



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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July 21, 2015

Don Stenberg, Nebraska State Treasurer
Nebraska State Treasurer
State Capitol, Room 2005
Lincoln, NE 68509-4788

Courtney Phillips, Chief Executive Officer
Nebraska Department of Health and Human Services
301 Centennial Mall South, 3rd Floor
Lincoln, NE 68509-5026

Greg Ibach, Director
Nebraska Department of Agriculture
301 Centennial Mall South, 4th Floor
Lincoln, NE 68509-4947

Dear Ms. Phillips, Mr. Ibach and Mr. Stenberg:

This letter is provided pursuant to AICPA Auditing Standards AU-C Section 265.A17, which permits the early communication of certain audit findings due to their significance and the urgent need for corrective action.

The audit work addressed herein was performed as part of the fiscal year 2015 Comprehensive Annual Financial Report (CAFR) and Statewide Single (Single) audits. This communication is based on our audit procedures through June 30, 2015. Because we have not completed our audits of the fiscal year 2015 CAFR or Single, additional matters may be identified and communicated in our final reports.

In planning and performing our audits of the financial statements, we considered the State's internal control over financial reporting (internal control) as a basis for designing audit procedures for the purpose of expressing our opinions on the financial statements of the State, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

We noted certain internal control or compliance matters related to the activities of the Nebraska Department of Health and Human Services (DHHS), Nebraska Department of Agriculture (Agriculture), and the Nebraska State Treasurer (State Treasurer), or other operational matters, that are presented below for your consideration. The following comments and recommendations, which have been discussed with the appropriate members of DHHS, Agriculture, and the State Treasurer's management, are intended to improve internal control or result in other operating efficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Comment Number 1 (Nebraska WIC Program) to be a significant deficiency.

The comment will also be reported in the State of Nebraska's Statewide Single Audit Report – Schedule of Findings and Questioned Costs.

For the sake of security, the related bank account numbers were removed from this letter.

Draft copies of this letter were furnished to DHHS, Agriculture, and the State Treasurer to provide management with an opportunity to review and to respond to the comments and recommendations contained herein. All formal responses received have been incorporated into this letter. Responses have been objectively evaluated and recognized, as appropriate, in the letter. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next audit.

In essence, this letter explains that a contractor operated bank accounts under the State's Federal Tax Identification Number (FTIN) and, in some cases, without the knowledge of the State Treasurer. In addition to not being reflected on either the State Treasurer's official bank records or the State of Nebraska's official financial records, these accounts were not maintained under the State Treasurer's control to ensure they were properly secured.

Comments and Recommendations

1. Nebraska WIC Program

In 1972, Congress established the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC Program). The Nebraska WIC Program was implemented some three years later. Participating states receive a certain allocation of Federal funds from the United States Department of Agriculture (USDA). The Nebraska Department of Health and Human Services (DHHS) administers the program, which includes ensuring the funds were received and spent appropriately. DHHS also provides grants to local agencies operating WIC Program clinics throughout Nebraska.

The WIC Program provides education and food assistance to the following participants:

- Women – Those who are pregnant, breastfeeding, or recently had a child.
- Infants – Up through 12 months.
- Children – Ages one to five.

These participants must also meet certain eligibility criteria, including the following:

1. Fall within specific income guidelines.
2. Reside in the State of Nebraska.
3. Have been determined to be at risk nutritionally by a nurse or qualified nutritionist through a health and diet assessment.

Each WIC Program participant receives printed checks that are redeemable at approved Nebraska retailers for certain authorized food purchases. In addition to the participant’s name and ID number, the checks include identification of the Nebraska WIC Program, valid dates of use, and the specific authorized foods that can be purchased.

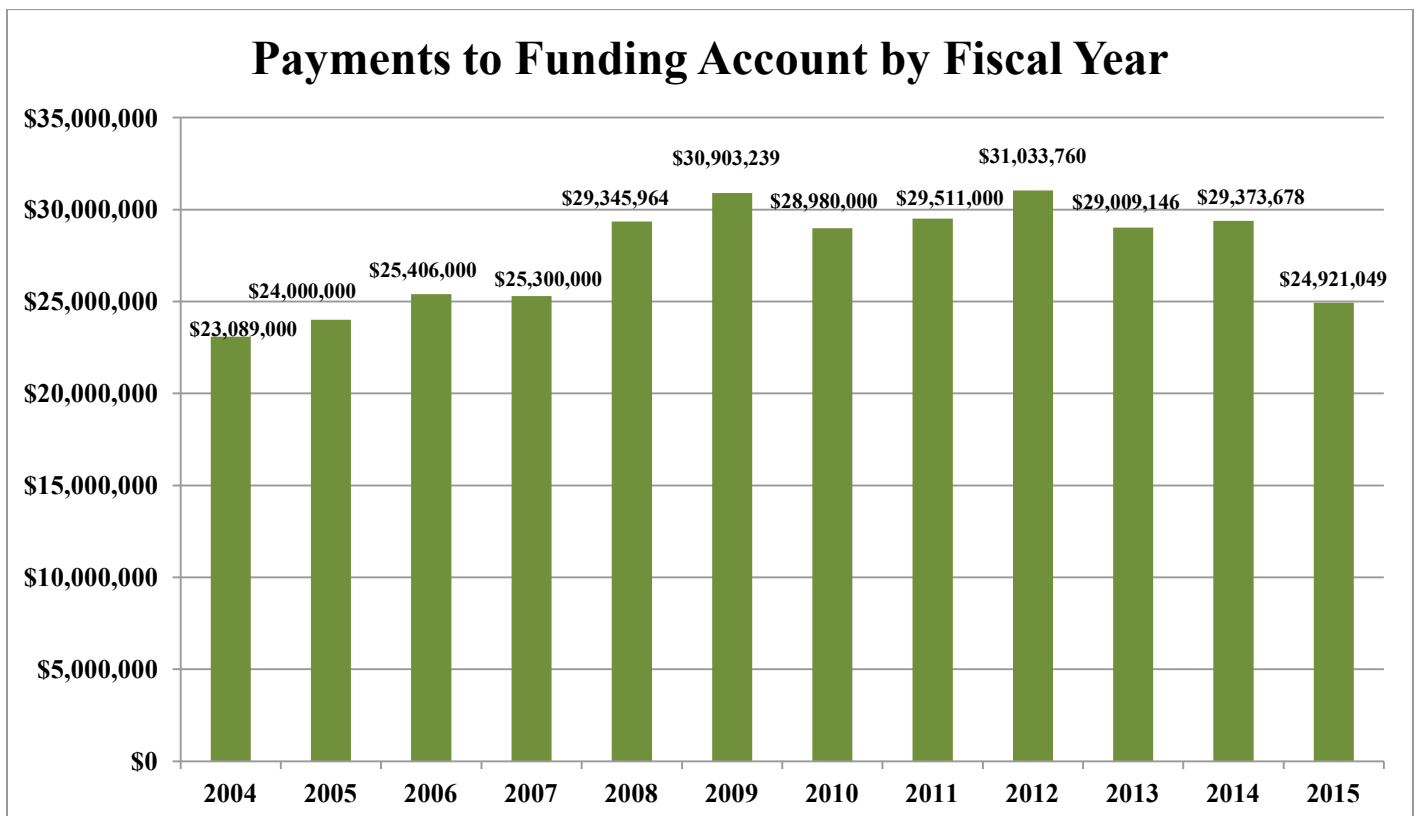
Since 1997, the State of Nebraska and DHHS have contracted with Solutran, a Minnesota-based company, to perform the State’s WIC Program payment processing. Currently, Solutran provides WIC Program payment processing for at least 19 states.

WIC Funding Account

As of May 5, 2015, Solutran controlled two different WIC Program bank accounts under the State’s FTIN. The first bank account, referred to as the “funding account,” held monies routinely transferred from the State in order to fund the WIC checks processed by Solutran.

After receiving documentation related to this account, certain questions were raised regarding its ownership. As documented in prior audits related to the WIC Program, both DHHS and Department of Administrative Services (DAS) staff routinely identified this funding account as a Solutran bank account – not as a State of Nebraska bank account.

Since July 2003, DHHS has transferred over \$330 million dollars to the funding account through the State’s accounting system, as illustrated by the chart below.



Note: Per State’s accounting system, as of May 12, 2015.

After receipt of the original bank signature card for the funding account, the APA noted the following issues:

Bank Signature Card Not Updated

The funding account used the State of Nebraska’s FTIN, indicating that the account belonged to the State – not to Solutran, as maintained by DHHS and DAS staff alike.

The authorized signature card for the funding account had not been updated since its original creation in 1997. Signers on the account included Dave Heineman, Lorelee Byrd, Dave Phipps, and Mary Brock, none of whom have worked for the State Treasurer’s office since January 2004.

In fact, three different State Treasurers – Ron Ross, Shane Osborn, and Don Stenberg – have held office since the funding account signature card was last signed. A copy of the original 1997 signature card is included as **Attachment A**.

Based solely upon this severely outdated signature card, hundreds of millions of dollars have been transferred from the funding account for almost two decades. During that time, even after they had long ceased employment with the State, any of the former signatories could have withdrawn funds from the account.

Operating Bank Outside the State of Nebraska

The funding account, owned by the State of Nebraska but administered by Solutran, has been maintained in a Minnesota-based bank, Citizens Alliance Bank, Howard Lake, MN, 55349.

Neb. Rev. Stat. § 77-2301(1) (Reissue 2009) requires the following:

The State Treasurer shall deposit, and at all times keep on deposit for safekeeping, in the state or national banks, or some of them doing business in this state and of approved standing and responsibility, the amount of money in his or her hands belonging to the several current funds in the state treasury. Any bank may apply for the privilege of keeping on deposit such funds or some part thereof.

According to the State Treasurer, any bank holding State funds must be licensed to do business in the State of Nebraska, which the Citizens Alliance Bank is not.

Pledged Collateral

Based upon the sparse available documentation, it appears that the deposits in the funding account were not properly secured by either Federal Deposit Insurance Corporation (FDIC) coverage or adequate pledged collateral. During fiscal year 2015, the bank statements indicated the amount in the accounts was over \$250,000 on numerous days. See **Attachment B** for the February and March 2015 account balances over \$250,000. It is very likely that the other months also had balance that exceeded the \$250,000.

Neb. Rev. Stat. § 77-2398(1) (Cum. Supp. 2014) sets out the following pledged collateral requirements:

As an alternative to the requirements to secure the deposit of public money or public funds in excess of the amount insured or guaranteed by the Federal Deposit Insurance Corporation pursuant to sections 77-2389 and 77-2394, a bank, capital stock financial institution, or qualifying mutual financial institution designated as a public depository may secure the deposits of one or more governmental units by providing a deposit guaranty bond or by depositing,

pledging, or granting a security interest in a single pool of securities to secure the repayment of all public money or public funds deposited in the bank, capital stock financial institution, or qualifying mutual financial institution by such governmental units and not otherwise secured pursuant to law, if at all times the total value of the deposit guaranty bond is at least equal to the amount on deposit which is in excess of the amount so insured or guaranteed or the aggregate market value of the pool of securities so deposited, pledged, or in which a security interest is granted is at least equal to one hundred five percent of the amount on deposit which is in excess of the amount so insured or guaranteed.

The above statutory collateral requirements were outlined also in the Request for Proposal (RFP) addendum number three, dated June 24, 2010, as follows:

All bidders are responsible to meet State Statute requirements for collateralization of state funds on deposit. Bidders will at a minimum reference Neb. Rev. Stat. Section 77-2395, 77-2389, 77-2398, and 77-2387. Collateral requirements are applicable to all State Agency accounts serviced under this contract. Collateral requirements range from 102 percent to 105 percent of the bank account ledger balance. The State requires a statement of collateral be provided on a calendar month basis. The agreement for collateral arrangements must require the signature of a State Treasury designated representative before the release of collateral purchased on behalf of the State. This addendum will become part of the proposal and should be acknowledged with the RFP.

The FDIC insurance coverage amount is currently \$250,000 per depositor, per insured bank, for each account ownership category. The funding account routinely maintained a balance in excess of \$250,000, making FDIC coverage alone inadequate to protect fully all of the State's deposits.

Aside from insufficient documentation to show whether additional pledged collateral had been maintained, the APA found nothing to indicate that anyone from the State regularly ensured that the funding account was adequately collateralized.

State funds held by a financial institution are at a greater risk of loss when the amounts in excess of FDIC coverage are not properly secured, as required by State statute.

Advancing State Funds

The amount transferred periodically from DHHS to the funding account was based on an estimate of how much was actually needed to cover the daily transfers to the WIC activity account. The APA questioned the fact that monies were being advanced to this bank account controlled by Solutran for future unknown payment amounts. As explained in the State Treasurer's letter on **Attachment D**, the funding account was to be closed, which would correct this issue going forward.

WIC Activity Account

The second bank account, referred to as the "activity account," was used by Solutran to cover the daily amounts paid to WIC Program vendors. A per diem transfer, equaling the total vendor payments for that 24-hour period, were made from the funding account to this activity account, leaving the latter with a zero balance at the end of each day.

Some of the issues described above for the funding account apply also to the activity account, as follows:

- **Bank Signature Card Not Updated** - The signature card for the activity account has also not been updated since its creation. The APA has included a copy of the activity account signature card as **Attachment C**. Again, hundreds of millions of dollars have been paid from this activity account based upon severely outdated signatures.
- **Operating Bank Outside the State of Nebraska** - The activity account was also maintained in the same Minnesota-based bank, Citizens Alliance Bank, which is not licensed to do business in Nebraska. As a result, the activity account was similarly noncompliant with § 77-2301(1), as discussed above.

When the authorized signatures for State bank accounts are not updated in a timely manner, there is an increased risk for the loss or misuse of State funds. Additionally, those bank accounts maintained in an out-of-State bank were not in compliance with State statute.

The APA has worked with staff from the State Treasurer's Office, DHHS, Solutran, and other involved parties to formulate a solution to the issues identified in this letter. On May 6, 2015, the current State Treasurer sent a letter to Citizens Alliance Bank, outlining a plan for the two WIC bank accounts addressed herein. See **Attachment D** for a copy of that letter.

As directed by the State Treasurer's letter, the funding account at Citizens Alliance Bank was closed, and the funds from that account were transferred to the State Treasurer's bank account at US Bank in Lincoln, Nebraska. In addition, ownership of the activity account was transferred to Solutran. Those actions, as outlined in the letter, are an important step toward resolving the issues identified above.

We recommend DHHS continue to work with the State Treasurer to ensure all State bank accounts comply with State law. All bank accounts using the State's FTIN should be operated under the control of the State Treasurer. We also recommend all related State bank account signature cards are kept current, using current officers or employees only. Furthermore, all State funds held by banks should be fully secured or collateralized in accordance with statute.

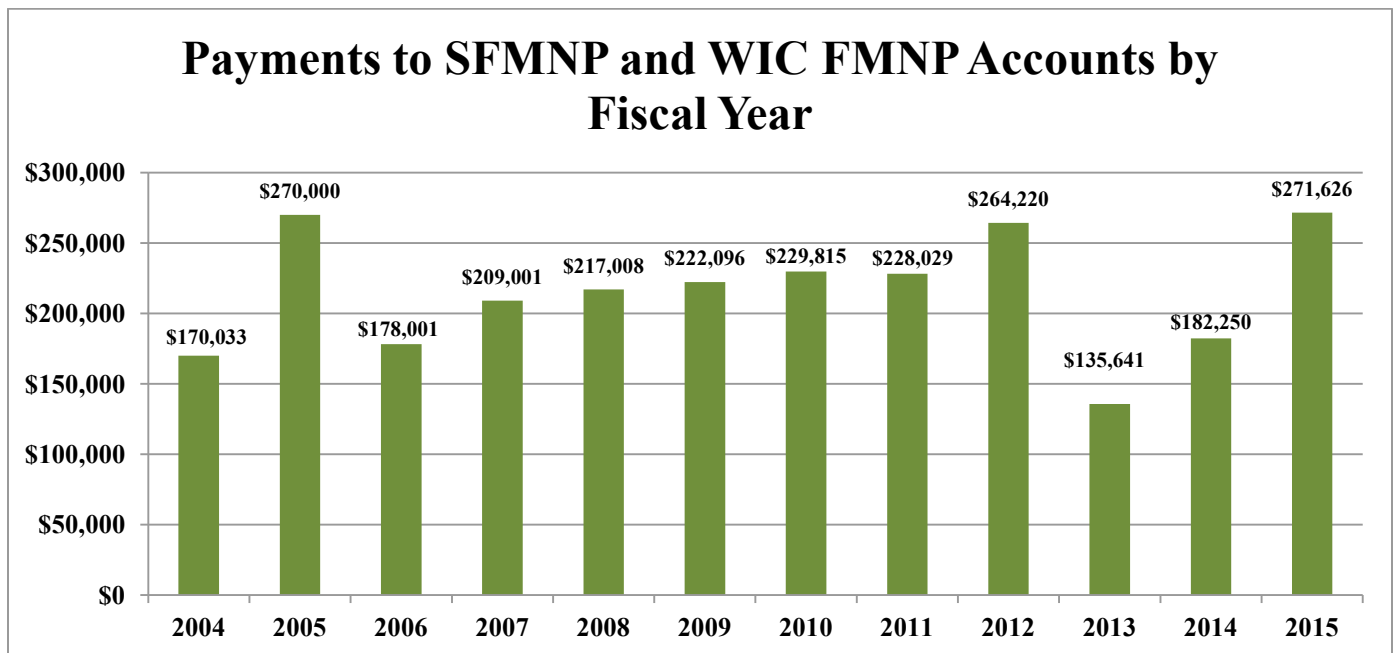
DHHS Response: The Department of Health and Human Services (DHHS) agrees with the comments regarding the WIC Funding Account and the processing of WIC checks by Solutran, a Minnesota-based contractor. All issues described in those comments had been identified by DHHS and the State Treasurer's office in April 2015. The Department of Health and Human Services worked diligently with the State Treasurer and the Auditor of Public Accounts over the next several days to take corrective actions. The Auditor of Public Accounts and the State Treasurer agreed with the Department's analysis that deposits to the activity account were no longer funds of the state because they were transferred to that account to cover a legal obligation to honor negotiable instruments (checks) presented to the bank for payment. The Department agreed with the Auditor of Public Accounts and the State Treasurer that the activity account needed to be held by Solutran and out-of-state funding account needed to be closed. Arrangements were made to make daily transfers from a Nebraska state bank account to the activity account. These corrective actions have addressed the recommendations made in the early communication management letter, and DHHS will establish procedures to monitor compliance with all applicable banking laws on an annual basis.

2. *Nebraska Agriculture Programs*

The State of Nebraska and the U.S. Department of Agriculture fund the Senior Farmers' Market Nutrition Program (SFMNP) and the Women, Infants, and Children Farmers' Market Nutrition Programs (WIC FMNP). These programs, administered by Agriculture and DHHS, provide locally grown foods to nutritionally-at-risk, low-income seniors, women, and children.

Similar to the Nebraska WIC Program, the State has contracted with Solutran, a Minnesota-based company, to perform the payment processing for these programs. In addition to the bank accounts identified in the previous comment, Solutran also controlled two additional bank accounts under the State's FTIN for each of the SFMNP and the FMNP programs.

These program accounts, owned by the State of Nebraska but administered by Solutran, have also been maintained in a Minnesota-based bank, Citizens Alliance Bank. Since July 2003, Agriculture has transferred over \$2.5 million dollars to these accounts through the State's accounting system, as illustrated by the chart below.



Note: Per State's accounting system, as of June 22, 2015. Nebraska implemented the WIC FMNP program in 2011.

Again, some of the issues described in the previous comment were also applicable to these accounts, as follows:

- **Bank Signature Cards** - It does not appear the State Treasurer was ever involved in the establishment of these out-of-State bank accounts with Agriculture. Rather, the signature cards were signed by Agriculture employees and maintained in an out-of-State bank, resulting in an apparent violation of § 77-2301(1). The APA has included a copy of the account signature cards as **Attachments E and F**. Thousands of dollars have been paid from these bank accounts.
- **Operating Bank Outside the State of Nebraska** - These accounts were also maintained in the same Minnesota-based bank, Citizens Alliance Bank, which is not licensed to do business in Nebraska. As noted in the previous comment, § 77-2301(1) requires the State Treasurer to deposit the money in his or her hands in "the state or national banks, or some of them doing business in this state and of approved standing and responsibility." According to the State

Treasurer's interpretation of that statutory language, any bank holding State funds must be licensed to do business in the State of Nebraska, which the Citizens Alliance Bank is not.

- ***Pledged Collateral*** – The two Agriculture bank accounts, by themselves, did not have balances greater than \$250,000 during the fiscal year. However, the FDIC insurance coverage amount is currently \$250,000 per depositor, per insured bank. Therefore, all accounts containing the State's FTIN would need to be combined for collateral and FDIC insurance purposes, which is one of the reasons the State Treasurer needs to be aware of all such bank accounts.

In Op. Att'y Gen. No. 98006 (Jan. 21, 1998), the Nebraska Attorney General opined that, based upon language found in both Neb. Rev. Stat. § 77-2301 (Reissue 2009) and Neb. Rev. Stat. §77-2309 (Reissue 2009), the Nebraska State Treasurer has sole authority to establish "a banking relationship on behalf of the state" by "depositing funds in the state treasury in a bank."

We recommend Agriculture work with the State Treasurer to ensure all State bank accounts comply with State law. All bank accounts using the State's FTIN should be operated under the control of the State Treasurer. We also recommend all related State bank account signature cards are kept current using current officers or employees only. Furthermore, all of the amounts held by banks are fully secured or collateralized in accordance with State statute.

* * * * *

Our audit procedures are designed primarily on a test basis and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. Our objective is, however, to use our knowledge of the agencies and their interaction with other State agencies and administrative departments gained during our work to make comments and suggestions that we hope will be useful to the agencies.

This interim communication is intended solely for the information and use of DHHS, Agriculture and the State Treasurer, the Governor and State Legislature, and others within these agencies. It is not intended to be, and should not be, used by anyone other than the specified parties. However, this letter is a matter of public record, and its distribution is not limited.

If you have any questions regarding the above information, please contact our office.

Sincerely,



Charlie Janssen
Auditor of Public Accounts

WIC FUNDING ACCOUNT SIGNATURE CARD ATTACHMENT A

OWNERSHIP OF ACCOUNT - CONSUMER <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> JOINT - WITH SURVIVORSHIP (and not as tenants in common) <input type="checkbox"/> JOINT - NO SURVIVORSHIP (as tenants in common) <input type="checkbox"/> TRUST - SEPARATE AGREEMENT: <input type="checkbox"/> REVOCABLE TRUST OR <input type="checkbox"/> PAY-ON-DEATH DESIGNATION AS DEFINED IN THIS AGREEMENT Name and Address of Beneficiaries:		OWNERSHIP OF ACCOUNT - BUSINESS <input type="checkbox"/> SOLE PROPRIETORSHIP <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> LIMITED LIABILITY COMPANY <input type="checkbox"/> TRUST FOR PROFIT BUSINESS COUNTY & STATE OF ORGANIZATION _____ AUTHORIZATION DATED _____ FACSIMILE SIGNATURE(S)? <input type="checkbox"/> YES <input type="checkbox"/> NO	
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Minnesota law requires the following information to be provided by one applicant if this is a transaction account.

Name _____ Date of Birth _____
 Sec. Sec. No. _____ LD. No. _____
 Home Address _____
 Business Address _____
 Home Telephone _____ Bus. Telephone _____

Have you had a transaction account at this or another financial intermediary within 12 months before making this application?
 Yes No Name of Institution: _____

Have you had a transaction account closed by a financial intermediary without your consent within 12 months before making this application?
 Yes No Reason: _____

Have you been convicted of a criminal offense because of the use of a check or other similar item within 24 months of making this application?
 Yes No

Verified By: _____

If you make a false material statement in this document that you do not believe to be true, you are guilty of perjury.
 LD. No. verified with the Dept. of Public Safety records on _____
 I am an employee of this financial intermediary and I have known the applicant for at least 1 year prior to the date of this application. X

ACCOUNT OWNER NAME & ADDRESS
 Nebraska WIC

ACCOUNT NUMBER **Funding Account**

Number of signatures required for withdrawal _____ This is a temporary account agreement.

SIGNATURE(S) - THE UNDERSIGNED AGREE(S) TO THE TERMS STATED ON PAGES 1 AND 2 OF THIS FORM, AND ACKNOWLEDGE(S) RECEIPT OF A COMPLETED COPY ON TODAY'S DATE. THE UNDERSIGNED ALSO ACKNOWLEDGE(S) RECEIPT OF A COPY OF AND AGREE(S) TO THE TERMS OF THE FOLLOWING DISCLOSURE(S):

Funds Availability Disclosure Truth-in-Savings Disclosure
 Systemic Funds Transfer Disclosure Identifying Info.

(1)	<i>David Heineman</i>	DAVE HEINEMAN 0501
(2)	<i>Locher Byrd</i>	Locher Byrd 0414
(3)	<i>Dave D. Papp</i>	Dave D. Papp 0223
(4)	<i>Mary Brock</i>	Mary Brock 1219

AUTHORIZED SIGNER (name)
 Individual Accounts Only

TYPE OF ACCOUNT
 NEW PERSONAL CHECKING MONEY MARKET CERTIFICATE OF DEPOSIT
 EXISTING BUSINESS SAVINGS NOW

ACCOUNT NAME _____

BACKUP WITHHOLDING CERTIFICATIONS
 TIN: 47-0491233 EXEMPT RECIPIENTS - I am an exempt recipient under the Internal Revenue Service Regulations.
 TAXPAYER I.D. NUMBER - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number. NONRESIDENT ALIENS - I am not a United States person, or if I am an individual, I am neither a citizen nor a resident of the United States.
 BACKUP WITHHOLDING - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding. SIGNATURE - I certify under penalties of perjury the statements checked in this section.
David Heineman 10/1/97

(page 1 of 2)

Open 10-6-97

WIC FUNDING ACCOUNT FEBRUARY AND MARCH 2015 STATEMENTS

ATTACHMENT B

PEGGY TROUBA
 NEBRASKA WIC PROGRAM
 301 CENTENNIAL MALL SOUTH
 PO BOX 95026
 LINCOLN NE 68509-5026

Statement Of Account - Summary
 SOLUTRAN 1-800-445-5992
 CITIZENS ALLIANCE BANK -- HOWARD LAKE
 HOWARD LAKE MN 55349

Summary Page 1
 Account Number
 1/31/15 - 2/27/15

MASTER ACCOUNT

Statement Totals

Date	Beginning Balance	-----Deposits----- Count Amount	-----Misc. Credits----- Count Amount	-----Item Debits----- Count Amount	-----Misc. Debits----- Count Amount	Ending Balance
	431,691.21					
2/01/15			.00	.00	.00	431,691.21
2/02/15			.00	.00	.00	350,935.65
2/03/15		1 300,000.00	.00	.00	1 80,755.56	505,219.42
2/04/15			.00	.00	1 89,375.61	415,843.81
2/05/15			.00	.00	1 82,776.98	333,066.83
2/06/15			.00	.00	1 75,881.12	257,185.71
2/09/15		1 300,000.00	.00	.00	1 82,090.69	475,095.02
2/10/15			.00	.00	1 184,993.11	290,101.91
2/11/15			.00	.00	1 83,447.29	206,654.62
2/12/15			.00	.00	1 98,226.58	108,428.04
2/13/15		1 300,000.00	.00	.00	1 72,807.47	335,620.57
2/17/15			.00	.00	1 134,969.70	200,650.87
2/18/15		1 400,000.00	.00	.00	1 224,708.06	375,942.81
2/19/15			.00	.00	1 99,882.20	276,060.61
2/20/15			.00	.00	1 74,715.54	201,345.07
2/23/15			.00	.00	1 96,844.34	104,500.73
2/24/15		1 400,000.00	.00	.00	1 207,953.06	296,547.67
2/25/15			.00	.00	1 92,201.73	204,345.94
2/26/15			.00	.00	1 95,337.08	109,008.86
2/27/15		1 399,633.00	.00	.00	1 74,913.33	433,728.53
Total		6 2099,633.00	.00	.00	19 2097,595.68	
YTD		12 4393,415.00	.00	.00	39 4523,362.89	
		Total Stmt Credits	6 2099,633.00	Total Stmt Debits	19 2097,595.68	
		YTD Credits	12 4393,415.00	YTD Debits	39 4523,362.89	

Red squares indicate balances over \$250,000.

WIC FUNDING ACCOUNT FEBRUARY AND MARCH 2015 STATEMENTS

ATTACHMENT B

Statement Of Account - Summary										Summary Page	1	
PEGGY TROUBA										Account Number		
NEBRASKA WIC PROGRAM										2/28/15 -		3/31/15
301 CENTENNIAL MALL SOUTH												
PO BOX 95026												
LINCOLN NE 68509-5026												
MASTER ACCOUNT												
Statement Totals												Ending
Date	Beginning Balance	-----Deposits-----	-----Misc. Credits-----	-----Item Debits-----	-----Misc. Debits-----					Balance		
	433,728.53	Count Amount	Count Amount	Count Amount	Count Amount							
3/01/15		.00	.00	.00	.00					433,728.53		
3/02/15		.00	.00	.00	1 83,738.75					349,989.78		
3/03/15		1 399,632.00	.00	.00	1 196,102.28					553,519.50		
3/04/15		.00	.00	.00	1 85,648.90					467,870.60		
3/05/15		.00	.00	.00	1 90,747.63					377,122.97		
3/06/15		.00	.00	.00	1 71,415.64					305,707.33		
3/09/15		1 300,000.00	.00	.00	1 86,690.92					519,016.41		
3/10/15		.00	.00	.00	1 182,198.86					336,817.55		
3/11/15		.00	.00	.00	1 84,961.67					251,855.88		
3/12/15		.00	.00	.00	1 96,011.41					155,844.47		
3/13/15		1 300,000.00	.00	.00	1 81,012.07					374,832.40		
3/16/15		.00	.00	.00	1 99,231.64					275,600.76		
3/17/15		1 300,000.00	.00	.00	1 186,193.15					389,407.61		
3/18/15		.00	.00	.00	1 97,446.20					291,961.41		
3/19/15		.00	.00	.00	1 92,344.84					199,616.57		
3/20/15		.00	.00	.00	1 80,410.32					119,206.25		
3/23/15		1 352,801.00	.00	.00	1 100,333.45					371,673.80		
3/24/15		.00	.00	.00	1 216,045.46					155,628.34		
3/25/15		1 352,801.00	.00	.00	1 88,755.85					419,673.49		
3/26/15		.00	.00	.00	1 101,479.67					318,193.82		
3/27/15		.00	.00	.00	1 87,390.92					230,802.90		
3/30/15		1 300,000.00	.00	.00	1 102,655.06					428,147.84		
3/31/15		.00	.00	.00	1 194,283.26					233,864.58		
Total		7 2305,234.00	.00	.00	22 2505,097.95							
YTD		19 6698,649.00	.00	.00	61 7028,460.84							
		Total Stmt Credits	7 2305,234.00	Total Stmt Debits	22 2505,097.95							
		YTD Credits	19 6698,649.00	YTD Debits	61 7028,460.84							

Red squares indicate balances over \$250,000.

WIC ACTIVITY ACCOUNT SIGNATURE CARD

ATTACHMENT C

ACCOUNT OWNER NAME & ADDRESS
 ✓ NEBRASKA WIC PROGRAM

ACCOUNT NUMBER Activity Account

Number of signatures required for withdrawal _____ This is a temporary account agreement.

SIGNATURE(S) - THE UNDERSIGNED AGREE(S) TO THE TERMS STATED ON PAGES 1 AND 2 OF THIS FORM, AND ACKNOWLEDGE(S) RECEIPT OF A COMPLETED COPY ON TODAY'S DATE. THE UNDERSIGNED ALSO ACKNOWLEDGE(S) RECEIPT OF A COPY OF AND AGREE(S) TO THE TERMS OF THE FOLLOWING DISCLOSURE(S):

Funds Availability Disclosure Truth-In-Savings Disclosure
 Electronic Funds Transfer Disclosure

Signature(s)	Identifying Info.
(1) Signatures on file at the local	
(2) WIC Agency	
(3) David King	
(4) Julie Boyd	Mary Black

AUTHORIZED SIGNER (name) _____
 Individual Accounts Only

X _____

TYPE OF ACCOUNT

<input type="checkbox"/> NEW	<input type="checkbox"/> PERSONAL	<input type="checkbox"/> CHECKING	<input type="checkbox"/> MONEY MARKET	<input type="checkbox"/> CERTIFICATE OF DEPOSIT
<input type="checkbox"/> EXISTING	<input type="checkbox"/> BUSINESS	<input type="checkbox"/> SAVINGS	<input type="checkbox"/> NOW	<input checked="" type="checkbox"/> Payable through Draft

✓ **ACCOUNT NAME** _____

BACKUP WITHHOLDING CERTIFICATIONS

TIN: _____


TAXPAYER I.D. NUMBER - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

BACKUP WITHHOLDING - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

EXEMPT RECIPIENTS - I am an exempt recipient under the Internal Revenue Service Regulations.

NONRESIDENT ALIENS - I am not a United States person, or if I am an individual, I am neither a citizen nor a resident of the United States.

SIGNATURE - I certify under penalties of perjury the statements checked in this section.
 X *[Signature]*

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WIC MAY 6, 2015 STATE TREASURER LETTER ATTACHMENT D

STATE OF NEBRASKA
STATE TREASURER



Don Stenberg
State Treasurer
www.treasurer.org

State Capitol, Suite 2005
Lincoln, NE 68509
402-471-2455

May 6, 2015

Citizens Alliance Bank
Attn: Wendy Lund
Lake Lillian Branch
451 Lakeview Street
Howard Lake, MN 55349

Dear Ms. Lund,

I am the duly elected and acting State Treasurer for the State of Nebraska. A certification to that effect from the Nebraska Secretary of State is attached to this letter. Please note that the current signature card includes signers who are no longer employed by the State of Nebraska.

My office is currently working with Solutran and the Nebraska Department of Health and Human Services, WIC Program to close one bank account and change the ownership on another bank account at your financial institution. These accounts are titled State of Nebraska – WIC and use the State's Federal Tax Identification Number (FTIN). These two bank accounts have been used to assist Solutran in the processing and clearing of Nebraska WIC vouchers.

As Nebraska State Treasurer, I am requesting immediate transfer of ownership on account # [REDACTED] to Solutran. Solutran will provide you with their FTIN and you may confirm this with Bradley Hauser of Solutran. This change is needed to comply with the terms of the contract between Solutran and the Nebraska Department of Health and Human Services.

Also, please close account # [REDACTED] and wire the remaining funds to the State Treasurer's account at U. S. Bank. Please contact Char Scott at 402-471-4146 or char.scott@nebraska.gov to obtain the routing and account number needed to complete this wire. In the future, the State of Nebraska will be wiring money daily into a recently opened account, # [REDACTED], which should also be titled under Solutran with their FTIN number.

If you have any questions or concerns, please contact Char Scott for assistance.

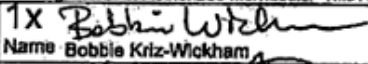

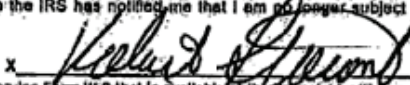
Sincerely,

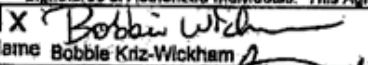
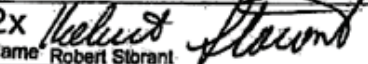
A handwritten signature in blue ink, appearing to read "Don Stenberg".

Don Stenberg
Nebraska State Treasurer

cc: Bradley Hauser, Solutran
Courtney Phillips, Director of Nebraska Department of Health and Human Services
Wes Mohling, Acting Administrator, Nebraska Administrative Services, State Accounting
Mary Avery, SAE Manager, Finance Manager, Nebraska State Auditor's Office

AGRICULTURE WIC FMNP ACCOUNT SIGNATURE CARD ATTACHMENT E

MULTI-PURPOSE SIGNATURE CARD			
ACCOUNT NUMBER:		WIC FMNP Account	
Account Holder Names: State of Nebraska Nebraska Department of Agriculture			
Mailing Address: P.O. Box 94947 Lincoln, NE 68509			
Home Phone:		Work Phone: 402-471-4876	
Number of Signatures Required: 1		CIF Number: 47-0491233	
Special Instructions:			
Signatures of Authorized Individuals. This Agreement is subject to all terms below and on reverse.			
1X  Name Bobbie Kriz-Wickham		3X Name N/A	
2X  Name Robert Strant		4X Name N/A	
<p>Certification. I/We certify that I/we have the power to act with respect to this account. I/We will protect you from any loss or damage if I/we do not have the power to act. You do not have to determine whether I/we have the power to act or whether any document is valid, even if you have seen or kept a copy of the document.</p> <p>Agreement. In this agreement, "I" or "we" means each and all of those who sign above. "You" and "your" mean the financial institution. I/We agree to everything on this form, the Deposit Account Agreement and Disclosure, the Time Certificate of Deposit or Confirmation of Time Deposit Agreement (if applicable), the Rate and Fee Schedule, the Funds Availability Policy Disclosure, Substitute Check Policy Disclosures, and the Electronic Funds Transfer Agreement and Disclosure (if applicable). We also agree to all of your changes to those forms from time to time. I/We received one copy of each of those forms.</p>			
ACCOUNT PURPOSE Non-Consumer	ACCOUNT TYPE Government/Municipal/Public Funds	PRODUCT OWNERSHIP Government/Municipality/Public Funds	
DATE OPENED July 1, 2011	DATE REVISED	OPENING DEPOSIT	ATM CARD NO
VERIFIED BY	OPENED BY	ACCT FORMERLY WITH	STATEMENT DISPOSITION MAIL
<p>TIN/BACKUP WITHHOLDING Reporting SSN/TIN: 47-0491233</p> <p>Important: Under penalties of perjury, I certify that the number shown above is my correct taxpayer identification number, I am a U.S. person (including a U.S. resident alien), and that (check appropriate box):</p> <p><input checked="" type="checkbox"/> I am not subject to backup withholding, because I am exempt from backup withholding, or because I have not been notified by the IRS that I am subject to backup withholding as a result of failure to report interest or dividends, or because the IRS has notified me that I am no longer subject to backup withholding.</p> <p><input type="checkbox"/> I am subject to backup withholding.</p> <p>Signature of Authorized Individual: </p> <p>For instructions, see Internal Revenue Service Form W-9 that is available at the financial institution.</p>			

MULTI-PURPOSE SIGNATURE CARD			
ACCOUNT NUMBER:		WIC FMNP Account	
Account Holder Names: State of Nebraska Nebraska Department of Agriculture			
Mailing Address: P.O. Box 94947 Lincoln, NE 68509			
Home Phone:		Work Phone: 402-471-4876	
Number of Signatures Required: 1		CIF Number: 47-0491233	
Special Instructions:			
Signatures of Authorized Individuals. This Agreement is subject to all terms below and on reverse.			
1X  Name Bobbie Kriz-Wickham		3X Name N/A	
2X  Name Robert Strant		4X Name N/A	

DSMP MN (Rev. 10/04) #4005E: © Harland Financial Solutions, Inc. 2001, 2004. All rights reserved. To reorder call Harland Financial Solutions at 877-505-8278

AGRICULTURE SFMNP ACCOUNT SIGNATURE CARD ATTACHMENT F

ACCOUNT OWNER NAME & ADDRESS		ACCOUNT NUMBER SFMNP Account
NEBRASKA SENIOR FARMER MARKET NUTRITION PROGRAM NEBRASKA DEPARTMENT OF AGRICULTURE		
Number of signatures required for withdrawal _____		<input type="checkbox"/> This is a temporary account agreement.
SIGNATURE(S) - THE UNDERSIGNED AGREE(S) TO THE TERMS STATED ON PAGES 1 AND 2 OF THIS FORM, AND ACKNOWLEDGE(S) RECEIPT OF A COMPLETED COPY ON TODAY'S DATE. THE UNDERSIGNED ALSO ACKNOWLEDGE(S) RECEIPT OF A COPY OF AND AGREE(S) TO THE TERMS OF THE FOLLOWING DISCLOSURE(S):		
<input type="checkbox"/> Funds Availability Disclosure		<input type="checkbox"/> Truth-in-Savings Disclosure
<input type="checkbox"/> Electronic Funds Transfer Disclosure		<input type="checkbox"/> _____
Signature(s)	Identifying Info.	
<div style="border: 1px solid black; border-radius: 50%; padding: 5px; display: inline-block;"> 1 2 3 4 </div>		
<input type="checkbox"/> AUTHORIZED SIGNER (name) _____ Individual Accounts Only		
X _____		
TYPE OF ACCOUNT	<input type="checkbox"/> NEW <input type="checkbox"/> PERSONAL <input type="checkbox"/> CHECKING <input type="checkbox"/> MONEY MARKET <input type="checkbox"/> CERTIFICATE OF DEPOSIT <input type="checkbox"/> EXISTING <input type="checkbox"/> BUSINESS <input type="checkbox"/> SAVINGS <input type="checkbox"/> NOW	
ACCOUNT NAME _____		
BACKUP WITHHOLDING CERTIFICATIONS		<input checked="" type="checkbox"/> EXEMPT RECIPIENTS - I am an exempt recipient under the Internal Revenue Service Regulations.
<input checked="" type="checkbox"/> TIN <u>47-0491233</u>	<input type="checkbox"/> NONRESIDENT ALIENS - I am not a United States person, or if I am an individual, I am neither a citizen nor a resident of the United States.	
<input type="checkbox"/> BACKUP WITHHOLDING - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report an interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.	SIGNATURE - I certify under penalties of perjury the statements checked in this section. 	
© 1982, 1998, 1999, 2001, Bancorp Systems, Inc., St. Cloud, MN (1-800-327-2266) Form SFMPC-AN 3/10/98		(Date) <u>4-5-01</u> (page 1 of 2)