



COMPTROLLER'S INVESTIGATIVE REPORT

Giles County Rabies Control

December 19, 2019

Justin P. Wilson
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JUSTIN P. WILSON
Comptroller

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Deputy Comptroller

December 19, 2019

Giles County Executive Melissa Greene
and Members of the County Commission
222 West Madison Street
Pulaski, TN 38478

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Giles County Rabies Control, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Lee, the State Attorney General, the District Attorney General of the 22nd Judicial District, 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/MLC

INVESTIGATIVE REPORT

Giles County Rabies Control

The Office of the Comptroller of the Treasury, in conjunction with the Office of the District Attorney General of the 22nd Judicial District, investigated allegations of malfeasance related to Giles County Rabies Control. The offices initiated the investigation after the Giles County Executive reported the possibility of missing funds. The results of the investigation were communicated with the District Attorney General of the 22nd Judicial District.

BACKGROUND

Giles County Rabies Control (GCRC) is part of the Giles County general government accounted for in the county's General Fund. GCRC serves as both an animal control in-take facility and an adoption agency for cats and dogs. In fiscal year 2018, the facility accepted 623 animals; 276 of those were released for adoption or returned to their owner.

GCRC charged fees for adoptions and for the return of dogs to their owners. In both instances, GCRC staff required customers to fill out a form and, in some cases, noted the amount of the fee collected on the form. GCRC also used prenumbered cash receipt books to manually record payments. The top receipt, which served as the original, was given to the customer while the second page served as a carbon copy that was retained in the book.



The GCRC Rabies Control Officer prepared monthly activity reports that he provided for inclusion in the County Commission minutes. The reports showed the number of animals handled by GCRC, including those adopted or returned to owner.

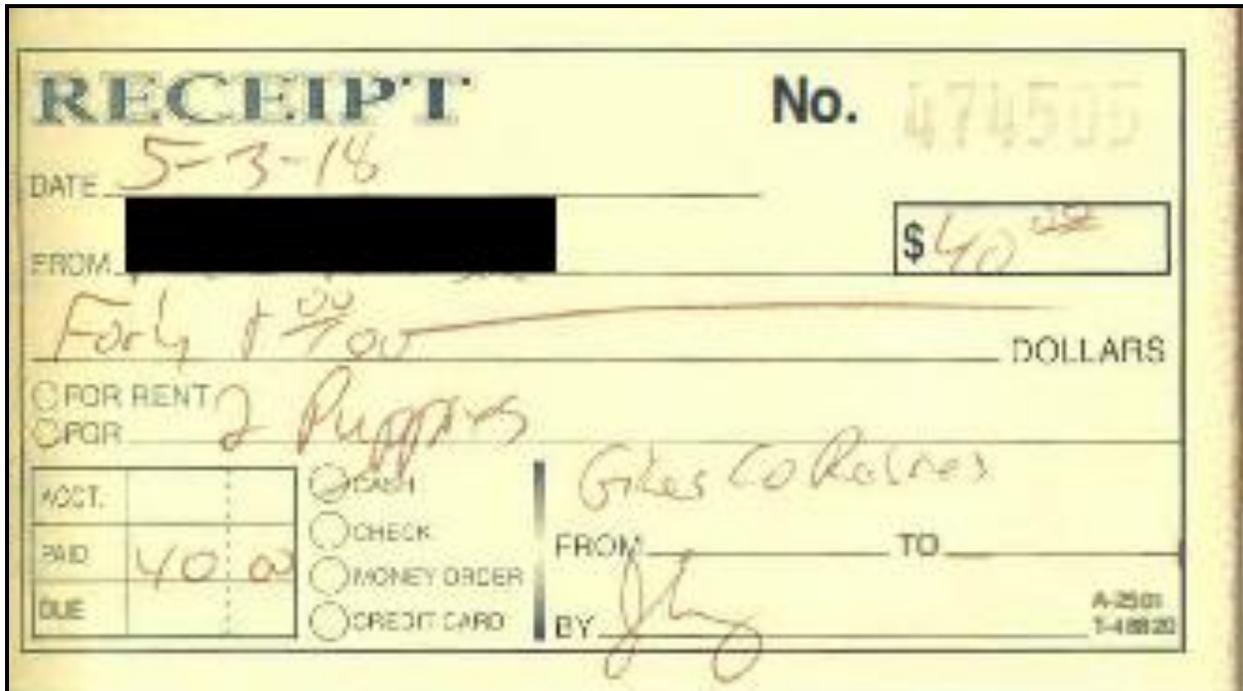
RESULTS OF INVESTIGATION

- **GILES COUNTY RABIES CONTROL OFFICER JOHN MURRAY MISAPPROPRIATED AT LEAST \$3,780**

During the period July 2015 through October 2018, GCRC Rabies Control Officer John Murray misappropriated at least \$3,780 of GCRC cash collections by diverting those funds for

his personal use. Murray concealed his misappropriation by discarding cash receipts, some of which were subsequently recovered. **(Refer to Exhibit 1.)** Investigators examined recovered cash receipts and other available records prepared or issued by GCRC personnel during the scope of the investigation. However, some records could not be located. Due to inadequate documentation, investigators were unable to definitively determine additional misappropriated amounts.

Exhibit 1



Example of receipt discarded by Murray, which was subsequently recovered, and used to determine amount of misappropriation.

From April 2001 through November 2018, Murray served as GCRC’s Rabies Control Officer and sole full-time employee. He was responsible for the operation of the animal control intake facility, including collecting fees and accepting applications for adoption and return of animals, issuing receipts for such payments, and preparing monthly activity reports. A part-time employee assisted with some of these duties.

Giles County placed Murray on administrative leave on October 15, 2018, at which time the county suspended GCRC operations. The county terminated his employment effective November 27, 2018. GCRC reopened under the direction of a new rabies control officer in July 2019.

On December 11, 2019, the Giles County Grand Jury indicted John Murray on one count of Theft over \$2,500.

[Giles County Rabies Control Investigative Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed internal control and compliance deficiencies in GCRC's financial processes that enabled Murray to misappropriate GCRC funds and avoid prompt detection, including:

Deficiency 1: Giles County officials failed to separate financial responsibilities adequately and failed to provide appropriate oversight and accountability

Giles County officials failed to separate incompatible financial duties and failed to provide adequate oversight of the collection of GCRC funds. For several years, the rabies control officer exercised total responsibility for the custody of GCRC funds and financial records without any oversight.

Although Murray delivered cash and check collections to the Giles County Trustee's Office for deposit, he did not provide copies of the related prenumbered receipts. County personnel did not reconcile prenumbered receipts with collections Murray remitted or with related adoption forms. In fact, these prenumbered receipts were never reviewed by any other county official. As noted above, Murray discarded these receipts in the trash.

Likewise, officials did not reconcile the amount of money remitted by Murray with his monthly activity reports that indicated the number of animals adopted or returned to owner by GCRC. For instance, in fiscal year 2018, Murray reported that GCRC adopted out or returned 244 dogs. Given the \$20 adoption fee, total collections for those services alone should have been \$4,880¹, but Murray remitted only \$3,180 in cash and checks. Moreover, Murray failed to remit cash for deposit in a timely and consistent manner. For instance, during the 5-month period between August 21, 2017, and January 23, 2018, he remitted funds for deposit only once (in November), even though he and the part-time employee wrote receipts in each of those months for cash and checks that GCRC received for the adoption or return of animals.

The county's failure to divide financial responsibilities or to provide increased oversight and accountability enabled Murray to avoid detection for at least three years.

Deficiency 2: GCRC staff did not adequately account for collections

Giles County officials did not ensure that GCRC staff documented or accounted adequately for financial transactions, especially cash collections. As noted, Murray did not promptly remit for deposit all funds collected by GCRC. Due to insufficient and inadequate records, investigators could not verify the accuracy and completeness of the total amounts collected and remitted for deposit by Murray. Specifically, county officials failed to:

¹ Estimate based on the \$20 adoption/return fee.

- Assign and account for all prenumbered receipts used by GCRC staff.
- Ensure GCRC staff issued prenumbered receipts for all collections.
- Reconcile deposits with prenumbered receipts, adoption reports, and monthly activity reports.

Giles County officials have indicated they have corrected or intend to correct these deficiencies.
