



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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August 5, 2024

Kerry Retzlaff, Board President
Rushville Housing Authority
303 Emmert Street #211
Rushville, NE 69360

Dear Mr. Retzlaff:

As you may know, the Nebraska Auditor of Public Accounts (APA) has received concerns regarding alleged financial improprieties by Krystal Freeseaman, the former Executive Director of the Rushville Housing Authority (Authority). As a result, the APA began limited preliminary planning work to determine if a full financial audit or attestation would be warranted. Pursuant thereto, the APA obtained financial records and other relevant documentation from the Authority. Based on the outcome of this preliminary planning work, including an analysis of the information obtained, the APA has determined that a separate financial audit or attestation is unnecessary at this time.

Nevertheless, during the course of the preliminary planning work, the APA noted certain issues that merit corrective action.

Background Information

The Authority owns and operates the Parkview Apartments located in Sheridan County, Nebraska. The Authority operates as a local housing agency under the Nebraska Housing Agency Act (Act), which is set out at Neb. Rev. Stat. §§ 71-1572 to 71-15,168 (Reissue 2018).

Neb. Rev. Stat. § 71-1575(16) (Reissue 2018) of the Act defines a local housing agency as follows:

Local housing agency or agency means a public body, corporate and politic, previously established or to be established by a city or a county pursuant to the authority provided in the act, exercising necessary and essential governmental functions for the purposes stated in the act in matters of statewide concern, although its operations are local in nature. A local housing agency shall be a political subdivision of this state, independent from the city or county which established or establishes it or which may appoint some or all of its commissioners. Any reference in the act to a local housing agency includes a housing agency or a regional housing agency, unless the context clearly otherwise requires. The term local housing agency also includes any housing authority established under prior law[.]

As a local housing agency, the Authority serves Rushville, NE, per Neb. Rev. Stat. § 71-1577 (Reissue 2018), to address the “shortage of decent, safe, and sanitary housing in such city or county that is available and affordable to all residents regardless of income.” The Authority is funded primarily through the Federal government and rent payments from residents.

Per Neb. Rev. Stat. § 71-1595 (Reissue 2018) of the Act, the Authority’s powers are vested in a Board of Commissioners (Board), which is responsible for exercising financial accountability and control over activities relevant to its operations. Such Board has broad decision-making authority, including the power to designate management, the ability to exert significant influence over all Authority operations, and the primary responsibility for related fiscal matters.

The following comments and recommendations, which have been discussed with the appropriate members of the Authority and its management, are intended to improve internal control or result in other operating efficiencies.

Comments and Recommendations

1. Alleged Fraud

Krystal Freeseaman served as the Authority’s Executive Director from at least August 9, 2011, through February 6, 2024, as Authority representatives were unsure exactly when she started working in that position. Nevertheless, while employed as the Executive Director, Ms. Freeseaman oversaw and controlled the Authority’s financial processes, including issuing payments for the Authority’s expenses and employee payroll.

The APA received allegations that Ms. Freeseaman had been embezzling Authority funds by doing the following:

- writing herself payroll checks in excess of her regular wages;
- receiving unsupported reimbursement payments;
- using Authority funds to pay her spouse’s property taxes;
- using Authority funds to pay for flooring services provided on her personal residence;
- making payments on her own personal credit cards with Authority funds; and
- making personal purchases with an Authority credit card.

In addition, Ms. Freeseaman allegedly forged the signature of another Authority authorized signer on several of the checks for these suspect payments. The alleged forgeries will be discussed in further detail herein under **Comment and Recommendation Number 2** (“Suspected Forged Checks”).

The table below summarizes Ms. Freeseaman’s suspected improprieties during the period January 1, 2021, to February 29, 2024, while employed as the Authority’s Executive Director:

Description	Total Amount of Possible Fraud
Excessive Payroll Checks	\$9,783.00
Unsupported Reimbursements	\$8,241.79
Property Tax Payment	\$1,388.46
Questionable Payment to Morford’s Decorating Center	\$2,612.36
Questionable Payments to Credit Card Companies	\$7,297.98
Questionable Charges Using Authority’s Credit Card	\$1,692.93
Total	\$31,016.52

Excessive Payroll Checks

In response to the allegations received, the APA analyzed the Authority’s bank account records from Security First Bank in Rushville, NE, for the above-mentioned period. Ms. Freeseaman should have received a total of 38 monthly salary payments during this period, as her employment with the Authority was terminated in February 2024.

Based on Ms. Freeseaman’s W-2 forms, Wage and Tax Statements, filed with the Internal Revenue Service, the APA determined that her total reported wages amounted to \$29,135 from January 2021 through February 2024; however, she actually paid herself a gross salary of \$38,918, resulting in excess pay of \$9,783.

The following table provides a comparative summary of Ms. Freeseaman’s reported gross wages and the actual wages she received as a result of the excess payroll amounts:

Year	Reported Wages	Actual Wages	Variance
2021	\$9,174.00	\$10,674.00	\$1,500.00
2022	\$9,036.00	\$11,295.00	\$2,259.00
2023	\$9,300.00	\$14,549.00	\$5,249.00
2024	\$1,625.00	\$2,400.00	\$775.00
Totals	\$29,135.00	\$38,918.00	\$9,783.00

A detailed listing of the excessive payroll checks has been included as **Exhibit A** herein.

Unsupported Reimbursement Payments

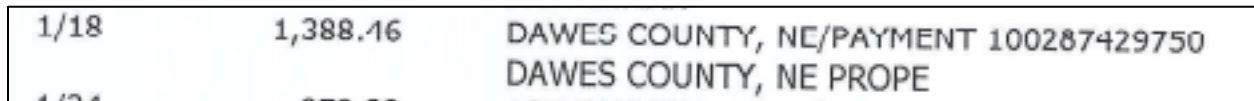
In addition to the excessive payroll amounts detailed above, Ms. Freeseaman received another 15 payments, in the form of Authority checks totaling \$8,241.79, from January 2021 through February 2024, for supposed reimbursements unrelated to her wages. These payments are summarized in the table below:

Year	Number of Payments	Amount
2021	1	\$700.00
2023	13	\$7,106.79
2024	1	\$435.00
Totals	15	\$8,241.79

The Authority was unable to provide adequate documentation to support any of these reimbursement checks paid to Ms. Freeseaman. A detailed listing of the unsupported reimbursement payments has been included as **Exhibit B** herein.

Property Tax Payment

During examination of the Authority’s general bank account statements for the period January 1, 2021, to February 29, 2024, the APA noted one payment of \$1,388.46 to Dawes County on January 18, 2024, that appeared to have been for property taxes. An excerpt of the payment from the Authority’s general bank account is shown below:



The APA utilized the Dawes County Geographical Information System (GIS) website (<https://dawes.gworks.com/>) to search for properties owned by Ms. Freeseaman or her family. The APA found that the property for which this payment was made is owned by John T. Freeseaman, Ms. Freeseaman’s husband. The APA then verified that the \$1,388.46 payment was for her husband’s tax year 2022 property taxes using the Dawes County Treasurer’s Tax Collection Report (Report).

The following table shows the comparison between the Report and the payment made from the Authority’s general bank account in January 2024:

Dawes County Treasurer Tax Collection Report							Authority Bank Statement		
Receipt	Paid Date	Owner Name	Perm ID	Tax Paid	Int. Paid	Total Paid	Date	Description	Payment
19063752	1/22/2024	FREESEMAN, JOHN T	230005994	\$1,288.84	\$98.62	\$1,387.46	1/18/2024	DAWES COUNTY, NE/PAYMENT 100287429750 DAWES COUNTY, NE PROPE	\$1,388.46

As shown in the above table, the property tax payment was processed on January 22, 2024, in the amount of \$1,387.46, which includes interest of \$98.62 and a \$1.00 convenience fee. The \$1.00 convenience fee is included on all electronic payments made through Nebraska Taxes Online (<https://nebraskataxesonline.us/>), a website operated by the Nebraska Association of County Officials, through which individuals in certain Nebraska counties can pay or view their real estate or personal property taxes.

Questionable Payment to Morford’s Decorating Center

During examination of the Authority’s general bank account statements for the period January 1, 2021, to February 29, 2024, the APA noted one payment of \$2,612.36 to Morford’s Decorating Center, Inc. (Morford’s) on May 23, 2023, that states “carpet inv #24160” on the memo line of the check. The following is an image of the check from the Authority’s May 2023 general bank account statement:

Questionable Payments to Credit Card Companies

Authority representatives informed the APA that the Authority does have one credit card (number ending in 2127) through Security First Bank and would typically make its credit card payments with checks issued to Elan Financial Services (Cardmember Services).

However, the APA noted 12 payments, totaling \$7,297.98, made to other credit card companies during the period January 1, 2021, to February 29, 2024. The following table lists the payments made to each company:

Date Cleared	Type	Description	Payee	Amount
3/23/2021	Check	6447	Cardmember Services	\$401.00
5/25/2023	ACH	COMENITY PAY SM/PHONE PYMT P23144202498296 KRYSTAL FREESEMAN	Comenity	\$500.00
7/14/2023	ACH	COMENITY PAY SM/PHONE PYMT P23194218731806 KRYSTAL FREESEMAN	Comenity	\$500.00
8/1/2023	ACH	COMENITY PAY OH/WEB PYMT P23209223274867 KRYSTAL FREESEMAN	Comenity	\$800.00
8/15/2023	ACH	CARDMEMBER SERV/WEB PYMT ***0178 JOHNSON, KRYSTAL A 76	Cardmember Services	\$400.00
8/18/2023	ACH	CAPITAL ONE/PHONE PYMT KRYSTAL A FREESEMAN	Capital One	\$1,000.00
9/28/2023	ACH	CARDMEMBER SERV/WEB PYMT ***0178 JOHNSON, KRYSTAL A 78	Cardmember Services	\$450.00
11/27/2023	ACH	COMENITY PAY OH/WEB PYMT P23327261888904 KRYSTAL FREESEMAN	Comenity	\$350.00
12/15/2023	ACH	COMENITY PAY SM/PHONE PYMT P23348268520011 KRYSTAL FREESEMAN	Comenity	\$617.66
1/11/2024	ACH	CAPITAL ONE/PHONE PYMT KRYSTAL A FREESEMAN	Capital One	\$500.00
1/24/2024	ACH	1ST BANKCARD CTR/ONLINE PMT 3D0F7650AEE9CD KRYSTAL A FREESEMAN	First Bankcard	\$879.32
1/26/2024	ACH	CAPITAL ONE/PHONE PYMT KRYSTAL A FREESEMAN	Capital One	\$900.00
Total				\$7,297.98

It is important to note that the payments listed in the table above appear to have been to various credit card companies with which the Authority maintained no accounts. The APA also observed that 11 of these payments, totaling \$6,896.98, were made exclusively through Automated Clearing House (ACH) or electronic transactions, while one payment, totaling \$401, was made with an apparently forged check.

Further, Ms. Freeseaman’s name, rather than that of the Authority, was included in the descriptions listed on the bank statements for each of these electronic payments. An excerpt from the Authority’s January 2024 bank statement showing two such electronic payments is provided below:

1/24	879.32	1ST BANKCARD CTR/ONLINE PMT 3D0F7650AEE9CD KRYSTAL A FREESEMAN
1/26	900.00	CAPITAL ONE/PHONE PYMT KRYSTAL A FREESEMAN

Authority representatives stated unequivocally, moreover, that the Board did not authorize any of these payments. Therefore, the APA questions all 12 payments listed in the table above.

Questionable Charges Using Authority’s Credit Card

In addition to payments to credit card companies with which the Authority maintains no accounts, the APA noted four questionable charges, totaling \$1,692.93, made with the Authority’s credit card. Those charges are detailed in the table below:

Last 4 Digits of Card	Transaction Date	Description	Payee	Amount
2127	12/30/2022	CHECKMARK INC 970-2250522 CO	CheckMark, Inc.	\$469.00
2127	2/24/2023	HP*HP.COM STORE 888-345-5409 CA	HP.com	\$946.93
2127	4/19/2023	DAKOTA WESLEYAN UNIVER 605-9952601 SD	Dakota Wesleyan University	\$180.00
2127	4/19/2023	PENALTY BOX 6 PACK WWW.PENALTYBO NJ	Penalty Box	\$97.00
Total				\$1,692.93

In response to the APA’s inquiries, Authority representatives confirmed that the Board had authorized none of these charges. Further, the Authority was unable to provide documentation to support any of the charges. According to information obtained by the APA, the \$97 charge for the “PENALTY BOX 6 PACK” may have been for a six pack of training hurdles. The APA contacted the other three vendors – CheckMark, Inc. (CheckMark), HP, and Dakota Wesleyan University – to determine the items purchased from them.

CheckMark, Inc.

According to its website (<https://www.checkmark.com/>), CheckMark, provides services such as accounting and online payroll software, time clock solution services, and online HR access. CheckMark representatives provided the APA with documentation showing the services ordered on December 29, 2022. An excerpt from the invoice obtained is shown below:

The image shows a screenshot of a CheckMark invoice. At the top left is the CheckMark logo. To the right of the logo, contact information is listed: Phone: 800-444-9922, Fax: 9702250611, Email: sales@checkmark.com, and Website: www.checkmark.com. The word 'INVOICE' is centered below the header. The invoice is divided into several sections: Order Information, Billing Information, Shipping Information, Payment Information, and Merchant Contact Information. In the Order Information section, the email address and telephone number are redacted with red boxes and labeled as 'Former Director's personal email address' and 'Former Director's personal phone number' respectively. The Billing Information section lists 'Gordon Chiropractic PC' at '303 Emmert Street #211, Rushville, NE 69360, United States'. The Shipping Information section lists 'Gordon Chiropractic PC' at '229 N Main St, Gordon, NE 693431277, United States'. A table lists one item: 'CheckMark Payroll Pro+ Update' with a quantity of 1 and an item total of 469.00. The platform is noted as 'Windows, Application Type: 32-bit, Software Delivery: Series - \$50.00'. The Sub Total is 469.00 and Taxes are 0.00. The Grand Total is 469.00. The Payment Information section shows the date and time as 12/29/2022 3:46:01 AM, payment method as CREDIT CARD, card type as Visa, and card number as XXXX2127. The Merchant Contact Information section lists 'CheckMark, Inc.' at '323 W Drake Rd., Ste. 100, Fort Collins, CO 80526'. At the bottom of the invoice, it says 'Thanks for your business!'.

As shown in the above invoice, the purchase was made using the Authority’s credit card and address. However, the account was held under “Gordon Chiropractic PC,” along with Ms. Freeseman’s personal email address and phone number. According to the Nebraska Secretary of State’s website (<https://sos.nebraska.gov/>), Gordon Chiropractic, P.C., is the name of a chiropractic services business owned by John Freeseman – Ms. Freeseman’s husband – and its principal office address is the same as that listed on the invoice. Ms. Freeseman is also listed as the secretary of this business. Moreover, the “CheckMark Payroll Pro+ Update” services were shipped to Gordon Chiropractic PC rather than the Authority.

HP.com

HP is a technology company that provides products and services such as computer systems, printers, 3D printing solutions, laptops, printers, and other equipment. HP representatives informed the APA that a laptop was purchased under Ms. Freeseaman’s name and delivered to her home address. When the APA asked the Authority about this purchase, representatives stated that Ms. Freeseaman returned an older HP 14 laptop when she was terminated as Executive Director. The excerpts below show the product information of the laptop that Ms. Freeseaman returned to the Authority:

Coverage status ⓘ

Active
Factory warranty

[Add product to my HP Dashboard](#)

HP Laptop 14-dq0052dx (685K1UA)
Serial: 5CD33281JM Product: 685K1UA

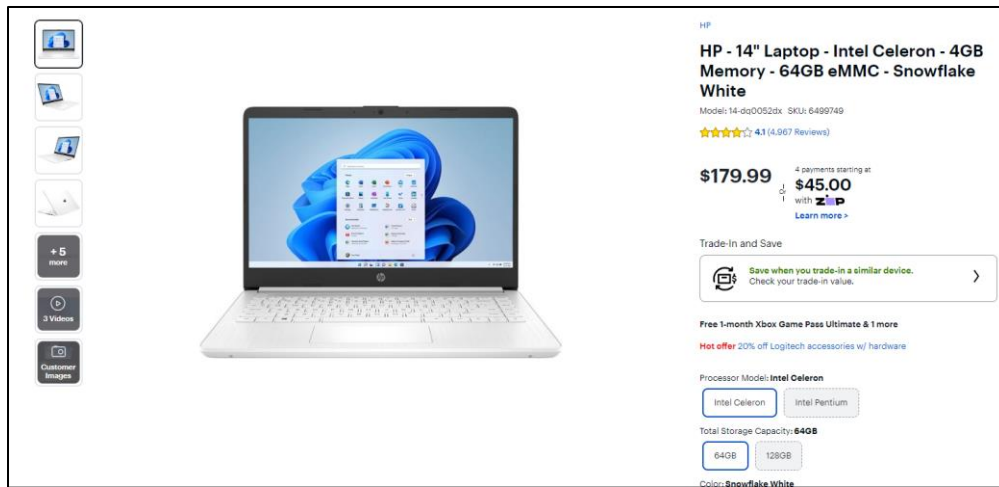
Increase your warranty for up to 2 years
Get protection from drops and spills, repairs and replacements, and tech support. [Extend Coverage](#)

Additional Information

Coverage type	Factory warranty
Service type	Warranty Hardware Maintenance Off-Site
Status	Active
Start date	October 27, 2023
End date	October 26, 2024
Time Remaining	Months remaining: 3, Days remaining: 28
Service level	Geographic Coverage Turn-Around-Time Duration in Months Offsite Delivery Window Std Transportation to Repair Ctr Transportation to Customer Offsite Material Handling Offsite Usage Limitations

The above information was obtained from HP’s support website (<https://support.hp.com/us-en/warrantyresult/hp-14-d0000-laptop-pc-series/28803377/model/2101047572?serialnumber=5CD33281JM&sku=685K1UA>).

Using the product name “HP Laptop 14-dq0052dx,” the APA was able to find what appears to be the same product at Best Buy, as shown in the image below.



The exact product name and model number is sold for \$179.99 at Best Buy, which is \$766.94 less than the laptop that was purchased on February 24, 2023, for \$946.93, using the Authority’s credit card. Therefore, it does not appear that the laptop purchased in February 2023 was returned to the Authority.

Dakota Wesleyan University

The APA also inquired with Dakota Wesleyan University (University) representatives regarding the transaction made on April 19, 2023, using the Authority’s credit card. This purchase appears to have been for a “dorm loft rental” for Ms. Freeseaman’s son. The credit card transaction receipt is shown below:

Merchant: Dakota Wesleyan University	
1200 W. University Avenue Mitchell, SD 57301 US	605-995-2621
Order Information	
Description:	
Order Number:	P.O. Number:
Customer ID:	Invoice Number: 23ONLCL001000022

Billing Information	Shipping Information
Jace Freeseaman [REDACTED]	Freeseaman Jace

	Shipping: 0.00
	Tax: 0.00
	Total: USD 180.00
Payment Information	
Date/Time:	19-Apr-2023 12:49:53 CDT
Transaction ID:	44064403286
Transaction Type:	Authorization w/ Auto Capture
Transaction Status:	Settled Successfully
Authorization Code:	219194
Payment Method:	Visa XXXX2127

Interestingly, the APA observed a post on Saturday, April 22, 2023, on Ms. Freeseaman’s Facebook account that shows both her and her son at the University for “Registration weekend” around the time the purchase was made:



The APA questions all four of the above unauthorized and apparently personal payments made with the Authority’s credit card.

Furthermore, the APA observed 30 other payments, totaling \$6,673.44, made to Elan Financial Services (Cardmember Services) associated with the Authority’s credit card. Additional issues regarding these 30 credit card charges are addressed in **Comment and Recommendation Number 3** (“Other Questionable Credit Card Payments”) herein.

The APA did note that Ms. Freeseaman reimbursed the Authority in the amount of \$13,179.26 in February 2024. Regardless of whether the expenditures at issue were ultimately reimbursed, the information presented above points to the potentially unauthorized expenditure of public funds by Ms. Freeseaman for her own personal benefit, giving rise to serious statutory concerns.

To start, Neb. Rev. Stat. § 28-511 (Reissue 2016) provides, in relevant part, the following:

(1) A person is guilty of theft if he or she takes, or exercises control over, movable property of another with the intent to deprive him or her thereof.

(2) A person is guilty of theft if he or she transfers immovable property of another or any interest therein with the intent to benefit himself or herself or another not entitled thereto.

Neb. Rev. Stat. § 28-512 (Reissue 2016) states the following, as is relevant:

A person commits theft if he obtains property of another by deception. A person deceives if he intentionally:

(1) Creates or reinforces a false impression, including false impressions as to law, value, intention, or other state of mind; but deception as to a person's intention to perform a promise shall not be inferred from the fact alone that he did not subsequently perform the promise; or

(2) Prevents another from acquiring information which would affect his judgment of a transaction; or

(3) Fails to correct a false impression which the deceiver previously created or reinforced, or which the deceiver knows to be influencing another to whom he stands in a fiduciary or confidential relationship; or

(4) Uses a credit card, charge plate, or any other instrument which purports to evidence an undertaking to pay for property or services delivered or rendered to or upon the order of a designated person or bearer (a) where such instrument has been stolen, forged, revoked, or canceled, or where for any other reason its use by the actor is unauthorized, or (b) where the actor does not have the intention and ability to meet all obligations to the issuer arising out of his use of the instrument.

Neb. Rev. Stat. § 28-911 (Reissue 2016) prohibits “abuse of public records,” as follows:

(1) A person commits abuse of public records, if:

(a) He knowingly makes a false entry in or falsely alters any public record; or

(b) Knowing he lacks the authority to do so, he intentionally destroys, mutilates, conceals, removes, or impairs the availability of any public record; or

(c) Knowing he lacks the authority to retain the record, he refuses to deliver up a public record in his possession upon proper request of any person lawfully entitled to receive such record; or

(d) He makes, presents, or uses any record, document, or thing, knowing it to be false, and with the intention that it be taken as a genuine part of the public record.

(2) As used in this section, the term public record includes all official books, papers, or records created, received, or used by or in any governmental office or agency.

(3) Abuse of public records is a Class II misdemeanor.

Neb. Rev. Stat. § 28-924 (Reissue 2016) creates the offense of “official misconduct” by a public servant, as follows:

(1) A public servant commits official misconduct if he knowingly violates any statute or lawfully adopted rule or regulation relating to his official duties.

(2) Official misconduct is a Class II misdemeanor.

Further, Neb. Rev. Stat. § 49-14,101.01(2) (Reissue 2021) of the Nebraska Political Accountability and Disclosure Act restricts the use of resources 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”

Moreover, Neb. Rev. Stat. § 13-610(4) (Reissue 2022) requires all purchases with a political subdivision’s purchasing card to be supported by an itemized receipt, as follows:

An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.

These potential statutory concerns aside, it should be noted that good internal controls and sound accounting practices require procedures to ensure that one person is not in a position both to perpetrate and to conceal financial errors or irregularities, including possible fraud, and proper documentation is maintained for all disbursement transactions, including itemized receipts for purchases made with the Authority’s credit card.

Without such procedures, there is an increased risk for fraud or the misappropriation of Authority funds.

We recommend the Authority implement procedures to prevent one person from being in a position both to perpetrate and to conceal financial errors or irregularities, including possible fraud. Among other things, the Authority could require a Board member or other employee not involved with the payment process to perform a documented review of all payroll disbursements. We also recommend the Authority implement procedures to ensure that all expenses are submitted and approved with all relevant supporting documentation. Finally, because this comment gives rise to concerns regarding potential violations of State statute, we are forwarding the information herein to the Nebraska State Patrol, the Nebraska Attorney General, the Nebraska Accountability and Disclosure Commission, and the Sheridan County Attorney for further review. The APA will also forward the details of this matter to the Nebraska Department of Revenue, the U.S. Department of Housing and Urban Development, and the U.S. Internal Revenue Service.

2. Suspected Forged Checks

As mentioned already, Ms. Freeseeman appears to have forged the signature of another Authority authorized signer on several of the checks for the dubious payments described in the previous comment herein.

The APA staff are not handwriting experts, but the signature of Mariann Furman, a Board member and Assistant Director, may have been forged on several of the aforementioned payroll and reimbursement checks paid to Ms. Freeseeman, as well as two other checks issued to vendors. In all, the APA identified 22 apparently forged checks, totaling \$17,618.42, as listed in the following table:

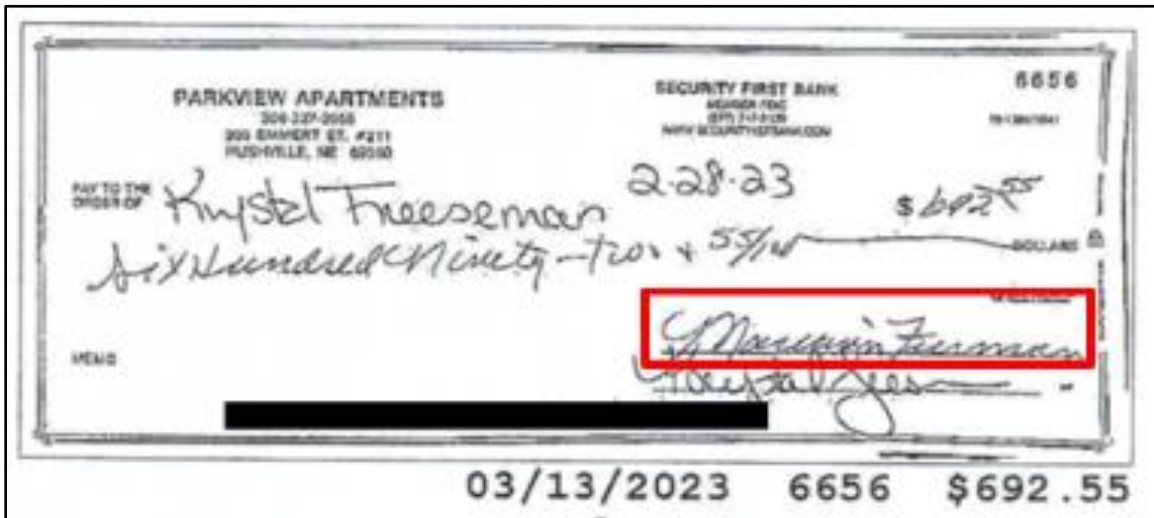
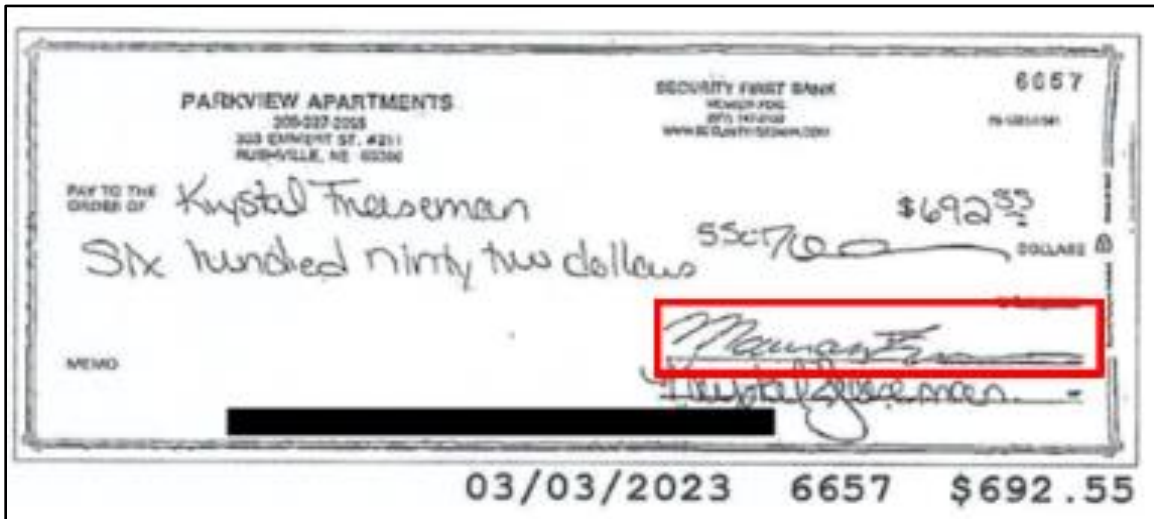
Check #	Check Date	Payee	Net Pay
6447	2/26/2021	Cardmember Services	\$401.00
6457	Note	Krystal Freeseeman	\$689.04
6458	Note	Krystal Freeseeman	\$700.00
6582	6/23/2022	Krystal Freeseeman	\$691.74
6638	1/20/2023	Krystal Freeseeman	\$550.00
6657	Note	Krystal Freeseeman	\$692.55
6341	1/28/2023	Krystal Freeseeman	\$500.00
6680	5/1/2023	Krystal Freeseeman	\$692.55
6688	5/23/2023	Morford’s	\$2,612.36
6689	5/24/2023	Krystal Freeseeman	\$892.55
6708	7/13/2023	Krystal Freeseeman	\$500.00
6709	7/26/2023	Krystal Freeseeman	\$667.38
6710	8/8/2023	Krystal Freeseeman	\$500.00
6711	8/14/2023	Krystal Freeseeman	\$401.36
6731	9/13/2023	Krystal Freeseeman	\$745.00
6732	9/18/2023	Krystal Freeseeman	\$2,802.14

Check #	Check Date	Payee	Net Pay
6759	11/26/2023	Krystal Freeseaman	\$700.00
6767	12/14/2023	Krystal Freeseaman	\$667.38
6768	12/15/2023	Krystal Freeseaman	\$577.62
6774	12/22/2023	Krystal Freeseaman	\$532.81
6776	12/30/2023	Krystal Freeseaman	\$435.00
6777	Note	Krystal Freeseaman	\$667.94
Total			\$17,618.42

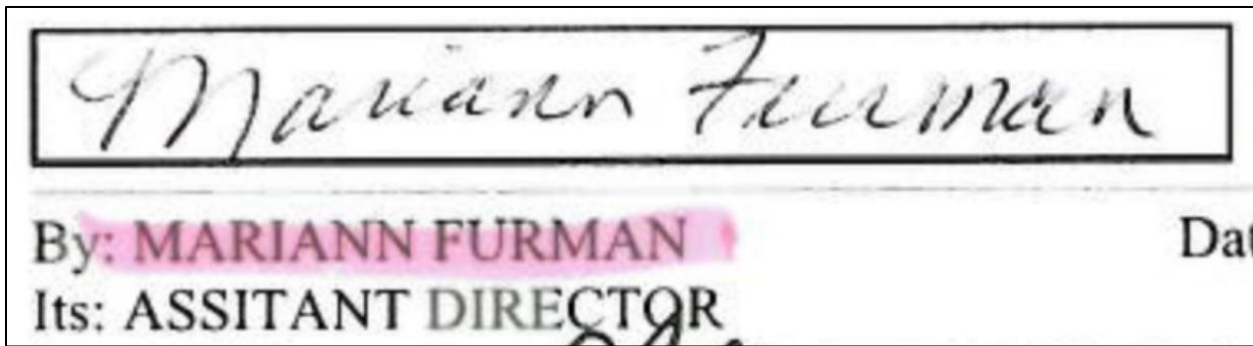
Note: These checks were not dated.

All of these checks are included in the total amount of alleged fraudulent payments listed in **Comment and Recommendation Number 1** (“Alleged Fraud”) herein.

The following images are examples of checks with apparently forged signatures that were issued to Ms. Freeseaman and cleared the Authority’s bank account on March 3, 2023, and March 13, 2023, respectively.



As seen from the check images above, the “Mariann Furman” signatures on both checks appear markedly different from each other, especially when observing the “M” in the first name therein. Provided below is an example of Ms. Furman’s actual signature, taken from the Authority’s bank account signature card.



See **Attachment A** herein for images of all 22 suspected forged cleared checks to Ms. Freeseaman and the two other vendors; images of the other checks made to her can be provided to the Authority or other authorized personnel upon request.

The apparent forgery of these checks – the majority of which are alleged to be improper payments to Ms. Freeseaman for her own personal benefit – could constitute, if proven true, serious violations of law.

Neb. Rev. Stat. § 28-602 (Reissue 2016) provides the following:

(1) A person commits forgery in the first degree if, with intent to deceive or harm, he falsely makes, completes, endorses, alters, or utters a written instrument which is or purports to be, or which is calculated to become or to represent if completed:

(a) Part of an issue of money, stamps, securities, or other valuable instruments issued by a government or governmental agency; or

(b) Part of an issue of stock, bonds, bank notes, or other instruments representing interests in or claims against a corporate or other organization or its property.

(2) Forgery in the first degree is a Class III felony.

This statutory concern aside, it should be noted that good internal controls and sound accounting practices require procedures to ensure that one person is not in a position both to perpetrate and to conceal financial errors or irregularities, including possible fraud.

Without such procedures, there is an increased risk for fraud or the misappropriation of Authority funds.

We recommend the Authority implement procedures to prevent one person from being in a position both to perpetrate and to conceal financial errors or irregularities, including possible fraud. Among other things, the Authority could require a Board member or other employee not involved with the payment process to perform a documented review of the Authority's monthly bank statements. In addition, because this comment gives rise to concerns regarding potential violations of State statute, we are forwarding the information herein to the Nebraska State Patrol, the Nebraska Attorney General, the Nebraska Accountability and Disclosure Commission, and the Sheridan County Attorney for further review. The APA will also forward the details of this matter to the U.S. Department of Housing and Urban Development.

3. Other Questionable Credit Card Payments

The APA noted 30 other questionable credit card payments, totaling \$6,673.44, for charges made using the Authority’s credit card, as mentioned previously. The payments are summarized in the following table:

Payee	Number of Transactions	Amount
Cardmember Services	20	\$4,481.53
Elan Financial Services	10	\$2,191.91
Totals	30	\$6,673.44

A detailed listing of the payments to all of the credit card vendors made from the Authority’s bank account is provided in **Exhibit C** herein.


These payments correspond with charges made using the Authority’s credit card listed in the table below:

Description	Amount
Beginning Balance – Note 1	\$851.12
Menards	\$1,170.30
K&D Appliance Service	\$560.27
Family Dollar	\$524.36
Other Questionable Charges – Note 2	\$1,874.46
Subtotal	\$4,980.51
Questionable Charges Using Authority’s Credit Card	\$1,692.93
Total	\$6,673.44

Note 1: The APA did not obtain the credit card statements prior to January 1, 2021. The beginning balance includes charges prior to that date.

Note 2: This amount is made up of credit card charges that were \$500 and below.

Shown below is an example of one of the questionable credit card charges, including nearly two dozen purchases at Walmart, accounted for in the above table:



Walmart
Save money. Live better.
308-432-6999 Mgr: ADAM
510 LINDEN ST
CHADRON NE 69337

ST# 02579 OP# 005300 TE# 03 TR# 03139
HMTRYCHS280Z 003760028751 F 12.38 N
CIDER 003732312067 F 5.88 N
3OCT SM PLT 003993887783 2.98 X
COOKIES 007874207554 F 5.00 N

SUBTOTAL 26.24
TAX 1 7.500 % 0.22
TOTAL 26.46
VISA TEND 26.46


VISA CREDIT ***** 2127 I 2
APPROVAL # 113064
REF # 133700869653
TRANS ID - 381337640061323
VALIDATION - 9X3X
PAYMENT SERVICE - E
AID A0000000031010
AAC B167BCE24DD637A6
TERMINAL # SC011052
12/03/21 10:46:47
CHANGE DUE 0.00
ITEMS SOLD 4
TC# 6702 0112 1146 2973 1095

Low Prices You Can Trust. Every Day.
12/03/21 10:46:48
CUSTOMER COPY


Store purchase
Dec 3rd, 2021 | 10:46:48

4 items
\$26.46


Chadron Supercenter
510 Linden St
☎ 308-432-6999




HORMEL GATHERINGS, Honey Ham and Turkey with Cheese and Crackers, Deli Party, 28 oz Plastic Tray
\$12.38



Musselman's 100% Apple Cider, Fresh Pressed, 128 fl oz Jug
\$5.88



Holiday Time Snowman Dessert Plates, 30 ct
\$2.98



Freshness Guaranteed Chocolate Chip Cookies, 36 oz, 52 Count
\$5.00

Receipt summary

Subtotal (4 items)	\$26.24
Tax	\$0.22
Total	\$26.46
VISA	\$26.46

In order to obtain a copy of the Walmart receipt and to identify the specific items purchased, the APA utilized Walmart’s “Receipt Lookup” website (<https://www.walmart.com/receipt-lookup>). Displayed to the right of the receipt are the items purchased – primarily, food items that included a deli tray with ham, turkey, cheese and crackers, apple cider, plates, and cookies.

During our examination of the various Walmart receipts, the APA noted also that the Authority paid a total of \$52.69 in Nebraska sales tax. The following table lists both the sales tax and the total amounts paid at Walmart with the Authority’s credit card:

Transaction Date	Description	Sales Tax	Overall Total
1/30/2021	WM SUPERCENTER #2579 CHADRON NE	\$3.03	\$43.37
6/19/2021	WM SUPERCENTER #2579 CHADRON NE	\$1.42	\$20.29
6/24/2021	WM SUPERCENTER #2579 CHADRON NE	\$0.45	\$6.41
11/16/2021	WM SUPERCENTER #2579 CHADRON NE	\$1.64	\$23.57
12/3/2021	WAL-MART #2579 CHARDON NE	\$0.22	\$26.46
12/7/2021	WM SUPERCENTER #2579 CHADRON NE	\$0.51	\$7.31
1/3/2022	WM SUPERCENTER #2579 CHADRON NE	\$1.18	\$16.94
1/15/2022	WAL-MART #2579 CHARDON NE	\$1.18	\$16.94
4/22/2022	WM SUPERCENTER #2579 CHADRON NE	\$1.52	\$21.84
9/24/2022	WAL-MART #2579 CHARDON NE	\$2.67	\$38.21
10/1/2022	WM SUPERCENTER #2579 CHADRON NE	\$1.66	\$23.76
11/12/2022	WAL-MART #2579 CHARDON NE	\$0.51	\$7.29
1/7/2023	WAL-MART #2579 CHARDON NE	\$2.42	\$34.64
1/14/2023	WAL-MART #2579 CHARDON NE	\$0.84	\$12.06
4/29/2023	WAL-MART #2579 CHARDON NE	\$2.60	*\$37.24
5/2/2023	WAL-MART #2579 CHARDON NE	\$1.71	\$24.49
5/17/2023	WM SUPERCENTER #2579 CHADRON NE	\$1.96	\$28.14
10/2/2023	WAL-MART #2579 CHARDON NE	\$0.64	\$9.18
1/26/2024	WM SUPERCENTER #2579 CHADRON NE	\$0.59	\$8.51
2/28/2024	WAL-MART #2579 CHARDON NE	\$22.34	\$320.22
3/29/2024	WM SUPERCENTER #2579 CHADRON NE	\$1.69	\$24.25
4/4/2024	WAL-MART #2579 CHARDON NE	\$1.91	\$27.39
Totals		\$52.69	\$778.51

**The APA observed that the merchandise from this purchase was returned, and the full amount was refunded to the Authority on May 6, 2023.*

In addition to the sales tax, the Authority paid the credit card company \$126 in late fees and was charged \$78.81 in interest.

The Authority was initially unable to provide any documentation, such as itemized receipts, to support that the funds disbursed as a result of these other questionable credit card purchases were reasonable and necessary. On August 1, 2024, the Authority provided itemize receipts for several of these charges. However, the APA still questions the propriety of purchasing thousands of dollars’ worth of seemingly unessential items and supplies for the Authority each month.

A detailed listing of these other questionable credit card charges is provided in **Exhibit D** herein.

On September 17, 1993, the Nebraska Accountability and Disclosure Commission adopted a document entitled “A Guideline to the Use of Public Funds by Cities and Villages – Revised” (Guideline). Based upon the provisions of the Local Government Miscellaneous Expenditure Act (Act), which is found at Neb. Rev. Stat. §§ 13-2201 to 13-2204 (Reissue 2022), the Guideline addresses a number of different scenarios involving the expenditure of public funds. Though issued three decades ago, the Guideline remains relevant to various Nebraska public entities.

The Guideline begins by setting out the following general rules for the proper handling of public funds:

A) *The manner in which government does business sometimes is, and must be, different from the way that private industry does business.*

B) *The government body expending public funds should always be able to articulate the statutory or other legal basis for the expenditure. “We’ve always done it this way” is not a legal basis.*

C) *A government body expending public funds should always be able to articulate the public purpose served by the expenditure.*

D) *Government resources are for government purposes only.*

Local housing agencies, such as the Authority, are not among the numerous political subdivisions made subject to the Act. Consequently, neither the restrictions therein nor the information contained in the Guideline governs their expenditures.

Nevertheless, both the Act and the Guideline offer sound directives for safeguarding public funds from waste and abuse – adherence to which would prove beneficial to the fiscal credibility of all public entities, regardless of technical legal status.

Further, Neb. Rev. Stat. § 13-610(4) (Reissue 2022) requires all purchases with a political subdivision’s purchasing card to be supported by an itemized receipt, as follows:

An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.

Additionally, per Neb. Rev. Stat. § 77-2704.15(1)(a) (Supp. 2023), purchases made by the State or its political subdivisions are exempt from sales tax, as follows:

Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of purchases by the state, including public educational institutions recognized or established under the provisions of Chapter 85, or by any . . . housing agency as defined in section 71-1575 except for purchases for any commercial operation that does not exclusively benefit the residents of an affordable housing project

Good internal control requires procedures to ensure that any expenditure of Authority funds is not only supported by adequate documentation, including an itemized receipt, but also made in strict compliance with formal policies that delineate the proper use of those monies. Those same procedures should ensure also that sales taxes are not paid on Authority purchases.

Without such procedures, there is an increased risk for not only abuse or loss of funds but also noncompliance with State statute.

We recommend the Authority implement procedures to ensure the following: 1) all disbursements of its funds are reasonable and necessary; 2) proper documentation, including itemized receipts, is maintained to support all expenditures, especially those made with the Authority’s credit card; and 3) sales taxes are not paid on Authority purchases.

4. Negative Bank Balance

While examining the Authority’s bank statements for the period January 1, 2021, to February 29, 2024, the APA observed that the general checking account had consistently negative balances on several days throughout the period. The following table shows not only the dates that the bank balance was negative but also the corresponding deficit amounts and the resulting overdraft fees incurred:

Date Range	Largest Negative Balance	Overdraft Fees
2/25/2021 - 2/26/2021	(\$141.24)	\$30.00
3/1/2021 - 3/4/2021	(\$2,036.60)	\$215.00
4/30/2021	(\$196.34)	\$30.00
5/3/2021 - 5/6/2021	(\$3,605.15)	\$180.00
6/3/2021	(\$151.77)	\$30.00
8/4/2021 - 8/5/2021	(\$200.18)	\$30.00
8/11/2021	(\$151.57)	\$30.00
8/20/2021	(\$6,186.42)	\$30.00
9/8/2021	(\$211.70)	\$30.00
9/21/2021 - 9/22/2021	(\$916.77)	\$60.00
10/27/2021 - 10/29/2021	(\$691.92)	\$120.00
11/2/2021	(\$72.27)	\$30.00
12/3/2021	(\$374.99)	\$30.00
12/17/2021	(\$3,567.01)	\$30.00
1/4/2023 - 1/5/2023	(\$644.03)	\$30.00
1/27/2023	(\$115.53)	\$30.00
1/31/2023	(\$153.31)	\$30.00
2/1/2023 - 2/3/2023	(\$1,414.03)	\$60.00
5/9/2023 - 5/10/2023	(\$926.33)	\$30.00
7/28/2023	(\$75.31)	\$30.00
7/31/2023	(\$112.47)	\$0.00
8/1/2023	(\$882.47)	\$0.00
10/18/2023 - 10/19/2023	(\$228.56)	\$0.00
Total		\$1,085.00

Good internal controls require procedures to ensure that funds are available in all of the Authority’s bank accounts, especially its checking account, prior to issuing payments.

Without such procedures, there is an increased risk for deficit account balances and resulting overdraft fees.

We recommend the implementation of procedures to ensure funds are available in all of the Authority’s bank accounts, especially its checking account, prior to issuing payments.

Overall Authority Response:

The Board has reviewed the draft letter and we appreciate the work your office has done. To provide additional background context, we became suspicious of the former director’s behavior in January 2024, and began our own internal investigation in February 2024. During our own investigation, we found irregularities within the bank statements we obtained from our bank. In addition, after terminating the employment of the former Executive Director we hired an interim director and a CPA firm to assist with reconciling the bank statements and help get the Authority back on the right track. As of now, we have hired a permanent Executive Director. The Board has also implemented the following corrective actions:

- (1) The Executive Director is no longer authorized to sign Authority checks. Instead, the Director will be allowed to fill out the checks, while two Board members are authorized to sign off on the checks.*
- (2) All electronic transfers are documented and maintained by paper trails.*
- (3) All expenses incurred are documented and maintained through a purchase order system that requires receipts and other adequate documentation to support all payments made using Authority funds.*
- (4) A minimum balance of \$1,500 will be maintained in the general bank account. If needed, the Authority has funds in its reserve account that can be transferred to the general account to maintain this minimum balance.*

* * * * *

Our audit procedures are designed primarily on a test basis and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. Our objective is, however, to use the knowledge gained during our work to make comments and recommendations that we hope will prove useful to the Authority.

Draft copies of this letter were furnished to the Authority to provide its management with an opportunity to review and to respond to the comments and recommendations 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.

This communication is intended solely for the information and use of the Authority and its management. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this communication 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.

Audit Staff Working on this Examination:

Craig Kubicek, CPA, CFE – Deputy Auditor
Mason Culver – Auditor-In-Charge
Destini Morales – Auditor

Sincerely,

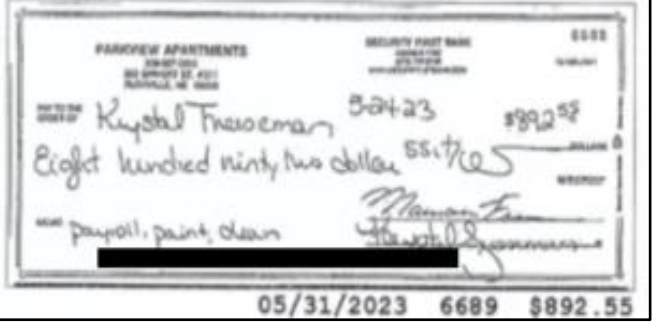
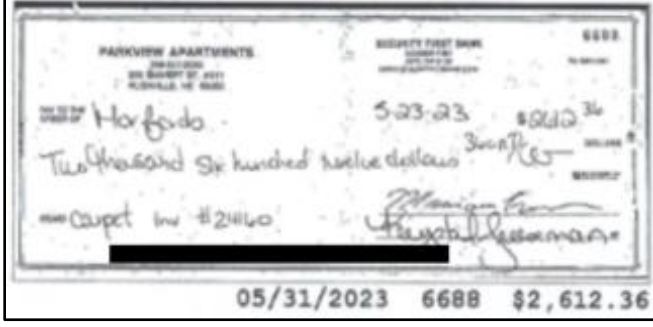
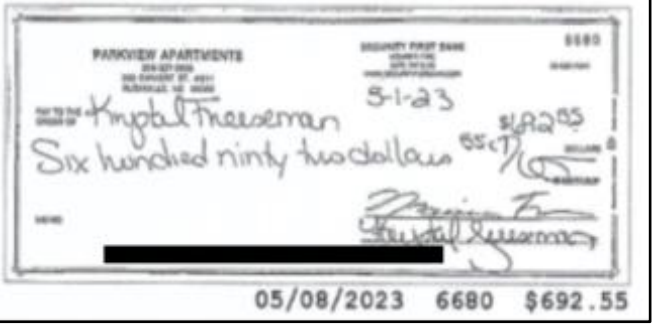
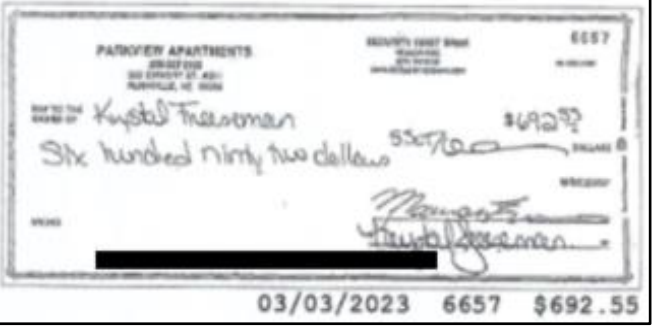
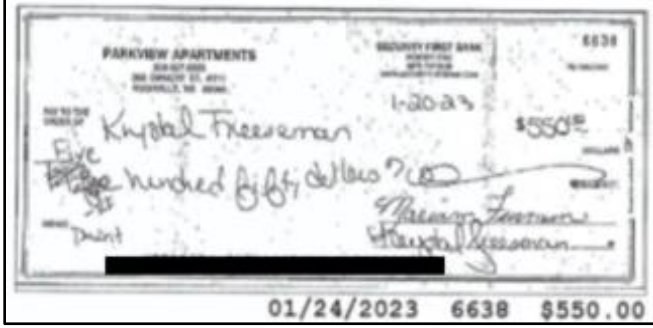
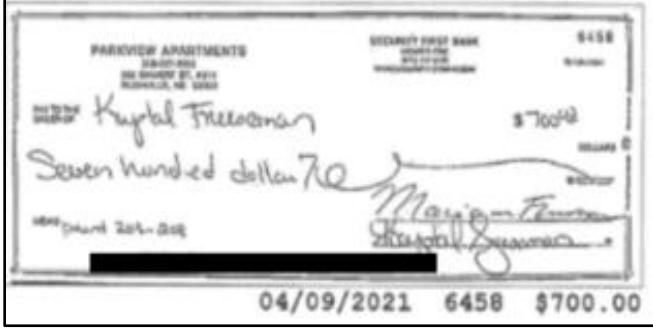
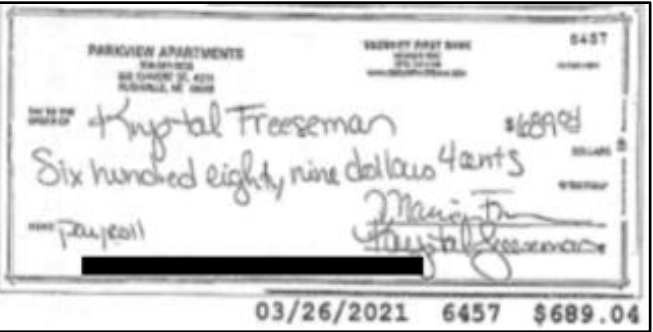


Craig Kubicek, CPA, CFE
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cc. Nebraska State Patrol
Nebraska Attorney General
Nebraska Accountability and Disclosure Commission
Sheridan County Attorney
Nebraska Department of Revenue
U.S. Department of Housing and Urban Development
U.S. Internal Revenue Service

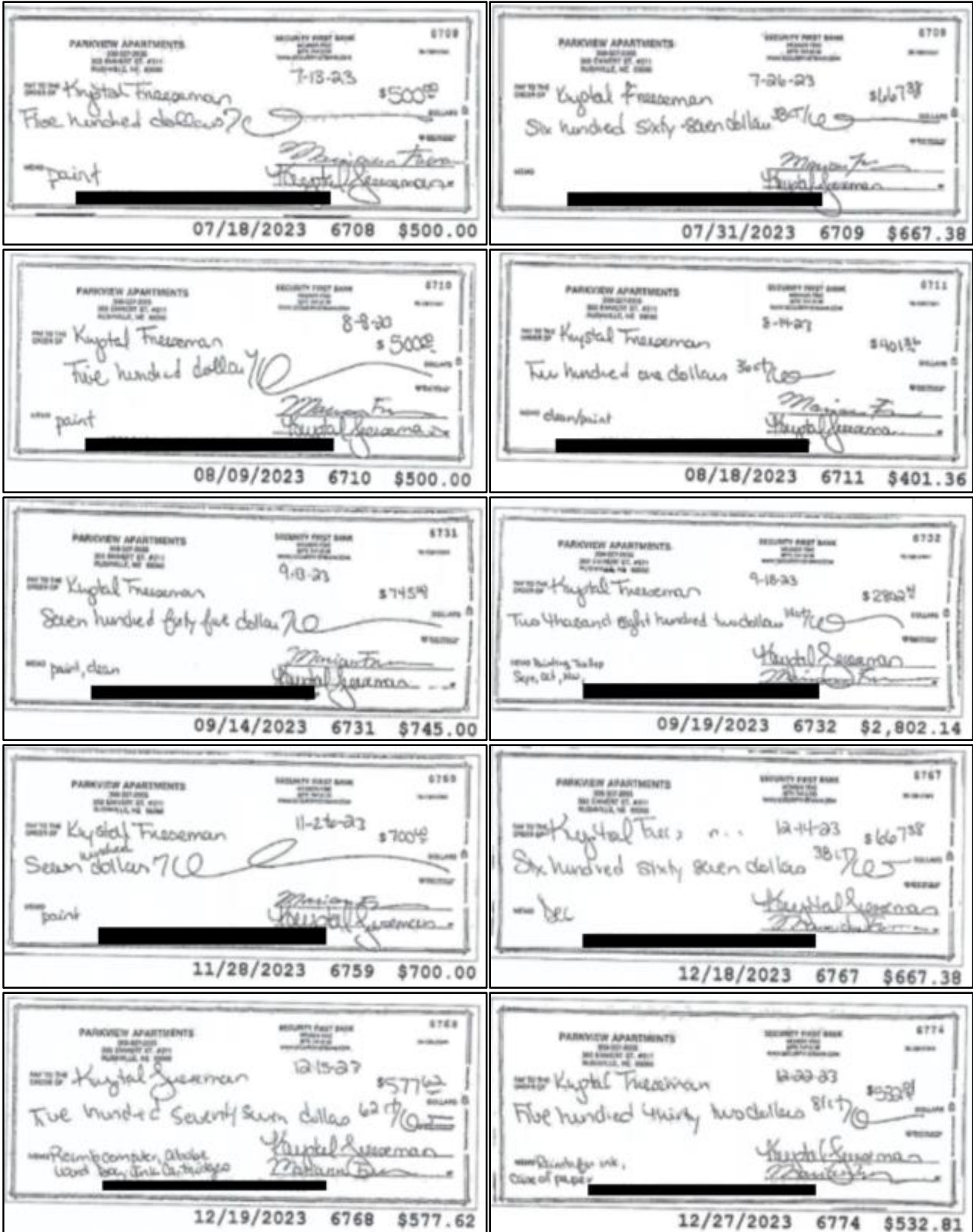
RUSHVILLE HOUSING AUTHORITY
 Suspected Forged Cleared Check Images
 January 1, 2021, to February 29, 2024

Attachment A



RUSHVILLE HOUSING AUTHORITY
 Suspected Forged Cleared Check Images
 January 1, 2021, to February 29, 2024

Attachment A



RUSHVILLE HOUSING AUTHORITY
Suspected Forged Cleared Check Images
January 1, 2021, to February 29, 2024

Attachment A



RUSHVILLE HOUSING AUTHORITY
Krystal Freeseeman's Excessive Payroll Checks
 January 1, 2021, to February 29, 2024

Exhibit A

Check Date	Date Cleared	Check #	Payee	Memo	Net Pay	Gross Pay
11/22/2022	11/22/2022	6624	Krystal Freeseeman	Nov 2022	\$691.74	\$753.00
2/3/2023	3/9/2023	6653	Krystal Freeseeman		\$692.55	\$753.00
2/28/2023	3/13/2023	6656	Krystal Freeseeman		\$692.55	\$753.00
3/29/2023	4/4/2023	6665	Krystal Freeseeman	March 2022	\$692.55	\$753.00
5/1/2023	5/24/2023	6683	Krystal Freeseeman		\$692.55	\$753.00
12/31/2020	1/15/2021	6438	Krystal Freeseeman		\$689.04	\$750.00
no date	3/26/2021	6457	Krystal Freeseeman	payroll	\$689.04	\$750.00
1/12/2022	1/18/2022	6539	Krystal Freeseeman		\$691.74	\$753.00
6/23/2022	6/23/2022	6582	Krystal Freeseeman		\$691.74	\$753.00
no date	3/3/2023	6657	Krystal Freeseeman		\$692.55	\$753.00
3/28/2022	3/29/2023	6666	Krystal Freeseeman		\$692.55	\$753.00
5/1/2023	5/8/2023	6680	Krystal Freeseeman		\$692.55	\$753.00
5/24/2023	5/31/2023	6689	Krystal Freeseeman	payroll, paint, clean	\$892.55	\$753.00
Totals					\$9,193.70	\$9,783.00

RUSHVILLE HOUSING AUTHORITY
Krystal Freesean's Unsupported Reimbursement Payments
 January 1, 2021, to February 29, 2024

Exhibit B

Check Date	Date Cleared	Check #	Payee	Memo	Reimbursement Amount	Check Amount
no date	4/9/2021	6458	Krystal Freesean	paint 203-208	\$700.00	\$700.00
1/20/2023	1/24/2023	6340	Krystal Freesean	2022 tax prep, payroll	\$600.00	\$600.00
1/20/2023	1/24/2023	6638	Krystal Freesean	paint	\$550.00	\$550.00
1/28/2023	2/1/2023	6341	Krystal Freesean	acct services	\$500.00	\$500.00
4/1/2023	4/7/2023	6667	Krystal Freesean	paint #111	\$500.00	\$500.00
5/24/2023	5/31/2023	6689	Krystal Freesean	payroll, paint, clean	\$200.00	\$892.55
7/13/2023	7/18/2023	6708	Krystal Freesean	paint	\$500.00	\$500.00
8/8/2023	8/9/2023	6710	Krystal Freesean	paint	\$500.00	\$500.00
8/14/2023	8/18/2023	6711	Krystal Freesean	clean/paint	\$401.36	\$401.36
9/13/2023	9/14/2023	6731	Krystal Freesean	paint, clean	\$745.00	\$745.00
9/18/2023	9/19/2023	6732	Krystal Freesean	painting, tax prep, sept, oct, nov	\$800.00	\$2,802.14
11/26/2023	11/28/2023	6759	Krystal Freesean	paint	\$700.00	\$700.00
12/15/2023	12/19/2023	6768	Krystal Freesean	reimb computer, adobe, word doc, ink cartridges	\$577.62	\$577.62
12/22/2023	12/27/2023	6774	Krystal Freesean	reimb ink, case of paper	\$532.81	\$532.81
12/30/2023	1/9/2024	6776	Krystal Freesean	training, tax prep, accounting 2023	\$435.00	\$435.00
Totals					\$8,241.79	\$10,936.48

RUSHVILLE HOUSING AUTHORITY
Questionable Credit Card Company Payments
 January 1, 2021, to February 29, 2024

Exhibit C

Check Date	Date Cleared	Check #	Payee	Total
1/14/2021	2/3/2021	6431	Cardmember Services	\$480.53
2/18/2021	2/24/2021	6444	Cardmember Services	\$493.57
3/25/2021	4/5/2021	6453	Cardmember Services	\$52.41
4/30/2021	5/7/2021	6466	Cardmember Services	\$52.47
5/25/2021	6/1/2021	6476	Cardmember Services	\$35.79
6/26/2021	7/6/2021	6482	Cardmember Services	\$10.65
8/10/2021	8/19/2021	6488	Cardmember Services	\$105.24
9/14/2021	9/21/2021	6508	Cardmember Services	\$137.15
10/15/2021	11/1/2021	6521	Cardmember Services	\$64.53
3/4/2022	3/11/2022	6558	Cardmember Services	\$73.75
3/29/2022	4/5/2022	6560	Cardmember Services	\$10.70
5/4/2022	5/12/2022	6568	Cardmember Services	\$33.48
5/31/2022	6/8/2022	6578	Cardmember Services	\$1,207.90
6/22/2022	6/29/2022	6581	Cardmember Services	\$103.24
9/6/2022	9/15/2022	6602	Cardmember Services	\$140.57
9/29/2022	10/7/2022	6612	Cardmember Services	\$926.49
10/28/2022	11/7/2022	6618	Cardmember Services	\$71.46
11/28/2022	12/7/2022	6630	Cardmember Services	\$26.55
12/29/2022	1/9/2023	6633	Cardmember Services	\$113.75
2/21/2023	3/6/2023	6646	Cardmember Services	\$341.30
3/23/2023	4/5/2023	6661	Elan Financial Services	\$1,070.78
no date	5/12/2023	6678	Elan Financial Services	\$430.56
5/23/2023	6/1/2023	6690	Elan Financial Services	\$329.33
6/22/2023	7/3/2023	6697	Elan Financial Services	\$28.14
8/9/2023	8/15/2023	6717	Elan Financial Services	\$169.99
8/22/2023	8/29/2023	6723	Elan Financial Services	\$63.50
9/26/2023	10/2/2023	6740	Elan Financial Services	\$7.50
10/26/2023	11/13/2023	6749	Elan Financial Services	\$43.50
11/21/2023	12/4/2023	6757	Elan Financial Services	\$32.57
12/19/2023	1/2/2024	6771	Elan Financial Services	\$16.04
Total				\$6,673.44

RUSHVILLE HOUSING AUTHORITY
Questionable Credit Card Charges
January 1, 2021, to February 29, 2024

Exhibit D

Last 4 Digits of Card	Transaction Date	Post Date	Description	Payee	Amount
			Beginning Balance - Statement 12/15/20 to 1/14/2021		\$851.12
2127	1/8/2021	1/11/2021	DOLLAR-GENERAL #8655 CHADRON NE	Dollar General	\$10.00
2127	1/8/2021	1/11/2021	BOMGAARS #50 CHADRON NE	Bomgaars	\$2.52
2127	1/12/2021	1/14/2021	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$10.70
2127	1/14/2021	1/14/2021	INTEREST CHARGE ON PURCHASES	Interest	\$21.66
2127	1/29/2021	2/1/2021	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$18.73
2127	1/30/2021	2/1/2021	WM SUPERCENTER #2579 CHADRON NE	Walmart	\$43.37
2127	2/11/2021	2/11/2021	INTEREST CHARGE ON PURCHASES	Interest	\$16.00
2127	3/2/2021	3/3/2021	BOMGAARS #49 GORDON NE	Bomgaars	\$40.41
2127	3/5/2021	3/8/2021	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$12.00
2127	3/25/2021	3/29/2021	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$35.04
2127	3/31/2021	4/2/2021	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$11.01
2127	3/31/2021	4/2/2021	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$6.42
2127	5/4/2021	5/6/2021	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$35.79
2127	5/24/2021	5/26/2021	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$10.65
2127	6/19/2021	6/21/2021	WM SUPERCENTER #2579 CHADRON NE	Walmart	\$20.29
2127	6/21/2021	6/23/2021	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$23.54
2127	6/24/2021	6/25/2021	WM SUPERCENTER #2579 CHADRON NE	Walmart	\$6.41
2127	6/28/2021	6/29/2021	USPS PO 3078451046 RUSHVILLE NE	USPS	\$55.00
2127	8/18/2021	8/19/2021	INTEREST REVERSAL	Interest Reversal	(\$0.08)
2127	8/10/2021	8/10/2021	LATE FEE - PAYMENT DUE ON 8/10	Late Fee	\$29.00
2127	8/15/2021	8/17/2021	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$13.01
2127	8/16/2021	8/16/2021	INTEREST CHARGE ON PURCHASES	Interest	\$2.91
2127	9/3/2021	9/7/2021	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$17.69
2127	9/14/2021	9/14/2021	MINIMUM INTEREST CHARGE FEE	Interest	\$2.00
2127	11/7/2021	11/9/2021	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$19.17
2127	11/16/2021	11/17/2021	WM SUPERCENTER #2579 CHADRON NE	Walmart	\$23.57
2127	12/3/2021	12/6/2021	WAL-MART #2579 CHARDON NE	Walmart	\$26.46
2127	12/7/2021	12/8/2021	WM SUPERCENTER #2579 CHADRON NE	Walmart	\$7.31
2127	12/21/2021	12/23/2021	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$26.45
2127	12/30/2021	1/3/2021	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$11.00
2127	1/3/2022	1/4/2022	WM SUPERCENTER #2579 CHADRON NE	Walmart	\$16.94
2127	1/15/2022	1/18/2022	WAL-MART #2579 CHARDON NE	Walmart	\$16.94
2127	1/18/2022	1/18/2022	CREDIT BALANCE REFUND	Credit Balance Refund	\$6.25
2127	1/27/2022	1/31/2022	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$14.01
2127	2/5/2022	2/7/2022	ESSENCE FLORAL&WINE 3082822014 NE	Essence Floral Design	\$42.80
2127	2/17/2022	2/22/2022	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$10.70
2127	3/22/2022	3/24/2022	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$33.48
2127	4/18/2022	4/20/2022	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$36.92
2127	4/22/2022	4/25/2022	WM SUPERCENTER #2579 CHADRON NE	Walmart	\$21.84
2127	5/4/2022	5/6/2022	MENARDS RAPID CITY SD 715-876-6378 SD	Menards	\$1,149.14
2127	5/10/2022	5/10/2022	LATE FEE - PAYMENT DUE ON 05/10	Late Fee	\$19.00
2127	5/11/2022	5/11/2022	REVERSAL OF LATE PAYMENT FEE	Late Fee Reversal	(\$19.00)
2127	5/25/2022	5/27/2022	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$31.83
2127	5/26/2022	5/31/2022	COFFEE CUP #9 HOT SPRINGS SD	Coffee Cup	\$50.25
2127	5/26/2022	5/31/2022	MENARDS RAPID CITY SD 715-876-6378 SD	Menards	\$21.16
2127	7/14/2022	7/15/2022	WESTCO 07081193 RUSHVILLE NE	Westco	\$77.15
2127	7/15/2022	7/18/2022	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$9.49
2127	8/3/2022	8/5/2022	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$53.93
2127	8/11/2022	8/15/2022	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$14.01
2127	8/11/2022	8/15/2022	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$8.49
2127	8/15/2022	8/17/2022	K&D APPLIANCE SERVICE 605-3949411 SD	K&D Appliance Service	\$560.27
2127	8/18/2022	8/19/2022	PUMP & PANTRY #36 RUSHVILLE NE	Pump & Pantry	\$72.85
2127	8/19/2022	8/22/2022	BIG D#54 RAPID CITY SD	Big D #54	\$85.39
2127	8/19/2022	8/22/2022	WESTCO 07081193 RUSHVILLE NE	Westco	\$79.34
2127	9/9/2022	9/12/2022	USPS PO 3078451046 RUSHVILLE NE	USPS	\$60.00
2127	9/9/2022	9/12/2022	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$9.49
2127	9/10/2022	9/12/2022	LATE FEE DUE ON 09/10	Late Fee	\$29.00
2127	9/14/2022	9/14/2022	INTEREST CHARGE ON PURCHASES	Interest	\$7.65
2127	9/23/2022	9/26/2022	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$9.49
2127	9/24/2022	9/26/2022	WAL-MART #2579 CHARDON NE	Walmart	\$38.21

	- Alleged fraudulent charges
	- Other questionable charges

RUSHVILLE HOUSING AUTHORITY
Questionable Credit Card Charges
January 1, 2021, to February 29, 2024

Exhibit D

Last 4 Digits of Card	Transaction Date	Post Date	Description	Payee	Amount
2127	10/1/2022	10/3/2022	WM SUPERCENTER #2579 CHADRON NE	Walmart	\$23.76
2127	10/20/2022	10/24/2022	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$19.26
2127	11/12/2022	11/14/2022	WAL-MART #2579 CHARDON NE	Walmart	\$7.29
2127	12/30/2022	1/3/2023	CHECKMARK INC 970-2250522 CO	CheckMark, Inc.	\$469.00
2127	12/30/2022	1/3/2023	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$9.99
2127	1/4/2023	1/5/2023	NI SOS NONPROFIT 800-7478177 NE	SoS	\$28.00
2127			Note		\$113.75
2127	1/7/2023	1/9/2023	WAL-MART #2579 CHARDON NE	Walmart	\$34.64
2127	1/7/2023	1/9/2023	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$15.00
2127	1/14/2023	1/17/2023	WAL-MART #2579 CHARDON NE	Walmart	\$12.06
2127	2/6/2023	2/8/2023	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$27.82
2127	2/10/2023	2/10/2023	LATE FEE - PAYMENT DUE ON 02/10	Late Fee	\$39.00
2127	2/13/2023	2/13/2023	INTEREST CHARGE ON PURCHASES	Interest	\$5.79
2127	2/16/2023	2/16/2023	ULINE *SHIP SUPPLIES 800-295-5510 WI	Uline	\$59.39
2127	2/24/2023	2/27/2023	HP*HP.COM STORE 888-345-5409 CA	HP.com	\$946.93
2127	2/25/2023	2/27/2023	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$7.99
2127	3/2/2023	3/6/2023	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$15.00
2127	3/3/2023	3/6/2023	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$30.50
2127	3/14/2023	3/14/2023	INTEREST CHARGE ON PURCHASES	Interest	\$10.97
2127	4/3/2023	4/4/2023	INK ENTERPRISES - INKCUSTOM TEES AR	Ink Enterprises	\$120.49
2127	4/13/2023	4/13/2023	INTEREST CHARGE ON PURCHASES	Interest	\$10.07
2127	4/19/2023	4/20/2023	DAKOTA WESLEYAN UNIVER 605-52601 SD	Dakota Wesleyan University	\$180.00
2127	4/19/2023	4/20/2023	PENALTY BOX 6 PACK WWW.PENALTYBO NJ	Penalty Box	\$97.00
2127	4/29/2023	5/1/2023	WAL-MART #2579 CHARDON NE	Walmart	\$37.24
2127	5/2/2023	5/3/2023	WAL-MART #2579 CHARDON NE	Walmart	\$24.49
2127	5/4/2023	5/8/2023	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$12.84
2127	5/6/2023	5/8/2023	WM SUPERCENTER #2579 CHADRON NE	Walmart	(\$37.24)
2127	5/8/2023	5/10/2023	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$15.00
2127	5/10/2023	5/10/2023	LATE FEE - PAYMENT DUE ON 05/10	Late Fee	\$39.00
2127	5/11/2023	5/11/2023	REVERSAL OF LATE PAYMENT FEE	Late Fee Reversal	(\$39.00)
2127	5/17/2023	5/18/2023	WM SUPERCENTER #2579 CHADRON NE	Walmart	\$28.14
2127	6/19/2023	6/20/2023	MICROSOFT*STORE 800-6427676 WA	Microsoft	\$106.99
2127	7/8/2023	7/10/2023	USPS PO 3078451046 RUSHVILLE NE	USPS	\$63.00
2127	7/31/2023	8/2/2023	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$17.66
2127	8/4/2023	8/7/2023	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$15.00
2127	8/10/2023	8/10/2023	LATE FEE - PAYMENT DUE ON 08/10	Late Fee	\$29.00
2127	8/15/2023	8/15/2023	INTEREST CHARGE ON PURCHASES	Interest	\$1.84
2127	8/16/2023	8/18/2023	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$7.50
2127	9/26/2023	9/28/2023	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$24.34
2127	10/2/2023	10/3/2023	WAL-MART #2579 CHARDON NE	Walmart	\$9.18
2127	10/5/2023	10/10/2023	IDEAL MARKET OF RUSHVILLE NE	Rushville Ideal Market	\$9.98
2127	11/1/2023	11/3/2023	FAMILY DOLLAR #7694 RUSHVILLE NE	Family Dollar	\$32.57
2127	11/10/2023	11/10/2023	LATE FEE - PAYMENT DUE ON 11/10	Late Fee	\$19.00
2127	11/13/2023	11/13/2023	REVERSAL OF LATE PAYMENT FEE	Late Fee Reversal	(\$19.00)
2127			Note		\$16.04
Total					\$6,673.44

Note: The credit card statements show that there was a purchase for these two amounts, but there was no actual line item for the two purchases.

Description	Number of Transactions	Amount
Beginning Balance	0	\$851.12
Alleged fraudulent charges	4	\$1,692.93
Other questionable charges	101	\$4,129.39
Totals	105	\$6,673.44

	- Alleged fraudulent charges
	- Other questionable charges