



KINGDOM DOMINION WORLDWIDE MINISTRIES, INC.

Special Investigation
May 2, 2016

Justin P. Wilson, Comptroller





**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY**

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Justin P. Wilson

Comptroller of the Treasury

May 2, 2016

Dr. Raquel Hatter, Commissioner
Department of Human Services
400 Deaderick Street
Nashville, TN 37243-1403

Dear Commissioner Hatter:

The Office of the Comptroller of the Treasury, in conjunction with the Tennessee Bureau of Investigation, conducted a special investigation of selected records of the Kingdom Dominion Worldwide Ministries, Inc., and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Haslam, the State Attorney General, the District Attorney General, certain state legislators, and various other interested parties. A copy is available for public inspection in our office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin P. Wilson".

Comptroller of the Treasury

JPW/RAD

SPECIAL INVESTIGATION

Kingdom Dominion Worldwide Ministries, Inc.

The Office of the Comptroller of the Treasury, in conjunction with the Tennessee Bureau of Investigation, investigated allegations of malfeasance related to the Tennessee Department of Human Services Summer Food Service Program for Children grant to Kingdom Dominion Worldwide Ministries, Inc., in Memphis.

INVESTIGATIVE RESULTS

- **Summer food program grant funds totaling \$162,165 diverted for personal use**

During the period June 2014 through July 2014, Jeannette Jives-Nealy misappropriated \$162,165 in federal grant funds. Ms. Jives-Nealy, doing business as Kingdom Dominion Worldwide Ministries, Inc. (Kingdom), received funds through the Summer Food Service Program for Children (SFSP), a United States Department of Agriculture program administered by the Tennessee Department of Human Services. The program was intended to provide meals during summer months free of charge to children living in economically disadvantaged areas, helping to ensure they received nutritious meals when school was not in session.

Ms. Jives-Nealy received SFSP grant advances totaling over \$122,000 based on projections that Kingdom would serve 33,800 meals to children each month during June and July 2014. She received an additional reimbursement of almost \$40,000, after claiming Kingdom actually served more than 40,500 meals in June 2014. Ms. Jives-Nealy did not supply any credible documentation to the Tennessee Department of Human Services verifying that Kingdom was actually acquiring, preparing, and providing food to children.

In July 2014 when Comptroller auditors attempted to arrange a site visit to monitor the food program, Ms. Jives-Nealy advised them that she was discontinuing the program as of that day. Later, when Comptroller auditors met with Ms. Jives-Nealy in an attempt to review Kingdom records required for documenting that meals were actually provided to children, Ms. Jives-Nealy claimed that as a result of plumbing issues, the records had been destroyed by flooding that morning. When the auditors toured the room where Ms. Jives-Nealy claimed the flooding had occurred, however, there was no visible evidence of water or water damage. In addition, building maintenance personnel advised that there had been no plumbing, roof, or other type of leak in the building that day.

Kingdom bank records clearly documented that Ms. Jives-Nealy did not use proceeds from the grant to purchase food or otherwise provide a summer food program for children. Rather, the bank records revealed large cash withdrawals, large payments to Jeannette Jives-Nealy, frequent debit card purchases for retail items and travel, and numerous ATM cash withdrawals, as well as a transfer totaling almost \$25,000 into a personal savings account.

At the time of this scheme, Ms. Jives-Nealy was on court-ordered probation related to a 2007 Florida conviction for theft and racketeering. According to a 2007 press release from Florida's chief financial officer and the State Attorney for the 10th Judicial Circuit, Ms. Jives-Nealy, along with another family member, was convicted of fraudulently obtaining and misusing more than \$200,000 from school voucher program funds and funds from the national school lunch and breakfast programs. The court sentenced Ms. Jives-Nealy to just over four years in prison followed by 10 years of probation. During the probation period, the court banned Ms. Jives-Nealy from applying for any state or federal funding.

Tennessee Department of Human Services records revealed that Ms. Jives-Nealy's son, Demario Jives, was listed as the Kingdom representative for the SFSP. When investigators spoke with Ms. Jives-Nealy, she insisted that her son operated the food program and that she had no part in the operation. She did acknowledge that she attended SFSP training events and made numerous telephone calls to the Tennessee Department of Human Services with inquiries about the program. As noted previously, Ms. Jives-Nealy was also the individual that represented Kingdom when Comptroller auditors attempted to obtain required documentation. Although Ms. Jives-Nealy conceded that SFSP grant funds were deposited into a bank account that also contained donations to Kingdom church, she insisted that she never received SFSP funds herself. She contended that she received a salary consisting entirely of church donations. Bank records revealed, however, that in addition to the numerous cash withdrawals and debit card purchases, Ms. Jives-Nealy personally received direct payments totaling nearly \$30,000 from food program funds.

The schedule below sets forth the payments received by Kingdom to provide meals to children, all of which Jeannette Jives-Nealy converted to her personal use:

Type	Date	Amount
Advance - June 2014 Administrative	06/23/14	\$ 8,385.00
Advance - June 2014 Meals	06/23/14	52,711.00
Reimbursement for June 2014 Meals	07/15/14	39,973.89
Advance - July 2014 Administrative	07/16/14	8,385.00
Advance - July 2014 Meals	07/16/14	<u>52,711.00</u>
	Total	<u>\$162,165.89</u>

The Department of Human Services, as the pass-through entity of SFSP funds to subrecipients, was responsible for training, monitoring, and oversight of Kingdom's operations by ensuring Kingdom complied with state and federal requirements to deliver meals to eligible participants.

In October 2014, the Department of Human Services issued a letter to Kingdom Dominion Worldwide Ministries, Inc., demanding a full repayment of the grant amount.

These matters were referred to the local district attorney general. On April 26, 2016, the Shelby County Grand Jury indicted Jeannette Jives-Nealy on one count of Theft over \$60,000.