



COMPTROLLER'S INVESTIGATIVE REPORT

Canvas Fellowship Church

June 10, 2026

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

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Canvas Fellowship Church Board of Elders
P.O. Box 1114
Lenoir City, TN 37771

Canvas Fellowship Church Board Members:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Canvas Fellowship Church, 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 9th 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", is written over a faint, larger version of the signature.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Canvas Fellowship Church

The Office of the Comptroller of the Treasury, in conjunction with the Tennessee Bureau of Investigation, investigated allegations of malfeasance related to Canvas Fellowship Church. This investigation was initiated at the request of the District Attorney General of the 9th Judicial District, dated February 8, 2025, pursuant to Tenn. Code Ann. § 8-4-209. The investigation was limited to selected records for the period January 1, 2019, through July 31, 2023. The results of the investigation were communicated with the Office of the District Attorney General of the 9th Judicial District.

BACKGROUND

Canvas Fellowship Church (Canvas Church) was a nondenominational church located in Lenoir City, Tennessee. During the investigative period, the church had between 300 and 350 congregants and received annual contributions ranging between \$207,000 and \$307,000.

Nicholas Rains co-founded Canvas Church in 2007 and served as the part-time lead pastor from 2007 through 2015. In 2015, Rains left his other employment to become the church's full-time lead pastor. Canvas Church paid Rains an annual salary of approximately \$56,250, made retirement contributions on his behalf, and provided medical, dental, and vision insurance for him and his family. Rains reported to a board of elders (board), who discussed ongoing church operations and assisted in planning and conducting church events.

On April 20, 2023, the board learned information concerning Rains' personal conduct and his ability to continue serving as pastor. Rains informed the board that financial misappropriation occurred in connection with this conduct. Subsequently, the board terminated Rains' employment. Rains received his final paycheck on May 10, 2023.

Following Rains's employment termination, the board reviewed Canvas Church's bank records for ATM withdrawals connected to Rains' conduct. On June 3, 2023, Rains paid \$4,500 to the church for his unauthorized ATM withdrawals.

After his employment ended, Rains requested reimbursement for church expenses paid on his personal credit card. On June 4, 2023, Canvas Church issued Rains a reimbursement check, for \$753.65. Rains also requested \$20,000 for retirement contributions that he claimed had not been paid as part of his employment. In response, Canvas Church issued a check totaling \$15,323.46 to the administrator of Rains' retirement account on September 27, 2023, and subsequently issued another check totaling \$3,008 on February 4, 2024, for the estimated gains and losses over the period during which the funds had not been deposited.

After Rains' departure from Canvas Church, the board appointed new directors, hired a new pastor, and changed the church's name.

RESULTS OF INVESTIGATION

1. FORMER PASTOR NICHOLAS RAINS MISAPPROPRIATED AT LEAST \$332,654.46 FROM CANVAS FELLOWSHIP CHURCH

A. Nicholas Rains misappropriated at least \$117,040.25 through unauthorized credit card purchases and payments

Investigators determined that Rains opened two credit card accounts in Canvas Church's name and used them to make personal purchases, without the knowledge or authorization of the board. Rains also used Canvas Church funds to pay balances on three personal credit cards. Of the \$117,040.25 in credit card payments made from the Canvas Church bank account, investigators identified at least \$108,251.58 in payments for personal purchases made on credit cards in his name, and \$8,788.67 in payments for personal purchases made on credit cards in Canvas Church's name.

B. Nicholas Rains misappropriated at least \$84,976.68 through unauthorized cash withdrawals, transfers, and related bank fees

During the investigative period, Rains used the Canvas Church debit card assigned to him to make 309 cash withdrawals from ATMs, averaging one withdrawal every five days (**Refer to Exhibit 1**). Most of the withdrawals occurred at ATMs located in gas stations. As a result, the church incurred additional service fees because the ATMs were not associated with Canvas Church's financial institution.

Exhibit 1

This withdrawal occurred while Rains was on an out-of-state vacation

03/03	\$603.00	WITHDRAW UNION BANK	[REDACTED] SAN DIEGO CA
03/10	\$160.00	WITHDRAW PILOT	[REDACTED] KNOXVILLE TN
03/10	\$3.00	FOREIGN ATM WITHDRAWAL FEE	
03/11	\$200.00	WITHDRAW WEIGELS	[REDACTED] HARRIMAN TN

Examples of cash withdrawals made by Rains

C. Nicholas Rains misappropriated at least \$49,962.37 through unauthorized purchases at retail stores

Rains used the Canvas Church debit card assigned to him to make unauthorized personal purchases. These purchases included furniture, such as a leather sofa set, a hutch, a side table, light fixtures, and a punching bag.

D. Nicholas Rains misappropriated at least \$32,732.30 through unauthorized travel expenses

Rains used the Canvas Church debit card to pay at least \$32,732.30 in personal travel expenses without board authorization. Investigators identified charges for personal trips in Illinois, Georgia, Florida, and Alaska. These charges included hotels, convenience store purchases, meals, rideshare services, and travel excursions (**Refer to Exhibit 2**).

Exhibit 2

03/02	\$18.15	WITHDRAWAL -PAYPAL INST XFER UBER	03/04	\$52.77	POS DB REI #51 OA 9220 03/04 REI #51 OAKBROO REI #51 OAKBROOK 17 WREI OAKBROOK TER IL
03/02	\$5.00	WITHDRAWAL -PAYPAL INST XFER UBER	12/31	\$72.25	PURCHASE - CARNIVAL- THE MIAMI FL DATE 12/28REF # [REDACTED]
03/02	\$3.00	WITHDRAWAL -PAYPAL INST XFER UBER	04/04	\$48.00	PURCHASE - ALASKA OUTFITT SUTTON AK DATE 04/03REF # [REDACTED]
03/02	\$8.50	WITHDRAWAL -PAYPAL INST XFER UBER			
03/02	\$3.00	WITHDRAWAL -PAYPAL INST XFER UBER			
03/02	\$16.27	WITHDRAWAL -PAYPAL INST XFER UBER			

Examples of unauthorized purchases made by Rains relating to personal trips

E. Nicholas Rains misappropriated at least \$15,123.48 through unauthorized purchases at restaurants

Rains frequently used the Canvas Church debit card to make unauthorized food purchases at restaurants. Investigators also identified restaurant charges incurred during personal trips in Georgia and Florida.

F. Nicholas Rains misappropriated at least \$13,685.63 through unauthorized purchases at grocery stores and hypermarkets

Rains used the Canvas Church debit card to make unauthorized personal purchases at grocery stores and hypermarkets, a store that combines the sale of retail items and groceries. Investigators also identified transactions made during personal trips in Georgia, Florida, and Colorado (**Refer to Exhibit 3**).

Exhibit 3

08/20	\$212.00	POS DB	TARGET T-2 9160	08/19	TARGET T-2815 1
			TARGET T-2815 1900		KNOXVILLE TN
04/19	\$25.02	POS DB	WALGREENS 9160	04/19	WALGREENS STORE
			WALGREENS STORE 44		WHEAT RIDGE CO

This withdrawal occurred while Rains was on an out-of-state vacation

Examples of unauthorized personal purchases made by Rains at grocery stores and hypermarkets

G. Nicholas Rains misappropriated at least \$7,330.51 through unauthorized websites, subscriptions, and mobile application purchases

Rains used Canvas Church funds totaling \$7,330.51 to pay for multiple personal subscription services, including mobile application purchases, food delivery services, and a genealogy website. Rains also used church funds to make personal purchases via PayPal, including bullion, car parts, and clothing.

H. Nicholas Rains misappropriated at least \$6,500.21 through unauthorized payments of personal bills and utility expenses

Rains used Canvas Church funds, without board approval, totaling \$6,500.21 to pay personal bills and utility expenses. These payments included a mortgage payment, a veterinary bill, and medical bills for Rains and his family members.

I. Nicholas Rains misappropriated at least \$2,665.36 through unauthorized payments of phone and internet expenses

Rains used Canvas Church funds totaling at least \$2,665.36 to pay for Starlink internet, phones, and phone service for his family members. Although Canvas Church provided phones and phone service to Rains and other associate pastors, board members stated that the church had not authorized extending this benefit to family members.

J. Nicholas Rains misappropriated at least \$2,637.67 through unauthorized payments for entertainment and recreation expenses

Rains used the Canvas Church debit card without board approval to pay for subscriptions to multiple streaming services. Additionally, Rains used the Canvas Church debit card to make personal purchases, including movie theater tickets, amusement park tickets, and items from firearms stores.

Summary of Rains Misappropriation	
A. Credit Card Payments	\$117,040.25
B. Withdrawals, Transfers, and Related Bank Fees	\$84,976.68
C. Retail Stores	\$49,962.37
D. Travel Expenses	\$32,732.30
E. Restaurants	\$15,123.48
F. Grocery Stores & Hypermarkets	\$13,685.63
G. Websites, Subscriptions, & App Purchases	\$7,330.51
H. Personal Bills & Utilities	\$6,500.21
I. Phone and Internet Expenses	\$2,665.36
J. Entertainment & Recreation Expenses	\$2,637.67
Total	<u>\$332,654.46</u>

2. FORMER PASTOR NICHOLAS RAINS INCURRED AT LEAST \$162,235.83 IN QUESTIONABLE EXPENDITURES AND RETAINED AT LEAST \$4,523.30 IN CANVAS FELLOWSHIP CHURCH ASSETS

A. Investigators identified at least \$162,235.83 in questionable expenditures, including:

- \$161,700.80 in disbursements from the Canvas Church accounts that lacked adequate supporting documentation, such as receipts or invoices, and
- \$535.03 in late fees assessed on Canvas Church credit card accounts opened by Rains without board approval.

Investigators questioned disbursements that lacked adequate supporting documentation. Without sufficient supporting documentation, investigators could not determine whether these disbursements were made solely for the benefit of Canvas Church. Consequently, any or all of these expenditures could be deemed misappropriated.

B. Investigators identified \$4,523.30 in Canvas Church assets that were purchased with Canvas Church funds or last known to be in Rains possession. Following Rains' departure, church officials were unable to locate these assets, including two trailers, a tablet, and miscellaneous electronic equipment.

On May 29, 2026, Nicholas Rains entered a guilty plea on one count of Theft of Property over \$60,000, a Class B Felony in Loudon County Circuit Court. He was sentenced to 8 years probation after serving 120 days in jail. He was also ordered to pay \$100,000 in restitution to the church formerly known as Canvas Church.

[Canvas Fellowship Church Investigation Exhibit](#)