



COMPTROLLER'S INVESTIGATIVE REPORT

Obion County Nursing and Rehab

July 1, 2026

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

July 1, 2026

Obion County Mayor
316 South Third Street
PO Box 236
Union City, TN 38281

and

Obion County Nursing and Rehab Board Members
1084 East County Home Road
Union City, TN 38261

Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Union City Nursing and Rehab, 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 "Jason E. Mumpower", with a long horizontal flourish extending to the right.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Obion County Nursing and Rehab

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to Obion County Nursing and Rehab. The investigation was initiated after county officials reported questionable payroll transactions. The investigation was limited to selected records for the period from January 1, 2024, through October 31, 2025, and was subsequently expanded to include selected payroll records for the period September 1, 2020, through December 31, 2023. The results of the investigation were communicated with the office of the District Attorney General of the 27th Judicial District.

BACKGROUND



Obion County Nursing and Rehab (nursing home) is a 56-bed skilled nursing home located in Union City, Tennessee. The nursing home is overseen by a board of seven individuals, appointed by the Obion County mayor and county commission. The governing body intends for the nursing home to be self-funded through fees received for the services it provides. The nursing home provides 24-hour licensed nursing care for

patients and residents who require medical, nursing, and therapy services. The nursing home receives payment for the services provided directly from private-pay patients or by billing insurance providers such as Medicare and Medicaid.

The nursing home is an enterprise fund of Obion County (county), which is an entity that operates financially like a private business. The county owns the property and buildings in which the nursing home is housed; however, it does not contribute any funds to the operations. Employees of the nursing home are county employees and are therefore eligible for benefits offered by the county, such as health, dental, and vision insurance, and retirement benefits through the Tennessee Consolidated Retirement System (TCRS).

Nursing home employees are provided with a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated, Title 8, Chapters 34-37. All full-time employees of agencies participating in the benefit pension plan are required to

participate and contribute to the TCRS. Employee contributions are established in the state statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees must contribute 5% of their salary per statute.

Brianna Workman was hired by the nursing home on November 5, 2019, in the administration department and was promoted to Social Services Director in November 2021. As Social Services Director, Workman served as a liaison between the residents and the administration, handled resident admissions, and completed Medicaid documentation. In addition to these duties, from January 2024 to October 2025, Workman was responsible for all payroll operations.

Jade Eakes was hired as an administrative assistant on February 1, 2022, and was promoted to Human Resource Director in April 2022. In this role, Eakes was responsible for employee onboarding, maintaining personnel records, issuing separation notices, and accounts payable. From April 2022 to December 2023, Eakes was responsible for all payroll operations.

Donna Childress was hired as a registered nurse on November 4, 2010, and in July 2023, the board appointed Childress as interim Administrator. In this role, Childress oversaw the nursing home's daily operations and reported directly to the chairman of the board. Childress was responsible for providing the board with updates on the nursing home's operations and financial status.

On October 3, 2025, Childress, Workman, and Eakes were placed on unpaid administrative leave.

RESULTS OF INVESTIGATION

1. FORMER SOCIAL SERVICES DIRECTOR BRIANA WORKMAN, FORMER HUMAN RESOURCES DIRECTOR JADE EAKES, AND FORMER INTERIM ADMINISTRATOR DONNA CHILDRESS IMPROPERLY RECEIVED AT LEAST \$561,289.52 IN UNEARNED AND UNAUTHORIZED COMPENSATION

Workman, Eakes, and Childress were full-time employees and expected to work 40 hours per week, or 80 hours per bi-weekly pay period. Workman and Eakes were hourly employees and required to clock in and out each day that they worked, using the nursing home's official timekeeping system. Childress was a salaried employee and did not have to clock in and out each day; however, she was required to use approved leave for any time she was absent from work.

According to the nursing home's personnel policy, full-time employees are eligible to accrue eight hours of vacation leave and eight hours of sick leave each month. In addition, they are eligible for 14 paid holidays per year. Vacation leave is awarded on a graduated scale based on years of service, and employees may carry forward up to 96 vacation hours each year. Sick leave may be used for qualifying medical absences, and employees are required to provide valid medical documentation to support sick leave usage. Sick leave has no value outside of being used for a medical absence.

Although not addressed in the personnel policy, nursing home officials stated that employees who worked on a holiday had 90 days to use the holiday as leave or receive compensation for the holiday. Investigators determined that Workman, Eakes, and Childress worked in administrative

positions and were not required to work on holidays because the administrative office was closed on those days.

Investigators analyzed official payroll records and determined that between January 2022 and October 2025, Workman, Eakes, and Childress misappropriated at least \$561,289.52 in unearned and unauthorized compensation from the nursing home as follows:

A. Workman improperly received unearned and unauthorized compensation totaling at least \$248,670.90

An examination of Workman's payroll records, corresponding timesheets, and leave documentation revealed that she improperly received compensation for at least 6,063.5 hours, consisting of:

Unearned Compensation

Workman claimed 3,160.5 regular and overtime hours that she did not work. Investigators determined that Workman frequently took leave that was not reflected on her timesheets and regularly claimed excessive overtime, sometimes as many as 61 hours per pay period.

Improper Holiday Leave

Workman received compensation for 1,514.5 hours of holiday leave for which she was not entitled. Investigators determined that Workman improperly received holiday leave hours on each paycheck reviewed, ranging from eight to 40 hours per pay period.

Unearned Vacation Leave

Workman received compensation for 616 hours of vacation leave she had not accrued. Workman was eligible to accrue up to 96 hours of vacation leave per year. Investigators determined that Workman improperly received vacation hours on her paychecks in excess of the allotted amount, ranging from eight to 80 hours per pay period.

Unauthorized Sick Leave

Workman received compensation for 732.5 hours of sick leave that were not supported by the required medical documentation. Investigators determined that Workman's timesheets reflected that she worked a full 80-hour schedule during the same pay periods in which she received sick leave compensation.

Unauthorized Other Pay

Workman received compensation for 40 hours of other pay that investigators could not corroborate, including pay for 24 hours of bereavement leave in July 2024. The nursing home allows for three days of bereavement pay for absence due to the death of an employee's immediate family member. However, Workman submitted timesheets reflecting that she worked a full schedule during this pay period. Additionally, Workman gave herself an unauthorized snow day incentive payment for 16 hours in June 2025.

In addition to receiving unearned compensation for hours she had not accrued, investigators determined that Workman regularly processed lump sum payments to herself for vacation,

holiday, and sick leave, ranging from \$200 to \$3,000 per paycheck. Investigators also determined that Workman awarded herself three pay increases without board approval during the period reviewed.

| Summary of Briana Workman’s Payroll Misappropriation | |
|--|---------------------|
| Description | Amount |
| Unearned Compensation | \$130,466.62 |
| Improper Holiday Leave | 49,741.28 |
| Unearned Vacation Leave | 41,554.00 |
| Unauthorized Sick Leave | 26,261.00 |
| Unauthorized Other Pay | 648.00 |
| Total Misappropriation | \$248,670.90 |

Investigators confirmed that Workman did not clock in and out using the official timekeeping system as required; instead, she entered daily shift totals. This allowed Workman to claim hours when she was not physically present at the nursing home.

B. Eakes improperly received unearned and unauthorized compensation totaling at least \$192,453.21

An examination of Eakes’ payroll records, corresponding timesheets, and leave documentation revealed that she improperly received compensation for at least 5,678 hours, consisting of:

Unearned Compensation

Eakes claimed to have worked 2,805 hours, but she did not. Investigators determined that Eakes frequently took leave that was not reflected on her timesheets and regularly claimed excessive overtime, sometimes as many as 57 hours per pay period.

Improper Holiday Leave

Eakes received compensation for 1,783.5 hours of holiday leave for which she was not entitled. Investigators determined that Eakes improperly received holiday leave hours on each paycheck reviewed, ranging from eight to 80 hours per pay period.

Unearned Vacation Leave

Eakes received compensation for 552 hours of vacation leave she had not accrued. Eakes was eligible to accrue up to 96 hours of vacation leave per year. Investigators determined that Eakes improperly received vacation hours on her paychecks in excess of the allotted amount, ranging from eight to 40 hours per pay period.

Unauthorized Sick Leave

Eakes received compensation for 497.5 hours of sick leave that were not supported by the required medical documentation. Investigators determined that Eakes’ timesheets reflected

that she worked a full 80-hour schedule during the same pay periods in which she received sick leave compensation.

Unauthorized Bereavement Leave

Eakes received compensation for 40 hours of bereavement leave that investigators were unable to corroborate. Eakes submitted timesheets reflecting that she worked a full schedule during the same pay periods in which she received bereavement leave compensation.

In addition to receiving unearned compensation for hours she had not accrued, investigators determined that Eakes regularly received lump-sum payments for vacation, holiday, and sick leave ranging from \$180 to \$2,000 per paycheck. Investigators also determined that Eakes received an unauthorized pay increase without board approval during the period reviewed.

| Summary of Jade Eakes' Payroll Misappropriation | |
|---|---------------------|
| Description | Amount |
| Unearned Compensation | \$105,566.04 |
| Improper Holiday Leave | 47,109.87 |
| Unearned Vacation Leave | 26,616.00 |
| Unauthorized Sick Leave | 12,409.30 |
| Unauthorized Bereavement Leave | 752.00 |
| Total Misappropriation | \$192,453.21 |

Investigators confirmed that Eakes did not clock in and out each day using the official timekeeping system, as required; instead, she entered daily shift totals. This allowed Eakes to claim hours when she was not physically present at the nursing home.

During an interview with investigators, Eakes disclosed that she began receiving overpayments after completing her 90-day probationary period. Eakes further stated, "I knew I was getting too much money."

C. Childress improperly received unearned and unauthorized compensation totaling at least \$120,165.41

An examination of Childress' payroll records, corresponding timesheets, and leave documentation revealed that she improperly received compensation for at least 2,021 hours, consisting of:

Unearned Compensation

Childress claimed to have worked 366 hours, but she did not. Investigators determined that Childress frequently took leave that was not reflected on her timesheets, resulting in compensation for hours not worked.

Improper Holiday Leave

Childress received compensation for 826 hours of holiday leave for which she was not entitled. Investigators determined that most of Childress’ paychecks included improper holiday leave hours ranging from eight to 42 hours per pay period.

Unearned Vacation Leave

Childress received compensation for 669 hours of vacation leave she had not accrued. Childress was eligible to accrue up to 144 hours of vacation leave per year. Investigators determined that beginning in July 2024, Childress received compensation for vacation hours on her paychecks, in excess of the allotted amount, ranging from eight to 49 hours per pay period.

Unauthorized Sick Leave

Childress received compensation for 160 hours of sick leave that were not supported by the required medical documentation.

Unauthorized Bonuses

Childress received four unauthorized bonus payments on consecutive paychecks between May 16, 2025, and June 27, 2025, ranging from \$370 to \$1,970. Investigators confirmed that these bonus payments were not approved by the board, as required. Additionally, investigators determined that Childress received an unauthorized pay increase during the period reviewed without board approval.

| Summary of Donna Childress’ Payroll Misappropriation | |
|--|---------------------|
| Description | Amount |
| Unearned Compensation | \$23,733.74 |
| Improper Holiday Leave | 49,230.38 |
| Unearned Vacation Leave | 33,507.21 |
| Unauthorized Sick Leave | 7,854.08 |
| Unauthorized Bonuses | 5,840.00 |
| Total Misappropriation | \$120,165.41 |

2. FORMER SOCIAL SERVICES DIRECTOR BRIANA WORKMAN, FORMER HUMAN RESOURCES DIRECTOR JADE EAKES, AND FORMER INTERIM ADMINISTRATOR DONNA CHILDRRESS FALSELY CLAIMED \$19,207.44 IN CONTRIBUTIONS TO THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Full-time nursing home employees are required to contribute 5% of their gross wages to the TCRS. As part of the payroll process, Workman was responsible for deducting the mandatory contributions from employee wages and reporting the amounts to Eakes. Eakes was then responsible for reporting the contributions and submitting payment to TCRS. As interim

Administrator, Childress had supervisory oversight over all nursing home accounting functions, including TCRS contributions.

Investigators compared the TCRS deductions withheld from Workman’s, Eakes’, and Childress’ wages to the contributions submitted to the TCRS on their behalf for the period January 1, 2024, to October 31, 2025. Investigators determined that contribution amounts were overstated, as follows:

A. Workman misappropriated at least \$7,109.88 by overstating TCRS contributions

During the period reviewed, investigators determined that Workman contributed approximately 1.84% of her wages to the TCRS, totaling \$4,602.21. Investigators noted that in some months, no TCRS contributions were deducted from Workman’s wages. However, Workman reported to Eakes each month that the full required 5% had been deducted from her wages, for a total of \$11,712.09. Based on these reported amounts, the nursing home remitted contributions to the TCRS on her behalf. Investigators determined that Workman misappropriated \$7,109.88 by overstating her contributions to the TCRS.

| Summary of Briana Workman’s TCRS Contributions by Year | | | |
|--|-----------------------|---------------------|--------------------|
| Year | Contribution Reported | Actual Contribution | Variance |
| 2024 | \$ 5,290.05 | \$ 3,110.48 | \$ 2,179.57 |
| 2025 (Jan.-Oct.) | 6,422.04 | 1,491.73 | 4,930.31 |
| Total Misappropriated TCRS Contributions by Workman | | | \$ 7,109.88 |

B. Eakes misappropriated at least \$5,159.83 by overstating TCRS contributions

For the period reviewed, investigators determined that Eakes contributed the full 5% to the TCRS as required by state statute for only three months. For the remaining 19 months analyzed, investigators determined that Eakes contributed approximately 1.90% of her gross wages to the TCRS. Eakes’ actual contributions totaled \$4,456.45. However, Eakes certified in the TCRS system each month that the full 5% contribution had been deducted from her wages, totaling \$9,616.28. Based on these reported amounts, the nursing home remitted contributions to the TCRS on her behalf. Investigators determined that Eakes misappropriated \$5,159.83 by overstating her contributions to the TCRS.

| Summary of Jade Eakes’ TCRS Contributions by Year | | | |
|--|-----------------------|---------------------|--------------------|
| Year | Contribution Reported | Actual Contribution | Variance |
| 2024 | \$ 4,569.21 | \$ 3,107.26 | \$ 1,461.95 |
| 2025 (Jan.-Oct.) | \$ 5,047.07 | \$ 1,349.19 | \$ 3,697.88 |
| Total Misappropriated TCRS Contributions by Eakes | | | \$ 5,159.83 |

C. Childress misappropriated at least \$6,937.73 by overstating TCRS contributions

For the period reviewed, investigators determined that Childress contributed the full 5% to the TCRS as required by state statute for only three months at the beginning of that period. By May 2024, Childress' contributions to the TCRS dropped to approximately 2.1%. The nursing home remitted \$13,405.21 to the TCRS on behalf of Childress. However, Childress' actual contributions totaled \$6,467.48, resulting in a misappropriation of \$6,937.73.

| Summary of Donna Childress' TCRS Contributions by Year | | | |
|--|-----------------------|---------------------|--------------------|
| Year | Contribution Reported | Actual Contribution | Variance |
| 2024 | \$ 6,228.68 | \$ 3,959.64 | \$ 2,269.04 |
| 2025 (Jan.-Oct.) | \$ 7,176.53 | \$ 2,507.84 | \$ 4,668.69 |
| Total Misappropriated TCRS Contributions by Childress | | | \$ 6,937.73 |

3. FORMER SOCIAL SERVICES DIRECTOR BRIANA WORKMAN, FORMER HUMAN RESOURCES DIRECTOR JADE EAKES, AND FORMER INTERIM ADMINISTRATOR DONNA CHILDRRESS RECEIVED AT LEAST \$50,704.24 IN UNEARNED EMPLOYER-PAID BENEFITS FROM OBION COUNTY NURSING AND REHAB

Between January 1, 2022, and October 3, 2025, Workman, Eakes, and Childress received at least \$50,704.24 in unearned employer-paid benefits directly related to their misappropriated hours detailed above. This amount represents prorated matching benefits and payments for Medicare, Social Security, unemployment insurance, and TCRS costs incurred by the nursing home.

A. Workman received unearned employer-paid benefits totaling \$20,608.52 from the nursing home for improper payroll payments

For the 6,063.5 hours detailed above in Finding 1A, resulting in unauthorized and unearned compensation from the nursing home, Workman received unearned employer-paid benefits totaling \$20,608.52.

B. Eakes received unearned employer-paid benefits totaling \$16,707.29 from the nursing home for improper payroll payments

For the 5,678 hours detailed above in Finding 1B, resulting in unauthorized and unearned compensation from the nursing home, Eakes received unearned employer-paid benefits totaling \$16,707.29.

C. Childress received unearned employer-paid benefits totaling \$13,388.43 from the nursing home for improper payroll payments

For the 2,021 hours detailed above in Finding 1C, resulting in unauthorized and unearned compensation from the nursing home, Childress received unearned employer-paid benefits totaling \$13,388.43.

| Summary of Total Unearned Employer-Paid Benefits | |
|--|--------------------|
| Description | Amount |
| A. Workman Unearned Employer-Paid Benefits | \$20,608.52 |
| B. Eakes Unearned Employer-Paid Benefits | \$16,707.29 |
| C. Childress Unearned Employer-Paid Benefits | \$13,388.43 |
| Total Unearned Employer-Paid Benefits | \$50,704.24 |

4. EMPLOYEES OF OBION COUNTY NURSING AND REHAB RECEIVED IMPROPER COMPENSATION TOTALING AT LEAST \$194,632.21 FOR LEAVE HOURS THEY HAD NOT ACCRUED

The nursing home personnel policy defines full-time employees as those who regularly work 32 hours per week. Full-time employees are eligible to accrue vacation leave, sick leave, and paid holidays. Workman was responsible for maintaining all employee balances and recording leave accruals and usage on the nursing home’s official leave log. Employees did not have access to their leave balances and were required to obtain that information from Workman.

Investigators analyzed official nursing home payroll and leave records and identified 28 employees who received improper compensation totaling at least \$194,632.21 for leave hours they had not accrued.

A. Employees received improper compensation for vacation leave totaling at least \$57,465.84

Investigators analyzed official nursing home payroll and leave records and determined that between January 1, 2024, and October 3, 2025, 21 employees received compensation for at least 2,233 vacation leave hours totaling \$57,465.84, which they had not accrued. The unearned vacation leave payments ranged from 16 hours to 224 hours.

Investigators determined that, based on hire date, some employees were compensated for vacation leave that exceeded what they could have earned during their employment. Investigators also identified three employees who did not meet the required hours worked per work week to qualify as full-time employees but were paid for 176, 196, and 224 vacation leave hours, respectively.

B. Employees received improper compensation for holiday leave totaling at least \$67,503.12

Investigators analyzed official nursing home payroll and leave records and determined that between January 1, 2024, and October 3, 2025, 22 employees received compensation for at least 2,892 holiday leave hours totaling \$67,503.12, which they had not accrued. The holiday leave payments ranged from eight hours to 348 hours.

Although not addressed in the nursing home’s personnel policy, it was the nursing home's practice to allow employees who worked on a holiday to use the holiday leave within 90 days

of the holiday. Per policy, if the employee did not work on the holiday they were entitled to be compensated for the holiday on the day it occurred. Workman did not adhere to policy or practice. She determined, without authorization, when and how to process employee compensation for holiday leave.

C. Employees received improper compensation for sick leave totaling at least \$47,103.10

Investigators analyzed official nursing home payroll and leave records and determined that between January 1, 2024, and October 3, 2025, 12 employees received compensation for at least 2,200 sick leave hours totaling \$47,103.10, which they had not accrued. Investigators could not find any medical documentation to substantiate the use of the 2,200 sick leave hours.

D. Employees received unearned employer-paid benefits totaling \$22,560.15 from the nursing home for improper payroll payments

For the approximate 7,325 hours paid in overcompensated leave from the nursing home, employees received unearned employer-paid benefits totaling \$22,560.15.

| Summary of Employee Leave Improperly Compensated | |
|--|---------------------|
| Description | Amount |
| Overcompensated Vacation Leave | \$57,465.84 |
| Overcompensated Holiday Leave | 67,503.12 |
| Improperly Paid Sick Leave | 47,103.10 |
| Improper Employer-Paid Benefits | 22,560.15 |
| Total | \$194,632.21 |

Investigators interviewed employees who received compensation for leave accruals. Employees confirmed that they requested their leave balances from Workman, but Workman rarely provided the information. The employees stated that Workman never told them that they had insufficient leave to use.

Investigators reviewed leave records maintained by Workman and determined that she failed to properly monitor employee vacation, holiday, and sick leave balances. Investigators identified multiple instances in which employees used leave that Workman failed to deduct from the employees' recorded leave balances. Investigators also determined that Workman processed leave payments without the required supporting documentation, such as leave request forms.

5. EMPLOYEE CONTRIBUTIONS TO THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM WERE NOT IN ACCORDANCE WITH STATUTORY REQUIREMENTS

All full-time nursing home employees are required to contribute 5% of their gross wages to the TCRS. Investigators compared deductions withheld from the wages of 57 nursing home employees to contributions submitted to the TCRS on their behalf for the period of January 1, 2024, to September 30, 2025. Investigators determined that contributions for only four employees were

accurately calculated and remitted. Four other employees had more deducted from their wages than was remitted to the TCRS on their behalf, resulting in a loss to those employees totaling \$1,455.12. Investigators noted that some of these employees changed employment status from full-time to part-time during the investigative period. However, Workman continued to deduct contributions from their wages, even though part-time employees were not eligible to participate in the TCRS.

The remaining 49 employees all had less than the required 5% contribution deducted from their wages. Investigators determined that in some months, no TCRS contributions were deducted from their wages. However, Workman reported to Eakes that the full required 5% contribution had been deducted. Eakes reported and remitted contributions to the TCRS from the nursing home funds. As a result, the nursing home incurred a loss of \$8,632.50.

6. EMPLOYEES RECEIVED 58.125 UNEARNED SERVICE CREDITS WITH THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM DUE TO THE IMPROPER REPORTING OF FULL-TIME EMPLOYMENT STATUS

Employers are required to report service credits to the TCRS monthly. Service credits are a factor in the defined benefit formula, used to calculate an employee's retirement benefit. Full-time employees may earn up to 12 service credits per year.

According to the TCRS Employer Manual, part-time employees are eligible to participate only if the chief governing body of the political subdivision—in this case, the county—adopts a resolution authorizing their participation. Investigators confirmed that the county has not adopted such a resolution. The county limits TCRS participation to full-time employees and defines a full-time employee as one who regularly works at least 35 hours each week.

The nursing home employs certain employees classified as “Baylor” employees. Baylor employees work two 12-hour shifts each weekend, for a total of 24 hours worked each week, and receive compensation for an additional eight hours each week under the “Baylor Pay” Designation. Baylor employees regularly work 24 hours each week, which is 11 hours under the minimum 35 hours required to meet the county's full-time threshold. Therefore, they are not eligible to receive full-time TCRS service credits.

Investigators analyzed TCRS service credits reported for three nursing home Baylor employees and determined that they were improperly credited with 58.125 in unearned service credits between January 1, 2024, and September 30, 2025. These unearned service credits overstated their credited service for retirement benefit purposes.

On June 29, 2026, the Obion County Grand Jury indicted Briana Workman on one count of Theft of Property over \$250,000.

On June 29, 2026, the Obion County Grand Jury indicted Jade Eakes on one count of Theft of Property over \$60,000.

On June 29, 2026, the Obion County Grand Jury indicted Donna Childress on one count of Theft of Property over \$60,000.

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.

[Obion County Nursing and Rehab Investigation Exhibit](#)

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal control and compliance, some of which contributed to Workman's, Eakes', and Childress' ability to perpetrate their misappropriation without prompt detection. These deficiencies included:

Deficiency 1: The board did not maintain adequate oversight over the nursing home operations

- The board did not ensure that Childress maintained comprehensive leave records. Although Childress reported directly to the board, investigators determined that leave records were not maintained to document when she was on leave status. The board should ensure the Administrator maintains and submits leave records to support leave balances and provide accountability for time away from work.
- The board failed to review detailed payroll records for Childress and employees. Per the board policies, the board is responsible for approving Administrator compensation and employee salary schedules. Investigators determined that employee compensation was not approved by the board. The board should regularly review payroll records generated from the payroll system to ensure payments are in accordance with board-approved salaries. Failure to review detailed payroll records increases the risk of unauthorized payments and misappropriation.
- The board did not ensure personnel policies were reviewed and approved. The board is responsible for approving the policies of the nursing home and reviewing them annually. Investigators noted that the nursing home personnel policy was approved in October 2021.

In July 2023, Childress disseminated a new personnel policy to employees that had not been approved by the board. The leave accrual policies created by Childress did not reconcile with the official board-approved policy. The board should review the nursing home's policies annually and formally approve any revisions to ensure policies are current and are administered consistently.

Deficiency 2: Nursing home officials failed to ensure the approved personnel policy was followed

- Nursing home officials failed to ensure benefits were restricted to eligible employees. The nursing home policy restricts benefits to full-time employees who regularly work at least 32 hours per week. Investigators determined that Baylor employees who regularly worked a 24-hour work week received benefits, including leave accruals and participation in the TCRS. Nursing home officials should ensure that employee benefits are administered in accordance with approved policies and eligibility requirements.
- Nursing home officials failed to adequately review leave accrual and compensation practices. Investigators determined that employees were compensated for leave accruals in lieu of taking the time off. This practice was inconsistent with the approved personnel policy, which states that vacation leave in excess of 96 hours not taken at the end of the year will roll to sick leave or be paid to the employee with Administrator approval. The approved personnel policy does not allow employees to be compensated for holiday leave outside of its stated purpose. Investigators determined that employees were compensated for vacation and holiday leave accruals even when they did not take time off throughout the year. Investigators determined that Workman did not maintain accurate employee leave balances and usage. As a result, nursing home officials lacked an effective means to monitor leave accruals and payments, increasing the risk of overpayments, inaccurate payroll records, and unauthorized compensation.

Deficiency 3: Nursing home officials did not maintain adequate oversight of payroll operations

- Nursing home officials failed to ensure that payroll duties were properly segregated. Workman was responsible for retrieving employee timesheets, entering the time worked, and processing payroll. Adequate segregation of payroll duties enhances accountability and reduces the risk that errors, unauthorized payments, or misappropriations will occur without timely detection.
- Nursing home officials failed to ensure that employee timesheets were reviewed and approved by a supervisor before the payroll was processed. Requiring supervisory review and approval of time records helps ensure the accuracy of payroll payments and reduces the risk of improper compensation.
- Nursing home officials did not maintain adequate control of the official timekeeping system. The nursing home personnel policy required employees to record their hours daily at the kiosks provided for this purpose. Investigators discovered that employees could clock

in and out remotely using a mobile application; therefore, they did not have to be physically present at work to record their hours. Investigators also determined that some employees, including Workman and Eakes, did not clock in and out each day. Enforcement of the policy increases the accuracy of timekeeping records and reduces the risk that errors, unauthorized payments, or misappropriations will occur without timely detection.

- Nursing home officials did not adequately monitor employee leave balances. Workman was responsible for maintaining employee leave accruals and usage on the official leave log. Investigators determined that the leave log did not accurately reflect employee leave activity. Nursing home officials should periodically review leave logs and supporting documentation, such as timesheets and leave requests, to ensure leave accruals are accurately calculated, maintained, and comply with the nursing home's policies. Nursing home officials should confirm employees have access to their leave balances for independent verification. Ensuring employees have access to their leave balances is considered the best practice and improves internal control over financial reporting.
- Nursing home officials did not ensure leave payments were supported by adequate documentation. Investigators determined that supporting documentation, such as request-off forms and leave requests, was not maintained for all leave usage. Failure to require and retain adequate supporting documentation increases the risk of errors, unauthorized payments, and misappropriation.
- Nursing home officials did not adequately oversee the use of holiday leave. Investigators identified holiday leave payments made during periods in which no board-recognized holiday occurred. Per policy, holiday leave should be used on the date of occurrence. Delaying the use of the holiday leave increases the risk of errors, unauthorized payments, and misappropriation. Nursing home officials should establish procedures for the accrual, use, and payment of holiday leave to ensure compliance and accurate payroll reporting.
- Nursing home officials did not properly oversee overtime. The nursing home personnel policy requires employees to obtain supervisory approval before working overtime. Investigators determined that the nursing home does not have a formal process for supervisors to approve overtime. Requiring documented overtime approval increases accountability and reduces the risk of unauthorized and improper payroll payments.

Deficiency 4: Nursing home officials did not maintain adequate oversight of the TCRS reporting

- Nursing home employee compensation reported to the TCRS did not agree with board-approved salaries. Investigators determined that compensation reported to the TCRS for employees, such as Workman and Eakes, exceeded their board-approved salaries. TCRS retirement benefits are calculated using an employee's Average Final Compensation (AFC), reporting compensation in excess of authorized salary amounts overstated retirement benefits.

- Nursing home employee contributions reported to the TCRS did not reconcile with payroll deductions. Investigators determined that TCRS contributions withheld from employees' paychecks were less than the amounts reported and remitted to TCRS on behalf of employees. As a result, employee contribution amounts were overstated. Nursing home officials should reconcile payroll records with TCRS contribution reports to ensure contributions are accurately calculated and reported, increasing accountability and reducing the risk of errors that could result in overstated retirement benefits.
- Nursing home employees who did not meet TCRS eligibility requirements were allowed to participate in the retirement system. Investigators determined that three employees who did not meet the county's definition of full-time employees participated in the TCRS and received improper service credits. As a result, service credits were overstated, which affects the calculation of future retirement benefits.

The board indicated that they have corrected or will correct these deficiencies.
