Comptroller's Investigative Report

Tennessee College of Applied Technology - Elizabethton

September 21, 2026

Jason E. Mumpower

Comptroller of the Treasury

Division of Investigations

Jason E. Mumpower
Comptroller

September 21, 2026

Tennessee Board of Regents
Office of the Chancellor
1 Bridgestone Arena, 3rd Floor
Nashville, TN 37201

Chancellor and Members of the Tennessee Board of Regents:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Tennessee College of Applied Technology - Elizabethton, 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 1st 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

Tennessee College of Applied Technology - Elizabethton

The Office of the Comptroller of the Treasury, in conjunction with the Tennessee Board of Regents, investigated allegations of malfeasance related to the Tennessee College of Applied Technology - Elizabethton. The investigation was initiated after the Tennessee Board of Regents' internal auditors identified and reported questionable financial activity and potential misuse of state resources. The investigation was limited to selected records for the period July 2017 through July 2023. The results of the investigation were communicated with the Office of the District Attorney General of the 1st Judicial District.

BACKGROUND

The Tennessee College of Applied Technology – Elizabethton (college), located in Elizabethton, Tennessee, originally opened on October 1, 1965, as the State Area Vocational Technical School. It underwent rebranding in 1994 and again in 2013, evolving into one of the 22 Tennessee Colleges of Applied Technology (TCATs) operating across the state. TCATs function as Tennessee's premier workforce development institutions, preparing highly skilled workers in fields such as manufacturing, health care, transportation, and advanced technical trades. The system is governed by the Tennessee Board of Regents (TBR).

The college partnered with the National Coalition of Certification Centers (NC3) in 2013 to offer industry-validated, portable certifications in high-demand areas such as Advanced Manufacturing and Mechatronics, Transportation (Automotive/Diesel), Building Trades/HVAC, and 3D printing. Through NC3, education providers partner with global industry leaders to train and educate the next generation of skilled workers. The college is designated as an NC3 Regional Training Center and annually hosts an NC3 Train-the-Trainer (TTT) event on campus for professional educators. The college also provides instructors for other NC3 TTT events nationwide.

In August 2018, the college partnered with NC3 and Kubota Tractor Corporation (Kubota) to become the first Kubota Tech training school in the nation (Kubota tech program). The Kubota tech program provides a pipeline of certified graduates for employment at Kubota dealerships. Students enroll in the Kubota tech program through the college and pay the required tuition.

In addition, the college operates a Special Industry program through which faculty design customized curricula, deliver targeted training, and upskill existing employees for local and national companies that pay the college for these services. In 2018, the college contracted directly with Kubota to provide training and course development for Kubota employees through the company's internal training program, Kubota University.

John Lee began his employment with the college in July 2009 as an Associate Instructor in the Diesel-Powered Equipment Program. In July 2015, he was appointed as the college's NC3 Training Program Instructor, working closely with NC3 leadership, developing certification curricula, and traveling for NC3 events. In February 2018, he entered into a personal consulting agreement with NC3 that ran concurrently with his college employment, under which NC3 compensated him monthly for many of the same responsibilities included in his college role. The consulting agreement was renewed for three-year terms in 2019 and 2022 at increased compensation rates. Also in 2018, Lee transitioned to the college's Special Industry Training Coordinator, responsible for securing new training and curriculum development contracts with external companies, scheduling instructors, and invoicing for the services provided by college employees. He was appointed as a TBR Faculty Regent in July 2022 and resigned from both the college and the TBR Faculty Regent position on January 26, 2023.

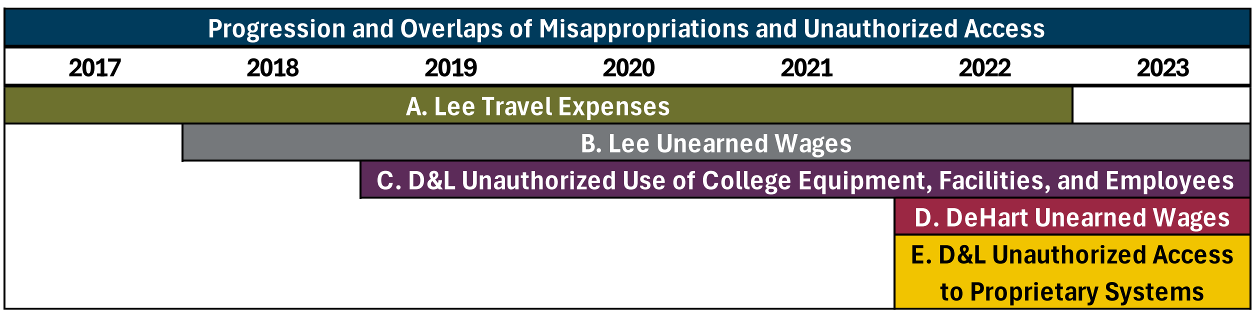
Mark DeHart was hired by the college on June 1, 2022, as the Coordinator of Industry Training and Curriculum. Prior to joining the college, DeHart worked at a California community college that also partnered with NC3. In addition, he worked directly for NC3 as a part-time program manager for the Kubota Tech program. After beginning his employment with the college, DeHart continued to provide contract work for NC3. He resigned from his position with the college on January 26, 2023.

Prior to DeHart's employment with the college, he and Lee became acquainted through their relationships with NC3 and the Kubota Tech program. In 2019, DeHart and Lee entered into a verbal agreement to establish D&L Education Solutions (D&L), which DeHart operated as a sole proprietorship. Across several online publications, DeHart was identified as the Chief Executive Officer (CEO), while Lee was presented under varying titles, including Chief Product Officer, Co-Founder, and Co-CEO. D&L offered companies custom curriculum development and employee and instructor training, services that overlapped with those overseen by Lee in his role as the college's Special Industry Training Coordinator and were later incorporated into DeHart's responsibilities as Coordinator of Industry Training and Curriculum for the college. Additionally, D&L listed the college's address as its business location on its website and in its email signatures. D&L ceased operations shortly after Lee and DeHart resigned from the college.

RESULTS OF INVESTIGATION

1. FORMER TCAT ELIZABETHTON SPECIAL INDUSTRY TRAINING COORDINATOR, JOHN LEE, AND FORMER COORDINATOR OF INDUSTRY TRAINING AND CURRICULUM, MARK DEHART, MISAPPROPRIATED AT LEAST $1,058,494 THROUGH MULTI-YEAR INDIVIDUAL AND JOINT SCHEMES

For the investigative period, Lee and DeHart misappropriated at least $1,058,494 from the college, NC3, and a Special Industry program partner through multi-year individual and joint schemes, including fraudulent travel reimbursements, misuse of college funds, unearned wages, unauthorized use of college resources, and unauthorized access of proprietary systems. The timeline below illustrates the progression and overlaps of misappropriations and unauthorized access by Lee and DeHart:



The following table summarizes Lee and DeHart's misappropriations:

Summary of Total Misappropriations by Lee and DeHart				
Subsection	**Lee**	**DeHart**	**Joint**	**Total**
A. Lee Travel Expenses	$ 19,413	$ -	$ -	**$ 19,413**
B. Lee Unearned Wages	$ 82,726	$ -	$ -	**$ 82,726**
C. D&L Unauthorized Use of College Equipment, Facilities, and Employees	$ -	$ -	$ 940,841	**$ 940,841**
D. DeHart Unearned Wages	$ -	$ 15,514	$ -	**$ 15,514**
Total Misappropriations	**$ 102,139**	**$ 15,514**	**$ 940,841**	**$ 1,058,494**

The following subsections present the schemes chronologically from when they first occurred:

A. July 2017 – October 2022: Misappropriated Travel Expenses by John Lee

From at least July 2017 through October 2022, Lee misappropriated at least $19,413 from the college, NC3, and a Special Industry program partner through fraudulent travel reimbursements and misuse of college funds. Lee frequently traveled as a college representative to attend NC3 training events and fulfill Special Industry program contracts. His NC3 consulting agreement also required him to attend many of these same events. Lee used this overlap to misappropriate travel expenses, often employing more than one of the following methods:

1) **Reimbursements Exceeded Incurred Costs**

   Lee submitted and received at least $7,093 in travel reimbursements that exceeded his incurred costs. He repeatedly submitted screenshots of incomplete flight and rental car transactions as support for his claimed expenses, but the amounts claimed exceeded what he ultimately paid or represented charges that he never incurred **(Refer to Exhibit 1)**. In other instances, Lee submitted airfare receipts as proof of payment but subsequently canceled the flights or changed the flights, resulting in refunds and credits without providing updated reimbursement claims.

2) **Expenses Paid with College Funds**

   Lee benefited from at least $4,646 in travel expenses paid with college funds. He submitted and received at least $3,936 in travel reimbursements for expenses paid with a college credit card or a college fuel account rather than his personal funds **(Refer to Exhibit 2)**. In addition, Lee misused a college credit card to pay $710 in travel expenses unrelated to college activities.

3) **Reimbursements for Duplicate Claims**

   Lee submitted and received at least $4,586 in travel reimbursements for duplicate claims for the same expenses. This practice is commonly referred to as double-dipping **(Refer to Exhibit 2)**.

4) **Reimbursements for Ineligible Expenses**

   Lee submitted and received at least $4,346 in travel reimbursements for ineligible expenses. On multiple occasions, he claimed a daily per diem allowance for travel unrelated to college activities, including days that coincided with a personal family vacation in Florida **(Refer to Investigative Finding 3)**. Additionally, Lee sought reimbursement for a personal ride-share expense and a rental car damage fee.

5) **Expenses Incurred but Not Reimbursed**

   Lee incurred $1,258 in travel expenses for which he either did not request reimbursement or claimed less than the actual cost. Investigators reduced the calculated misappropriation by this amount.

Investigators reviewed more than 100 travel reimbursement requests submitted by Lee during the investigative period and found that more than half were inaccurate. When the actual cost differed from the amount claimed, approximately 84 percent of the discrepancies benefited Lee through overpayments, while only 16 percent resulted in underpayment. In addition, he recorded false information on some of the submitted claims to conceal the purpose of the travel. The frequency and nature of these discrepancies demonstrated a pattern of inaccurate and false reporting rather than isolated errors.

Exhibit 1

Screenshot of an incomplete flight purchase that Lee included as support for the NC3 reimbursement request

Review & Purchase

Please review your information before purchasing.

FLIGHTS	Outbound: TRI › PDX 1 stop VIEW ›
	Return: PDX › TRI 1 stop VIEW ›
PRICE PER PASSENGER	$994.88 USD
TAXES, FEES AND CHARGES	$120.22 USD
TOTAL	$1,115.10 USD

EXTRAS

SEAT UPGRADE & TRIP EXTRAS ›	$0.00 USD
TRIP PROTECTION ›	$0.00 USD
TOTAL WITH EXTRAS	$1,115.10 USD

CHANGE & CANCELLATION POLICIES ›

TICKETS ARE NONREFUNDABLE ›

Purchase of this ticket means you agree to the Terms and Conditions below and the Hazardous Materials Policy.

Buy With AMEX (*[redacted])

My Delta Today Book Feed More

Travel reimbursement request Lee submitted to NC3

nc3 National Coalition of Certification Centers

NAME: **John Lee**

PURPOSE OF TRIP: NC3 Training

EXPENSE DATE	FINAL DESTINATION (CITY, STATE)	TRANSP AIRLINE CAR RENT
09/09/17	Lebanan OR	1,115.10

08/03/17	DELTA AIR LINES		ATLANTA			$649.95
	DELTA AIR LINES					
	From:	To:	Carrier:	Class:		
	TRI-CITIES REGIONA	ATLANTA HARTSFIELD	DL	W		
		SALT LAKE CITY	DL	W		
		PORTLAND	DL	W		
		ATLANTA HARTSFIELD	DL	W		
	Ticket Number: 00623911480975		Date of Departure: 09/09			
	Passenger Name: LEE/JOHN L					
	Document Type: PASSENGER TICKET					

Actual flight purchase on Lee's American Express

Lee provided a screenshot of an incomplete flight purchase to Portland, Oregon, PDX airport, totaling $1,115.10 to NC3 for a September 2017 reimbursement request, but the actual flight cost was only $649.95, resulting in an overpayment of $465.15.

Exhibit 2

Travel reimbursement request Lee submitted to a Special Industry partner

From: John Lee <john.lee@tcatelizabethton.edu>
Sent: Wednesday, December 05, 2018 5:59 PM
To: [redacted]@festo.com>
Subject: John Lee Travel Expenses

[redacted] please see my attached expense receipts for reimbursement. My total expenses came to $758.51. It was a pleasure meeting you and I look forward to working further with you.

Summary of Festo Reimbursement	
Description	**Total**
Delta	$ 551.60
DoubleTree	$ 113.48
Enterprise	$ 93.43
Total Festo Reimbursement	**$ 758.51**

College's credit card statement

TRAN DATE	POST DATE	MCC CODE	TRANSACTION DESCRIPTION	REFERENCE #	AMOUNT
11-19	11-21	4511	AGENT FEE 89007583833523 PINNACLE TRAV CA LEE/JOHN DEPARTURE: 11-19-18 XAA XD X XAO	55417348324873243304337	7.00
11-19	11-21	3058	DELTA 00672246740200 EL SEGUNDO CA LEE/JOHN DEPARTURE: 12-04-18 TRI DL L ATL DL L EWR DL X ATL DL X TRI	55417348324873244006758	551.60

Total Delta + Agent Fee $558.60

Travel reimbursement request Lee submitted to the college

tbr eSHOP

Claim

This claim must be pre

Traveler/Claimant's Name:	John Lee	Travele

Date	Place Left	Time Left AM/PM	Place Arrived	Time Arrived AM/PM	Miles	Transportation: Millage Amount	Transportation: Airline
12/4/2018	Elizabethton	11:00 AM	Newark NJ	4:00 PM	0	$0.00	558.6

A Special Industry partner reimbursed Lee for his December 2018 travel expenses, including $551.60 for airfare, which he paid with a college credit card rather than with his personal funds. Lee then submitted a duplicate claim to the college for the same airfare expense.

The following table summarizes Lee's misappropriated travel expenses from the college, NC3, and a Special Industry program partner:

Summary of Lee's Misappropriated Travel Expenses				
Description	**College**	**NC3**	**Other**	**Total**
1) Reimbursements Exceeded Incurred Costs	$ -	$ 7,093	$ -	**$ 7,093**
2) Expenses Paid with College Funds	$ 4,371	$ 275	$ -	**$ 4,646**
3) Reimbursements for Duplicate Claims	$ 2,636	$ 1,094	$ 856	**$ 4,586**
4) Reimbursements for Ineligible Expenses	$ 4,042	$ 304	$ -	**$ 4,346**
Sub-Total	**$ 11,049**	**$ 8,766**	**$ 856**	**$ 20,671**
5) Expenses Incurred but Not Reimbursed	$ -	$ (1,258)	$ -	$ (1,258)
Net Misappropriated Travel Expenses	**$ 11,049**	**$ 7,508**	**$ 856**	**$ 19,413**

B. <u>October 2018 – January 2023</u>: Unearned Wages for John Lee

From October 2018 through January 2023, Lee misappropriated at least $82,726 from the college through unearned wages and associated employer-paid payroll taxes, retirement contributions, and indirect costs for facilities, equipment, and administration. As a salaried employee, Lee was required to work 37.5 hours per week and record any leave taken in the college's timekeeping system. When salaried employees did not record leave, the college's timekeeping policy treated them as having worked the required hours and paid them accordingly. Lee also had an adjunct part-time teaching contract with the college and was paid hourly based on the hours he recorded in the timekeeping system, typically 12 to 15 hours per month; however, investigators found no class schedules related to Lee's adjunct part-time teaching contract.

During his employment, Lee entered into multiple personal consulting agreements with NC3 and other private organizations and founded D&L with DeHart. Several of these outside commitments overlapped with his college responsibilities, and the combined hours required to meet both his institutional duties and external obligations routinely exceeded a sustainable workload, absent the performance of some outside commitments during his college working hours. Under *TBR Outside Employment Policy* 5.01.05.00, employees are required to disclose existing and new outside employment, obtain approval prior to engagement, provide annual updates, and ensure that outside work does not interfere with institutional responsibilities or constitute a conflict of interest or commitment. *TBR Conflict of Interest Policy* 1.02.03.10 further requires employees to avoid situations in which personal or financial interests diverge from institutional interests and to refrain from external commitments that impair their ability to meet their obligations to the institution. Lee failed to disclose and obtain approval for the full terms and subsequent renewals of his NC3 contract, omitting both his compensation levels (initially $25,000 per year, increasing to $50,000 and $75,000) and the requirement to provide 100 hours per month for services already supported by the college **(Refer to Exhibit 3)**. He also did not disclose and obtain approval for his involvement with D&L and other private organizations. By withholding required disclosures and not obtaining approval, Lee was able to fulfill his external obligations during the college workday without the college administration's knowledge and without taking leave.

Exhibit 3

Memo Lee submitted to the college president for approval

Memo: President Dean Blevins
February 5th 2018
This is to inform you that I am receiving a stipend payment through NC3. I will be serving as an independent consultant for NC3 as we discussed. My duties will be curriculum development as well as sustainment.

John Lee

Memo Lee submitted to NC3 with his consulting agreement that includes additional language

Memo: President Dean Blevins
February 5th 2018
This is to inform you that I am receiving a stipend payment through NC3. I will be serving as an independent consultant for NC3 as we discussed. My duties will be curriculum development as well as sustainment. I will also serve as a spokesperson for NC3 at conferences they deem necessary. My duties will intently them to 100 hours per month of service as discussed in our previous meetings.

John Lee

Lee submitted different versions of a February 2018 memo to the college president and to NC3, thereby misrepresenting both the president's approval and the actual terms of the NC3 agreement.

Lee also used work time for a family vacation with a former college vice-president **(Refer to Investigative Finding 3)** and for personal hunting trips with DeHart **(Refer to Exhibits 4, 8, and 9)**, again without properly recording leave taken. In addition, Lee maintained a personal record of hours he claimed to have worked beyond the required 37.5 hours per week, commonly referred to as "off-book compensatory (comp) time." This record included dates on which he applied off-book comp hours instead of using official leave. As a salaried employee, Lee was not authorized to accrue and use comp time.

Investigators identified at least 1,857 hours when Lee was performing work for external organizations or engaging in personal activities rather than working for the college. Lee submitted falsified time records for those hours when he either failed to record leave or improperly used sick leave or comp leave instead of annual leave. Because the college relied on the falsified records, Lee received wages he did not earn.

Exhibit 4

Social media post by DeHart featured this photograph of Lee during a November 2020 hunting trip in Texas, for which Lee did not use annual leave with the college.

The following table summarizes Lee's misappropriation through unearned wages and associated employer-paid costs from the college:

Summary of Lee's Unearned Wages and Associated Employer-Paid Costs					
Hours	**Unearned Wages**	**Employer Payroll Taxes**	**Employer Retirement Contributions**	**Employer Indirect Costs**	**Total**
1,857	$ 59,922	$ 4,584	$ 12,228	$ 5,992	**$ 82,726**

C. July 2019 – April 2023: Unauthorized Use of College Equipment, Facilities, and Employees for Personal Benefit by John Lee and Mark DeHart

From July 2019 through April 2023, Lee and DeHart misappropriated at least $940,841 from the college through the unauthorized use of college equipment, facilities, and employees for their personal benefit, violating Tenn. Code Ann. § 12-4-114(a)(2), *TBR Conflict of Interest Policy* 1.02.03.10, and *TBR Outside Employment Policy* 5.01.05.00. Despite the college's longstanding relationship with Kubota, including participation in the Kubota tech program and Kubota University, Lee and DeHart arranged for Kubota, as well as Doosan Bobcat Inc. (Bobcat), Subaru Corporation (Subaru), and the federal Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) to contract directly with D&L for curriculum development and industry training services rather than routing the contracts through the college. D&L's contract with Kubota overlapped with the college's existing Kubota Special Industry contract. The following table summarizes the revenue Lee and DeHart misappropriated from the college through D&L:

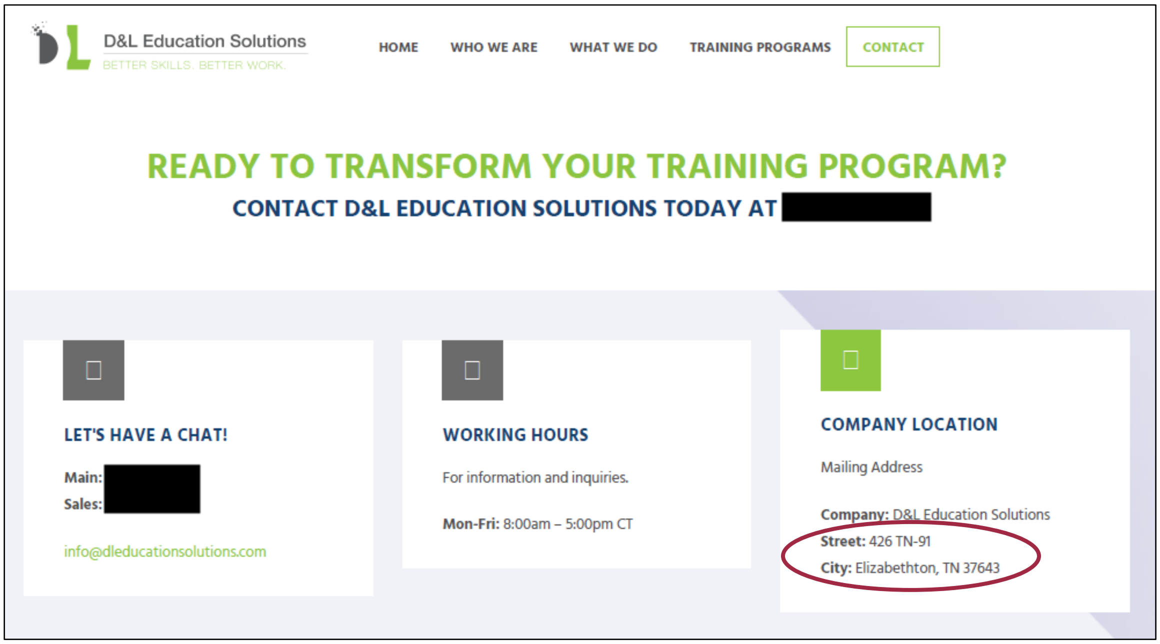
Summary of Misappropriated D&L Revenue

Organization	Course Development	On-Site Instructor	Travel	NC3 Certifications	Total
Kubota	$ 310,000	$ 127,188	$ 100,556	$ -	**$ 537,744**
Bobcat	$ 307,600	$ 4,500	$ 22,247	$ -	**$ 334,347**
Subaru	$ 35,000	$ 8,000	$ 5,000	$ -	**$ 48,000**
ATF	$ -	$ -	$ -	$ 20,750	**$ 20,750**
Total	**$ 652,600**	**$ 139,688**	**$ 127,803**	**$ 20,750**	**$ 940,841**

Lee and DeHart performed work under these external contracts using college equipment, facilities, and employees during college work hours, without a subcontract, authorization, or agreement with the college. They also misrepresented D&L's affiliation with the college by using the college's physical address **(Refer to Exhibit 5)** and publishing online materials implying that D&L operated from or in partnership with the college. One online publication stated, "Located on the main campus of Tennessee College of Applied Technology Elizabethton, D&L Education Solutions has made quite the headway in the technical workforce development domain…"

The representations and use of college resources created the impression that D&L was affiliated with, endorsed by, or delivered through the college. Their actions violated *TBR Conflict of Interest Policy* 1.02.03.10, which prohibits supervisors from using employee work hours for personal gain or directing employees to perform outside work that conflicts with institutional duties. By using college resources, relationships, and their supervisory roles to advance D&L rather than the college, Lee and DeHart placed their personal financial interests ahead of their professional obligations. Additionally, their conduct potentially violated Tenn. Code Ann. § 12-4-114(a)(2), which prohibits public employees from using their official position to influence contracting or procurement decisions in a way that benefits themselves or a business with which they are connected.

Exhibit 5



An image of the contact page from D&L's website
that lists the college's address as D&L's location.

Investigators interviewed two former presidents and a former vice-president who served at the college during the investigative period to assess their knowledge of the questioned contracts and related activities. Each stated they were unaware that the contracts with the organizations noted above had not been routed through the college. Neither former college president was aware of D&L's existence until January 2023. The former college vice-president stated that he knew Lee and DeHart had a company but did not know D&L was conducting business involving the college.

Lee and DeHart did not obtain approval from college administration for their outside private business, D&L, as required under *TBR Outside Employment Policy* 5.01.05.00 and TBR *Conflict of Interest Policy* 1.02.03.10. Lee consistently presented the work as college-led deliverables while omitting reference to D&L's role. Investigators identified a September 2020 email in which Lee informed a college employee and college administrators that the employee's salary was being paid through the Kubota curriculum development contracts, without disclosing D&L's involvement **(Refer to Exhibit 6)**. Investigators also reviewed an October 2022 presentation prepared by Lee highlighting accomplishments of the college's Special Industry program, where he described work completed for Kubota, Bobcat, and Subaru but did not reveal the work had been performed through D&L. Similarly, in a November 2022 email to the TBR executive director of workforce development and the college president, Lee highlights industry training completed for ATF, Kubota, and Bobcat and referenced the "design and setup through the Industry Training Department," once again omitting any mention of D&L's participation **(Refer to Exhibit 7)**.

Exhibit 6

From: John Lee
Sent: Tuesday, September 22, 2020 5:09 PM
To: [redacted]
Cc: [redacted]
Subject: Projects

[redacted] as you are aware we have moved to monthly contracts for you here at TCAT Elizabethton because of the Covid Epidemic. We took KUBOTA writing contracts for SSV/SVL, Utility Tractors and Excavators to pay your salary for September and October. This email is written confirmation of the deadlines for these projects as we had previously discussed. SSV/SVL September 18th, Excavators September 30th and Utility tractors October 9th. As you are aware it is imperative we meet these deadlines to insure we can renew your next contract. If issues arise notify me immediately as you are a valued asset and we want to do everything possible to continue your employment.
Thanks

John Lee TCAT Industry Training Coordinator Sent from my iPhone

A September 2020 email from Lee to a college employee, copied to college administrators, explaining that the employee's continued employment was contingent upon completion of the Kubota curriculum development contracts.

Exhibit 7

From: John Lee <john.lee@tcatelizabethton.edu>
Sent: Tuesday, November 1, 2022 10:31 AM
To: [redacted] <[redacted]@tbr.edu>
Cc: [redacted] <[redacted]@tcatelizabethton.edu>
Subject: Industry Training TCAT Elizabethton

ATF NC3 Certifications in Precision Measurement - We will be hosting our first set of ATF agents on campus the week of November 7th to complete the six NC3 Precision Measurement Certifications. Agents are required to have an extensive understanding of standard and metric measuring instruments to complete their work. Our first group starts in November, followed by two more after this class. We will also be doing welding, torque, and machining training for these agents. (Designed and setup through the Industry Training Department, Instructor John Lee & Mark DeHart)

Kubota Technician Training - We continue to training Kubota's incumbent workforce at all of their training facilities, including Ohio, Georgia, Texas, Kansas, and California. (Design and setup through the Industry Training Department, Instructors - [redacted], Mark DeHart, and John Lee)

Bobcat Curriculum - We are currently working with Bobcat to redesign their entire technician training program. (Design and setup through the Industry Training Department, Instructors & Designers - [redacted], Mark DeHart, and John Lee)

An excerpt from a November 2022 email from Lee to a TBR executive director, copied to the college president, in which he described work completed by the Special Industry program for ATF, Kubota, and Bobcat.

The misappropriated D&L revenue was deposited into DeHart's personal and business bank accounts. Although college administrators stated they did not authorize any verbal or written agreement with D&L, Lee and DeHart claimed that D&L was expected to pay the college up to

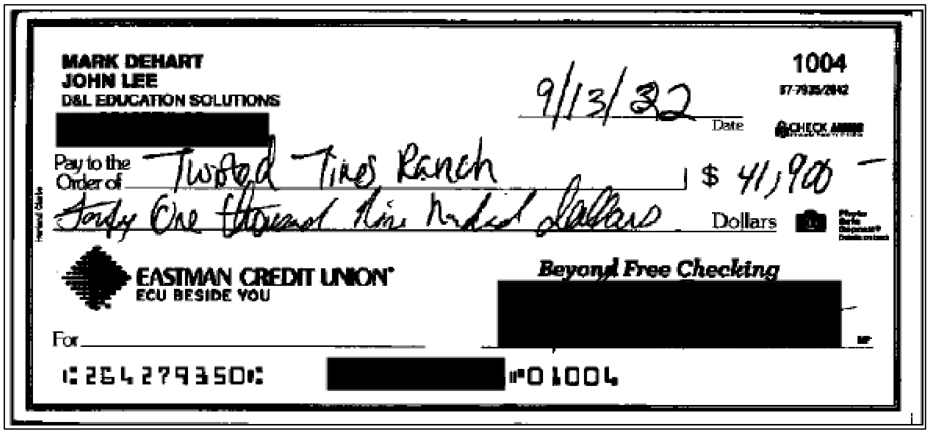
$2,000 per week for on-site employee instruction and $2,000 for each course developed by college employees. Based on these statements, investigators calculated that D&L would have been expected to pay $153,500 for services provided by college employees. However, DeHart made only three payments to the college on D&L's behalf (one each in 2020, 2021, and 2022), totaling $38,000. Based on Lee and DeHart's claimed arrangement, an additional $115,500 would have been payable to the college. This amount represents only a portion of the substantially larger total of misappropriated D&L revenue.

DeHart paid Lee at least $220,540, including some cash payments, as Lee's share of D&L's profits. Other than travel expenses and payments to contractors, investigators were unable to identify all business-related costs incurred by D&L because DeHart commingled company revenue and expenses with personal bank and credit card accounts. However, investigators found evidence that between 2020 and 2023, Lee and DeHart used at least $95,800 in D&L profits to fund multiple hunting trips **(Refer to Exhibits 8 and 9)**. These transactions represent additional personal benefits derived from misappropriated D&L revenue.

Investigators estimate that DeHart had approximately $404,345 available for personal use during the investigative period. The following table summarizes the estimated uses of misappropriated D&L revenue:

Estimated Uses of Misappropriated D&L Revenue		
Description	**Amount**	**Total**
Misappropriated Revenue		$ 940,841
D&L Operating Expenses		
Travel Expenses	$ (138,700)	
Use of College Resources	$ (38,000)	
Compensation to Contractor	$ (32,250)	
Compensation to College Employees	$ (10,500)	
Digital Payment Processing Fees	$ (706)	
Total D&L Operating Expenses		$ (220,156)
Estimated Operating Profit		**$ 720,685**
Compensation to Lee		$ (220,540)
Joint Hunting Trips		$ (95,800)
Estimated Amount Available to DeHart		**$ 404,345**

Exhibit 8


MARK DEHART
JOHN LEE
D&L EDUCATION SOLUTIONS
[redacted]

1004

9/13/22
Date

Pay to the Order of Twisted Tines Ranch $ 41,900 —
Forty One thousand Nine hundred dollars Dollars

EASTMAN CREDIT UNION
ECU BESIDE YOU

Beyond Free Checking
[redacted]

For

⑆264279350⑆ [redacted] ⑈01004

Image of a $41,900 check from the D&L bank account made payable to Twisted Tines Ranch for a hunting trip for Lee and DeHart in September 2022.

Exhibit 9

Mark DeHart
September 13, 2022 ·

Well, the hunt of a lifetime has ended in success! I'm humbled by the opportunity and the work that went into this hunt. We shared camp with some amazing people this past week. We laughed together, prayed together, and shared a shot of moonshine, paying our respect to this animal. We all put in blood, sweat, and tears to make a dream come true.

The food was fantastic! Friendships were solidified, and the memories will last forever.

Social media post by DeHart from a September 2022 hunting trip for Lee and DeHart paid with funds from the D&L bank account.

D. June 2022 – January 2023: Unearned Wages for Mark DeHart

From June 2022 through January 2023, DeHart misappropriated at least $15,514 from the college through unearned wages and associated employer-paid payroll taxes, retirement contributions, and indirect costs for facilities, equipment, and administration. As a salaried employee, he was required to work 37.5 hours per week and record any leave taken in the college's timekeeping system. When salaried employees did not record leave, the college's timekeeping policy treated them as having worked the required hours and paid them accordingly.

Although DeHart began employment with the college on June 1, 2022, and was paid his salary for the month, investigators found no evidence that he performed college duties during that month; he had not yet relocated to Tennessee from California and lacked access to the college network and laptop. During that same month, DeHart submitted and received pay from NC3 for hours worked during the college's workday. He continued this practice throughout his employment, regularly receiving compensation from NC3 for hours that overlapped with college work hours. He also provided services to fulfill D&L contracts during scheduled college time. DeHart failed to disclose and obtain approval for his outside employment with NC3 or his ownership and involvement in D&L as required under *TBR Outside Employment Policy* 5.01.05.00 and *TBR Conflict of Interest Policy* 1.02.03.10.

As a result, DeHart was able to fulfill his external obligations during the college workday without the college administration's knowledge and without taking leave. He also failed to properly record leave for the September 2022 hunting trip with Lee **(Refer to Exhibits 8 and 9)**. Investigators identified at least 353 hours when DeHart was engaged in outside employment or personal activities rather than working for the college. DeHart submitted falsified time records for those hours when he either failed to record leave or improperly used sick leave instead of annual leave. Because the college relied on the falsified records, DeHart received wages he did not earn. The following table summarizes DeHart's misappropriation through unearned wages and associated employer-paid costs from the college:

Summary of DeHart's Unearned Wages and Associated Employer-Paid Costs					
Hours	**Unearned Wages**	**Employer Payroll Taxes**	**Employer Retirement Contributions**	**Employer Indirect Costs**	**Total**
353	$ 12,254	$ 938	$ 1,097	$ 1,225	**$ 15,514**

E. November 2022 – July 2023: Unauthorized Access to Proprietary Systems by John Lee and Mark DeHart

In November 2022 and July 2023, Lee and DeHart, acting on behalf of D&L, accessed NC3's proprietary training portal (portal) without authorization. NC3's portal is a restricted system containing confidential instructional materials, examination content, and certification tools available only to authorized users for approved purposes. Despite D&L not being an NC3-approved certification school or center, they used the portal to administer an NC3 course and certification exams to ATF agents. In July 2022, D&L misappropriated $20,750 in purchase-card payments from ATF agents for registration in the NC3 Precision Measuring Instruments (PMI) course **(Refer to Investigative Finding 1.C.)**. These funds were not remitted to the college, and the course was not delivered until months later.

In November 2022, Lee and DeHart conducted the PMI training for nine ATF agents on the college campus. They used the college's equipment, facilities, and system credentials to access the NC3 portal, obtain restricted training materials, administer certification exams, and issue PMI certifications without authorization from either NC3 or the college administration.

After resigning from the college in January 2023, Lee and DeHart taught the PMI course again in July 2023 to 13 ATF agents at an ATF field office in West Virginia. For this session, they used credentials belonging to an Alabama community college to access the NC3 portal, retrieve proprietary training materials, administer exams, and issue certifications, again without NC3 or the institution's authorization.

These actions demonstrate a pattern in which Lee and DeHart used restricted system access and proprietary training materials to deliver courses and issue certifications without permission. Their conduct demonstrates intentional unauthorized use of computer systems and improper acquisition and use of proprietary content for the benefit of themselves and D&L while misleading NC3, the colleges, and the participating agents.

2. FORMER TCAT ELIZABETHTON SPECIAL INDUSTRY TRAINING COORDINATOR, JOHN LEE, REQUESTED AND RECEIVED OTHER QUESTIONABLE TRAVEL REIMBURSEMENTS TOTALING AT LEAST $5,177

In addition to the misappropriated travel expenses identified in Investigative Finding 1.A., Lee requested and received other questionable travel reimbursements from the college and NC3 totaling at least $5,177. Investigators identified $2,369 in questionable reimbursements for four airline tickets he claimed from NC3. Although the ticket prices totaled $2,414, Lee redeemed frequent-flyer miles and paid only $45 for the flights. Investigators also questioned an additional $2,808 he received from the college and NC3 for travel expenses that could not be verified as paid with his personal funds. The following table summarizes Lee's questioned travel reimbursements:

Summary of Lee's Questioned Travel Reimbursements			
Description	**College**	**NC3**	**Total**
Redeemed Frequent-Flyer Miles	$ -	$ 2,369	**$ 2,369**
Unverified Funding Source	$ 261	$ 2,547	**$ 2,808**
Total Questioned Travel Reimbursements	**$ 261**	**$ 4,916**	**$ 5,177**

3. FORMER TCAT ELIZABETHTON SPECIAL INDUSTRY TRAINING COORDINATOR, JOHN LEE, AND A FORMER TCAT ELIZABETHTON VICE-PRESIDENT ACCEPTED FREE LODGING FROM A VENDOR, CREATING A CONFLICT OF INTEREST

During personal trips in June and July of 2019 and 2020, Lee and a former college vice-president, along with their families, stayed at least 10 nights at a Florida lake property owned by a college vendor at no cost. Both Lee and the former college vice-president were involved in the vendor selection and procurement process for the college's purchase of training equipment manufactured by this vendor. Their acceptance of free lodging creates the appearance of improper influence and raises the risk that vendor-provided personal benefits could affect the objectivity of procurement decisions, resulting in a conflict of interest.

According to Tenn. Code Ann. § 12-4-114(a)(4), "No public officer or employee may solicit or receive any gift, reward, or promise of reward in exchange for recommending, influencing, or attempting to influence the award of a contract by the public agency the officer or employee serves." Additionally, the *TBR Conflict of Interest Policy* 1.02.03.10 states that employees may not accept any gift, including lodging, from a party that has or is seeking contractual or business relations with the institution. Investigators found no evidence that either individual disclosed this conflict in writing as required by the policy.

4. FORMER TCAT ELIZABETHTON VICE-PRESIDENT MISAPPROPRIATED AT LEAST $390 IN INELIGIBLE TRAVEL EXPENSES AND AT LEAST $1,782 IN UNEARNED WAGES FROM THE COLLEGE RELATED TO PERSONAL TRAVEL

As detailed in Investigative Finding 3, a former college vice-president traveled to a college vendor's Florida lake property in 2019 for personal purposes. During this trip, he claimed $390 in daily per diem allowances from the college despite performing no official duties. Investigators also found that he did not request or use 30 hours of annual leave for the days he was away, resulting in at least $1,782 in unearned wages. This amount includes employer-paid payroll taxes, retirement contributions, and indirect costs for facilities, equipment, and administration incurred by the college as detailed in the following table:

Summary of Vice-President's Unearned Wages and Associated Employer-Paid Costs					
Hours	Wages	Employer Payroll Taxes	Employer Retirement Contributions	Employer Indirect Costs	Total
30	$ 1,298	$ 99	$ 255	$ 130	**$ 1,782**

The former college vice-president recorded "Tour facility and look at possible training equipment for new programs" on his travel authorization as the purpose of the trip. He later attached a fraudulent training schedule to his travel claim. Lee, who also received ineligible travel expenses and unearned wages for the same trip **(Refer to Investigative Findings 1.A.4. and 1.B.)**, admitted to creating the fraudulent schedule, and vendor personnel confirmed that they did not create it and had never seen it. The vendor also confirmed they did not issue a training certificate to either the former college vice-president or Lee in connection with the visit. As a result, investigators determined the purpose of the trip was personal and that no training occurred. Therefore, the former college vice-president was ineligible to receive per diem or other travel reimbursements and should have taken annual leave for this trip.

5. FORMER TCAT ELIZABETHTON SPECIAL INDUSTRY TRAINING COORDINATOR, JOHN LEE, DIRECTED IMPROPER COMPENSATORY TIME PRACTICES, RESULTING IN A FINANCIAL IMPACT TO THE COLLEGE OF AT LEAST $5,506

Lee directed improper comp time practices by instructing an employee under his supervision to track hours worked for D&L outside the standard college workweek and then use those hours to take time off from the college without submitting leave requests. The employee was not eligible to accrue and use comp time. From January 2022 through July 2023, the employee tracked and used at least 140 hours of unauthorized off-book comp time, resulting in a financial impact to the college of at least $5,506. Lee and DeHart treated the employee's weekend and excess hours as a cost of doing business for D&L while shifting those costs onto the college. Outside the investigative period, the employee continued accruing unauthorized off-book comp time for certain college-related activities, relying on Lee's earlier instructions. The following table summarizes the financial impact on the college for the unauthorized off-book comp time hours used during the investigative period:

Summary of Financial Impact to the College for Unauthorized Off-Book Comp Hours					
Hours	Wages	Employer Payroll Taxes	Employer Retirement Contributions	Employer Indirect Costs	Total
140	$ 4,349	$ 333	$ 389	$ 435	**$ 5,506**

6. TCAT ELIZABETHTON EMPLOYEES FAILED TO DISCLOSE AND OBTAIN APPROVAL FROM COLLEGE ADMINISTRATORS FOR THEIR OUTSIDE EMPLOYMENT WITH D&L EDUCATION SOLUTIONS

In addition to Lee and DeHart, two other college employees failed to disclose and obtain approval from college administrators for their outside employment with D&L as required under *TBR Outside Employment Policy* 5.01.05.00. In December 2019, D&L paid a former college employee at least $4,000 for course development while the individual was employed by the college. From October 2021 to September 2022, D&L compensated a current college employee with at least $6,500 for weekend travel, bonuses, and course development performed for D&L during the employee's tenure with the college.

7. TCAT ELIZABETHTON EMPLOYEES MISUSED COLLEGE VEHICLES AND TECHNOLOGY RESOURCES FOR PERSONAL BENEFIT

In addition to Lee and DeHart's unauthorized use of college equipment, facilities, and employees for their private business, D&L **(Refer to Investigative Findings 1.C. and 1.E.)**, investigators identified personal use of college vehicles and technology resources in violation of *TBR Conflict of Interest Policy* 1.02.03.10, which prohibits inappropriate use of state-owned resources, and the TBR policies referenced in the following sections:

A. Improper Use of College Vehicles for Personal Travel

Employees used college vehicles for personal travel, violating *TBR Motor Vehicle Policy* 4.030.02, which prohibits the personal use of TBR vehicles and restricts passengers to individuals listed on an approved travel authorization when their attendance is required for official business:

1) Family Trips to Florida

From 2017 through 2020, Lee and a former college vice-president used a college van on multiple occasions to transport their families to a lake property in Florida owned by a college vendor. At least two of the trips were for family vacations **(Refer to Investigative Findings 3 and 4)**. Their spouses and children were not listed on the approved travel authorizations and were not required to attend official events.

2) Personal Detour During Official Travel

On January 5, 2023, Lee and DeHart flew to Ohio on official travel to pick up a dump truck for the college. During the return trip to Tennessee, while driving the dump truck, they diverted the route to visit a private hunting preserve in Kentucky, adding mileage, paid time, and personal benefit to official travel.

B. Misuse of College Technology Resources for Personal Benefit

During the investigative period, employees inappropriately used college technology resources for personal gain and non-institutional activities, violating *TBR IT Acceptable Use Policy* 1.08.05.00, which prohibits the use of college technology resources for personal or private for-profit activities as follows:

1) Personal Online Auction Activities

Lee and a former college vice-president used college internet access to conduct personal online auctions of memorabilia. Lee also completed more than 1,000 PayPal and Venmo transactions involving collectible sales during college work hours.

2) Solicitation of Personal Donations

On multiple occasions, Lee used his college email account to solicit donations from college vendors for personal causes, including youth sports.

3) Solicitation of Personal Services

In certain instances, Lee used his college email during work hours to request personal services.

On September 10, 2026, the Carter County Grand Jury indicted John Lige Lee on two counts of Theft over $60,000, one count of Conspiracy to Commit Theft over $60,000, one count of Computer Offenses over $10,000, and one count of Theft over $10,000. The Grand Jury also indicted Mark Allen DeHart on one count of Theft over $60,000, one count of Conspiracy to Commit Theft over $60,000, one count of Computer Offenses over $10,000, and one count of Theft over $10,000

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

Tennessee College of Applied Technology – Elizabethton Investigation Exhibit

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation identified a significant deficiency in internal control and compliance that contributed to the investigative findings above.

Deficiency 1: The college did not provide adequate oversight of operations

The college did not provide adequate management oversight or maintain effective internal controls to ensure compliance with institutional policies and the safeguarding of college resources. Deficiencies in supervisory review, monitoring, and segregation of duties allowed multiple forms of misconduct to occur without timely detection, including fraudulent travel reimbursements, misuse of college funds, unearned wages (resulting from failure to use leave when appropriate), unauthorized use of college resources, unauthorized access to proprietary systems, unreported conflicts of interest, and unreported outside employment. College management should strengthen supervisory oversight, enforce policy requirements, and implement proper segregation of duties to prevent or detect unauthorized activity in a timely manner.