



State of Tennessee

Justin P. Wilson, State Comptroller

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West Tennessee Town Falls Victim to Identity Theft

Identity theft is a problem for many individuals, but even cities can fall victim, too. The West Tennessee town of Henning learned that when someone tried to use two counterfeit checks issued in the town's name last year.

The banks refused to honor those checks, but the town did lose \$25,500 when another check was stolen and the amount and name of the payee were altered. Those were among the findings of an audit released by the Comptroller's Division of Investigations today.

The mayor of Henning initially told auditors that the stolen check was lost at a store in Covington. However, an investigation revealed that the check - written in the amount of \$187.65 - was actually sent to a vendor in Dallas to cover a legitimate expense.

That check was intercepted and altered to reflect a payment of \$25,500 payable to "Cheveze Pippins." The check was then deposited into a Houston bank account last year. Several months later, unsuccessful attempts were made to transact the two counterfeit checks in the town's name at banks in Louisiana and Texas.

Auditors noted that the town should have taken action promptly to stop payment on the stolen check when it was determined that the vendor hadn't received it.

"This case illustrates the importance of proper record-keeping," said Comptroller Justin P. Wilson. "Adequate safeguards need to be in place so lost or stolen checks are quickly detected and appropriately handled."

The audit also found that the town failed to adequately document some transactions, pre-signed some blank checks and improperly handled vehicles confiscated by police.

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

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