



Justin P. Wilson, Comptroller

March 23, 2016

Clarksville Nonprofit Uses Federal Money to Personally Benefit Executive Director

The Tennessee Comptroller's investigation of the Cherry Tree Food Program in Clarksville, TN raises questions about \$181,135.59 spent by the nonprofit. Much of that money personally benefited the former executive director.

Cherry Tree is primarily funded by the federal Child and Adult Care Food Program, which is administered in Tennessee by the Department of Human Services (DHS). As of July 1, 2015, Cherry Tree supported 267 daycare homes and 23 daycare centers in Tennessee by assisting them in filing monthly claims for meal reimbursements. Cherry Tree is reimbursed for its administrative expenses.

Comptroller investigators are questioning \$181,135.59 spent by Cherry Tree between October 1, 2012 and June 30, 2015. These expenditures were not approved by DHS in Cherry Tree's annual budgets. Many of these unauthorized payments benefited the former executive director. The offices for Cherry Tree were located in a portion of the former executive director's personal residence.



These expenses include:

- \$38,792.31 for a gazebo, new water heater, wrought iron handrails, replacement of windows and vinyl siding, installation of tile floors, installation of kitchen and bathroom sinks, ceiling fans, electrical work, and various other maintenance and repairs to the former executive director's home.
- Unauthorized lease payments totaling \$17,900 to the former executive director or her family.
- \$47,426.70 in unauthorized payments and questionable reimbursements to the former executive director
- \$57,072.98 in other unauthorized and questionable disbursements including charges for hotel rooms, air travel, rental cars, furniture, fuel, and electronics.
- \$10,043.60 in food and beverage purchases at both stores and restaurants.
- \$9,300 in unauthorized Christmas bonuses, and personal loans with a total outstanding balance of \$600 paid to employees.

The findings and recommendations in the investigative report have been reviewed with the district attorney general for the Nineteenth Judicial District.

"The Tennessee Department of Human Services and Cherry Tree's board dropped the ball in this case," said Comptroller Justin P. Wilson. "DHS and the board should have reviewed disbursements to ensure they

conformed to the approved budgets. A lack of oversight allowed these problems to continue for more than 2 1/2 years.”

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, call the Comptroller’s toll-free hotline at (800) 232-5454, or file a report online at: www.comptroller.tn.gov/hotline. Follow us on twitter [@TNCOT](https://twitter.com/TNCOT)

Media contact: John Dunn, Public Information Officer, (615) 401-7755 or john.dunn@cot.tn.gov

Tennessee Comptroller of the Treasury
State Capitol Nashville, TN 37243
Phone: (615) 741-2775
Email: comptroller.web@cot.tn.gov