of Haletown Volunteer Fire Department Took Nearly \$100,000 in Public Funds for Personal Use**

The former secretary/treasurer of the Haletown Volunteer Fire Department diverted at least \$94,823.91 of departmental funds for his personal use, an investigation by the Comptroller's Division of County Audit has revealed.

Auditors, working in cooperation with officials from the Tennessee Bureau of Investigation, found that Billy Joe Henegar wrote checks totaling \$92,620.25 from the department's bank accounts to cover personal expenses such as credit card, cellular phone and utility bills, computer equipment, food, payments to his wife for radio repairs and a loan payment made on behalf of his son.

Also, the audit revealed Henegar withheld \$2,203.66 in contributions that were supposed to be deposited into one of the department's bank accounts.

Although Henegar eventually repaid \$7,800, the department still had a cash shortage of \$87,023.91 resulting from his actions.

The auditors also found:

- \* The department maintained three separate bank accounts. Henegar, his wife and the former fire chief were the only people connected with the department who were aware one of those accounts existed. Henegar and his wife were listed as authorized users for all three accounts.
- \* All three bank accounts required only a single signature on checks – a deviation from the recommended accounting practice of requiring at least two signatures in order for funds to be withdrawn.
- \* Henegar and his wife solicited donations regularly on behalf of the department, but did not keep records of how much money they received.
- \* There was inadequate documentation to verify the legitimacy of purchases made with 59 checks, totaling \$19,134.48. Henegar admitted 28 of those checks, totaling \$3,147.12, were spent for cable television expenses. However, there was insufficient documentation to determine what portion of those expenses covered Henegar's personal cable television use and what portion

covered the department's cable TV bills.

\* On at least two occasions, the department improperly borrowed money from department members, although those funds were later repaid with department-issued checks.

\* The department lacked sufficient checks and balances in its financial practices and recordkeeping due to Henegar's total control over receipts and disbursements.

The Comptroller's office began investigating in April at the request of the local district attorney general's office.

The investigation followed a separate review of the Marion County Election Office, where Henegar's wife worked as administrator of elections. The investigation of the Marion County Election Office revealed five warrants issued by the election office had been endorsed and deposited into the fire department's bank account.

Henegar resigned from his position with the fire department in April after admitting that he had borrowed roughly \$12,000 in departmental funds. Earlier this month, a Marion County grand jury indicted him on a charge of theft over \$60,000.

To view the Hometown Volunteer Fire Department report online, go to:

<http://www.comptroller1.state.tn.us/repository/CA/2010/Haletown%20Volunteer%20Fire%20Dept.pdf>

"I applaud our auditors and the investigators from the Tennessee Bureau of Investigation for their work in exposing this abuse of the public's trust," Comptroller Justin P. Wilson said. "Clearly, corrective action needs to be taken to help prevent these types of problems from arising in the future. I am encouraged that Marion County Mayor David Kirk has made a commitment to addressing the problems identified in the audit. I also want to note that the Comptroller's office remains committed to finding and working with other government officials to reduce cases involving fraud, waste or abuse of taxpayer dollars."

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Media contact: Blake Fontenay, Communications Director, (615) 253-2668 or [blake.fontenay@tn.gov](mailto:blake.fontenay@tn.gov)

[Tennessee Comptroller of the Treasury](#)  
State Capitol Nashville, TN 37243  
Phone: (615) 741-2501  
Email: [comptroller.web@tn.gov](mailto:comptroller.web@tn.gov)