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House of Representatives State of Tennessee

NASHVILLE

December 6, 2017

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To: The Honorable Bill Haslam, Governor State of Tennessee

Mr. Clayton Byrd, Executive Director, Tennessee Alcoholic Beverage Commission

Subject: Request to Consider the Continued Service of Long Standing Members of the
Alcoholic Beverage Commission Unable to Resolve Significant Findings from 2007

Dear Governor Haslam and Director Byrd:

The Government Operations Joint Subcommittee on Education, Health, and General Welfare met on December 14, 2016 to conduct a review of the Tennessee Alcoholic Beverage Commission pursuant to Tenn. Code Ann., Title 4, Chapter 29.

During its review of the Commission, the Subcommittee took notice of the Commission's repeated audit findings concerning confiscated evidence and conflicts of interest. Specifically, the following findings were part of the Comptroller's November 2016 Performance Audit Report concerning the Commission:

Finding 1. As noted in the 2007 financial and compliance audit, the Tennessee Alcoholic Beverage Commission did not maintain proper internal controls over confiscated evidence, increasing the risk that evidence misappropriation or misuse will not be prevented, detected or corrected.

Finding 4. As noted in the 2007 audit, the Tennessee Alcoholic Beverage Commission did not develop adequate conflict-of-interest policies and forms or enforce its existing policy, increasing the risk that conflicts of interest will not be prevented, detected, or addressed timely.

Further, it was brought to the Subcommittee's attention that one or more members who served on the Commission in 2007 continue to serve on the Commission. While the Subcommittee anticipates that corrective measures described by the Commission's recently-appointed Executive Director will resolve Findings 1 and 4, the Subcommittee respectfully requests that you consider whether the continued service of members who were unable to resolve significant findings during a period spanning nearly a decade best serves the Commission's statutory responsibilities and the public interest.

Sincerely,

A handwritten signature in black ink that reads 'John D. Ragan'.

John D. Ragan
Chair, Joint Subcommittee of Education, Health, and General Welfare

Cc: list on following page

The Honorable Beth Harwell, Speaker of the Tennessee House of Representatives
Senator Mike Bell, Chair, Senate Government Operations Committee
Representative Jeremy Faison, Chair, House Government Operations Committee
Senator Janice Bowling, Vice-Chair, Joint Subcommittee of Education, Health, and General Welfare
Senator Paul Bailey, Joint Subcommittee of Education, Health, and General Welfare
Senator Rusty Crowe, Joint Subcommittee of Education, Health, and General Welfare
Senator Ed Jackson, Joint Subcommittee of Education, Health, and General Welfare
Senator Brian Kelsey, Joint Subcommittee of Education, Health, and General Welfare
Senator Kerry Roberts, Joint Subcommittee of Education, Health, and General Welfare
Representative Glen Casada, Joint Subcommittee of Education, Health, and General Welfare
Representative John Ray Clemmons, Joint Subcommittee of Education, Health, and General Welfare
Representative Craig Fitzhugh, Joint Subcommittee of Education, Health, and General Welfare
Representative Curtis Halford, Joint Subcommittee of Education, Health, and General Welfare
Representative Dan Howell, Joint Subcommittee of Education, Health, and General Welfare

