



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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March 25, 2022

Michael J. Klug, Chairperson  
Village of Wynot  
P.O. Box 61  
Wynot, NE 68792

Dear Chairperson Klug:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Wynot (Village) for the fiscal year ending 2021. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2021), the preliminary examination necessary to determine whether the audit waiver should be allowed or further audit work would be required, the APA noted certain internal control or compliance matters, or other operational issues, within the Village.

The following information is intended to improve internal controls or result in other operational efficiencies.

## Comments and Recommendations

### 1. Potential Scam Payments

The APA obtained the bank statements for the Village's accounts from its fiscal year 2021 and 2020 audit waiver request. From these statements, the APA noted an ACH payment of \$349 was made on June 28, 2021, and was noted as "SAM Renewal Support" on the statement. Per review of fiscal year 2020 bank statements that were provided as part of the fiscal year 2020 audit waiver request, the APA noted a similar payment in April 2020 for \$699.

SAM is an acronym that stands for the System for Award Management. Per the U.S. General Services Administration website (gsa.gov) is used for "registering to do business with the federal government, listing contract opportunities, capturing contractor performance, viewing contract data, searching assistance listings, reporting subcontracts, and more." Per the SAM.gov website, there is no cost to use SAM.gov, as shown below.

## About This Site

### What is SAM.gov?

The System for Award Management (SAM.gov) is an official website of the U.S. Government. There is no cost to use SAM.gov. You can use this site to:

Because of this information, the APA requested documentation from the Village to support these payments. The APA was provided the following email from "processing@renewalsupport.com", which stated that the Villages registration to SAM was needed to be renewed soon.

**Village of Wynot**

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**From:** Processing RenewalSupport <processing@renewalsupport.com>  
**Sent:** Tuesday, June 22, 2021 10:37 AM  
**To:** Village of Wynot  
**Subject:** Your Upcoming SAM Renewal - Village of Wynot

Hello Crystal,

I am the advisor managing your annual US Federal Government SAM Registration which is due to be renewed soon. We spoke with you last year, and as agreed, we will conduct this renewal at a discounted rate of \$349.

Your card on file ends in [REDACTED]

If you prefer we use another card or your registration information has changed, please reply to this email with your new card information or call us at 813.536.2043 to provide new card details.

If all of your information is the same, no reply is needed. We will charge your card within 3 days and email you when your renewal is complete within 14 days.

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Renewal Support Processing Department  
Email: [processing@renewalsupport.com](mailto:processing@renewalsupport.com)

The APA was also provided the following confirmation email.

**Village of Wynot**

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**From:** Renewal Support <receipts+acct.19DKQGDTfICBdn1C@stripe.com>  
**Sent:** Friday, June 25, 2021 10:40 AM  
**To:** [villageofwynot@gpcom.net](mailto:villageofwynot@gpcom.net)  
**Subject:** Your Renewal Support receipt [#1811-2892]

**Receipt from Renewal Support**  
Receipt #1811-2892

AMOUNT PAID	DATE PAID	PAYMENT METHOD
\$349.00	June 25, 2021	4663
<b>SUMMARY</b>		
SAM Registration Renewal		\$349.00
<b>Amount charged</b>		<b>\$349.00</b>

If you have any questions, visit our support site at <https://renewalsupport.com>, contact us at [info@renewalsupport.com](mailto:info@renewalsupport.com), or call at +1 813-536-2043.

Something wrong with the email? [View it in your browser.](#)

You're receiving this email because you made a purchase at Renewal Support, which partners with Stripe to provide invoicing and payment processing.

Based off the support provided, the APA performed the following procedures, and noted the following issues.

- The original email received by the Village was from an address ending in “.com”. The vast majority of communications from federal or state governments will come from email addressing ending in “.gov”.

- The receipt confirmation email is from Stripe.com, which is an online payment processing platform. This type of payment system is unlikely to be used by a federal government entity.
- In the confirmation email provided was a phone number, the APA attempted to contact this number, but it was out of service.
- The URL “renewalsupport.com” was registered on February 9, 2018, in Toronto, Canada. It is unlikely that a U.S. government entity website would be registered outside of the country.
- Per the Better Business Bureau website, Renewal Support has received multiple complaints regarding similar potential fraud/scams.
- Per the Ohio Township Association website (ohiotownships.org), information regarding a “SAM Renewal Scam” was published on February 3, 2021. Per this site, it is also noted that to use SAM.gov is free and a renewal is also free. The site continues to state the Office of Management and Budget (OBM), a Federal agency, has been made aware of the potential fraud/scam surrounding Renewal Support.

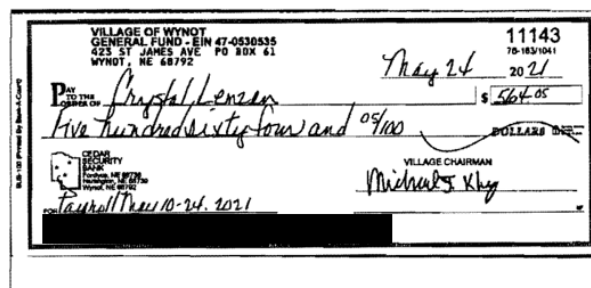
Based on the above information, the APA believes that these charges are possible fraud/scam charges. Per the Village Clerk, the Village has not been able to recoup any of the funds.

Good internal control and sound accounting practices require procedures to ensure that the Village only pays for legitimate services or products and verifies the identity of the vendor or agency prior to payment. Without such procedures, there is an increased risk of theft, loss, and/or misuse of Village funds.

We recommend the Village implement procedures to ensure all payments are to legitimate companies and agencies for actual services or products. We also recommend the Village consult and work with the proper authorities and Visa regarding these questionable transactions. The Village should implement procedures to recover or otherwise account for any missing funds.

## 2. Lack of Dual Signatures

The APA obtained the bank statements for the Village’s accounts from its fiscal year 2021 audit waiver request. From these statements, the APA noted that three of the Village checks written during the examination period contained only one signature. An example of such checks is shown below.



06/01/2021 11143 \$564.05

State statute requires Village checks to be signed by both the Board Chairperson and the Village Clerk. Specifically, Neb. Rev. Stat. § 17-711 (Cum. Supp. 2020) provides the following:

*All warrants drawn upon the city treasurer of a city of the second class or village treasurer must be signed by the mayor or chairperson of the village board of trustees and countersigned by the city clerk or village clerk, stating the particular fund to which the same is chargeable, the person to whom payable, and for what particular object. No money shall be otherwise paid than upon such warrants so drawn. Each warrant shall specify the amount included in the adopted budget statement for such fund upon which it is drawn and the amount already expended of such fund.*

Good internal control and sound accounting practices require procedures to ensure that Village checks contain the statutorily required endorsements. Without such procedures, there is an increased risk of not only failure to comply with State statute but also the loss and/or misuse of Village funds.

We recommend the Board implement procedures to require dual signatures, from the Board Chairperson and the Village Clerk, on all Village checks, as required by law.

**3. Payment of Unapproved Claims**

During our comparison of the Village’s bank account details to claims approved by the Board, the APA identified the following checks, totaling \$7,701.26, which were paid but not included on the claims listing to be approved by the Board.

Details of the unapproved payments are included in the table below:

<b>Name/Vendor</b>	<b>Check Date</b>	<b>Check #</b>	<b>Amount</b>
USPS	6/9/21	ACH	\$ 26.35
Foodtown	6/11/21	Debit	\$ 73.62
Kruse True Value	6/11/21	Debit	\$ 218.83
Menards	6/13/21	Debit	\$ 168.11
Automatic Loan Payment	6/15/21	ACH	\$ 834.18
IRS	6/15/21	ACH	\$ 981.12
Kyle Heimes	6/21/21	11168	\$ 108.05
Dave Koch	6/21/21	11169	\$ 1,197.88
Crystal Lenzen	6/21/21	11170	\$ 512.62
Nebraska Dept. of Revenue	6/22/21	ACH	\$ 546.50
USPS	6/23/21	Debit	\$ 6.25
SAM Renewal Support	6/25/21	ACH	\$ 349.00
Michael Klug	6/30/21	11171	\$ 225.00
Kathy Promes	6/30/21	11172	\$ 150.00
Terry Pinkelman	6/30/21	11173	\$ 150.00
Janice Heimes	6/30/21	11174	\$ 150.00
Stevie Holmes	6/30/21	11175	\$ 125.00
Safe Deposit Box	7/1/21	ACH	\$ 15.00
Kyle Heimes	7/5/21	11176	\$ 108.05
Dave Koch	7/5/21	11177	\$ 1,216.74
Crystal Lenzen	7/5/21	11178	\$ 512.61
USPS	7/12/21	Debit	\$ 26.35
<b>Total</b>			<b>\$ 7,701.26</b>

Neb. Rev. Stat. § 17-614(1) (Supp. 2021) sets out the proper method for the appropriation or payment of money by the Village, as follows:

*All ordinances and resolutions or orders for the appropriation or payment of money shall require for their passage or adoption the concurrence of a majority of all members elected to the city council in a city of the second class or village board of trustees.*

(Emphasis added.) Good internal control requires procedures to ensure that all claims are approved by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved. Without such procedures, there is an increased risk for the loss or misuse of Village funds.

A similar issue was identified by the APA in a prior review and was disclosed to the Village in the APA’s letter dated March 4, 2021, which can be found on the APA’s website. However, it does not appear this issue was corrected after the APA’s notification.

We recommend the Board implement procedures to ensure all claims are approved by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved.

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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 Village'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 Village.

This communication is intended solely for the information and use of the Village 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, please contact **Dakota Christensen** at **402-499-8702** or **dakota.christensen@nebraska.gov**.

Sincerely,

A handwritten signature in black ink that reads "Mark Avery". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Mark Avery, CPA  
Assistant Deputy Auditor