



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### **City of Madison's Utilities Superintendent Caught Improperly Using Public Resources for Personal Financial Gain**

Nebraska State Auditor Mike Foley issued a letter today to the President and members of the City Council of Madison, Nebraska, alleging that – along with other serious misbehavior described – the city's utilities superintendent repeatedly misused, over a period of many months, municipal personnel, equipment, and resources to assist in the construction of his personal home.

Auditor Foley is now filing a formal complaint with the Nebraska Accountability and Disclosure Commission, alleging that the superintendent violated State law prohibiting the acquisition of illicit personal financial gain at public expense. Other suspected unlawful activity by the superintendent, including apparent misappropriation of city property, theft of services, and abuse of public records, is also being referred to the appropriate law enforcement agencies for further investigation.

The letter to the city officials describes multiple techniques evidently used by the superintendent to acquire improper personal gain:

- The superintendent and multiple city employees (subordinate to the superintendent) worked on the home during hours when their time records showed them “on the clock,” presumably conducting city business.
- City equipment was used in the construction of the superintendent's home.
- Some of the walls of the home were stored in a city facility prior to installation.
- City vehicles were used to pick up and transport building materials used in the construction of the home.
- Dozens of trips to stores in neighboring communities were made during city working hours to purchase building materials for the superintendent's home – each such time-consuming excursion involving between 30 to almost 70 miles of roundtrip travel.

Furthermore, Menard's rebates earned through city purchases made on a municipal charge account were not remitted to the city but were redeemed instead by the superintendent's wife.

The Auditor's report notes that the City of Madison issued a disciplinary memorandum detailing 15 serious performance deficiencies on the part of the superintendent, including the following:

- Misusing city property, resources, and employees

- Falsifying city time records
- Threatening and intimidating city employees
- Instructing municipal employees to lie and cover up facts about the purported misconduct

Curiously, the City of Madison ordered the offending superintendent to pay restitution in the amount of only \$390 – but, less than one month later, repaid him that same amount, ostensibly for the cost of renting a telehandler (forklift) used for work on the city’s auditorium renovation project. The Auditor’s Office received no documentation from the city to support how the amount of the reimbursement paid by the superintendent was determined, which appears woefully inadequate in light of the significance of the allegations made against him.

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