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### **State Audit Exposes Yet More Financial Abuse in DHHS Personal Assistance Service Programs**

State Auditor Mike Foley has issued a management letter to the Department of Health & Human Services (DHHS), revealing ongoing financial abuse in the agency's programs to provide personal assistance services (PAS) to Medicaid-eligible individuals who require help with hygiene, mobility, housekeeping, and other independent living skills.

PAS expenses totaled \$10,547,509 for fiscal year 2025, divided between approximately 60% Federal shares and 40% State shares.

Foley's letter is his most recent in a series of communications to DHHS over the past decade regarding fraud and other serious issues found with provider billings under the PAS program. Observing that the problems addressed during the past few years appear to have grown increasingly egregious, Foley commented, "Numerous PAS caregivers continue to milk the program with false, inflated, and duplicate billings. Meanwhile, DHHS's oversight failures may, in fact, be feeding the problem – effectively setting the stage for some truly mindboggling improprieties, financial and otherwise."

The letter describes, for instance, one caregiver who was authorized to deliver 66 hours of service per week despite holding down full-time employment as a school bus driver. For the three-month period tested, Foley's audit team identified 28 days during which the caregiver billed DHHS for supposedly performing client services at the exact times that she was documented to have been driving a school bus.

Not to be outdone, DHHS authorized another caregiver to be paid for 118 hours of service per week – split across three separate clients – which, in effect, would have required her to work almost 17 hours per day, seven days a week. Two of the clients were the caregiver's parents, who did not live with her. Nevertheless, by reporting their services as having been performed at her home, the caregiver managed to bill DHHS for cleaning her own bathroom, kitchen, bedroom, and living room. "Even someone totally ignorant of the applicable regulations," Foley observed, "should know intuitively that such self-serving activity is clearly improper. Paying to clean a caregiver's private residence is not a taxpayer responsibility."

Another caregiver was found by Foley's audit team to have billed DHHS for 70 days of client services while working full-time at her other place of employment. Compounding that apparent mendacity, the audit team confirmed that the DHHS-billed hours and the time spent at her regular job combined to create the impossible scenario of the caregiver working more than 24 hours each for 45 days during the three-month period examined.

Foley noted, “We Nebraskans are known for our impressive work ethic, but I’ve never seen anything quite like this. Some of these caregivers claim to be performing work schedules that would make the Energizer Bunny look like a slacker.”

“But buckle up,” warned Foley. “It gets worse.” In a particularly outrageous example of provider disfunction, the payments to the caregiver who worked a regular job while billing DHHS for PAS and other services were for weekly care supposedly given to two relatives who resided in her home. One of those clients was a convicted felon and registered sex offender for crimes involving child trafficking.

Also living in the home was the caregiver’s husband, who was convicted last year of assault and battery for breaking a man’s jaw during a traffic-related altercation. Furthermore, he had four prior convictions for driving under the influence, two prior convictions for resisting arrest, and three prior illegal drug convictions.

Living alongside the unruly spouse and the convicted child trafficker-in-residence was a troubled 14-year-old girl for whom the caregiver and her husband served as foster parents. During two home studies conducted by separate foster care agencies, however, the caregiver failed to disclose the presence of the child trafficker. Additionally, according to his Medicaid case file, the child trafficker claimed to inhabit a backyard “cabin” with its own kitchenette, bathroom, and living room. The home studies do not mention such a structure, indicating the existence of only a shed for lawn equipment and a four-wheeler. When the audit team reported this bizarre and unsafe domestic arrangement, DHHS removed the foster child from the home.

Despite such concerns, Foley expressed optimism in the ability of DHHS to take meaningful corrective action. “I appreciate the cooperation of the agency’s current leadership,” he explained. “Those presently at the helm of DHHS agree that these findings, as well as others disclosed in my office’s prior audit reports, call for the troubled PAS programs to undergo additional scrutiny and significant reform.”

A copy of the letter to DHHS can be found at: [auditors.nebraska.gov](http://auditors.nebraska.gov)

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