



P.O. Box 1468  
KNOXVILLE, TENNESSEE 37901-1468

PHONE 865-215-2515  
FAX 865-215-4253

**Randall E. Nichols**  
District Attorney General

August 11, 2008

COPY OF LETTER WITH ATTACHMENTS SENT TO THE FOLLOWING:

KNOX COUNTY JUDGES  
KNOX COUNTY COMMISSION  
KNOX COUNTY LAW DIRECTOR JOHN OWINGS  
KNOX COUNTY LAW DIRECTOR – ELECT BILL LOCKETT  
KNOX COUNTY MAYOR MIKE RAGSDALE  
ATTORNEY FOR COUNTY COMMISSION DON BOSCH

This is to advise you that Attorney General Robert E. Cooper, Jr. has been appointed under state law to take responsibility to investigate all matters and conduct any proceedings relative to the handling and possible misuse of Knox County funds, possible conflicts of interest and possible official misconduct within the administrative branch of Knox County government in violation of the laws of Tennessee and/or the Knox County Charter. The Attorney General and his staff will focus primarily on the use of grant funds and on audits of the mayor's hospitality funds, county purchasing card charges and expense reimbursements, and travel expenses. This will include fulfilling the legal obligations to advise citizens seeking to bring an ouster suit.

The appointment of Attorney General Cooper is not meant to convey any conclusion as to whether or not laws have been violated or that a legal action will or will not be taken. Those are all matters to be determined by the Attorney General. Bill Bright previously designated to handle allegations regarding Cynthia Finch will continue to work on that matter under the direction of the Attorney General, who has appointed Mr. Bright to be involved in the entire investigation. Communications about these matters in the future should be made directly to the Attorney General's Office.

Enclosed are copies of documents relevant to the appointment of the Attorney General to handle these matters.

Very truly yours,

Randall E. Nichols  
District Attorney General  
6<sup>th</sup> Judicial District



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**Randall E. Nichols**  
District Attorney General

August 8, 2008

Robert E. Cooper, Jr.  
Attorney General and Reporter  
Cordell Hull and John Sevier State Office Bldg.  
P.O. Box 20207  
Nashville TN 37202

Dear General Cooper:

I appreciate your agreeing to investigate the questions that have arisen concerning spending practices of Knox County officials and employees, as documented in recent audit reports. As you know, these questions have adversely impacted public confidence in the operation of Knox County government, and I appreciate your understanding that a prompt review of those practices by an office independent from Knox County government, regardless of its outcome, should begin to restore some of that confidence.

From our conversations, I understand that you intend to devote the resources of your office necessary to bring this matter to a conclusion as soon as reasonably possible. I also understand that Shelby County Assistant District Attorney General William Bright will continue to participate in the investigation. I have great confidence in the team of excellent lawyers and investigators that has now been assembled to conduct this investigation.

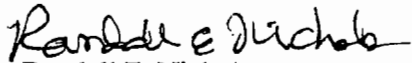
I have instructed my staff to file the documents needed to formalize my delegation of authority to you and your office to handle this matter. As soon as those documents are filed, copies will be sent to you and other interested persons, including the Knox County Mayor, the Knox County Commission, the current County Law Director, the County Law Director-Elect (as of September 1) and the attorneys appointed to advise the Knox County Commission of your appointment. As we also discussed, I will have copies of our letters and the appointment documents available for the news media.

August 8, 2008

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On behalf of my office and the citizens of this county, I appreciate your office's responsiveness in this critical time for Knox County, and I again thank you for your office's invaluable assistance in this matter.

Very truly yours,

A handwritten signature in black ink that reads "Randall E. Nichols". The signature is written in a cursive style with a large initial "R".

Randall E. Nichols  
District Attorney General

NOTICE TO KNOX COUNTY COURTS  
OF THE  
APPOINTMENT OF ATTORNEY GENERAL AND REPORTER  
TENN. CODE ANN. § 8-7-106(b)(4)

IN RE: CONDUCT OF PROCEEDINGS RELATIVE TO ALLEGATIONS OF VIOLATIONS  
OF STATE LAW AND THE KNOX COUNTY CHARTER ARISING OUT OF THE  
HANDLING OF KNOX COUNTY FUNDS WITHIN THE ADMINISTRATIVE BRANCH OF  
KNOX COUNTY GOVERNMENT

Attached is the Appointment of Robert E. Cooper, Jr., Attorney General and Reporter for the State of Tennessee, his deputies and assistants pursuant to Tenn. Code Ann. § 8-7-106(b)(4) to investigate all matters and conduct any proceedings relative to the handling and possible misuse of Knox County funds, possible conflicts of interest and possible official misconduct within the administrative branch of Knox County government in violation of the laws of Tennessee and/or the Knox County Charter. The Attorney General and his staff will focus primarily on the use of grant funds and on audits of the mayor's hospitality funds, county purchasing card charges and expense reimbursements, and travel expenses. Attorney General Cooper will appoint William Bright, Assistant District Attorney General for the 30<sup>th</sup> Judicial District to assist in the entire investigation under the direction of the Attorney General.

In addition, the Attorney General and Reporter will be handling any other matters, for which his office has independent statutory authority. Having previously recused itself the Knox District Attorney General's Office will not be participating in the above listed matters.



RANDALL E. NICHOLS  
DISTRICT ATTORNEY GENERAL  
SIXTH JUDICIAL DISTRICT OF TENNESSEE

APPOINTMENT OF ATTORNEY GENERAL AND REPORTER  
TENN. CODE ANN. § 8-7-106(b)(4)


IN RE: CONDUCT OF PROCEEDINGS RELATIVE TO ALLEGATIONS OF VIOLATIONS  
OF STATE LAW AND THE KNOX COUNTY CHARTER ARISING OUT OF THE  
HANDLING OF KNOX COUNTY FUNDS WITHIN THE ADMINISTRATIVE BRANCH OF  
KNOX COUNTY GOVERNMENT

I, Randall E. Nichols, District Attorney General for the Sixth Judicial District of the State of Tennessee, pursuant to the authority under Tenn. Code Ann. § 8-7-106(b)(4) and with the consent of Robert E. Cooper, Jr., Attorney General and Reporter for the State of Tennessee (“Attorney General”), do hereby appoint the Attorney General and his deputies and assistants to investigate all matters and conduct any proceedings pursuant to this section, relative to the handling and possible misuse of Knox County funds, possible conflicts of interest and possible official misconduct within the administrative branch of Knox County government in violation of the laws of Tennessee and/or the Knox County Charter. The investigation and any subsequent proceedings shall focus primarily on the use of grant funds and on audits of the mayor’s hospitality funds, county purchasing card charges and expense reimbursements, and travel expenses. In appointing the Attorney General and his deputies and assistants, I hereby delegate to them all of the authority to conduct such investigations and to pursue any cases that I as District Attorney General would possess in conducting the same activities including, but not limited to, requesting investigative assistance from the Tennessee Bureau of Investigation, granting use and other immunity to potential witnesses, obtaining grand jury subpoenas to obtain documents and other evidence, signing of any indictments, and the full authority to decide on the disposition of any cases that may arise from the aforementioned investigation.

In addition, having recused my office from any of these matters in documents previously filed with the Knox County courts, I acknowledge that the Attorney General and Reporter will be handling any other matters, for which each of our offices have concurrent independent statutory authority, without the participation of the Office of the District Attorney General for the Sixth Judicial District.


In exercising the powers, duties and authority that are granted hereunder, the Attorney General is authorized to delegate such powers, duties and authority to one or more of his deputies and assistants as he deems necessary and appropriate.

This appointment is effective immediately and shall remain in full force and effect until revoked in writing by me or my designee.

  
\_\_\_\_\_  
RANDALL E. NICHOLS  
DISTRICT ATTORNEY GENERAL  
SIXTH JUDICIAL DISTRICT OF  
TENNESSEE

Aug 11, 2008  
DATE

ACCEPTED:

  
\_\_\_\_\_  
ROBERT E. COOPER, JR.  
ATTORNEY GENERAL AND REPORTER

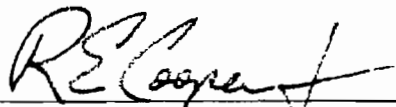
August 11, 2008  
DATE

APPOINTMENT OF ASSISTANT DISTRICT ATTORNEY GENERAL  
WILLIAM C. BRIGHT  
TENN. CODE ANN. § 8-7-106(b)(5)

IN RE: CONDUCT OF PROCEEDINGS RELATIVE TO ALLEGATIONS OF VIOLATIONS  
OF STATE LAW AND THE KNOX COUNTY CHARTER ARISING OUT OF THE  
HANDLING OF KNOX COUNTY FUNDS WITHIN THE ADMINISTRATIVE BRANCH OF  
KNOX COUNTY GOVERNMENT

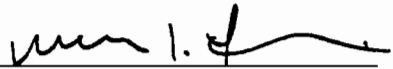
I, Robert E. Cooper, Jr., Attorney General and Reporter for the State of Tennessee, pursuant to the authority under Tenn. Code Ann. § 8-7-106(b)(5) and with the consent of William L. Gibbons, District Attorney General for the 30th Judicial District of the State of Tennessee, do hereby appoint William C. Bright, Assistant District Attorney General for the 30th Judicial District, to participate in the investigation, any trials and direction of proceedings relative to the handling and possible misuse of Knox County funds and possible official misconduct within the administrative branch of Knox County government in violation of the laws of Tennessee and/or the Knox County Charter and possible conflicts of interest. The investigation, any trials and proceedings shall focus primarily on matters related directly and indirectly to the use of grant funds and on audits of the mayor's hospitality funds, county purchasing card charges and expense reimbursements, and travel expenses.

This appointment is effective immediately and shall remain in full force and effect until revoked in writing by me or my designee.

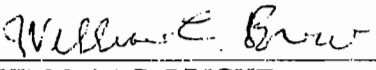
  
\_\_\_\_\_  
ROBERT E. COOPER, JR.  
ATTORNEY GENERAL AND REPORTER

8-11-08  
\_\_\_\_\_  
DATE

ACCEPTED:

  
\_\_\_\_\_  
WILLIAM L. GIBBONS  
DISTRICT ATTORNEY GENERAL  
30th JUDICIAL DISTRICT

DATE 8/17/08

  
\_\_\_\_\_  
WILLIAM C. BRIGHT  
ASSISTANT DISTRICT ATTORNEY GENERAL  
30th JUDICIAL DISTRICT

DATE 8/11/08

STATE OF TENNESSEE

Office of the Attorney General



**ROBERT E. COOPER, JR.**  
ATTORNEY GENERAL AND REPORTER  
CORDELL HULL AND JOHN SEVIER STATE  
OFFICE BUILDINGS

MAILING ADDRESS  
P.O. BOX 20207  
NASHVILLE, TN 37202

**MICHAEL E. MOORE**  
SOLICITOR GENERAL

TELEPHONE (615) 741-3491  
FACSIMILE (615) 741-2009

**LUCY HONEY HAYNES**  
CHIEF DEPUTY ATTORNEY GENERAL

**LAWRENCE HARRINGTON**  
CHIEF POLICY DEPUTY

August 6, 2008

Honorable Randall Eugene Nichols  
Knox County District Attorney General  
6<sup>th</sup> Judicial District  
P.O. Box 1468  
Knoxville, TN 37901-1468

RE: Knox County investigations

Dear General Nichols:

Our offices have been conferring for the past several weeks regarding the ongoing controversy in Knox County related to various financial management issues. In light of those discussions, we have agreed that this office is best suited to investigate and, if appropriate, undertake legal action in these matters, as you have requested. We understand that your office works on a daily basis with Knox County officials affected by this investigation and receives much of its funding from Knox County, and therefore you have removed yourself from the investigation to avoid any appearance of conflict. We agree with you that an office like mine, independent of Knox County government and with expertise in the law applicable to these matters, should take over these investigations to insure public confidence in the disposition of these matters.

We understand that this investigation will involve all potential violations and remedies relating to the alleged improper handling of Knox county finances and possible conflicts of interest. Several of these issues have been the subject of audits reviewing transactions related to travel, purchasing cards and hospitality funds, as well as a forthcoming audit on grants. While the subjects covered by these audits will be the primary focus of the investigation, we would also be authorized to review any related matters which might arise in the course of the investigation. In addition, pursuant to the power granted to my office under Tenn. Code Ann. § 8-47-101 et seq., we will examine the request for ouster filed with your office on June 5 by ten freeholders and fulfill the obligations due them under that statute.

Your office has previously appointed William C. Bright, an assistant district attorney from the Thirtieth Judicial District (Shelby County) and the head of that office's white collar crime division, to investigate financial management issues related to former Knox County Senior

Letter to Randall Eugene Nichols

August 6, 2008

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Community Services Director Cynthia Finch. General Bright is an excellent prosecutor with substantial experience in these types of cases, and we will expand his appointment so that he can work with this office on all aspects of the investigation.

This investigation will be conducted by the Law Enforcement and Special Prosecutions Division in my office. Your office has already provided us with copies of audits and other information related to the investigation. I would appreciate your forwarding to Deputy Attorney General Mike Meyer, the head of that division, any additional information which you think might be helpful as we go forward.

I have enclosed documents that will formalize this arrangement. We both agree that it would be appropriate for your Office to provide copies of this letter and enclosed documents to the county mayor, members of the county commission, and the persons who submitted the ouster request to your office, and for copies to be provided to the press and posted on our offices' web sites in order to inform the public.

Yours very truly,

A handwritten signature in black ink, appearing to read "RE Cooper, Jr.", with a stylized flourish at the end.

Robert E. Cooper, Jr.  
Attorney General and Reporter

REC/csb