



State of Tennessee

Justin P. Wilson, State Comptroller

For Immediate Release: June 5, 2014

Former Jellico City Recorder Took Nearly \$100,000 in Public Funds for Personal Use

A former city recorder in the Campbell County town of Jellico took at least \$96,449.62 in public funds for her own personal use, an investigation by the Comptroller's office has found.

The former recorder, Linda Douglas, misspent the town's money in a variety of ways over the two-year period examined by investigators. She pocketed about \$80,000 worth of cash and checks collected from Jellico citizens. She also received unauthorized payroll checks and was reimbursed for unauthorized travel expenses and fuel purchases.

Douglas was able to take the money because she was given sole responsibility for receiving checks and cash, maintaining accounting records and depositing the money she collected. Good accounting practices require those duties be divided among multiple employees so they are able to double-check each other's work.

Investigators shared their findings with the local district attorney general. Last month, the Campbell County Grand Jury indicted Douglas on charges of theft over \$60,000 and official misconduct.

The investigation also documented more than \$16,000 worth of questionable expenses made by various employees over the same two-year time period. These included fuel purchases, items bought from vendors and credit card expenses that investigators could not determine were related to city business.

The investigative report, which was released today, noted a number of other problems with Jellico's accounting and management practices, including poor recordkeeping of financial transactions, deficiencies in purchasing procedures and a lack of written policies for garbage fee collections and cellular telephone use by city employees.

"It is very troubling to me that our investigators identified so many issues with the way the city of Jellico is being run," said Comptroller Justin P. Wilson. "The city has had its share of financial problems over the last few years and those problems have been made worse by questionable spending and outright misappropriation of public funds. I hope city officials will take the corrective steps we have suggested in our report to reduce the likelihood these problems will happen again in the future."

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

If you suspect fraud, waste or abuse of public money in Tennessee, you may call the Comptroller's hot line at 1-800-232-5454 or fill out a report online at <http://www.comptroller.tn.gov/shared/safwa.asp>.

-30-

Media contact: Blake Fontenay, Communications Director, (615) 253-2668 or blake.fontenay@tn.gov

[Tennessee Comptroller of the Treasury](#)
State Capitol Nashville, TN 37243
Phone: (615) 741-2501
Email: comptroller.web@cot.tn.gov