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Audit Exposes Yet More State Vehicle Abuse

State Auditor Mike Foley issued a report today to the Department of Administrative Services (DAS) – Transportation Services Bureau (TSB) detailing widespread misuse of State-owned vehicles throughout calendar year 2024.

That report is available on the Nebraska State Auditor’s website at <https://auditors.nebraska.gov/>.

Nebraska law explicitly prohibits an officer or employee of the State of Nebraska from using a State-owned vehicle for “any personal use whatsoever,” providing a criminal penalty for violating that statutory prohibition – as well as authorizing the convicting court to order an offender “removed from office or employment.”

The State owns some 4,000 vehicles. Approximately 1,200 of those belong to a fleet of automobiles under the control of TSB, which leases them to State agency personnel for official government use on an as-needed basis. Those fleet vehicles are driven more than a cumulative 15 million miles per year (roughly 13,000 annual miles each).

As described in his 38-page report, Foley’s audit team tested a sample of 45 TSB fleet vehicles equipped with Global Positioning System (GPS) tracking devices. The results of that examination revealed widespread personal use of those cars by State government personnel – including nonwork trips to retail outlets, restaurants, medical facilities, residences of relatives, and numerous other private errands having nothing to do with the official duties of the drivers.

For example, two Nebraska Department of Natural Resources (NDNR) employees made frequent personal use of TSB fleet vehicles assigned to them. One employee living in Scottsbluff, NE, took multiple trips in a State-owned automobile to his family’s vineyard and winery. He also drove the car to the local Menards on numerous occasions, often spending over an hour there. When purchasing government supplies, those expenditures generated some \$309 in 11% Menards rebates – which, as corroborated by the store’s camera images and receipts, the employee eventually redeemed for his own use.

The second NDNR employee, who lived in Bellwood, NE, also made multiple trips to Menards in a State-owned vehicle. Many of these stops resulted in transactions on his personal credit card, including purchases of dog food, a stick horse toy, and a 14” animated LED skeleton on a toilet. This employee also redeemed a State-earned Menard’s rebate for a personal purchase.

“In addition to being patently illegal by itself,” Foley explained, “personal use of a State-owned vehicle sometimes coincides with other improper activities. In these cases, the government employees also misappropriated store rebates belonging to their agency – which, being a clear violation of the State’s purchasing card policies, was not only tantamount to theft but also an unlawful use of public property for personal financial gain.”

Similarly, Foley’s auditors found that an investigator for the Department of Correctional Services took advantage of the TSB fleet vehicle assigned to him to galivant around Lincoln, NE, for his side business – including numerous trips to Scheels, a customer of his private enterprise (all while on the clock), as well as multiple trips to his storefront in Friend, NE. Other personal use included a number of trips to healthcare providers and the Walmart Pharmacy in Crete, NE. Moreover, given the number of after-hour stops that he also made at the O’Reilly’s Auto Parts in Crete, supposedly to purchase air fresheners or windshield wiper fluid for the automobile assigned to him, Foley noted, “He should be fully stocked for months to come.”

Foley reiterated, “This is another example of how investigating misuse of a State-owned automobile is sometimes like peeling an onion. Stripping back that underlying criminal offense can expose even more wrongdoing, such as using a TSB fleet vehicle to further a private business venture.”

Other instances of State employees mishandling TSB fleet vehicles included an Emergency Medical Services Specialist for DHHS driving a State-owned automobile over 1,000 miles for personal use. Among those unauthorized excursions were no fewer than six trips from his home in Clatonia, NE, to visit his wife’s place of employment in Lincoln, NE. He also stopped at a relative’s residence in Lincoln and frequented various fast-food restaurants during regular working hours. Furthermore, the employee commuted regularly from his Clatonia home without permission throughout calendar year 2024 – adding considerably, no doubt, to the more than 1,000 miles tracked already.

“In addition to such blatant abuses of TSB fleet vehicles,” Foley stated, “my audit team observed what might seem to be insignificant incidents of improper personal use.” Foley was quick to point out, however, that State law makes no distinction between egregious and comparatively minor personal use of State-owned vehicles. “The law forbids ‘any personal use whatsoever’ of State-owed automobiles,” Foley emphasized.

Despite utilizing GPS electronic travel logs for most permanently leased vehicles, Foley’s audit report critiques, TSB relies on undependable and often incomplete paper travel logs to track usage of its 150 rental pool vehicles. According to the report, one rental vehicle was driven 27 days – for a total of 1,436 miles, per its odometer readings – but the start and finish times recorded on the paper travel log were “0000” to “0000” daily. Likewise, the start and stop locations were listed as simply “WSC.” Where that car was driven for almost 1,500 miles, Foley commented, remains unknown.

“Aside from revealing how frequently – and, in some cases, flagrantly – State-owned vehicles are being subjected to improper personal use,” Foley declared, “one of the most disturbing aspects of this recent audit report is that it shows the ongoing nature of this particular problem.”

Only a year ago, Foley’s office reported on rampant misuse of State-owned vehicles assigned permanently to the State Board of Parole. On her day off, the audit team discovered, one staff member drove her assigned State-owned vehicle 243 miles to attend a retirement party in Lincoln, NE. Multiple other instances were identified of board employees driving State-owned vehicles on personal errands during weekends and other non-work times.

Also last year, Foley addressed mismanagement of the Nebraska Department of Transportation's (NDOT) approximately 2,100 vehicles. An audit by his office uncovered 479 instances in one year alone of those NDOT vehicles being driven between 480 to 946 miles – more than the 400-mile distance between Omaha, NE, and Scottsbluff, NE – during a single work day. Not only did NDOT employees fail to document properly those “implausible” trips, according to Foley, but also mandatory travel reports were found to have been revised after the fact over 7,000 times during that year.

Unfortunately, according to Foley, the pitiable record keeping found at NDOT is not restricted to that agency alone. TSB does not require other agencies that rent its fleet vehicles to complete the necessary log information detailing actual usage. The audit team identified a State employee in Omaha, NE, for instance, who acquired a TSB fleet vehicle to attend a conference in Kearney, NE – which, per Google Maps, is about 370 miles round trip. However, the odometer reading showed that the vehicle was driven 543 miles, and no explanation was provided for that additional 173 miles of usage.

“Joyriding in State-owned vehicles – on the taxpayer’s dime, no less – is obviously a common occurrence and, despite my office’s previous reporting on it, appears to be continuing unabated,” Foley said. “Installing GPS trackers in the State’s cars is a very good idea,” he continued, “but those devices are practically worthless if agencies fail to review the resulting data.” Calling attention to such a lack of effective oversight, Foley encouraged agency heads to start analyzing GPS data regularly to ensure that their employees are making proper use of State-owned vehicles.

Foley underlined that his office’s current findings were gleaned from testing a mere fraction of the thousands of vehicles owned by the State. “Extrapolate those findings to the entire population of State-owned vehicles,” he warned, “and there can be no doubt that these continuous improprieties are costing taxpayers an obscene amount of money, not to mention constituting a particularly brazen flouting of the law.”

Foley said that DAS, which oversees State-owned vehicles, “has promised to double down on its oversight” of the serious issues raised in his audit letter. “Aggressive action needs to be taken immediately,” he added, “and my office is ready to assist in any way possible.”