



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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September 16, 2025

Sean Hopkins, City Council President
City of Mitchell
1280 Center Avenue
Mitchell, NE 69357

Dear Mr. Hopkins:

As you may know, the Nebraska Auditor of Public Accounts (APA) has received allegations regarding: 1) personal use of municipal equipment and resources by the City of Mitchell's (City) Mayor, Paul Murrell; 2) potentially questionable and excessive payments of public funds to the City Mayor and his business, "The Handyman"; and 3) certain questionable expenditures involving the Mitchell Care Center (Center). 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 both the City and the Center. 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 because both the City and the Center are audited on an annual basis. It is the APA's understanding also that there are other ongoing investigations involving the Center at this time.

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

Background Information

The City is a city of the second class located in Scotts Bluff County, Nebraska. The City Council is the governing body that exercises financial accountability and control over activities relevant to the operations of the City. City Council 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 City operations, and the primary responsibility for related fiscal matters.

The Center is a municipal assisted living and nursing facility located in Mitchell, Nebraska. The Center contains 50 units in its facility with the option of private rooms and 24-hour nursing, respite and day care, and 12 assisted living units that opened in 2002. Under section § 32.10 of the City's municipal code, "The City Council shall retain the capacity to make final decisions in regard to the final operation and financing of the Municipal Care Center." However, this section also authorizes the Mayor and City Council to appoint a five-member Municipal Care Center Committee (Committee) to act in an advisory capacity and oversight function. Currently, the Committee consists of the City Mayor, the City Clerk, the City Administrator, and the City Council President. It is the APA's understanding that the remaining position on the Committee is vacant, and the current Committee no longer keeps meeting minutes, which does not appear to comply with the City's municipal code. Section § 32.10 of the City's municipal code states the following, in relevant part:

(B)(2) The minutes of each meeting shall be published in a legal newspaper of general circulation in the city within 30 days after the meeting is held. The Committee shall meet at least once per month or more often, as is required to conduct business.

* * * *

(3)(C) The position of any Committee member shall be vacant if he or she no longer resides within the city limits, or if he or she is absent, and the absence is not excused by the Committee for five consecutive regular meetings of the Committee. The Mayor, with the consent of the City Council, shall fill any vacancy by appointment of a new member for the committee to fill the unexpired term.

The City informed the APA that it has tried unsuccessfully to locate a willing participant to appoint to the Committee, and also that it is working to revise the requirements of the Committee to reduce it to a smaller sized group, remove the requirement of the Mayor to sit on the Committee, and will commence taking minutes of all Committee meetings.

Although the Committee oversees the Center, and the City Council has ultimate authority over its finances and operations, the City contracts out management of the Center to a consulting firm. Until June 2025, the City contracted with Rural Health Development, Inc., (RHD) based out of Cambridge, Nebraska. According to the Facility Management Agreement with the City, RHD was to manage and provide a variety of services to the Center. The agreement stated further that RHD had, among other responsibilities, the authority to enter into contracts for goods and services, recommend an on-site Administrator, hire and terminate Center employees, maintain relevant licenses to operate the Center, recommend, adopt, and follow Center policies and procedures, and provide monthly financial statements to the City Council. As of June 1, 2025, the City has terminated the agreement with RHD and contracted with a new consulting firm called Aris Health Care.

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

Comments and Recommendations

1. Alleged Personal Use of Municipal Equipment and Resources

The APA received concerns that the City Mayor, Paul Murrell, has utilized municipal equipment, employees, and other resources for his own personal use at or near his residence. That alleged activity by the Mayor is claimed to have occurred during the City's normal hours of operation.

The house in question is located at 1245 19th St., Mitchell, NE, 69357. According to the Scotts Bluff County Geographic Information Systems (GIS) website (<https://scottsbluffcountyne.gov/gis-mapping/beacon-gis-map-online/>), the residence involved in the alleged misappropriation of municipal resources is owned by "MURRELL/PAUL & JENNY." Shown below is a photo of the house:



The following images show the property from the satellite view on Google Maps (left) and the County’s GIS website (right):



The APA received complaints, accompanied by photographs and a video, alleging that the Mayor used an apparent City-owned skid loader on June 23, 2025, for the red rock pavement outside of his personal residence.

After inquiring with City representatives, the APA was informed that the Mayor had directed municipal employees to haul red rock, as shown in the above images, to his residence with the alleged City-owned skid loader and dump truck in August 2024. The APA did not observe red rock in any other locations within the City. Despite being laid on a public street, the red rock appears to have benefited the Mayor almost exclusively due to having been placed solely in front of his personal residence.

In addition to the skid loader, the APA also received concerns, again accompanied by photographs and videos, that the Mayor has been using an alleged City-owned side-by-side weed sprayer for personal use on multiple occasions. One such occurrence took place in the afternoon on July 5, 2024. Shown below is an image taken on that day at 2:49 p.m. that appears to show the Mayor using the weed sprayer on the road next to his personal residence:



Again, while the image shows the sprayer being used on a public street, it appears that the Mayor would be the primary beneficiary of this use of City resources similar to the red rock mentioned above.

The City later confirmed that the Mayor was the individual pictured using the skid loader and the side-by-side weed sprayer; however, the Mayor advised that these pieces of equipment are owned by him personally and are not owned by the City. The City informed the APA also that the red rock laid on the street in front of the Mayor’s house has been there for more than 20 years, even before the Mayor owned the property, and the Mayor was not hauling in new rock, but rather moving and smoothing the rock that was already there. The City stated that because the equipment was owned by the Mayor and this work was done on a public street there was no sole benefit to the Mayor, nor improper use of City equipment and resources.

Further, the City explained that the Mayor was spraying weeds on the date pictured in the above image because he had received a complaint of weeds throughout the City. According to the City, the Mayor also sprayed weeds on both sides of 18th and 19th streets down to Center Avenue on this day, as well as spraying weeds at the “Welcome to Mitchell” signs. The City stated that the Mayor’s actions on this day were not for personal gain, but the benefit of the entire City to address the weed complaint.

Subsequent to this information being provided by the City, however, the APA noted that the documentation submitted to support the Mayor’s supposed ownership of the side-by-side weed sprayer did not appear to match the one shown in the image above. Below is an excerpt of the Form 6ATV Sales and Use Tax Statement provided to the APA by the City:

NEBRASKA Good Life. Great Service. DEPARTMENT OF REVENUE		Nebraska Sales and Use Tax Statement for All-Terrain Vehicle (ATV) and Utility-Type Vehicle (UTV) Sales				FORM 6ATV
Purchaser's Name and Address			Seller's Name and Address			
Name Paul Murrell			Name Celli's Cycle Center LLC			
Street or Other Address 1245 19th St			Street or Other Address 606 South Beltline Hwy East			
City Mitchell, NE 69357			City Scottsbluff, NE 69361			
Check the box for the appropriate type of vehicle purchased.						
<input type="checkbox"/> ATV <input checked="" type="checkbox"/> UTV						
Make CFMOTO	Model/Series ZForce 800 Trail	Year 2022	Vehicle ID Number (VIN) LCELVYZ14N6002606	Date of Purchase 01/28/2023		
Trade-In Description						
Make	Model/Series	Year	Vehicle ID Number (VIN)	Was the trade-in vehicle being leased? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, enter -0- on line 2.		
A. Did the purchaser take possession of the ATV or UTV at the seller's address listed on this Form 6ATV?			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, answer B.			
B. Was the ATV or UTV delivered to the purchaser's address listed on this Form 6ATV?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, provide the address of where it was delivered			
Tax Computation — See Instructions						
1	Total sales price.....	1	12539	00		
2	Less trade-in allowance.....	2	0	00		
3	Tax base (line 1 minus line 2) (if zero or less, enter -0-)	3	12539	00		
4	Nebraska sales or use tax (line 3 multiplied by rate)	4				
5	Local sales or use tax (line 3 multiplied by rate)	5				
6	Nebraska and local sales or use tax due (line 4 plus line 5)	6				
7	Credit for tax properly paid to other state (attach documentation)	7				
8	Total Nebraska and local sales or use tax due (line 6 minus line 7)	8				
9	Penalty for late payment	9				
10	Interest for late payment	10				
11	Balance due (total of lines 8, 9, and 10)	11				
Any seller or purchaser who willfully prepares a false or fraudulent Nebraska Sales and Use Tax Statement for ATV and UTV sales may be found guilty of a Class IV felony. Under penalties of law, I declare that I have examined this statement and it is correct and complete.						
sign here		Signature of Seller			Signature of Purchaser or Agent of Purchaser	
					Date 01/28/2023	

This document has recorded that the Mayor purchased a 2022 CFMOTO ZForce 800 Trail UTV (VIN: LCELVYZ14N6002606) on January 28, 2023. The APA also obtained photographs of the Mayor’s CFMOTO UTV. One such photograph is shown below:



Clearly, this is not the same vehicle being used by the Mayor as shown in the image included previously herein. Upon further examination, the weed sprayer that the Mayor is pictured using appears to be from the brand Kubota rather than CFMOTO. On September 5, 2025, the APA contacted a local farm equipment supplier, Sandberg Implement, Inc., in Gering, Nebraska. Representatives from that company were able to verify that the City purchased two Kubota UTVs – a RTV XG850 WL-H purchased in February 2019 and a RTV X1120 WL-H purchased in May 2023. As shown in the picture included previously herein (pg. 3), the Mayor appears to have been using the RTV XG850 WL-H. Shown below is an example of what this UTV looks like:



The serial number of the RTV XG850 WL-H purchased by the City is 15414. With the assistance of the Scotts Bluff County Sheriff's Office, the APA was able to verify that this serial number is listed on the City's side-by-side weed sprayer located in the City's shop, as shown in the following images:



Therefore, not only does it appear that the Mayor potentially used City-owned equipment for personal purposes, but also that he attempted to mislead the APA into believing that he owned the side-by-side weed sprayer he was pictured using in front of his residence.

Neb. Rev. Stat. § 49-14,101.01(2) (Reissue 2021) of the Nebraska Political Accountability and Disclosure Act places the following restriction upon the use of property under the “official care and control” of a public official or public employee:

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”

Thus, the misuse of municipal equipment, personnel, and resources for personal gain is strictly prohibited under State law.

Moreover, Neb. Rev. Stat. § 84-305.02 (Reissue 2024) says the following, in relevant part:

Any person who . . . willfully obstructs or hinders the conduct of an audit, examination, or related activity by the Auditor of Public Accounts, or who willfully misleads or attempts to mislead any person charged with the duty of conducting such audit, examination, or related activity shall be guilty of a Class II misdemeanor.

Good internal control requires procedures to ensure the following: 1) City personnel do not use municipal property and resources, including the services of public employees while on City time, for improper personal gain; and 2) both complete honesty and full compliance in response to all APA requests for information and documentation.

Without such procedures, there is an increased risk for not only the loss of, or damage to, municipal equipment, as well as inaccurate – or even fraudulent – reporting of employee hours worked and prolonging the examination process, but also violations of State statutes.

We recommend the implementation of procedures to ensure the following: 1) City personnel do not use municipal property and resources, including the services of public employees while on City time, for improper personal gain; and 2) both complete honesty and full compliance with all APA requests for information and documentation, as required under State statute. Additionally, due to the nature of the concerns addressed in this comment, the APA will forward the information herein to the Nebraska Attorney General, the Scotts Bluff County Attorney, and the Nebraska Accountability and Disclosure Commission for further review.

City Response:

The City is working to implement a policy regarding non-use of city resources by city employees or public officials, for the purpose of clarity and straightforward standards to be conveyed and understood by all relevant parties.

2. Payments to Mayor’s Business, Vehicle Purchase, and Contracted Groundskeeper

The APA received the following allegations regarding purportedly suspicious financial interactions between the City, Center, and the Mayor: 1) the City and the Center were making excessive payments to the Mayor’s business, “The Handyman,” for questionable purposes; 2) the Mayor was directing the Center not to list certain payments on bill listings presented to and approved by City Council; and 3) the Mayor hired a friend to mow the Center’s property even though the Center has its own employees and equipment for such services.

Responding to these allegations, the APA inquired with municipal personnel and obtained relevant documentation, including bank statements, City Council meeting minutes, claims listings, and invoices. In examining this documentation, the APA identified several questionable payments made from the Center’s bank accounts between January 1, 2023, and March 31, 2025.

The payments at issue, which totaled \$117,948, are summarized in the table below:

Description	Number of Payments	Total Amount
Payments Made to Mayor’s Business – “The Handyman”	12	\$47,448.00
Vehicle Purchase	1	\$62,000.00
Payments Made to Contracted Groundskeeper	11	\$8,500.00
Totals	24	\$117,948.00

Payments Made to Mayor’s Business – “The Handyman”

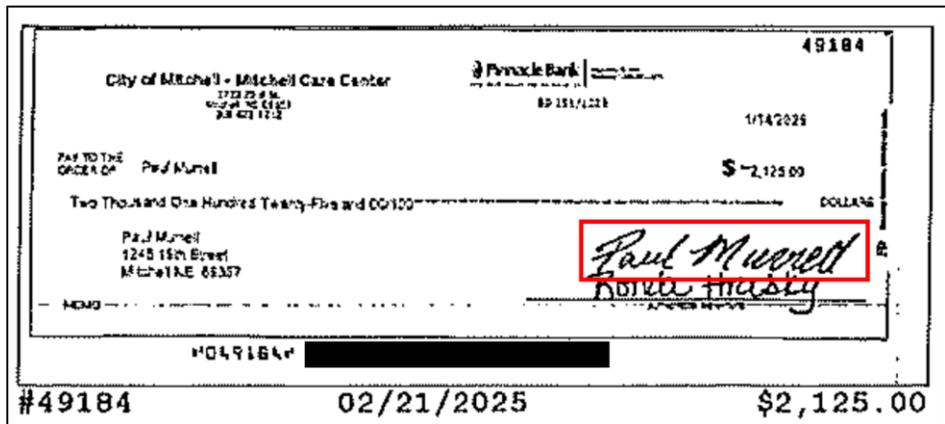
The APA obtained a listing of all payments made by the Center to the Mayor’s business, “The Handyman,” from January 1, 2023, through March 31, 2025. During that period, the Mayor’s business received 12 payments from the Center, totaling \$47,448. It should be noted that not all payments were issued to the order of “The Handyman” and some payments were instead made to the order of “Paul Murrell.”

The Center’s 12 payments to “The Handyman” for the period examined are summarized in the following table:

Year	Number of Payments	Total
2023	5	\$24,200.00
2024	5	\$19,923.00
2025	2	\$3,325.00
Totals	12	\$47,448.00

The APA inquired with the Center regarding its process for approving payments. According to Center representatives, a listing of bills is created and presented to the City Council at its monthly meetings prior to making any payments. Once approved by the City Council, the Center will authorize and issue the payments. The authorized users on the Center’s checking and savings bank accounts include the City Mayor and City Clerk. However, Center representatives also informed the APA that payments made out of the Center’s savings account are neither presented to nor approved by the City Council. Likewise, the APA was told, this practice was implemented at the behest of the Mayor, who supposedly directed the Center not to list payments from the savings account with others to be reviewed and approved by the City Council.

It should be noted that the City Council approved only nine of these payments, totaling \$30,450, to the Mayor’s business – meaning that the remaining three payments, totaling \$16,998, appear to have been paid without the City Council’s approval. Further, this apparent lack of approval by the City Council means that the Mayor would have unilaterally authorized and signed the payments to his business, as he is an authorized user on the Center’s bank accounts. One of the three payments, for \$2,125, was paid out of the Center’s checking account and the other two payments, totaling \$14,873, were paid out of the Center’s savings account. The following image shows the cleared check for the payment of \$2,125 to the Mayor’s business:



As can be seen clearly in the image above, the Mayor’s signature is on this payment, and this apparent authorization by him without City Council approval gives rise to concerns that such actions violated the Nebraska Political Accountability and Disclosure Act.

The APA found, moreover, that “The Handyman” invoices to the Center lacked details specifying the amounts charged for the services provided, as shown by the example below:

SOLD TO		SHIPPED TO		INVOICE NO.
ADDRESS: Mitchell Care Center		ADDRESS: The Handyman		638765
CITY, STATE, ZIP: 1723 23rd St Mitchell, NE 69357		CITY, STATE, ZIP: 1246 14th Street Mitchell, NE 69357		Invoice
				DATE: 5-18-23
	Remove Bad Boiler controller Boiler #2 install New Base and controller Test unit is working	materials & labor		\$1,600.00
	Remove old Recirculation pump on Hot Water Return install New Recirculation pump and Flanges on system	materials & labor		\$2,100.00
	Repair motor on air handler pad Cover and fix fan layout on intake side of air handler	materials & labor		\$600.00
Total				\$4,300.00

As shown above, “materials & labor” was listed on the handwritten invoice three times, with only a generic description of the services provided. Lacking from the invoices was necessary information regarding how many hours were spent on such “materials & labor,” the days on which the services were provided, and what rates or unit prices were used to determine the total amount of the invoice. Furthermore, Center representatives informed the APA that the Mayor had access to both the Center’s charge account at Menard’s and its Home Depot credit card. However, no receipts or other supporting documentation showing the source of the materials listed on the invoices or how much was actually spent thereon were provided. Consequently, the APA was unable to determine if the invoiced amounts were reasonable.

The City later provided additional information and documentation to support the three payments, totaling \$16,998, that appeared to have been paid from the Center’s savings account without the City Council’s approval. The first payment of \$8,000 was for removal and reinstallation of equipment and sinks, and the estimate for this work was included with a bid submitted by another contractor that was approved by the City Council during the meeting held on September 5, 2023. The second payment of \$6,873 had an estimate provided to the Center Administrator in advance of the work being performed. The City stated that the Center Administrator advised the City Mayor the work would be run through insurance and the Center Administrator is responsible for the preparation of the bills listings to be presented to the City Council for approval. As a result, the City did not notice that these payments were not included within the bills listings. For the third payment of \$2,125, the City provided two invoices for services provided by “The Handyman.”

The City informed the APA also that the Mayor often charges “per job,” and the labor rates for his bids are estimated on a \$100 per hour basis. In addition, he often maintains an inventory of commonly needed materials on hand for such jobs. All of his invoices, whether they are for the Center or any other customer, are written in the same manner as the one shown above. The City stated that the Center Administrator did not communicate any questions or concerns regarding any of the work performed by the Mayor, and the Mayor has also performed a significant amount of pro-bono work for the City and the Center.

The City explained further that the Center Administrator is responsible for the preparation of the bills listings to be presented to the City Council for approval and was never advised to omit any accounts, including the savings account, from the bills listings. Therefore, any missing accounts or transactions would have been due to the omission by the Center Administrator. The Center Administrator was also responsible for preparing and presenting the checks for ‘signatures’ by the Mayor and Clerk, except that a signature stamp was used instead of having the Mayor and Clerk physically sign the checks. The checks would have had to been prepared and included in the packet of checks stamped after the bills list was approved.

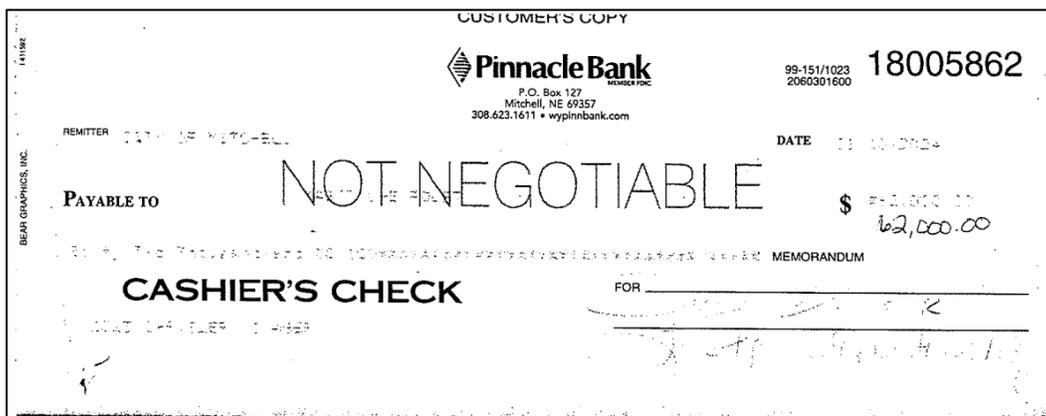
Regardless of the reason for their exclusion from the bills listings, the three payments made from the Center’s savings account to the Mayor’s business appear not to have been approved properly by the City Council before being made. Moreover, even if the invoices for the services provided by “The Handyman” are written in the same manner for all customers, the information presented therein does not document the cost of the services provided in sufficient detail.

Vehicle Purchase

While examining the Center’s bank account statements for the period January 1, 2023, through March 31, 2025, the APA noted a \$62,000 withdrawal made from the Center’s savings account on January 10, 2024. The following image is an excerpt of the Center’s savings account bank statement, showing this transaction:

Post Date	Description	Debits	Credits	Balance
12/30/2023	Beginning Balance			\$387,364.88
01/10/2024	DEPOSIT		\$5,000.00	\$392,364.88
01/10/2024	WITHDRAWAL	\$62,000.00		\$330,364.88
01/25/2024	MISCELLANEOUS DEBIT	\$173,426.00		\$156,938.88
02/07/2024	DEPOSIT		\$5,000.00	\$161,938.88
02/15/2024	WITHDRAWAL	\$8,000.00		\$153,938.88
02/15/2024	WITHDRAWAL	\$8,233.30		\$145,705.58
03/06/2024	DEPOSIT		\$5,000.00	\$150,705.58
03/29/2024	INTEREST		\$623.77	\$151,329.35
03/29/2024	Ending Balance			\$151,329.35

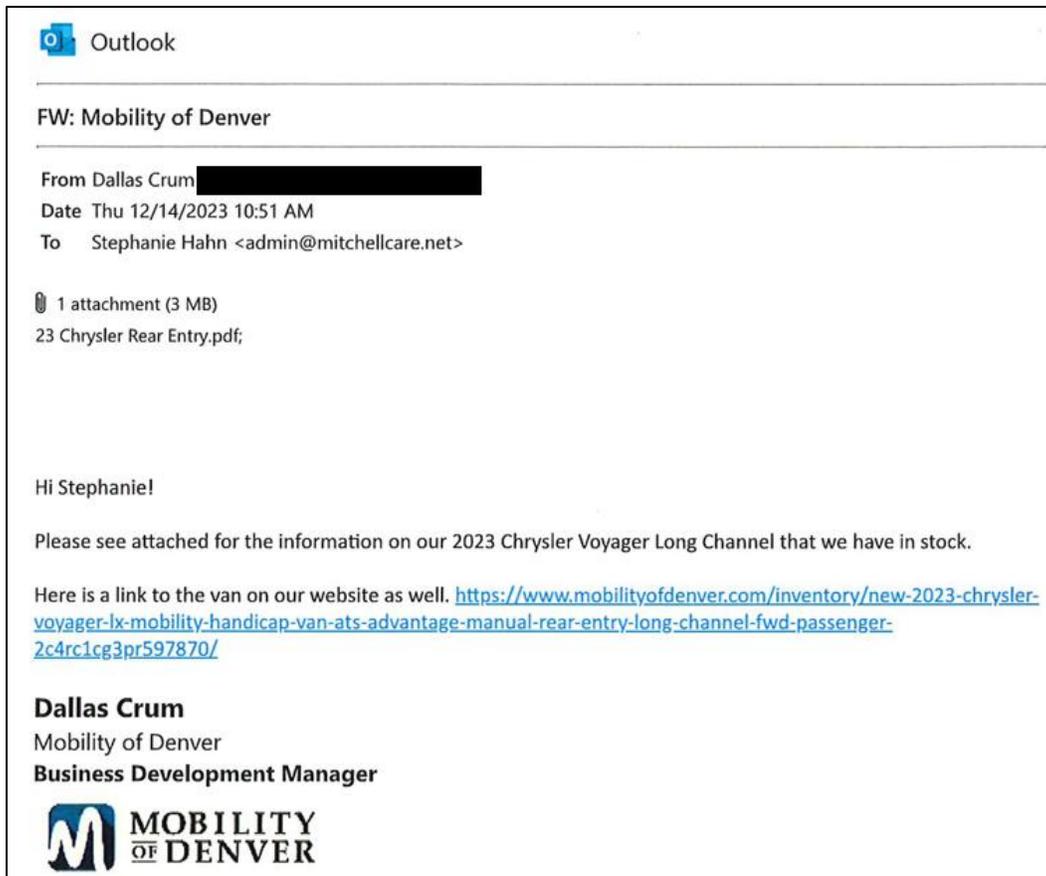
According to Center representatives, this withdrawal was for a cashier’s check issued to Masid Chevrolet Co., a car dealership in Morrill, Nebraska, for the purchase of a used white 2023 Chrysler Voyager LX van. The cleared cashier’s check image for this payment is shown below:



An excerpt of the purchase contract for this vehicle is included below:

NEBRASKA PURCHASE CONTRACT				007875 *	
COMPANY OR FIRM NAME		MASID CHEVROLET CO.		BUYER CITY OF MITCHELL DBA MITCHELL CARE CENT	
ADDRESS		P.O. Box 567		ADDRESS 1723 23rd Street	
CITY		MORRILL, NEBRASKA 69358		CITY Mitchell COUNTY Scotts Bluff	
SALESPERSON		Sammy Masid		HOME PHONE STATE AND ZIP CODE NE 69357	
WORK PHONE		308-623-1212			
MAKE	MODEL	NEW/USED	(SERIAL OR MOTOR NO.)	DATE	
CHRYSLER	VOYAGER LX	Used		01/08/24	
YEAR	COLOR	TYPE	MILEAGE	STOCK NO.	APPROX. DELIVERY DATE
2023	WHITE		15	U2403	01/08/24
ADDITIONAL EQUIPMENT-OPTIONS OR WORK TO BE DONE			CASH PRICE OF VEHICLE		62,000.00
CASH PRICE OF VEHICLE			\$ 62,000.00		
			TOTAL CASH DELIVERED PRICE		62,000.00
			TRADE ALLOWANCE (A)		N/A
			TRADE ALLOWANCE (B)		N/A
			DIFFERENCE		62,000.00
			BALANCE OWED ON TRADE		N/A
			PARTIAL PAYMENT		N/A
			CASH ON DELIVERY		62,000.00
			UNPAID BALANCE		0.00

Interestingly, prior to purchasing the \$62,000 van on January 8, 2024, the Center received a bid on December 14, 2023, from the Mobility of Denver for \$59,900. The bid submitted by the Mobility of Denver is shown in the images below:



Mobility of Denver
2311 S Platte River Drive
Denver CO 80223
Offered by
Dallas Crum
Tel: (844) 289-2635+ 706 / [REDACTED]



Stock # : PR597870
2023-12-13

2023 Chrysler Voyager

Price:\$59,900.00



Vehicle Info
New

- Odometer: 15
- City: 19 mpg
- Highway: 28 mpg
- Trim Level: LX Mobility Handicap Van
- Color: WHITE
- Body Type: PV
- Body Style: Passenger
- Drivetrain: FWD
- Engine: Pentastar 3.6L V6 287hp 262ft. lbs.
- Conversion Make: Assisted Transportation Systems
- Conversion Model: Rear Entry
- Ramp Location: Rear Entry



After further inquiry, it was brought to the APA’s attention that Masid Chevrolet Co. purchased the vehicle shown in the images above from the Mobility of Denver. Masid Chevrolet Co., then, paid \$250 to transport the vehicle to its dealership in Morill, NE, and increased the sales price to \$62,000 – the price paid by the Center.

Using the Nebraska Department of Motor Vehicle’s vehicle registration and title system, VicToRy, the APA verified that the vehicle was acquired by the City on January 12, 2024, and is registered under the name “City of Mitchell DBA Mitchell Care Center.” The APA noted also that between April 2021 and December 2024 seven vehicles acquired by the City Mayor were purchased from Masid Chevrolet Co. The APA questions the necessity of purchasing the van from Masid Chevrolet Co. when the Center obtained a bid for \$2,100 less for the very same vehicle from the dealership in Denver, Colorado.

In addition, as mentioned previously herein, Center representatives have informed the APA that payments made out of the Center’s savings account are neither presented to nor approved by the City Council. Likewise, the APA was told, this practice was implemented at the behest of the Mayor, who supposedly directed the Center not to list payments from the savings account – including for the purchase of the Chrysler van described above – with others to be reviewed and approved by the City Council.

Provided below is an image of relevant email correspondence between the former Center Administrator and the City Clerk:



The City Clerk’s email to the Center Administrator explains that “Paul” (i.e., Paul Murrell), the City Mayor, said that grant proceeds would be used to purchase the vehicle, so the expenditure would not need to be included as an agenda item; however, the APA was informed that the Center never received a grant for this purchase. Further, the APA did not observe this payment listed on any of the Center’s bill listings – nor is any discussion of, much less approval to, purchase the vehicle reflected in the City Council’s meeting minutes.

The City later informed the APA that this situation arose when the Center Administrator made the Center Committee aware of the need to purchase a new van, and it was advised that it may be possible to obtain a grant for the purchase of the van. As a result, it was recommended that the van purchase not be put on the City Council’s meeting agenda until after the grant opportunities had been explored. The City explained also that the City Clerk, in her email shown above, meant to say that the van purchase was not meant to be on the agenda *yet*. The City was unable to locate documentation verifying whether the Center Administrator shared the quote from Mobility of Denver, and the City Mayor advised that he has never and would never tell the Center Administrator to omit the savings account transactions from the bills listings.

Nevertheless, the information presented above gives rise to concerns that the vehicle purchase was not properly authorized by the City Council.

Payments Made to Contracted Groundskeeper

The APA obtained a listing of all Center payments to a contracted groundskeeper, Jon Wurdeman, from January 1, 2023, through March 31, 2025. It has been alleged to the APA that the Mayor was responsible not only for hiring the contracted groundskeeper, his apparent personal friend, but also authorizing him to use the Center’s lawnmower and fuel while billing the Center an excessive amount for his services – despite the fact that Center employees were caring for the facility’s grounds already.

During the period examined, the contracted groundskeeper received 11 payments, totaling \$8,500, from the Center. Those payments are summarized in the table below:

Year	Number of Payments	Total
2023	3	\$1,900.00
2024	6	\$4,725.00
2025	2	\$1,875.00
Totals	11	\$8,500.00

The following is an image taken on May 30, 2025, at 2:41 p.m., of the contracted groundskeeper using the Center’s lawnmower on facility premises:



Although the City Council did approve each of the 11 payments to the groundskeeper, the APA questions whether these contracted groundskeeping services are reasonable or necessary when, as mentioned above, the Center has its own equipment and employees for these services.

The City later informed the APA that the City and Center Administrator agreed to hire Mr. Wurdeman as a groundskeeper at the Center after the City received several complaints about the state of the Center’s lawn and exterior as a temporary measure until a more permanent resolution could be obtained. At that time, the City explained, the Center had only one maintenance employee, who was not keeping up the groundskeeping work. The company hired to manage the Center was supposed to be providing these services, but were failing to do so adequately, which resulted in the complaints.

The APA also requested copies of the invoices submitted to the Center by the contracted groundskeeper, an example of which is shown below:

Invoice		022157			
SOLD TO: Mitchell Care Center		SHIP TO: John Wardenman			
ADDRESS: 1723 23 rd ST		ADDRESS: [REDACTED]			
CITY, STATE, ZIP: Mitchell Ne. 69357		CITY, STATE, ZIP: Mitchell Ne. 69357			
CUSTOMER ORDER NO.	SOLD BY	TERMS	DATE: 5.29-25		
ORDERED	SHIPPED	DESCRIPTION	PRICE	UNIT	AMOUNT
		mowing, spraying and sprinkler work for May 5 to 29			8,025 ⁰⁰
Total					8,025 ⁰⁰

As shown above, the invoice lacks specifics regarding the days on which the services were performed, how many hours it took to complete the services, and the rate at which the Center was charged for them. The APA questions, therefore, whether the amounts billed were reasonable.

Section 1 (“Obligation and Authority of RHD”) of the Facility Management Agreement between the Center and RHD states the following, in relevant part:

1.1 Management Services. RHD shall provide the following management services and have the following-described authority in connection with the operation of the Facility:

* * * *

1.1.13 Maintenance and Repairs. RHD shall be responsible for [the] implementation of day-to-day maintenance and may make repairs up to \$2,500.00 per project without prior permission of [the] City, so long as such expenditures are with[in] the approved budget. Except in an emergency, prior approval by [the] City is required for expenditures in excess of \$2,500.00 per project or expenditures in excess of the approved budget.

Further, Neb. Rev. Stat. § 17-708 (Reissue 2022) states the following:

The mayor and city council of a city of the second class or village board of trustees shall have no power to appropriate or to issue or draw any order or warrant on the city treasurer or village treasurer for money, unless the same has been appropriated or ordered by ordinance, or the claim for the payment of which such order or warrant is issued has been allowed according to the provisions of sections 17-714 and 17-715, and funds for the class or object out of which such claim is payable have been included in the adopted budget statement or transferred according to law.

Additionally, Neb. Rev. Stat. § 17-715 (Reissue 2022) provides, as set out below, in relevant part, the appropriate method for approving and paying municipal claims:

Upon the allowance of claims by the city council of a city of the second class or village board of trustees, the order for their payment shall specify the particular fund or appropriation out of which they are payable as specified in the adopted budget statement[.]

(Emphasis added.) The above statutory provisions require the City Council’s allowance, or approval, of claims prior to their order for payment. The APA questions, therefore, the propriety of making these payments to the Mayor’s business and purchase of the vehicle without the formal approval by the City Council.

Moreover, if it can be shown that the Mayor used his official position to benefit his own business, “The Handyman,” such actions may give rise to other serious legal concerns. As noted previously herein (pg. 7), Neb. Rev. Stat. § 49-14,101.01 (Reissue 2021), which is found in the Nebraska Political Accountability and Disclosure Act, provides the following, as is relevant:

(1) A public official or public employee shall not use or authorize the use of his or her public office or any confidential information received through the holding of a public office to obtain financial gain, other than compensation provided by law, for himself or herself, a member of his or her immediate family, or a business with which the individual is associated.

(2) 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”

Further, Neb. Rev. Stat. § 28-924 (Reissue 2016), states the following:

(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.

Good internal controls require procedures to ensure the following: 1) all payments made using Center funds are presented to and approved by the City Council prior to payment; and 2) supporting documentation, including invoices, contain detailed information regarding services provided and the rates charged.

Without such procedures, there is an increased risk of not only noncompliance with State statute but also the loss, misuse, or theft of Center funds.

We recommend the City implement procedures to ensure the following: 1) all payments made using Center funds are presented to and approved by the City Council prior to payment; and 2) supporting documentation, including invoices, contain detailed information regarding services provided and the rates charged. Additionally, due to the nature of the concerns addressed in this comment, the APA will forward the information herein to the Nebraska Attorney General, the Scotts Bluff County Attorney, and the Nebraska Accountability and Disclosure Commission for further review.

City Response:

First and foremost, the Care Center Administrator is no longer with the Mitchell Care Center and a new management company has been hired. The new management company is helping the City to fully audit all accounts and procedures related to the Mitchell Care Center and to implement more effective procedures going forward. One of those policies the City is working to implement will include a two-person, checks and balances approach to completing the bills lists and ensuring that all care center accounts and transactions are included thereon. In addition, the City is working to implement a policy regarding preparation and presentation of the checks for signatures-the policy will require one person to prepare the checks and another to review and see that all checks presented match the bills list, as presented and approved.

The corrective action here is the same as above in reference to preparation of the bills list and corresponding checks. Policy shall require for checks and balances and all accounts and transactions to be included. The City further intends to re-visit their bid policy and review the same with all employees and agents of the City and Care Center to ensure understanding and compliance.

As stated, a new management company has been hired and the staffing is structured so as to satisfactorily provide maintenance and groundskeeping. Mr. Wurdeman’s services are no longer needed or used.

3. Misleading an Auditor

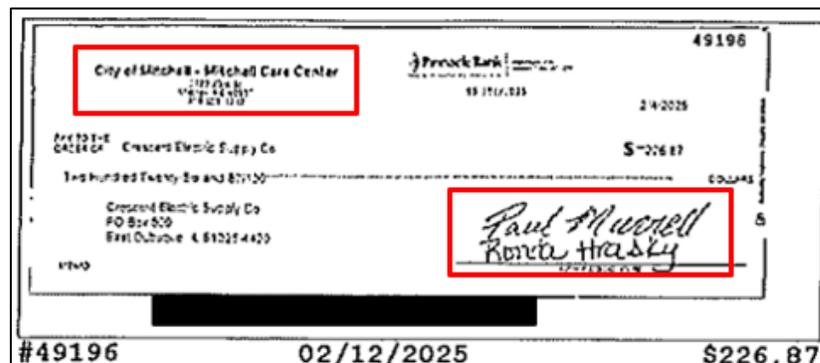
During our investigation into the allegations received, the APA questioned City and Center representatives on multiple occasions. Several times, however, the APA was given inconsistent or inaccurate information.

Described below are specific examples of the incorrect or conflicting information provided to us:

- On August 21, 2025, the APA emailed the City a draft letter with our preliminary comments and recommendations and requested that any responses thereto be provided by September 2, 2025. The City Attorney provided us with the City’s responses on September 2, 2025. In its responses, the City stated that the Mayor advised he owned the skid loader and side-by-side weed sprayer noted in **Comment and Recommendation Number 1** (“Alleged Personal Use of Municipal Equipment and Resources”) herein. As proof of ownership, the Mayor provided copies of a purchase order dated December 31, 2021, for the purchase of the skid loader from Signature Auto Sales in Spearfish, South Dakota, and a Form 6ATV Nebraska Sales and Use Tax Statement dated January 28, 2023, for the purchase of the side-by-side weed sprayer from Celli’s Cycle Center LLC in Scottsbluff, Nebraska. Subsequent to this information being provided by the City, however, the APA noted that the documentation submitted to support the Mayor’s supposed ownership of the side-by-side weed sprayer did not appear to match the one pictured in the image shown previously in **Comment and Recommendation Number 1**. As discussed previously in that comment, the 2022 CFMOTO ZForce 800 Trail UTV (VIN: LCELVYZ14N6002606) appears not to be the side-by-side weed sprayer that the Mayor is pictured using – rather it appears that the Mayor was using one from the brand Kubota. After contacting a local farm equipment supplier, Sandberg Implement, Inc., on September 5, 2025, the APA confirmed that the City purchased two Kubota UTVs from that company – a RTV XG850 WL-H purchased in February 2019 and a RTV X1120 WL-H purchased in May 2023. The RTV XG850 WL-H (serial number 15414) appears to be the one the Mayor was pictured using. With the assistance of the Scotts Bluff County Sheriff’s Office, the APA was able to verify that this serial number is listed on the side-by-side weed sprayer located in the City’s shop. Therefore, not only does it appear that the Mayor potentially used City-owned equipment for personal purposes, but also that he attempted to mislead the APA into believing that he owned the side-by-side weed sprayer he was pictured using in front of his residence.
- On May 30, 2025, the APA made its initial inquiry with the City Clerk, asking if the City had any control over the Center’s financial operations. According to the City Clerk, the City had no financial control over the Center, and those responsibilities were contracted out to a management company.

However, the APA had obtained copies already of the Center’s checking and savings bank account statements, which showed that the City Mayor and the City Clerk were authorized signers on the accounts and were the only two signers on checks that cleared the Center’s bank accounts. Moreover, when we had posed the same question previously to Center representatives, they confirmed that the City Clerk and the Mayor did, in fact, authorize payments from the Center’s accounts.

The following is an image of a check that cleared the Center’s checking bank account, showing the signatures of both the Mayor and the City Clerk:



The City later clarified that its responses were not meant to be intentionally misleading, but may have been oversimplified as the relationship between the City, the Center, and the Center's management consulting firm is complex. The management consulting firm controls the day-to-day operations of the Center, including the monthly expenditures and revenues. This also entails handling all incoming payments, Medicaid and Medicare billings, and the compilation of the bills listings to be presented to the City Council monthly. The City Council then reviews and approves the monthly bills list. The Mayor and City Clerk are authorized signors, who may execute the checks authorized for payment by the City Council, but they do not authorize payments. Rather, they only sign or stamp the checks as presented by the management consulting firm and approved by the City Council.

Nevertheless, the payments that did not appear to have been approved by the City Council, as mentioned previously herein, would have necessarily been "authorized" by the Mayor and the City Clerk when their signatures were signed or stamped on the corresponding checks.

The APA asked the City Clerk also about Center payments to the Mayor's business, as well as the \$62,000 van purchase discussed previously herein (pgs. 10-13). The City Clerk claimed that the Center made no payments to the Mayor's business. As pointed out earlier herein (pg. 8), however, the Center's bank statements showed clearly that \$47,448, was paid to the Mayor's business during the period examined. Regarding the \$62,000 van purchase, the City Clerk stated that the payment was approved by the City Council; however, the APA found no such approval on any of the municipal bill listings examined.

The City Clerk later stated that she did not recall stating that the Center made no payments to the Mayor's business, and she does not manage the day-to-day expenditures of the Center, she only sees what comes through on the monthly bills listings provided by the Center Administrator. The City further stated that the City Clerk would be unlikely to have recollection of such information off-hand, without a chance to review the bills listings or bank statements.

- The City provided insufficient documentation in response to not only the APA's May 30, 2025, initial records request but also subsequent requests for information. For instance, the APA requested all municipal bank account statements for the period January 1, 2023, through May 31, 2025. The City Clerk informed the APA that all of the requested statements had been provided; however, after looking through the documentation received from the City Clerk, the APA noted that statements for some accounts were missing, which included one bank account and the investment accounts held under the City. Additionally, the APA requested each of the monthly bill listings approved by the City Council for the period January 1, 2023, through March 31, 2025. Instead, the APA received a combined listing of the bills paid, making it difficult to determine which payments were approved at each meeting. Further, the APA requested a detailed history report of all online purchases made through Amazon.com. The City Clerk initially informed the APA that only one account was used by all of the municipal departments, and the City Administrator had access to it. Upon further inquiry, however, the City Administrator acknowledged the existence of another municipal Amazon.com account utilized by the City Police Department – to which, it was claimed, the City Police Department lacked access. Nevertheless, after further discussion, the City Administrator was able to log into the second account. After all of this, the City still did not provide a full detailed report of all municipal purchases made at Amazon.com. Additionally, the APA asked City officials whether the Center follows its own policies and procedures or those promulgated by the City. The City Clerk responded that the Center has its own policies and procedures. When the APA requested copies of those policies and procedures, however, Center representatives informed the APA that municipal policies and procedures are followed instead.

The City later clarified that the apparent inconsistency of the comments regarding which policies and procedures are applicable was because it depends on which particular policies and procedures are being discussed. Both the City and the Center have various policies and procedures in place, and depending on the situation at hand, either set may be used. For example, the day-to-day operation of the Center, its employees, resident care, and so on are managed by the management consulting firm. These elements would be subject to the consulting firm's policies and procedures. Policies related to the Center building itself, the Center Committee, and the approval of the bills listings would fall under those of the City.

The City further stated that the Center’s management consulting company at the time had several issues relating to their reporting, communication, service, and more. As mentioned previously in the Background Information section herein, the management consulting company is no longer contracted with the City or Center, and the City informed the APA that it is working to uncover and resolve any and all problems and inconsistencies related thereto.

Nevertheless, the numerous inadequacies and inconsistencies in the responses and explanations provided by City officials give rise to concerns regarding apparent attempts to hinder or mislead the APA’s examination.

Neb. Rev. Stat. § 84-305.02 (Reissue 2024) says the following, in relevant part:

Any person who . . . willfully obstructs or hinders the conduct of an audit, examination, or related activity by the Auditor of Public Accounts, or who willfully misleads or attempts to mislead any person charged with the duty of conducting such audit, examination, or related activity shall be guilty of a Class II misdemeanor.

Good internal control requires procedures to ensure both complete honesty and full compliance in response to all APA requests for information and documentation.

Without such procedures, there is an increased risk of not only prolonging the examination process but also failing to comply with statute.

We recommend the implementation of procedures to ensure both complete honesty and full compliance with all APA requests for information and documentation, as required under State statute.

City Response:

The City is working to implement a procedure for disclosure of the above information and materials, so as to provide more clear, consistent information to the benefit of any requesting agency.

City Overall Response:

As mentioned above, the City does not take lightly the matters brought forward in this report and intends to use this as an opportunity to improve. The City is working alongside their new care center team to fully review all records, agreements, and handbooks, is auditing all accounts, and updating and adopting policies and procedures-including those mentioned herein above-to ensure an efficient and transparent system.

* * * * *

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 be useful to the City.

Draft copies of this letter were furnished to the City 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 City 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:

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Sincerely,



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cc. Mitchell Care Center
Nebraska Attorney General
Nebraska Accountability and Disclosure Commission
Scotts Bluff County Attorney