



State of Tennessee

Justin P. Wilson, State Comptroller

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Funds Intended to Benefit Homeless and Abused Animals Stolen from Morrystown Shelter

An employee of the Morrystown-Hamblen Humane Society altered receipts to conceal the theft of \$51,130 from the organization's adoption fees and other funds, an audit by the Comptroller's Division of Investigation has revealed.

Receipts in the humane society's computer system were backdated - up to 11 years before the installation of the computer system - so they would not be included in daily collection reports. That meant money from adoption fees and other sources didn't appear in the organization's records. Investigators concluded that money was stolen by the employee, who was later fired.

Investigative auditors reviewed records from July 1, 2009 through October 31, 2011 after Hamblen County officials discovered the altered receipts from collections were not deposited into the humane society's bank accounts. The stolen funds should have been used to operate the animal shelter, enforce animal control ordinances and conduct animal cruelty investigations.



The employee involved had been responsible for gathering collections, matching collections with receipts and delivering those collections to the bookkeeper for deposit. During questioning by investigators, the employee admitted to backdating one receipt to “borrow” \$120. The employee refused to speak with investigators after being fired.

Investigators also found weaknesses in the humane society's accounting and record-keeping procedures, which made the theft easier to conceal.

“It is very important that there is an appropriate amount of oversight when public funds are being accepted, recorded and spent or deposited,” Comptroller Justin P. Wilson said. “Putting too many responsibilities in the hands of one individual without that kind of oversight can create situations that are ripe for fraud or abuse. It is very unfortunate in this case that money that could have been used to help stray and abused animals in Hamblen County isn't available for that purpose because of this.”

The Comptroller's Division of Investigation has forwarded copies of its report and supporting information to the Office of the District Attorney, Third Judicial District.

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

-30-

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