



## State of Tennessee

Justin P. Wilson, State Comptroller

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### **Audit Finds More Than \$73,000 of Police Fines and Fees Missing**

Police dispatchers in Trenton collected more than \$70,000 in fines and fees that were never deposited into the city's bank account, an investigation by the state Comptroller's Division of Municipal Audit has revealed.

According to the audit, collected fees and fines were kept in a lock box at the police station. The police chief and his secretary were the only people with keys to the lock box. The police chief periodically removed envelopes containing the collections from the lock box without examining the receipt book and comparing the receipts to the collections he was supposed to deposit.

By failing to compare the receipts with the cash collections, the police chief was unable to verify if he was depositing all the money collected by the dispatchers. Between July 1, 2006 and November 30, 2008, the period covered by the audit, there was a \$73,536 difference between the amount of fines and fees collected and the amount of money deposited into the city's bank account.

City officials had no explanation for what happened to the missing funds.

Auditors said that the chief's failure to document deposits and the general lack of internal controls at the police department contributed to the failure to detect or prevent the missing funds in a timely manner.

The Internal Control and Compliance Manual for Tennessee Municipalities, a reference resource for managing government finances, recommends that in any situation in which money changes hands from one employee to another, the money should be counted by both employees and a receipt should be prepared and signed by both employees indicating concurrence with the amount transferred. The Trenton police chief stated in the report that he would "simply toss or throw the collection on a court clerk's desk and leave" without taking the time to count the money with the clerk or obtain a receipt.

The police chief attributes the manner in which he handled city funds to the training he received nearly three decades ago, according to the written rebuttal he provided in the audit report.

The Comptroller's report also cites the police chief for routinely holding bank deposits for one to two weeks in violation of Tennessee law and misplacing more than \$3,000 in collections for

more than nine months.

“Public money needs to be handled with care,” Comptroller Justin P. Wilson said. “It is simply not acceptable for taxpayer dollars to change hands without proper documentation. This case illustrates the potential danger of failing to have adequate checks and balances in money-handling procedures.”

To view the full report online, go to: [http://www.comptroller1.state.tn.us/RA\\_MA/](http://www.comptroller1.state.tn.us/RA_MA/)

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