



## COMPTROLLER'S INVESTIGATIVE REPORT

### Tennessee Association of Chiefs of Police

*May 26, 2023*

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



**DIVISION OF INVESTIGATIONS**



JASON E. MUMPOWER  
*Comptroller*

May 26, 2023

Tennessee Association of Chiefs of Police  
545 Mainstream Drive, Suite 103  
Nashville, TN 37228

Tennessee Association of Chiefs of Police Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Tennessee Association of Chiefs of Police, 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 20<sup>th</sup> 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 faint, larger version of the signature.

Jason E. Mumpower  
Comptroller of the Treasury

JEM/MLC

# INVESTIGATIVE REPORT

## Tennessee Association of Chiefs of Police

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the business operations of the Tennessee Association of Chiefs of Police. This investigation was initiated after the Office of the Comptroller became aware of potential financial misconduct within the TACP. The investigation was limited to selected records from January 2017 through December 2021. The results of the investigation were communicated with the Office of the District Attorney General of the 20<sup>th</sup> Judicial District.

### BACKGROUND



The Tennessee Association of Chiefs of Police (TACP) is a non-profit organization that provides training and other resources to Tennessee law enforcement agencies. The TACP is overseen by an Executive Board of Directors (Executive Board) comprised of a President, 1st Vice President, 2nd Vice President, Past President, State Associations of Chiefs of Police (SACOP) Representative, Treasurer, Executive Director, 12 District Directors, and two At-Large Directors. The Executive Director manages the day-to-day operations of the TACP's business office.

The TACP is funded through federal and state grants, vendor fees, fees for testing and accreditation, donations, and membership dues that are paid by members' respective governments. More than half of the TACP's funding is derived from governmental sources.

Investigators determined that the TACP co-mingled governmental funding sources with private funding in its accounting records. Therefore, investigators could not always accurately determine if governmental funds or private funds were expended for certain purchases.

Currently, the TACP has approximately 700 dues-paying members. The Executive Director resigned from her position on March 18, 2022.

### RESULTS OF INVESTIGATION

#### 1. THE EXECUTIVE DIRECTOR HAD A POTENTIAL CONFLICT OF INTEREST AS A RESULT OF UNAUTHORIZED SECONDARY EMPLOYMENT AS A REGISTERED LOBBYIST

The Executive Director worked as a registered lobbyist for a non-profit organization that provides liability, workers' compensation, and property crime insurance coverage to Tennessee municipalities, while simultaneously serving as TACP's Executive Director. The Executive Director claimed to have received Executive Board approval to work as a registered lobbyist for the non-profit organization. However, in 2014 the Executive Board discovered that the Executive Director was working as a

lobbyist for another entity and instructed her to stop. In addition, the Executive Board added the following language to her TACP employment agreement:

*The Executive Director shall not begin secondary or outside employment without approval of the Executive Board. The Executive Director shall not utilize any TACP resources, equipment, or staff in the performance of secondary or outside employment. The Executive Director is prohibited from secondary or outside employment that is specifically prohibited by law, impedes with normal and required duties and responsibilities, is physically or mentally exhausting, creates a conflict of interest for the TACP or law enforcement, or discredits or impairs the operation of the TACP.*

The Executive Director continued to work as a lobbyist for the non-profit organization after the Executive Board instructed her to stop, and in violation of her employment agreement. The Executive Director's role as a lobbyist created a potential conflict of interest for the TACP and may have impaired its operations because the secondary employment was performed during TACP's normal business hours, and thereby divided her loyalties and impeded her duties and responsibilities as Executive Director.

Investigators determined that the Executive Director used TACP equipment and resources in the performance of her secondary employment as a lobbyist. TACP computer devices and its email account were used extensively for outside lobbying activities during normal business hours of the TACP. Therefore, investigators question the Executive Director's TACP salary during the period under examination since there was no separation or accountability of time spent on TACP duties and outside lobbying work for the non-profit organization.

Between 2017 and 2021, the non-profit organization paid the Executive Director \$298,999.95 for her work as a registered lobbyist. The Executive Director's TACP salary, including bonuses, for the years under examination were \$115,000 (2017), \$118,750 (2018), \$121,750 (2019), \$132,000 (2020), and \$164,000 (2021).

## **2. WE NOTED QUESTIONABLE DISBURSEMENTS TOTALING \$63,923.74 IN TACP CREDIT CARD TRANSACTIONS**

The TACP paid \$63,923.74 in questionable disbursements charged to the TACP credit card for alcohol, food, individual and group meals, gifts, gas purchases, and other miscellaneous items. Vendor sponsorships were provided for TACP meetings to fund the hospitality suite with alcohol and food; however, Investigators were only provided with sponsorship payments totaling \$8,850 for the period which was less than the totals spent on these items.

Investigators found that documentation for many of these transactions lacked corresponding receipts and/or sufficient details justifying the charges, and many transactions lacked proper approvals. Many disbursements appeared to have no TACP related purpose or were clearly made in violation of TACP's Purchasing Policy which states:

*The expenditure of TACP funds should always be for the purpose of the Association, and at all times these expenditures should be handled in a professional manner and not in a fashion that will bring disfavor or embarrassment on the Association...copies of all transactions, including approvals, must be included with the usual and routine business records.*

The Executive Director was the account holder for all TACP credit card accounts, and credit cards were also issued to three business office employees and three TACP members. Questionable TACP credit card purchases are as follows:

- A. Alcohol Purchases For all bi-monthly TACP board meetings and for annual conferences, alcohol was purchased for hospitality suites. Government funds are not authorized to be used to purchase alcohol and investigators found that \$13,426.16 was used to purchase alcohol in conjunction with these meetings. Investigators question whether government funds were in fact used to purchase alcohol for these functions (**Refer to Exhibit 1**). There is no such restriction on the use of private funds, and TACP has a policy that addresses the funding of hospitality suites through vendor sponsorships by companies who sell products to the law enforcement community. However, the policy is unsigned and undated, and does not provide adequate detail of how vendor payments of sponsorship fees are to be collected and spent. Because of the inadequate condition of the accounting records, including insufficient vendor sponsorship payments for alcohol purchases, and the co-mingling of governmental and private funds, investigators could not determine if government funds were improperly used to purchase alcohol. Accounting records should segregate funding received from governments and vendor sponsorships. TACP policies governing vendor sponsorships should be current, properly adopted, and contain adequate detail of how sponsorship proceeds are collected and spent to ensure the public's perception of the independence and integrity of TACP.

**Exhibit 1**

02/05/19 ✓	FRUGAL MACDOOGAL LIQUOR WINE WAREHOUSE 6152423863 Feb mts	NASHVILLE	TN HS	\$529.31
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*An excerpt of a TACP credit card statement for February 2019. The Executive Director purchased alcohol for the hospitality suite hosted in conjunction with a bi-monthly board meeting.*

- B. Food Purchases - For all TACP board meetings and annual conferences, food was purchased for hospitality suites totaling \$10,337.58 (**Refer to Exhibit 2**). Investigators question the use of governmental funds to purchase food for bi-monthly board meetings and annual conferences. TACP has a policy that addresses the funding of hospitality suites through vendor sponsorships. However, the policy is unsigned and undated, and does not provide adequate detail of how vendor payments of sponsorship fees are to be collected and spent. Due to inadequate accounting records, including insufficient vendor sponsorship payments for food purchases, and the co-mingling of governmental and private funds, investigators could not determine whether funds used to purchase such food came from vendor sponsorships or governmental sources. Accounting records should segregate funding received from governments and vendor sponsorships. TACP policies governing vendor sponsorships should be current, properly adopted, and contain adequate detail of how sponsorship proceeds are collected and spent to ensure the public's perception of the independence and integrity of TACP.

**Exhibit 2**

07/27/18 ✓	HAWG DAWGS GOODS/SERVICES KC - HCN	Knoxville	TN	\$930.00
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*An excerpt of a TACP credit card statement for July 2018. The Executive Director purchased food for the hospitality suite hosted in conjunction with the annual conference.*

- C. Purchase of Meals - TACP funds totaling \$15,217.66 were used to purchase individual and group meals. The Executive Director did not maintain adequate documentation of certain purchases with itemized receipts or invoices. No record of prior approval for any meal purchases was found. Investigators noted 243 occasions where a TACP credit card was used to purchase either individual or group meals ranging from drive-thru windows at fast-food chains, such as Zaxby's and Hardees, to upscale restaurants, including Jimmy Kelly's Steakhouse and Mere Bulles. Therefore, investigators could not conclusively determine whether these purchases were exclusively for the benefit of the TACP (**Refer to Exhibit 3**). According to the Executive Director, all food purchases were made at her sole discretion.

**Exhibit 3**

				Amount
06/28/18	LONGHORN STEAKHOUSE 615-3610457	NASHVILLE	EX. THE EXP.	\$33.00 ✓ HP HP

*An excerpt of a TACP credit card statement for June 2018. A TACP member purchased a meal and designated it as an Executive Expense. However, the purchase appears to serve no legitimate TACP purpose.*

- D. Purchase of Gifts and Gift Cards – TACP purchased gifts and gift cards totaling \$14,411.24. Gifts were purchased from various retailers that primarily sell women's clothing and apparel, such as Tory Burch, Kate Spade, Bath and Body Works (**Refer to Exhibit 4**), and Vineyard Vines. Gift cards were purchased primarily from Kroger and Costco, as well as through online retailers, and included pre-paid cash gift cards, as well as gift cards for restaurants and department stores. These gifts and gift cards were generally given to TACP business office staff. However, investigators could not determine the disposition of all gift purchases. The Executive Director did not maintain adequate documentation of gift and gift card purchases with itemized receipts or invoices. Therefore, investigators could not conclusively determine whether these purchases were exclusively for the benefit of the TACP. Investigators could not locate documentation of prior approval, nor a detailed explanation for the purpose of these purchases.

**Exhibit 4**

07/09/19 ✓	BATH AND BODY WORKS BATH AND BODY W CUSTOMERCARE@BATHANDBODYW	NEW ALBANY AC gifts	OH	\$127.76
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*An excerpt of a TACP credit card statement for July 2019. The Executive Director purchased items online and designated the items as Annual Conference gifts. However, the purchase appears to serve no legitimate TACP purpose.*

- E. Purchase of Gasoline - TACP credit card purchases totaling \$796.57 were used for the purchase of gasoline for personal vehicles. No documentation was on file justifying the purchase of gasoline for personal vehicles.
- F. Other Miscellaneous Purchases - TACP credit card purchases totaling \$9,734.53 were not supported with itemized receipts or invoices. Therefore, investigators could not conclusively determine whether these purchases were exclusively for the benefit of the TACP. These purchases do not fall into the above defined categories of alcohol, food, meals, gifts, or

gasoline, and did not have corresponding receipts or any other documentation of prior approval (**Refer to Exhibit 5**) and (**Refer to Exhibit 6**). These purchases do not appear to serve any legitimate TACP purpose.

**Exhibit 5**

04/27/19	KROGER 6152977531 GROCERY STORES	NASHVILLE	TN	\$16.38
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*An excerpt of a TACP credit card statement for April 2019. The Executive Director purchased magazines at Kroger that appear to serve no legitimate TACP purpose.*

**Exhibit 6**

09/27/18	MAPCO EXPRESS 6153703304	Ex. Exp.	BRENTWOOD	TN	\$6.38
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*An excerpt of a TACP credit card statement for September 2018. A TACP member made a purchase at a convenience store. "Ex. Exp.", which means Executive Expense, is noted as the justification for the purchase. However, the purchase appears to serve no legitimate TACP purpose.*

**Summary of Questionable Disbursements  
by the Former TACP Director Using TACP Funds**

	Questionable Disbursements		Amount
A.	Alcohol	\$	13,426.16
B.	Food		10,337.58
C.	Individual and Group Meals		15,217.66
D.	Gifts and Gift Cards		14,411.24
E.	Gas for Personal Vehicles		796.57
F.	Miscellaneous		9,734.53
	<b>Total</b>	\$	<b>63,923.74</b>

Investigators determined that all above-referenced disbursements were made using credit cards opened at five different banking institutions with the Executive Director as the named account holder for all TACP credit card accounts and the primary person providing oversight for these transactions.

**INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES**

The TACP Executive Board is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and the effectiveness and efficiency of operations. Providing adequate oversight and establishing internal controls reduces the risks that errors or intentional misappropriations will remain undetected. Investigators noted the following deficiencies in internal controls and compliance:

**Deficiency:    The TACP Executive Board failed to provide adequate oversight of TACP**

Under the Executive Director’s tenure, the TACP Executive Board failed to provide adequate oversight over TACP, which resulted in non-compliance with policy and lack of accountability over TACP funds and finances. Those practices included:

- A. Lack of Proper Approval for Executive Director’s Bonuses - The Executive Director’s employment agreements, signed annually from 2017 through 2021, allowed the Executive Director to receive bonuses in the range of 20-25% of her salary as additional compensation. The employment agreements also provide that the exact amount of the bonus must be recommended by the TACP President and approved by the TACP Executive Board.

During 2019 through 2021 employment years, the Executive Director paid herself and collected a bonus in each of those years without any official record verifying a recommendation from the TACP President or approval from the TACP Executive Board.



**Schedule of Executive Director’s Salary and Bonuses**

Year	Executive Director’s Salary	Percentage of Bonus	Executive Director’s Bonus	Justification of Executive Director’s Bonuses
2021	\$ 150,000	Partial Payment	14,000	No records exist to verify the Board approved bonuses
2020	110,000	20%	22,000	
2019	97,400	25%	24,350	
2018	95,000	25%	23,750	Board approved
2017	92,000	25%	23,000	Board approved

Certain TACP Executive Board members told investigators that they remembered approving the Director’s bonuses during 2019 through 2021 employment years; however, board minutes do not reflect such approval.

- B. Noncompliance with Check Signing Policies - The TACP’s Financial Policy provides guidance that checks issued to the Executive Director require either a signature of the TACP Executive Board’s President or another authorized designee. The Executive Director was the sole signatory for all checks issued from the operating account opened at Pinnacle Bank, and she routinely signed payroll and bonus checks to herself. The Executive Director described how she emailed copies of checks issued to her to the treasurer for a second signature. The treasurer confirmed that he would sign copies of checks issued to the Executive Director, and he would email the copies he signed back to the Executive Director. However, all checks issued to the Executive Director that are part of the TACP bank statements only have the Executive Director’s signature, and copies of checks signed by the treasurer were not retained.
- C. Noncompliance with Policies Governing the Issuance of Credit Cards - In addition to the Executive Director being the account holder for all TACP credit card accounts, credit cards were also issued to three TACP office employees and three TACP Executive Board members, a practice clearly prohibited by TACP’s Financial Policy. Requiring documentation of the approval of who is allowed to maintain a credit card reduces the risk of inappropriate or fraudulent disbursements.
- D. Existence of Unofficial and Insufficient Policies - The TACP does have a policy that addresses the funding of hospitality suites through vendor sponsorships. However, the policy is unsigned and undated, and it does not provide sufficient detail for certain transactions.
- E. Transactions Personally Benefitting the Director - All TACP credit card accounts were rewards type accounts that accrued points for the account holder to use for hotels and airfare. All TACP credit card accounts were in the Executive Director’s name, and she personally benefited from the credit card rewards points.

TACP officials indicated that they intend to correct these deficiencies.