



State of Tennessee

Justin P. Wilson, State Comptroller

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Former East Tennessee Water Division Clerk Indicted for Theft and Credit Card Fraud

Following a review by the Comptroller's Division of Investigations, the former clerk of the Watauga River Regional Water Authority/North Elizabethton Water Division surrendered to the Carter County Sheriff's Office this month after being indicted on charges of theft, forgery, official misconduct and credit card fraud.

The Comptroller's review found the former clerk, Lori Beth Feaster, had stolen cash utility collections, made personal purchases with district credit cards and took unauthorized check payments that amounted to tens of thousands of dollars.

Feaster used some of the agency's funds to cover personal expenses such as a battery and windshield wipers for her car and an energy efficient front-loading clothes washer.

In a report released today, the Comptroller's investigators detailed how, in just two years, Feaster stole approximately \$44,174 of ratepayer funds while handling and accounting for utility collections at the agency.

Investigators noted that it was Feaster's ability to collect money, prepare bank deposits and sign checks on behalf of the agency without sufficient oversight which presented her with the opportunity to steal public funds. She capitalized on that situation by issuing more than \$23,000 in checks to herself, taking more than \$15,000 in cash utility collections and making more than \$4,000 in fraudulent credit card purchases - all the while falsifying agency records to cover her tracks.

Feaster concealed \$23,743 in checks made out in her name by fraudulently recording the payments in the agency's accounting records as payments to a backhoe vendor. She also shorted cash utility deposits by at least \$15,506. In one instance, Feaster changed a \$6,974.34 bank deposit slip prepared by another employee to \$5,974.35 and kept \$1,000 for her personal use.

"Theft or misuse of public funds is unacceptable, whether those funds come from tax dollars, utility bills or any other sources," Comptroller Justin P. Wilson said. "These types of crimes need

to be taken as seriously as any other type of theft.”

“The failure to adequately separate financial duties, as was the case here, is the most common weakness in accountability that allows for thefts of public funds to occur,” says L. Rene Brison, Assistant Director of the Comptroller’s Division of Investigations. “It is imperative that all public officials and employees put adequate safeguards in place to prevent any single employee from having sole responsibility for each step in the collections and disbursements process.”

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

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