



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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March 25, 2022

Stephanie Lobner, Chairperson  
Village of Lewellen  
206 Main Street, Box 275  
Lewellen, NE 69147

Dear Chairperson Lobner:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Lewellen (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 Credit Card 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 that the Village made regular, monthly credit card payments to Visa, which were approved by the Village Board. The APA obtained copies of the Village's credit card statements, and the Village Clerk informed the APA that one of the statements contained an alleged scam/fraud charge for \$1,400 from a company claiming to be QuickBooks, an accounting software provider. After an in-depth review of the Village's credit card statements from November 1, 2019, to October 2021, the APA found seven charges, totaling \$7,100, that appear to be related to an alleged fraud/scam.

These suspicious charges are summarized in the following table:

| Name on Statement | Date     | Description on Receipt               | Email Address Listed on Receipt                    | Amount            |
|-------------------|----------|--------------------------------------|--|-------------------|
| QBSUPPORT         | 10/08/19 | Quickbooks Support                   | support@qbatsllc.com                               | \$1,249.99        |
| QBSUPPORT         | 1/10/20  | QuickBooks Support Plan              | support@qbatsllc.com                               | \$ 799.99         |
| PP*QBPAYROLL      | 9/11/20  | QuickBooks Payroll Services Plan     | support@qbatsllc.com                               | \$ 799.99         |
| QBSUPPORT         | 12/11/20 | QuickBooks Support Plan              | support@qbatsllc.com                               | \$ 799.99         |
| QBSUPPORT         | 5/17/21  | QuickBooks Annual Update Plan        | support@qbatsllc.com                               | \$1,249.99        |
| QB SERVICES DELHI | 6/23/21  | QuickBooks Data Subscription Service | quickbooks-customer-service@intuitquickbooksinc.co | \$1,400.00        |
| PP*QBPAYROLL      | 8/27/21  | QuickBooks Payroll Plan              | support@qbatsllc.com                               | \$ 799.99         |
| <b>Total</b>      |          |                                      |  | <b>\$7,099.94</b> |

The Village utilizes QuickBooks for processing payroll and its accounting system. Therefore, expected payments to use QuickBooks would be a small monthly fee for payroll processing and annual subscription for the accounting software. It should be noted the table above does not include the payments to QuickBooks that the APA believes were for legitimate services/products; therefore, the table above only summarizes the payments questioned by the APA.

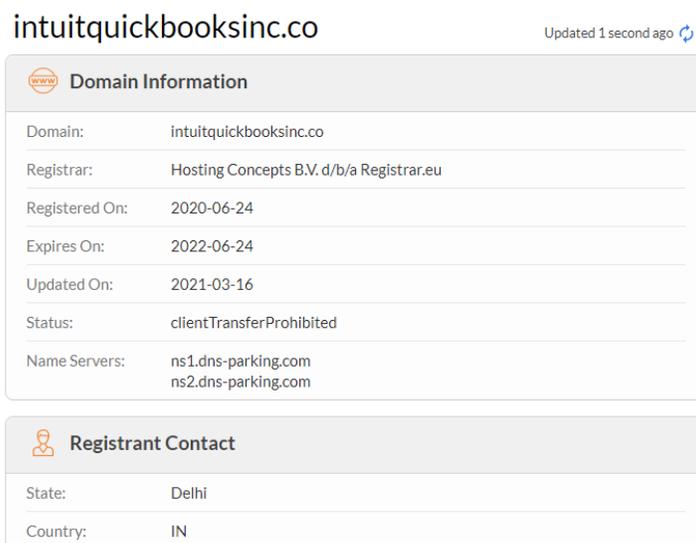
The APA performed a search to determine the owner of the URL/email addresses, noted in the table above, utilizing the ICANN registration data lookup tool (lookup.icann.org). As shown below, the URL “qbatsllc.com” is registered under Domains By Proxy, LLC and is based in Arizona.



**Registrant:**

- Handle:** 1
- Organization:** Domains By Proxy, LLC
- Kind:** individual
- Mailing Address:** Arizona, United States

A registry for the URL “intuitquickbooksinc.co” was not able to be identified via the ICANN registration data lookup tool. Using another URL lookup website, Whois.com, the APA determined this URL was registered in Delhi, India, as shown below.



intuitquickbooksinc.co Updated 1 second ago

**Domain Information**

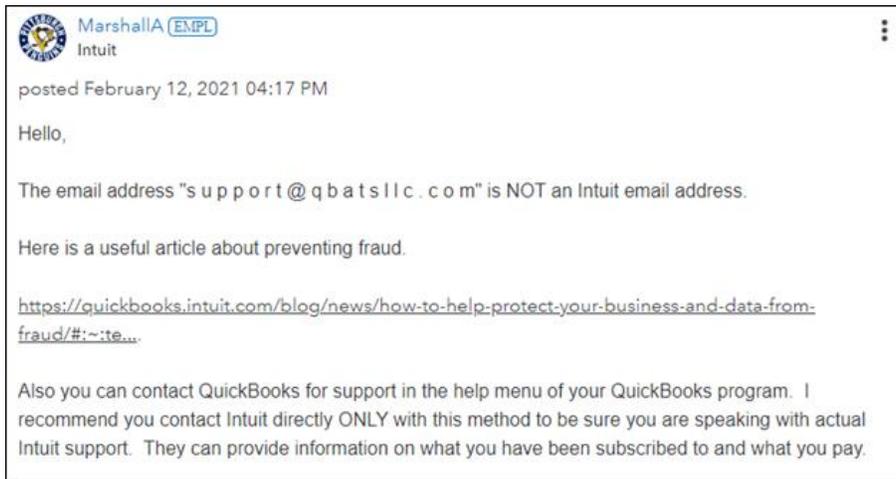
|                |  |
|----------------|--|
| Domain:        | intuitquickbooksinc.co                     |
| Registrar:     | Hosting Concepts B.V. d/b/a Registrar.eu   |
| Registered On: | 2020-06-24                                 |
| Expires On:    | 2022-06-24                                 |
| Updated On:    | 2021-03-16                                 |
| Status:        | clientTransferProhibited                   |
| Name Servers:  | ns1.dns-parking.com<br>ns2.dns-parking.com |

**Registrant Contact**

|          |       |
|----------|-------|
| State:   | Delhi |
| Country: | IN    |

QuickBooks is an accounting software provided by Intuit, Inc (Intuit). The headquarters of Intuit is located in California; therefore, it does not appear these URLs are owned and operated by Intuit, Inc.

Furthermore, in a forum on Intuit’s support website (quickbooks.intuit.com), an Intuit employee states the email address “support@qbatsllc.com” is not an Intuit email address, as can be seen in the image below.



In addition, the amounts paid in the table above do not agree to the pricing information on QuickBooks’s legitimate website (quickbooks.intuit.com). Based on all this information, the APA believes that the charges listed in the table above are possible fraud/scam charges. As of mid-March 2022, the Village has recouped the August 27, 2021, fraud/scam charge of \$799.99. The Village is currently working on trying to recoup the other fraud/scam charges.

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 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 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. Negative Fund Balance

On Exhibit A of the Village’s audit waiver request form, the APA noted that the Street Fund had a deficit balance of \$3,895 as of September 30, 2021.

Good internal control and sound accounting practices require procedures to ensure that Village fund balances are sufficient to cover fully all disbursements and transfers approved by the Board. Those same procedures should ensure also that the Board is apprised regularly of each Village fund balance and, therefore placed in a position to take any action needed to resolve deficits therein.

Without such procedures, there is an increased risk of not only insufficient Village fund balances, but also the resultant inability to cover fully all disbursements and transfers approved by the Board.

We recommend the Village board implement procedures to ensure the Board is apprised regularly of each Village fund balance and, therefore, placed in a position to take any action needed to resolve the deficits therein.

\* \* \* \* \*

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 horizontal line extending to the right.

Mark Avery, CPA  
Assistant Deputy Auditor