



Justin P. Wilson, Comptroller

August 11, 2016

Investigation Highlights Need for Volunteer Fire Department Oversight *Report Examines Hillsview VFD in McMinn County*

A new investigation by the Tennessee Comptroller's Office reveals several issues within the Hillsview Volunteer Fire Department (HVFD) that could have been avoided with improved administrative and financial oversight.

Investigators are questioning \$6,414.87 that was spent by HVFD without adequate documentation to determine if the money was used for legitimate purposes or for the personal benefit of its members. HVFD checks were written to Walmart, Lowe's, Midway Mart, Staples, Auto Zone, Dollar General, Ace Hardware, and Little Caesars. Other checks were noted as "reimbursements" to various HVFD members.

Investigators also found HVFD violated state law when it raffled a television and a .22 rifle during fundraising events. The Tennessee Nonprofit Gaming Law only authorizes qualified nonprofits to conduct certain games of chance, including raffles. HVFD is not a registered not-for-profit organization.

Comptroller investigators identified numerous deficiencies in HVFD's financial operations. These include allowing one member to have too much control over financial transactions, not keeping an official cash journal, signing checks prior to making a purchase, failing to deposit all fundraising collections, and not issuing receipts for collections.



Since June 30, 2015, all of Tennessee's volunteer fire departments receiving public funds are required to file an annual financial report with the Comptroller's Office and the local governments from which they receive funding. HVFD has not submitted an annual financial report.

"Volunteer fire departments must show a basic level of financial responsibility that includes keeping receipts and recording transactions," said Comptroller Justin P. Wilson. "I am pleased to see McMinn County and HVFD leaders indicate they are making improvements. We strive for government to work better."

The Comptroller's findings and recommendations have been reviewed with the district attorney general for the Tenth Judicial District.

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

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