

**ATTESTATION REPORT
OF THE
NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES –
WOMEN, INFANTS, AND CHILDREN PROGRAM –
PAYMENTS TO FIDELITY INFORMATION SERVICES
JANUARY 1, 2025, THROUGH DECEMBER 31, 2025**

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Issued on June 9, 2026

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NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
WOMEN, INFANTS, AND CHILDREN PROGRAM
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BACKGROUND

The Nebraska Department of Health and Human Services (Department) administers the Women, Infants, and Children (WIC) Program in accordance with Neb. Rev. Stat. § 71-2227 (Reissue 2018), which states the following:

The Department of Health and Human Services is authorized to have a state WIC program to protect the health and welfare of citizens of Nebraska by providing nutritional supplemental foods and nutrition education to women, infants, and children who are low income and determined to be at nutritional risk as long as federal funds are available from the WIC program and are granted to the department.

To the extent consistent with state law, the department may establish, operate, and maintain the program in a way that will qualify it to receive federal funds and that is uniform with United States Department of Agriculture's standards, enter into agreements with the federal government to establish a WIC program, adopt and promulgate rules and regulations to implement a WIC program which are consistent with federal regulations and such other rules and regulations as may be necessary to implement the WIC program, and enter into such other agreements as may be necessary to implement the program within this state.

As outlined in Section 71-2227, the WIC Program provides “nutritional supplemental foods and nutrition education” to low-income women, infants, and children. Specifically, to qualify for and receive benefits, individuals must meet the following criteria: 1) be a Nebraska resident; 2) have family income below the threshold set by the Department or be enrolled in another Federal program such as Medicaid; 3) be determined to be at nutritional risk by a medical professional; and 4) classify as being in one of the following categories:

- Pregnant Women
- Breastfeeding Women
- Postpartum (six-months) Mothers
- Infants (up to one year old)
- Children (one to five years old)
- Foster Children (up to five years old)

Eligible participants are issued a specific food package based on the participant’s nutritional needs and are given an electronic benefits transfer (EBT) card. EBT cards can be used only at authorized WIC retailers and only specific food items outlined in the participant’s food package can be purchased. WIC food benefits are issued for items that can be purchased based on units and are not associated with a set cash value (with the exception of fresh fruits and vegetables). Food benefits are issued on a monthly basis, and unused food benefits expire at the end of each month.

Title 7 of the U.S. Code of Federal Regulations (CFR), Part 246, provides the requirements and allowable procedures of the WIC Program.

The Department contracts with Fidelity National Information Services, Inc. – doing business as Fidelity Information Services, LLC (referred to as “Fidelity Information Services” or “FIS” throughout this report) – a financial technology company headquartered in Jacksonville, Florida, to process payments to retailers. Each business day, the Department receives a payment request from Fidelity Information Services for the total amount of food benefits used the previous business day (including weekends and holidays). The Department processes the payment request and notifies the Nebraska State Treasurer, who wires the necessary funds to Fidelity Information Services. FIS subsequently provides payment to the proper WIC retailers.

For the period January 1, 2025, through December 31, 2025, the Department paid a total of \$36,179,442 to Fidelity Information Services. Of this amount, \$36,050,333 was for food benefits while the remaining \$129,109 was for administrative costs associated with managing the EBT cards.

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KEY OFFICIALS AND AGENCY CONTACT INFORMATION

**Nebraska Department of Health and Human Services Executive Management and
Division of Public Health Key Personnel**

Name	Title
Dr. Steve Corsi	Chief Executive Officer
Ashley Newmyer	Director of Division of Public Health
Sara Morgan	Deputy Director of RHTP, Promotion and Prevention
Ryan Daly	Deputy Director of Finance and Operations
Jennifer Severe-Oforah	Lifespan Health Services Administrator II
Rebekah Willoughby	WIC Program Manager

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SUMMARY OF COMMENTS

During our examination of the Department of Health and Human Services' (Department) Women, Infants, and Children (WIC) Program – Payments to Fidelity Information Services, we noted certain deficiencies and other operational matters that are presented here.

These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

- 1. *State and Other Public Employees Receiving Possibly Unnecessary WIC Benefits:*** The Auditor of Public Accounts (APA) identified areas of risk where Department controls over income verification could be strengthened to ensure income reported by participants was complete and accurate. Eleven State employees and one University of Nebraska employee received WIC benefits despite having income in excess of \$60,000 per year. For these 12 public employees, purchases totaling \$18,181 were made with WIC benefits while these participants were employed by a public entity and receiving a reasonable salary. One employee's family made food purchases with WIC benefits, totaling \$742, after the mother informed the local clinic of her return to work on December 10, 2025. Another one of these State employees was employed as an Internal Auditor and was married to another State employee; together they had an approximate annual household income of \$138,047.
- 2. *Inadequate Review of Income and Inadequate Internal Department Communication:*** The APA identified areas of risk where Department controls over income verification could be strengthened to ensure income reported by participants was complete and accurate. WIC clinic staff perform neither a review nor additional procedures to ensure that all income earned by an applicant's family is reported. Further, the Department does not perform procedures to review participant income and assets to determine if all income was reported by the participant. As a result, possibly unnecessary WIC benefits were provided and used by seven families that owned homes valued in excess of \$500,000, with one house having an assessed value of \$706,100 for 2025. Two of these families continued to receive WIC benefits, totaling \$1,881, after no longer meeting Medicaid income eligibility requirements.
- 3. *Inadequate Investigation Procedures:*** On two occasions, potential WIC fraud or misuse was reported to the Department; however, a thorough investigation was not completed, and these participants continued to receive and use WIC benefits. Based on our review, it appears these participants could possibly have been removed from the program had a proper investigation been conducted. We noted purchases, totaling \$2,955, were made with WIC benefits after the date the participant could possibly have been terminated from the program.
- 4. *Unused Benefit Packages Issued for Deceased Participants:*** Ten deceased participants continued to receive WIC benefits posthumously for up to four months after their death. While no purchases were made with these benefits, the benefits were available for use on the participants' EBT cards and were at risk of being stolen or misused.
- 5. *Duplicated Participant Records and Other Data Entry Errors:*** Several errors were noted while reviewing participant data, including: 12 participants with multiple identification numbers, one of which received and used duplicate benefits, totaling \$195, during December 2025; 12 families with a post office box listed as their physical address; and one participant with an address in Pennsylvania.
- 6. *Incorrect Payee in State Accounting System:*** One payment, totaling \$137,550, was properly paid to Fidelity Information Services for WIC food benefits; however, it was incorrectly recorded in the State's accounting system as being paid to an individual.

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SUMMARY OF COMMENTS

(Concluded)

More detailed information on the above items is provided hereinafter. It should be noted that this report is critical in nature, containing only our comments and recommendations on the areas noted for improvement and does not include our observation of any strengths of the Department.

Draft copies of this report were furnished to the Department to provide its management with an opportunity to review and to respond to the comments and recommendations contained herein. All formal responses received have been incorporated into this report. Responses have been objectively evaluated and recognized as appropriate in this report. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next examination.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
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COMMENTS AND RECOMMENDATIONS

1. State and Other Public Employees Receiving Possibly Unnecessary WIC Benefits

The Auditor of Public Accounts (APA) compared a listing of participants who received Women, Infants, and Children (WIC) Program benefits during calendar year 2025 to a listing of individuals employed by the State of Nebraska, the University of Nebraska, and the Nebraska State College System. During this review, we noted that multiple public employees who received reasonable compensation from their employment also received and used WIC benefits, totaling \$18,181, as summarized in the table below:

State Agency or Entity	Number of Employees	Purchases Made with WIC Benefits During Public Employment
Department of Correctional Services	6	\$ 7,566
Department of Health and Human Services	4	7,379
Supreme Court	1	1,146
University of Nebraska	1	2,090
Totals	12	\$ 18,181

The APA considers these purchases higher risk for possible fraud or misuse due to possible improper income reporting by the participant. Therefore, the APA performed a limited review of these participants and details for these 12 public employees are provided below:

- One Department of Health and Human Services (Department) employee was hired in May 2025 with an annual income of \$78,624. In September 2025, this employee took unpaid maternity leave and applied to receive WIC benefits on September 10, 2025. During certification, the individual claimed that she had no income due to being on unpaid leave. It does not appear that her current employment with the State or income prior to maternity leave was disclosed to the local clinic at that time. It should be noted that the WIC Program’s case management system noted a household size of five individuals; however, we were able to verify only one dependent noted in the State’s human resources system. Additionally, the WIC Program’s case management system listed another adult as an authorized representative for the family. If the household size of five was accurate, including the additional authorized representative, this count would most likely contain a spouse or other adult family member as part of the household who may have income that would be required to be reported.

Based on the State’s accounting system payroll records, this State employee appears to have returned to work full-time in November 2025. A note in the WIC Program’s case management system shows that this individual informed the local clinic of her return to work at her appointment on December 10, 2025; however, no reassessment of income was performed, and the individual continued to receive WIC benefits until February 28, 2026, at which point she was no longer categorically eligible as she was more than six months postpartum. Additionally, no income reassessment was performed for the individual’s child, who continued to receive WIC benefits until March 31, 2026, ending only after the Department was notified by the APA of the mother’s income. This family made food purchases with WIC benefits, totaling \$742, after the mother informed the local clinic of her return to work on December 10, 2025.

- Ten State employees, each with an annual income in excess of \$60,000, received and used WIC benefits while being employed by the State. None of these employees had their income reviewed by the WIC Program because they were automatically income eligible for WIC benefits as they were eligible for Medicaid benefits at the time they applied for WIC benefits. Although these employees appear to be noted as eligible for Medicaid benefits and, therefore, WIC benefits, the APA is unsure, due to limited review, if all income was properly reported, and if these benefits were truly necessary for these families. The following table details the WIC benefits received by these employees as of April 8, 2026:

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COMMENTS AND RECOMMENDATIONS
(Continued)

1. State and Other Public Employees Receiving Possibly Unnecessary WIC Benefits (Continued)

State Employee	State Agency	Period of Employment	Annual Individual Income	Period of WIC Benefits	Purchases Made with WIC Benefits During State Employment
1	Dept. of Health & Human Services	9/9/2024* – 4/8/2026**	\$ 67,577	4/6/2020 – 4/8/2026**	\$ 4,536
2	Dept. of Health & Human Services	6/16/2025 – 4/8/2026**	65,054	6/22/2021 – 8/31/2025	654
3	Dept. of Correctional Services	11/12/2024 – 4/8/2026**	63,648	4/30/2025 – 4/8/2026**	2,749
4	Dept. of Correctional Services	1/6/2025 – 7/10/2025	63,648	5/29/2025 – 4/8/2026**	730
5	Dept. of Correctional Services	9/9/2024 – 4/8/2026**	63,648	10/29/2025 – 4/8/2026**	766
6	Dept. of Correctional Services	3/31/2025 – 4/8/2026**	63,648	7/6/2022 – 4/8/2026**	354
7	Dept. of Correctional Services	2/18/2025 – 4/8/2026**	63,648	10/21/2024 – 10/31/2025	2,917
8	Supreme Court	5/27/2025 – 4/8/2026**	61,950	7/26/2024 – 4/8/2026**	1,146
9	Dept. of Correctional Services	2/18/2025 – 5/4/2025	61,797	9/18/2024 – 5/31/2025	50
10	Dept. of Health & Human Services	3/27/2023 – 4/8/2026**	61,360	8/13/2025 – 2/28/2026	1,447
Total					\$ 15,349

*This employee was originally hired by the State on 6/1/2020. This employee transferred to the Department on 9/9/2024 and began making annual income in excess of \$60,000 at this time.

**These participants were actively receiving and using WIC benefits as of the end of fieldwork on 4/8/2026. This date was listed above as benefits after this date were not reviewed by the APA.

It should be noted that the incomes noted in the above table are for the State employees alone; however, it is possible that these individuals might have spouses or other adult family members who are part of their households, and those individuals could have earnings that would be considered part of the household income.

Furthermore, one employee above works as an Internal Auditor for a large State agency. Additionally, this employee’s spouse has worked for another State agency since August 23, 2021, and had a current annual income of over \$70,000, resulting in a total family annual income of \$138,047 at the time of testing fieldwork. This employee was first determined eligible for Medicaid in June 2021 under a program for pregnant women. This eligibility continued during the COVID-19 pandemic, and due to the pandemic, individuals could not be removed from Medicaid. Since the end of the pandemic, this employee was either pregnant or within one-year postpartum each time eligibility was reassessed, which resulted in the individual continuing to be eligible for Medicaid and WIC benefits, regardless of income. With a combined annual income of \$138,047, the APA is unsure, due to limited review, if all income was properly reported, and Medicaid and WIC benefits were truly necessary for this family.

- One University of Nebraska employee, with a total 2025 income of \$61,981, received WIC benefits during her employment for the entire calendar year of 2025. Between January 1, 2025, and April 8, 2026, this participant made food purchases with WIC benefits, totaling \$2,090.

Title 7 of the U.S. Code of Federal Regulations (CFR), Part 246.7(h)(1)(i) (January 1, 2025) states the following:

The local agency must reassess a participant’s income eligibility during the current certification period if the local agency receives information indicating that the participant’s household income has changed. However, such assessments are not required in cases where sufficient time does not exist to effect the change. Sufficient time means 90 days or less before the expiration of the certification period.

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COMMENTS AND RECOMMENDATIONS

(Continued)

1. State and Other Public Employees Receiving Possibly Unnecessary WIC Benefits (Concluded)

Good internal controls require procedures to ensure that adequate verification of income is performed ensuring income reported by participants is complete and accurate and WIC benefits are provided only to applicants who have a true need for them. Without such procedures, there is an increased risk for loss, misuse, or theft of public funds.

We recommend the Department strengthen procedures to ensure that adequate verification of income is performed ensuring income reported by participants is complete and accurate and WIC benefits are provided only to applicants who have a true need for them.

Department Response: DHHS disagrees that there is a lack of internal controls regarding eligibility in the DHHS WIC program. As the Auditor's report concludes, 10 of the 12 public employees considered were "noted as eligible for Medicaid benefits and, therefore, WIC benefits." Though the APA questions whether these benefits were truly necessary for these families, DHHS is required to follow federal law, regulation, and its own policies and procedures governing the WIC program – it is not possible to make subjective certification determinations.

Additionally, the individual who applied for WIC benefits while on unpaid maternity leave returned to work and informed the WIC program in December 2025, less than 90 days before the certification period expired. AS [sic] such, WIC was not required to conduct an income assessment and her use of benefits through February was valid.

Finally, adjunct eligible individuals, including the employee with a possible household income of \$138,047, who are considered eligible for WIC benefits due to their eligibility for Medicaid are not required to further demonstrate adherence to income guidelines, which are based on family size relative to gross income, not income alone.

APA Response: The APA did not state there was a lack of internal controls; however, the APA recommends current internal controls are strengthened, and if necessary, additional controls are implemented to ensure that adequate verification of income is performed ensuring income reported by participants is complete and accurate.

Further, the APA did not perform a review of Medicaid eligibility as this was outside of the scope of this attestation, and there is a risk for possible fraud or misuse due to possible improper income reporting for these participants. Therefore, we recommend the Department strengthen procedures to properly review income and verify that all income is properly reported for higher risk participants.

Regarding the individual on unpaid maternity leave, while the mother informed the WIC Program within the 90-day period and an income reassessment was not expressly required by Federal regulations, the child continued to receive WIC benefits, and no income reassessment was conducted for the child that was outside of the 90-day period. Upon inquiry by the APA, the WIC Program immediately terminated the benefits for this child.

2. Inadequate Review of Income and Inadequate Internal Department Communication

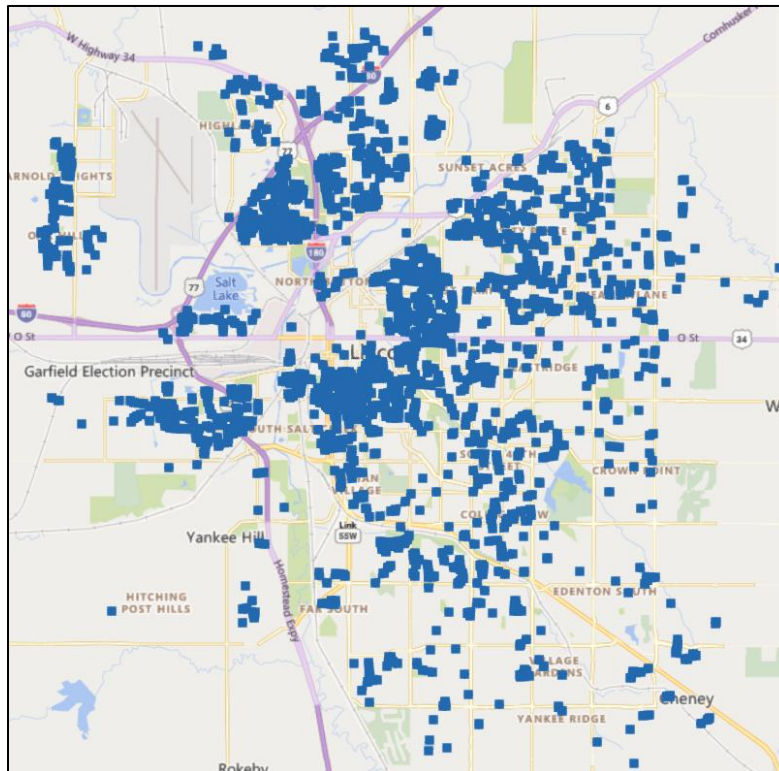
In order to be eligible for WIC benefits, applicants must have income below a specific threshold unless already eligible in another program such as Medicaid. During testing, it was noted that, when determining eligibility against income requirements, WIC clinic staff perform neither a review nor additional procedures to ensure that all income earned by an applicant's family is reported. Only documentation provided by the applicant is reviewed by the clinic staff. Further, the Department does not perform procedures to review participant income and assets to determine if all income was reported by the participant.

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(Continued)

2. Inadequate Review of Income and Inadequate Internal Department Communication (Continued)

As part of our testing, the APA mapped several participant addresses and reviewed participants with addresses in high-asset and high-income areas for multiple cities across Nebraska. The following is a copy of the map generated for Lincoln, Nebraska, using the 3D Map feature in Microsoft Excel as an example. These maps were used to focus on locations and properties within high-asset and high-income areas. Each blue dot below indicates a property address associated with a WIC participant for the calendar year 2025.



The APA considers these properties and participants to be higher risk for possible fraud or misuse due to possible improper income reporting by the participant. Therefore, the APA performed a limited review of these participants and additional details are provided below.

This limited review revealed seven families that owned and lived in homes with assessed values greater than \$500,000, indicating that they may not have been in true need of the WIC benefits received. Six of these families reside in Lincoln, Nebraska, while one resides in Papillion, Nebraska. Per Federal regulations, a family receiving Medicaid benefits is automatically income eligible to receive WIC benefits; as a result, each of these seven families were income eligible for WIC benefits because they were receiving Medicaid benefits when they applied for WIC benefits.

The following table details the 2025 assessed values of the properties owned by the seven families at issue, as well as the family's purchase date of the property and the total amount of property taxes paid since purchase:

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2. Inadequate Review of Income and Inadequate Internal Department Communication (Continued)

Participant	City	2025 Assessed Property Value	Purchase Date	Property Taxes Paid Since Ownership
1	Lincoln, NE	\$ 706,100	11/11/2021	\$ 36,003
2	Lincoln, NE	\$ 547,800	3/8/2022	\$ 25,117
3	Lincoln, NE	\$ 539,900	9/30/2022	\$ 17,747
4	Lincoln, NE	\$ 523,700	3/11/2024	\$ 9,860
5	Papillion, NE	\$ 523,499	1/10/2020	\$ 43,062
6	Lincoln, NE	\$ 509,200	8/12/2022	\$ 22,103
7	Lincoln, NE	\$ 508,300	9/12/2016	\$ 50,452

Although these participants were noted as eligible for Medicaid benefits and, therefore, WIC benefits, the APA is unsure, due to limited review, if all income was properly reported, and if these benefits were truly necessary for them.

Based on this limited review, it was found that two of these seven families continued to receive WIC benefits after being determined ineligible for Medicaid due to exceeding the program’s income threshold. The WIC Program appears not to have been notified that these participants were no longer income eligible for Medicaid, however. The following table summarizes the amounts of purchases made after their Medicaid eligibility ceased:

Participant	Purchases Total After Medicaid Income Ineligibility
1	\$ 347
3	1,534
Total	\$ 1,881

Specifically, the following was noted regarding these participants:

- One family owned and lived in a home valued at \$706,100 in northeast Lincoln, NE. The child was certified to receive WIC benefits on June 5, 2024, and income documentation was not reviewed because the child was receiving Medicaid benefits at the time. This family was removed from the Medicaid program effective September 1, 2024, due to being above the Medicaid income threshold; however, the child continued to receive WIC benefits through May 31, 2025. The family made food purchases with these WIC benefits, totaling \$347, after no longer being eligible for Medicaid benefits. The WIC Program does not appear to have been notified that the family was removed from the Medicaid program. Further, this family has owned this home since November 2021 and had enough resources to pay over \$36,000 in property taxes since ownership.
- One family owned and lived in a home valued at \$539,900 in northwest Lincoln, NE. The children were certified to receive WIC benefits on November 6, 2024, and income documentation was not reviewed because they were receiving Medicaid benefits at the time. This family was removed from the Medicaid program effective November 24, 2024, due to failing to provide required information; however, the children continued to receive WIC benefits through November 30, 2025. This family later reapplied for Medicaid and was denied for being over the Medicaid income threshold. The family made food purchases with these WIC benefits, totaling \$1,534, after no longer being eligible for Medicaid benefits. The WIC Program appears not to have been notified that the family was removed from the Medicaid program. Further, this family has owned this home since September 2022 and had enough resources to pay over \$17,500 in property taxes since ownership.

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2. Inadequate Review of Income and Inadequate Internal Department Communication (Continued)

7 CFR § 246.7(d)(2)(v) (January 1, 2025) states the following, in relevant part:

Are applicants required to document income eligibility?

* * * *

(B) Other applicants. The State or local agency must require all other applicants to provide documentation of family income at certification.

* * * *

(D) Verification. The State or local agency may require verification of information it determines necessary to confirm income eligibility for Program benefits.

(Emphasis added.) 7 CFR § 246.2 (January 1, 2025) defines “Family” as follows:

Family means a group of related or nonrelated individuals who are living together as one economic unit, except that residents of a homeless facility or an institution shall not all be considered as members of a single family.

7 CFR § 246.7(h)(1)(i) (January 1, 2025) states the following:

The local agency must reassess a participant's income eligibility during the current certification period if the local agency receives information indicating that the participant's household income has changed. However, such assessments are not required in cases where sufficient time does not exist to effect the change. Sufficient time means 90 days or less before the expiration of the certification period.

While such external review is not explicitly mandated by the CFR, good internal controls and sound business practices require procedures to ensure that adequate verification of income is performed ensuring income reported by participants is complete and accurate and WIC benefits are provided only to applicants who have a true need for them. Such procedures should include steps to verify income eligibility information, such as reviewing assets owned by the applicants, as allowed by Federal regulations. Additionally, good internal controls require adequate internal communication within the Department and its programs to ensure that the WIC Program is notified when a participant ceases to receive other benefits used to determine income eligibility.

Without such procedures, there is an increased risk for the loss, misuse, or theft of public funds due to benefits being provided to ineligible applicants.

We recommend the Department strengthen procedures to ensure that adequate verification of income is performed ensuring income reported by participants is complete and accurate and WIC benefits are provided only to applicants who have a true need for them. Such procedures should include steps to verify income eligibility information, such as reviewing assets owned by the applicants, as allowed by Federal regulations. We further recommend the Department implement adequate internal communication to ensure that the WIC Program is notified when a participant ceases to receive other benefits used to determine income eligibility.

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(Continued)

2. Inadequate Review of Income and Inadequate Internal Department Communication (Concluded)

Department Response: DHHS disagrees that there is a lack of internal controls regarding eligibility in the DHHS WIC program. DHHS has developed policies and procedures around determining eligibility and assessing income of WIC participants using guidance from and with final approval by USDA. There is no federal requirement for WIC agencies to evaluate and verify assets when determining eligibility for the program, nor would home valuation be considered – under federal definition, income means gross cash income before deductions. Finally, per 7 CFR 246.7(h)(1)(ii), adjunct eligible participants are not disqualified from WIC solely because they no longer participate in Medicaid but instead are subject to an income assessment.

Although the DHHS WIC program is currently in compliance, DHHS will pursue a data sharing agreement with the Medicaid program. Communication between the Medicaid and WIC programs around individuals who lose adjunct eligible status could be a quality improvement measure that is beneficial.

APA Response: The APA did not state there was a lack of internal controls; however, the APA recommends current internal controls are strengthened, and if necessary, additional controls are implemented to ensure that adequate verification of income is performed ensuring income reported by participants is complete and accurate.

The APA was informed that the WIC Program relies on the income documentation provided by applicants and does not conduct additional verification to ensure that all household income, including the income of other members of the household, is properly reported when determining income eligibility. While not expressly required, 7 CFR § 246.7(d)(2)(v)(D) allows the program to take additional steps to verify income.

Further, the APA is aware that home valuation is not included in the Federal definition of income; however, home valuation often has a direct relationship with income. Further, a high valued home is a good indicator there might be additional income not reported that might require an additional income verification to be necessary under 7 CFR § 246.7(d)(2)(v)(D).

Additionally, the APA is aware that loss of Medicaid eligibility does not result in immediate termination of WIC benefits. However, in the two examples noted, the WIC Program was not made aware of the loss of Medicaid eligibility and, therefore, no income assessment was performed by the WIC Program.

3. Inadequate Investigation Procedures

The Department maintains a hotline for reporting suspected fraud by WIC participants. During calendar year 2025, the Department opened five investigations based on complaints received through this hotline. While reviewing the investigation files provided by the Department, it appears that two of these investigations were not thoroughly completed or pursued. As a result, a total of \$2,955 in benefits was used by these participants after they might have been terminated from the WIC Program had a proper investigation been undertaken.

Further details of these investigations are included below:

- In July 2025, the Department received a complaint that a WIC participant posted bundles of food for sale on Facebook, a social media platform and marketplace. The original complaint included an image of the post; however, only four of the seven bundles of food were visible in the image provided. The Department determined that these food items were purchased with WIC benefits, with the total value of the food shown

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COMMENTS AND RECOMMENDATIONS
(Continued)

3. Inadequate Investigation Procedures (Continued)

in the four photos being \$87. The Department took no additional steps to view the additional three photos for the purpose of determining the full value of food purchased with WIC benefits. A total amount in excess of \$100 would have resulted in possible immediate termination from the WIC Program per the Nebraska WIC Procedure Manual effective at that time. However, it should be noted that 7 CFR § 246.12(u)(2) (January 1, 2025) was updated to reflect a threshold of \$1,000 effective on June 17, 2024, and the WIC Procedure Manual was recently updated by the Department to match the CFR and approved by the Federal government on May 20, 2026.

After reviewing the participant's publicly viewable Facebook page, the APA noted another post in 2025 (specific date could not be determined) stating that the participant was giving away WIC-eligible food items. We were unable to determine if these food items were purchased with WIC benefits; however, the Department did not note this post during its investigation, which was limited to only the information included in the original complaint.

In August 2025, the Department applied sanction points to this participant's file and sent a letter to her explaining the sanctions; however, the participant was not terminated from the WIC Program. As of March 27, 2026, this participant has made several purchases with WIC benefits, totaling \$2,052, since August 2025, which is when termination from the WIC Program might have occurred had a thorough investigation been completed.

- In July 2025, the Department received a complaint that a WIC participant posted the sale of 14 cans of infant formula, with an approximate value of \$264 at the time, on Facebook. The Department determined that the formula was most likely purchased with WIC benefits and exceeded the \$100 threshold for immediate termination; however, the participant was not terminated from the WIC Program. Per its notes, the Department planned to have the local agency contact the participant to determine if the formula had been sold or was still in the possession of the participant. No follow-up actions were performed by the Department to determine if the local agency contacted the participant, and as of testing, no sanctions were issued. Between July 2025 and the participant's termination in November 2025 (not a result of this Department investigation), several purchases were made with WIC benefits, totaling \$903.

7 CFR § 246.7(h)(2) (January 1, 2025) states the following:

The local agency must impose disqualifications, or take other actions in accordance with the procedures set forth in § 246.12(u), in response to participant violations including, but not limited to, the violations listed in the definition of Participant violation in § 246.2.

7 CFR § 246.2 (January 1, 2025) defines "Participant violation" as follows:

Participant violation means any deliberate action of a participant, parent, or caretaker of an infant or child participant, or proxy that violates Federal or State statutes, regulations, policies, or procedures governing the Program. Participant violations include, but are not limited to, deliberately making false or misleading statements or deliberately misrepresenting, concealing, or withholding facts, to obtain benefits; selling or offering to sell WIC benefits, cash-value vouchers, paper food instruments, EBT cards, supplemental foods, or breast pumps in person, in print, or online; exchanging or attempting to exchange WIC benefits, cash-value vouchers, paper food instruments, EBT cards, supplemental foods, or breast pumps for cash, credit, services, non-food items, or unauthorized food items, including supplemental foods in excess of those listed on the participant's food instrument; threatening to harm or physically harming clinic, farmer, farmers' market, or vendor staff; and dual participation.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
WOMEN, INFANTS, AND CHILDREN PROGRAM
PAYMENTS TO FIDELITY INFORMATION SERVICES

COMMENTS AND RECOMMENDATIONS
(Continued)

3. Inadequate Investigation Procedures (Concluded)

(Emphasis added.) The Nebraska WIC Procedure Manual, Functional Area VIII, Section G(3)(c), “Mandatory Disqualification” (Approved June 2015) states the following:

Whenever the state agency assesses:

- *A claim of \$100 or more,*
- *A claim for dual participation,*
- *A second or subsequent claim of any amount within a certification period,*

The client must be disqualified for a period of one year.

(Emphasis added.) Good internal controls require procedures to ensure that complaints of fraud by WIC participants are adequately and completely investigated and, if necessary, sanctions and disqualifications are properly applied.

Without such procedures, there is an increased risk for the loss, misuse, or theft of WIC benefits.

We recommend the Department strengthen its procedures to ensure that complaints of fraud by WIC participants are adequately and completely investigated and, if necessary, sanctions and disqualifications are properly applied.

Department Response: DHHS partially agrees that investigation procedures can improve. Current DHHS guidance and policy provide guardrails for staff online presence, and Facebook itself has privacy features that limit the ability for staff to see posts unless “friended” by the poster. Staff did conduct an investigation, however DHHS has determined that the policy in use at the time was not aligned with current federal regulation. Changes to 7 CFR 246.12(u)(2) in 2024 increased the threshold of claims from \$100 to \$1,000, and Nebraska state policy had not updated accordingly. Under the federal policy, neither participant would have been mandatorily disqualified, therefore, their use of benefits was allowable.

DHHS will update the relevant policy and submit to FNS for review and approval by May 19, 2026.

APA Response: As noted above, the APA was able to review the public Facebook page of the first participant without being “friended” by the participant. This review showed another post that was not noted during the Department’s investigation.

4. Unused Benefit Packages Issued for Deceased Participants

The APA compared a listing of participants that had WIC benefit packages issued during calendar year 2025 to a listing of death records provided by the Department’s Office of Vital Records. During this comparison and review of participants in the WIC Program’s case management system, we noted 10 participants who were issued benefits after the date of death. However, it should be noted that no purchases were made with those benefits.

While no purchases were made with them, the benefits were available for use on the participants’ electronic benefits transfer (EBT) cards and were at risk of being stolen or misused. The following table summarizes the benefits available after death:

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
WOMEN, INFANTS, AND CHILDREN PROGRAM
PAYMENTS TO FIDELITY INFORMATION SERVICES

COMMENTS AND RECOMMENDATIONS
(Continued)

4. Unused Benefit Packages Issued for Deceased Participants (Continued)

Participant	Date of Death	Last Date of Available Benefits	Months of Benefits Available After Death	Date Clinic Notified of Death
1	11/4/2024	3/31/2025	4	4/30/2025*
2	12/7/2024	1/31/2025	1	7/31/2025
3	1/26/2025	3/31/2025	2	4/18/2025
4	2/2/2025	3/31/2025	1	2/26/2025
5	4/2/2025	5/31/2025	1	8/1/2025
6	6/2/2025	7/31/2025	1	7/7/2025
7	7/13/2025	8/31/2025	1	2/28/2026*
8	10/18/2025	11/30/2025	1	11/19/2025
9	10/27/2025	12/31/2025	2	10/28/2025
10	11/12/2025	12/31/2025	1	1/8/2026

**For these participants, the clinic does not appear to have been notified of the death. The date listed is the date the participant's eligibility was terminated for failure to reapply.*

For many of these participants, the local clinic was not notified of the death, if at all, until several months afterwards. Additionally, for participant #6, with a June 2, 2025, date of death, the local clinic was notified of this death on July 7, 2025; however, the participant was still shown as an active participant in the WIC Program's case management system as of April 9, 2026.

Good internal controls require procedures to ensure the following: 1) the WIC Program is notified of participant deaths in a timely manner; 2) a periodic review of death records is performed and compared to WIC participants, which could possibly involve implementing an interface between the Vital Records death records system and the WIC Program's case management system to flag potential deaths for review; and 3) benefits are promptly removed from EBT cards after notification of death.

Without such procedures, there is an increased risk for the loss, misuse, or theft of public funds.

We recommend the Department implement procedures to ensure the following: 1) the WIC Program is notified of participant deaths in a timely manner; 2) a periodic review of death records is performed and compared to WIC participants, which could possibly involve implementing an interface between the Vital Records death records system and the WIC Program's case management system to flag potential deaths for review; and 3) benefits are promptly removed from EBT cards after notification of death.

Department Response: DHHS disagrees that there is a lack of internal controls regarding benefit package issuance in the DHHS WIC program. For a variety of reasons, there can be a significant time period between the death of an individual and death certificate issuance, which delays the availability of a final death file each year. The Auditor's report shows that after comparing all WIC participants to the death file that was available in 2026, only 10 participants had benefits available after death. It appears that even if DHHS staff engaged in the time-consuming process demonstrated by the Auditor's office, these cases would not have been identified due to the lack of an available death file at the time of benefit issuance.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
WOMEN, INFANTS, AND CHILDREN PROGRAM
PAYMENTS TO FIDELITY INFORMATION SERVICES

COMMENTS AND RECOMMENDATIONS
(Continued)

4. Unused Benefit Packages Issued for Deceased Participants (Concluded)

Additionally, of the 10 participants who had benefits available after death, no actual purchases were made with the benefits, and seven had benefits ceased within a month of death. This indicates an extremely low risk of benefit misuse, and a questionable return on investment to transition from the federally required process of discontinuing benefits upon notice of death to the WIC Program by the impacted family.

Finally, USDA FNS has recently communicated that Nebraska is to be commended for its error rate of 0.03% (based on FNS data on average caseload).

APA Response: The comparison performed by the APA was not “time-consuming” as a simple Microsoft Excel formula was used to compare the listing of WIC participants to the death file provided by the Department.

While death records may not always be updated immediately, a periodic comparison would be helpful to determine if any benefits were inappropriately used after participants’ deaths.

Although the APA did not note any inappropriate use of benefits after death, these benefits were issued and available for use and, based on the lack of subsequent review of death records, it does not appear that the Department has procedures in place to determine if benefits are inappropriately used.

5. Duplicated Participant Records and Other Data Entry Errors

While reviewing a listing of participants who received WIC benefits issued to an EBT card during calendar year 2025, we noted the following issues regarding the data entered into the Department’s WIC case management system by staff at local clinics:

- When new applicants are entered into the WIC Program’s case management system, the system compares the name entered to other participants to determine if the applicant has previously been approved to receive WIC benefits. If an applicant has a previously established case file, new benefits should be issued under the existing file. However, we noted 12 participants that appear to have been granted benefits under a second participant identification number. These duplicated cases were not reviewed by or reported to the Department to determine if the cases could be merged. For 11 of these participants, no benefits were issued concurrently under multiple cases.

For the other participant, the family applied and was approved for WIC benefits through the Geneva clinic. The family moved to Columbus, Nebraska, after food benefits were already issued for December 2025 and January 2026. A duplicate case in the system was created by the WIC clinic in Columbus, and additional food benefits for December 2025 and January 2026 were issued to the participant on December 22, 2025.

The following table details purchases made with duplicate WIC food benefits in December 2025:

Purchase Date	EBT Card Used	WIC Benefits Used	Amount In Excess of One Month of Benefits
12/2/2025	Original Card	\$ 198	\$ -
12/9/2025	Original Card	20	-
12/26/2025	Duplicate Card	211	180
12/26/2025	Duplicate Card	2	2
12/28/2025	Duplicate Card	21	13
Totals		\$ 452	\$ 195

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
WOMEN, INFANTS, AND CHILDREN PROGRAM
PAYMENTS TO FIDELITY INFORMATION SERVICES

COMMENTS AND RECOMMENDATIONS
(Continued)

5. Duplicated Participant Records and Other Data Entry Errors (Continued)

The Department detected this “dual participation” during a review on January 6, 2026, and the January 2026 benefits issued to the original case were removed on January 7, 2026, before any purchases were made. However, the WIC Program did not require the participant to refund the \$195 of excess purchases made during the preceding months because, per WIC Program staff, this was an error caused by the lack of review performed by the local clinic.

- Twelve families (20 participants) showed a post office box as their physical street address at the time of application. No review of addresses was performed by the State WIC Program or the local clinics.
- One participant showed an address in New Castle, Pennsylvania, with a zip code of 16108. The address was later updated to an address in Omaha, Nebraska, with a zip code of 68110; however, this was not done until almost nine months after the original entry. No review of the out-of-state address was performed by the State WIC Program or the local clinics.

7 CFR § 246.2 (January 1, 2025) defines “dual participation” as follows:

Dual participation means simultaneous participation in the Program in one or more than one WIC clinic, or participation in the Program and in the CSFP during the same period of time.

7 CFR § 246.7(l) (January 1, 2025) requires the Department to do the following in cases of dual participation:

Dual participation. The State agency is responsible for the following:

- (1) *In conjunction with WIC local agencies, the prevention and identification of dual participation within each local agency and between local agencies under the State agency’s jurisdiction, including actions to identify suspected instances of dual participation at least semiannually. The State or local agency must take follow-up action within 120 days of detecting instances of suspected dual participation;*
- (2) *In areas where a local agency serves the same population as an Indian State agency or a CSFP agency, and in areas where geographical or other factors make it likely that participants travel regularly between contiguous local service areas located across State agency borders, entering into an agreement with the other agency for the detection and prevention of dual participation. The agreement must be made in writing and included in the State Plan;*
- (3) *Immediate termination from participation in one of the programs or clinics for participants found in violation due to dual participation; and*
- (4) *In cases of dual participation resulting from intentional misrepresentation, the collection of improperly issued benefits in accordance with § 246.23(c)(1) and disqualification from both programs in accordance with § 246.12(u)(2).*

(Emphasis added.) When “intentional misrepresentation” is apparent, 7 CFR § 246.12(u)(2) (January 1, 2025) requires the following:

Mandatory disqualification.

- (i) *General. Except as provided in paragraphs (u)(2)(ii) and (iii) of this section, whenever the State agency assesses a claim of \$1,000 or more, assesses a claim for dual participation, or assess a second or subsequent claim of any amount, the State agency must disqualify the participant for one year.*

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
WOMEN, INFANTS, AND CHILDREN PROGRAM
PAYMENTS TO FIDELITY INFORMATION SERVICES

COMMENTS AND RECOMMENDATIONS
(Continued)

5. Duplicated Participant Records and Other Data Entry Errors (Continued)

- (ii) *Exceptions to mandatory disqualification. The State agency may decide not to impose a mandatory disqualification if, within 30 days of receipt of the letter demanding repayment, full restitution is made or a repayment schedule is agreed on, or, in the case of a participant who is an infant, child, or under age 18, the State or local agency approves the designation of a proxy.*
- (iii) *Terminating a mandatory disqualification. The State agency may permit a participant to reapply for the Program before the end of a mandatory disqualification period if full restitution is made or a repayment schedule is agreed upon or, in the case of a participant who is an infant, child, or under age 18, the State or local agency approves the designation of a proxy.*

The Nebraska WIC Procedure Manual, Functional Area VIII, Section A(2)(a), “Residency Eligibility & Documentation” (Approved February 13, 2025) states the following regarding applicants who receive mail at a post office box:

*Applicants who live in rural areas or small towns where the post office requires the use of **only** a post office box on all mail for it to be delivered may use the following as proof of residency:*

- *Rent or mortgage receipts*
- *Utility or cable bills with the physical address*
- *Property tax statements/receipts*
- *Package delivery with name and physical address*
- *Completed Signed Statement with –*
 - *Directions to the home, or*
 - *A map drawn to show the location where they live*

All other applicants who have their mail delivered to a post office box must show proof of the physical address where they live such as:

- *Rent or mortgage receipts*
- *Utility or cable bills with the physical address*
- *Property tax statements/receipts*

Good internal controls require procedures to ensure that applicant data is properly entered and adequately reviewed for accuracy and appropriateness.

Without such procedures, there is an increased risk of loss, misuse, or theft of public funds through issuance of duplicate benefits or benefits to ineligible individuals.

We recommend the Department implement procedures to ensure that applicant data is properly entered and adequately reviewed for accuracy and appropriateness.

Department Response: DHHS disagrees that there is a lack of internal controls regarding records and data entry in the DHHS WIC program. Existing procedures to find and fix duplicate records include a report run and processed monthly, then merged as appropriate. Training is also provided to any staff who enter data into the Journey system to help prevent duplicate records during new employee training as well as periodic refreshers. Finally, DHHS WIC staff identify when a local agency has numerous duplicate records and note that as a recommendation or finding as appropriate during a bi-annual management evaluation.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
WOMEN, INFANTS, AND CHILDREN PROGRAM
PAYMENTS TO FIDELITY INFORMATION SERVICES

COMMENTS AND RECOMMENDATIONS
(Concluded)

5. Duplicated Participant Records and Other Data Entry Errors (Concluded)

The use of post office boxes can be allowed according to federal and state WIC policy. Allowable scenarios include domestic violence situations where a protection order is in place or rural communities where USPS only allows the use of PO Boxes for mail. Of the 12 families with a post office box, ten cases were valid under policy, and one error was a due [sic] to the mailing and physical addresses being entered in the wrong field.

APA Response: While the Department reviews a monthly report of possible duplicate records, several duplicate records were noted by the APA that were not caught and corrected through the Department's current procedures. Additionally, as shown above, the Department's procedures caught one instance of "dual participation;" however, this still resulted in a loss of public funds to the Department.

Additionally, the Department failed to provide documentation to the APA to support that the use of P.O. boxes were reasonable in these instances.

Finally, it should be clear that the post office boxes for the above 20 participants were in the physical address field of the WIC Program system; not the mailing address field. As noted above, the Nebraska WIC Procedure Manual, Functional Area VIII, Section A(2)(a) notes that a physical address is still required to be supported regardless of if a P.O. box is used or required for mailing, or exceptions are adequately documented.

6. Incorrect Payee in State Accounting System

On August 6, 2025, the State WIC Program initiated a payment of \$137,550 to Fidelity Information Services (payee #2337459) by properly entering the payment into the Department's payment request system. This payment was approved by the Department's Finance team and entered into the State's accounting system, EnterpriseOne. However, the payee number was incorrectly entered in the accounting system as #2337458, which resulted in the accounting records reflecting a payment to someone other than the intended recipient.

However, after further research by the APA, it was determined that Fidelity Information Services was properly paid even though the incorrect payee was listed in the State's accounting system. This was due to the payment being entered into the State's accounting system as a manual payment rather than an electronic payment; as a result, the State Treasurer correctly paid the funds to Fidelity Information Services.

This error was not detected by Department staff prior to notification by the APA on March 13, 2026. After discussion with the WIC Program Manager, the Schedule of Payments to Fidelity Information Services was adjusted to include this payment.

Good internal controls require procedures for adequate review of accounting entries to ensure they are properly entered and reference the correct payee.

Without such procedures, there is an increased risk for the loss, misuse, or theft of public funds.

We recommend the Department strengthen its procedures to ensure an adequate review of accounting entries is performed to verify they are properly entered and include the correct payee.

Department Response: DHHS agrees there was human error in typing the vendor number. As stated, the payment to Fidelity Information Services was paid properly. Reviews are completed on WIC general ledger at time of reporting. This typo had no impact on vendor payment and would not have impacted reporting for WIC.



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NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
WOMEN, INFANTS, AND CHILDREN PROGRAM
PAYMENTS TO FIDELITY INFORMATION SERVICES

INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Department of Health and Human Services
Lincoln, Nebraska

We have examined the accompanying Schedule of Payments to Fidelity Information Services of the Nebraska Department of Health and Human Services' (Department) Women, Infants, and Children (WIC) Program for the period January 1, 2025, through December 31, 2025. The Department's management is responsible for the Schedule of Payments to Fidelity Information Services based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedule of Payments to Fidelity Information Services based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule of Payments to Fidelity Information Services is based on the accounting system and procedures set forth in Note 1, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule of Payments to Fidelity Information Services. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule of Payments to Fidelity Information Services, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Schedule of Payments to Fidelity Information Services for the period January 1, 2025, through December 31, 2025, is based on the accounting system and procedures prescribed by the State of Nebraska's Director of the Department of Administrative Services, as set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the Schedule of Payments to Fidelity Information Services; fraud that is material, either quantitatively or qualitatively, to the Schedule of Payments to Fidelity Information Services; and any other instances that warrant the attention of those charged with governance.

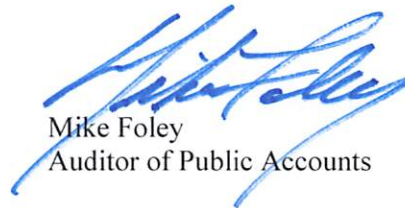
We performed our examination to express an opinion on whether the Schedule of Payments to Fidelity Information Services is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Schedule of Payments to Fidelity Information Services or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed no findings that are required to be reported under *Government Auditing Standards*.

Government Auditing Standards also require us to perform limited procedures on the Department's response to the findings identified in the Comments and Recommendations section of the report. The Department's responses were not subjected to the other procedures applied in the attestation of the Schedule of Payments to Fidelity Information Services and, accordingly, we express no opinion on the responses.

The purpose of this report is to express an opinion on the Schedule of Payments to Fidelity Information Services, as described in paragraph one above. Accordingly, this report is not suitable for any other purpose. This report is a matter of public record, and its distribution is not limited.



Dakota Christensen, CPA, CFE, CISA
Audit Manager
Lincoln, Nebraska



Mike Foley
Auditor of Public Accounts

June 1, 2026

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
WOMEN, INFANTS, AND CHILDREN PROGRAM
SCHEDULE OF PAYMENTS TO FIDELITY INFORMATION SERVICES
For the Period January 1, 2025, through December 31, 2025

	<u>Payments to Fidelity Information Services</u>
PAYMENTS TO FIDELITY INFORMATION SERVICES	
Cash Fund	\$ 10,682,230
Federal Fund	25,497,212
TOTAL PAYMENTS TO FIDELITY INFORMATION SERVICES	<u><u>\$ 36,179,442</u></u>

The accompanying notes are an integral part of the Schedule.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
WOMEN, INFANTS, AND CHILDREN PROGRAM
PAYMENTS TO FIDELITY INFORMATION SERVICES

NOTES TO THE SCHEDULE

For the Period January 1, 2025, through December 31, 2025

1. Criteria

The accounting policies of the Nebraska Department of Health and Human Services (Department) and its Women, Infants, and Children (WIC) Program are on the basis of accounting, as prescribed by the State of Nebraska's Director of the Department of Administrative Services (DAS).

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2024), the duties of the State of Nebraska's Director of DAS include:

The keeping of general accounts and the adoption and promulgation of appropriate rules, regulations, and administrative orders designed to assure a uniform and effective system of accounts and accounting, the approval of all vouchers, and the preparation and issuance of warrants for all purposes[.]

In accordance with Neb. Rev. Stat. § 81-1111(1) (Reissue 2024), the State Accounting Administrator has prescribed the system of accounts and accounting to be maintained by the State and its departments and agencies and has developed necessary accounting policies and procedures. The prescribed accounting system currently utilizes EnterpriseOne, an accounting resource software, to maintain the general ledger and all detailed accounting records. Policies and procedures are detailed in the Nebraska State Accounting Manual published by the DAS State Accounting Division (State Accounting) and are available to the public.

The financial information used to prepare the Schedule of Payments to Fidelity Information Services (Schedule) was obtained directly from the general ledger maintained on EnterpriseOne. EnterpriseOne is not an accrual accounting system; instead, accounts are maintained on a modified cash basis. Expenditures are recorded in the general ledger as transactions occur. As such, the Schedule includes those expenditures posted in the general ledger as of December 31, 2025. The amount recorded as expenditures on the Schedule, as of December 31, 2025, does not include amounts for goods and services received before December 31, 2025, which had not been posted to the general ledger as of December 31, 2025.

The following fund types are established by the State and used by the Department:

20000 – Cash Funds – account for revenues generated by specific activities from sources outside of State government and the expenditures directly related to the generation of the revenues. Cash funds are established by State statutes and must be used in accordance with those statutes. For the Department's WIC Program, cash fund revenue is typically a result of infant formula manufacturer rebates received by the State.

40000 – Federal Funds – account for the financial activities related to the receipt and disbursement of funds generated from the Federal government as a result of grants and contracts. Expenditures must be made in accordance with applicable Federal requirements.

2. Reporting Entity

The Department is a State agency established under and governed by the laws of the State of Nebraska and is part of the primary government for the State of Nebraska.

Neb. Rev. Stat. § 71-2227 (Reissue 2018) authorizes the Department to operate the WIC Program and defines the Department's powers and duties in relation to operating the WIC Program. The WIC Program receives grant funding from the United States Department of Agriculture through the Special Supplemental Nutrition Program for Women, Infants, and Children, as defined in Title 7 of the U.S. Code of Federal Regulations, Part 246.

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
WOMEN, INFANTS, AND CHILDREN PROGRAM
PAYMENTS TO FIDELITY INFORMATION SERVICES

NOTES TO THE SCHEDULE
(Concluded)

3. Total Payments

The “Total Payments to Fidelity Information Services” row represents an aggregation of fund disbursements to Fidelity Information Services, and the row is presented for overview informational purposes.