



COMPTROLLER'S INVESTIGATIVE REPORT

Paint Rock Volunteer Fire Department, Inc.

October 21, 2025

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

October 21, 2025

Paint Rock Volunteer Fire Department, Inc. Board Members
3710 Tunnel Hill Road
Helenwood, TN 37755

Paint Rock Volunteer Fire Department Management:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Paint Rock Volunteer Fire Department, 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 8th 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".

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Paint Rock Volunteer Fire Department, Inc.

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Paint Rock Volunteer Fire Department, Inc. The investigation was limited to selected records for the period March 27, 2023, through November 11, 2024. The results of the investigation were communicated with the Office of the District Attorney General of the 8th Judicial District.

BACKGROUND



Located in Scott County, the Paint Rock Volunteer Fire Department, Inc. (PRVFD) was established on May 10, 1985, to provide emergency services in the Paint Rock community. Additionally, the PRVFD supports, through mutual aid calls, neighboring volunteer fire departments. Comprised of volunteer members, the PRVFD is supported by contributions from the Scott County government, donations, and fundraisers.

The PRVFD is governed by a board of directors (board) consisting of a president, vice-president, secretary, treasurer, fire chief, and member-at-large. During the investigative period, PRVFD maintained two bank accounts. The primary operating account was used to issue checks and pay online bills, while a separate petty cash account with a debit card was used for small or urgent purchases.

On December 5, 2023, the Office of the Comptroller of the Treasury issued a PRVFD Investigative Report detailing a former fire chief's misappropriation, questionable transactions, and internal control and compliance deficiencies for the period January 2022 through March 2023.

A different former fire chief served from March 27, 2023, until her resignation as fire chief and a PRVFD member on November 11, 2024. This investigation relates to her tenure as fire chief during that period.

RESULTS OF INVESTIGATION

1. THE FORMER PAINT ROCK VOLUNTEER FIRE DEPARTMENT, INC. FIRE CHIEF MADE QUESTIONABLE CASH WITHDRAWALS TOTALING \$5,043.99

During the investigative period, the former fire chief made questionable cash withdrawals from PRVFD bank accounts totaling \$5,043.99, as follows:

A. ATM Cash Withdrawals

From May 22, 2024, through August 7, 2024, the former fire chief made 39 questionable ATM cash withdrawals (**Refer to Exhibit 1**) from the PRVFD petty cash bank account totaling \$2,843.99. The cash withdrawals were made in \$10 denominations and included bank fees charged for each transaction totaling \$123.99. Often, the former fire chief made more than one ATM cash withdrawal on the same day.

Exhibit 1

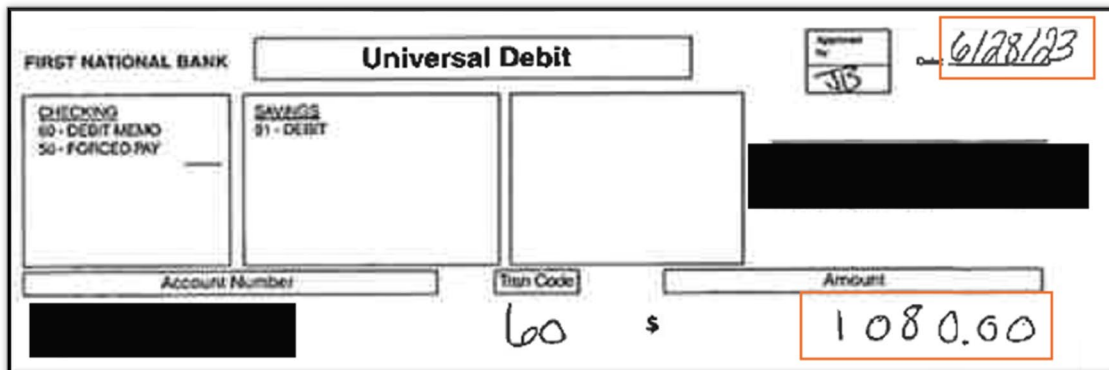
7/22	ATM W/D 1519 07/19/24 0001092	43.50-AW
	LEE S FOOD MART 6	
	15872 SCOTT HWY	
	ONEIDA TN C#2266	
7/22	ATM W/D 1213 07/22/24 0008163	52.00-AW
	POPPAS QUIK -686270	
	8944 BAKER HWY	
	HUNTSVILLE TN C#2266	
7/25	ATM W/D 1441 07/25/24 0002148	43.50-AW
	LEE S FOOD MART 26	

Examples of ATM cash withdrawals and bank fees made by the former fire chief from the PRVFD petty cash bank account

B. Over-the-Counter Cash Withdrawals

From April 4, 2023, through April 22, 2024, the former fire chief made four questionable over-the-counter cash withdrawals (**Refer to Exhibit 2**) from the PRVFD primary operating bank account totaling \$2,200. The former fire chief signed bank documentation for each over-the-counter cash withdrawal.

Exhibit 2



FIRST NATIONAL BANK
 Universal Debit
 CHECKING 60 - DEBIT MEMO 50 - FORCED PAY
 SAVINGS 91 - DEBIT
 Account Number: [REDACTED]
 Title Code: 60
 Amount: \$1,080.00
 Signature: [REDACTED]
 Date: 6/28/23

A \$1,080 over-the-counter cash withdrawal on 6/28/2023 by the former fire chief from the PRVFD primary operating bank account

The former fire chief told investigators that the questionable ATM and over-the-counter cash withdrawals were used for the benefit of the PRVFD; however, she told investigators that the receipts supporting the transactions were taken by another PRVFD member and could not be

located. After speaking with other PRVFD members, investigators were unable to find supporting documentation for the questionable cash withdrawals and concluded that another PRVFD member may have taken receipts and supporting documentation from the PRVFD office. Therefore, investigators could not determine if the questionable cash withdrawals were used for PRVFD purposes.

Summary of Questionable Cash Withdrawals by the Former Fire Chief	
A. <u>ATM Cash Withdrawals</u>	\$ 2,843.99
B. <u>Over-the-Counter Cash Withdrawals</u>	\$ 2,200.00
Total Questionable Cash Withdrawals	\$ 5,043.99

After the former fire chief's resignation on November 11, 2024, the former fire chief agreed with the board to repay the PRVFD \$3,200 for questionable cash withdrawals she made from PRVFD bank accounts. The former fire chief made five \$50 payments to the PRVFD totaling \$250 but made no additional payments after December 13, 2024.

2. THE PAINT ROCK VOLUNTEER FIRE DEPARTMENT, INC. BOARD OF DIRECTORS DID NOT PROPERLY ACCOUNT FOR COLLECTIONS

As previously documented in our December 5, 2023, PRVFD Investigative Report, the board failed to properly oversee, document, or account for fundraisers and other collections. In addition, the board failed to require, prepare, or review profit analyses for fundraisers and did not adequately account for or safeguard inventory. Therefore, investigators were unable to determine the amounts collected from fundraisers and other activities, or whether collections were deposited in full and on a timely basis.

On July 25, 2023, investigators determined the PRVFD received a 2007 Ford F350 truck as a donation. Although the former fire chief stated the truck was not in working order and was sold for \$1,700, investigators found no title or registration to the truck in the name of the PRVFD, no documentation supporting collections from the sale of the truck, and no clear bank deposit for collections from the sale of the truck. Investigators did find cash deposits after the truck was sold. However, due to the lack of supporting documentation for collections, investigators could not determine the source of each cash deposit. Providing adequate accountability and oversight of collections helps ensure all collections are accounted for and used to further the objectives of the PRVFD.

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal controls and compliance, most of which were previously included in our December 5, 2023, PRVFD investigative report:

Deficiency 1: The board did not adequately segregate financial duties among members

The board did not adequately segregate its financial duties. The former fire chief was responsible for maintaining records and was involved in collecting, depositing, and/or disbursing funds. Sound business practices dictate that a board of directors should be responsible for designing and implementing internal controls to give reasonable assurance of the reliability of financial reporting and the effectiveness and efficiency of operations. Allowing one member to maintain exclusive control over all financial duties increases the risk that fraud, waste, or abuse will occur without prompt detection.

Deficiency 2: The board did not perform sufficient periodic reviews of bank statements

The board did not perform sufficient periodic reviews of bank statements; therefore, questionable ATM cash withdrawals with associated bank fees and over-the-counter cash withdrawals went unnoticed. The lack of periodic board review of bank statements and transactions increases the risk that fraud, waste, and abuse will occur without prompt detection.

Deficiency 3: The board failed to maintain adequate supporting documentation for disbursements and cash withdrawals

The board failed to require, retain, and properly secure invoices, vendor receipts, or other adequate supporting documentation for multiple transactions using PRVFD funds to document the appropriateness of the transactions. Maintaining documentation such as invoices or receipts allows members to verify that all PRVFD transactions are for legitimate and appropriate purposes.

Deficiency 4: The board failed to submit annual financial reports to the Comptroller of the Treasury

Based upon a review of the Comptroller of the Treasury's database of annual financial reports for volunteer fire departments, investigators determined that the board did not submit required annual financial reports. Since 2015, volunteer fire departments receiving government appropriations have been required to submit annual financial reports to the Comptroller of the Treasury. However, for the period reviewed, PRVFD members did not submit the required annual financial reports to the Comptroller of the Treasury. According to Tenn. Code Ann. § 68-102-309,

“The governing board of each recognized volunteer fire department receiving appropriations from the federal government, the state, a county, or a municipality, either directly or indirectly, shall file an annual financial report with the comptroller of the treasury and with each local government body from which the department received appropriations...”

The board should ensure that annual financial reports are filed appropriately with the Comptroller of the Treasury.

The board has corrected or intends to correct these deficiencies.