

SPECIAL INVESTIGATION

**METROPOLITAN NASHVILLE
CENTENNIAL SPORTSPLEX TENNIS CENTER**



September 30, 2014



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY**

JAMES K. POLK STATE OFFICE BUILDING, SUITE 1600

505 DEADERICK STREET

NASHVILLE, TENNESSEE 37243-1402

PHONE (615) 401-7907

FAX (615) 532-4499

**Justin P. Wilson
Comptroller of the Treasury**

September 30, 2014

Mayor Karl Dean and Members
of the Audit Committee
Metropolitan Nashville Government
100 Metro Courthouse
Nashville, TN 37201

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury, in conjunction with the Metropolitan Nashville Police Department, conducted a special investigation of selected records of the Metropolitan Nashville Centennial Sportsplex Tennis Center, 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,

Stephanie S. Maxwell, Deputy General Counsel
Office of the Comptroller of the Treasury

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SPECIAL INVESTIGATION

METROPOLITAN NASHVILLE CENTENNIAL SPORTSPLEX TENNIS CENTER

The Office of the Comptroller of the Treasury, in conjunction with the Metropolitan Nashville Police Department, investigated allegations of malfeasance related to the Centennial Sportsplex Tennis Center (the “Sportsplex”), a Metropolitan Nashville Parks and Recreation facility.

INVESTIGATIVE RESULTS

- **Former special programs coordinator Blain Smith misappropriated \$95,310**

The investigation revealed that, during the period May 2010 through February 2014, former special programs coordinator Blain Smith misappropriated Sportsplex funds totaling at least \$95,310 by diverting and depositing into his personal bank account at least 79 checks made payable to the Sportsplex. [Refer to examples on the following pages.]

Mr. Smith admitted to investigators that he deposited these checks in his personal bank accounts. Mr. Smith also admitted using these funds for his personal benefit, although he claimed that he used an unspecified portion of the misappropriated funds for Sportsplex operations that were not authorized by Metropolitan Nashville Parks and Recreation.

This matter was referred to the local district attorney general. On September 26, 2014, the Davidson County Grand Jury indicted Blain Smith on one count of theft over \$60,000 and one count of official misconduct.

In a report issued July 28, 2014, the Metropolitan Nashville Office of Internal Audit detailed the internal control deficiencies that allowed this misappropriation to occur without prompt detection and recommended corrective action. To view this report and the related response from Metropolitan Board of Parks and Recreation officials, go to:

http://www.nashville.gov/Portals/0/SiteContent/InternalAudit/docs/FY2015/20140718Centennial_Sportsplex%20Public%20Report.pdf

THIS DOCUMENT IS PRINTED IN TWO COLORS. DO NOT ACCEPT CHECKS WITH FOLDED BILLS AND GREEN MARKS PRESENT.

 <p> Belmont University Office of Accounts Payable 1900 Belmont Boulevard Nashville, TN 37212-3757 </p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"> SunTrust Bank 04-79 / 611 </td> <td style="width: 50%; text-align: right;"> 00426314 </td> </tr> <tr> <td style="text-align: center;"> Check Date 10/17/13 </td> <td style="text-align: center;"> Check Amount \$*****6440.00 USD </td> </tr> </table>	SunTrust Bank 04-79 / 611	00426314	Check Date 10/17/13	Check Amount \$*****6440.00 USD
SunTrust Bank 04-79 / 611	00426314				
Check Date 10/17/13	Check Amount \$*****6440.00 USD				

PAY ***Six Thousand Four Hundred Forty & 00/100*******
TO THE ORDER OF
 Centennial Tennis Center
 PO Box 331023
 Nashville TN 37203-7508

Bob Fisher
Steven Miley
 AUTHORIZED SIGNATURES
 This Check Void After 90 Days

⑈426314⑈

DO NOT WRITE STAMP OR SIGNATURE IN THIS LINE
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 ENDORSE HERE

HOLD TO MATURITY
 X
 10/17/13

VERIFY THE AUTHENTICITY OF THIS MULTICOLOR SECURITY DOCUMENT. CHECK BACKGROUND AREA. CHANGE COLOR GRADUALLY FROM TOP TO BOTTOM.

<p> ACTIVE NETWORK, INC. 30102 TELESIS COURT, SUITE 100 SAN DIEGO, CA 92121 </p> <p> Amount: *****Fourteen Thousand Six Hundred Fifty-four dollars and 00 cents** </p> <p> Pay to the order of CENTENNIAL TENNIS CENTER (700074413) PO BOX 331023 NASHVILLE TN 37203-7508 </p> <p> Bank of America N.A. Los Angeles, California </p>	<p style="text-align: right;"> 11082 July 17, 2013 VOID AFTER 90 DAYS </p> <p style="text-align: center; font-size: large;"> **\$14,615.00** </p> <p style="text-align: right;"> <i>[Signature]</i> AUTHORIZED SIGNATURE </p>
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⑈000014062⑈

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 10/17/13

NATIONAL WHEELCATS INC 7087 RUSSELLVILLE RD GUTHRIE, KY 42234		5917 <small>Check # 87-4-640</small>
PAY TO THE ORDER OF <u>Centennial Tennis Center</u>		DATE <u>10-27-10</u>
<u>Three thousand seven hundred ninety-two</u> ⁰⁰ <u>00</u> DOLLARS		\$ 3792.00
FOR <u>Cont time 2006, 2007, 2008</u>		<u>Dana M. Counsel</u>
SUNTRUST ACH RT 061000104 ⑈005917⑈		<small>NO NOT WRITE STAMP OR SIGN IN OR ON THE FRONT OF CHECK</small> 

 OHIO VALLEY CONFERENCE GENERAL FUND 215 USN HERVEY DRIVE, SUITE 115 BRENTWOOD, TN 37027		Legend Bank 87-34461	2700
Memo: <u>CVC Tennis Tournament</u>		CHECK NO. <u>2700</u>	DATE <u>May 21, 2012</u>
AMOUNT <u>****\$1,305.00</u>		PAY TO THE ORDER OF <u>Centennial Tennis Center</u> <u>P. O. Box 331023</u> <u>Nashville, TN 37203-7508</u>	
One Thousand Three Hundred Five and 00/100 Dollars			
⑈00 2700⑈		<small>DO NOT WRITE STAMP OR SIGN IN OR ON THE FRONT OF CHECK</small> 	

 HUME-FOGG ACADEMIC HIGH SCHOOL 700 BROADWAY NASHVILLE, TN 37203 615-291-6300	REGIONS BANK	87-1 640	CHECK NO. 5581
	DATE	AMOUNT	
5/16/2011	Exactly Six Hundred Twenty-Three Dollars and Zero Cents		\$623.00
PAY TO THE ORDER OF Centennial Tennis Center P.O. Box 331023 Nashville TN 37203		 TREASURER  PRINCIPAL	
⑈00558⑈			

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 RESERVED FOR FINANCIAL INSTITUTIONS

The security features listed below, as well as those not listed, are required industry guidelines.
 Security Features:

- Watermark
- Security Paper
- Security Thread
- Security Glitter
- Security Hologram
- Security Ink
- Security Microprint
- Security Ultraviolet
- Security Window

 FEDERAL RESERVE BOARD OF GOVERNORS