



COMPTROLLER'S INVESTIGATIVE REPORT

Town of Gibson

December 19, 2025

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

December 19, 2025


Town of Gibson
P.O. Box 374
Gibson, TN 38338

Town of Gibson Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Town of Gibson, 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 28th 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,



Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Town of Gibson

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Town of Gibson. The Comptroller's Office initiated the investigation in March 2025 after contract auditors reported suspected fraud by the former mayor. The investigation was limited to selected records for the period January 1, 2021, through February 28, 2021. The results of the investigation were communicated with the Office of the District Attorney General of the 28th Judicial District.

BACKGROUND



The Town of Gibson (town), located in Gibson County, Tennessee, has a population of approximately 366. The town is governed by a mayor and a board of five aldermen (board). The mayor is elected to serve a term of two years. Tenn. Code Ann. § 6-3-106(b)(3) provides that unless otherwise designated by the board by ordinance, the mayor shall “act as purchasing agent for the municipality in the purchase of all

materials, supplies, and equipment for the proper conduct of the municipality's business; provided, that all purchases shall be made in accordance with policies, practices, and procedures established by the board.”

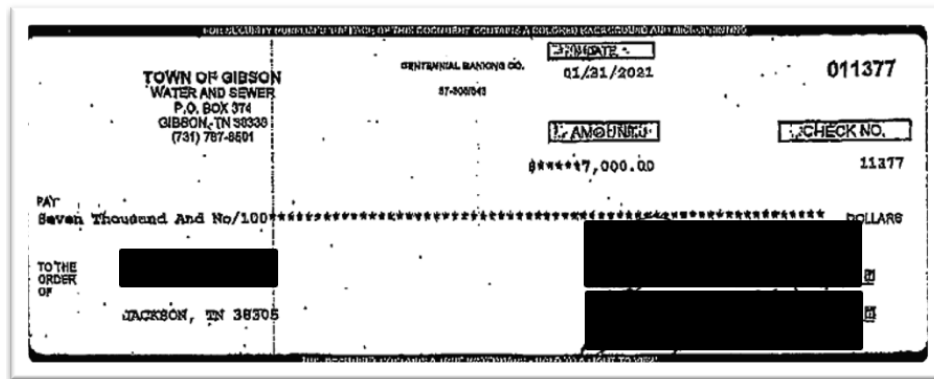
The former mayor of the Town of Gibson was initially elected as an alderman in November 2016. On July 10, 2017, he was appointed as mayor to fill an unexpired term after his predecessor's resignation. He was later elected as mayor in November 2018, and served until his resignation on July 10, 2023.

RESULTS OF INVESTIGATION

1. THE FORMER MAYOR MISAPPROPRIATED \$2,000 FROM THE TOWN OF GIBSON FOR PERSONAL GAIN

Per the town charter, the mayor “may act as treasurer and shall receive and keep safely all funds of the town and shall pay out the same upon warrants signed by himself and a person designated by the board.” On January 31, 2021, the former mayor facilitated a town check in the amount of \$7,000 to purchase a utility truck from a local equipment vendor (**Refer to Exhibit 1**). However, during an audit performed after the former mayor left office, it was discovered that the invoice for the utility truck listed the purchase price as only \$5,000.

Exhibit 1



TOWN OF GIBSON
 WATER AND SEWER
 P.O. BOX 374
 GIBSON, TN 38338
 (731) 787-8601

CENTRAL BANKING CO.
 ST-000048
 01/31/2021
 011377

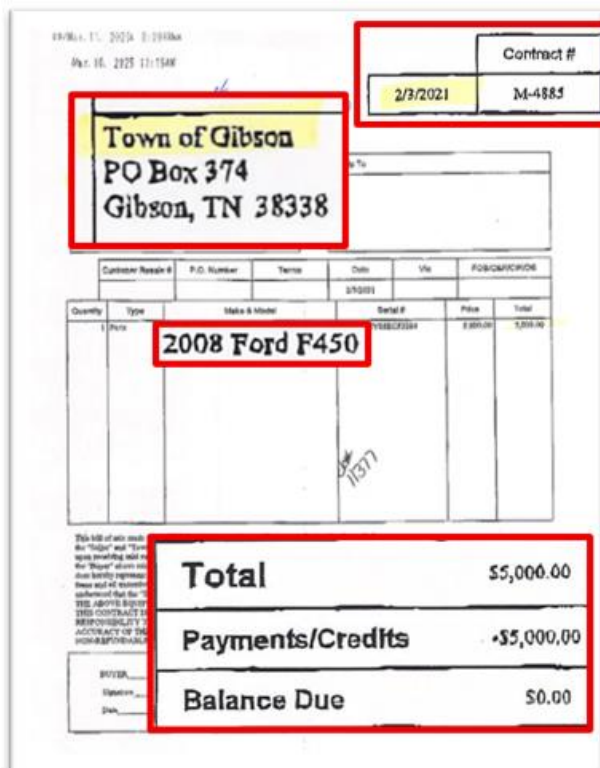
PAY TO THE ORDER OF [REDACTED]
 JACKSON, TN 38305

\$7,000.00
 SEVEN THOUSAND AND NO/100

Town check written to the equipment vendor dated three days prior to the invoice date

Investigators analyzed the invoice from the equipment vendor and confirmed that on February 3, 2021, the town was billed \$5,000 for a 2008 Ford F450 truck. The equipment vendor also provided investigators with a second invoice dated February 3, 2021, billed to a trucking company, the former mayor's personal business, for a 2010 Ford F350 truck with a purchase price of \$5,000 (Refer to Exhibit 2).

Exhibit 2



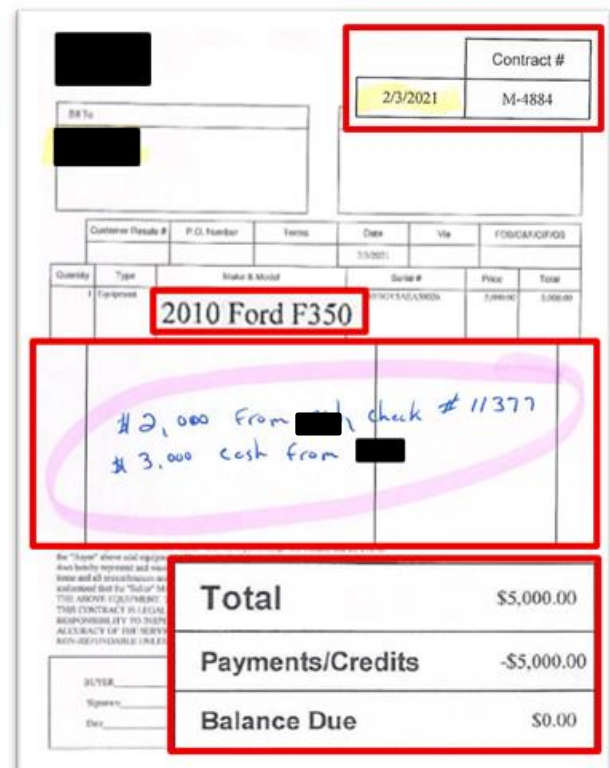
Town of Gibson
 PO Box 374
 Gibson, TN 38338

Contract #
 2/3/2021 M-4884

Quantity	Type	Make & Model	Serial #	Price	Total
1	Truck	2008 Ford F450	11377	\$5,000.00	\$5,000.00

Total	\$5,000.00
Payments/Credits	-\$5,000.00
Balance Due	\$0.00

Town of Gibson invoice for \$5,000 (left)



Contract #
 2/3/2021 M-4884

Quantity	Type	Make & Model	Serial #	Price	Total
1	Truck	2010 Ford F350	11377	\$5,000.00	\$5,000.00

\$2,000 From check #11377
 \$3,000 cash from

Total	\$5,000.00
Payments/Credits	-\$5,000.00
Balance Due	\$0.00

Trucking company invoice for \$5,000 (right)

Investigators determined that the former mayor had instructed the equipment vendor to apply the \$2,000 overpayment from the town to the invoice for a 2010 Ford F350 for his personal

trucking company. The former mayor paid the remaining \$3,000 balance for his personal trucking company's invoice in cash.

Investigators confirmed that while the board was aware that a truck had been purchased for the town, they had no knowledge of the purchase price of the truck or that the check was partially applied to a personal truck purchase by the former mayor.

The former mayor acknowledged to investigators that he owns the 2010 Ford F350, which was invoiced to his personal trucking company on February 3, 2021. The former mayor stated that he could not remember the exact purchase price of the vehicle, but said the town could have paid \$2,000 toward the truck purchased for his business.

On November 19, 2025, the former mayor reimbursed the town for the misappropriated funds in the amount of \$2,000.

Summary of Misappropriated Funds by the Former Mayor

Check Date	Check Number	Check Amount	Invoice Number	Invoice Amount
January 31, 2021	11377	\$7,000.00	M-4885	\$5,000.00
Total Misappropriation				\$2,000.00

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal controls and compliance, some of which contributed to the former mayor's ability to misappropriate town funds without prompt detection. These deficiencies included:

Deficiency 1: Town officials failed to maintain supporting documentation

Town officials failed to maintain adequate supporting documentation for disbursements. Tenn. Code Ann. § 6-21-404 states the recorder "shall have custody of, and preserve in the recorder's office..., all other records, papers, and documents, ... and shall keep an accurate and modern index thereof." The former city recorder did not preserve any documentation to verify the legitimacy of the \$7,000 check signed by the former mayor. Investigators found that the check was dated three days prior to the invoice date. Failure to maintain adequate supporting documentation for disbursements increases the risk that fraud, waste, or abuse may occur.

Deficiency 2: Town officials failed to adopt written policies and procedures

Town officials failed to establish a formal written purchasing policy. Tenn. Code Ann. § 9-18-102(a) requires each county, municipal, and metropolitan government to establish and maintain

internal controls. The Comptroller published the *Internal Control and Compliance Manual for Local Governmental Entities and Other Audited Entities in Tennessee (Internal Control Manual)*, to assist local governments to design and implement a system of internal control. Establishing and maintaining a system of internal control is required and should include written policies and procedures for internal controls, travel, personnel, and purchasing. The lack of documented internal controls and a formal written purchasing policy increases the risk that fraud, waste, or abuse may occur.

Deficiency 3: Town officials did not properly maintain board minutes

According to town officials, the board approved the purchase of one truck for the public works department; however, this decision was not properly documented in the board meeting minutes. The board held regular meetings but could not provide investigators with board meeting minutes that approved the purchase of the vehicle involved in the investigation. According to Tenn. Code Ann. § 8-44-104, “[t]he minutes of a meeting of any such governmental body shall be promptly and fully recorded, shall be open to public inspection, and shall include, but not be limited to, a record of persons present, all motions, proposals and resolutions offered, the results of any votes taken, and a record of individual votes in the event of roll call.” The minutes are the official record of the board, should accurately reflect the board's actions, and should be properly recorded and maintained for review.

Deficiency 4: Town officials did not comply with their charter

Per the town’s charter, passage of any resolution or motion shall require the affirmative vote of a simple majority of those aldermen present and voting at such meeting where the resolution or motion is voted upon. As noted in Deficiency 3, the town did not properly document a motion to purchase a town vehicle; therefore, investigators could not determine if the town vehicle purchased was properly approved as required by the town’s charter.

Deficiency 5: Town officials failed to ensure an audit of the town’s accounts and records was completed for fiscal years 2021 through 2024

Tenn. Code Ann. § 6-56-105(a) provides that, “[t]he governing body of each municipality shall cause an annual audit to be made of the accounts and records of all departments, boards, and agencies under its jurisdiction that receive and disburse funds.” Tenn. Code Ann. § 6-35-311 states that, “[a]t the end of each fiscal year, an audit shall be made of the accounts and funds of the city covering the operations of the past fiscal year, by a certified public accountant selected by the council.” Investigators confirmed that audits for the fiscal years 2021, 2022, 2023, and 2024 were not performed until March 2025. The town should undergo a timely annual audit to establish confidence that the town has complied with generally accepted accounting standards and used town funds appropriately in all material respects. Failure to have audits performed in a timely manner increases the risk that fraud will remain undetected.

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