



State of Tennessee

Justin P. Wilson, State Comptroller

For Immediate Release: June 4, 2012

More than \$50,000 Stolen from Morgan County Soil Conservation District

An administrative secretary used a variety of schemes to steal at least \$53,412.78 from the Morgan County Soil Conservation District, an investigation by the Comptroller's Division of Local Government Audit has revealed.

The administrative secretary, Sharlene Justice, forged signatures of the district board's chairman on checks and timesheets dating back at least to 2008. The administrative secretary wrote checks to herself and to family members.

A portion of the unreceipted cash collected by the administrative secretary was eventually deposited and a forged check written by Ms. Justice was returned by the bank due to insufficient funds. This reduced the cash shortage to \$44,727.08.

The report noted that the soil district's board of directors failed to provide adequate oversight over the district's operations and that safeguards that might have detected the thefts sooner were lacking.

For example, auditors noted that Justice was responsible for all aspects of financial transactions, which meant no one on the district staff double checked her work. Also, the district issued only generic receipts, which made it difficult to determine if office funds were being properly receipted and deposited. The lack of oversight was further illustrated when the chairman of the board advised that his signature had been forged on checks and timesheets since at least 2008.

"It is very important that government entities practice good internal controls in accounting and bookkeeping," Comptroller Justin P. Wilson said. "Internal controls are basically a set of checks and balances that help make sure that public dollars aren't subject to fraud, waste or abuse. As this case clearly illustrates, there can be consequences for governments that don't have good internal controls."

The findings of the report, which was released today, were forwarded to the local district attorney's office.

On May 21, the Morgan County Grand Jury indicted Justice on one count of theft over \$10,000. On May 23, she was arrested by officers from the Tennessee Bureau of Investigation.

To view the report online, go to: <http://www.comptroller.tn.gov/la/SpecialReports.asp>.

-30-

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