



**Jason E. Mumpower, Comptroller of the Treasury**

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## **Pikeville Nonprofit Investigation Reveals Fabricated Invoices and Unauthorized Payments at STARS, Inc.**

An investigation by the Tennessee Comptroller’s Office has revealed questionable financial activity involving the executive director of Skills Training and Rehabilitation Services Incorporated (STARS, Inc.), a nonprofit organization located in Pikeville, Tennessee, that provides residential and vocational services to individuals with intellectual and developmental disabilities.

Investigators determined the executive director submitted fabricated invoices that resulted in at least \$14,500 in payments to herself. The invoices were represented to the board as reimbursements owed to her former spouse’s business for renovation work allegedly performed on STARS’ main offices in 2014. Investigators found that the invoices were created years after the work was completed and lacked supporting documentation. The timing of the payments coincided with a court-ordered settlement requiring the executive director to pay her spouse \$10,000.



The investigation also revealed that STARS paid at least \$33,206.85 for cellular devices and service without documented board approval. These costs included additional devices and service for the executive director, devices and service for her family members, devices for a retired employee, and smartwatches for family members and other various individuals. Board members stated they were unaware that devices had been issued to family members.

In addition, between 2018 and 2025, the executive director issued at least \$312,225 in bonuses to herself and other employees without documented board approval. Board minutes did not reflect advance discussion or votes approving specific bonus amounts, recipients, or timeframes.

STARS also failed to file required IRS Form 990 returns for seven consecutive years, resulting in the temporary loss of its tax-exempt status and an \$11,000 IRS penalty for late filing.

The results of this investigation were communicated with the Office of the District Attorney General of the 12th Judicial District.

“Boards of nonprofit organizations must actively oversee finances, meet regularly, maintain proper minutes, and ensure independent audits are performed,” said Comptroller Jason Mumpower. “Without those basic safeguards in place, the risk of questionable financial activity increases significantly.”

To view the investigative report, go to [tncot.cc/doireports](https://tncot.cc/doireports). To view a map depicting Comptroller investigations, go to [tncot.cc/mappinginvestigations](https://tncot.cc/mappinginvestigations)

If you suspect fraud, waste, or abuse of public money in Tennessee, call the Comptroller's toll-free hotline at 800.232.5454, or file a report online at: [tncot.cc/fraud](https://tncot.cc/fraud). Follow us on X/Twitter [@TNCOT](https://twitter.com/TNCOT) and Instagram [@tncot](https://www.instagram.com/tncot)

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