



## State of Tennessee

**Justin P. Wilson, State Comptroller**

For Immediate Release: Sept. 14, 2010

### **Former Bookkeeper in Lake County Mayor's Office Took More Than \$200,000 of Public Funds for Personal Use**

The Lake County mayor's former bookkeeper misappropriated more than \$200,000 of public funds for her personal use, an investigation by the state Comptroller's Division of County Audit has revealed.

Between Oct. 18, 2005 and July 26, 2010, former bookkeeper Kim Keeling issued 191 vendor checks totaling \$202,344.63 from the county's general fund.

The checks were made payable to Purchase Power, a payment mechanism established by the Pitney Bowes Company that enables customers to pay for postage and other office-related expenses.

However, Keeling also listed herself as a payee on those checks, which allowed her to cash them and to divert the money into her personal account.

As auditors had noted in previous reports, Lake County lacked proper segregation of duties in terms of checks and balances in its money-handling procedures which made it easier for Keeling to take the money. Specifically, she was given responsibility for maintaining accounting records and was involved in receiving, depositing, posting and disbursing funds.

Auditors recommend that local governments separate all of those functions if possible so one person does not have unsupervised access to public funds.

"I am proud of our auditors for their work in bringing this situation to light," Comptroller Justin P. Wilson said. "I am also pleased that the county mayor has promised to take corrective action to reduce the likelihood this type of problem will arise in the future."

"Our staff did an excellent job of identifying the missing funds in the county mayor's office," said Jim Arnette, director of the Division of County Audit. "The office must immediately improve internal controls over the issuance of vendor checks so that something like this does not happen again. The Comptroller's office is committed to eliminating the fraud, waste and abuse of public funds."

To view the report online, go to: [http://www.comptroller1.state.tn.us/repository/CA/2010/Lake Co. Mayor's Office Special Report.pdf](http://www.comptroller1.state.tn.us/repository/CA/2010/Lake%20Co.%20Mayor's%20Office%20Special%20Report.pdf)

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