



## State of Tennessee

Justin P. Wilson, State Comptroller

For Immediate Release: Aug. 9, 2012

### **Pikeville Mayor Costs Town More Than \$250,000 Due to Fraud, Waste and Abuse**

The Comptroller's Division of Investigations reported today that Pikeville Mayor Greg Johnson stole money from the town for his personal benefit and wasted taxpayer dollars on unnecessary vehicle expenses. The Comptroller's Division of Investigations reported five different instances of fraud, waste, and abuse by third-term mayor and sitting county commissioner over the past several years costing the town more than \$250,000.

The Comptroller's report details how Johnson spent \$15,900 from the town coffers to purchase a 2008 Honda Element from a dealership in Nashville that was never titled to the town. Instead of the vehicle being used for town business, the mayor turned it over to a family member for personal use. The mayor purchased an additional 10 used vehicles, including Lexus, Land Rover and GMC sport utility vehicles, all from out-of-state car dealers that cost the town another \$109,900. At least four of the vehicles appeared to have relatively serious damage. Nor did they seem to fulfill any official purpose. While the vehicles were never titled nor put into service by the town, the mayor admitted to taking a weeklong trip to Miami in one of them.

The mayor also received more than \$130,000 in payments from an insurance reimbursement scheme he devised in which he would submit reimbursement claims to the town for health insurance premiums he never paid for himself or his family. Mayor Johnson, while covered by his wife's insurance plan, submitted reimbursement claims for coverage on a town policy with the highest premium charged by the town's insurance provider despite not purchasing insurance through the town's carrier. The mayor also had the city pay him more than \$37,000 for a vehicle allowance that was neither authorized by the board of aldermen nor included in his annual salary set by the board. In addition to the car allowance, the mayor purchased more than \$6,000 worth of fuel in 11 months, which averages to more than \$500 a month.

Johnson was indicted last month by the Bledsoe County Grand Jury for official misconduct and theft over \$60,000. Both offenses are felonies with official misconduct carrying a penalty of up to two years in prison and theft over \$60,000 carrying up to 12 years for a first-time offender.

“Elected officials are put in positions of public trust and they should act accordingly at all times,” said Comptroller Justin P. Wilson. “Unrestrained abuses of power undermine public confidence in local leaders and create an atmosphere of distrust of government that can take years to erase.”

To view the report online, go to:

<http://www.comptroller.tn.gov/repository/ia/20120809PikevilleReport.pdf>

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