



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Jane Richardson, Board Chair
Hall County
121 South Pine Street
Grand Island, NE 68801

Dear Ms. Richardson:

As you may know, the Nebraska Auditor of Public Accounts (APA) has received concerns regarding a Hall County (County) employee using County equipment for personal use. Responding thereto, the APA began limited preliminary planning work to determine if a full financial audit or attestation would be warranted. In doing so, the APA requested certain information from the County. Based upon the outcome of this preliminary planning work, the APA has determined that it is unnecessary for this office to perform a separate financial audit or attestation of the County is at this time.

During the course of the preliminary planning work, we noted certain internal control or compliance matters, or other operational matters within the County, that are presented below. The following information is intended to improve internal controls or result in other operational efficiencies.

Comment and Recommendation

According to the complaint, Myron Oseka, a Hall County Road Department employee, has been utilizing the Hall County Motor Grader and Skid Steer for personal use in Cairo, Nebraska. The complaint information sent to the APA included several photographs of what appears to be Mr. Oseka plowing snow at his personal business, S.O.S. Storage, in Cairo, Nebraska. Several of the photographs also show what appears to be Mr. Oseka's personal 2004 white Cadillac Escalade EXT parked near the plowing Motor Grader.

According to Nebraska Secretary of State's records, Mr. Oseka is the registered agent for S.O.S. Storage, L.L.C., located at 209 East Kansas Ave. in Cairo, Nebraska. The APA also requested and received the Hall County Public Works' equipment inventory records, which identified three Caterpillar Motor Graders that had been assigned to Cairo, Nebraska.

Among the photographs received by the APA are the following (additional photographs are available upon request):

Photo of CAT Motor Grader Plowing in Front of S.O.S. Storage Sign and Building



Photo of CAT Motor Grader Plowing in Front of S.O.S. Storage Building With Mr. Oseka's Personal Vehicle Parked to the Left



Photo of Plowed Area in Front of S.O.S. Storage Building



The APA also obtained the following images from the Hall County Assessor for S.O.S. Storage, L.L.C., located at 209 East Kansas Ave. in Cairo, Nebraska:



Based on the information received, it is unclear whether Mr. Oseka was plowing the snow on personal or County time; however, it does appear he was using the County's equipment.

The County's policy on the use of its vehicles states, in relevant part, the following:

The following rules and regulations govern the general operation of all County vehicles. Each department has specific guidelines for the use of vehicles assigned to that department. Employees shall comply with both the general rules and the departmental rules when operating any County-owned vehicles.

....

3. *County vehicles may not be operated at work or taken home by an employee without prior authorization of the employee's supervisor.*
4. *County vehicles shall be used for County business only and not for any personal use or gain.*

Additionally, Neb. Rev. Stat. § 49-14,101.01(2) (Reissue 2010) of the Nebraska Political Accountability and Disclosure Act, which is set out at Neb. Rev. Stat. § 49-1401 (Supp. 2017) et seq., restricts the use of property under the "official care and control" of a public official or public employee, as follows:

A public official or public employee shall not use or authorize the use of personnel, resources, property, or funds under his or her official care and control other than in accordance with prescribed constitutional, statutory, and regulatory procedures or use such items, other than compensation provided by law, for personal financial gain.

Per subsection (7) of that same statute, "[A]ny person violating this section shall be guilty of a Class III misdemeanor"

Neb. Rev. Stat. § 49-1443 (Reissue 2010) defines a "public official" as, among other things, "an elected or appointed official" in a political subdivision of the State. Neb. Rev. Stat. § 49-1442 (Reissue 2010) defines a "public employee" as "an employee of the state or a political subdivision thereof."

The prohibition in § 49-14,101.01(2) applies to all public property, not simply to vehicles. Moreover, the above-quoted County policy clearly prohibits the personal use of all County vehicles. The personal use of the County's Motor Grader for snow removal at the private business of a public employee is, therefore, strictly prohibited.

We recommend the County follow-up with the employee to ensure compliance with both its own policy and State statute by prohibiting the personal use of County vehicles and equipment by employees. In doing so, the County should take any action deemed proper to address this situation. Because the present comment points to a possible violation of the Nebraska Political Accountability and Disclosure Act, we are forwarding this information to both the Hall County Attorney and the Nebraska Accountability and Disclosure Commission for further review.

County Board Response: Thank you for raising these issues to me as the Chair of the Hall County Board of Supervisors. I appreciate being informed and given the opportunity to investigate and respond on behalf of Hall County. I was unaware of these allegations until you raised them to my attention.

In response to your communication, the County Attorney and I met with Steve Riehle, the head of the Public Works department for Hall County, to review the communication sent by the Nebraska Auditor of Public Accounts. The County's policies were reviewed with the Department Head, including the County's policy on Use of County Vehicles, the Code of Ethics for County Employees, Performance and Conduct Rules, and the policy on Discipline and Discharge. Additionally, the statutes cited in your communication were reviewed with the Department Head.

Subsequent to that meeting the Department Head conducted additional investigation into the allegations presented in your communication. The full Board of Supervisors met with the Department Head and discussed personnel matters in an executive session. The Board has encouraged the Department Head to take action to hold accountable employees who misuse county property and violate county policy. The Board will continue to monitor the situation and the response of the Department Head with respect to these allegations. The Board will take action as necessary to ensure that the Department Head is enforcing the county's policies.

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The preliminary planning work that resulted in this letter was designed primarily on a test basis and, therefore, may not bring to light all existing weaknesses in the County's policies or procedures. Nevertheless, our objective is to use the knowledge gained during the performance of that preliminary planning work to make comments and suggestions that we hope will prove useful to the County.

Draft copies of this letter were furnished to the County to provide its management with an opportunity to review and to respond to the comment and recommendation contained herein. Any formal response received has been incorporated into this letter. Such response has been objectively evaluated and recognized, as appropriate, in the letter. A response that indicates corrective action has been taken was not verified at this time.

Additionally, a copy of this letter is being forwarded to the Hall County Attorney and the Nebraska Accountability and Disclosure Commission for review and any action deemed appropriate by either office.

This communication is intended solely for the information and use of the County and its management. It is not intended to be, and should not be, used by anyone other than those 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,



Mary Avery
Special Audits and Finance Manager
Phone 402-471-3686
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cc: Hall County Attorney
Nebraska Accountability and Disclosure Commission