



HENDERSON COUNTY ASSESSOR OF PROPERTY

Comptroller's Investigative Report
January 11, 2018

Justin P. Wilson, Comptroller





JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

January 11, 2018

County Mayor and Members of the
County Commission
Henderson County
P. O. Box 528
Lexington, TN 38351

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Henderson County Assessor of Property, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Haslam, the State Attorney General, the District Attorney General, certain state legislators, and various other interested parties. A copy is available for public inspection in our office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

A handwritten signature in black ink that reads "Justin P. Wilson".

Justin P. Wilson
Comptroller of the Treasury

JPW/RAD

INVESTIGATIVE REPORT

HENDERSON COUNTY ASSESSOR OF PROPERTY

BACKGROUND

Henderson County is located in West Tennessee, and the Henderson County Assessor of Property is located in Lexington, Tennessee, in the county courthouse.

Findings and recommendations, as a result of our investigation, are presented below. These findings and recommendations have been reviewed with the district attorney for the Twenty-Sixth Judicial District.

INVESTIGATIVE FINDINGS AND RECOMMENDATIONS

FINDING 1 Henderson County property assessments records were altered by \$2,489,300

Our investigation disclosed that on November 11, 2015 (Veterans Day), while the property assessor's office was closed, a field appraiser in the property assessor's office, who is also the daughter of the property assessor, intentionally altered 105 property records by removing Code 8, an indicator added to property records of new home construction, additions, pools, barns, etc. Section 67-5-603(b), *Tennessee Code Annotated*, requires the assessor of property to include all new buildings and improvements to property completed after January 1 and before September 1 of any year in the county's assessment roll. When Code 8 is added to property records, field appraiser staff of the property assessor's office are required to physically observe the property. Only after field appraiser staff have observed and appraised the property may the Code 8 designation be removed.

After the Code 8s were removed, the Tennessee Comptroller of the Treasury, Division of Property Assessments (DPA), became aware of the altered property records and performed an evaluation of the office. DPA instructed the office to reenter the Code 8s on the property records, along with several other requirements. As a result of the DPA evaluation and instructions, appraised property values increased by \$10,473,900, including \$2,489,300 in increased appraised values for those properties with the removed Code 8s. It was determined that 78 percent of the reentered Code 8s resulted in changes of appraised value.

It should be noted that during an interview with the field appraiser by Comptroller investigators on August 1, 2016, she admitted to altering these records. The records were altered to make it appear the field appraiser work had been performed on those properties. In addition, the property assessor admitted in an interview on July 27, 2016, that he was aware his daughter had intentionally altered the property records.

RECOMMENDATION

Field appraisals should be performed in the scheduled manner as required for all county property. All improvements to property should be properly recorded in the county's assessment as required by state statute.

FINDING 2 Henderson County had a cash shortage of at least \$1,987.79 on May 6, 2016

A cash shortage of at least \$1,987.79 existed on May 6, 2016, resulting from a field appraiser in the property assessor's office being absent from work 22 days. No vacation and/or sick leave was claimed by the field appraiser while receiving payroll payments from the county. The property assessor falsified 16 timesheets by approving time that the field appraiser did not work. The property assessor then submitted the timesheets to the county's finance department for payment.

RECOMMENDATION

Henderson County officials should take immediate steps to recover the cash shortage of at least \$1,987.79. Employees should only be paid for actual time worked and/or properly approved leave.

FINDING 3 Property assessor does not have the authority to alter payroll records and pay employees who did not work or use leave

Our investigation disclosed the property assessor allowed employees to be absent from work one day each week with pay without having to take earned leave. The payroll records approved by the property assessor were altered to reflect the employees worked the days the employees were absent. This benefit was called a "free-day" by employees of the office. This benefit has been a longstanding policy of the office, which predates the tenure of the current property assessor, and was started when employees of the office worked six days a week. Employees of the office no longer work six days a week.

RECOMMENDATION

Employee timesheets submitted to the county's finance department should detail actual days worked and days absent from work.