



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

For Immediate Release

June 3, 2025

State Auditor Mike Foley Summarizes Recent Audit Work Exposing Alleged Financial Improprieties at Local Governments

In the past six weeks alone, State Auditor Mike Foley issued audit letters to eight units of local government in Nebraska, documenting alleged financial improprieties by key personnel at those public entities. Foley observed, "There appears to be a disturbing uptick in improper financial practices in local government across the State. When evidence of potential wrongdoing comes to my attention, we prioritize the case."

With some 2,500 units of local government in Nebraska, Foley explained, "There is a lot to keep track of." Nevertheless, Foley's office relies on both his staff's exhaustive review processes and citizen interactions to uncover financial wrongdoing. "I am proud of the professionalism and proven ability of my outstanding auditors to ferret out and expose waste, fraud, and abuse – as well as grateful to citizens who often assist by alerting us to these matters," said Foley.

The following are brief summaries of the eight cases investigated recently by Foley's office.

Decatur Housing Authority (Burt County)

Foley's audit letter alleges that, prior to her termination, the Executive Director of this housing authority processed over \$18,000 in excessive compensation and unsupported reimbursements to herself. She also appears to have misrepresented certain financial documentation submitted to the U.S. Department of Housing and Urban Development (HUD) by listing checks as "void" when, in fact, they had cleared the housing authority's bank account. Furthermore, she is believed to have grossly mishandled cash rental payments, resulting in over \$8,000 in missing money. Her accounting lapses also resulted in the U.S. Internal Revenue Service notifying the housing agency of over \$5,600 in unpaid Federal tax withholdings, including penalties and interest. The APA was informed, moreover, that she responded to the termination of her less-than-illustrious directorship by attempting unsuccessfully to delete approximately 400 files from the housing authority's computer.

Interestingly, before her dismal performance at Burt County, that same individual had managed the Barber's Sunrise Villa Apartments, which are owned and operated by the **Bancroft Betterment Corporation (Cuming County)**. In a February 2025 audit letter to that entity, Foley detailed over

\$14,000 in suspected fraud there – much of it alleged to have been due to misconduct by the Manager similar to what she would be suspected of perpetrating later at Burt County, including the following:

- Writing herself payroll checks in excess of her regular wages;
- Receiving unsupported reimbursement payments;
- Making questionable debit card withdrawal transactions at a casino in Iowa; and
- Making other questionable debit card transactions that lacked proper approval and supporting documentation.

Cedar County

A former County Commissioner was observed on multiple occasions using a county pickup truck for alleged personal business. The same former Commissioner allowed citizens to pay for county services with gift cards, which were largely unaccounted for and may have been converted to personal use. Finally, the county awarded nearly \$1 million in contracts for road-building equipment and materials without following the competitive bidding procedures mandated by State law.

Village of Pleasanton (Buffalo County)

Municipal employees made more than \$20,000 in village expenditures at Menard's over a two-year period and then one of those employees used the resulting 11% rebate coupons – which totaled over \$2,000 – as well as several hundred dollars in store credit vouchers, for personal purchases. In separate, unrelated transactions, shoddy accounting and administrative procedures resulted in the village paying thousands of dollars of claims that were either described improperly during the approval process or never approved at all.

Village of Farnam (Dawson County)

The former Village Clerk, who currently serves on the Village Board, was responsible for processing all utility invoices and payments for municipal water, sewer, and garbage services. Foley's audit team identified 22 months of such service – costing an estimated \$2,700 – for which she appears not to have billed herself. Presumably due to an ability to access the village's billing records, her utility account is alleged to have been improperly credited as either paid or simply written off. The matter has been referred to local law enforcement. Criminal charges were filed against her, and she was found guilty of official misconduct on May 13, 2025. That same day, she paid \$3,151.53 in restitution, which was held in trust by the Dawson County Court as of May 20, 2025. Her sentencing is set for July 3, 2025.

Nemaha County and Nemaha Rural Fire District 4

The County owns six fuel pumps, two of which can be accessed after hours by personnel with insider knowledge of how to do so. One County Commissioner was photographed using that county gas pump to fuel his personal truck after midnight on March 24, 2025.

Dundy County

The former Deputy County Clerk resigned from her position effective October 17, 2024. At the request of the County Board, however, she continued to work beyond her resignation date and was paid full-time wages despite a significant reduction in her official responsibilities.

Custer County

The county uses a timekeeping program that enables employees to clock in and out of work daily using their mobile devices, such as a cell phone or laptop computer. A former employee at the County Highway Department used the program to record hours during which she claimed to be on the job. Unbeknownst to her, however, the program also recorded the locations where it was used. Consequently, the program revealed that the employee was actually at home or her children's school or sporting events when she was supposedly on the clock – causing the auditors to question more than \$1,100 in payroll expenses for hours that she appears not to have been working. The former employee resigned before she could be questioned about the troubling details disclosed by the program.

Village of Litchfield (Sherman County)

Prior to resigning, the former Village Clerk, who had oversight and control of that political subdivision's financial processes, paid herself at least \$2,200 more than allowed under her approved rate of pay and allowable hours. She also received \$763 in suspicious expense reimbursements for which there was no documentation. Another serious financial problem was the village's failure to withhold Federal, State, Social Security, or Medicare taxes from municipal employee paychecks, making the village potentially liable for the retroactive payment of those taxes and any accompanying penalties.

All of the audit letters referenced above are available online through the Auditor of Public Accounts' website at <https://auditors.nebraska.gov/>.

“Unfortunately, these more recent eight examples of both accounting incompetence and apparent financial malfeasance at political subdivisions are not unusual,” said Foley. “Based upon my office's ongoing work, especially over the past year or so, they seem increasingly commonplace – making heightened vigilance, by public servants and citizens alike, ever more crucial.”

Pledging to keep working tirelessly to discover misuse of public funds at all levels of government, Foley encouraged continued taxpayer assistance. He explained, “Some of the best cases that my office has ever pursued were the result of tips – sometimes anonymous – from whistleblowers and other concerned citizens. Working together, we can do much to safeguard our public treasuries.”

“State law contains measures for protecting the confidentiality of anyone who provides information to my office,” Foley concluded, “and it criminalizes workplace retaliation against a government whistleblower who assist with an audit.”

#

Report fraud, waste, or abuse in Nebraska government – anonymously if wished – by either calling the Nebraska Auditor of Public Accounts' office hotline at **1-800-842-8348 or sending a message online at [https://auditors.nebraska.gov/About Us/SAE E-Mail.html](https://auditors.nebraska.gov/About_Us/SAE_E-Mail.html).**