



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

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State Auditor Exposes Apparent Improprieties at the Niobrara Council Based in Valentine, Nebraska

State Auditor Mike Foley announced today the release of a report outlining, among other things, the apparent mishandling of Federal and State funds by a small nonprofit organization known as the Niobrara Council (Council).

Created by the Nebraska Legislature in the late 1990s, the Council manages the Niobrara scenic river corridor in conjunction with the National Park Service.

The Council has only two employees. According to Auditor Foley's report, combined they received over \$7,500 in improper bonuses that were not only violative of Federal regulations but also highly questionable under State law prohibiting gratuitous payments when no extra work has been performed.

The report questions also the payment of nearly \$40,000 to the Council's Executive Director over a 21-year period during which she claimed not to have used a single day of sick or vacation leave. She received those tens of thousands of dollars as compensation for the supposedly unused vacation leave balances at the end of each of those years.

Despite claiming to have taken no time off in more than two decades, a Facebook posting by the Executive Director depicted her ice-fishing during what appear to have been regular business hours when the Council's headquarters should have been open.

Auditor Foley noted, "Even a Baseball Hall of Fame great like Baltimore Orioles shortstop Cal Ripken, Jr., known as the 'Iron Man,' could compile a record of only 17 years without missing a game and he rested during the off-season!"

Other audit findings include a \$500 payment to the Executive Director's sister for conducting river user counts where a lack of formal procedures creates the appearance of a conflict of interest and the failure of the Council to make timely annual reports to the Legislature as required by State statute. Some of the tardy annual reports were filed between one and three years late without any explanation for the failure to comply with the law.

The auditors found, furthermore, two overpayments of hundreds of dollars each to the Executive Director for health insurance reimbursements.

Finally, the report notes that the Council's employment contract with the Executive Director requires that she "devote her entire time and energy to the furtherance of the business" of the Council and prohibits her from engaging "in any other gainful employment" without the Council's prior written approval. Nevertheless, without the documented authorization of the Council, the Executive Director has served over the past dozen years as an elected member of the City Council of Valentine, a position which currently pays \$2,400 per year.

"This report illustrates perfectly," explained Auditor Foley, "that large and small entities alike are at risk for mishandling public funds. No matter an organization's size, proper oversight is always needed to safeguard the citizens' tax dollars."