



COMPTROLLER'S INVESTIGATIVE REPORT

City of Martin

November 12, 2025

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

November 12, 2025

City of Martin
Board of Aldermen
109 University Street
Martin, TN 38237

City of Martin Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the City of Martin, 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 27th 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 "J. E. Mumpower".

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

City of Martin

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the City of Martin. The investigation was initiated after the Comptroller's Office received allegations reporting suspected malfeasance. The investigation was limited to selected records for the period February 1, 2015, through June 13, 2025. The results of the investigation were communicated with the Office of the District Attorney General of the 27th Judicial District.

BACKGROUND



The City of Martin (city), located in Weakley County, Tennessee, is governed by a Mayor and Board of Aldermen (board). The city oversees administration, community development, police, fire, public works, and other municipal departments. The city employs department heads to manage the operations of each city department. All city employees are governed by the city's Personnel Rules and Regulations manual

(manual) established in November 2011. The manual includes the city travel policy, which requires city employees to follow federal and state guidelines when on official city travel status. In June 2024, the city travel policy was updated to state that authorized travelers shall be reimbursed according to the State of Tennessee travel regulation rates.

The city receives multiple grants to fund city growth. Each city department head is allowed to apply for grants applicable to their department. For larger grants, the city will contract with outside agencies to perform grant writing, grant application, and grant administration on behalf of the city. In exchange for these services, the contracted agency will receive a fee as established in each grant contract.

Randal "Randy" Brundige was elected as mayor of the city in 2002. As mayor, Randy Brundige is the chief executive officer of the city and has general supervision over all city employees. Additionally, the mayor presides over all board meetings, is an ex officio member of all standing committees, and is responsible for communicating information and providing recommendations to the board.

Bradley "Brad" Thompson was hired as the city's full-time Director of Economic and Community Development (ECD director) in 2012. As ECD director, Thompson is responsible for facilitating community and economic development opportunities for the city, which includes overseeing community events, attracting new businesses to the city, partnering with outside agencies that benefit the city, overseeing all grants received by the city, and maintaining all grant documentation.

To fulfill these duties, Thompson attends several meetings and conferences each year that promote tourism and economic development for the city.

Natalie Brundige, Randy Brundige's daughter, was hired as a part-time employee with the city in June 2007. In November 2018, she became a full-time employee with the city. Natalie Brundige was assigned as the custodian at the Martin Police Department, and she was responsible for sweeping, mopping, dusting, emptying trash cans, and performing other cleaning duties. Natalie Brundige's last day of employment with the city was June 6, 2025.

RESULTS OF INVESTIGATION

1. DIRECTOR OF ECONOMIC AND COMMUNITY DEVELOPMENT BRADLEY THOMPSON MISAPPROPRIATED AT LEAST \$273,932.13 FROM THE CITY OF MARTIN

Between February 1, 2015, and October 1, 2024, Thompson misappropriated city funds totaling at least \$273,932.13. Thompson misappropriated funds by receiving improper consulting fees, making unauthorized credit card transactions, and using city funds for personal use, as follows:

A. Thompson received improper consulting fee payments from the city totaling at least \$236,434.10

As ECD director, Thompson is responsible for overseeing the city's grant process, including assisting department heads with grant writing and application, preparing quotes, collecting data, working with engineering firms, and preparing necessary forms. When the city contracts with an outside agency for grant administration, the outside agency performs grant writing; however, Thompson is still responsible for preparing and providing the necessary grant information on behalf of the city.

In 2015, the city began paying an entity named One Consulting for grant writing and grant administration on some of its grants. Investigators determined that One Consulting is purportedly owned by Thompson. Between February 2015 and September 2024, Thompson submitted 55 invoices to the city through One Consulting for grant writing and grant administration services. Several of the invoices had notes attached that were initialed by the city recorder directing that the checks written to One Consulting be given to Thompson (**Refer to Exhibit 1**). The invoices were verbally approved for payment by Randy Brundige. Investigators determined that it was within Thompson's regular job duties to assist in the writing and administration of grants received by the city, and Thompson was not entitled to additional compensation for performing these duties. Thompson received \$236,434.10 in improper consulting fees from the city through this company, One Consulting.

Exhibit 1



Give check
to Brad when
Printed (lu)

ONEconsulting

██████████

Union City, TN 38261

731.225.1107

Invoice Number: 081018

Description	Amount
Grant writing and Administration	\$ 3,750.00
Subtotal	\$ 3,750.00
	\$ 0
Total	\$ 3,750.00

Invoice from One Consulting for grant writing and administration services, with a note initialed by the city recorder attached. The invoice contains Thompson's home address as his business address and his work phone number at the City of Martin as the contact number for One Consulting

Investigators found that when the city used an outside agency for grant administration, it would enter a contract for the services provided. However, the city did not have letters of engagement or contracts with One Consulting for grant administration. Additionally, investigators found 16 invoices paid to One Consulting, which referred to grants for which the city had already contracted with another outside agency for grant administration services. This resulted in administration fees being paid above and/or in excess of what the grant contract allowed.

After investigators began to question the One Consulting invoices, Randy Brundige presented an ordinance to the board on November 12, 2024. The resolution was to retroactively approve work performed by One Consulting on behalf of the city. According to board members, prior to this resolution, they were not aware of One Consulting, nor had they ever approved the use of One Consulting for grant administration services. One board member advised that Randy Brundige told the board that the purpose of the resolution was "to clean up something that needed to be changed and put it in the books." Investigators reviewed monthly board meeting minutes and confirmed that Thompson presented a department head report detailing the status of grants received by the city at each meeting. Prior to November 12, 2024, Thompson presented details of tasks he performed during his regular work, but did not disclose that he owned One Consulting, nor that One Consulting was used for grant administration for grants received by the city.

B. Thompson made unauthorized credit card transactions totaling at least \$33,576.03

In his capacity as ECD director, Thompson traveled to meetings and conferences that focused on tourism and economic development. Per the city travel policy, employees are to complete a travel reimbursement form within ten days of their return. The

reimbursement form must be accompanied by original receipts. The city travel policy allows reimbursement for actual and reasonable travel expenses. Any travel expense exceeding the approved state reimbursement rate is the traveler's responsibility.

Investigators discovered that Thompson used his city-issued credit cards for travel instead of completing a travel reimbursement form as required by the city travel policy. Investigators analyzed the city's credit card statements from January 2021 through June 2024 and discovered that Thompson's travel charges exceeded the allowable state reimbursement rates. These charges included hotel rooms, meals, and airfare. Investigators determined that Thompson misappropriated at least \$33,576.03 for charges to the city credit card for travel that exceeded the travel policy and were therefore unauthorized.

For example, Thompson traveled to Panama City, Florida, for a Tennessee Economic Development Council (TDEC) conference, scheduled from April 26 to 28, 2023. The state reimbursement rate for lodging was \$165 per night. Due to the distance of travel, Thompson was eligible for lodging one day prior to and one day following the conference, with a total lodging of \$825 (\$165 per night for 5 nights). Investigators discovered that instead of staying at the conference hotel, Thompson used the city-issued credit card to rent a three-bedroom, three-bath, beachfront condo in the 30A area at a total cost of \$4,244.80. Thompson also used his city-issued credit card to purchase several meals for three to four individuals during the trip, including a dinner catered by a personal chef for four people, totaling \$646.40 (**Refer to Exhibit 2**). Investigators confirmed Thompson was the only city employee on the trip.

Exhibit 2

From: Brad Thompson <[REDACTED]>

Sent: Tuesday, April 18, 2023 5:25:55 PM

To: Joshua Champion <[REDACTED]>

Subject: Re: New Entry from Take It Personal Chef Services

Great to hear from you! My expectant niece does not want to consume seafood while with child. I hope that you can be respectful of that and accommodate us. I am sorry to throw a kink in our dinner for four. I think we would want to begin the first course around 6:30 or a little before.

Dinner for Three:

Shrimp Cocktail

Iceberg Wedge

Grouper Oscar

Key Lime Pie

Dinner for One (pregnancy diet):

Could you do a small appropriate appetizer for her? It could just be something really simple and not necessarily complicated from the menu.

Iceberg Wedge

Lemon Basil Chicken

Key Lime Pie

Email confirming the personal chef's dinner menu for four people

In October 2022, Thompson traveled to Sienna, Italy, on a nine-day trip at the city's expense. City officials believed this trip was in conjunction with Town and Gown, a

partnership between the University of Tennessee at Martin (UTM) and the city, for which Thompson serves as the city liaison. Per the city travel policy, airfare, when necessary, should be booked in economy class. However, investigators confirmed Thompson used his city-issued credit card to purchase first-class airfare to Italy, totaling \$5,659.27. UTM officials told investigators that the trip was for UTM Alumni with a background in agriculture, and they were not aware of any official city business that took place on the trip. The trip itinerary confirmed that, in addition to touring historic Italian sites, participants in the trip visited various agricultural sites such as an olive farm to learn about wine and olives, and a goat and sheep farm for a cheese tasting. Investigators could not substantiate any benefit to the city as a result of this trip.

In addition to travel transactions, investigators found that Thompson used his city-issued credit cards to purchase season tickets for UTM basketball and football games, clothing items, toiletries, housewares, and electronics, including personalized Apple AirPods.

C. Thompson improperly used city funds for personal travel totaling \$3,922

The travel accommodations for the UTM Alumni trip to Sienna, Italy, were arranged by a third-party company, Explorations by Thor. The travel package included lodging accommodations, bus and train transportation in Italy, some meals, tours, tastings, entrance to the Vatican museum, and gratuities. The total cost of the travel package was \$3,922. Investigators discovered that the invoice for Thompson's travel package was submitted to the city and paid for by check in August 2022. In total, the city paid \$9,838.77 for Thompson's trip to Sienna, Italy; \$3,922 by check for the travel package, an additional credit card payment of \$257.50 to Explorations by Thor, and \$5,659.27 (discussed above) for airfare. Investigators could not substantiate any benefit to the city as a result of this trip.

Summary of Thompson's Misappropriation	
Description	Amount
Improper Consulting Fees	\$236,434.10
Unauthorized Credit Card Transactions	33,576.03
City Funds used for Personal Travel	3,922.00
Thompson's Total Misappropriation	\$273,932.13

2. FORMER CUSTODIAN NATALIE BRUNDIGE IMPROPERLY RECEIVED AT LEAST \$174,109 IN WAGES AND EMPLOYER-PAID BENEFITS FROM THE CITY OF MARTIN

Between January 1, 2019, and June 13, 2025, former custodian Natalie Brundige received at least \$174,109 in improper payroll payments consisting of unearned salary compensation, unearned leave compensation, and employer-paid benefits from the city as follows:

A. Natalie Brundige improperly received at least \$139,723.64 in unearned salary compensation

As a full-time custodian, Natalie Brundige was expected to work an eight-hour shift each day, Monday through Friday, beginning at 5:30 p.m. However, multiple police department employees stated to investigators that they saw Natalie Brundige on-site for approximately two hours a day, and several police department employees confirmed to investigators that Natalie Brundige would leave by 8:00 p.m. each night. One police department employee stated that they had witnessed Natalie Brundige arriving and leaving the police department, within that time frame, multiple days, on the police department's security cameras.

Investigators analyzed Natalie Brundige's official payroll records for January 1, 2019, through June 13, 2025. During this period, Natalie Brundige was paid for 1,679 days, approximately 13,432 hours, which officials believed her to be working or in a leave status. Investigators then reviewed a sample of video footage from sixteen police department security cameras to substantiate the actual times worked by Natalie. The sample of shifts reviewed by investigators includes the following days: October 25, 2024, December 4, 2024, February 13, 2025, March 24, 2025, and May 30, 2025. Based on the times Natalie Brundige was observed on camera at the police department, investigators' analysis found that she worked an average of two hours each day, approximately 3,436 hours during the period reviewed, yet she received compensation for her full eight-hour shift. This resulted in Natalie Brundige receiving at least \$139,723.64 in unearned salary compensation for 9,996 hours that she did not work.

The city's Human Resources Director (HR director) informed investigators that the city cleaning staff complete their own timesheets for approval and processing. However, instead of Natalie Brundige completing an official timesheet, Randy Brundige would verbally tell the HR director if Natalie Brundige did not work. The HR director further stated that "it was done that way because Natalie was his daughter." Investigators found that Randy Brundige only informed the HR director of 13 days during the period reviewed that Natalie Brundige would be on official leave status. Randy Brundige failed to inform the HR director that Natalie Brundige worked less than eight hours for any shift during the time that she was a full-time employee.

B. Natalie Brundige improperly received at least \$7,264.65 in unearned leave compensation

Upon becoming a full-time employee in November 2018, Natalie Brundige was eligible to accrue leave for sick and annual/vacation leave. The manual defines a full-time employee as an individual who works the equivalent of 40 hours or more per week. City employees accrue leave at a set rate per the manual. Sick leave is accrued at a rate of 1.85 hours per week, and annual/vacation leave is accrued on an increasing scale, depending on the employee's years of service. Annual/vacation leave is accrued at a rate of one hour per week for the first year, then 1.60 hours per week thereafter.

Investigators determined that Natalie Brundige did not meet the criteria as a full-time employee, as investigators' analysis found that Natalie Brundige worked an average of ten hours per week (explained in Finding 2.A). During the investigative period, Natalie Brundige used 104 hours of sick and annual/vacation leave, totaling \$1,484.26. Upon her resignation, Natalie Brundige was paid a lump sum for 374.40 hours of accrued

annual/vacation leave, totaling \$5,831.99. Investigators determined that four hours Natalie Brundige received compensation for were accrued prior to the scope examined and credited her for \$51.60. In total, Natalie Brundige received \$7,264.65 for 474.4 hours of unearned leave compensation.

C. Natalie Brundige received unearned payroll benefits totaling at least \$27,120.71 for hours not worked and unearned leave

Natalie Brundige received payroll benefits totaling at least \$27,120.71 for the 9,996 total hours she did not work, and the 474.4 hours of unearned leave. This amount represents employer-paid benefits for Social Security, Medicare, vision insurance, and retirement contribution costs that the city incurred.

Summary of Natalie Brundige's Misappropriation	
Description	Amount
A. Unearned Salary Compensation	\$139,723.64
B. Unearned Leave Compensation	7,264.65
C. Unearned Payroll Benefits	27,120.71
Natalie Brundige's Total Misappropriation	\$174,109.00

3. MAYOR RANDAL “RANDY” BRUNDIGE MISAPPROPRIATED AT LEAST \$10,925.03 FROM THE CITY OF MARTIN

Between January 1, 2021, and June 30, 2024, Randy Brundige misappropriated city funds totaling at least \$10,925.03 by using his city-issued credit card for unauthorized travel expenses. As mayor, Randy Brundige traveled on official city business as a representative of the city and was eligible for travel reimbursement in accordance with the city travel policy (explained in Finding 1). Investigators discovered that Randy Brundige used his city-issued credit card for his travel instead of completing a travel reimbursement form as required by the city travel policy. Investigators analyzed the city's credit card statements from January 2021 through June 2024 and identified travel charges for lodging and meals made by Randy Brundige that exceeded the allowable state reimbursement rates.

Due to his position as mayor, Randy Brundige serves as the Chairman of the Board of Directors for Public Entity Partners (PEP), an insurance provider for municipalities in the State of Tennessee. Randy Brundige traveled to Franklin, Tennessee, for quarterly PEP board meetings. Investigators found that Thompson often traveled with Randy Brundige. Randy Brundige stated to investigators that Thompson would drive him because he could not drive over 50 miles. Investigators discovered that Randy Brundige and Thompson dined at high-end steakhouses during their travels, and the meal purchases exceeded the state meal reimbursement rate. For example, in June 2021, both Randy Brundige and Thompson traveled to Franklin, Tennessee, for a PEP meeting. The approved state rate for meal reimbursement was \$61 per day. Investigators obtained meal receipts showing Randy Brundige and Thompson

dined at Jeff Ruby's Steakhouse, with a total credit card charge of \$672.99, which included alcohol purchases (Refer to Exhibit 3).

Exhibit 3

Item Sales				
Order Time	Item Number	Menu Item	Qty	Amount
17:34	11652	Gentleman Jack	1	\$15.00
17:34	10120	Tito's	1	\$12.00
17:41	2033	Alaskan King Crab 8oz	2	\$92.00
17:41	2007	Huge Tiger Shrimp	4	\$32.00
17:41	3151	Godfather Roll	1	\$27.00
17:41	2010	Specialty Oysters	6	\$27.00
17:52	11652	Gentleman Jack	1	\$15.00
17:58	5131	Wagyu 1oz	8	\$224.00
17:58	6005	Jeff's Boardwalk Fries	2	\$18.00
18:18	11652	Gentleman Jack	1	\$15.00
18:18	10120	Tito's	1	\$12.00
18:43	8004	Vanilla Creme Brulee	2	\$26.00
Direct Tips				\$100.00
Tax:				\$57.99
Total Amount Due				\$672.99
Total Item Sales				\$515.00
Payments				
Type	Amount			
Amex	\$672.99			
Total Payments				\$672.99

Receipt from Jeff Ruby's Steakhouse for Randy Brundige and Thompson's dinner on June 10, 2021

Investigators identified at least 27 separate instances in which Randy Brundige used the city-issued credit card to purchase lavish meals at high-end steakhouses, including Jeff Ruby's, Perry's Steakhouse, Bob's Steak and Chop, Cork and Cow, and River House, which exceeded state travel rates and often included alcohol purchases. Receipts for these purchases show charges ranging from \$200 to \$700 per meal.

Summary of Randy Brundige's Misappropriation	
Description	Amount
Unauthorized Travel Expenses	\$10,925.03
Randy Brundige's Total Misappropriation	\$10,925.03

4. INVESTIGATORS IDENTIFIED QUESTIONABLE CREDIT CARD TRANSACTIONS TOTALING AT LEAST \$10,391.97 MADE BY BRADLEY THOMPSON

Investigators identified at least \$10,391.97 in questionable city credit card transactions made by Thompson. Investigators questioned the following:

- Subscription services such as OnStar, Sirius XM radio, and Spotify, totaling \$3,790.61. Investigators confirmed that only city vehicles issued to Randy Brundige and Thompson were equipped with these subscriptions and questioned the necessity of these subscriptions for city business.
- Charges for ride share services such as Uber and Lyft, totaling \$2,256.92. Most of these charges coincided with Randy Brundige and Thompson's trips to the PEP board meetings in Franklin, Tennessee. For example, in June 2021, when Randy Brundige and Thompson dined at Jeff Ruby's Steakhouse (discussed in Finding 3), they used Uber for transportation to the restaurant at a cost of \$83.75 and for the return trip back to the hotel at a cost of \$80.44, totaling \$164.19 round-trip. Investigators confirmed that the two traveled to Franklin, Tennessee, in a city vehicle; therefore, the need for additional transportation services could not be justified.
- Meal purchases at local restaurants, often for only one or two individuals, totaling \$842.79. Investigators could not confirm that these meals were for official city business.
- An electronics purchase —Magic Keyboard for iPad—at Apple, totaling \$336.93. Investigators could not substantiate that this purchase was necessary for Thompson to perform his job duties.
- Purchases at various businesses totaling \$3,164.72. A sample of the businesses includes the following: Restaurants (Higher Ground, Vantage Coffee Roast, Coastal Connections, Dragon Hibachi, Sammie's, Blue Oak Oyster Bar, Crave); Retail (Monograms and More, Walmart, Four Corners Custom Frame Shop, Inaugural Delta, Martin Rural King); and Online Services (PayPal, GoFundMe, Squarespace). Investigators were not provided with supporting documentation for these purchases. Due to the lack of adequate supporting documentation, investigators could not determine whether the purchases were for the exclusive benefit of the city.

5. INVESTIGATORS IDENTIFIED QUESTIONABLE CREDIT CARD TRANSACTIONS TOTALING AT LEAST \$283.54 MADE BY MAYOR RANDY BRUNDIGE

Investigators identified questionable credit card transactions, totaling \$283.54, made by Randy Brundige on his city-issued credit card. These purchases consisted of meals at local restaurants, often for only one to two individuals, totaling \$266.62, and \$16.92 in purchases from Apple.com. Investigators were not provided with adequate supporting documentation for these purchases and, therefore, could not determine whether the purchases were for the exclusive benefit of the city.

On November 10, 2025, the Weakley County Grand Jury indicted Bradley Thompson on one count of Theft of Property over \$60,000 but less than \$250,000, four counts of Official Misconduct, and one count of Theft of Property over \$10,000 but less than \$60,000.

On November 10, 2025, the Weakley County Grand Jury indicted Natalie Brundige on one count of Theft of Property over \$60,000 but less than \$250,000 and one count of Official Misconduct.

On November 10, 2025, the Weakley County Grand Jury indicted Randal Brundige on four counts of Theft of Property over \$60,000 but less than \$250,000, one count of Accessory After the Fact, one count of Theft of Property over \$10,000 but less than \$60,000, and four counts of Official Misconduct.

The charges and allegations contained in the indictment are merely accusations of criminal conduct, and not evidence. The defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt and convicted through due process of law.

[City of Martin Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal control and compliance, which contributed to Brad Thompson's, Randy Brundige's, and Natalie Brundige's ability to perpetrate their misappropriation without prompt detection. These deficiencies included:

Deficiency 1: City officials failed to ensure employees followed the city's travel policy, resulting in multiple deficiencies related to travel

The investigation revealed the following deficiencies and noncompliance with the city's travel policy, which resulted from a lack of management oversight and their failure to implement adequate internal control procedures over travel-related transactions.

- City officials did not ensure that the city travel policy was followed. The city travel policy states that travel will be reimbursed for travel expenses after a travel reimbursement form is submitted; however, select employees were allowed to use city-issued credit cards for all travel expenses instead of complying with the city travel policy. This resulted in travel expenses that exceeded the official reimbursement rates for travel. City officials should enforce the city travel policy to ensure the city does not incur unauthorized expenses when city employees travel.
- City officials did not retain adequate documentation to support credit card transactions. Due to a lack of supporting documentation, investigators could not confirm the legitimacy of numerous credit card charges, including charges for overnight lodging with no

documented travel purpose. Retaining supporting documentation in compliance with city policy ensures only approved travel is incurred by city employees.

- The city did not enforce the city travel policy pertaining to meals. The city travel policy allows reimbursement for meals in accordance with the State of Tennessee per diem rates, which requires that overnight travel must be associated with meal expenses. Investigators discovered meals were purchased with the city credit cards that were not for official travel with an overnight stay. Adequate documentation could not be provided to substantiate that these meals occurred during the course of official city business. Officials should enforce the city travel policy to ensure the city only pays for meals associated with overnight travel and for official city business.

Deficiency 2: City officials failed to provide adequate oversight of operations and failed to implement effective internal controls over the use of the city's credit cards

City officials did not provide adequate oversight of operations and did not design or implement effective internal controls over the use of city-issued credit cards. City officials are responsible for designing effective 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 risk that errors or intentional misappropriations will remain undetected. The City of Martin's *Internal Control Manual* (IC manual) outlines processes and procedures that help safeguard and promote the accountability of city funds; however, these controls were insufficient and failed to address the use of city credit cards. This is a repeat deficiency from a previous investigation performed by the Comptroller's Office in 2021. Due to the failure of city officials to oversee and approve credit card purchases, Randy Brundige and Thompson were able to use the city's credit cards for their personal use. Specifically:

- The city failed to establish a written credit card policy that governs the issuance and tracking of city-issued credit cards, provides guidance to employees, and outlines procedures for monitoring the proper use of city-issued credit cards. The lack of a written credit card policy increases the risk of improper use or misappropriation of city funds without prompt detection.
- The city did not have adequate written procedures for tracking the use of city-issued departmental credit cards. City-issued credit cards are kept in the possession of the employee or department to which they are issued. Investigators noted that the city did not maintain a logbook that detailed which employee(s) used the city's credit cards for purchases. The board should provide written guidance identifying employees who are authorized to use the city's credit cards and guidelines for the business use of the city-issued credit cards, and how to properly secure them.
- City officials did not require or retain adequate supporting documentation for some of the transactions on city-issued credit cards. Investigators noted that certain receipts, invoices, and other supporting documentation were insufficient to determine what was purchased with the city's credit cards. Requiring documentation, such as invoices or receipts, allows officials to verify that the payment is proper and reasonable. Without adequate supporting

documentation, investigators were unable to determine whether purchases were for the exclusive benefit of the city.

Deficiency 3: City officials did not provide adequate oversight of payroll operations

City officials failed to implement a review system ensuring employees are not compensated for time not worked. The IC manual states that each department head is responsible for monitoring and verifying the time worked by their employees. Investigators could not find documented policies or guidelines that require city employees to complete an official timesheet with the time worked each pay period, with their signature, to confirm its accuracy. Natalie Brundige was originally supervised by the city recorder, then later by the HR director. Both confirmed to investigators that they did not verify Natalie Brundige's time worked each day. Timesheets provide supporting documentation for hours worked, allowing payroll to be calculated accurately. Routinely reviewing and confirming employees' time worked reduces the risk that improper payroll payments will be made. Implementing this process is essential for effective internal controls, and reduces the risk of fraud, waste, or abuse.

Deficiency 4: The city mayor failed to ensure the board had knowledge of and approved related-party transactions

The IC manual specifically addresses related-party business transactions between the city and its employees. The IC manual states, "no department head or supervisor shall have any financial interest in the profits of any contract, service, or other work performed by the city." The IC manual further states that this requirement can only be waived by the board. Both the mayor and the city recorder had knowledge that One Consulting was a vendor name used by Thompson; however, prior to November 2024, the board was never presented with a contract or agreement for approval in accordance with the IC manual. Randy Brundige exercised sole approval over the use of One Consulting for grant writing and administration. The failure to obtain board approval for related-party business transactions increases the risk of the city incurring additional and unnecessary costs and liabilities.

Deficiency 5: The city recorder failed to uphold her duties as prescribed by the city charter

The city charter details specific responsibilities of the city recorder regarding the accounting functions and safeguarding of city funds. Failure to uphold these responsibilities contributed to the misappropriation of funds by multiple city employees. Specifically:

- The city charter states the city recorder shall supervise the collection, disbursement, and safekeeping of all funds of the city. Investigators noted that the city recorder approved questionable and unauthorized transactions for payment, even though she stated to investigators she believed them to be improper. Furthermore, after the city adopted an updated travel policy in June 2024, the city recorder told investigators that she was not verifying that travel expenses were within the approved state reimbursement rates because the mayor had not instructed her to do so. Failure by the city recorder to ensure all disbursements of city funds are reasonable, necessary, and authorized increases the risk of misappropriation.

- The city recorder is charged with keeping the board informed of the financial conditions of all funds of the city. Investigators found that the city recorder failed to inform the board that city funds were used for unauthorized expenses that exceeded the limits of the city travel policy. The city recorder also failed to inform the board of the related-party business transactions between the city and One Consulting. Keeping the board apprised of all transactions involving city funds is essential to ensure their ability to make decisions is based on accurate and current information.
- The city charter designates the city recorder as purchasing agent for the city, responsible for authorizing the purchase of all materials, supplies, and equipment necessary for city operations through issuance of purchase orders and bidding. Investigators discovered that city-issued credit cards were used at the discretion of city employees without a formal approval process, such as a purchase order, or any criteria for invoices or receipts. Additionally, credit card purchases were not reviewed by the city recorder to ensure accuracy, or to confirm receipt of the purchased item. The city recorder's failure to perform the duties of purchasing agent resulted in city-issued credit cards being used for personal purchases.

Deficiency 6: The city failed to maintain a comprehensive inventory of technological equipment and computer components

City officials did not require the information technology director to maintain a comprehensive inventory of technological equipment and computer components. Technological equipment, including computers, was not tagged as city property. Without an inventory system, city officials cannot ensure that assets are properly safeguarded or that the equipment is used only for authorized purposes. A lack of accountability over the city's technological equipment increases the risk of loss or misuse.

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