



## State of Tennessee

Justin P. Wilson, State Comptroller

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### **Audit Reveals Serious Concerns with the Control and Oversight of Film Incentives Programs**

Auditors from the Comptroller's office found that the Tennessee Film, Entertainment and Music Commission; the Department of Economic and Community Development; and the Department of Revenue have failed to ensure that public incentives for filmmaking businesses were properly administered. Auditors could find little to no evidence the incentives have led to new film producing facilities or permanent film jobs in Tennessee.

In 2006, the General Assembly passed laws giving the film commission authority to provide certain financial incentives to attract movie production companies to the state. However, auditors questioned whether the incentives provided have been properly determined and whether certain incentives intended for filmmaking facilities located in Tennessee have been improperly awarded to out-of-state businesses.

The Comptroller's report, which was released today, can be found online at:  
<http://www.comptroller.tn.gov/repository/SA/pa12029.pdf>

The auditors found that incentive payments were based on expenditures that did not always meet the program's guidelines or have adequate supporting documentation.

The audit also revealed a former executive director had a potential conflict of interest that was not properly disclosed. The former director's spouse worked for a legal firm that was involved with at least three film projects which received incentives.

Auditors will give a presentation on their findings today at a meeting of the General Assembly's joint subcommittee on commerce, labor, transportation and agriculture. The meeting is scheduled to begin at 10 a.m. in Hearing Room 12 at Legislative Plaza in downtown Nashville.

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