



State of Tennessee

Justin P. Wilson, State Comptroller

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Former East Tennessee Utility Manager Improperly Took Ratepayer Money, Unauthorized Perks While on the Job

Sneedville is a quiet mountain town in Upper East Tennessee known for its scenery and bluegrass music. Yet in that tranquil setting, the former utility district manager helped herself to more than \$27,000 in cash, checks and unauthorized insurance benefits, an audit by the Comptroller's Division of Investigations has found.

The audit, which was released today, details how Connie Mitchell, former manager of the Sneedville Utility District, took \$7,445 in ratepayer money for her own personal use between July 1, 2010 and September 30, 2011. Over a three-year period, Mitchell also spent nearly \$20,000 in district funds to upgrade her insurance coverage without authorization by the district's board of commissioners.

Last month, the Hancock County Grand Jury indicted Mitchell on one count of theft over \$1,000.

The audit noted several other issues with the district's finances and operations.

For example, investigators also found that several family members of utility district employees and officials were allowed to carry large overdue balances on their accounts without having their utility service cut. In one case, a residential customer accumulated an unpaid balance of nearly \$2,000 over a 46-month period.

Mitchell repeatedly came in late for work, but marked her timesheets to indicate she had worked full days. She also used district funds to purchase a cell phone that had no apparent business purpose. The district's board of commissioners had no written policy on cell phone use by employees.

The district was also delinquent in paying federal withholding tax to the United States Treasury and state sales tax to the Tennessee Department of Revenue.

“Abuses of ratepayer money should not and cannot be tolerated,” Comptroller Justin P. Wilson said. “It is worth noting that Ms. Mitchell’s actions were more difficult to detect because Ms. Mitchell had complete access and control over those transactions.”

To view the complete report online, go to: <http://www.comptroller.tn.gov/ia/>

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