



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

May 23, 2025

Mike Weiss, Chairperson
Nemaha County
1824 N Street
Auburn, NE 68305

Chris Stevenson, Chairperson
Nemaha Rural Fire District 4
72355 642A Avenue
Auburn, NE 68305

Dear Mr. Weiss and Mr. Stevenson:

As you may know, the Nebraska Auditor of Public Accounts (APA) has received concerns regarding the apparently unauthorized use of Nemaha County (County) fuel pumps by, among others, the Nemaha Rural Fire District 4 (Fire District). 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 County and the Fire District. 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 County is a political subdivision established under and governed by the laws of the State of Nebraska (State). The County Board of Commissioners (County Board) is the governmental body responsible for exercising financial accountability and control over activities relevant to the operations of the County. County Board members are elected by the public and have broad decision-making authority, including the power to levy taxes, the ability to exert significant influence over all County operations, and the primary responsibility for related fiscal matters.

The County is divided into three districts, with the Commissioner of each district presiding over the County's roadwork operations within his respective district. Each district contains a County-owned shop with two fuel pumps, one for diesel fuel and one for regular gasoline. The following table details the three districts, with their respective Commissioners and the locations of the shops and fuel pumps:

District	Commissioner	Location
District 1	Mike Hall	Nemaha, NE
District 2	Bryan Melage	Auburn, NE
District 3	Mike Weiss	Johnson, NE

The concerns received by the APA were related to the County fuel pumps located in District 1. Per discussion with the Chairperson of the County Board, the County fuel pumps in District 2 and District 3 are padlocked and can be unlocked only by certain County employees; however, the County fuel pumps in District 1 are controlled by a power switch inside the County-owned shop.

The Fire District is located in Nemaha County, Nebraska. Rural and suburban fire protection districts are political subdivisions that are empowered under State statute to organize, equip, and maintain local firefighting bodies for the purpose of providing fire protection services to citizens residing in rural and suburban areas in the State. A Board of Trustees (Fire District Board) is the governing body that exercises financial accountability and control over activities relevant to the operations of the Fire District. The Fire District receives funding from State and local government sources and must comply with the requirements of these fundings sources. Fire District Board members are elected by the public and have broad decision-making authority, including the power to levy taxes and to designate management, the ability to exert significant influence over all operations of the Fire District, as well as the primary responsibility for related fiscal matters.

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

Comments and Recommendations

1. Apparent Personal Use of County Fuel Pumps

The APA received allegations that the County fuel pumps in District 1 were being used by unauthorized individuals. In addition to the allegations received, the APA was provided several photographs taken on March 24, 2025, showing various vehicles being fueled at the County fuel pumps in the middle of the night.

One of the photographs received, which is copied below, appears to show the District 1 Commissioner, Mike Hall, using the County fuel pumps to fill his personal vehicle at 12:49 a.m.



The vehicle in this photograph appears to be a 2021 Ford Ranger. The following image shows a 2021 Ford Ranger available for sale online, which appears to be the same make and model of the vehicle shown above.



Upon examination of the Nebraska Department of Motor Vehicles' title and registration system, we noted that Mr. Hall owns a white 2021 Ford Ranger, which appears to be the vehicle being filled at the County's fuel pump.

If it can be shown that Mr. Hall intentionally misused the County's fuel pump for personal gain, such actions may give rise to serious legal concerns. To start, Neb. Rev. Stat. § 28-511(1) (Reissue 2016) provides the following:

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.

Moreover, the Nebraska Political Accountability and Disclosure Act (Act), which is set out at Neb. Rev. Stat. §§ 49-1401 to 49-14,142 (Reissue 2021, Cum. Supp. 2024), places strict parameters upon the use of public resources by public officials and employees.

Neb. Rev. Stat. § 49-1442 (Reissue 2021) of the Act defines a "public employee" as "an employee of the state or a political subdivision thereof." With regard thereto, Neb. Rev. Stat. § 49-14,101.01(2) (Reissue 2021) provides the following:

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.

(Emphasis added.) Subsection (7) of that same statute says, in part, "[A]ny person violating this section shall be guilty of a Class III misdemeanor"

Good internal controls require procedures to ensure that County fuel pumps are used only to fill County vehicles, and personal use of County fuel pumps is strictly prohibited.

Without such procedures, there is an increased risk for the loss, misuse, or theft of County inventory and public funds.

We recommend the County implement procedures to ensure that County fuel pumps are used only to fill County vehicles, and personal use of County fuel pumps is strictly prohibited. Because the issue addressed herein constitutes a possible violation of the Act, we are forwarding this information to the Nebraska Accountability and Disclosure Commission for further review.

2. Lack of Adequate Documentation for Fire District Use of County Fuel Pumps

In addition to the previous photograph, which purports to document the apparent personal use of the County's District 1 fuel pumps, the APA received several photographs that showed five other vehicles, all appearing to belong to the Fire District, using the same fuel pumps on March 24, 2025.

The following image of one of these vehicles shows that its door is clearly marked with "Nemaha Rural Fire Dist."



Per discussion with the Board Chairperson for the Fire District, there are no fuel pumps within the Village of Nemaha, with the nearest pumps being roughly 15 miles away.

The APA was informed that, a few years ago, a representative of the Fire District contacted District 1 Commissioner Mike Hall, who serves also as the Fire Chief for the Fire District, to inquire about using the County's District 1 fuel pumps. No formal, written agreement was signed between the County and the Fire District regarding the use of the fuel pumps; however, Mr. Hall approved their use by the Fire District as long as a log showing the usage was maintained, and the Fire District occasionally paid to refill the fuel pumps.

The APA obtained receipts for three fuel purchases made by the Fire District to refill the District 1 fuel pumps between January 1, 2021, through April 22, 2025. The Fire District paid for those fuel purchases, but the fuel itself was delivered to the fuel tanks at the County's District 1 shop.

The following table details the three fuel purchases noted:

Date	Diesel Purchased (Gallons)	Gasoline Purchased (Gallons)	Total Gallons Purchased	Total Payment Amount
3/25/2021	150	100	250	\$709.25
3/2/2022	200	250	450	\$1,628.50
11/30/2023	400	187	587	\$2,226.87
Totals	750	537	1,287	\$4,564.62

The APA also obtained a copy of the logs maintained by the Fire District for use of the County's fuel pumps, dating back to January 2021. The logs list the unit refueled and the amount of fuel pumped; however, other information, such as each refueling date, is not maintained consistently. Further, the logs do not list names of the individuals filling up each vehicle or the times of usage.

Since the logs began in 2021, the Fire District has used a total of 826.70 gallons of fuel – 634.20 gallons of diesel and 192.50 gallons of gasoline – from the County’s pumps. Images of the Fire District logs from 2021 through 2025 are included as **Attachment A** herein.

The following image shows the log maintained for calendar year 2025:

Equipment No. <i>Memphis Rural</i>			Description of Equipment			District No. <i>2025</i>			Month/Year			
Operated			Equipment Costs			Repair Costs			Location of Operation			
Day	Miles	Hours	Diesel	Gas	DEF	Oil	Grease	Tires Tubes	Labor	Parts	Location of Operation	Operator Initials
1												
2	#621		16	3.654								
3	#643		55.5									
4												
5												
6	#643		78.9									
7												
8	#642			26.5								
9	<i>Gas can</i>			15.0								
10												
11	#621		26.5									
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30												
31												
TOTAL			176.9	45.1								
Construction or Maintenance:												

Handwritten notes:

- Total 45.1 gas - 21 April - 25*
- Total 176.9 - 22 April - 28*
- * Need to order Diesel has to be 400 gal TOTAL product 157.5 gals*
- 384.2*
- 384.2*

In addition to a lack of basic information, we noted the following issues with the logs maintained by the Fire District:

- The right side of these logs track the fuel purchases made by the Fire District, noting fuel purchased in excess of the amount pumped from the District 1 fuel tanks, or fuel pumped that still needs to be replaced; however, none of the logs include the fuel purchase made on November 30, 2023. The log above shows that the Fire District has pumped 384.20 gallons of diesel more than what it purchased and has purchased 157.50 gallons of gasoline that has not yet been pumped; however, assuming the logs of fuel usage are correct, we recalculated that the Fire District has purchased 115.80 gallons of diesel and 344.50 gallons of gasoline that have yet to be pumped.
- The log above shows three different units filling up in 2025: #621 (twice), #643 (twice), and #642. However, the photographs provided to the APA appear to show five different Fire District vehicles, in addition to Mr. Hall’s personal vehicle, using the County’s fuel pumps. Accordingly, the log does not appear to reflect accurately all Fire District fuel usage.
- The log for 2024 shows that the Fire District refueled two vehicles during the calendar year. Unit #643 was filled with 71.50 gallons of diesel on March 19, 2024, and unit #631 was filled with 24 gallons of diesel on August 16, 2024. Based on fire call logs received by the APA, the Fire District responded to at least 10 calls during 2024. Six of those calls occurred after the month of August. The APA questions whether it is reasonable for the Fire District to have refueled only two vehicles during the year, given the number of calls to which it responded.

- Some Fire District vehicles were not refueled for over one year. For example, the logs report that unit #621 refueled in 2023, but it was not refueled again until two years later, in 2025.

Further, we obtained the County's fuel invoices for March and April 2025, as well as the District 1 vehicle fuel logs for March 2025.

The following is an image of the March 2025 fuel log for one of the County vehicles used in District 1:

#304		12 M3 Grader					1		3-25				
Operated			Equipment Costs			Repair Costs						Location of Operation	Operator Initials
Day	Miles	Hours	Diesel	Gas	DEF	Oil	Grease	Tires Tubes	Labor	Parts			
1													
2													
3													
4													
5		6724	50										RC
6													
7													
8													
9													
10													
11													
12													
13		6742	55										RC
14													
15													
16													
17		6749	45		4								RC
18		6756	40										RC
19													
20													
21													
22													
23													
24		6764	41										RC
25		6771	41										RC
26		6779	40		4		✓						RC
27		6786	40										RC
28		6794	40										RC
29													
30													
31		6799	30										RC
TOTAL													
Construction or Maintenance:													

The invoices show that the District 1 diesel fuel pump was refilled on April 1, 2025, with 925.10 gallons of diesel being used since the last refill on March 21, 2025. Based on the District 1 vehicle fuel logs, County vehicles used only 735.30 gallons of diesel fuel during this date range, meaning that 189.80 gallons were not used by County vehicles.

While the amount of diesel fuel pumped from the District 1 fuel tanks by the Fire District between March 21, 2025, and April 1, 2025, cannot be determined – because, as noted already, usage dates are not included on the logs – if all 176.90 gallons of diesel fuel pumped by the Fire District during 2025 were used during this week, 12.90 of the missing 189.80 gallons of diesel fuel would remain unaccounted for still.

Good internal controls require procedures to ensure the following: 1) all agreements between the County and the Fire District are documented adequately and approved by the governing boards of both entities; 2) all logs detailing the usage of the County's fuel pumps document adequately the date, time, and name of the individual users; 3) fuel usage for all vehicles, whether owned by the County or the Fire District, is recorded accurately; and 4) a reconciliation is performed between the fuel logs and the fuel invoices to verify that all fuel usage is tracked and used for allowable purposes.

Without such procedures, there is an increased risk for the loss, misuse, or theft of County inventory and public funds.

We recommend the County and the Fire District implement procedures to ensure the following: 1) all agreements between the County and the Fire District are documented adequately and approved by the governing boards of both entities; 2) all logs detailing the usage of the County's fuel pumps document adequately the date, time, and name of the individual users; 3) fuel usage for all vehicles, whether owned by the County or the Fire District, is recorded accurately; and 4) a reconciliation is performed between the fuel logs and the fuel invoices to verify that all fuel usage is tracked and used for allowable purposes.

Overall County Response: *The County Commissioners approved this morning [5/21/2025] executing an interlocal agreement between the County and the Nemaha Fire District for fuel cost, usage, and reconciliation. The Agreement will include monthly logs on the use of the County's fuel pumps recording date, time, reason, and name/contact of the individual user. All fuel usage for the County and the Fire District will be recorded accurately, and reconciliation between the fuel logs and fuel invoices for tracking and purpose shall be carried out. The County will require from the Fire District verification of use of personal vehicle by mileage/hour reimbursement.*

Overall Fire District Response: *For our fire trucks to fuel up we have to travel a distance so we made a verbal agreement with county commissioners to fuel up at county barn. A log was to be used to kept track of the fuel. We now have a lawyer writing an agreement, which the commissioners and fire board will sign when completed.*

* * * * *

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 both the County and the Fire District.

Draft copies of this letter were furnished to the County and the Fire District to provide their 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 County, the Fire District, and their 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
Derek Baumfalk – Auditor-In-Charge

Sincerely,



Craig Kubicek, CPA, CFE
Deputy Auditor
Auditor of Public Accounts
Room 2303, State Capitol
Lincoln, NE 68509
Phone (402) 471-3686
craig.kubicek@nebraska.gov

cc. Nebraska Accountability and Disclosure Commission

NEMAHA RURAL FIRE DISTRICT 4
County Fuel Pump Usage Logs
January 1, 2021, through April 22, 2025

Attachment A

Nemaha Rural Fire
2021

Operated			Equipment Costs			Repair Costs					Location of Operation	Operator Initials
Day	Miles	Hours	Diesel	Gas	DEF	Oil	Grease	Tires Tubes	Labor	Parts		
1												
2												
3												
4												
5												
6												
7												
8												
9	#642											
10	#621		24 gal									
11	#621		30 gal									
12	#623											
13				29.4								
14												
15												
16												
17												
18												
19	#621		14.1	14.9								
20	#631		32.2									
21	#623			32.1								
22												
23												
24												
25												
26												
27												
28												
29												
30												
31												
TOTAL			100.3	76.4								

Construction or Maintenance:

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NEMAHA RURAL FIRE DISTRICT 4
County Fuel Pump Usage Logs
January 1, 2021, through April 22, 2025

Attachment A

Nemaha Rural Fire
DISTRICT 4 2022

Operated			Equipment Costs			Repair Costs					Location of Operation	Operator Initials
Day	Miles	Hours	Diesel	Gas	DEF	Oil	Grease	Tires Tubes	Labor	Parts		
1												
2												
3	<i>Unit</i>											
4	<i>642</i>		<i>30</i>									
5	<i>621</i>		<i>24</i>									
6	<i>631</i>		<i>29.4</i>									
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20			<i>36</i>									
21				<i>14</i>								
22			<i>3</i>									
23	<i>621</i>		<i>16</i>									
24												
25	<i>622</i>			<i>22</i>								
26												
27	<i>643</i>		<i>51.8</i>									
28												
29												
30												
31												
TOTAL			<i>187.2 gal</i>	<i>36</i>								

Construction or Maintenance:

Fuel purchased by Fire Dist

Fuel Ticket

49.7 23.6 carry over

(March 22) Diesel 20 gal 250 gal

279.4 273.6

- 187.2 36

62.5 239.6

NEMAHA RURAL FIRE DISTRICT 4
 County Fuel Pump Usage Logs
 January 1, 2021, through April 22, 2025

Attachment A

2023

Nemaha Rural Fire Dist

Operated			Equipment Costs			Repair Costs					Location of Operation	Operator Initials
Day	Miles	Hours	Diesel	Gas	DEF	Oil	Grease	Tires Tubes	Labor	Parts		
1												
2												
3	41		50 gal									
4												
5	43		24.3									
6												
7												
8	23			25 gal								
9												
10	21			10 gal								
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30												
31												
TOTAL			74.3	35 gal								

District fuel

Diesel 62.5 Gas 237.6

74.3 35

1187 202.6

To Date to Date

Construction or Maintenance:

NEMAHA RURAL FIRE DISTRICT 4
County Fuel Pump Usage Logs
January 1, 2021, through April 22, 2025

Attachment A

Equipment No.			Description of Equipment							District No.		Month/Year	
Operated			Equipment Costs				Repair Costs					Location of Operation	Operator Initials
Day	Miles	Hours	Diesel	Gas	DEF	Oil	Grease	Tires Tubes	Labor	Parts			
1	MARCH	19-2024		Unit 643				71.5 gals Diesel					
2	August	16-2024		- Unit 631				24 gals Diesel					
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
21													
22													
23													
24													
25													
26													
27													
28													
29													
30													
31													
TOTAL													

Total 95.5 Diesel

Totals
95.5 Diesel
11.87 carry over

< 107.3

COAS

202.6 gals

Totals 95.5

Construction or Maintenance:

NEMAHA RURAL FIRE DISTRICT 4
County Fuel Pump Usage Logs
January 1, 2021, through April 22, 2025

Attachment A

Equipment No. <i>Nemaha Rural</i>			Description of Equipment			District No. <i>2025</i>			Month/Year		
Operated			Equipment Costs			Repair Costs			Location of Operation		
Day	Miles	Hours	Diesel	Gas	DEF	Oil	Grease	Tires Tubes	Labor	Parts	Operator Initials
1											
2	<i>621</i>		<i>16</i>	<i>3.654</i>							
3	<i>643</i>		<i>55.5</i>								
4											
5											
6	<i>643</i>		<i>78.9</i>								
7											
8	<i>642</i>			<i>26.5</i>							
9	<i>621</i>	<i>Boys camp</i>		<i>15.0</i>							
10											
11	<i>621</i>		<i>26.5</i>								
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30											
31											
TOTAL			<i>176.9</i>	<i>45.1</i>							

Construction or Maintenance:

*Need to order Diesel
has to be 400 gal Total product
Cost*
384.2
384.2

Total 45.1 gas - 21 April - 25
Total 176.9 - 22 April - 25