



COMPTROLLER'S INVESTIGATIVE REPORT

City of Collegedale

November 7, 2025

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

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City of Collegedale Mayor
and Board of Commissioners
4910 Swinyar Drive
Collegedale, Tennessee 37315

City of Collegedale Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the City of Collegedale, 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 11th 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

City of Collegedale

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the City of Collegedale. The investigation was limited to selected records for the period November 27, 2022, through May 23, 2023. The results of the investigation were communicated with the Office of the District Attorney General of the 11th Judicial District.

BACKGROUND



The City of Collegedale (city) is in Hamilton County, Tennessee, and has a population of approximately 11,109 residents. The city was incorporated in 1968 and is a suburb of Chattanooga. The city operates under a city manager-commission form of government. The five-member board of commissioners (board) serves staggered four-year terms. The board elects a mayor and vice-mayor from among its members and is responsible for the city's legislative functions, including establishing policy, passing local ordinances and resolutions, approving appropriations, and coordinating with the executive branch on the city's strategic plan and vision.

The board also appoints the city manager, who heads the executive branch and administers the city's daily operations, implements policies, and offers counsel during the board's decision-making process. The city manager employs all other city staff and retains operational and administrative authority and responsibility in all functions of the city's government and service delivery.

RESULTS OF INVESTIGATION

1. CITY OF COLLEGEDALE EMPLOYEES MADE QUESTIONABLE FOOD PURCHASES TOTALING AT LEAST \$4,119.77

City of Collegedale employees made questionable food purchases totaling at least \$4,119.77. Investigators question food purchases because the city lacks a policy governing the purchase of food, and the meals in question were not associated with overnight travel for city employees. City employees regularly used the city credit card to dine at restaurants in the city and nearby cities, such as Chattanooga and Ooltewah, spending an average of \$686.63 per month during the investigative period. The city manager stated that some meal purchases were allowed under city Ordinance 305, including travel expenses that covered meals during local training or business-related purchases, such as coalition luncheons where city officials from Hamilton County meet.

One expenditure made on the city's credit card was at a local nail salon, as employees are authorized to carry city credit cards. This transaction was reimbursed by the employee to the city, but it highlights the lack of internal controls over the city's credit cards.

A sample of the questionable food purchases is listed below:

Purchases	Date	Description	Location	Amount
Cracker Barrel	11/27/2022	Unknown	Ooltewah	\$ 32.17
Chick-Fil-A	12/23/2022	Unknown	Ooltewah	16.50
Local Goat	01/04/2023	Lunch	Ooltewah	62.10
Chick-Fil-A	01/18/2023	Breakfast	Ooltewah	109.02
Papa Johns	02/02/2023	Unknown	Collegedale	240.54
Shane's Rib Shack	02/02/2023	Unknown	Ooltewah	111.88
Chick-Fil-A	02/20/2023	Unknown	Ooltewah	69.09
Olive Garden	02/22/2023	Employee Departure	Chattanooga	100.12
Scooter's Coffee House	03/01/2023	Birthday	Ooltewah	80.00
Tasty Donuts	03/02/2023	Birthday	Ooltewah	82.64
Marco's Pizza	03/30/2023	Retirement	Ooltewah	514.09
4 Corner's Café	03/31/2023	Coffee and Bagels	Ooltewah	19.25
4 Corner's Café	04/14/2023	Lunch	Ooltewah	26.17
Piece of Cake	04/25/2023	Retirement Cake	Collegedale	53.95
Logan's Roadhouse	05/10/2023	No Details	Chattanooga	42.00
Publix's	05/10/2023	Gevalia Coffee	Ooltewah	41.77
Panera Bread	05/18/2023	Bagels and Fruit Cups	Chattanooga	62.67
Papa Johns	05/22/2023	Pizza	Ooltewah	176.44

Investigators confirmed that the city operates under CONUS travel regulations, which typically requires overnight travel for the reimbursement of meal and incidental expenses. When questioned about city employees' spending authority, the city manager cited Ordinance 305, which states "Authorized travelers are entitled to be reimbursed for certain expenses," including transportation, lodging, meals, and "other actual and necessary expenses" as determined by the chief administrative officer (CAO). Ordinance 305 requires expenses to be "directly related to city business" and "actual, reasonable, and necessary under the circumstances and the CAO may make exceptions for unusual circumstances." Investigators question these meal expenses as they occurred on a routine basis and were not in connection with overnight travel.

INTERNAL CONTROL DEFICIENCY

Our investigation revealed an internal control deficiency, which resulted in the city's questionable expenditures. The deficiency included:

Deficiency 1: City of Collegedale officials failed to establish adequate written policies governing city purchases

City officials failed to establish written policies governing food purchases by city employees. While Ordinance 305 follows CONUS guidelines, it also allows the CAO discretion to determine if the meal expenditures are business-related, giving one person sole discretion for what is reimbursable. Additionally, both CONUS and Ordinance 305 specify “reimbursement,” which means employees should pay expenses first and request reimbursement after the incurred expense; however, city employees charged food expenses directly to city credit cards. The Internal Revenue Service (IRS) allows meal expenditures for unusual circumstances that do not require overnight travel, which are determined as not occurring regularly; however, many of the meal expenses reviewed occurred regularly and did not require overnight travel, creating potential tax implications for providing meals to employees. City officials should ensure that a food purchasing policy aligns with the city’s travel policy, detailing the circumstances under which city employees are on travel status and are eligible to seek reimbursement for meals. Furthermore, city management should address instances in which routine and regular local food purchases are considered allowable. City officials should ensure that all procedures are properly approved and formally documented in the governing documentation for city employees. Failure to establish written policies increases the risk that error, fraud, waste, or abuse may occur.

City management indicated they have corrected or intend to correct this deficiency.
