



**Justin P. Wilson, Comptroller**

February 17, 2015

## **Electrical Inspector Defrauds Contractors and State of Tennessee**

A special investigation by the Comptroller's Office has revealed that Susan Scarce, a former state deputy electrical inspector, overcharged electrical contractors at least \$5,033. This investigation was completed in conjunction with the Tennessee Bureau of Investigation.

Susan Scarce, who resides in Lauderdale County, is the sole proprietor of SNS Electrical Inspections, P.C., and worked as a contract inspector for the Tennessee Department of Commerce and Insurance (TDCI) from October 2006 to February 2012.

Investigators found that during the period March 2011 through November 2011, Scarce overcharged electrical contractors and then submitted paperwork to TDCI resulting in excess compensation of at least \$2,512 paid to her by the State of Tennessee.

Ms. Scarce was able to facilitate her scheme by misclassifying some standard inspections as more costly "nonstandard" inspections and, in several instances, charging for inspections she did not perform. She also forged contractor signatures on some permits and inspection forms.

On February 9, 2015 the Dyer County Grand Jury indicted Susan Scarce on two counts of theft over \$1,000.

The Tennessee Department of Commerce and Insurance has corrected its processes that allowed these overcharges to occur and not be detected timely.

"Ms. Scarce not only defrauded contractors, she also submitted false forms to the State of Tennessee," Comptroller Justin P. Wilson said. "Most of Tennessee's electrical inspectors are contract workers, and I'm pleased to see the TDCI take steps to prevent overcharges from occurring."

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

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