

Status Report, Jackson Generals Investigation



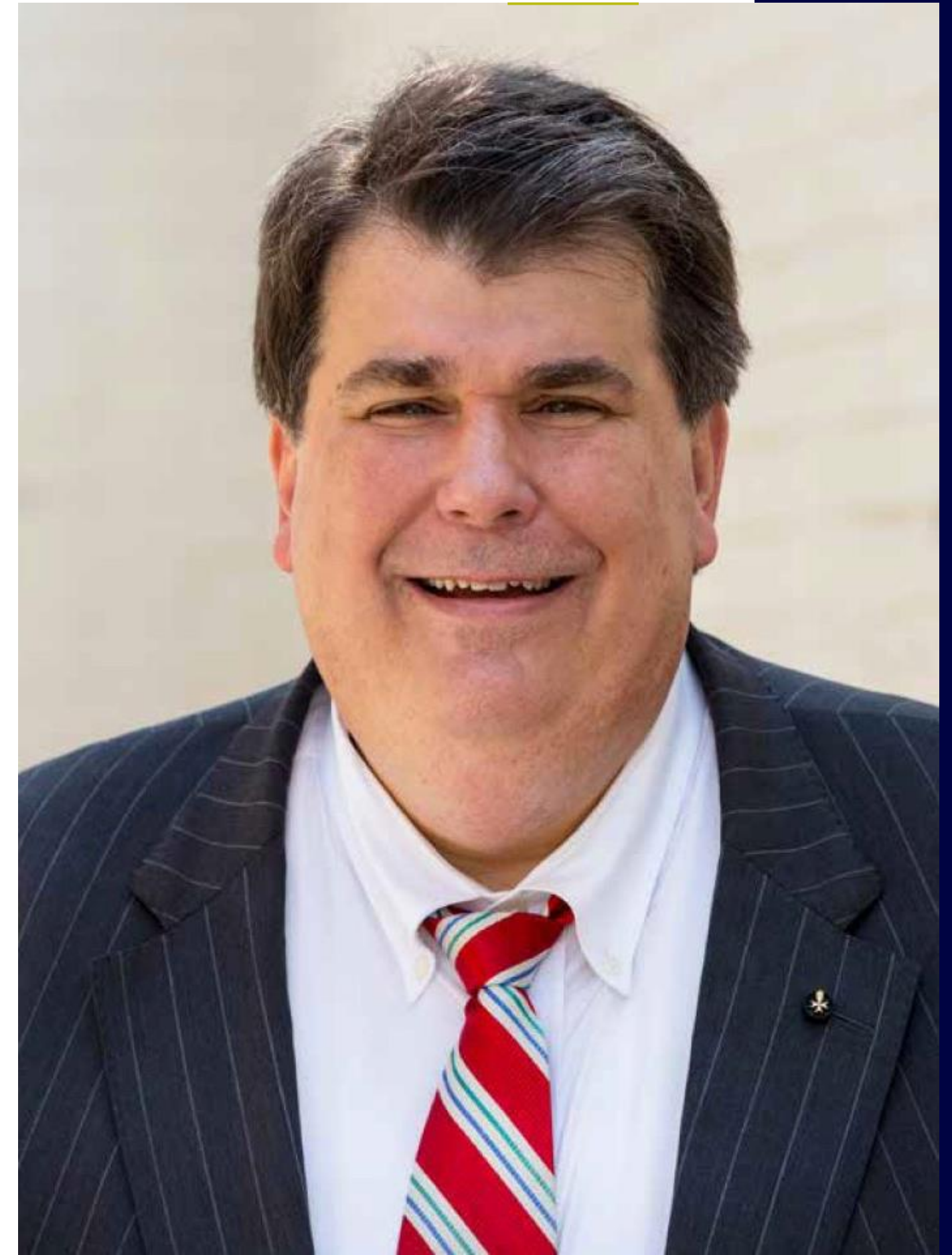
BY: ALAN CRONE, FOUNDER & CEO OF THE CRONE LAW FIRM

About Alan

Founder & CEO of The Crone
Law Firm

Graduate of the University of Memphis
Undergraduate and School of Law

Has Specialized In Employment Law For
30+ Years



About Katie

Senior Attorney of The Crone
Law Firm

Graduate of the Rhodes College,
Undergraduate and University of Memphis
School of Law

Served as an Assistant District Attorney
where she worked on various criminal
matters, including white collar crime, theft,
embezzlement and violent offenses.



About Cindy

Director at Dixon Hughes Goodman

Graduate of Bloomsburg University of
Pennsylvania

Practicing as a Certified Public Accountant for more than 20 years. She is Certified in Financial Forensics, Certified Valuation Analyst, and a Certified Divorce Financial Analyst. Leads the DHG Forensics, Valuation and Litigation Services practice in Memphis, TN.



Previous City Council Meeting 10/02/2020

- Reviewed agreements
- Reviewed invoices, expense supporting documentation, check information, etc. from the Club for the years 2012 through 2020
- **3,400 rows of data** entered and analyzed, including thousands of PDF invoices and supporting documentation
- **2,000,000+ items were collected, processed, and hosted (including over 500,000 emails)** from Al Laffoon, Karen Bell, Jason Compton, and former Mayor Gist's mailboxes
- **5,000 emails and attachments were manually reviewed**
- Interviewed Karen Bell, Susan White, Bobby Arnold, and Jason Compton
- Reconciled City check register data to City invoice data

Things We Knew as of 10/02/2020 Presentation

- Lack of appropriate oversight / “tone at the top”
- Lack of financial clarity due to multiple general ledger accounts
- Lack of supporting documentation
- In-kind transactions/trades
- Split invoices
- Duplicate payments and potential overpayments
 - Generals refunded \$8,523 of duplicate payments during our investigation

Third Amended and Restated Stadium License and Use Agreement – 06/07/2011

Article IV Stadium Related Revenues

C. **Disclaimer of Revenues By City.** During the term of this Agreement, the city shall, in its sole and absolute discretion, have the right to disclaim any item of revenue allocated to the City under this Agreement, and to assume any expense or other monetary obligation of Club hereunder, with any such disclaimer or assumption of expense being in whole or in part and for such time periods or intervals as the City desires. **Upon request by the Club, the City shall reimburse the Club for its expenses incurred under and described in Article III(B) of this Agreement.** A disclaimer of revenues, at the election of the City, all, and in each case, as determined solely by the City. If the City elects to disclaim revenues hereunder, or to assume additional obligations hereunder, it shall give written notice thereof to Club and this Agreement shall be deemed amended in accordance with the terms of such notice.

06/08/2011 Side Agreement

June 8, 2011

[REDACTED]
Jackson Baseball Club
4 Fun Place
Jackson, TN 38302

[REDACTED]

Pursuant to Article II(D) of The Amended and Restated Stadium License and Use Agreement (the "Lease") between the City of Jackson, Tennessee (the "City") and Jackson Baseball Club L.P. (the "Club"), the City confirms to you that the amount of advertising, marketing, and other support to the Club during 2010 was \$321,928.

Pursuant to Article IV(C) of the Lease, the City hereby assumes \$500,000 per annum of the Club's expenses incurred under and described in Article III(B) of the Lease.

Sincerely,

[REDACTED]
Mayor

Example:

Lack of Appropriate Oversight / “Tone at the Top”

>>>> Susan White 4/13/2012 9:21 AM >>>>

I came to see you, but you must be with Sam. Let's talk at your convenience.

Susan

>>>> Al Laffoon 4/12/2012 4:10 PM >>>>

Susan - the attached (4) invoices totaling \$31,500 for additional cameras are covered by the money TSE saved us on the original \$306,000 Council approved project. I reviewed with Mayor Gist last week and he asked me to get with you and "find a way to make it happen without the normal bid process", since this was our intent from the beginning in using TSE's expertise to get the video board and auxiliary cameras for the price of the Video Board only.

We need to place orders - let's discuss in morning.

Al

>>>> "Jason Compton" <jcompton@jacksongeneralsbaseball.com> 3/29/2012 7:24 PM >>>>

Al,

Attached are the quotes (invoices) for the front end equipment that goes along with the videobaord. We need to purchase from TSE. Let me know what you need from me to make this happen.....

Also, David came for a visit today. Give me a call when you have a minute to discuss a few things.

Jason

Example:

Lack of Appropriate Oversight / “Tone at the Top”

From: Susan White <swhite@cityofjackson.net> <SWhite@cityofjackson.net>
To: Al Laffoon <ALaffoon@cityofjackson.net>
Cc: Betty Wilson <BWilson@cityofjackson.net>, Mayor <jgist@cityofjackson.net>
Sent: November 8, 2012 3:27:33 PM UTC
Received: November 8, 2012 3:27:33 PM UTC

I will change the amount on the requisition and send to you.

Sent from my iPhone

On Nov 8, 2012, at 8:49 AM, "Al Laffoon" <ALaffoon@cityofjackson.net> wrote:

Definitely YES - Betty will change the invoice and I will initial it - just need Susan to send us an approved P.O.

Al

Mayor 11/7/2012 4:32 PM >>>

Al, can the total be changed to \$9,900?

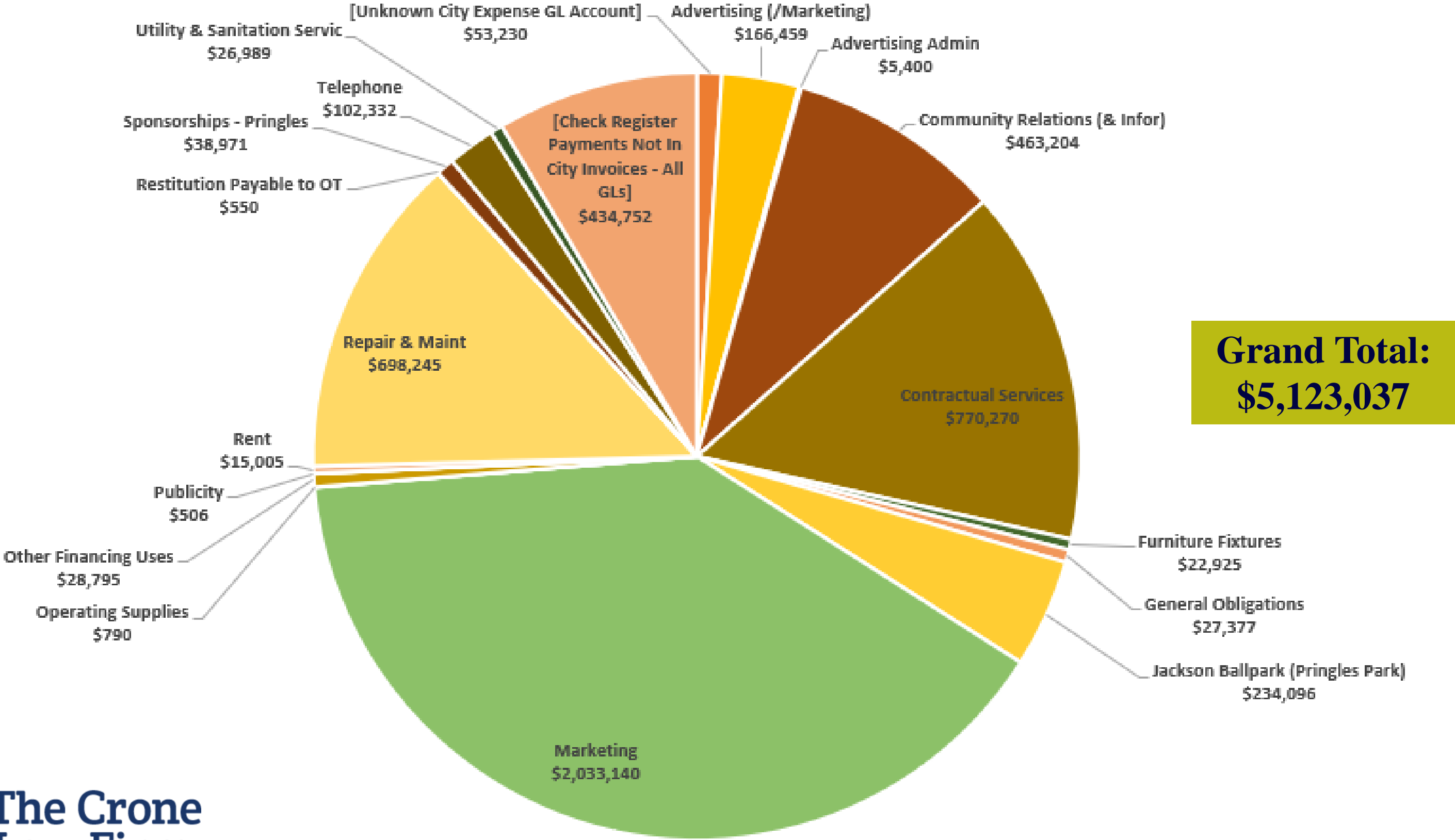
Example:

Lack of Appropriate Oversight / “Tone at the Top”

REQUISITION FOR PURCHASE

REQUISITIONED BY: Al Laffoon		REQUISITION DATE: 11/7/2012			
APPROVED BY:		REQUIRED DATE:			
APPROVED BY:		DATE:			
ACCOUNT NO.: 110-41900-236		DATE:			
Office Use Only:					
REQUISITION NO.:					
VENDOR NO.:					
VENDOR: Jackson Baseball Club LP		SHIP TO: City of Jackson			
Pringles Park		Al Laffoon, City Recorder			
4 Fun Place		101 E. Main Street Suite 203			
Jackson, Tennessee 38305		Jackson, Tennessee 38301			
QTY	UNIT	DESCRIPTION	ITEM NO.	COST	TOTAL
		2013 City Tickets			\$ 10,000.00
		per June 7, 2011 Stadium License and Use			
		Agreement - Article II, City's Obligations,			
		Section E. City Night & Tickets for Non-Profits			
		<i>Per Mayor Gist</i>			
		Total			\$ 10,000.00

City Payments by General Ledger Account



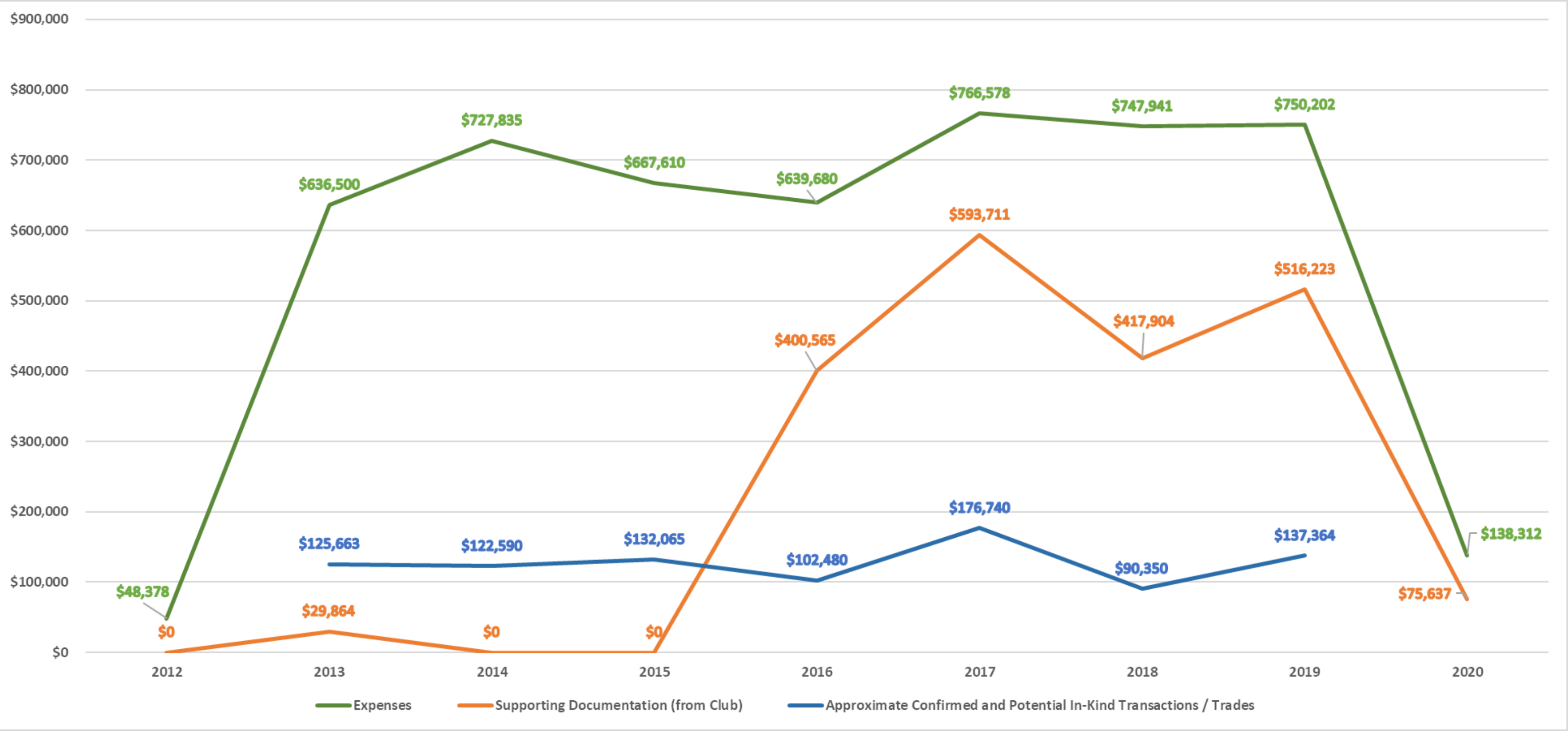
2012 - 2020 Expenses and Supporting Documentation

Category	2012	2013	2014	2015	2016	2017	2018	2019	2020	Grand Total
Expenses	48,378	636,500	727,835	667,610	639,680	766,578	747,941	750,202	138,312	\$ 5,123,037
Supporting Documentation (from Club)	-	29,864	-	-	400,565	593,711	417,904	516,223	75,637	\$ 2,033,902
No Supporting Documentation (Difference)	\$ 48,378	\$ 606,637	\$ 727,835	\$ 667,610	\$ 239,116	\$ 172,868	\$ 330,037	\$ 233,979	\$ 62,675	\$ 3,089,135

2012 – 2020 Confirmed and Potential In-Kind Transactions/Trades

Category	2012	2013	2014	2015	2016	2017	2018	2019	2020	Grand Total
Approximate Confirmed Full and Partial In-Kind Transactions / Trades					81,720	172,400	90,350	137,364		\$ 481,834
Approximate Potential Full and Partial In-Kind Transactions / Trades		125,663	122,590	132,065	20,760	4,340				\$ 405,418
Total		\$ 125,663	\$ 122,590	\$ 132,065	\$ 102,480	\$ 176,740	\$ 90,350	\$ 137,364		\$ 887,252

Expenses, Supporting Documentation, and Approximate Confirmed and Potential In-Kind Transactions/Trades by Year



Example:
Trade



Jackson Baseball Club LP
4 Fun Place
Jackson, TN 38305

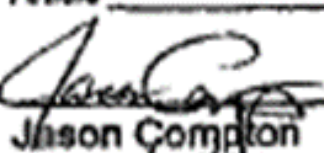
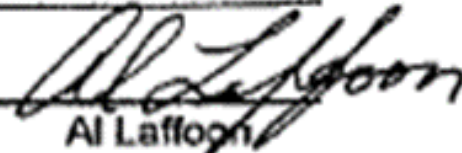
Invoice

Date: March 15, 2017
Invoice #: 1653

Salesperson:
Payment Terms:
Due Date:

Sold To: Al Laffoon
City of Jackson
101 East Main Street
Suite 102
Jackson, TN 38301

Stadium License & Use Agreement of 6/7/2011

Article 2-D ✓

Jason Compton
3/15/17

Al Laffoon


Description	Quantity	Unit Price	Total
WBBJ Advertising-April	1	\$ 7,800.00	\$ 7,800.00 ✓

TOTAL \$ 7,800.00

Make all checks payable to:
Jackson Baseball Club LP
4 Fun Place
Jackson, TN 38305
Phone: 731-988-5299 * Fax: 731-988-5246

OK A.L. 3-21-17
P.O. #8242
110-41900-237

Example: Trade

	Jackson Generals Professional Baseball Club 4 Fun Place, Jackson, TN 383065 Phone: 731-988-5299 Fax: 731-988-5246	Contract Number: 2017- Date: 12/19/16 Contract Status: Multi-year renewal																																												
MARKETING AGREEMENT																																														
The undersigned hereby contracts for Jackson Generals Advertising/Partnership for the 2017 season																																														
Marketing Partner: _____		WBBJ																																												
Contact: _____	Wayne Thing	Phone: 731-424-4515																																												
Address: _____	346 Muse St	Fax: _____																																												
		Email: <u>wthing@wbbj.tv</u>																																												
City/State/Zip: _____	Jackson, TN 38305	JG Rep: MP																																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Item</th> <th style="width: 35%;">Description</th> <th style="width: 15%;">Quantity</th> <th style="width: 35%;">Investment</th> </tr> </thead> <tbody> <tr> <td>Signage</td> <td>Tri-Vision</td> <td style="text-align: center;">1</td> <td style="text-align: right;">\$ 10,000.00</td> </tr> <tr> <td>Signage</td> <td>Press Box</td> <td style="text-align: center;">1</td> <td style="text-align: right;">\$ 7,500.00</td> </tr> <tr> <td>Program</td> <td>Full Page - Full Color Inside Front</td> <td style="text-align: center;">1</td> <td style="text-align: right;">\$ 4,500.00</td> </tr> <tr> <td>Promotion</td> <td>Media Fireworks Show Sponsor</td> <td style="text-align: center;">2</td> <td style="text-align: right;">\$ 7,000.00</td> </tr> <tr> <td>Radio</td> <td>:30 spot</td> <td style="text-align: center;">1</td> <td style="text-align: right;">\$ 1,500.00</td> </tr> <tr> <td>Other</td> <td>Partial Suite Trade & 250 GA Vouchers</td> <td style="text-align: center;">1</td> <td style="text-align: right;">\$ 5,000.00</td> </tr> <tr> <td>Promotion</td> <td>Jr. PA and :30 Video</td> <td style="text-align: center;">1</td> <td style="text-align: right;">\$ 3,500.00</td> </tr> <tr> <td colspan="4" style="height: 20px;"></td> </tr> <tr> <td colspan="4" style="height: 20px;"></td> </tr> <tr> <td colspan="4" style="height: 20px;"></td> </tr> </tbody> </table>			Item	Description	Quantity	Investment	Signage	Tri-Vision	1	\$ 10,000.00	Signage	Press Box	1	\$ 7,500.00	Program	Full Page - Full Color Inside Front	1	\$ 4,500.00	Promotion	Media Fireworks Show Sponsor	2	\$ 7,000.00	Radio	:30 spot	1	\$ 1,500.00	Other	Partial Suite Trade & 250 GA Vouchers	1	\$ 5,000.00	Promotion	Jr. PA and :30 Video	1	\$ 3,500.00												
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Investment Terms:		<i>7800 March</i> <i>7800 April</i> ✓ Total Investment: \$ 39,000.00 Amount Paid: TRADE Amount Due: TRADE <small>(per contracted season)</small>																																												
Notes: Jackson Generals to receive trade of equal value in like cash advertising dollars.																																														
This contract is non-cancelable and becomes of force upon acceptance by the Generals. Signature on this contract confirms that this contract has been read and is acceptable to the advertiser. The agreement shall commence upon execution. This agreement will automatically renew for successive one (1) year periods on October 1st, 2017, and each October 1st going forward, until one party provides written/email notice of termination prior to the end of the relevant term. Any charges due to changes in art requested by advertiser after art approvals and before contract term ends may be charged back to the advertiser. It is mutually understood that no agreement or promise has been made in reference to this contract that is not stated herein or attached hereto and that there is no verbal understanding of any kind that can in any way affect the terms of this contract.																																														
Client Signature: _____		Representative Signature: _____																																												
Title: _____		Title: _____																																												
Date: _____		Date: _____																																												

Example: Split Invoices

From: Jason Compton [<mailto:jcompton@jacksongeneralsbaseball.com>]
Sent: Wednesday, March 28, 2012 5:10 PM
To: Alex Singer
Subject: RE: Jackson Generals - City of Jackson - Front End Equipment Proposals

The only thing I see that could be a issue....i need all of the invoices less than 10k. the 11K one won't work (or will cause things to slow). Can you just reallocate to make all of them under 10k.

Thanks,
Jason

Jason Compton
General Manager
Jackson Generals
Phone: (731) 988-5299

Example: Split Invoices



14376 S. Outer Forty Rd. Chesterfield, MO 63017 [P] 314-878-1999

INVOICE

Customer # 200264		SOLD Jackson Generals Baseball Club Attn: Robert Perry		SHIP Jackson Generals Baseball Club Attn: Robert Perry 4 Fun Place Jackson TN 38305	
Job # 22960		T 4 Fun Place O Jackson TN 38305		Via OCEAN FREIGHT	
Unit 0	Customer po # 700	Salesperson Alex Everett	Order date 10/12/18	Invoice date 02/05/19	Date shipped 11/28/18
			Invoice # 29331		
Ordered	Shipped	Qty BO	Item #	Description	Price Per
12000	12000	22960		Group Hat w 2 D logo	1.750EA
					Amount
					21000.00
<p>Please review the above costs. If shipping line contains "Pass on Local" please note you will have a freight charge on your final invoice.</p>					
Terms Net 30		21000.00	0.00	818.00	0.00
		Sub-total	Insurance	Shoe/Hold	Sales tax
		PLEASE PAY THIS AMOUNT			21818.00
					Total

REMITTANCE STUB

Success Promotions

02/05/19

Invoice date

Invoice # 29331

Order # 22960

Job #

Jackson Generals

Customer

Customer # 200264

700 4P Salesperson

Groups
G H
Spencer
G. Walker

9600 ✓
8200 ✓
4018 ✓

21,818

Total due 21818.00



NOTE: ALL FUNDS ARE IN US DOLLARS. Please note that should you pay this invoice with a credit card a 3% surcharge will be added to the total of this invoice. E-MAILED CUSTOMER INVOICE

Example: Split Invoices

JACKSON GENERALS

Jackson Baseball Club LLC
4 Fun Place
Jackson, TN 38305

Date: February 20, 2019
Invoice #: 2308

Salesperson:
Payment Terms:
Due Date:

Sold To: Al Laffoon
City of Jackson
101 East Main Street
Suite 102
Jackson, TN 38301

Stadium License & Use Agreement of 6/7/2011
Article 2-D ✓
Jason Compton
2/20/2019
Al Laffoon

Description	Quantity	Unit Price	Total
Promo Hats--Groups	1	\$ 9,600.00	\$ 9,600.00

TOTAL \$ 9,600.00

Example: Split Invoices



Jackson Baseball Club LLC
4 Fun Place
Jackson, TN 38305



Invoice

Date: February 20, 2019
Invoice #: 2309 - A

Salesperson:
Payment Terms:
Due Date:

Sold To: Al Laffoon
City of Jackson
101 East Main Street
Suite 102
Jackson, TN 38301

Stadium License & Use Agreement of 6/7/2011

Article 2-D ✓

Jason Compton
2/20/2019

Al Laffoon

Description	Quantity	Unit Price	Total
Promo Hats-Sponsors	1	\$ 8,200.00	\$ 8,200.00 ✓

TOTAL \$ 8,200.00

Example: Split Invoices

JACKSON GENERALS

Jackson Baseball Club LLC
4 Fun Place
Jackson, TN 38305

Date: February 20, 2019
Invoice #: 2310

Sold To: Al Laffoon
City of Jackson
101 East Main Street
Suite 102
Jackson, TN 38301

Salesperson:
Payment Terms:
Due Date:

Stadium License & Use Agreement of 6/7/2014

Article 2-0 ✓

Jason Compton
2/20/2019

Al Laffoon

Description	Quantity	Unit Price	Total
Promo Hats--Giveaways	1	\$ 4,018.00	\$ 4,018.00 ✓

TOTAL \$ 4,018.00

Potential Overpayments and Potential Duplicate Invoices

Potential Overpayments

- Six different potential overpayments, totaling over \$15,000, were submitted to, and reimbursed by, the City between 2015 and 2019.

Potential Duplicate Invoices

- Five different duplicate payments, totaling over \$12,000, were submitted to, and reimbursed by, the City between 2016 and 2018.

Potential Overpayments

Invoice Date	Club Invoice #	Total Invoice Amount Paid	Overpayment Amount	Supporting Invoice Vendor	Invoice - Line Description
Support for invoice 1297 from the Club to the City shows \$1,850 previously paid, but the invoice from the Club to the City and check amount does not net out the \$1,850 previous payment. There is a note related to the "deposit paid by Ballclub". If the Club never invoiced the city for \$1,850, the payment amount for \$27,744 is accurate, but there is a \$1,850 previous invoice 1071 from the Club to the City related to the same vendor (Stadium One). There is no supporting documentation for that invoice from the City to the Club and we are therefore unable to confirm if the \$1,850 amount is related.					
11/13/2015	1071	1,850.00			Stadium One Usage
5/4/2016	1297	27,744.00			New POS Units for Concessions
4/4/2016	Vendor Inv # 1209	8,744.00		Stadium One	New POS Units for Concessions
10/15/2015	Vendor Inv # 1089	17,150.00		Stadium One	New POS Units for Concessions
			\$ 1,850.00		
Support for the invoice from the Club to the City shows \$10k previously paid, but the invoice from the Club to the City and check amount does not net out the \$10k previous payment. If \$10k was previously paid by the Club and reimbursed by the City, this would result in an overpayment. It is possible the Club never invoiced the City for the \$10k payment and the City is now reimbursing them for the total amount. We are not currently in possession of evidence supporting that a previous payment of \$10k was made from the City to the Club related to this item.					
4/18/2016	1268	20,925.00			Pavillion Renovation
4/6/2015	N/A	10,925.00		Forsythe Construction Co.	Pavillion Renovation
			\$ 10,000.00		
Club invoice shows \$277.39 as "Tax/State Fees" and based on our review of other support, the City typically does not reimburse for taxes.					
3/15/2016	1191	3,112.38			Fertilizer
2/26/2016	Vendor Inv # 885834	3,112.38		Harrell's	Turf Repair
			\$ 277.39		
Sold To: City of Jackson Storm Water Management (rather than "Al Laffoon"). This is likely a typo, but there is no underlying support to be able to confirm.					
2/17/2017	1618	1,500.00			(City of Jackson Storm Water Management) 2017 Sponsorship
			\$ 1,500.00		
Potential overpayment of \$1,268.87 due to payment of JEA current charges, not amount due.					
6/22/2017	1802	1,576.92			AT&T Telephone
6/22/2017	1802	1,576.92			JEA Telephone
N/A	N/A	12.00		Jackson Energy Authority	JEA Telephone
N/A	N/A	1.30		Jackson Energy Authority	JEA Telephone
6/2/2017	N/A	294.75		AT&T	AT&T Telephone
			\$ 1,268.87		
Potential overpayment of \$378.30 due to the Club reimbursing for the tax portion of this expense.					
3/5/2019	2445-A	\$5,298.30			New Picnic Pavillion Sign
2/22/2019	N/A	\$4,920.00			
			\$ 378.30		
		Grand Total	\$ 15,274.56		

Potential Duplicate Payments Not Already Reimbursed by Generals

Invoice Date	Club Invoice #	Total Invoice Amount Paid	Overpayment Amount	Supporting Invoice Vendor	Invoice - Line Description
Duplicate Payment Issued - \$7,800 (WBBJ) - City Check #s 119665-B and 120376-B; Trade					
3/15/2017	1653	7,800.00			WBBJ Advertising April
12/19/2016	Vendor Inv # 2017-	7,800.00		WBBJ	Marketing Agreement
4/17/2017	1703	7,800.00			WBBJ Advertising April
12/19/2016	Vendor Inv # 2017-	7,800.00		WBBJ	Marketing Agreement
			\$ 7,800.00	Contract for \$39,000 (5 months); Per invoice data (6 months paid); \$46,800 was paid in total by the City	
Duplicate Payment Issued - \$190 (Practical Business Solutions) - City Check #s 123421-B and 125430-B					
8/17/2017		1,777.96			Google Apps
8/14/2017	Vendor Inv # 220	190.00		Practical Business Solutions	Google Apps
8/17/2017	1935	1,480.53			Google Apps
8/14/2017	Vendor Inv # 220	190.00		Practical Business Solutions	Google Apps
			\$ 190.00		
Duplicate Payment Issued - \$303 (TFG Memphis) - City Check #s 129874-B and 132759-B					
5/3/2018	2161	303.00			Ice Cream Machine Repair
4/23/2018	Vendor Inv # 084705	303.00		TFG Memphis LLC	Truck Trip Feb, Labor charge
9/12/2018	2324	303.00			Ice Cream Machine Repair
4/23/2018	Vendor Inv # 084705	303.00		TFG Memphis LLC	Truck Trip Feb, Labor charge
			\$ 303.00		
Duplicate Payment Issued - \$3,600 (PYRO Shows) - City Check #s 130448-B and 131592-B					
6/5/2018	2207	7,552.00			Fireworks 6/23/18
6/25/2018	No Vendor Invoice	3,600.00		PYRO Shows	Custom Aerial Fireworks Display
7/12/2018	2250	7,800.00			Fireworks 6/23/18
6/25/2018	Vendor Inv # 12807	3,600.00		PYRO Shows	Custom Aerial Fireworks Display
			\$ 3,600.00		
Duplicate Payment Issued - \$205 (Jackson Chamber) - City Check #s 109940-B and 110648-B					
2/12/2016	1152	265.00			Jackson Chamber Semi Annual Membership
3/15/2016	Vendor Inv # 60946	205.00		Jackson Chamber	Semiannual Membership Investment covering 03/01/2016 through 08/31/2016
3/15/2016	1194	805.00			Jackson Chamber Semi Annual Membership
3/15/2016	Vendor Inv # 60946	205.00		Jackson Chamber	Semiannual Membership Investment covering 03/01/2016 through 08/31/2016
			\$ 205.00		
		Grand Total	\$ 12,098.00		

Example: Potential Duplicate Payment



Jackson Baseball Club LP
4 Fun Place
Jackson, TN 38305

Invoice

Date: March 15, 2017
Invoice #: 1653

Salesperson:
Payment Terms:
Due Date:

Sold To: Al Laffoon
City of Jackson
101 East Main Street
Suite 102
Jackson, TN 38301

Stadium License & Use Agreement of 6/7/2011

Article

2-D

Jason Compton

3/15/17

Al Laffoon

Description	Quantity	Unit Price	Total
WBBJ Advertising-April	1	\$ 7,800.00	\$ 7,800.00

TOTAL \$ 7,800.00

Make all checks payable to:

Jackson Baseball Club LP

4 Fun Place

Jackson, TN 38305

Phone: 731-988-5299 * Fax: 731-988-5246

OK A.L. 3-21-17
P.O. #8242
110-41900-237

Example: Potential Duplicate Payment



Jackson Baseball Club LP
4 Fun Place
Jackson, TN 38305

Invoice

Date: April 17, 2017
Invoice #: 1703

Salesperson:
Payment Terms:
Due Date:

Sold To: Al Laffoon
City of Jackson
101 East Main Street
Suite 102
Jackson, TN 38301

Stadium License & Use Agreement of 6/7/2011

Article

7-0 ✓

Jason Compton
4/17/17

Al Laffoon

Description	Quantity	Unit Price	Total
WBBJ--Advertising April	1	\$ 7,800.00	\$ 7,800.00 ✓

TOTAL \$ 7,800.00

Make all checks payable to:

Jackson Baseball Club LP

4 Fun Place

Jackson, TN 38305

Phone: 731-988-5299 * Fax: 731-988-5246


OK A.L.
4-20-17

P.O. #8245

110-41900-237



Example: Potential Duplicate Payment

	Jackson Generals Professional Baseball Club 4 Fun Place, Jackson, TN 383065 Phone: 731-988-5299 Fax: 731-988-5246		Contract Number: 2017- Date: 12/19/16 Contract Status: Multi-year renewal						
	MARKETING AGREEMENT								
	The undersigned hereby contracts for Jackson Generals Advertising/Partnership for the 2017 season								
	Marketing Partner: WBBJ								
Contact:	Wayne Thing	Phone:	731-424-4515						
Address:	346 Muse St	Fax:							
		Email:	wthing@wbbj.tv						
City/State/Zip:	Jackson, TN 38305	JG Rep:	MP						
Item	Description	Quantity	Investment						
Signage	Tri-Vision	1	\$ 10,000.00						
Signage	Press Box	1	\$ 7,500.00						
Program	Full Page - Full Color Inside Front	1	\$ 4,500.00						
Promotion	Media Fireworks Show Sponsor	2	\$ 7,000.00						
Radio	:30 spot	1	\$ 1,500.00						
Other	Partial Suite Trade & 250 GA Vouchers	1	\$ 5,000.00						
Promotion	Jr. PA and :30 Video	1	\$ 3,500.00						
Investment Terms: <div style="float: right; text-align: right;"> <i>7800 March</i> <i>7800 April</i> </div> <table> <tr> <td>Total Investment:</td> <td>\$ 39,000.00</td> </tr> <tr> <td>Amount Paid:</td> <td>TRADE</td> </tr> <tr> <td>Amount Due:</td> <td>TRADE</td> </tr> </table> <div style="text-align: center; font-size: small;">(per contracted season)</div>				Total Investment:	\$ 39,000.00	Amount Paid:	TRADE	Amount Due:	TRADE
Total Investment:	\$ 39,000.00								
Amount Paid:	TRADE								
Amount Due:	TRADE								
Notes: Jackson Generals to receive trade of equal value in like cash advertising dollars.									
<small>This contract is non-cancelable and becomes of force upon acceptance by the Generals. Signature on this contract confirms that this contract has been read and is acceptable to the advertiser. The agreement shall commence upon execution. This agreement will automatically renew for successive one (1) year periods on October 1st, 2017, and each October 1st going forward, until one party provides written/email notice of termination prior to the end of the relevant term. Any charges due to changes in art requested by advertiser after art approvals and before contract term ends may be charged back to the advertiser. It is mutually understood that no agreement or promise has been made in reference to this contract that is not stated herein or attached hereto and that there is no verbal understanding of any kind that can in any way affect the terms of this contract.</small>									
Client Signature _____		Representative Signature: _____							
Title: _____		Title: _____							
Date: _____		Date: _____							

Additional Support for Duplicate Payment

Payments Made by City

1. 02/16/2017 - \$7,800
2. 03/15/2017 - \$7,800
3. 04/17/2017 - \$7,800
4. 05/01/2017 - \$7,800
5. 06/05/2017 - \$7,800
6. 07/03/2017 - \$7,800

\$46,800 Paid by the City

(\$39,000) Contract Total

\$7,800 Overpayment

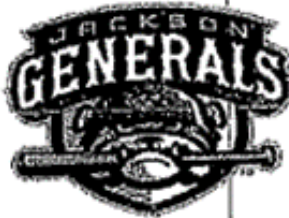
Procedures Performed Beginning 10/05/2020

- Further investigation regarding; but not limited to:
 - Pavilion and Bullpen Bar Renovation Expenses
 - Check Register versus Invoice Checks Discrepancy
 - Potential Overpayments and Duplicate Invoices
 - 2018 supporting documentation review

Pavilion and Bullpen Bar Renovation Expenses

- The Club submitted, and was reimbursed for, approximately \$56,000 of expenses associated with the construction/renovation of the Pavilion and Bullpen Bar.
 - Pavilion \$33,000 – Built in 2016
 - Bullpen Bar \$23,000 – Built in 2018
- Original support for Bullpen was a picture only
- Support received on 1/15/2021 includes Marketing Agreement and \$44,900 of construction costs from Bassett Enterprises.

Pavilion and
Bullpen Bar
Renovation
Expenses

 Jackson Baseball Club LP
4 Fun Place
Jackson, TN 38305

Invoice

Date: September 12, 2018
Invoice #: 2325

Salesperson:
Payment Terms:
Due Date:

Sold To: Al Laffoon
City of Jackson
101 East Main Street
Suite 102
Jackson, TN 38301

Stadium License & Use Agreement of 6/7/2011
Article 3-C
Jason Compton Al Laffoon
9/12/18

Description	Quantity	Unit Price	Total
Bullpen Bar Construction Cost	1	\$ 20,000.00	\$ 20,000.00

RECEIVED
2 3 4 5 6 7 8 9 10 11 12 AM

Vendor 27011 Inv \$ 20,000.00 Ck \$ 26,793.18
JACKSON BASEBALL CLUB LP Inv Date 9/12/2018 Ck Date 10/15/2018
Ck # 133000-B

Inv # 2325
JACKSON BALLPARK 20,000.00

315-44500-900

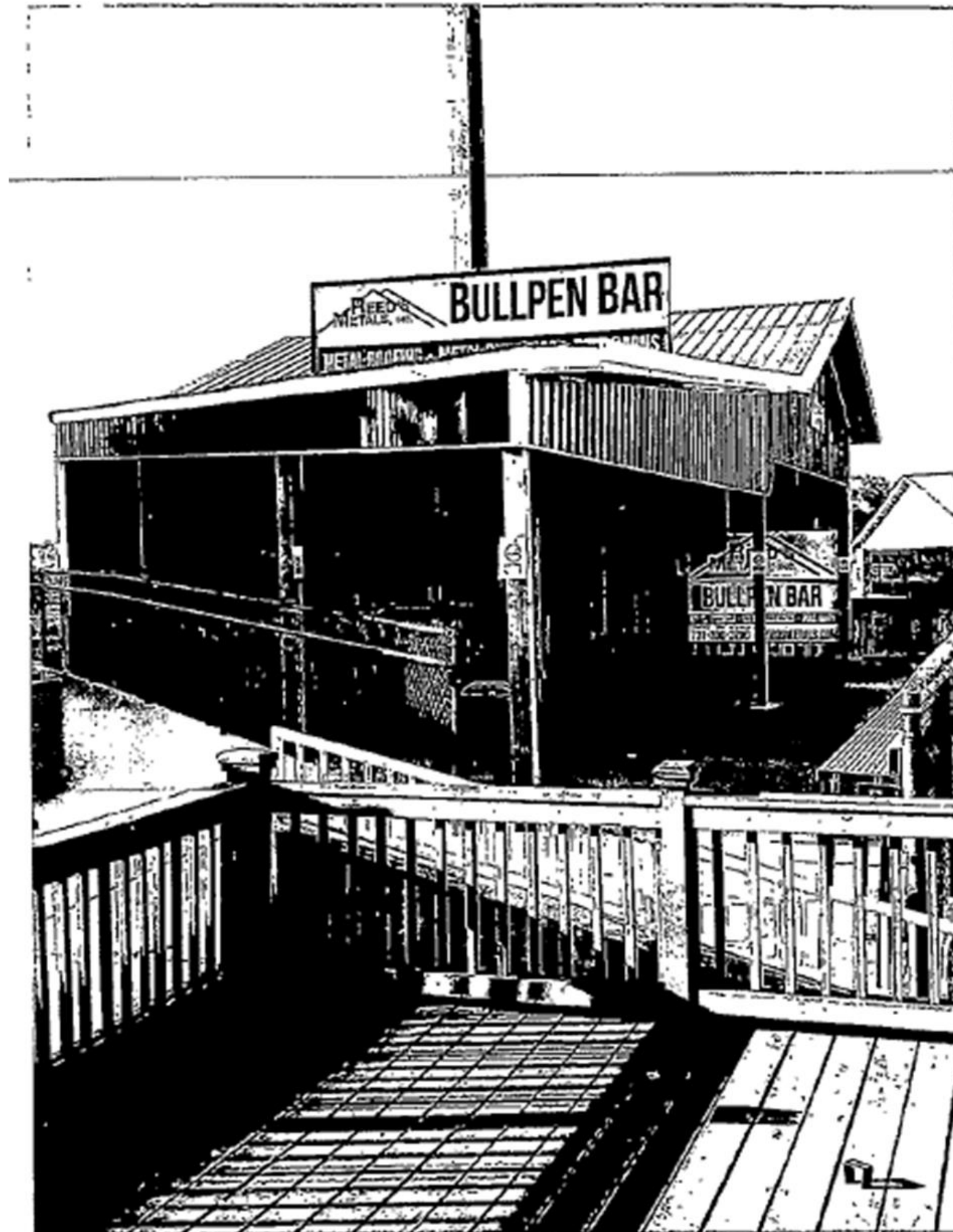
TOTAL \$ 20,000.00

Make all checks payable to:
Jackson Baseball Club LP
4 Fun Place
Jackson, TN 38305
Phone: 731-988-5299 * Fax: 731-988-5246



OK A.L.
10-5-18
315-44500-900

P.O. denied by Purchasing due to "after the fact" status, but Mayor overrode with his approval. This \$20k is covered by the \$50k Capital Budget, which actually was increased by \$44k amendment on 10/2.

Pavilion and Bullpen Bar Renovation Expenses



Pavilion and Bullpen Bar Renovation Expenses

 Jackson Generals Professional Baseball Club 4 Fun Place, Jackson, TN 383065 Phone: 731-988-5299 Fax: 731-988-5246		Contract Number: 2018-	
		Date:	
		Contract Status: Multi-year renewal	
		MARKETING AGREEMENT The undersigned hereby contracts for Jackson Generals Advertising/Partnership for the 2018 & 2019 season	
Marketing Partner: Reed's Metals			
Contact:	Heather Stiles	Phone:	731-300-3200
Address:	1070 S Highland Ave	Fax:	
		Email:	heather@reedsmetals.com
City/State/Zip:	Jackson, TN 38301	JG Rep:	Nick Hall
Item	Description	Quantity	Investment
Other	Bullpen Bar Naming Rights		\$ 18,000.00
Videoboard	Bullpen Bar Ad per game	70	included
<i>\$60k/year cash</i> <i>2 years</i>			
Investment Terms:	\$20,000 of construction cost to be taken into consideration as payment	Total Investment:	\$ 36,000.00
	2018 - \$0	Amount Paid:	\$ 20,000.00
	2019 - \$16,000	Amount Due:	\$ 16,000.00
(See investment terms to the left. Total due in 2019)			
Notes: Third year option (2020) at \$16,000 available with decision made by October of 2019. Generals will play one commercial per game drawing attention to the Reed's Metal Bullpen Bar per game. The bullpen bar, once constructed, will be property of the Generals, but sponsored by Reed's Metals for two years with an option of a third year at \$16,000.			
This contract is non-cancelable and becomes of force upon acceptance by the Generals. Signature on this contract confirms that this contract has been read and is acceptable to the advertiser. The agreement shall commence upon execution. Any charges due to changes in art requested by advertiser after art approvals and before contract term ends may be charged back to the advertiser. This contract will automatically renew for successive one year periods on October 31st, 2019, and each October 31st going forward until one party provides written/email notice of termination prior to the end of the relative term. It is mutually understood that no agreement or promise has been made in reference to this contract that is not stated herein or attached hereto and that there is no verbal understanding of any kind that can in any way affect the terms of this contract.			
Client Signature: 		Representative Signature: _____	
Title: <u>Partner</u>		Title: _____	
Date: <u>12-18-17</u>		Date: _____	

Pavilion and Bullpen Bar Renovation Expenses

Bassett Enterprise, LLC
974 Cooper Anderson Road
Jackson, TN 38305 US
(731)928-5711
bassetttheather7@gmail.com



BILL TO
Jackson Generals
4 Fun Place
Jackson, Tn 38305

INVOICE 1562

DATE 07/11/2018

DUE DATE 07/11/2018

ACTIVITY	QTY	RATE	AMOUNT
Deck installation Install 2 decks and demo old stadium seats.	1	32,500.00	32,500.00

TOTAL DUE

\$32,500.00

*Suite Flooring
10,000*

*2000
460*

*34,900
Decks*

44,900 Bassett Enterprise

Check Register v. Invoice Checks Discrepancy

Check Register Payments Not Present in the Club to City Invoices

Check Date	1/30/2015	7/15/2015	8/31/2015	4/15/2016	1/31/2017	6/15/2018	1/31/2019	6/30/2020	8/14/2020	Grand Total
Check Number	100395	104460	105456	111024	118241	130060	135531	147018	147644	
[Unknown GL Account Name]					\$1,800					\$1,800
Advertising (/Marketing)								\$19,923	\$11,369	\$31,292
Advertising Admin				\$1,500						\$1,500
Community Relations (& Infor)		\$31,315	\$1,217			\$57,572				\$90,103
Contractual Services	\$1,052	\$2,589	\$15,899			\$7,085	\$32,071			\$58,696
Furniture Fixtures			\$3,475							\$3,475
Marketing	\$6,945	\$29,773	\$21,660	\$54,408	\$10,367	\$24,061	\$9,556			\$156,771
Repair & Maint	\$1,776	\$6,232	\$5,447	\$13,936	\$2,013	\$6,965	\$2,378	\$2,850	\$26,938	\$68,534
Telephone	\$1,571	\$1,746	\$3,145	\$4,783	\$1,419	\$1,555	\$6,049	\$2,314		\$22,581
Grand Total	\$11,343	\$71,654	\$50,844	\$74,627	\$15,600	\$97,237	\$50,054	\$25,087	\$38,307	\$434,752

Procedures Performed Beginning 01/15/2021

- Requested to review documents such as bank statements, cancelled checks, detailed general ledger, accounting software, and third-party invoices for the 2018 calendar year
- Reviewed hard-copy invoices, expense and payment supporting documentation, etc. provided by the Club for January 1, 2018 through September 12, 2018
- **130 rows of data** entered and analyzed, compared previously missing support to newly-provided support

January 2021 Findings

- Previous analysis showed 2018 had over \$300,000 unsupported expenses submitted by, and reimbursed to, the Club
- Mr. Freeman agreed to provide documentation for 2018 fiscal year ending 09/30/2018
- New supporting documentation of **approximately \$30,000** satisfied **previously-unsupported invoices** that the Club submitted to the City.
- To date, October 1, 2017 – December 31, 2017 documentation for expenses have not yet been received
- Club refunded an additional \$7,318 of duplicate reimbursements on 01/11/2021

Investigation Report

- After a detailed review of expenses for 2018, approximately \$300,000 of expenses submitted to, and reimbursed by, the City remain unsupported
- Approximately \$3,000,000 of 2012 – 2020 expenses remain unsupported
- In aggregate, the Club has reimbursed the City for \$15,841 during this investigation, related to duplicative expenses they previously submitted
- City will seek reimbursement for potentially \$27,000 of overpayments and duplicative invoices

Investigation Report

- In the 2011 lease agreement, the City and the Generals agreed that the City would “reimburse” the Generals for a wide range of expenses.
- In practice, the prior administration paid reimbursements to the Generals when requested without verification and, in some instances, without documentation.
- The Generals failed to provide commercially acceptable accounting records of the reimbursements for 2018 fiscal year.
- The prior administration failed to require verification of reimbursement requests or institute accounting for transparent reporting to council and public on the amount the City paid to the Generals.

Investigation Report

- We requested documentation for all reimbursement requests for one full fiscal year, from October 1, 2017 – September 30, 2018.
- We received some documentation related to the January 1, 2018 – September 30, 2018 time period.
- We never received any documentation from the Generals for the remainder of the 2017-2018 fiscal year.
- The Generals failed to provide bank statements, check register or detailed general ledger or invoices from 3rd party vendors supporting the reimbursement request

Solutions Already Implemented by Mayor Conger: Purchasing Procedures

Purchasing Procedures from 07/01/2016 – 06/30/2020	Current Purchasing Procedures as of 07/01/2020
All items over \$7,000 require three written quotes and purchasing order prior to purchase.	All items \$2,001 - \$7,000 must submit requisition via e-mail to the Purchasing Department prior to buying the item.
All items over \$25,000 require three sealed bids approved by the Purchasing Department.	All items \$7,001 - \$24,999 require three written quotes and purchasing order prior to purchase.
	All items over \$25,000 require three sealed bids approved by the Purchasing Department.

Solutions Already Implemented by Mayor Conger: Internal Auditor Hire

Tawanika McKinney, MBA

- Extensive experience with the State of Tennessee and internal audit functions
- Hire date: December 14, 2020

Internal Audit Control Procedures

- Review contract renewals and amendments
- Ensure proposed amendments will be reviewed by city attorney and presented to city council prior to implementation
- Periodic department review to ensure fiscal compliance

Contact Info

ADDRESS

88 Union Avenue Floor 14 Memphis, TN 38103

PHONE NUMBER

(901) 737-7740

EMAIL ADDRESS

acrone@cronelawfirmplc.com





Questions?