



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

Tuesday September 22, 2026

Auditor Foley Calls for Reform of the Douglas County General Assistance Program

State Auditor Mike Foley released a 13-page letter today to the Douglas County Board of Commissioners detailing financial lapses with its administration of the County's General Assistance Program (program).

The program was initiated after passage of State legislation in the early 1980s declaring that, "The county board of each county shall be the overseer of the poor" and "it shall be the duty of the county board to provide general assistance to all poor persons" which shall be "adequate to insure maintenance of minimum health and decency."

In addition to the statutory requirements, the Douglas County Board has adopted general assistance guidelines regarding eligibility and benefits of the program. Over the years of 2023-2025, the Department provided aid to "clients" of the program totaling nearly \$9.4 million.

The County employs a staff of 18 people to administer the program. During 2025, the three highest paid employees were paid wages totaling \$166,614, \$122,113, and \$104,198. For every \$100 of financial assistance provided to the poor over the past three years, the County spent roughly \$74 on administrative expenses for a total three-year administrative expense of just under \$7 million.

Foley observed, "such a high administrative burden relative to the benefits disbursed is troubling and raises questions as to whether a more efficient system can be found."

The letter studied transactions during the three-year period of 2023-2025. Over that span of years, the County purchased nearly 26,000 Dollar General gift cards at a cost of over \$759,000. According to Foley, "the distribution of many thousands of gift cards for use at a retailer with such a vast array of products is problematic."

Eligible clients of the program can receive \$25 monthly gift cards for non-food necessities, restricted to personal hygiene and environmental cleanliness items as well as an \$80 gift card every six months for clothing. Despite such a significant amount of gift cards being purchased each year, the Department had no meaningful procedures to ensure proper usage of the cards. After issuance, the Department never looked at what the cards were being used to purchase.

Due to the Department's incomplete monitoring of the gift cards, the audit team selected a random sample of 100 gift cards and obtained records directly from Dollar General. Based on those records, the audit team determined that about half of the expenditure on the cards was for unallowable items such as cigarettes, alcohol, food, toys, candy, and pet food. Montego Menthol Silver and Gold cigarettes, Mike's Harder Lemonade, and Natty Daddy beer were popular choices.

In other instances, the value of the cards was redeemed via the OpenBucks platform which allows the purchase of online transactions that might otherwise be unallowable. In yet other instances, the value on the cards was simply never utilized or there was no documentation available from the County or Dollar General on how the cards were used. Based on that sample, the auditors believe that hundreds of thousands of dollars in gift card transactions were at risk for waste or abuse.

Tracking the abuse of the Dollar General gift cards is further complicated because the County did not comply with its own rules to properly retain its records as to who was issued gift cards. Foley stated, "Worse yet, it cannot be proven that the cards were used by eligible clients as the cards could have been sold for cash and used by someone with no connection to the program."

Over the three years reviewed, the County processed over 5,100 general assistance applications. The audit team compared the data from a sampling of applications with data available to the auditors from other government sources to identify potential higher risk applications and noted significant discrepancies.

From the sample applications reviewed, a high percentage simply did not meet the written eligibility thresholds of the program while other applications either did not fully disclose other sources of income available to the applicant or provided false information.

In one instance, a client owned a 2021 Kia Forte automobile valued at \$17,300 which exceeded a program threshold of \$12,000. The client was provided \$3,705 in financial benefits and given 60 days to sell the vehicle or have benefits lowered or discontinued. However, the benefits continued despite a lack of documentation of the sale of the vehicle. This client's benefits were also excessive because the Department disregarded the income the client received from new employment.

In another instance, a client was authorized for \$1,939 in benefits months before the Department verified the client's land and property resources.

Similarly, a client was authorized for benefits of \$8,090 but that amount was excessive because a loan of \$500 the client received was excluded from the calculations.

The letter goes into significant detail of a wide variety of other lapses that enabled clients to receive benefits that were not in keeping with the eligibility criteria.

A copy of the letter may be found at: **auditors.nebraska.gov**

#

#

#