



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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June 16, 2025

Vicki Kramer, Director
Nebraska Department of Transportation
1500 Nebraska Parkway
Lincoln, NE 68502

Dear Ms. Kramer:

As you know, on July 15, 2024, the Nebraska Auditor of Public Accounts (APA) issued an attestation report on the Nebraska Department of Transportation (Department), which included a review of fuel related purchases and the use of State-owned vehicles by the employees of the Department. In that attestation, we noted a lack of procedures for ensuring that the thousands of vehicles maintained by the Department were used for appropriate purposes. During the preliminary discussions related to the attestation, the APA requested that the Department install Global Positioning System (GPS) tracking devices in 30 vehicles. Those GPS devices were installed and became active in April – May 2024 for the vehicles requested.

After the GPS tracking devices were installed, the Department and the APA received a copy of the data on a monthly basis. It was determined that a full review of the data was not completed by the Department. In the initial months after the GPS tracking devices were installed, the Department sent the data to each of its eight field Districts to review; however, because the data was found to be cumbersome, a complete review would take a significant amount of time. The Department has indicated that it is currently reviewing other options to replace the GPS tracking devices used during this initial review to assist with these concerns and allow for an easier review process.

The APA completed a review of the GPS tracking device data from the date of installation through December 31, 2024. It is important to note that the GPS tracking device data reviewed was logged each time the vehicle was turned on or off. With the nature of Department business, the vehicle may have traveled to multiple destinations within a single trip that would not be logged because the ignition was not turned off. Additionally, the GPS tracking device data gives the nearest location, and judgment was used when determining the potential stopping place of the vehicle. Lastly, multiple vehicles were sent to surplus property throughout the period; therefore, the total number of vehicles reviewed was increased to 33.

During the course of the review, the APA noted certain issues that merit corrective action. The following comments and recommendations, which have been discussed with the appropriate members of the Department and its management, are intended to improve internal control or result in other operating efficiencies.

Comments and Recommendations

1. Unknown and Potentially Personal Purchases

We noted 176 stops during the period reviewed that were at questionable locations, such as a store, apartment, or employee's residence. For any stop at a store, the APA was unable to locate a purchase made on the employee's purchasing card or paid through an invoice by the Department. The Department was unable to provide an explanation for a majority of the stops reviewed. Explanations that were provided appear to have been based on verbal communications from the associated employees, and they include reasons such as stopping to look for parts or equipment at the store. Documentation was not on file, however, to support those explanations.

The following table details the questionable stops at issue. Items highlighted in yellow indicate stops that the APA could verify were made for personal reasons:

Vehicle Number	Employee	Employee Title	Number of Stops	Location Details	Time Spent at Location*	Calculated Wage at Location	
41139**	Employee #1	Highway Maintenance Superintendent	23	Dollar General/NAPA	3:31	\$25.95	***
			14	Bomgaars	3:06	\$34.54	***
			11	Unknown Residence	5:05	\$39.99	***
			7	O'Reilly Auto	0:47	\$14.46	***
			6	Downtown Gering	0:20	\$8.57	***
			5	Harbor Freight/Car Wash	0:37	\$14.17	***
			4	Dollar General	1:42	\$63.16	***
			2	Downtown Oshkosh	0:07	\$-	***
			2	Gills Point S Tire and Auto	1:54	\$72.91	
			2	NAPA	0:25	\$5.38	***
			2	Nebraskaland Tire & Service	6:20	\$255.18	
			2	Regional West Medical Ctr	1:53	\$16.63	***
			1	US Farm Services	0:05	\$-	***
			1	US Post Office	0:02	\$1.28	
			1	Unknown Location	0:28	\$-	***
			1	Thompson Glass	0:03	\$2.02	
			1	Safeway	0:02	\$1.34	
			1	Pronto Auto	0:12	\$8.06	
			1	Morrill Co. Highway Dept.	0:19	\$12.15	
			1	Mike's Bikes	0:08	\$5.38	
			1	Home Depot	0:04	\$2.69	
1	CAP Health Center	0:28	\$17.91				
1	B & S Body Shop	0:02	\$-	***			
40239	Employee #2	Highway Maintenance Supervisor	5	Family Dollar	0:56	\$20.89	***
			3	Dollar General	0:15	\$5.97	
			1	TJ's Market	0:02	\$0.99	
			1	Norfolk Lodge	2:58	\$88.54	
	Employee #3	Highway Maintenance Supervisor	1	Family Dollar Store	0:10	\$5.19	
1	Tinker's Concessions	0:57	\$-	***			
48119**	Employee #4	Highway Maintenance Supervisor	10	Employee's Residence	10:59	\$339.76	
			1	CAP Health Center	0:46	\$-	***
45102	Employee #5	Hwy Construction Tech. III	5	Employee's Residence	0:21	\$11.85	
	Employee #6	Hwy Construction Tech. II	2	Meadow Ridge Apartments	0:16	\$5.20	
			2	Pender Lanes	1:14	\$27.67	
			1	Hy-Vee	0:06	\$2.24	
41173**	Employee #7	Highway Maintenance Superintendent	9	Employee's Residence	7:04	\$214.20	
41146**	Employee #8	Highway Maintenance Supervisor	3	Business District	0:44	\$13.34	***
			1	Shopping District	0:18	\$-	***
			1	Bomgaars	0:11	\$5.24	
			1	Wilmes Hardware	0:03	\$1.43	
	Employee #9	Highway Maintenance Worker/Senior	1	Bomgaars	0:09	\$-	***
			1	Wilmes Hardware	0:08	\$3.85	
			1	Unknown	1:50	\$-	***
41212**	Employee #10	Electronics Section Supervisor	2	Kearney County Courthouse	0:36	\$21.33	
			2	Relative's Residence	0:44	\$25.35	
			1	Employee's Residence	2:17	\$78.93	
			1	Arby's	1:02	\$-	***
			1	Strip Mall	0:31	\$-	***
40206	Employee #11	Hwy Construction Tech. III	5	Employee's Residence	0:28	\$13.89	
			1	Flyover Brewing Company	2:37	\$74.12	

Vehicle Number	Employee	Employee Title	Number of Stops	Location Details	Time Spent at Location*	Calculated Wage at Location
42126	Employee #12	Highway Project Manager	3	Dollar General	0:18	\$13.63
			2	U.S. Post Office	0:30	\$22.72
			1	Walgreens	0:05	\$3.79
40229**	Employee #13	Highway Maintenance Supervisor	2	Super Foods Grocery	0:09	\$4.64
			1	Bomgaars	0:04	\$-
			1	Unknown	0:16	\$-
46038	Employee #14	Highway Maintenance Supervisor	1	Pizza Ranch	0:55	\$23.34
	Employee #15	Highway Maintenance Supervisor	1	Employee's Residence	1:01	\$29.06
46069	Employee #16	Highway Project Manager	2	Employee's Residence	0:25	\$18.02
48131	Employee #17	Hwy Construction Tech. III	2	Employee's Residence	0:06	\$2.80
47024	Employee #18	Hwy Construction Tech. III	2	Employee's Residence	0:05	\$2.48
46011	Employee #19	Hwy Construction Tech. III	1	Raising Cane's	0:20	\$9.53
40196	Employee #20	Auto/Diesel Mechanic	1	Employee's Residence	0:08	\$2.97
46002	Unknown	Unknown	1	Krispy Kreme	0:03	Unknown
Totals			176		69:47	\$1,694.73

*The time at the location does not include the drive time to and from that place, which could not be readily determined.

**These vehicles were approved for commuting purposes.

***These lines contain trips included in both the number of stops and time spent at location columns where the employee was off the clock. Therefore, these trips were not included in the Calculated Wage at Location column amounts.

As mentioned previously, we noted multiple stops at questionable locations when the employee was not working (i.e., off the clock). The Department has a policy regarding vehicles approved to be taken home each day; however, it is vague and lacks specifics regarding after-hour use. Several of the locations noted in the above table, such as Bomgaars and Dollar General, may be appropriate for Department stops; however, the Department does not require supporting documentation to help clarify the actual purposes of those stops.

Verified Personal Stops

Additionally, we noted four trips, highlighted in yellow in the table above, that could be verified as personal stops. Details for each of these stops are included below:

Employee #10 – Kearney County Courthouse: The APA noted two trips to the Kearney County Courthouse by this employee: 1) 6/28/2024 at 2:10 p.m. to 2:26 p.m.; and 2) 10/15/2024 at 3:25 p.m. to 3:45 p.m. As shown in the images below from the Nebraska Department of Motor Vehicles registration system, the employee registered his personal vehicles on these dates at the County Courthouse:

County Work Session Tuesday, October 15, 2024 KEARNEY > County Work Session N7-2R8M-8HLR Completed 3:38 PM	History	Association 2014 FORD FOCUS SD VIN 1FADP3F22EL452440 Ownership Employee #10	Items 1 Payment No Notes 4 Letters
Completed Created — Started — Completed		Amount \$277.95	Balance \$0.00
Transactions			
N7-2R8K-HMF8 Transfer Vehicle Title and Registration		52E726	Amount : 277.95

In addition to the personal use of the vehicle, the employee was paid \$21.33 in wages for these stops.

Employee #7 – Employee’s Residence: Included in the line item for Employee #7 was one 6/27/2024 trip to his residence, where the vehicle was left from 8:54 a.m. to 11:51 a.m. Per discussion with the Department, the employee travelled home to attend another employee’s funeral; however, the employee remained clocked-in to work during this entire period. The employee appears to have been inappropriately paid \$86.86 in wages during this time to attend the funeral.

Employee #4 – Community Action Partnership Health Center: We noted one trip to the Community Action Partnership Health Center on 8/15/2024 from 9:30 a.m. to 10:16 a.m. Per discussion with the Department, the employee used the vehicle inappropriately to travel to a follow-up medical appointment.

Executive Order 99-01, signed by Governor Mike Johanns on March 31, 1999, contains the following:

2. The use of all state-owned vehicles will be strictly limited to conducting official business of the state. Any private use of a state-owned vehicle, including commuting to and from work, shall be cause for disciplinary action in accordance with Neb. Rev. Stat. § 81-1024 (Reissue 1994).

Remaining substantively unchanged since the date of that order, Neb. Rev. Stat. § 81-1024 (Reissue 2014) provides the following regarding personal use of State-owned vehicles:

No officer or employee of the State of Nebraska shall use any motor vehicle owned by the State of Nebraska for any personal use whatsoever. Any officer or employee who violates any of the provisions of this section shall be deemed guilty of a Class V misdemeanor, and in addition thereto the officer or employee shall be deemed guilty of official misconduct in office for palpable omission of duty, and upon conviction thereof the court shall have the power to add to the judgment that any officer or employee so convicted shall be removed from office or employment.

Nebraska Department of Transportation Take Home Vehicles Policy 3.16, effective July 2023, states, “Personal use of State vehicles is strictly prohibited and violation will result in disciplinary action, up to and including termination.”

A good internal control plan and sound business practices require procedures to ensure: 1) State-owned vehicles are used only for work-related travel; 2) employees are clocked in for work and actually conducting official business whenever operating a State-owned vehicle; and 3) proper review procedures are in place to regulate the use of State-owned commuting vehicles after work hours.

Without such procedures, there is an increased risk for the loss of funds and misuse of State-owned vehicles.

We recommend the Department implement procedures to ensure: 1) State-owned vehicles are used only for work-related travel; 2) employees are clocked in for work and actually conducting official business whenever operating a State-owned vehicle; and 3) proper review procedures are in place to regulate the use of State-owned commuting vehicles after work hours.

Department Response: The Department acknowledges that certain vehicle stops should have improved documentation. As noted in our general response, we are updating our vehicle use policy to include clearer expectations for vehicle use and documentation of nonstandard stops. Our revised policy now allows for incidental stops (e.g., restroom, beverage, or meal breaks) provided they do not significantly deviate from the travel route. However, personal errands or visits are strictly prohibited. The Department has planned training for the supervisor and employee levels to assist with communication of standards and expectation of staff. The Department is also in the process of procuring more advanced GPS tracking tools to allow for more real-time monitoring, enabling more timely oversight and follow-up when questionable stops occur. Disciplinary action will continue to be pursued when misuse is identified.

2. Paid Commuting, Time at Home, and Lunch Periods

During our review, we noted employees appeared to be paid for a portion of commuting time, time spent at personal residences, and their 30-minute lunch breaks. Further details of these items are noted below.

Commuting and Time at Home

We noted 574 days in which 13 employees appeared to be paid for a portion of their commuting time and/or time spent at their personal residences while still clocked in to work. The table below details these payments:

Vehicle Number	Employee	Employee Title	Number of Trips	Hours Paid	Amount Paid
44524	Employee #21	Hwy Maint. Superintendent	156	91.5	\$3,442.56
41139	Employee #1	Hwy Maint. Superintendent	89	74.5	\$2,859.55
41212	Employee #10	Electronics Sect. Supervisor	73	52	\$1,861.56
41146	Employee #8	Hwy Maint. Supervisor	58	22.5	\$641.17
48119	Employee #4	Hwy Maint. Supervisor	29	20	\$612.13
40239	Employee #2	Hwy Maint. Supervisor	41	19	\$562.61
41173	Employee #7	Hwy Maint. Superintendent	47	14	\$416.46
41139	Employee #22	Hwy Maint. Supervisor	9	3	\$113.85
45011	Employee #22	Hwy Maint. Supervisor	21	5	\$154.47
40229	Employee #13	Hwy Maint. Supervisor	21	4	\$118.76
44000	Employee #13	Hwy Maint. Supervisor	8	1.5	\$46.40
47051	Employee #23	Hwy Maint. Supervisor	8	4	\$109.56
41146	Employee #9	Hwy Maint. Worker/Senior	11	3	\$95.75
42126	Employee #12	Hwy Project Manager	1	1	\$53.01
41173	Employee #24	Hwy Maint. Supervisor	2	0.5	\$15.94
Totals			574	315.5	\$11,103.78

Upon the APA's inquiry during this review, the Department reached out to the employees/supervisors to receive an explanation for these apparently improper payments. Documentation was not on file to support any explanations received. Nevertheless, the Department provided the following general explanation for the payments:

[S]upervisors are often called before and after their work schedules to deal with unplanned events that require their immediate attention. This position is a 24/7 position and many times they are doing NDOT business while driving to and from their work location therefore they would be clocked in. The individual's leadership have given them direct authority to make the decision if the time is warranted.

According to the Department, such commuting or drive time is documented by the approval of the employee's timesheet.

A more detailed explanation was provided for vehicle 45011, highlighted in orange in the table above. Of the 21 days of commuting time, the Department was unable to provide an explanation for nine of the commuting time variances. Three of the variances were explained with "likely" phone calls, and two were noted as timesheet errors because the clock in/out time was incorrect. As noted throughout this letter, the Department relies heavily on the supervisor's approval of the timesheets; however, due to the number of errors noted, this control procedure appears insufficient to support the time the employee was performing duties for the Department and should be clocked in.

Lunch Breaks

During our review, we noted that 47 employees were paid 705 times for their 30-minute lunch break. Similar to the paid commuting hours, the Department stated that it is common for employees to work through their lunch breaks. Each supervisor can make the decision on lunch breaks, which is authorized through the approval of each employee’s timesheet.

Article 7.5 “Meal Periods,” of the Nebraska Association of Public Employees (NAPE) Local 61 of the American Federation of State, County and Municipal Employees (AFSCME) labor contract for the period July 1, 2023, through June 30, 2025, states the following:

All employees shall be granted an unpaid meal period of at least thirty minutes in duration or at the Employer’s discretion, a paid meal period in those situations where qualified relief is not available. Where practicable, the Employer will attempt to schedule the meal period at approximately the middle of each shift. Requests to adjust the schedule for a day which allows employees to work through a meal period may be approved in advance with mutual agreement between the worksite supervisor and bargaining unit employee.

Based on the above contractual provision, a paid meal period occurs in those relatively rare situations when qualified relief is unavailable; however, we noted multiple employees who appear to be taking a paid lunch period the majority of the time.

Per GPS tracking device data, moreover, we noted several situations in which an employee who received a paid lunch period appears to have stopped for a noon meal nonetheless. As noted previously, such meal stops would register only when the vehicle’s ignition was turned off. Any additional trips, such as to a drive-through restaurant, during which the car remained running, would not be noted. Therefore, while constituting a control procedure of sorts, mere approval of timesheets appears insufficient.

Details for those employees with paid lunch breaks are shown in the table below:

Employee	Employee Title	Total # of Days	# of Days with GPS Lunch Stop	Total Paid
Employee #25	Hwy Construct Tech. III	110	-	\$1,598.99
Employee #21	Hwy Maint. Superintendent	106	-	\$1,988.66
Employee #8	Hwy Maint. Supervisor	73	-	\$1,026.69
Employee #10	Electronics Sect. Supervisor	50	3	\$896.58
Employee #22	Hwy Maint. Supervisor	43	-	\$659.87
Employee #2	Hwy Maint. Supervisor	39	-	\$577.69
Employee #13	Hwy Maint. Supervisor	37	-	\$562.59
Employee #26	Hwy Construct Tech. III	33	-	\$376.20
Employee #11	Hwy Construct Tech. III	23	-	\$339.47
Employee #18	Hwy Construct Tech. III	21	2	\$306.09
Employee #23	Hwy Maint. Supervisor	18	-	\$260.12
Employee #5	Hwy Construct Tech. III	15	-	\$252.51
Employee #15	Hwy Maint. Supervisor	13	-	\$185.78
Employee #27	Hwy Mechanic District Supervisor	10	3	\$159.69
Employee #28	Hwy Maint. Worker/Senior	10	-	\$96.94
Employee #29	Automotive/Diesel Mechanic Lead	9	2	\$113.43
Employee #30	Hwy Maint. Worker	9	1	\$87.57
Employee #7	Hwy Maint. Superintendent	8	-	\$120.76
Employee #31	Hwy Construct Tech. III	8	2	\$93.74
Employee #32	Hwy Maint. Worker/Senior	5	-	\$52.50
Employee #33	Hwy Maint. Worker	5	-	\$48.76
Employee #34	Hwy Maint. Crew Chief	4	-	\$52.23
Employee #35	Automotive/Diesel Mechanic	4	-	\$50.66
Employee #36	Hwy Maint. Worker/Senior	4	-	\$43.27
Employee #37	Hwy Maint. Worker	4	1	\$38.81
Employee #38	Hwy Construct Tech. III	3	-	\$48.21
Employee #39	Hwy Maint. Worker/Senior	3	-	\$39.99

Employee	Employee Title	Total # of Days	# of Days with GPS Lunch Stop	Total Paid
Employee #14	Hwy Maint. Supervisor	3	-	\$39.75
Employee #40	Hwy Maint. Worker/Senior	3	-	\$34.45
Employee #41	Hwy Maint. Crew Chief	3	-	\$34.11
Employee #6	Hwy Construct Tech. II	3	-	\$33.65
Employee #42	Hwy Maint. Worker/Senior	3	-	\$31.50
Employee #43	Hwy Maint. Worker/Senior	3	-	\$31.29
Employee #12	Highway Project Manager	2	-	\$44.34
Employee #19	Hwy Construct Tech. III	2	1	\$34.81
Employee #4	Hwy Maint. Supervisor	2	-	\$30.19
Employee #44	Hwy Maint. Crew Chief	2	-	\$27.03
Employee #45	Hwy Maint. Worker/Senior	2	-	\$22.51
Employee #46	Hwy Maint. Worker	2	-	\$19.50
Employee #9	Hwy Maint. Worker/Senior	1	-	\$14.43
Employee #47	Hwy Maint. Supervisor	1	-	\$14.43
Employee #48	Automotive/Diesel Mechanic	1	-	\$11.13
Employee #49	Hwy Maint. Worker/Senior	1	-	\$10.82
Employee #50	Hwy Maint. Worker/Senior	1	-	\$10.82
Employee #51	Hwy Maint. Worker/Senior	1	-	\$10.50
Employee #52	Hwy Maint. Worker/Senior	1	-	\$10.50
Employee #53	Hwy Maint. Crew Chief	1	-	\$10.29
Totals		705	15	\$10,553.85

Additionally, we noted six employees who took lunch breaks longer than 30 minutes on 18 occasions; however, it could not be determined if any of those employees made up this additional time at the end of the day. The calculation of wages paid in the table below consists of the time spent at lunch in excess of the 30 minutes allowed:

Employee	Employee Title	Total # of Days	Total Paid
Employee #1	Hwy Maint. Superintendent	10	\$85.53
Employee #10	Electronic Sect. Supervisor	4	\$135.08
Employee #8	Hwy Maint. Supervisor	1	\$11.91
Employee #14	Hwy Maint. Supervisor	1	\$10.61
Employee #9	Hwy Maint. Worker/Senior	1	\$9.62
Employee #4	Hwy Maint. Supervisor	1	\$6.70
Totals		18	\$259.45

A good internal control plan and sound business practices require procedures to ensure that timesheets reflect accurately when employees are clocked in for work and actually conducting official business, including a working lunch, if necessary. Those procedures should require additional documentation to support when an employee claims to have worked during the commute to work, time at home, or a lunch break – not rely solely upon unsupported timesheet hours.

Without such procedures, there is an increased risk for the loss or misuse of funds due to unearned wages being paid to employees.

We recommend the Department review both the terms of the current NAPE contract and its own administrative procedures for approving timesheets, strengthening, or implement new, procedures to ensure: 1) timesheets reflect accurately when employees are clocked in for work; and 2) documentation is maintained to support work during any unusual hours, such as commuting times or lunch breaks.

Department Response: The Department recognizes the importance of accurate timesheet reporting and is reviewing internal procedures to ensure alignment with labor contract provisions and best practices. As stated in our general response, supervisor-approved timesheets have historically served as the primary control. New procedures will emphasize the need for proper justification and documentation for any paid commuting or lunch periods, especially for supervisors and field staff who are expected to respond to emergencies. Further internal training will reinforce expectations around timekeeping with the potential of using sample set GPS data for validation.

3. Lunch and Break-Time Stops

For the period tested, we noted that Department employees drove State-owned vehicles to gas stations 557 times. Stopping to purchase gas for a State-owned vehicle is allowable; however, per our review of transactions for Voyager purchasing cards used by Department personnel, no gas purchases were made at any of those locations. As mentioned previously, it is important to note that employees travel frequently to various job sites throughout the day. The Department has allowed for employees who do not have access to their personal vehicles during the day to make a stop for water, lunch, or other personal immediate needs with the State-owned vehicle. The stops detailed in the table below may have been for such purposes; however, documentation is not on file to support that such was the case:

Employee	Employee Title	Vehicle Number	Number of On Clock Stops	Number of Off Clock Stops	Time Spent at Location	APA-Calculated Wage Paid at Location*
Employee #54	Hwy Const. Tech. III	45057	86	0	5:21	\$150.77
Employee #38	Hwy Const. Tech. III	42188	63	0	2:20	\$76.53
Employee #17	Hwy Const. Tech. III	48131	59	0	2:23	\$64.34
Employee #47	Hwy Maint. Supervisor	45010**	29	18	3:10	\$62.36
Employee #13	Hwy Maint. Supervisor	40229**	20	18	1:33	\$24.64
		44000**	3	4	1:43	\$5.16
		44203	29	1	2:21	\$64.84
Employee #19	Hwy Const. Tech. III	46011	16	1	1:26	\$39.57
		40206	28	0	1:20	\$39.21
Employee #11	Hwy Const. Tech. III	40206	28	0	1:20	\$39.21
Employee #2	Hwy Maint. Supervisor	40239	22	6	1:39	\$39.70
Employee #26	Hwy Const. Tech. III	48581	18	0	0:34	\$13.03
Employee #34	Hwy Maint. Crew Chief	40196	13	2	1:13	\$29.71
Employee #55	Transportation Planner II	46069	13	0	1:17	\$28.71
Employee #31	Hwy Const. Tech. III	41175	12	0	0:29	\$11.40
Employee #15	Hwy Maint. Supervisor	46038	10	0	0:39	\$18.58
Employee #18	Hwy Const. Tech. III	47024	9	0	1:01	\$30.27
Employee #43	Hwy Maint. Worker/Senior	40196	9	0	0:36	\$12.52
Employee #6	Hwy Const. Tech. II	45102	8	0	0:45	\$16.83
Employee #1	Hwy Maint. Superintendent	41139**	6	4	1:07	\$33.44
Employee #5	Hwy Const. Tech. III	45102	5	0	0:46	\$25.74
Employee #12	Hwy Project Manager	42126	5	0	0:26	\$19.32
Employee #8	Hwy Maint. Supervisor	41146**	4	0	0:38	\$18.10
Employee #53	Hwy Maint. Crew Chief	40196	4	0	0:30	\$10.35
Employee #25	Hwy Const. Tech. III	40207	4	0	0:18	\$8.58
Employee #36	Hwy Maint. Worker/Senior	40196	4	0	0:12	\$4.33
Employee #24	Hwy Maint. Supervisor	41173**	2	2	0:12	\$3.72
Employee #22	Hwy Maint. Supervisor	41139**	2	0	0:10	\$5.16
Employee #14	Hwy Maint. Supervisor	46038	2	0	0:09	\$3.82
Employee #20	Auto/Diesel Mechanic	40196	2	0	0:04	\$1.48
Employee #56	Hwy Maint. Worker/Senior	40196	1	0	0:06	\$2.06
Employee #4	Hwy Maint. Supervisor	48119**	1	0	0:04	\$2.06

Employee	Employee Title	Vehicle Number	Number of On Clock Stops	Number of Off Clock Stops	Time Spent at Location	APA-Calculated Wage Paid at Location*
Employee #9	Hwy Maint. Worker/Senior	41146**	1	0	0:03	\$1.44
Employee #57	Hwy Maint. Worker/Senior	40196	1	0	0:03	\$1.05
Employee #7	Hwy Maint. Superintendent	41173**	0	5	0:24	\$-
Employee #44	Hwy Maint. Crew Chief	46038	0	1	0:04	\$-
Employee #58	Hwy Const. Tech. III	46002	0	1	0:02	\$-
Unknown	Unknown	40196	3	0	0:11	Unknown
Totals			494	63	35:19	\$868.82

*The wages at location do not contain any off-the-clock stops.

**These vehicles were approved for commuting purposes.

Similarly, during the period tested, we noted that Department employees made 135 stops at restaurants while driving State-owned vehicles, as detailed below:

Vehicle	Employee	Employee Title	# of Stops
41212*	Employee #10	Electronics Sect. Supervisor	29
44203	Employee #19	Hwy Const. Tech. III	28
41139*	Employee #1	Hwy Maint. Superintendent	24
42126	Employee #12	Hwy Project Manager	19
48131	Employee #17	Hwy Const. Tech. III	9
40207	Employee #25	Hwy Const. Tech. III	5
40206	Employee #11	Hwy Const. Tech. III	4
41139*	Employee #22	Hwy Maint. Supervisor	3
47024	Employee #18	Hwy Const. Tech. III	3
43157	Employee #27	Hwy Mechanic District Supervisor	3
40246	Employee #29	Automotive/Diesel Mechanic Lead	2
46038	Employee #14	Hwy Maint. Supervisor	1
46038	Employee #32	Hwy Maint. Worker/Senior	1
40196	Employee #34	Hwy Maint. Crew Chief	1
40196	Employee #36 or #43	Hwy Maint. Worker/Senior	1
41146*	Employee #9	Hwy Maint. Worker/Senior	1
46011	Employee #19	Hwy Const. Tech. III	1
Total			135

*These vehicles were approved for commuting purposes.

The information in both of the above tables reflects only occasions when the vehicle's ignition was turned off, not those during which the car remained running during the stop.

Due to the lack of a departmental policy for regulating the use of State-owned vehicles during lunch times or breaks, the information above is provided to assist the Department with its own analysis of the issue and, hopefully, preparation of an appropriate administrative policy.

A good internal control plan and sound business practices require a formal policy regarding the use of State-owned vehicles for short breaks or stops for lunch. Such policy should consider the quantity, length, and distance travelled for such stops.

Without such procedures, there is an increased risk for loss of funds or misuse of State-owned vehicles.

We recommend the Department, upon review of this situation, implement a formal administrative policy regarding the use of State-owned vehicles for stops during employee breaks or lunches to ensure that such stops are appropriate and not excessive.

Department Response: Our revised policy formalizes the practice of allowing brief, incidental stops (e.g., to use the restroom or get a meal) during work-related travel, provided there is no significant deviation from the route. This reflects operational realities for field personnel who do not have direct access to state facilities or personal vehicles during the workday.

To mitigate misuse, supervisors will now be responsible for monitoring the frequency and nature of such stops. A sample set of GPS data will be used more proactively to detect outliers or excessive behavior, especially once the upgraded tracking system is in place.

4. Non-Commuting Vehicle Taken Home Overnight

We noted that three Department employees took home State-owned vehicles overnight; however, a \$1.50 per trip taxable fringe benefit for commuting was not added to their taxable wages.

Employee	Vehicle	Number of Days
Employee #2	40239	130
Employee #44	46038	6
Employee #12	42126	1

Internal Revenue Service (IRS) Publication 15-B (2024), “Commuting Rule,” at page 26, states the following:

Under this rule, you determine the value of a vehicle you provide to an employee for commuting use by multiplying each one-way commute (that is, from home to work or from work to home) by \$1.50. If more than one employee commutes in the vehicle, this value applies to each employee. This amount must be included in the employee’s wages or reimbursed by the employee.

Nebraska Department of Transportation Take Home Vehicles Policy 3.16, effective July 2023, states, “Commuting must be reported in the payroll system when the State vehicle is taken home.”

A good internal control plan and sound business practices require procedures to ensure that use of a State-owned vehicle for commuting purposes is recorded in the payroll system as a taxable fringe benefit and included with the employee’s wages.

Without such procedures, there is an increased risk of noncompliance with both IRS regulations and the Department’s own policy.

We recommend the Department implement procedures to ensure use of a State-owned vehicle for commuting purposes is recorded in the payroll system as a taxable fringe benefit and included with the employee’s wages. We further recommend the Department determine if a tax reimbursement is necessary in accordance with IRS regulations.

Department Response: NDOT’s policy already requires reporting of such commutes in the payroll system, and refresher training is being issued to relevant personnel.

We are currently auditing historical commuting records and will coordinate with HR and payroll to determine if retroactive tax adjustments are required in accordance with IRS Publications.

5. Mileage Not Reported

As addressed extensively in the APA’s calendar year attestation report issued July 15, 2024, the Department lacked adequate procedures for ensuring that mileage on State-owned vehicles was reported daily, as required by its own administrative policy. Relevant training has been provided to each of the Department’s eight field Districts; however, this continues to be an issue through December 31, 2024, on the vehicles tested.

Per the GPS tracking device data, we noted 316 days during which the Department’s vehicles were driven a total of 10,353.5 miles; however, employees failed to report those trips. The Department was unable to specify which employees used the vehicles on these days due to the lack of reporting. Additionally, because of the resulting lack of information, we were unable to determine if the mileage was subsequently reported on the next use of the vehicle.

The table below details the failure to report daily mileage for the Department’s vehicles:

Vehicle	Prior to July 15, 2024		After July 15, 2024		Total Miles
	Days Not Reported	Mileage Not Reported	Days Not Reported	Mileage Not Reported	
43157	26	303.1	12	111.9	415.0
42188	5	212.5	2	0.2	212.7
41175	2	6.7	3	71.4	78.1
40246	19	738.4	37	781.6	1,520.0
41158	2	6.2	8	13.0	19.2
45102	0	0.0	8	127.7	127.7
41146	5	199.2	0	0.0	199.2
40207	0	0.0	5	289.7	289.7
40239	1	73.7	7	532.7	606.4
40196	3	34.8	15	720.4	755.2
40206	6	10.4	2	5.3	15.7
48131	1	0.2	3	17.4	17.6
47024	2	78.9	4	3.7	82.6
46002	0	0.0	7	204.7	204.7
46069	4	1.6	16	67.4	69.0
46011	0	0.0	7	24.6	24.6
46038	7	133.0	10	125.9	258.9
47051	7	67.9	9	481.6	549.5
45011	0	0.0	28	908.5	908.5
45057	0	0.0	7	160.7	160.7
48581	1	0.0	35	3,838.5	3,838.5
Totals	91	1,866.6	225	8,486.9	10,353.5

Of particular interest is vehicle 45011, highlighted in orange above, which the Department brought to Surplus Property on October 23, 2024; however, its GPS tracking device was not removed prior to doing so. Per that device, the vehicle was driven for 21 days and 504.2 miles after the surplus date – such mileage being reflected in the above table. The vehicle was not in the Department’s possession when any of that additional mileage was incurred.

Nebraska Department of Transportation Operating Instruction 20-06, “Vehicle and Aircraft Use,” dated September 6, 2023, states, in relevant part, “Employee is required to report daily the equipment number of [the] vehicle, mileage driven each day, and corresponding activity code into their KRONOS Activity Entry or Passport Activity Entry.”

A good internal control plan requires procedures to ensure that use of Department vehicles is monitored and documented appropriately. Such procedures should include, among other things, reviewing all vehicle mileage to ensure that travel is reported accurately and in its entirety.

Without such procedures, there is an increased risk for not only noncompliance with Department policy but also misuse of State-owned vehicles.

We recommend the implementation of procedures to ensure all mileage on State-owned vehicles is reported in accordance with Department policy.

Department Response: The Department agrees that mileage reporting is essential for fleet accountability. Operating Instruction 20-06 requires daily mileage entry, and NDOT has provided training to field districts on this requirement. However, noncompliance remains an issue in some areas due to the operational functions of employees operating vehicles to support construction projects.

As a corrective measure, NDOT will research developing automated red flags/reminders and supervisor-level alerts when daily mileage is not entered. Furthermore, the enhanced GPS system should provide a secondary method for verifying reported mileage, helping to identify discrepancies earlier. It is the Department's goal to increase transparency and accountability to improve internal controls to ensure the resources are being used in an appropriate manner and consistent with Department needs.

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Overall Department Response: The Nebraska Department of Transportation (NDOT) takes the findings of the State Auditor's Office seriously and appreciates the thoroughness of the review. Fleet management is a critical component of our operational responsibilities, and we are committed to continuous improvement in this area.

Over the past year, the department partnered with the APA and initiated the installation of a sample set of GPS tracking devices across its fleet to gain a clearer understanding of vehicle usage and operational needs. This proactive step allowed the NDOT to collect a significant amount of data, and we sincerely thank the State Auditor's Office for its diligence in working through the large data sets to analyze and digest information on trends.

As a result of both the department's internal review and the Auditor's analysis, we have begun implementing several improvements:

- ***Upgrading GPS Technology:*** *We are currently in the process of acquiring a more advanced GPS tracking solution. This system will allow for closer to real-time data analysis and more responsive management, rather than relying on periodic reviews of months-old data.*
- ***Policy Adjustments:*** *Our vehicle usage policy is being revised to more accurately reflect the operational needs of the department while ensuring responsible use. This includes clarifying expectations and permissible uses, particularly in emergency and fieldwork contexts.*
- ***Emergency Readiness:*** *Many NDOT employees require immediate access to state vehicles to respond to urgent events, such as winter storms, roadway incidents, and critical infrastructure malfunctions. The updated policy will continue to support this essential readiness.*
- ***Reasonable Use Allowances:*** *As part of our review, we recognize that employees in the field will occasionally require brief stops for restroom or meal breaks while using state vehicles. These activities will be addressed in a reasonable and professional manner in our updated guidance.*
- ***Accountability and Oversight:*** *NDOT has consistently addressed misuse of state vehicles when it has occurred. In past instances, this has included corrective actions ranging from discipline to termination. We remain committed to addressing the current findings with the same level of fairness, transparency, and accountability.*
- ***Training and Management Practices:*** *Training began earlier this spring across the state at district offices to re-emphasize accurate mileage and accountability. This training was focused at the supervisor level. Additional training will occur later this year with the plan to incorporate new GPS tools as a management practice.*

The Department appreciates the collaboration with the State Auditor's Office and remains dedicated to serving Nebraska taxpayers with integrity, responsibility, and continuous improvement. We will continue working to ensure that our fleet is managed effectively, responsibly, and in a manner that supports both operational readiness and public trust.

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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 Department.

Draft copies of this letter were furnished to the Department 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 Department 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.

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Sincerely,



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