



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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January 23, 2025

Dr. Matthew McCarville, Chief Information Officer  
Nebraska Department of Administrative Services  
Office of the Chief Information Officer  
501 S. 14<sup>th</sup> St.  
Lincoln, NE 68508

Dear Dr. McCarville:

As you may know, the Nebraska Auditor of Public Accounts (APA) received allegations regarding abuse of State vehicles assigned to an Office of the Chief Information Officer (OCIO) employee. Specifically, this OCIO employee, who is assigned to the Lincoln Regional Center (LRC), was supposedly using State vehicles for personal use. 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 acquired financial records and other relevant documentation pertaining to the State vehicles and the employee to whom they were assigned. Based on the outcome of this preliminary planning work, including an analysis of the information obtained, the APA has determined that a separate financial audit or attestation is unnecessary at this time.

Nevertheless, during the course of the preliminary planning work, the APA noted a certain issue that merits corrective action.

The following comment and recommendation, which has been discussed with the appropriate members of the OCIO and its management, is intended to improve internal control or result in other operating efficiencies.

## **Comment and Recommendation**

### **State Vehicle Usage**

During the period January 1, 2023, through August 31, 2024, the OCIO employee was assigned two different State vehicles, as detailed in the following table:

Vehicle Make & Model	Starting Date	Ending Date	Total # of Days Driven	Starting Mileage	Ending Mileage	Total Miles Driven
2014 Dodge RAM C/V Tradesman Van	1/1/2023	4/30/2024	148	81,747	91,997	10,250
2024 Chevrolet Equinox SUV	5/1/2024	8/31/2024	29	0	1,524	1,524

As shown above, the vehicles were driven for a total of 10,250 and 1,524 miles, respectively. The 2014 Dodge van is an agency-owned vehicle and does not have a Global Positioning System (GPS) tracking device installed. Instead, the OCIO maintains a mileage log to track the vehicle's usage. The APA obtained the mileage log for this vehicle for the period January 1, 2023, through April 30, 2024. The 2024 Chevrolet Sport Utility Vehicle (SUV) is leased by the OCIO through the Transportation Services Bureau (TSB) of the Nebraska Department of Administrative Services and does have a GPS tracking device installed. The APA obtained the GPS log for this vehicle for the period May 1, 2024, through August 31, 2024. The timesheets for this employee were requested for the period January 1, 2023, through August 31, 2024, and compared to the mileage log and GPS log for the two vehicles.

The following issues were noted with the usage of these State vehicles:

**2014 Dodge Van**

We noted that, during the period January 1, 2023, through April 30, 2024, there were a total of 16 days for which the OCIO employee’s timesheets recorded no hours worked, only leave hours; nevertheless, the 2014 Dodge van’s mileage log had trips recorded on those same days. The following table provides a summary of the vehicle usage when the employee had no work hours recorded:

Date	Per Mileage Log						Per Timesheets				
	Miles Traveled	Start Time	End Time	Destination From	Destination To	Trip Purpose	Regular Hours	Holiday Leave Hours	Vacation Leave Hours	Sick Leave Hours	Total Hours
1/16/2023	179	7:00 AM	5:00 PM	LRC	Geneva DHHS	Site Support		8			8
2/10/2023	83	7:00 AM	12:00 PM	LRC	Seward DHHS Lincoln Warehouse	Site Support				4	4
2/16/2023	17	7:00 AM	5:00 PM	LRC	LYRTC	Site Support			9		9
4/14/2023	19	7:00 AM	5:00 PM	LRC	Lincoln South DHHS Lincoln Warehouse	Site Support			4		4
4/17/2023	18	7:00 AM	5:00 PM	LRC	Lincoln South DHHS	Site Support			9		9
4/20/2023	77	7:00 AM	5:00 PM	LRC	Seward DHHS	Site Support			9		9
4/21/2023	223	7:00 AM	5:00 PM	LRC	Geneva DHHS York DHHS Seward DHHS LYRTC	Site Support			4		4
4/28/2023	23	7:00 AM	5:00 PM	LRC	Lincoln Whitehall DHHS Lincoln Warehouse LYRTC	Site Support		8			8
5/29/2023	16	7:00 AM	5:00 PM	LRC	LYRTC	Site Support		8			8
7/24/2023	222	7:00 AM	5:00 PM	LRC	Geneva DHHS Seward DHHS LYRTC	Site Support				9	9
11/8/2023	19	7:00 AM	5:00 PM	LRC	Lincoln South DHHS	Site Support				9	9
11/21/2023	18	7:00 AM	5:00 PM	LRC	Lincoln South DHHS	Site Support			9		9
11/22/2023	83	7:00 AM	5:00 PM	LRC	Seward DHHS Lincoln South DHHS	Site Support			6		6
11/27/2023	17	7:00 AM	5:00 PM	LRC	Geneva DHHS Lincoln South DHHS	Site Support			9		9
2/19/2024	79	7:00 AM	5:00 PM	LRC	Seward DHHS	Site Support		8			8
2/23/2024	17	7:00 AM	12:00 PM	LRC	Lincoln Warehouse	Site Support				4	4
<b>Totals</b>	<b>1,110</b>						<b>0</b>	<b>32</b>	<b>59</b>	<b>26</b>	<b>117</b>

According to OCIO representatives, this employee normally works nine-hour days from Monday through Thursday and a half-day of four hours on Friday. The mileage logs for each of the days listed in the above table identify the OCIO employee as the driver. Although the destinations and purposes listed on the mileage log indicate that the trips were work-related, the APA questions the use of the vehicle on days when the OCIO employee did not record any time worked.

In addition to the dates listed in the above table for trips recorded with no work hours on the OCIO employee’s timesheets, the APA noted several other days for which the OCIO employee recorded both work hours and leave hours on the timesheets, but the mileage logs on those same days had starting and ending times that do not appear to reflect the actual time worked and the time the vehicle was being driven.

After being informed of these issues by the APA, OCIO representatives explained that some of the mileage logs were lost by the front office and had to be recreated. Additionally, the agency-owned vehicle may have been used by another worker, and the incorrect date may have been entered. Discussions were also held with the employee, the OCIO representatives stated, to direct her to record only actual hours worked, including starting and ending times, on agency-owned vehicle mileage logs going forward. Despite these ameliorative measures, the APA still questions the prior discrepancies identified between the mileage logs and timesheets.

Good internal controls require procedures to ensure that employees are clocked in for work and actually conducting official business whenever operating a State vehicle.

**2024 Chevrolet SUV**

During the period May 1, 2024, through August 31, 2024, the APA identified a total of 19 trips from the GPS log for which the OCIO employee appears to have used the 2024 Chevrolet Equinox SUV for personal purposes. The table below summarizes the dates, time spent, and locations traveled to for these questionable trips:

Date	Per GPS Log				Destination	APA Destination Description
	Arrival Time	Departure Time	Time Spent at Location	Miles Traveled		
5/30/2024	3:26 PM	3:34 PM	0:07	3.8	2649 SW 17th St, Lincoln, NE 68522 US	Employee's Home
5/30/2024	3:38 PM	3:46 PM	0:07	1.8	835 W Sumner St, Lincoln, NE 68522 US	Personal Residence (Not Employee's) <b>Note 1</b>
6/12/2024	9:53 AM	10:14 AM	0:20	0.7	841 W Sumner St, Lincoln, NE 68522 US	Personal Residence (Not Employee's) <b>Note 1</b>
6/17/2024	12:26 PM	12:52 PM	0:26	2.5	841 W Sumner St, Lincoln, NE 68522 US	Personal Residence (Not Employee's) <b>Note 1</b>
6/25/2024	1:48 PM	2:14 PM	0:26	1.6	1214 South St, Lincoln, NE 68502 US	D'Leon's
6/27/2024	3:36 PM	3:44 PM	0:08	7.0	979 K St, Lincoln, NE 68508 US	City/County Office Building
7/9/2024	11:20 AM	12:47 PM	1:27	0.6	841 W Sumner St, Lincoln, NE 68522 US	Personal Residence (Not Employee's) <b>Note 1</b>
7/9/2024	1:28 PM	2:29 PM	1:01	11.5	841 W Sumner St, Lincoln, NE 68522 US	Personal Residence (Not Employee's) <b>Note 1</b>
7/10/2024	8:58 AM	9:29 AM	0:30	2.9	2649 SW 17th St, Lincoln, NE 68522 US	Employee's Home
8/6/2024	11:15 AM	11:50 AM	0:35	2.9*	835 W Sumner St, Lincoln, NE 68522 US	Personal Residence (Not Employee's) <b>Note 1</b>
8/6/2024	12:24 PM	12:47 PM	0:23	7.4*	2001 N 56th St, Lincoln, NE 68504 US	Personal Residence (Not Employee's)
8/6/2024	12:49 PM	1:02 PM	0:13	3.3*	107 N 27th St, Lincoln, NE 68503 US	Selectel Wireless
8/13/2024	12:27 PM	12:44 PM	0:17	5.9	2825 Cornhusker Hwy, Lincoln, NE 68504 US	Amigo's
8/14/2024	8:43 AM	9:02 AM	0:19	1.7	2649 SW 17th St, Lincoln, NE 68522 US	Employee's Home
8/20/2024	5:00 PM	8:02 AM	15:02	0.9	2649 SW 17th St, Lincoln, NE 68522 US	Employee's Home <b>Note 2</b>
8/21/2024	3:41 PM	4:27 PM	0:46	6.3	2649 SW 17th St, Lincoln, NE 68522 US	Employee's Home
8/27/2024	1:27 PM	2:01 PM	0:34	0.8	126 N 14th St, Lincoln, NE 68508 US	Honest Abe's
8/28/2024	2:05 PM	2:17 PM	0:12	0.2	200 S 13th St, Lincoln, NE 68508 US	Parking/Intersection (Sharp Building)
8/28/2024	2:27 PM	2:41 PM	0:14	0.5	625 N 46th St, Lincoln, NE 68503 US	Lancaster County Treasurer/DMV
<b>Totals</b>			<b>23:10</b>	<b>62.3</b>		

**Note 1:** This address appears to be where the OCIO employee's parent's house is located.

**Note 2:** The State vehicle was parked overnight at the OCIO employee's house on this date.

\* The GPS log for August 6, 2024, did not have any miles traveled recorded. However, it appears that this is an error, as there were multiple trips to different locations on that day. The APA calculated an estimated number of miles traveled for these trips based on the GPS log starting and ending locations.

Five of the trips were to the OCIO employee's house, including one trip during which the State vehicle was left at the home overnight. Three of the trips were to restaurants, and the other 11 trips were to locations that do not appear to have been related to the performance of the employee's duties. It should be noted also that, on 6 of those other 11 trips, the State vehicle was driven to the home of the employee's parents and parked there for a total of nearly four hours. The APA questions whether these trips were an appropriate use of the State vehicle.

Per discussion with OCIO representatives, the vehicle had been kept overnight at the OCIO employee's house on one occasion because she had returned to Lincoln late in the day from a trip to York, McCool Junction, and Geneva, and there was not enough time left to unload equipment from the vehicle. Instead, the equipment was protected by storing the vehicle in the employee's garage. OCIO representatives explained further that the employee was allowed to use a State vehicle to get lunch when travelling, and she would be allowed to stop at such locations as her own home or her parents' house while on lunch breaks, during breaks between site visits, or when updating service tickets. The OCIO does not appear to have formal policies specifying the acceptable uses of a State vehicle, however.

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).

3. No employee will be allowed to drive a state-owned vehicle home except for the reasons set forth below:

\* \* \* \*

(b) The agency head approves a vehicle going home for one night, for a specific, scheduled event, e.g., traveling to an out-of-town conference. Agencies are required to report these trips to the Accounting Division of the Department of Administrative Services for submission to the Internal Revenue Service.

(c) If an employee does not report to work at a specific location, but works out of his or her vehicle, then that employee may take the state vehicle home.

\* \* \* \*

(e) If an agency head determines there is a special circumstance for an employee to take a vehicle home on a regular basis, a written request may be sent to the Director of Administrative Services. Written requests shall include: the employee's job title; vehicle license number; the type of vehicle; and the reason for the request. If it is an on-call situation, the history of the frequency of the use per vehicle should be included.

(Emphasis added.) The OCIO was unable to provide any documented approval for the employee to take home and park the vehicle overnight at her house on August 20, 2024.

Neb. Rev. Stat. § 81-1024 (Reissue 2024) 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.*

Additionally, Neb. Rev. Stat. § 49-14,101.01(2) (Reissue 2021), which is found in the Nebraska Political Accountability and Disclosure Act (Act), as set out at Neb. Rev. Stat. §§ 49-14,101 to 49-14,142 (Reissue 2021, Cum. Supp. 2024), provides the following:

*A public official or public employee shall not use or authorize the use of personnel, resources, property, or funds under his or her official care and control other than in accordance with prescribed constitutional, statutory, and regulatory procedures or use such items, other than compensation provided by law, for personal financial gain.*

(Emphasis added.) Neb. Rev. Stat. § 49-14,101.03(3) (Reissue 2021) of the Act adds the following:

*Use of a government vehicle by a public official or public employee to travel to a designated location or the home of the public official or public employee is permissible when the primary purpose of the travel serves a government purpose and the use is pursuant to a written policy approved by a government body.*

(Emphasis added.) Good internal controls require, moreover, procedures to ensure that State vehicles are not driven for personal use.

Without such procedures, there is an increased risk for not only abuse of State vehicles but also loss, theft, or misuse of public property or funds.

We recommend the OCIO implement procedures to ensure: 1) employees are clocked in for work and actually conducting official business whenever operating a State vehicle; and 2) State vehicles are not driven for personal use. Furthermore, because this comment addresses possible violation of the Act, we are forwarding the information herein to the Nebraska Accountability and Disclosure Commission for further review.

*OCIO Response:*

*The OCIO acknowledges the following three issues were identified.*

- *Improper use of state vehicles, personal use. The regular stops at our teammate's home or the home of relatives are not condoned, and the teammate was counseled by her supervisor on 13 January 2025.*

*OCIO's corrective action: The Regional Site Support Administrator is granted permission to approve when a vehicle is taken home. When necessary, an email authorizing the vehicle's overnight stay will be sent to the employee. The Office of CIO Annual Agreements page will be updated to include Transportation Services Bureau Policies and Procedures. All teammates must review TSB policies and procedures and acknowledge the same. <https://cioapps.nebraska.gov/AnnualAgreement/Create.aspx>*

*It is important to note this teammate, as well as other Site Support teammates, often support large areas. Since these teammates are in the field and are primarily mobile, they will make frequent stops for gas, breaks, lunch, or taking phone calls and updating tickets.*

- *Improper retention of vehicle logs.  
OCIO's corrective action: Each teammate utilizing a state vehicle will be required to email all vehicle logs to the OCIO Front Desk and our Site Support vehicle coordinator for adequate record retention.*
- *Discrepancies in log information and employee time sheets.  
Vehicle logs will be maintained and completed to reflect the actual hours and miles used. Every effort will be made to review and correct logs when they are submitted to the respective OCIO points of contact (mentioned in point #2) before OCIO submits logs to DAS-TSB.*

\* \* \* \* \*

Our audit procedures are designed primarily on a test basis and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. Our objective is, however, to use the knowledge gained during our work to make comments and recommendations that we hope will prove useful to the OCIO.

Draft copies of this letter were furnished to the OCIO to provide its management with an opportunity to review and to respond to the comment and recommendation 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 OCIO 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:

Craig Kubicek, CPA, CFE – Deputy Auditor

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Destini Morales – Auditor II

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Sincerely,



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cc. Nebraska Accountability and Disclosure Commission