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Carl Martinson, Board Chairperson
Pierce County Board of Commissioners
111 West Court Street, Room 1
Pierce, NE 68767

Dear Chairperson Martinson:

As you may know, the Nebraska Auditor of Public Accounts (APA) has received concerns regarding a Pierce County (County) Roads Department employee allegedly using County equipment for personal purposes. 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 obtained financial records and other relevant documentation from the County. 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, as the County is audited on an annual basis.

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

Background Information

The County is a political subdivision established under and governed by the laws of the State of Nebraska. The County Board of Commissioners (Board) is the governmental body responsible for exercising financial accountability and activities relevant to the operations of the County. Board members are elected by the public and have broad decision-making authority, including the power to levy taxes, the ability to exert significant influence over all County operations, and the primary responsibility for related fiscal matters.

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

Comment and Recommendation

Alleged Personal Use of County Equipment and Resources

The APA received allegations that a County Roads Department District 2 employee, Loren Gerdes, has been seen on multiple occasions using County equipment for his personal benefit. In support of those claims, the APA received numerous pictures and videos of the apparent personal use taking place.

One such video received by the APA, which was taken on April 15, 2026, at 5:25 p.m., shows County equipment being used to move a boat on or near Mr. Gerdes' property. An image from this video is shown below:



According to the County's equipment inventory list, the Roads Department District 2 owns a 2012 Caterpillar model 924K Wheel Loader, which appears to be the machine shown in the above image. The following is an example of this equipment model:



Two other images received by the APA are purported to depict the County employee pushing a red car into a County shop located at 86645 Main St. in McClean, Nebraska. These images, which were taken on July 10, 2026, around 6:18 p.m., are shown below:



Using the Nebraska Department of Motor Vehicles' vehicle registration and title system, VicToRy, the APA identified a red 1992 Chrysler LeBaron convertible registered under Mr. Gerdes' name.

In addition to the above recorded incidents, the APA was informed of several other occurrences involving the employee's alleged unauthorized personal use of County equipment and resources in the past few years, including using County equipment not only to haul dirt to his property but also to perform other tasks thereon. Additionally, he has been accused of sleeping on the job.

The APA obtained Mr. Gerdes' timesheets for the period December 28, 2025, through July 25, 2026. According to those records, he was not working for the County when the three images above were taken; nevertheless, they appear to show him using County equipment and resources – seemingly for personal benefit.

Chapter 7 (“Disciplinary Action”) of the Pierce County Employee Handbook provides the following, in relevant part:

The following shall be grounds for taking disciplinary action, including employee termination:

* * * *

G. Neglect, waste, damage, misuse, or unauthorized taking of any kind of county property.

* * * *

Y. Sleeping on the job.

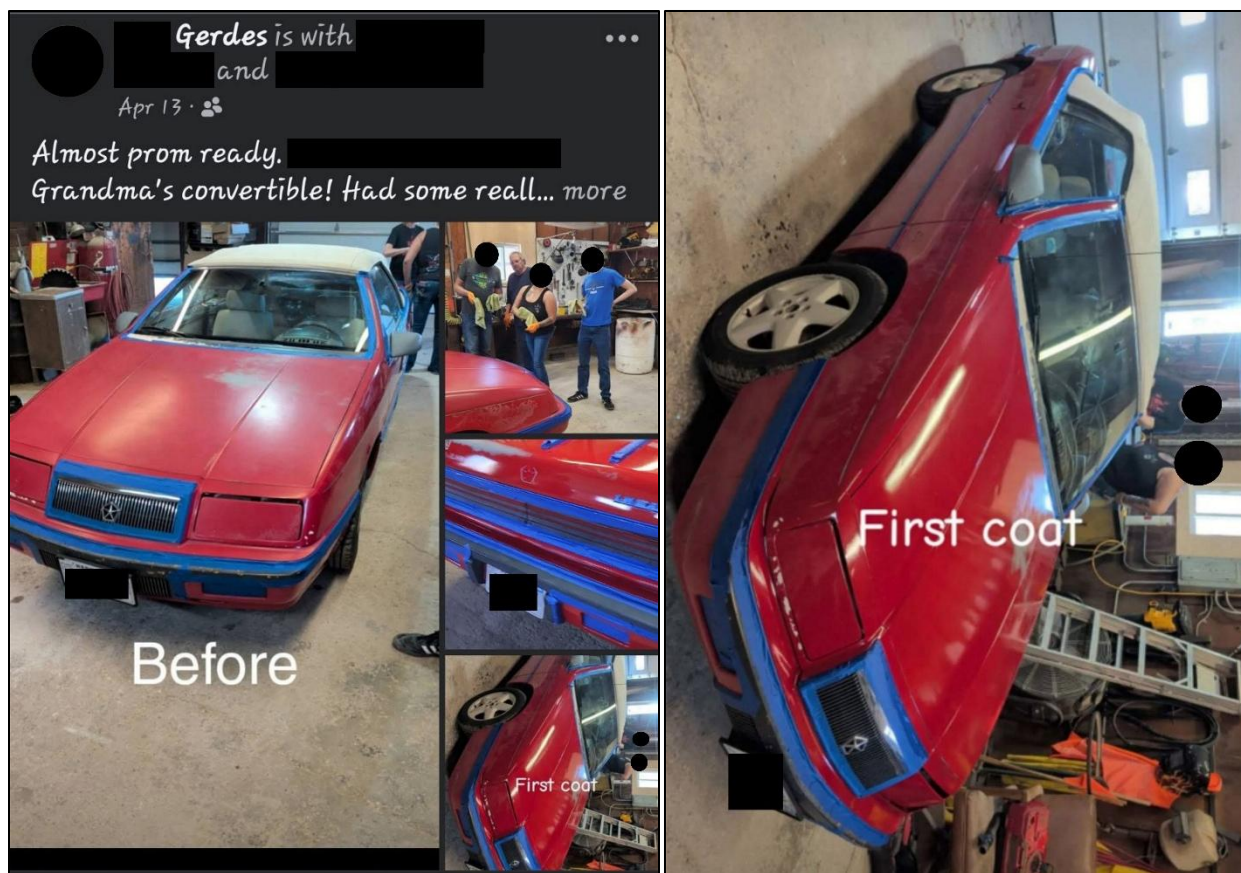
Neb. Rev. Stat. § 49-14,101.01(2) (Reissue 2021) of the Nebraska Political Accountability and Disclosure Act (Act), which is set out at Neb. Rev. Stat. §§ 49-1401 to 49-14,142 (Reissue 2021, Cum. Supp. 2024, Supp. 2025), places the following restriction upon the use of property under the “official care and control” of a public official or public employee:

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.

Per subsection (7) of that same statute, “[A]ny person violating this section shall be guilty of a Class III misdemeanor”

The APA made multiple attempts to contact Mr. Gerdes to discuss the alleged personal use of County equipment and resources at issue, but no response was received from him prior to our distribution of draft copies of this letter to the County on August 20, 2026. The next day, on August 21, 2026, the APA received a call from Mr. Gerdes’s spouse, who stated that Mr. Gerdes was given a copy of the draft letter and he gave it to her. Despite initially claiming that the information in the letter was inaccurate, she later confirmed the examples of the alleged personal use did, in fact, occur and stated that these were the only examples she was aware of. However, the APA explained to her that we were provided with several other images not included in the letter draft that appear to show other instances of personal use of County equipment and resources by Mr. Gerdes. Nevertheless, she maintained that she knew nothing about those other examples and that Mr. Gerdes would almost always either call or text his supervisor, the County Commissioner for District 2, to get permission before using any County equipment, although she was unsure about whether he did for the specific examples provided in this letter.

The APA was able to speak with Mr. Gerdes over the phone on August 24, 2026. When asked if he has ever pushed his personal vehicle in the County shop, Mr. Gerdes stated that he did not remember whether he pushed it fully inside the shop or pushed it just outside the shop. He said that he, his wife, and other family members have helped clean his personal vehicle in the shop previously, but claimed it was only for a minimal amount of time and that other citizens would be able to do the same if they asked. Mr. Gerdes stated also that he has previously attempted to request permission from his supervisor, the County Commissioner for District 2, to use the County equipment and resources, but sometimes he cannot get in touch with the supervisor and just does it anyway. Some of the additional photographs provided to the APA along with the concerns received included the following images, which appear to show the same LeBaron pictured previously herein being parked in the County shop:



The two images shown above were included in a Facebook post made by Mr. Gerdes's spouse on April 13, 2026. As of August 24, 2026, however, this post appears to have been deleted.

Regarding the County payloader, Mr. Gerdes confirmed to the APA that he did use it to help an individual with the boat in the image displayed previously herein, but that process took only 15 minutes. He claimed that individuals can rent out the County payloader for \$250 per hour. When asked if he or the other individual had paid the County for the use of the payloader, Mr. Gerdes said that no payment had been made to the County yet. In addition, Mr. Gerdes was adamant that he has never slept on the job and has never been confronted about doing so.

The inconsistencies in the information that Mr. Gerdes gave to the APA regarding the alleged personal use of County equipment and resources give rise to concerns regarding an apparent attempt to hinder or mislead the APA's examination.

Neb. Rev. Stat. § 84-305.02 (Reissue 2024) says the following, in relevant part:

Any person who . . . willfully obstructs or hinders the conduct of an audit, examination, or related activity by the Auditor of Public Accounts, or who willfully misleads or attempts to mislead any person charged with the duty of conducting such audit, examination, or related activity shall be guilty of a Class II misdemeanor.

Good internal controls require procedures to ensure the following: 1) County equipment and resources are used only for authorized governmental purposes, not personal gain; and 2) both complete honesty and full compliance in response to all APA requests for information and documentation.

Without such procedures, there is an increased risk for not only loss of or damage to County equipment and prolonging the APA's examination process but also noncompliance with State statute.

We recommend the implementation of procedures to ensure County equipment and resources are used only for authorized governmental purposes, not personal gain. We further recommend the implementation of procedures to ensure both complete honesty and full compliance with all APA requests for information and documentation, as required by State statute. Moreover, 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.

County Response:

Since receiving the draft letter, the County has reiterated to all employees that they are not allowed to use County Property for personal use. The County is also in the process of installing security cameras in the County Shops as both a deterrent and to have evidence if misuse should happen in the future. One of the issues in this case was that when the citizen reported the issue to the Commissioner, the County was not provided with the photographs that were included in your letter. Upon questioning, Mr. Gerdes denied the allegations. Finally, the County has begun the employee discipline process which could lead up to Mr. Gerdes' termination.

* * * * *

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 County.

Draft copies of this letter were furnished to the County 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 County 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:

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Sincerely,



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cc. Nebraska Accountability and Disclosure Commission