



## COMPTROLLER'S INVESTIGATIVE REPORT

### Cumberland Utility District

*June 23, 2026*

**Jason E. Mumpower**

*Comptroller of the Treasury*



**DIVISION OF INVESTIGATIONS**



JASON E. MUMPOWER  
*Comptroller*

June 23, 2026

Cumberland Utility District  
3201 Harriman Hwy  
Harriman, TN 37748

Cumberland Utility District Management:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Cumberland Utility District, 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 9<sup>th</sup> 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

## Cumberland Utility District

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Cumberland Utility District. The investigation was limited to selected records for the period January 1, 2020, through March 31, 2025. The results of the investigation were communicated with the office of the District Attorney General of the 9<sup>th</sup> Judicial District.

### BACKGROUND



The Cumberland Utility District (district) is a nonprofit water municipality located in Harriman, Tennessee, and provides potable drinking water to over 4,400 customers in the rural areas of Roane and Morgan counties. The district is governed by a three-member board of commissioners (board), two from Roane County and one from Morgan County. The district is funded through customer payments for district services and state-funded grants.

Robert Patty served as the district's general manager from July 13, 2023, through January 21, 2025, when he accepted a severance package and resigned from the district. As general manager, Patty was responsible for day-to-day district operations, oversight of district employees, purchasing, and project management.

Roy Ooten was employed as a district employee since October 1997 and served as a field technician. As a field technician, Ooten was responsible for gathering water meter data, fulfilling district service orders, and performing other duties as required to support the district's operational needs.

The district's former general manager was employed by the district since October 1, 1997, and served as general manager from October 3, 2015, through February 11, 2021, when he accepted a severance package and resigned from the district.

Former Commissioner A served on the district's board from 1995, through May 11, 2026, when the Roane County Commission appointed a new district commissioner. Former Commissioner B served on the board from January 1, 2020, through May 18, 2026, when he resigned from the district. The commissioners represented Roane and Morgan counties.

## RESULTS OF INVESTIGATION

### 1. FORMER GENERAL MANAGER ROBERT PATTY MISAPPROPRIATED AT LEAST \$3,295 IN CUMBERLAND UTILITY DISTRICT FUNDS

On December 29, 2023, former general manager Robert Patty used district funds totaling at least \$3,295 to purchase welding equipment for personal use (**Refer to Exhibit 1**).

**Exhibit 1**

S O L D		CUMBERLAND UTILITY DIST				S H I P		ATTN ROBERT PATTY CALL WHEN IN	
		PO BOX 950 HARRIMAN TN 37748-0950						[REDACTED]	
CUST.	INVOICE #	INV. DATE	INVOICE TERMS	LOC/SLS#	SHIPPED VIA		CUSTOMER P.O. NUMBER		
[REDACTED]	540580	12/29/23	NET 30 DAYS	18/12	ALL LOCS 12/29/23		12152023		
CYL	CYL RET	QUANTITY ORDERED	QUANTITY	UNIT	ITEM NO.	DESCRIPTION	UNIT PRICE	AMOUNT	
		1	1	PKG	907596	TAX CERT# UTILITY EXEMPT SYNCROWAVE 210 AC/DC TIG ND500739L ***ABOVE SER# QTY: 1	3295.0000	3295.00	
1	1	1	1	CYL	HOQ	80 CUBIC FOOT HP CYLINDER	229.0000	229.00	
		1	1	CYL	QAR	Q ARGON C/O	41.9200	41.92	
		5	5	EA	TG3/32P	3/32 X 7 PURE TUNGSTEN	3.3500	16.75	
		5	5	EA	TG3/322	3/32 X 7 2% THORIATED TUN	3.2500	16.25	
		5	5	EA	TG1/16P	1/16 X 7 PURE TUNGSTEN	1.9220	9.61	
		5	5	EA	TG1/162	1/16 X 7 2% THORIATED GR	2.1000	10.50	

*Invoice for the purchase of a welder for personal use*

In June 2024, the board was notified that Patty had purchased the welder for personal use without the board’s knowledge and stored it at his personal residence. On June 29, 2024, approximately six months after the initial purchase, Patty returned the welder to the district. On July 1, 2024, Patty signed a letter acknowledging the unauthorized purchase and was placed on probation by the district.

Investigators determined that Patty had used district funds to purchase another welder 11 days before purchasing the welder described above (**Refer to Exhibit 1**). Former district employees told investigators that the first welder was fully adequate for the district’s work.

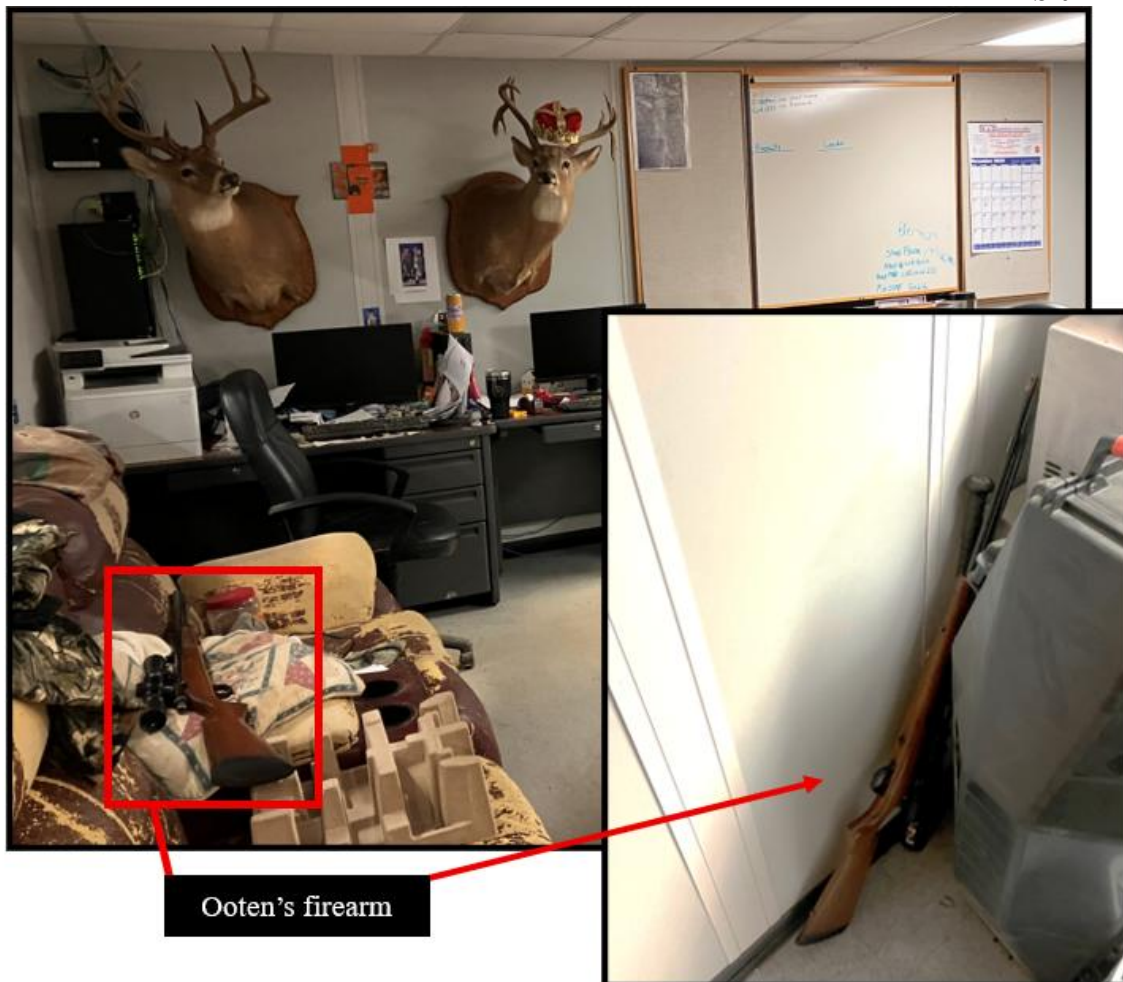
Additionally, investigators were unable to determine the location and use of the welding supplies purchased by Patty with the purchase of the welder. District policy states, “Department heads are responsible for conducting an inventory of all taggable equipment...” and “Each item of equipment acquired will be assigned a serially numbered Cumberland Utility District tag affixed to the equipment and marked “Cumberland Utility District”.” District policy did not require an independent employee to tag assets, which allowed Patty to purchase and conceal the asset without detection.

## 2. CUMBERLAND UTILITY DISTRICT EMPLOYEE ROY OOTEN USED DISTRICT RESOURCES FOR PERSONAL BENEFIT AND FAILED TO FOLLOW DISTRICT POLICY

### A. District employee Roy Ooten lived in a district-owned building and used district utilities for personal benefit

Since at least January 2020, district employee Roy Ooten has used the district-owned shop building as his personal residence, including the use of district-paid utilities of water, gas, and electricity. Multiple district employees confirmed Ooten resided in the district shop building. During the investigation, investigators conducted two site visits and identified Ooten's personal belongings in the district-owned shop building, such as a washer and dryer, deer heads, non-uniform clothing, and a firearm (Refer to Exhibits 2 and 3). The firearm was observed unsecured on-site during both visits. Ooten confirmed to investigators that he lived in the district's shop building and that he owned the non-business items. Investigators reviewed the district's insurance documentation and determined that Ooten's occupancy increases the risks of legal liability for the district.

Exhibit 2



*Photos from the site visits depicting Ooten's personal belongings*

**Exhibit 3**



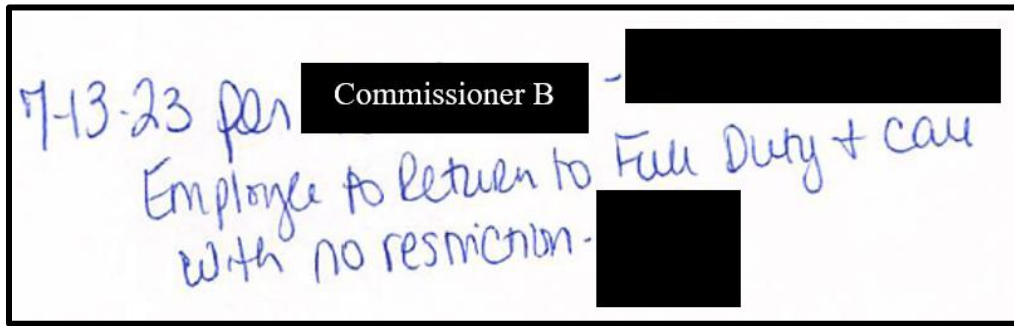
*Photos from the site visit depicting Ooten’s personal belongings*

In February 2024, according to his personnel file, Ooten used the district-owned shop building to host an unauthorized event that included alcohol and provided alcohol to a district employee who was below the legal drinking age. The district’s alcohol and drug abuse policy did not address the presence and consumption of alcohol on district property by an employee who had taken up residence in the facility. However, following this incident, the former general manager reprimanded Ooten and placed him on probation.

**B. District employee Roy Ooten failed to comply with the district alcohol and drug abuse policy**

Ooten failed to comply with the district’s alcohol and drug abuse policy after failing a district-mandated drug test during work hours. As a field technician, Ooten was responsible for driving a district vehicle to gather water meter data. On July 10, 2023, Ooten failed a random drug screening due to testing positive for alcohol. The district’s policy states, “*No employee will be allowed to work under the influence of or with detectable limits of alcohol or illegal drugs during working hours.*” On July 13, 2023, Ooten was placed on probation with at least six follow-up random drug and alcohol tests to recur within twelve months, as required under district policy. However, later that same day, former Commissioner B removed the drug and alcohol-testing requirement (**Refer to Exhibit 4**). Former Commissioner A told investigators the board allowed the exception due to Ooten’s length of service and familial relationship. Although there was a board meeting on that same day, the meeting minutes do not include any discussion or board action to remove the drug and alcohol testing from Ooten’s probation conditions.

**Exhibit 4**



***Note on Ooten’s “Follow Up from Suspension” report stating former Commissioner B removed the drug testing restriction***

**3. THE FORMER GENERAL MANAGER AND THE BOARD FAILED TO ADHERE TO THE CUMBERLAND UTILITY DISTRICT VEHICLE ACCIDENT POLICY**

The former general manager and the board failed to adhere to the district’s vehicle accident policy. On February 5, 2021, the former general manager was in a single-vehicle accident in a district vehicle near his personal residence. The district’s policy states, *“As soon as practicable following an accident, the UTILITY shall test for alcohol and controlled substances each surviving employee, or employee receives a citation under state or local law.”*

Investigators noted that the former general manager’s personnel file did not contain documentation of a required post-accident drug and alcohol test. A former district employee told investigators that the former general manager sent him a text message stating that the former general manager had damaged the district vehicle and requested a clean urine sample for a urine test. The same former employee showed the text message to investigators, stating it was from the former general manager. The former general manager accepted a severance package from the district on February 11, 2021.

**4. THE BOARD ENGAGED IN CONDUCT THAT DID NOT COMPLY WITH CUMBERLAND UTILITY DISTRICT POLICIES**

The board engaged in conduct that did not comply with district policies as follows:

**A. The board failed to maintain independence from an independent contractor**

The board failed to maintain independence from an independent contractor, resulting in potential conflicts of interest and questionable documentation related to a grant project. Investigators reviewed district meeting minutes and grant project documents and determined that an independent contractor advised the solicitation, bid on, and was awarded the same grant project contract. The federal grant guidelines state,

*“No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest” and “Such a conflict of interest would arise*

*when...an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.”*

The independent contractor provided the advertisement that was published for an administrator and engineer for the project under the American Rescue Plan (ARP) Tennessee Department of Environment and Conservation (TDEC) grant (**Refer to Exhibit 5**).

**Exhibit 5**

- Engineering Contract Projects Funded by Allocation of ARP/TDEC Funds
  - The Board recognized [Independent Contractor] [Independent Contractor] advised the Board that the ARP/TDEC funded projects would need an Engineer and an Administrator and that he would prepare advertisements to be published seeking those services.

*March 10, 2022, district meeting minutes, detailing that an independent contractor would prepare advertisements for a grant project*

The engineer selection used a process that required the district’s office manager to send letters soliciting services to at least three engineering firms. The independent contractor provided the office manager with the names of three engineering firms that would receive a solicitation and what information was included in the letters. One of the engineering firms receiving a letter was owned by the independent contractor. The independent contractor’s firm was also the only firm that responded to the letter (**Refer to Exhibit 6**). The board then moved to approve the independent contractor as engineer for the project (**Refer to Exhibit 7**).

**Exhibit 6**

The Cumberland Utility District completed direct solicitation for Professional Engineering Services on March 14, 2022 to three (3) Engineering Services Firms with a longstanding history of managing federal, state, and local grant programs. The firms solicited for qualifications include: [Independent Contractor’s Business]; [Engineering Firm #2]; [Engineering Firm #3]. We received a statement of qualification from the following firm:

- [Independent Contractor’s Business]

We evaluated the response received and determined [Independent Contractor’s Business] has the experience, background, and historical presence in the area which align with our qualifications for a professional Engineering services firm to aid in the design and management of our ARPA projects. Terms were reached for entering into a contract with this firm.

*Letter showing an independent contractor’s business was the only company to respond to the advertisement*

**Exhibit 7**

- Selection of Engineer for ARP/TDEC Funded Projects
  - The Board next considered selection of an engineer for the ARP/TDEC Funded Projects for Roane and Morgan Counties. There was a motion by [Independent Contractor’s Business] to approve [Independent Contractor’s Business] as engineer for the ARP/TDEC Funded Projects for Roane and Morgan Counties. The motion was seconded by [Independent Contractor’s Business], and upon two votes in favor, the motion carried.

*April 14, 2022, district meeting minutes, detailing an independent contractor was approved as the engineer on the grant project*

**B. The board failed to require each district commissioner to sign the district’s conflict of interest policy and report potential conflicts of interest**

Investigators determined that the board failed to require each district commissioner to comply with the district’s conflict-of-interest requirements. Former Commissioners did not sign the district’s conflict-of-interest policy, and former Commissioner B did not disclose the following potential conflicts:

1. Former Commissioner B failed to disclose a potential conflict of interest related to a grant-funded project that improved a water line on his property pursuant to Tenn. Code Ann. § 12-4-114. Despite this personal interest, Former Commissioner B participated in project-related communications and did not disclose the potential conflict of interest when asked during a district meeting about who benefited from the project.
2. Former Commissioner B failed to disclose a potential conflict of interest related to his employment as a vehicle salesman at the dealership from which the district purchased multiple vehicles.

**C. The board failed to comply with district purchasing and bid policies**

Investigators determined that the board failed to comply with district purchasing and bid policies regarding a vehicle purchased at a dealership where former Commissioner B was employed. On November 18, 2021, the board approved the vehicle purchase on the basis of an asserted emergency (**Refer to Exhibit 8**). Investigators question whether the purchase would have qualified as an emergency, as records indicate that the vehicle being replaced was disposed of as surplus property and the timing of that disposal was within the district’s discretion. The vehicle purchase agreement showed the vehicle was purchased for \$28,000 on November 17, 2021, one day before the board’s approval. District purchasing policy states, *“The general manager is authorized to make emergency purchases exempt from competitive bidding up to \$20,000.”* Additionally, the policy does not authorize commissioners to be exempt from competitive bidding at any threshold. Investigators determined the \$28,000 vehicle purchase without competitive bids not in compliance with district policies.

**Exhibit 8**

- Capital Request – Truck
  - The Board next considered the emergency purchase of a pre-owned 2014 Ford F150 as a replacement for the Chevrolet Equinox which had been disposed of as surplus property, leaving the District in need of a vehicle as a replacement. There was a motion by [REDACTED] to approve the emergency purchase of a pre-owned 2014 Ford F150 for \$28,000 from **Commissioner B’s Employment** to replace the Chevrolet Equinox. The motion was seconded by [REDACTED], and after a unanimous vote in favor, the motion carried.

***November 18, 2021, district meeting minutes, detailing the purchase of a district vehicle without bid options from a dealership where former Commissioner B was employed***

## 5. THE CUMBERLAND UTILITY DISTRICT MADE QUESTIONABLE PAYMENTS TOTALING AT LEAST \$3,399.12 TO FORMER DISTRICT COMMISSIONER A FOR MEDICARE INSURANCE REIMBURSEMENTS FOR THEIR FAMILY MEMBER

The district made questionable payments totaling at least \$3,399.12 to former Commissioner A for Medicare insurance reimbursement for a family member. Tennessee Association of Utility Districts (TAUD) guidance stated, “*the reimbursement plan is only available to officials or employees who are enrolled in Medicare ...*.” The payments did not meet eligibility requirements since they were made on behalf of an individual who was not an official or employee, and the district failed to identify the improper payments. During the investigation, the district identified the improper payments, and former Commissioner A reimbursed the district.

## 6. DISTRICT OFFICIALS FAILED TO PROPERLY REVIEW GRANT INVOICES

District officials failed to properly review grant invoices. Investigators reviewed documents related to the Morgan County grant project and determined that the former district assistant general manager listed on the contractor’s certification page was not employed by the district on the date indicated by the signature block (**Refer to Exhibit 9**). The date shown on the invoice predates the former district assistant manager’s employment start date, raising concerns regarding the authenticity and validity of the attestation. Additionally, the former district assistant general manager confirmed to investigators that the date is not his handwriting. The document was stamped and initialed by district officials for approval.

**Exhibit 9**

Recommended by Engineer		Approved by Owner	
By:	Independent Contractor	By:	District Asst. General Manager
Title:	Project Engineer	Title:	Assistant General Manager
Date:	7/24/2024	Date:	7/24/2024
Approved by Funding Agency			

*Contractor certification page displaying handwriting in the date field, which the former assistant general manager confirmed was not his handwriting*

On June 15, 2026, the Roane County Grand Jury indicted Robert Clyde Patty on one count of Theft over \$2,500 but less than \$10,000 and one count of Official Misconduct.

On June 15, 2026, the Roane County Grand Jury indicted Roy Lee Ooten on one count of Official Misconduct.

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.

[Cumberland Utility District Investigation Exhibit](#)

## INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal control and compliance. These deficiencies included:

**Deficiency 1: The board failed to provide adequate oversight of district assets and failed to implement effective internal controls**

The board failed to provide adequate oversight of district assets and failed to implement effective internal controls. Investigators determined that the district failed to require timely asset cataloging. The district's process relied on the purchaser to voluntarily present assets for tagging, creating a control gap. Failure to implement effective internal controls of district purchases and assets increases the risk of asset misappropriation and contributed to Patty's unauthorized purchase and concealment of a district welder.

**Deficiency 2: The district did not properly maintain grant records**

The district did not properly maintain grant records. The ARP Grant Implementation Guide, published by the Tennessee Department of Environment & Conservation, states,

*“Federal regulations require that financial records, supporting documents, statistical records, and all other non-federal entity records pertinent to a federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the federal awarding agency or TDEC in the case of a Grantee”*

During the investigation, investigators identified grant documents related to the ongoing line improvement project that were not maintained in the district's grant project binder. When investigators requested additional documentation, the district was unable to provide the requested documents.

**Deficiency 3: The district did not properly maintain bid records**

The district failed to maintain historical bid documentation for vehicle purchases. Investigators were unable to determine whether the district solicited bids as required by district policies and procedures. The district's policies and procedures state,

*“When the purchase of goods or services requires competitive bidding under this Purchasing Policy, the District will keep a file of the bid purchase. The bid file will include all written documentation related to the bid purchase transaction, including the request for bids, written bids submitted, written confirmation of telephone bids submitted, correspondence related the request for bids and submission of bids, correspondence related to the purchase or contract award, purchase invoice, bid bonds, the contract awarded, payment and performance*

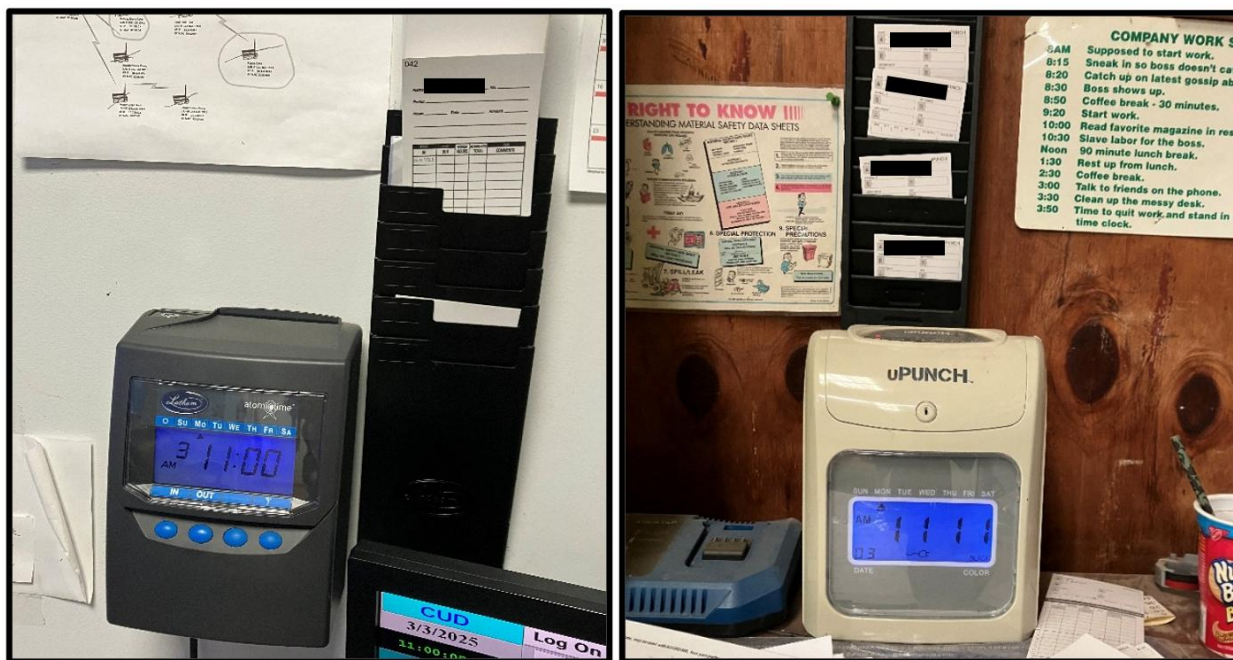
*bonds and any other written documents created or received in connection with the bid purchase.”*

The district did not maintain documentation demonstrating that competitive bids were properly solicited for vehicle purchases.

**Deficiency 4: The district did not have adequate oversight of timekeeping records**

The district lacked adequate oversight of employee timekeeping records. Investigators determined that employee timecards were stored in the district’s shop building and water treatment office, which were not secured or routinely monitored (**Refer to Exhibit 10**). Failure to maintain physical control over timekeeping records increases the risk that timecards could be altered, resulting in fraud and manipulation.

**Exhibit 10**



*District time clocks and timecards located in the water treatment office (left) and the district’s shop building (right)*

**Deficiency 5: District officials increased legal liability risks to the district by allowing an employee to reside in a district-owned facility**

District officials allowed an employee to reside in a district-owned facility where personal items were present, and unauthorized events that included alcohol took place. Allowing a district facility to be used as a personal residence and for non-district activities increases legal liability risks to the district.

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