



State of Tennessee

Justin P. Wilson, State Comptroller

For Immediate Release: March 29, 2011

Comptroller Audit Reveals Sevier County Utility District Employees Repeatedly Misused Ratepayer Funds and Resources

An investigative audit by the Comptroller's Division of Municipal Audit has documented numerous instances in which Sevier County Utility District employees misused the district's funds and other resources.

District officials routinely sought reimbursement for expenses not allowable under their travel policy, permitted employees to spend district funds on personal clothing allowances and had a gas grill delivered and installed in exchange for Tennessee Titans football tickets.

District funds were used to provide vanity license plates and satellite radio in a GMC Denali sport utility vehicle used exclusively by the district's president. The district's president also ordered employees to build and install a grill island and fire pit burner at his home.

A former district vice president worked out a deal with a local car dealership which allowed him to purchase a district-owned pickup truck at a discounted price. He then traded the vehicle in on the purchase of a new vehicle and received a trade-in allowance of approximately \$10,000 more than he paid for the vehicle.

The investigative audit, which was released today, also detailed other record-keeping issues, such as inadequate documentation of how petty cash funds are spent and failure to establish policies governing the use of district credit cards.

"I don't believe utility customers in Sevier County expect money collected from their utility rates to be spent in the manner some district employees have been spending it," said Dennis Dycus, director of the Comptroller's Division of Municipal Audit. "Their actions may undermine the confidence people have in the district and its operations."

"Any amount of waste, fraud or abuse of public money is unacceptable," Comptroller Justin P. Wilson said. "In this case, there are numerous examples of utility district funds being misspent or improperly documented. I hope utility district officials will take corrective action quickly to address the issues identified in our audit."

To view the full audit online, go to:

<http://www.comptroller1.state.tn.us/repository/MA/Investigative/seviercountyud.pdf>

Media contact: Blake Fontenay, Communications Director, (615) 253-2668 or blake.fontenay@tn.gov

[Tennessee Comptroller of the Treasury](#)
State Capitol Nashville, TN 37243
Phone: (615) 741-2501
Email: comptroller.web@tn.gov