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State Auditor Mike Foley Questions Nebraska Retirement Board for Waste of Money

Nebraska Auditor of Public Accounts Mike Foley has reacted to information received by his office that the Nebraska Public Employees Retirement Systems (NPERS) intends to pay its briefly employed Executive Director, Thomas Pfeifle, well over $23,000 in salary and benefits for five weeks of work never performed.

Foley learned recently that the former Executive Director had tendered his resignation on September 21, 2026, walking off the job and ceasing all further interactions with the agency that day – presumably returning to his home state of Colorado. Nevertheless, the erstwhile administrator claimed that his resignation would not take effect until October 31, 2026, in an apparently successful attempt to collect another five weeks of full pay and benefits.

Under his employment agreement with NPERS, dated May 18, 2026, the former Executive Director received "a 12-month gross annual base salary of $205,000.00, which is equivalent to $98.557 per hour." Executive Director Pfeifle began his short-lived tenure with NPERS in early June of 2026, ending it abruptly less than four months later.

"Rewarding a State employee who was on the job for not quite four months before abandoning his position and turning in his State cell phone, keys, laptop, and identification, and then doing absolutely nothing through Halloween Day is not only unconscionable," Foley noted, "but also raises serious questions about the legality of the planned payment."

Foley was quick to point out that the employment agreement also contained the following provision: "This offer of employment is not a guaranty of employment for a specified period of time. Your employment may be terminated at any time by the PERB in accordance with state law." That language, claimed Foley, eliminates any reason for the payment at issue. "It should go without saying," emphasized the State Auditor, "that if you don't show up for work, you lose your job. You certainly don't get paid for playing hooky for five weeks."

Despite his conspicuous absence, the Public Employees Retirement Board (PERB), which manages and oversees NPERS, is poised to pay the phantom director his full salary, including benefits, for that nearly month-and-a-half-long dereliction of duty.

After learning of his resignation and due to ongoing NPERS audits being performed, Auditor Foley and his staff attempted to reach out to the Executive Director with no response.

"With all of the recent talk about budgetary issues and the need to cut government spending," Foley said, "it is mindboggling that any State agency – especially a vitally important one like NPERS, which is tasked with managing approximately $26 billion in total assets – would be so cavalier about spending the public money entrusted to it."

Paying off departing government employees, whether in the form of unearned salaries or pursuant to unsupportable settlement agreements, is something the State Auditor's office has called out before.

According to Foley, both Nebraska case law and legal opinions issued by the Nebraska Attorney General are clear that gratuitous payments by governmental entities are strictly prohibited. Grounded in Article III, § 19, of the Nebraska Constitution, that prohibition applies to the State and its many political subdivisions alike. Foley cited his "favorite quote" from one Attorney General's opinion, Op. Att'y Gen. 95071 (Sept. 13, 1995): "Nebraska law generally requires work be performed in order for payment to be received."

The gratuitous payment to the former Executive Director of NPERS gives rise to an added concern. State law requires PERB members to act as fiduciaries when administering the retirement systems, discharging their duties solely in the interests of the systems' members and beneficiaries. Pursuant to that serious responsibility, the law tasks PERB members specifically with defraying only reasonable expenses. "How does paying an absentee official his full – albeit plainly unearned – salary comport with this explicit statutory mandate?" Foley demanded.

Furthermore, Foley called attention to the fact that State employees, including officers and heads of departments, are generally required by law to work at least 40 hours each week – something that the former Executive Director failed to do. Based on this statutory requirement, Auditor Foley strongly recommends the PERB reconsider their decision to pay the Executive Director's salary and benefits through October 31st. "It's not too late to fix this debacle and I will be watching to see if they do," said Foley.

Foley's office learned also that Thomas Pfeifle was hired as the Executive Director of NPERS at the suggestion of Ford Webb Associates, Inc., a national executive search firm based in Concord, Massachusetts. NPERS paid the firm $49,950 for that service – conveniently, only $50 short of the $50,000 threshold that would have required the contract to be competitively bid under the State Procurement Act.

Foley remarked, "In addition to rewarding the former Executive Director to the tune of some $23,000 for not even bothering to show up for work during the last five weeks of his less-than-stellar stint, NPERS paid slightly under $50,000 to find that 'prize hire,' who lasted under four months with the agency."

Despite his reservations with such payments to the Executive Director for time not worked, Foley noted that, "members of the PERB, including the Board Chair, have been extremely cooperative in my staff's requests for supporting documents."

"When all is said and done," Foley concluded wryly, "Halloween is still weeks away, but it appears the former Executive Director has ghosted NPERS. The agency got the trick, he got the treat, Nebraskans have been left holding the bag, and I am not amused."

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