



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DIVISION OF INVESTIGATIONS**

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

**BANK OF AMERICA PLAZA
414 UNION STREET, SUITE 1100
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 532-4460
FAX (615) 532-4499**

January 16, 2013

Honorable Many-Bears Grinder, Commissioner
Tennessee Department of Veterans Affairs
312 Rosa L. Parks Avenue, 13th Floor
Nashville, TN 37243

Dear Ms. Grinder:

We have completed our investigative audit of the Tennessee Department of Veterans Affairs (TDVA). This audit focused on the period October 1, 2008, through April 30, 2011. However, when the examination warranted, this scope was expanded. Our audit was limited to a review of specific transactions and activities of a TDVA employee assigned to the Memphis office.

Our investigative audit revealed that, without the knowledge or approval of TDVA management, Ms. Julia Brown, an eight-year employee with TDVA working as a Veteran's Benefit Representative stationed in the Memphis office, entered into a consulting agreement with and received payment from a Memphis-area assisted living facility. This consulting agreement provided that Ms. Brown would assist prospective and current residents in determining their eligibility and applying for veterans benefits, and would participate in community outreach education programs in which veterans were informed of available veterans benefits. According to the TDVA job description, these are some of the same duties she was responsible for performing as a TDVA Veteran's Benefit Representative. The agreement also required Ms. Brown to refer veterans to the facility and to assist them in securing veterans assistance with the end goal that they would move into the facility.

We noted the following discrepancies related to Ms. Brown's unapproved outside consulting agreement:

- Although Ms. Brown admitted in interviews with Comptroller investigators that some of these consulting services were performed during normal TDVA working hours, Ms. Brown's TDVA time and payroll records did not show that she requested or reported leave for this secondary consulting work. In fact, during this same period, she requested and received over 40 hours of compensatory overtime valued at over \$700 from TDVA for consulting work indicated as being performed at the assisted living facility after normal TDVA working hours.

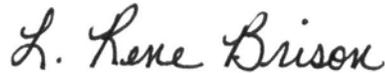
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- Ms. Brown requested and received over \$200 in reimbursements from TDVA for mileage driven while performing the consulting work.
- Ms. Brown used her TDVA e-mail account to communicate with the assisted living facility regarding her consulting services.
- Ms. Brown used her TDVA-issued computer to create invoices for her consulting services and transmitted some of these invoices using a TDVA fax machine.

TDVA terminated Ms. Brown on June 20, 2012, for multiple violations of TDVA rules. Pursuant to Section 8-50-807, *Tennessee Code Annotated*, she forfeited 220 hours of annual leave worth \$3,369.

These matters were referred to the local district attorney general.

Sincerely,



L. Rene Brison, CPA, CFE, Assistant Director
Division of Investigations

LRB/RAD