



State of Tennessee

Justin P. Wilson, State Comptroller

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Report Details Issues that Led to Indictment of Former Collinwood City Recorder

Former Collinwood City Recorder Sherry Gallien used her position to take public funds and destroyed payment records to conceal her actions, according to report released today by the Comptroller's Division of Municipal Audit.

Gallien was arrested last month on theft charges stemming from an investigation conducted by the Comptroller's staff and the Tennessee Bureau of Investigation. The report documents that Gallien took nearly \$85,000 in city collections over a period of 27 months.

Investigative auditors discovered that Gallien, who was solely responsible for recording and accounting for utility collections, recorded more payments into the city's computer system than she deposited into the city's bank account.

Gallien concealed the theft of \$63,803 in utility collections by destroying and discarding the city's paper records of payment for many customers, but auditors were able to determine that these missing records matched the amount of money that should have been in the city's bank account.

The report also details how Gallien failed to deposit at least \$20,375 in other recorded cash collections, including some water and gas meter deposits, as well as collections for traffic citations and building permits.

"This case illustrates how a seemingly small accounting issue can lead to much bigger problems if not corrected," Comptroller Justin P. Wilson said. "Unfortunately, our auditors frequently find that local governments have failed to adequately separate duties - so a single employee handles all aspects of certain financial transactions. Because there are insufficient safeguards in place to monitor those transactions, the employees in those situations are essentially on the honor system. And the honor system doesn't always work."

The Comptroller's report can be found at

http://www.comptroller1.state.tn.us/RA_MA_Financial/Report_Investigative.aspx

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