



COMPTROLLER'S INVESTIGATIVE REPORT

Tennessee Correctional Services West, Inc.

April 4, 2023

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

April 4, 2023

City of Jackson Mayor
and Council Members
101 East Main Street
Jackson, TN 38301

City of Jackson Mayor and Council Members:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Tennessee Correctional Services West, Inc., 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 25th Judicial District, certain state legislators, and various other interested parties. A copy of the report is available for public inspection in our Office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower", is written over a light blue circular stamp.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Tennessee Correctional Services West, Inc.

The Office of the Comptroller of the Treasury, in conjunction with the Tennessee Bureau of Investigation, investigated allegations of malfeasance related to a former employee of Tennessee Correctional Services West, Inc. The investigation was limited to selected records for the period from July 2019, through August 2019. The results of the investigation were communicated with the Office of the District Attorney General of the 25th Judicial District who was appointed as *Pro Tem* in this matter.

BACKGROUND



Tennessee Correctional Services West, Inc. (TCSW) is a non-governmental entity that provides misdemeanor probation supervision and intervention services to various courts throughout West Tennessee. TCSW services approximately 11 courts, with services consisting of routine check-ins, drug testing, community service, and 27 intervention and/or behavioral programs. TCSW generates revenue by collecting fees from probationers for services provided.

In July 2019, Tracy Boyd Jr. was hired by TCSW as a probation officer responsible for handling routine check-ins with clients. During a check-in, Boyd was responsible for updating the client's case file in the computer software and collecting and receipting probation fees. Boyd was assigned an official TCSW receipt book to use for receipting client payments. Boyd's employment was terminated on August 26, 2019.

RESULTS OF INVESTIGATION

- **FORMER EMPLOYEE TRACY BOYD JR. MISAPPROPRIATED AT LEAST \$2,757 IN COLLECTIONS FROM TCSW**

From July 31, 2019, through August 26, 2019, Boyd misappropriated at least \$2,757 from TCSW by failing to properly receipt and remit fees collected from clients. Investigators confirmed that Boyd posted information in the TCSW computer software that he collected \$8,163 in fees from 129 clients. He manually receipted 90 of these transactions totaling \$5,406. However, of the remaining 39 transactions, investigators could not find receipts for 26 transactions totaling \$1,470 and identified unofficial receipts for the remaining 13 transactions totaling \$1,282. Investigators also found five transactions, which were receipted

by Boyd but did not reconcile with the amount posted in the TCSW computer software as received, resulting in a net variance of \$5.

Boyd was able to conceal his misappropriation by issuing receipts to clients from an unauthorized receipt book instead of the official receipt book assigned to him by TCSW. Officials discovered the unauthorized receipts when clients began reporting they were added to a Did Not Report (DNR) list even though they had paid those fees to Boyd during their routine check-ins. The DNR list is used to document when probationers fail to appear at the office for their scheduled check-in.

Summary of Misappropriation

Number of Transactions	Misappropriation	Amount
26	Collections without Receipts	\$1,470
13	Collections with Improperly Issued and Unofficial Receipts	1,282
	Net Variance of Receipts	<u>5</u>
Total Amount Misappropriated		\$2,757

On May 31, 2022, the Madison County Grand Jury indicted Tracy Boyd Jr. on one count of Theft of Property over \$2,500, among other unrelated offenses. On November 14, 2022, Boyd pled guilty to the indicted offense of Theft of Property over \$2,500, among other unrelated offenses in the Madison County Circuit Court and was given an effective sentence of 4 years on supervised state probation and ordered to pay restitution in the amount of \$2,741 to Tennessee Correctional Services West, Inc. at the rate of \$150 per month.

[Tennessee Correctional Services West, Inc. Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed the following deficiencies in internal control and compliance, some of which contributed to Boyd’s ability to perpetrate his misappropriation without prompt detection:

Deficiency 1: The Jackson City Court has no written agreement with TCSW for services provided to the court

Private probation services operate within the criminal justice system and thus provide a vital governmental function. But the nature of their work and fee structures they employ can, at times, provide opportunities for overreach and abuse. To avoid such problems, the nature and extent of their authority and duties, especially as they relate to supervision of probationers and collection of fees, should be clearly defined in writing issued by the courts in which they are working. The Jackson City Court has no established local court rules, standing court order, Memorandum of Understanding (MOU), or other written agreement with TCSW for services provided to the court. Sound business practices dictate that business services be documented by written agreements for services to be provided to the court by TCSW.

Deficiency 2: TCSW did not maintain adequate financial accounting operations for probation services

TCSW uses a computer software program that does not have receipting capabilities. Probation officers record collections in the computer software program and then manually issue a receipt to the client. Daily collection logs are reconciled with the receipt books issued to probation officers and not the amount posted in the software program. By utilizing a software program that does not provide for the issuance of receipts for collections and fails to reconcile collections with amounts posted in the software, Boyd was able to issue unofficial receipts to clients without detection.

TCSW officials indicated that they have corrected or intend to correct these deficiencies.
