



State of Tennessee

Justin P. Wilson, State Comptroller

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Comptroller's Investigation Reveals Marion County Election Office Ordered More Than 100 Fraudulent Payments

Marion County's former administrator of elections ordered more than 100 warrants issued on behalf of individuals who had not performed work for the local election office, an investigation by the Comptroller's Division of County Audit has concluded.

The investigation was conducted with the Tennessee Bureau of Investigation at the request of the local district attorney's office.

Between July 1, 2003 and March 31, 2010, investigators discovered that Holly Henegar, who at the time was Marion County's administrator of elections, ordered 107 warrants issued to 34 individuals. The warrants were to pay for elections-related work done by those individuals, including several young children.

Investigators concluded those individuals did not perform the work for which they were being paid and instead the proceeds from the checks, totaling \$27,170.93, were being funneled to Henegar's husband, Billy Joe Henegar.

Investigators suspect Billy Joe Henegar, who has been receiving disability compensation since 1991, apparently sought the payments through other parties to protect his disability status and to avoid reporting the extra income to Social Security or the Internal Revenue Service.

The Tennessee Department of State's Division of Elections conducted a separate inquiry into the operations of the Election Office earlier this year. As a result of that investigation, the State Election Commission scheduled a hearing to discuss whether Holly Henegar should be decertified as an election administrator. Holly Henegar resigned from her post last April, prior to the hearing.

The Comptroller's investigation found several other deficiencies in the manner in which the Marion County Election Office requested and received payments. For example, the office submitted requests for payment to the County Mayor's office that did not include sufficient documentation about the reasons for the payment, dates and hours worked by employees and certification by both the administrator of elections and the supervisors at polling precincts.

Also, the investigation found that Holly Henegar improperly appointed election officials,

including city and county employees, when those appointments should have been made by the Marion County Election Commission.

And some county election commissioners were paid for meetings they had not attended.

Gary Reames, who replaced Holly Henegar as administrator of elections, vowed to take the corrective steps recommended by the auditors.

“It is unacceptable to have any type of fraud, waste or abuse at any level of government,” Comptroller Justin P. Wilson said. “This type of fraud was particularly egregious because it involved using small children as a smokescreen to conceal improper payments. The individuals responsible for this should be ashamed of the manner in which they have abused the public trust.”

“I want to compliment the efforts of all parties involved in investigating this matter,” said Jim Arnette, director of the Comptroller’s Division of County Audit. “Our staff did an excellent job of documenting the misuse of funds by the Marion County Election Office. The Comptroller’s office is committed to eliminating fraud, waste and abuse of public funds.”

To view the report online, go to:

<http://www.comptroller1.state.tn.us/repository/CA/2010/Marion%20Co.%20Election%20Office.pdf>

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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