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State Auditor Alleges Embezzlement by Village Clerk of Carroll Nebraska

State Auditor Mike Foley released a letter sent today to the officials of the Village of Carroll Nebraska (Wayne County) alleging that the former village clerk embezzled thousands of dollars by improperly manipulating the village accounting system.

As village clerk-treasurer, Ms. Jamie Muhs was able to control the books to show that over a 32-month period, she paid some \$2,668 in her personal utility bills when in fact there is absolutely no audit evidence in her personal or village bank records that her utility bills were ever paid.

The audit letter documents a large shortage of tens of thousands of dollars between what was actually deposited in the village bank account versus what the village books show as having been received from utility customers raising questions as to whether or not other customers were improperly being given credit for having paid their bills when in fact they did not.

In addition, the clerk-treasurer responsibilities included making the deposits of multiple village utility customers who paid their monthly bills in cash. The audit team observed that the clerk-treasurer appears to have not made any monthly cash deposits under her care and control during the 32-month period.

Some of the cash-paying customers complained to Village representatives that their accounts were not being credited with having made the payments. "The actual losses of the cash cannot be readily determined due to the village's slipshod accounting practices," according to Foley.

The auditors also took strong exception to clerk-treasurer's ability to secure 32 separate monthly expense reimbursement payments of hundreds of dollars each from the village board totaling nearly \$9,000 for "office supplies" without a shred of documentation that she ever purchased or received the supplies.

It would have been highly irregular for any village clerk to make purchases of this type personally rather than by using a village credit card or line of credit with the office supply merchant.

To claim to have personally made 32 monthly purchases in a row on the Village's behalf with no evidence and no one asking any questions is bizarre.

The audit team attempted to contact the former village clerk-treasurer, Jamie Muhs, and provided every opportunity to clarify or refute the allegations. However, Ms. Muhs declined the opportunity to do so.

Foley noted that, "the Village Board apparently was asleep at the switch when they rubber-stamped approval of the monthly payments for 32 consecutive months with zero evidence of the purchases ever having been made."

The entire matter is now being handed off to the Wayne County Attorney, Nebraska Attorney General, and Nebraska State Patrol for possible criminal prosecution.