



## COMPTROLLER'S INVESTIGATIVE REPORT

### Tipton County Sheriff's Office

*July 14, 2022*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF INVESTIGATIONS**



JASON E. MUMPOWER  
*Comptroller*

July 14, 2022

Tipton County Mayor  
and Board of Commissioners  
P.O. Box 686  
Covington, TN 38019

Tipton County Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Tipton County Sheriff's Office, 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 25<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

## TIPTON COUNTY SHERIFF'S OFFICE

The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Tipton County Sheriff's Office. This investigation was initiated after TCSO officials reported a questionable transaction related to the sale of an asset. The investigation was limited to selected records for the period from March 1, 2020, through June 30, 2021. The results of the investigation were communicated with the Office of the District Attorney General of the 25<sup>th</sup> Judicial District.

### BACKGROUND



The Tipton County Sheriff's Office (TCSO) is based in Covington, Tennessee, and provides public safety and patrol services for Tipton County. Sheriff's deputies have various responsibilities including patrolling, responding to emergency calls, and maintaining evidence (such as seized vehicles, weapons, and various other items that may be confiscated in criminal cases).

In 2009, TCSO started selling assets that had been awarded to the sheriff's office after seizure, and surplus or obsolete TCSO assets on the GovDeals.com website. GovDeals.com is an online marketplace used by local governments to sell surplus assets to the public by online auction. Examples of assets that have been properly sold by TCSO on GovDeals.com include tires, trailers, vehicle parts, and vehicles.

Daniel Jacobs (Jacobs) began working as a deputy for TCSO in 2016 and was appointed evidence custodian in 2020. As evidence custodian, Jacobs had access to TCSO's GovDeals.com administrative account to post TCSO assets for sale online. To avoid conflicts with accounting and budgetary records, TCSO invokes a month-long budgetary freeze at the end of their fiscal year each June, which prohibits the sale of assets during that month.

## RESULTS OF INVESTIGATION

- FORMER DEPUTY DANIEL JACOBS ATTEMPTED TO SELL A TCSO VEHICLE FOR HIS PERSONAL BENEFIT**

Former Deputy Daniel Jacobs attempted to sell a TCSO vehicle for his personal benefit. On June 10, 2021, TCSO officials received an email from GovDeals.com notifying them that a TCSO vehicle, a 2010 Lincoln MKZ, had been listed and sold on the website the prior night (**Refer to Exhibit 1**). According to records obtained from GovDeals.com, the vehicle listing was posted at 1:20 AM with a “buy now” option to forego the bidding process. The listing remained open for approximately 38 seconds before the vehicle was sold for \$500 to Jacob Gardner, who Jacobs later identified as a friend of his. GovDeals.com records also contained information on the origination of the listing, which showed it had been created and posted by Jacobs. According to TCSO officials, only Jacobs and one other supervisory employee had access to the GovDeals.com account on June 10, 2021.

### Exhibit 1

Congratulations, Tipton County Sheriff's Office, TN has sold another item on the GovDeals Auction Server.			
<b>BUYER (#2463325)</b>		<b>SELLER (#2187)</b>	
Name:	Jacob Gardner	Agency:	Tipton County Sheriff's Office, TN
Company:	Gardner, Jacob	Contact:	Daniel Jacobs
Title To:	Jacob Gardner		
<b>ITEM INFORMATION FOR ASSET ID: 555</b>			
Item:	2010 Lincoln MKZ FWD	Photo: 2010 Lincoln MKZ FWD	
Pick Up Location:	1801 S College St Ste 106, Covington, TN 38019-3462		
Inventory ID:	CP34	Account ID:	2187
Condition:	Used/See Description	Quantity:	1 each
Make/Brand:	Lincoln	Model:	MKZ
VIN/Serial:	3LNHL2GC3AR630923	Model Year:	2010
Meter:	200,000 Miles (Accurate?: Unknown)	Title Restrictions:	Not Applicable
<b>Transaction Summary</b>			
Date	Item		Amount
10 Jun 2021 01:20 AM CDT	2010 Lincoln MKZ FWD		USD \$500.00

*Email from GovDeals.com informing TCSO officials that the 2010 Lincoln MKZ was sold for \$500 at 1:20 AM.*

**Exhibit 2**



*The 2010 Lincoln MKZ posted for sale on GovDeals.com.*

Following the discovery of the unauthorized sale, TCSO officials immediately cancelled the sale. Investigators verified that the vehicle remained in the possession of TCSO (**Refer to Exhibit 2**). Investigators also confirmed that the \$500 received from the sale was credited back to Gardner. Jacobs admitted to TCSO officials that he intentionally posted the vehicle for sale so Gardner could buy the vehicle for Jacobs for his personal use. TCSO officials confirmed that in May 2021, Jacobs was made aware of the budgetary freeze and was instructed not post any property for sale during the month of June. Jacobs resigned his employment in July 2021.

Investigators reviewed GovDeals.com sales records for the investigative period but did not note any other unusual activity in the GovDeals.com account other than the transaction in question. On October 14, 2021, the vehicle was properly sold on GovDeals.com for \$2,853.83. Investigators confirmed that TCSO received the full amount of the sales proceeds.

On July 11, 2022, the Tipton County Grand Jury indicted Daniel Jacobs for one count of Official Misconduct, one count of Attempted Theft of Property over \$2,500, and one count of Computer Crimes over \$2,500.

On July 11, 2022, the Tipton County Grand Jury indicted Jacob Gardner for one count of Attempted Theft of Property over \$2,500.

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.

[Tipton County Sheriff's Office Investigation Exhibit](#)

**COMPLIANCE DEFICIENCY**

Our investigation revealed the following deficiency in compliance, which contributed to Jacobs' ability to perpetrate his attempted misappropriation:

**Deficiency:** TCSO failed to establish a written policy for the sale of assets through online platforms

Tennessee Code Annotated § 9-18-102(a)(2), requires that agencies of municipal governments shall establish and maintain internal controls, which shall provide reasonable assurance that “funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation”. TCSO failed to establish a written policy for the sale of assets through online platforms such as GovDeals.com to provide guidance to employees regarding the proper procedures associated with selling assets online. The lack of a written policy increases the risk of improper use or misappropriation of county assets.

TCSO officials indicated that they have corrected or will correct these deficiencies.

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