

**ATTESTATION REPORT
OF THE
NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 – TRANSPORTATION SERVICES BUREAU
EQUIPMENT LEASE OR RENTAL REVENUE**

JANUARY 1, 2024, THROUGH DECEMBER 31, 2024

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Issued on June 25, 2025

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NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 – TRANSPORTATION SERVICES BUREAU
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BACKGROUND

The Nebraska Department of Administrative Services – Transportation Services Bureau (TSB) was created in 1969 to provide centralized, cost effective and efficient transportation services for State agencies, boards, and commissions. These services include long-term lease vehicles, a short-term rental program with motor pools in Lincoln, Omaha, Norfolk, Kearney, North Platte, and Scottsbluff and repair and maintenance work performed by the TSB Service Department. TSB is responsible for purchasing and maintaining a fleet of safe, dependable, and cost-efficient vehicles used to satisfy the transportation requirements of the agencies, boards, and commissions of the State of Nebraska.

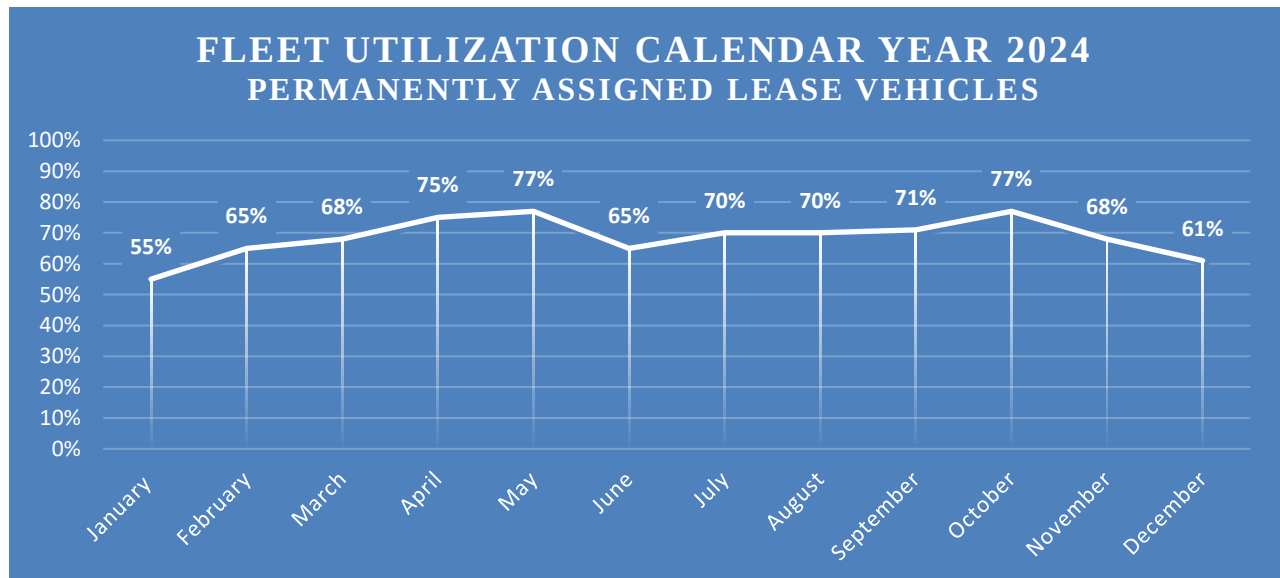
Revolving funds for the program are derived from mileage, rental, and leasing charges paid by agencies, boards, and commissions utilizing the TSB Fleet.

TSB had 1,201 fleet vehicles at December 31, 2024, with 117 vehicles pending surplus.

Fleet Vehicles as of December 31,					
Year	2020*	2021	2022	2023	2024
Fleet Size	1,258	1,101	1,166	1,155	1,201
Miles Driven	11,218,128	13,128,766	15,347,886	15,092,061	15,388,847
Avg. Miles/Year	8,917	11,924	13,163	13,067	12,813

*In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic.

The following chart shows the percentage of leased fleet vehicles with mileage $\geq$ 1,000 miles per month for 2024.



Source: TSB Administrator

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KEY OFFICIALS AND AGENCY CONTACT INFORMATION

Nebraska Department of Administrative Services Executive Management

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SUMMARY OF COMMENTS

During our examination of the Nebraska Department of Administrative Services (Department) Program 180 – Transportation Services Bureau (TSB), we noted certain deficiencies and other operational matters that are presented here.

By using qualifying words such as “alleged” or “allegedly” in comments to describe certain incidents or activities, the Auditor of Public Accounts seeks to avoid the possibility that a report comment might be mistaken as containing an imputation of criminality. However, utilization of such modifying terms is not meant to indicate a lack of supporting documentation for the report comment or any insufficiency or other shortcoming relating thereto.

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

1. ***Personal Use of State-Owned Vehicles:*** Fourteen of 45 vehicles tested appeared to have been used for personal purposes, including commuting home without permission; stops at restaurants and stores; stops at the homes of relatives; and trips to healthcare providers. Additionally, during our review, we noted that two employees appear to have used rebates on State purchases for personal gain.
2. ***Travel Logs Not Complete:*** For 13 of 45 vehicles tested, the travel logs were incomplete, missing days traveled, destinations, purposes of travel, and drivers’ signatures. There was no documentation to support that all mileage was for State business purposes.
3. ***Monitoring Utilization of Leased Vehicles:*** We noted that numerous vehicles were not driven an average of 1,000 miles per month for the period examined. Several of these vehicles were not driven an average of 1,000 miles per month from the date acquired through the end of our audit period of December 31, 2024.
4. ***24-Hour Assigned Vehicles Not Approved:*** We tested 16 vehicles that were assigned to employees on a 24-hour basis; six of these employees did not have written approval from TSB, as required by State statute. Each of the employees drove the State vehicle home.
5. ***Sales of TSB Vehicles Not in Compliance with Statutes:*** TSB sold nine vehicles to the Department of Health and Human Services that appear to have met neither the definition of special-use vehicles nor the ownership and titling requirements of Neb. Rev. Stat. § 81-1008.01 and § 81-1015 (Reissue 2024).
6. ***Pool Cars Did Not Utilize GPS:*** TSB utilized Global Positioning System (GPS) electronic travel logs for most vehicles that were permanently leased by agencies. However, paper travel logs – as opposed to their GPS counterparts – were still used for most rental vehicles.

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 observations on any accounting 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 that indicate corrective action has been taken were not verified at this time, but they will be verified in the next examination.

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COMMENTS AND RECOMMENDATIONS

1. **Personal Use of State-Owned Vehicles**

During our review of travel logs, we noted several instances of employees appearing to have made personal use of a State vehicle.

Neb. Rev. Stat. § 81-1024 (Reissue 2024) states the following:

No officer or employee of the State of Nebraska shall use any motor vehicle owned by the State of Nebraska for any personal use whatsoever. Any officer or employee who violates any of the provisions of this section shall be deemed guilty of a Class V misdemeanor, and in addition thereto the officer or employee shall be deemed guilty of official misconduct in office for palpable omission of duty, and upon conviction thereof the court shall have the power to add to the judgment that any officer or employee so convicted shall be removed from office or employment.

We tested 45 TSB vehicles, including 25 vehicles with monthly leases, 7 vehicles with daily rentals, and 13 vehicles assigned on a 24-hour basis to employees. We obtained the travel logs and the Global Positioning System (GPS) logs, if available, for those vehicles. GPS is a satellite navigation system that provides location and time information to a GPS receiver. Vehicles assigned on a 24-hour basis were reviewed for the calendar year. Monthly and daily rentals were reviewed for the month or the daily rental period. Fourteen of the 45 vehicles tested appear to have been used for personal purposes. We noted the following:

Department of Health and Human Services (DHHS)

We tested eight TSB vehicles rented to DHHS, one of which appears to have been used for personal purposes.

One monthly lease was driven by an Emergency Medical Services (EMS) Specialist. The GPS log for June 2024 showed that each trip started and ended at the driver's home in Clatonia, Nebraska. The DHHS EMS Director stated that the vehicle was assigned to the driver, but he was not approved to drive the vehicle home.

Executive Order 99-01 (04/19/99) states, in part, the following:

The use of all state-owned vehicles will be strictly limited to conducting official business of the state. Any private use of a state-owned vehicle, including commuting to and from work, shall be cause for disciplinary action in accordance with Neb. Rev. Stat. § 81-1024.

In addition to the personal commuting, we noted three stops in June for personal use.

Date	Destination	Miles Driven
6/4/2024	Home to Burger King in Beatrice to home	33.6
6/7/2024	Home to relative's home in Lincoln to home	62.5
6/10/2024	Veterinary Clinic	1.2

This employee was assigned a vehicle for all of calendar year 2024 and was driving the vehicle home. The employee was still assigned this vehicle at the time of our fieldwork in May 2025.

Due to the personal use noted in June 2024, we reviewed the other months in calendar year 2024 and, in addition to unauthorized commuting, noted other travel that appeared to be personal in nature, as follows:

Date	Destination	Time of Day	Minutes Stopped	Miles Driven
The following trips were to his wife's place of employment in Lincoln:				
2/22/2024	Home, Clatonia to wife's employment Lincoln	11:04 AM	89	36.9
2/22/2024	Wife's employment to restaurant, Lincoln, then home	12:30 PM	45	32.1

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COMMENTS AND RECOMMENDATIONS

(Continued)

1. Personal Use of State-Owned Vehicles (Continued)

Date	Destination	Time of Day	Minutes Stopped	Miles Driven
3/19/2024	Home to wife's employment, Lincoln and return home	10:51 AM	27	61.7
4/12/2024	Nebraska City to wife's employment and return home	11:24 AM	5	81.9
8/26/2024	Lincoln restaurant to wife's employment and return home	8:50 AM	23	92.4
9/3/2024	Home to Taco Bell, Lincoln to wife's employment and return home	8:58 AM	6	61.7
The following days had no work-related travel identified, appears all personal:				
2/6/2024	Home to Beatrice Veterinary Clinic and return home	9:45 AM	2	36.8
2/27/2024	Home to Taco John's, Beatrice to relative's home and return home	11:21 AM	64	89.3
4/10/2024	Home to Beatrice Veterinary Clinic and return home	10:04 AM	4	36.5
5/16/2024	Home to Taco Bell, Beatrice and return home	10:30 AM	4	51.2
5/20/2024	Home to Casey's, Wilbur to Burger King, Beatrice and return home	10:36 AM	4	49.3
7/23/2024	Home to Casey's, Wilbur to Walmart, Beatrice and return home	10:20 AM	17	70.2
7/26/2024	Home to Taco John's, Beatrice and return home	8:13 AM	2	139.6
9/10/2024	Home to Casey's, Wilbur to Walmart, Beatrice and return home	8:30 AM	15	47.6
The following appear unreasonable:				
2/21/2024	Home to Burger King, Beatrice then car wash and return home. It seems unreasonable to drive 52 miles for a car wash.	11:20 AM	11	52.3
9/16/2024	Work location in Panama to Taco Bell and relative's home in Lincoln and return home. Travel to Lincoln is not along the return route to Clatonia.	10:59 AM	154	60.4

None of these 15 days were recorded properly on the travel log.

Nebraska Department of Correctional Services (NDCS)

We tested one 24-hour assigned vehicle for NDCS from the date the vehicle was assigned to the agency on May 23, 2024, to December 31, 2024. During these seven months, the vehicle was driven 14,287 miles. The vehicle was assigned to a Corrections Investigator who resides in Ohio, Nebraska, 65 miles outside of Lincoln, Nebraska, and used to commute to the NDCS Central Office in Lincoln four days a week. TSB and NDCS approved employees with the job title of Corrections Investigator to have a 24-hour assigned vehicle, based on the following description of need:

1. (Executive Order 99-01 3A) - Vehicles are equipped with a statewide radio system that is used to communicate with Nebraska State Patrol, State Emergency Responding and Department responding teams, Staff inside the facility, and used as a mobile command center if needed during major incidents or disturbances. Vehicles also contain several bags filled with evidence collection tools and materials as well as securing systems for assigned weapons. Investigators also transport items that are confiscated and become the property of the NDCS upon possession of the items.

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COMMENTS AND RECOMMENDATIONS

(Continued)

1. Personal Use of State-Owned Vehicles (Continued)

2. (Executive Order 99-01 3E) - Investigators are expected to respond to any disturbance or incidence at any of our 10 facilities as quickly as possible when deployed. This could be during the day or night and could possibly include multiple facilities during a short period of time. The safety and security of the facilities as well as the individuals involved along with the duration of the event can be drastically impacted due to the amount of time it takes to respond. Currently the one month average of responding to after-hours call has been 8 times per month per investigator and has been climbing slowly every month.

We noted numerous instances of apparent personal use of the vehicle, including trips to healthcare providers, retail stores, and stops at a relative's house. Additionally, we noticed the employee owns KBK Creative Designs, a Screen Printing & Embroidery shop in Friend, Nebraska. We noted a trip to his shop, as well as multiple stops, that appear to be related to his personal business, including multiple trips to Scheels, a customer of his shop, per the shop's Facebook page.

We also obtained the employee's work timesheets to show what stops were made while he was on the clock.

Date	Destination	Time of Day	Minutes Stopped	During work hours?
The following trips appear related to the employee's personal business:				
6/12/2024	Scheels, Lincoln	10:21 AM	29	yes
7/1/2024	Scheels, Lincoln	10:18 AM	18	yes
9/3/2024	Alterations All, Lincoln	9:08 AM	4	yes
9/9/2024	Scheels, Lincoln	11:45 AM	7	yes
10/29/2024	KBK Creative Designs, Friend	10:24 AM	28	yes
10/29/2024	KBK Creative Designs, Friend	12:08 PM	41	yes
12/9/2024	Scheels, Lincoln	10:24 AM	36	yes
The following trips appear to be personal trips to healthcare providers:				
7/30/2024	Pine Lake Health, Lincoln	7:52 AM	10	yes
8/6/2024	Pine Lake Health, Lincoln	3:05 PM	46	no
9/26/2024	Bryan Pine Lake Campus, Lincoln	1:50 PM	14	yes
10/8/2024	Dentist's office, Lincoln	2:44 PM	51	no
10/9/2024	Dentist's office, Lincoln	1:11 PM	22	yes
12/20/2024	Dentist's office, Lincoln	7:42 AM	103	no
The following trips appear to be personal stops at a relative's home. When asked about these stops, the employee stated that on July 1, 2024, he stopped to make a business-related phone call and on July 29, 2024, stopped to gather information for an investigation; however, that could not be substantiated. No explanation was provided for the other stops.				
7/1/2024	Relative's house, Dorchester	5:41 PM	54	no
7/29/2024	Block from Relative's house, Dorchester	5:34 PM	25	no
8/8/2024	Relative's house, Dorchester	4:44 PM	11	no
8/21/2024	Relative's house, Dorchester	5:51 PM	108	no
The following trips to Walmart appear personal. When asked about the trips to Walmart, the employee responded, "The Walmart store is along the highway and is on my direct route home. I have my medical prescriptions filled by Walmart and do stop to pickup [sic] my prescriptions when needed." Regardless of whether enroute to his home, this stop would be personal use and not allowed by State statute.				
7/15/2024	Walmart, Crete	5:05 PM	13	no
7/25/2024	Walmart, Crete	7:03 AM	4	no
7/30/2024	Walmart, Crete	4:31 PM	9	no
10/29/2024	Walmart, Crete	4:58 PM	16	no
11/22/2024	Walmart, Crete	12:33 PM	28	no

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(Continued)

1. Personal Use of State-Owned Vehicles (Continued)

Date	Destination	Time of Day	Minutes Stopped	During work hours?
The following trips were made to O'Reilly's Auto Parts. The employee alleged he would stop there for air fresheners or windshield wiper fluid for the State vehicle. It does not appear reasonable that the employee would need to stop in Crete after work hours for those items.				
6/3/2024	O'Reilly's Auto Parts, Crete	4:41 PM	10	no
7/23/2024	O'Reilly's Auto Parts, Crete	4:43 PM	7	no
8/6/2024	O'Reilly's Auto Parts, Crete	4:20 PM	17	no
9/4/2024	O'Reilly's Auto Parts, Crete	4:57 PM	9	no
9/25/2024	O'Reilly's Auto Parts, Crete	5:06 PM	26	no
10/1/2024	O'Reilly's Auto Parts, Crete	4:30 PM	27	no
12/23/2024	O'Reilly's Auto Parts, Crete	4:21 PM	12	no
Other trips noted. When asked about the July 11, 2024, stop, the employee stated "he guessed" he had reported to the State Penitentiary, or the GPS was wrong; however, that does not appear to be the case per our review of the GPS. No explanation was provided for the other stops noted below.				
5/30/2024	Bomgaars, York	3:37 PM	11	yes
7/11/2024	Emergency Veterinary Clinic, Lincoln	5:53 AM	25	no
10/29/2024	Residence, near Friend	11:03 AM	54	yes
11/20/2024	Tractor Supply, Crete	5:01 PM	8	no
12/5/2024	Used Car Dealership, Lincoln	12:04 PM	62	yes

Due to the personal use noted, we also reviewed the vehicle assigned to the employee from January to May 2024. Below is a list of the stops we suspect to have been for personal use:

Date	Destination	Time of Day	Minutes Stopped
3/15/2024	Scheels, Lincoln	9:35 AM	400
3/15/2024	Saline Center-Consignment Sale, Western	5:24 PM	12
3/28/2024	Walmart, Crete	5:25 PM	11
4/5/2024	Walmart, Crete	4:25 PM	8
4/15/2024	KBK Creative Designs, Friend	3:40 PM	27
5/6/2024	KBK Creative Designs, Friend	4:33 PM	75

After our inquiries, NDCS indicated that a personnel investigation has been initiated.

Nebraska Department of Natural Resources (NDNR)

We tested three 24-hour assigned vehicles for NDNR and noted the following:

- One vehicle was assigned to an employee in the Bridgeport Field Office who lives in Scottsbluff, Nebraska. We noted several instances that appeared to be personal use of the vehicle, including trips to businesses and stops at a relative's property. Additionally, the employee is co-owner, vineyard Manager, and Head Winemaker at Papa Moon Vineyards & Winery. When asked about his trips to the vineyard, the employee provided the following response:

Picked up t-posts from the farm scrap pile for use in the field as station cattle protection, office line mounts, etc. Picked up infrequently-needed tools/equipment that didn't seem to warrant a store charge - ex. heavy duty floor jack for easier tire repair/replacement on the truck and/or ATV trailer (tires are a frequent casualty in my fieldwork area). An occasion in which I realized at the end of the driveway that my sunglasses, sunscreen, hat, and water bottle had been left behind at the farm winery from the previous evening - a trip was made to retrieve the items, as they are essential daily-use field items.

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(Continued)

1. Personal Use of State-Owned Vehicles (Continued)

Although the explanation appears plausible, these stops were not recorded on the travel log and are based on the employee's recollection several months afterwards:

Date	Destination	Time of Day	Minutes Stopped
1/5/2024	Papa Moon Vineyards & Winery-Headquarters	11:28 AM	16
3/14/2024	Relative's property	10:03 AM	1
4/5/2024	Relative's property	11:05 AM	1
10/4/2024	Papa Moon Vineyards & Winery-The Farm	9:33 AM	8
10/10/2024	Papa Moon Vineyards & Winery-The Farm	9:24 AM	3
10/30/2024	Papa Moon Vineyards & Winery-The Farm	8:29 AM	8
11/19/2024	Papa Moon Vineyards & Winery-The Farm	8:48 AM	7

We also noted at least 30 trips to Menards in Scottsbluff during the period. When asked, NDNR said that trips to Menards are necessary for "field equipment and tools needed for streamgaging, station maintenance, benchmark installation, equipment repair/replacement, etc." While purchasing tools appears reasonable, we question the following stops that were over 45 minutes or did not have any corresponding charges to the State account:

Date	Destination	Time of Day	Minutes Stopped
2/12/2024	Menards, Scottsbluff	2:21 PM	107
2/26/2024	Menards, Scottsbluff	11:51 AM	50
2/26/2024	Menards, Scottsbluff	3:05 PM	55
3/1/2024	Menards, Scottsbluff	1:31 PM	68
3/18/2024	Menards, Scottsbluff	12:47 PM	68
3/19/2024	Menards, Scottsbluff	12:39 PM	96
4/3/2024	Menards, Scottsbluff	11:53 AM	49
4/25/2024	Menards, Scottsbluff	1:33 PM	55
5/14/2024	Menards, Scottsbluff	10:25 AM	114
6/6/2024	Menards, Scottsbluff	11:07 AM	65
7/26/2024	Menards, Scottsbluff	11:29 AM	32
8/29/2024	Menards, Scottsbluff	3:19 PM	18
12/13/2024	Menards, Scottsbluff	8:56 AM	18

During our review of travel to Menards with charges to the State account, we found that the employee used rebates earned on the State purchasing card for personal gain. We noted the following rebates:

Date	Time	Amount of Purchase	Amount of Rebate	Rebate #	Date Redeemed
2/26/2024	11:51 AM	\$ 94.14	\$ 10.36	6342523593	8/10/2024
2/26/2024	3:05 PM	\$ 26.29	\$ 2.89	6342523593	8/10/2024
3/1/2024	1:31 PM	\$ 251.20	\$ 27.63	6342523593	8/10/2024
3/15/2024	9:49 AM	\$ 38.30	\$ 4.21	6342523593	8/10/2024
3/18/2024	12:47 PM	\$ 177.27	\$ 19.50	6342523593	8/10/2024
3/19/2024	12:39 PM	\$ 184.58	\$ 20.30	6342523593	8/10/2024
4/12/2024	11:33 AM	\$ 171.19	\$ 18.83	XXXXXX8914	7/24/2024
4/19/2024	8:35 AM	\$ 65.70	\$ 7.23	XXXXXX8914	7/24/2024
4/25/2024	1:33 PM	\$ 73.31	\$ 8.06	XXXXXX8914	7/24/2024
5/3/2024	9:15 AM	\$ 141.13	\$ 15.52	6348473113	8/10/2024

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(Continued)

1. Personal Use of State-Owned Vehicles (Continued)

Date	Time	Amount of Purchase	Amount of Rebate	Rebate #	Date Redeemed
5/8/2024	9:38 AM	\$ 198.04	\$ 21.78	6348473113	8/10/2024
5/9/2024	10:17 AM	\$ 298.12	\$ 32.79	6348473113	8/10/2024
5/14/2024	10:25 AM	\$ 116.59	\$ 12.82	6348473113	8/10/2024
5/15/2024	3:05 PM	\$ 23.48	\$ 2.58	6348473113	8/10/2024
5/17/2024	9:57 AM	\$ 39.90	\$ 4.39	6348473113	8/10/2024
5/21/2024	10:39 AM	\$ 389.22	\$ 42.81	6348473113	8/10/2024
5/29/2024	9:05 AM	\$ 16.82	\$ 1.85	XXXXXX1886	8/10/2024
6/6/2024	11:07 AM	\$ 252.60	\$ 27.79	6352240774	8/10/2024
6/21/2024	12:08 PM	\$ 5.23	\$ 0.58	6352240774	8/10/2024
6/28/2024	10:47 AM	\$ 52.79	\$ 5.81	6352240774	8/10/2024
8/6/2024	11:24 AM	\$ 194.72	\$ 21.42	6357726327	3/14/2025
Totals		\$ 2,810.62	\$ 309.15		

Each of these transactions included the 11% Menard's rebate receipt. Menard's records indicate that the rebate amounts noted above were issued to the employee's wife. The employee used these rebates, earned on State purchases and other rebates, to make personal purchases including one on August 10, 2024, at 5:48 p.m. Menards provided photos and receipts to support this transaction including the use of the personal credit card to make the purchase and video captures of picking up the purchase in his personal truck. It would appear the employee improperly received the direct benefit of rebates earned from the expenditure of public funds.

We also noted the following purchases by the employee that were charged to the Nebraska DNR purchase account ending in 0304, for which rebates were issued (on 8/28/24) but had not been redeemed as of June 4, 2025:

Date	Time	Amount of Purchase	Amount of Rebate	Rebate #
7/9/2024	1:12 PM	\$ 136.67	\$ 20.90	XXXXXX7937
7/9/2024	12:00 PM	\$ 190.99	\$ 15.03	XXXXXX7937

Neb. Rev. Stat. § 28-511(1) (Reissue 2016) states the following:

A person is guilty of theft if he or she takes, or exercises control over, movable property of another with the intent to deprive him or her thereof.

Neb. Rev. Stat. § 49-14,101.01(2) (Reissue 2021) states the following:

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.

- One vehicle was assigned to an employee telecommuting from Bellwood, Nebraska. We noted several instances where the employee stopped at Walmart or Hy-Vee stores in Columbus, Nebraska, before returning home. NDNR explained generally that these were rest breaks or lunch breaks; however, that explanation does not appear reasonable for the following stops:

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COMMENTS AND RECOMMENDATIONS

(Continued)

1. Personal Use of State-Owned Vehicles (Continued)

Date	Destination	Time of Day	Minutes Stopped
4/2/2024	Walmart (Columbus)	9:46 AM	78
5/30/2024	Walmart (Columbus)	10:34 AM	35
8/29/2024	Walmart (Columbus)	9:43 AM	49

This employee took at least 15 trips to Menards. We asked NDNR if the employee used a Menards charge account or if the employee would be reimbursed for items purchased on a personal credit card and NDNR provided that the employee, “typically utilizes the NeDNR charge account we have with Menard’s. He did disclose that for smaller purchases (<\$5; e.g. battery terminals, bolts, nuts, drill bits, etc.), he has purchased with his own money and did not file a reimbursement form due to the low sum involved. The Norfolk Field Office where [the employee] works now has an active P-card to use for purchases.”

We noted the following purchases on his personal credit card, while driving the State vehicle:

Date	Time of Purchase	Purchase Amount	Minutes Stopped	Description of Purchase
1/17/2024	11:59 AM	\$ 3.73	10	Marine and special applications battery terminal
2/15/2024	12:16 PM	\$ 354.45	45	Retractable screen storm door and a 40 lb. bag of dog food
7/17/2024	12:01 PM	\$ 76.05	17	Queso blanco, marinara pasta sauce, a 50’ NM-B cable with ground, four outlet wall plates, three 20-amp duplex outlets and three 15-amp duplex outlets
7/23/2024	11:43 AM	\$ 30.81*	14	25’ NM-B cable with ground, 20’ outdoor extension cord, 6’ indoor appliance extension cord, 2-pack grounding adapter, plastic wire staples, six electrical outlet/switch boxes and a car freshener pack
8/8/2024	11:20 AM	\$ 24.86	13	15-amp back wire duplex outlet, 15-amp duplex outlet, and 10’x1’ camo ratchet straps
10/3/2024	11:53 AM	\$ 39.56	9	27” stick horse toy, and a 14” animated LED skeleton on a toilet

*The total amount of the purchase was for \$64.42; however, two rebates were used reducing the amount charged to the employee’s personal credit card to \$30.81. One of the rebates used was earned on a purchase charged to the Nebraska DNR purchase account ending in 0589. See below.

In addition, during our review of travel to Menards with charges to the State account, we found that the employee used rebates earned on the State account for personal gain. We noted the following rebate earned on the State account which was redeemed on the employee’s personal credit card:

Date of Purchase	Time	Purchase Amount	Rebate Amount	Rebate #	Date Redeemed
4/3/2024	12:56 AM	\$124.99	\$13.75	6343381520	7/23/2024

We also noted other purchases charged to the State account for which rebates were issued to the employee and sent to his home address; however, the rebates had not been redeemed as of June 5, 2025.

Date	Time	Amount of Purchase	Amount of Rebate	Rebate #
7/8/2024	12:11 PM	\$ 45.24	\$ 4.98	6354195862
8/26/2024	11:56 AM	\$ 46.72	\$ 5.14	XXXXXX8835
10/10/2024	10:18 AM	\$ 96.21	\$ 10.58	6363114360

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 – TRANSPORTATION SERVICES BUREAU
EQUIPMENT LEASE OR RENTAL REVENUE

COMMENTS AND RECOMMENDATIONS

(Continued)

1. Personal Use of State-Owned Vehicles (Continued)

- One vehicle was assigned to an employee who lives in Beatrice, Nebraska. The employee traveled from his home to a convenience store in Beatrice 86 times during the year. When questioned by the Auditor of Public Accounts (APA), the employee responded, “Each of these are me stopping at the gas station before heading out for the day and getting something to eat and/or drink.” Although stops may be reasonable during the day for break, lunch, or to fill up with gas, it is not reasonable for the employee to go to the convenience store when he first starts his day or just before returning home to get something to eat or drink. Despite being less than a mile each trip, the travel is still for personal purposes and, therefore, prohibited.

Nebraska Commission for the Blind and Visually Impaired (NCBVI)

We tested three vehicles assigned to NCBVI employees on a 24-hour basis and noted personal use for two of those vehicles.

- One vehicle, which was assigned to an employee residing in Norfolk, Nebraska, was used for three stops to a dog boarding business:

Date	Destination	Miles Driven	Minutes Stopped
3/25/2024	Home to Happy Tails to home*	8	4
4/1/2024	Home to Happy Tails to home*	8.2	2
7/25/2024	Home to Happy Tails to home*	8.2	5

After APA inquiry, the employee alleged that the trips to Happy Tails were for networking or job shadow of a consumer. However, the employee was unable to provide any supporting documentation, and the explanation does not appear reasonable based on the number of minutes stopped. NCBVI leadership responded that they question if the trips were personal in nature and reported them to Human Resources for investigation and, as appropriate, disciplinary action.

We noted an instance on April 15, 2024, where the employee drove 4.4 miles; however, per NCBVI, the employee was not working in the field on that day.

We also noted numerous instances where the employee stopped at a store before going home, including the following 26 stops, which were over 15 minutes each:

Date	Destination	Time of Day	Minutes Stopped
2/9/2024	Lou's Thrifty Way*	6:31 PM	28
2/12/2024	Hy-Vee	4:13 PM	30
2/13/2024	Walmart, CVS*	11:47 AM	63
2/21/2024	Lou's Thrifty Way*	2:16 PM	34
2/26/2024	Lou's Thrifty Way*	6:28 PM	24
3/5/2024	Walmart	2:51 PM	84
3/13/2024	Lou's Thrifty Way*	1:30 PM	40
3/16/2024	Lou's Thrifty Way*	3:03 PM	17
3/18/2024	Hy-Vee	12:30 PM	87
3/20/2024	Lou's Thrifty Way*	3:09 PM	35
4/23/2024	Lou's Thrifty Way*	2:43 PM	25
5/8/2024	Walmart	4:33 PM	67
5/20/2024	Walmart	12:51 PM	53

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COMMENTS AND RECOMMENDATIONS

(Continued)

1. Personal Use of State-Owned Vehicles (Continued)

Date	Destination	Time of Day	Minutes Stopped
5/30/2024	Lou's Thrifty Way*	2:38 PM	27
6/3/2024	Dollar General	4:16 PM	48
6/4/2024	Lou's Thrifty Way*	2:22 PM	21
6/5/2024	Hy-Vee, Walmart	8:48 AM	35
6/11/2024	Hy-Vee	2:53 PM	59
6/26/2024	Hy-Vee	2:54 PM	35
7/2/2024	Lou's Thrifty Way*	4:52 PM	18
7/8/2024	Hy-Vee	3:50 PM	39
7/10/2024	Walmart	2:49 PM	112
7/18/2024	Dollar General	4:08 PM	56
7/29/2024	Hy-Vee	3:27 PM	47
8/29/2024	Walgreens*	2:22 PM	24
8/30/2024	Hy-Vee	4:25 PM	41

*After APA inquiry, NCBVI responded that these destinations have been reported to Human Resources for investigation.

After APA inquiry, the employee alleged that these stops were taken during her break while working. However, each of the instances noted are more than 15 minutes.

Article 7.6 of the Labor Contract between the State of Nebraska and the Nebraska Association of Public Employees (NAPE) for July 1, 2023, through June 30, 2025, states, in part, the following:

Rest Periods: All employees shall be granted a fifteen minute rest period during each one-half shift (one half shift shall not be less than four hours). The rest period shall be scheduled at approximately the middle of each one-half shift. The Employer retains the right to respond to emergency situations by not allowing a rest period. Rest periods shall not be cumulative. Unless prior supervisory approval is given, rest periods shall not be taken before one hour after the employee arrives at work, nor one hour before the employee leaves work.

NCBVI subsequently responded, “[B]reak times lasting longer than 15 minutes or the timing of the breaks falls under the flex time of our staff. NCBVI field counselors work their schedule based on client availability and the distance between appointments. NCBVI feels that following the NAPE contract includes allowing for them to take flex time throughout their day.”

The NAPE contract does allow agencies to establish flex time work schedules for their employees; however, there was no evidence to support that employees had earned or were using flex time.

- One vehicle was assigned to an employee residing in Winside, Nebraska, which is approximately 19 miles and 22 minutes from Norfolk, Nebraska. We noticed several instances where the employee stopped at Walmart or Hy-Vee stores in Norfolk before returning home. NCBVI explained generally that these were rest breaks or lunch breaks; however, that explanation did not appear reasonable for the following stops:

Date	Destination	Time of Day	Minutes Stopped
1/3/2024	Hy-Vee	2:33 PM	18
3/6/2024	Walmart	3:42 PM	24
3/20/2024	Walmart	3:28 PM	36
10/8/2024	Walmart	2:18 PM	36

After our inquiry, the employee indicated that the first three stops noted were for restroom breaks but did not know about the October stop. Subsequently, NCBVI alleged that the March stops were for lunch breaks.

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COMMENTS AND RECOMMENDATIONS

(Continued)

1. Personal Use of State-Owned Vehicles (Continued)

Nebraska Department of Revenue (NDOR)

We tested three 24-hour assigned vehicles for NDOR. We noted that one of the vehicles appeared to have been driven for personal use. The employee was telecommuting from his home in Lincoln and worked primarily in Omaha and Lincoln. We noted 16 times that the employee stopped at a restaurant in Lincoln at the end of the day and then went home. The employee should have returned home with the State vehicle and then used his personal vehicle to go to the restaurant.

NDOR Policy 303, Work Schedules and Overtime, effective October 12, 2021, states, in part, the following:

Ideally, meal periods should be scheduled at approximately the middle of the work day. Meal periods cannot be taken at the beginning or end of the day.

* * * *

A teammate is entitled to a 15-minute rest period for each one-half shift (minimum of four hours). A teammate is not entitled to any rest period if less than four hours is worked in a day. Rest periods are not cumulative and should not be taken before one hour after the teammate arrives at work/returns from a meal period, or one hour before leaving work/leaving for meal period.

Nebraska Department of Environment and Energy (NDEE)

We tested five vehicles leased by NDEE.

- We tested a June 2024 monthly lease for NDEE. On July 18, 2024, the employee drove the car from North Platte, Nebraska, to Lincoln for a meeting. After the meeting, the employee drove the vehicle to the Lincoln SouthPointe Mall and parked the car in the Scheels parking lot. Per the GPS logs, the vehicle was parked there from 2:14 p.m. to 3:03 p.m. He then drove back to North Platte. The trip to the SouthPointe Mall appears to have been for personal use.
- One 24-hour assigned vehicle appeared to have been driven for personal use. The employee was telecommuting from his home in Crawford, Nebraska. We noted the employee stopped at a restaurant in Chadron, Nebraska, at the end of the day and was there from 5:26 p.m. to 6:27 p.m. prior to going home. The employee should have returned home with the State vehicle at the end of the day and then used his personal vehicle to go to the restaurant.

Other Agencies

- We tested a receipt for February 2024 for the State Fire Marshal. During this testing, we noted that a Deputy State Fire Marshal (Deputy) not only appears to have driven the vehicle for personal use but also lacked approval for taking the vehicle home. Per the GPS log, the Deputy picked up the vehicle from TSB on February 27, 2024, at 10:58 a.m. She then stopped at a Casey's for five minutes before driving to her personal residence. At 11:57 a.m., she drove to Arby's, arriving back home at 12:11 p.m. The Deputy should have used her personal vehicle to get lunch. Additionally, we noted the Deputy's timecard for the day had her picking up the vehicle at 9:30 a.m., completing an inspection in Beatrice from 9:30 a.m. to 11:30 a.m., and taking lunch from 11:30 a.m. to 12:30 p.m.

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COMMENTS AND RECOMMENDATIONS

(Continued)

1. Personal Use of State-Owned Vehicles (Continued)

- We tested a July 2024 receipt for the Department of Agriculture. We noted that travel for one day appeared to include personal use of the vehicle. On July 1, 2024, an employee drove the agency's leased vehicle to attend a meeting at the State Capitol. After the meeting, the employee drove to her personal residence and, per the GPS log, was there from 12:17 p.m. to 12:57 p.m. She then returned the vehicle to the agency's office at 1:07 p.m. Per the agency, she stopped at her residence to change clothes and did not think it was business related. The employee recorded on the agency's travel log that she left the Capitol at 11:40 a.m. and returned to the agency's office at 12:00 p.m.
- We tested an April 2024 receipt for the Nebraska Department of Education (NDE). On April 22, 2024, an employee took the vehicle from NDE offices in Lincoln to eat and then to her home, where she stayed for 2.5 hours, and then departed for Imperial, Nebraska, with a stop in North Platte. Per the employee, the trip home was to do a Zoom presentation. It appears the employee could have performed the Zoom presentation at the NDE office; regardless, it would not be allowable for her to use a State-owned vehicle to travel to eat or go home.
- We tested a June 2024 receipt for the Board of Pardons. The agency rented a vehicle from the Norfolk TSB office. The rental trip ticket noted that the vehicle would be parked in Norfolk and used by the parole supervisor who lived in Norfolk. On June 13, 2024, a parole officer drove the vehicle 36 miles from Norfolk to the Neligh Courthouse. The vehicle remained in Neligh until June 18, 2024, when the parole officer drove the vehicle back to the Norfolk office for another 36 miles. The parole officer lived in Neligh and her work address was in Norfolk. The agency stated that the employee had approval to park the vehicle at the courthouse in Neligh and was off work on June 14, 2024, and the vehicle remained parked at the courthouse until she returned to Norfolk on June 18, 2024. Although the agency and the County gave approval for the State vehicle to be parked there, there was no business need for the vehicle to be driven to Neligh. Having the vehicle parked in Neligh appeared to be a personal benefit to the parole officer, so she did not have to drive her personal vehicle to the office in Norfolk.

TSB Policies & Procedures, Section 2, "General Information," says the following, "Personal use of state-owned vehicles is **prohibited** and can result in dismissal."

Good internal control requires procedures to ensure compliance with applicable policies governing use of State-owned vehicles.

Without such procedures, there is an increased risk for misuse of State-owned vehicles.

We recommend the Department improve procedures for detecting and preventing personal use of State-owned vehicles. We further recommend the Department consider whether disciplinary action is appropriate when such prohibited use is discovered. Additionally, due to the nature of the concerns presented in this comment regarding apparent misuse of rebates, the APA will forward this information to the Nebraska Department of Natural Resources, the Nebraska Attorney General, and the Nebraska Accountability and Disclosure Commission for further review.

DAS Management Response: *The Bureau will review internal policies and procedures and will work with our partner agencies to better educate them on the requirements for compliance through additional training, increased resources, and required documentation.*

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COMMENTS AND RECOMMENDATIONS
(Continued)

1. Personal Use of State-Owned Vehicles (Continued)

DHHS Response: DHHS is currently investigating this situation with the employee and leadership and will take the necessary actions based on the findings.

NDCS Response: As referenced, the Nebraska Department of Correctional Services (NDCS) became aware of possible issues involving a 24-hour assigned vehicle. In response, NDCS' Chief Inspector was assigned to review this matter. An initial review was started but a personnel investigation was determined to be appropriate related to specific vehicle usage being contrary to department policy. The personnel investigation into one employee is nearing completion. To support transparency and accountability, NDCS will provide the results of the personnel investigation and other inspection results to your office upon completion.

During the investigation, the following actions have occurred:

- One 24-hour assigned vehicle was changed to "pool" status within the division pending the outcome of the personnel investigation.
- Department "Vehicle Control" policy updated to provide clarifying language specific to personal use of 24-hour assigned vehicles and proper completion of vehicle logs.
- Department "Timekeeping" policy in-person review and discussion with individuals assigned a 24-hour assigned vehicle.
- Expanded audit and inspection of vehicle use by those with 24-hour assigned vehicles to ensure compliance.
- Directed process changes and updates related to timekeeping policy.
- Directed documented operational training and onboarding modules for hourly NDCS investigators with applicable updates to existing policy for Correctional Investigators related to their responsibilities.

NDNR Response: The identified team members have been or will be disciplined and will complete additional training on the subject. Also, the agency will provide the entire staff with refresher information on the policies and procedures relating to vehicle use.

We thank the Auditor for bringing the use of rebates for personal gain to our attention. We have or will discuss the issue with the individual team members and are requiring them to reimburse the State of Nebraska for the amount of the rebates used as a condition of their continued employment. Additionally, the team members in question have been or will be disciplined and will complete additional policy training on the subject. All staff will receive training in an effort to prevent such occurrences in the future.

NCBVI Response: NCBVI is updating its internal guidance to staff regarding the level of detail required on travel logs to ensure clarity and compliance. In addition, the agency will issue further instructions on the appropriate use of state vehicles. To enhance oversight, NCBVI will implement a routine internal audit process to regularly monitor and verify appropriate use of state vehicles in accordance with state policy. Processes will be developed and training to all staff will be completed by no later than 09/30/2025.

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COMMENTS AND RECOMMENDATIONS

(Continued)

1. Personal Use of State-Owned Vehicles (Continued)

NDOR Response: Revenue Inspectors do not telecommute as they are entirely field based and possess no office. When assigning each Inspector to a geographical region, management first determines how state resources can be most efficiently utilized, to include minimizing travel time to the greatest extent possible. In this instance, the Inspector's primary work territory included Lincoln and Omaha, but uneven population density will lend the appearance of mostly working in Omaha. In accordance with the labor contract, employees are entitled to a meal period during each shift. It is not always possible for these field-based staff to take meals near the middle of their shift as travel and inspection requirements sometimes intervene. While we will continue to emphasize taking meal breaks towards the middle of the workday, we also want to avoid scenarios where Inspectors are entirely deprived of a meal period because work commitments have made a late lunch the only reasonable alternative. Last, we note the extensive audit period involved, combined with the relatively small number of late meal periods, and submit that Inspectors overwhelmingly schedule meal breaks consistent with applicable Revenue policies, despite extensive daily travel and unique job duties.

NDEE Response: All NDEE staff have reviewed Policy 3.03: Operation and Usage of Vehicles While Conducting State Business. All supervisors were recently reminded of the policy and asked to talk to their staff about proper state vehicle use. In addition, NDEE has addressed the employee who stopped for dinner at the end of the day. The other employee has since retired. NDEE remains committed to ensuring full compliance with this policy.

State Fire Marshal Response: The finding states the Auditor found "several instances of employees appearing to have used a vehicle for personal use". The State Fire Marshal Agency is unable to substantiate the finding of "appearing to have used a vehicle for personal use" using the information provided in the TSB vehicle data given to the Agency. The Agency was able to substantiate a discrepancy between the TSB vehicle data and the employee timesheet for the two dates in question. The Agency will continue an internal monitoring of timesheet and vehicle data to determine if policy changes are needed.

APA Response to State Fire Marshal: As noted above, the employee did not have the proper approval to take the vehicle home and the employee used the vehicle to get lunch.

Agriculture Response: The employee referenced in this comment has been counseled about Neb. Rev. Stat. § 81-1024 - No officer or employee of the State of Nebraska shall use any motor vehicle owned by the State of Nebraska for any personal use whatsoever.

In addition to individual counseling, an all-agency email was distributed to reiterate and reinforce compliance with this statute.

NDE Response: NDE acknowledges the finding and has reminded employees that State vehicles cannot be taken home and that travel logs must be completed accurately. NDE also notes the additional mileage was 4 miles resulting in additional cost of \$1.40 (TSB rate of \$.35) and that using a State TSB vehicle compared to the employees personal vehicle saved the State roughly \$165 in mileage expense for the trip noted in the finding.

APA Response to NDE: As noted above, personal use of a State vehicle is a violation of Statute 81-1024 and a Class V misdemeanor. The potential cost of the action is not a valid justification.

Board of Pardons and Parole Response: As previously noted, the Board of Parole's parole administration function transferred to NDCS effective July 19, 2024. NDCS reviewed and responded to the findings of the prior Attestation Report of the Board of Pardons and Board of Parole which included a finding involving state vehicle usage.

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COMMENTS AND RECOMMENDATIONS

(Continued)

1. Personal Use of State-Owned Vehicles (Concluded)

NDCS implemented procedures for its community services/parole services to ensure: state vehicles are not driven regularly to an employee's home or to a nearby location without the formal authorization of the Director of Administrative Services; the appropriate value of an employee's use of a state vehicle to commute to and from work is included in his or her taxable wages; and, an employee is clocked in for work and actually conducting official business whenever operating a state vehicle.

Further, procedures were implemented by NDCS to include all parole vehicles were moved to a parole office and are no longer being parked at other locations.

2. Travel Logs Not Complete

During our testing of 45 TSB vehicles, we noted 13 vehicles with incomplete travel logs. Without accurate and complete travel logs that include the points of travel and purpose of each trip, there is an increased risk for misuse of State-owned vehicles.

Neb. Rev. Stat. § 81-1025(1) (Reissue 2024) states the following:

Each operator of a bureau fleet vehicle shall report the points between which the bureau fleet vehicle traveled each time used, the odometer readings at such points, the time of arrival and departure, the necessity and purpose for such travel, the license number of such vehicle, and the department to which such vehicle is assigned.

TSB Policies & Procedures, Section 7, "Official Travel Log," states the following:

State statutes mandate all travel in state-owned vehicles to be recorded and reported in detail (§81-1025). An entry is defined as a record of the following information required each time the vehicle is stopped and started: date, beginning and ending mileage, number of miles traveled, start time, finish time, from and to destinations, purpose of trip, and the driver's signature.

* * * *

Driver's signature in the right hand column certifies the accuracy of those entries reflecting their official travel and repairs, maintenance, and warranty work accomplished during the period.

Per TSB, when utilizing the TSB Electronic Travel Log, the necessity and purpose of travel is to be recorded and retained by the vehicles' assigned agency.

Good internal control requires procedures to ensure travel logs are accurate and compliant with applicable regulations.

We noted the following:

DHHS

- Eastern Service Area: License #22898 included travel from August 5, 2024, through August 9, 2024, for a total of five days and 543 miles. The agency log included one line of travel on August 5, 2024, from Omaha to Kearney for a conference. We obtained the conference agenda and hotel reservation for the employee. The employee checked into the hotel on August 6, 2024, and checked out on August 9, 2024. Based on the agenda, the conference was held on August 7, 2024, and August 8, 2024, so there was no business need for the travel on August 5, 2024. Per Google Maps, the roundtrip mileage from Omaha to the conference and hotel location was 370 miles. It is evident with the variance of mileage that all points of travel were not properly documented on the log. There were 173 excess miles noted.

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COMMENTS AND RECOMMENDATIONS

(Continued)

2. Travel Logs Not Complete (Continued)

- Northern Service Area: During the month of March 2024, 435 miles were recorded on the GPS system for license #21543, but the travel log was missing five days of travel, totaling 161 miles. The agency was unable to provide any documentation for who drove the vehicle on those days and the purpose of travel. Additionally, the purpose of the trips for the days that were recorded on the log were not adequately documented, as the driver recorded only the town and did not include any specific locations driven.
- YRTC Kearney: Travel for license #20730 included 102 miles and 15 rental days. The travel log recorded 102 miles on July 25, 2024. The first driver recorded one mile to get gas, and another driver recorded 101 miles on the travel log; however, the points of travel were blank. Additionally, the vehicle was returned to TSB on August 9, 2024; however, there were no miles driven between July 26, 2024, and August 9, 2024. The vehicle could have returned on July 26, 2024.
- Community Plan & Protection: According to the GPS electronic travel log, travel was completed on six days; however, the agency travel log was missing travel completed on June 4, 2024, June 7, 2024, and June 17, 2024. No points of travel, purposes of travel, or driver signatures were recorded for the 158 miles traveled on those days. For an additional 15 days, the agency travel log did not log the purpose of travel and, as noted in **Comment and Recommendation Number 1** (“Personal Use of State-Owned Vehicles”), personal use appears to have occurred on those days.
- Western Service Area: Travel on February 23, 2024, for license #19428 was for six miles and a half-day rental. According to the driver, travel was from North Platte to North Platte, but the log did not include a specific location traveled.

Other Agencies

NCBVI: We tested three permanently assigned vehicles for NCBVI. One vehicle did not have the driver listed or driver’s signature for any travel in April 2024. There was mileage on 18 days in April. For another vehicle, we noted 10 days that the GPS data indicated the car was driven, but there was no purpose or driver recorded on the agency travel log. We inquired with NCBVI, but NCBVI could not provide documentation or purpose for the travel for eight of those days.

NDNR: We tested three permanently assigned vehicles for NDNR. Each of the vehicles tested had incomplete travel logs. For one vehicle, the GPS showed that the car was driven for seven days, but there was no purpose or driver recorded on the agency travel log. Another vehicle had 13 days not recorded on the travel log. The third vehicle tested had four days not included on the travel log.

State Fire Marshal – Enforcement Division: The agency travel log included travel on two days; however, the GPS electronic travel log data showed travel on three days. No points of travel, purpose of travel, or driver signature were recorded for the 109 miles driven on February 29, 2024.

Attorney General: License #23344 included one line on the travel log with one day of travel on December 26, 2023, with 1,403 miles traveled from Omaha to Chadron. Starting December 26, 2023, the car was driven in Omaha, with travel to Chadron and Rushville before returning to Omaha on December 30, 2023, and being turned in on January 2, 2024.

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(Continued)

2. Travel Logs Not Complete (Concluded)

NDE: License #22164 included one line on the travel log leaving Lincoln at 11:15 a.m. and arriving in Imperial at 5:46 p.m., with the purpose to observe schools. The employee left the Lincoln office at 11:02 a.m., traveling to eat and home until 1:54 p.m., when departing for Imperial. The travel log did not include the trip home.

We recommend the Department improve procedures to ensure vehicle travel logs are complete, as required by State statute and TSB policies.

DAS Management Response: *The Bureau will review internal policies and procedures and will work with our partner agencies to better educate them on the requirements for compliance through additional training, increased resources, and required documentation.*

DHHS Response: *DHHS has put together a fleet management committee to be able to better understand needs and deficiencies. This committee includes directors and supervisors from all departments. DHHS is putting together an email directing and instructing staff how to properly fill out the travel logs. DHHS will also work with TSB, as they manage these vehicles and logs, to better ensure DHHS compliance.*

NCBVI Response: *NCBVI recognizes this as an area in need of improvement. To address the issue, this item will be incorporated into the agency's internal audit criteria. NCBVI will also ensure that targeted staff training is provided to reinforce expectations and promote consistent compliance moving forward.*

NDNR Response: *All NDNR staff using state-owned vehicles are required to review the Policy Operation and Usage of Vehicles While Conducting State Business. All supervisors will be reminded of the policy and asked to talk to their staff again about proper state vehicle use. NDNR remains committed to ensuring full compliance with this policy.*

State Fire Marshal Response: *The finding mentions a discrepancy between Agency documents used for the travel log and the GPS electronic data. The Agency has used internal items such as timesheets and database information to correlate points of travel, purpose of trip and employee signatures for vehicle usage. After review it has been determined that the Agency will begin using the TSB Electronic Travel log, with the understanding that this is an approved document regarding the employee signature requirement. This will allow the needed information to be seen in a more condensed manner.*

Attorney General Response: *This was a new employee who was unaware of the fact that a car can be returned to TSB over a weekend and/or holiday. They are now aware of the process and procedure when checking out a TSB car.*

NDE Response: *NDE acknowledges the finding and has reminded employees that State vehicles cannot be taken home and that travel logs must be completed accurately.*

3. Monitoring Utilization of Leased Vehicles

During our review, we found that numerous vehicles were not driven an average of 1,000 miles per month for the period examined. Several of these vehicles were also not driven an average of 1,000 miles per month from the date acquired through the end of our audit period on December 31, 2024.

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COMMENTS AND RECOMMENDATIONS
(Continued)

3. Monitoring Utilization of Leased Vehicles (Continued)

Neb. Rev. Stat. § 81-1008 (Reissue 2024) states the following:

There is hereby created within the Department of Administrative Services the transportation services bureau which shall provide service and guidance to all state agencies in the utilization, operation, and servicing of bureau fleet vehicles and the utilization of privately owned vehicles used for state purposes. The transportation services bureau shall be responsible for monitoring all transportation requirements of the state and maintaining complete records thereon.

Neb. Rev. Stat. § 81-1008.01 (Reissue 2024) provides the following:

The purposes of the transportation services bureau are to centralize title to and insure efficient utilization and proper maintenance of all state-owned vehicles, to rent passenger vehicles from a third-party fleet primarily for transporting state employees from one job location to another, and to provide vehicle transportation services to all state agencies, boards, and commissions.

Neb. Rev. Stat. § 81-1010 (Reissue 2024) states, in part:

The chief of the transportation services bureau shall have the following duties and responsibilities:

* * * *

(7) To monitor the utilization of permanently assigned bureau fleet vehicles and enforce minimum utilization standards by withdrawing permanently assigned bureau fleet vehicles from agencies which are not meeting the standards established . . . [.]

Per TSB Policies & Procedures, Section 6, “Lease Vehicles”:

STANDARD FOR LEASE VEHICLE USE - Leasing Agencies are expected to use each lease vehicle more than 1000 miles per month when averaged over the life of the lease.

Good internal control requires procedures to ensure that vehicles are utilized properly. Good internal control also requires that each vehicle be reviewed periodically to ensure utilization standards are on track to be met before the end of the life of the vehicle.

We reviewed the mileage of permanently leased vehicles that were leased 12 months during the calendar year. See **Exhibit D** herein. Only 519 of those 747 leased vehicles had 1,000 miles or more, and 31 vehicles were driven an average of less than 500 miles per month.

We reviewed the ending mileage for those 31 vehicles per the Capital Asset Management (CAM) system through the general ledger date of December 31, 2024. Five of the vehicles were driven over 60,000 miles since they were acquired. Each of the remaining 26 vehicles all had less than 1,000 average miles per month since the acquisition date.

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 – TRANSPORTATION SERVICES BUREAU
EQUIPMENT LEASE OR RENTAL REVENUE

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Monitoring Utilization of Leased Vehicles (Continued)

Agency	Vehicle Type	Date Acquired	Calendar Year 2024		Since Acquired	
			Miles Driven	Avg. Miles per Month	Miles Driven	Avg. Miles per Month
Education	Caravan	10/5/2016	4,527	377	56,510	579
Education	Fusion	12/6/2017	4,041	337	26,335	315
Education	Fusion	12/7/2017	5,592	466	32,293	386
Education	Focus	1/24/2018	3,284	274	28,521	348
Education	Focus	1/29/2018	3,623	302	32,292	394
Education	Focus	2/27/2018	5,164	430	37,381	462
Education	Fusion	10/29/2018	3,416	285	12,045	165
Education	Fusion	9/25/2019	4,643	387	18,436	297
DHHS	Focus	2/28/2018	5,066	422	39,750	491
DHHS	Focus	5/17/2018	5,027	419	34,543	441
DHHS	Fusion	10/23/2018	5,787	482	48,415	662
DHHS	Fusion	10/29/2018	4,857	405	45,431	623
DHHS	Fusion	10/7/2019	5,166	431	33,735	547
DHHS	Malibu	11/17/2022	1,381	115	5,390	221
Fire Marshal	Explorer	1/19/2018	5,156	430	58,151	707
Fire Marshal	Silverado	8/15/2019	4,871	406	29,864	471
Fire Marshal	Silverado	8/15/2019	5,875	490	40,420	637
Fire Marshal	Ford F250	10/7/2019	4,370	364	53,523	868
Motor Vehicles	Caravan	12/21/2015	3,068	256	58,468	546
Motor Vehicles	Caravan	8/11/2020	5,472	456	28,210	547
Environment & Energy	Caravan	9/19/2018	4,308	359	55,789	752
Environment & Energy	Fusion	10/22/2018	2,876	240	57,883	791
Revenue	Caravan	9/19/2017	5,345	445	50,542	586
Military	Malibu	11/1/2022	4,258	355	9,904	397
Economic Development	Fusion	11/1/2017	4,635	386	50,471	595
Administrative Services	Caravan	8/7/2020	5,824	485	7,782	151

TSB reviews usage monthly at the fleet level. However, usage at the individual vehicle level is performed for those vehicles projected for replacement in the current fiscal year. Agencies are expected to review individual vehicle usage and rotate vehicle assignments to maximize fleet efficiency, thereby meeting usage standards. Per TSB Policies & Procedures, Section 3, “Vehicle Coordinator Responsibilities,” each agency shall: “Review annual vehicle usage reports and rotate internal vehicle assignments as required to maximize fleet efficiency.”

As noted above, § 81-1010 requires TSB to monitor the utilization of permanently assigned bureau fleet vehicles and enforce minimum utilization standards. If utilization is not monitored periodically over the lease life, there is an increased risk that standards will not be met.

We selected two agencies with multiple vehicles that averaged less than 1,000 miles per month during the year. We asked the agencies for any annual review or analysis done on vehicle usage for calendar year 2024. We also asked about the need for specific vehicles.

- DHHS: The Vehicle Coordinator responded that DHHS does not perform a yearly review of TSB-leased vehicles. We asked about the need for 15 vehicles with low utilization, and DHHS responded that one of these vehicles could be returned to TSB.

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 – TRANSPORTATION SERVICES BUREAU
EQUIPMENT LEASE OR RENTAL REVENUE

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Monitoring Utilization of Leased Vehicles (Concluded)

- NDE: The Vehicle Coordinator responded that NDE performs a continuous review of vehicle mileage. We asked about the need for 36 vehicles with low utilization, and NDE responded that four vehicles would be moved to different locations.

We recommend the Department improve procedures to ensure vehicles are utilized properly, and agencies rotate vehicle assignments to maximize fleet efficiency.

DAS Management Response: The Bureau will review internal policies and procedures and will work with our partner agencies to better educate them on the requirements for compliance through additional training, increased resources, and required documentation.

DHHS Response: DHHS is completing a project to GPS all agency owned vehicles. Once that is completed, we will analyze utilization and quantities of our TSB and agency owned fleet. In addition, DHHS repositioned a vehicle from one site to another further north as their need is greater.

NDE Response: In an effort to stay responsive to TSB car usage, the Nebraska VR Administrator meets with state office and the assigned field office staff in situations where there are trends when a car's usage has decreased or is not meeting the monthly threshold. This continuous review allows for more timely response versus completing a formal annual review. Nebraska VR responds to all questions received by TSB and strives to work collaboratively when it is discovered justification of lower miles is attributed to staff illness, staffing changes, patterns of less travel (holiday and summer months for staff in public schools) and situations of car maintenance. As a result of this continuous review, Nebraska VR has reassigned cars to different offices, reviewed internal policies and procedures, and studied reimbursement trends to identify themes and opportunities for greater leased car usage.

4. 24-Hour Assigned Vehicles Not Approved

Neb. Rev. Stat. § 81-1020 (Reissue 2024) states the following:

Any agency which has a permanently assigned bureau fleet vehicle shall, prior to assigning such vehicle to an employee on a twenty-four-hour basis, obtain written approval from the chief of the transportation services bureau.

We tested 16 vehicles that were assigned to employees on a 24-hour basis; six of these employees did not have written approval from TSB. Each of the employees drove the State vehicle home. The following vehicles did not have approval at the time of testing:

Agency	Vehicle License #	Job Title	Employee Residence
Agriculture	25333	Inspection Specialist	Lincoln, NE
Electrical Board	23661	Electrical Inspector	Elgin, NE
Electrical Board	24546	Electrical Inspector	Ord, NE
Natural Resources	21702	Environmental Specialist	Scottsbluff, NE
Natural Resources	22886	Environmental Specialist	Bellwood, NE
Natural Resources	22633	Environmental Specialist	Beatrice, NE

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 – TRANSPORTATION SERVICES BUREAU
EQUIPMENT LEASE OR RENTAL REVENUE

COMMENTS AND RECOMMENDATIONS

(Continued)

4. 24-Hour Assigned Vehicles Not Approved (Concluded)

TSB Policies & Procedures, Section 2, “General Information,” states the following:

5. TAKING A STATE VEHICLE HOME – After receiving the required approvals (noted below) agency directors may, when it is in the state’s best interest, authorize certain employees to retain possession of state-owned vehicles during nonworking hours and weekends (e.g., an employee whose house is designated as his office and official point of contact or an employee who would not normally report to his worksite before responding to an official call during nonworking hours). The Director of Administrative Services prior written approval is required for those circumstances applicable to Executive Order 99-01, Item #3, Sub-items A and E. The TSB Administrator’s prior written approval is required for all circumstances detailed in §81-1020 and Executive Order 99-01, Item #3, Sub-items A through E. Circumstances other than those previously stated will require the employee’s name, title, and home address, and the license number of the vehicle furnished to and approved by the Director of Administrative Services before the employee can retain control of a vehicle during nonworking hours. The agency shall submit a list of all employees assigned TSB fleet vehicles that fit these requirements and turn it in as requested by TSB. (Appendix D, §81-1020; Appendix E, Executive Order 99-01)

Good internal control requires procedures to ensure adherence to statutes and policies governing the appropriate use of State-owned vehicles.

Without such procedures, there is an increased risk for inappropriate use of State-owned vehicles.

We recommend the Department improve procedures to ensure vehicles assigned to employees on a 24-hour basis have the proper approval.

DAS Management Response: *The Bureau will review internal policies and procedures and will work with our partner agencies to better educate them on the requirements for compliance through additional training, increased resources, and required documentation.*

Agriculture Response: *NDA recently updated our list provided to Chief of TSB.*

Electrical Board Response: *We did not understand that there was a Statute that required each remote worker to be approved by TSB to take home a State vehicle. Once made aware of this we did submit the proper paperwork to Manager Mike Moerer with TSB and it was all approved. Thanks for bringing this information to our attention so we can be compliant with State Statutes, Rules and Policies that are in place when we work with other State Agencies.*

NDNR Response: *The NDNR previously believed it had the authority to grant 24-hour access to vehicles. Upon review of TSB Policies and Procedures (Section 2, Part 5), Executive Order #99-01, and Neb. Rev. Stat. Sec. 81-1020, we have since sought approval from the Chief of Transportation Services Bureau (a.k.a. Transportation Services Bureau Administrator).*

5. Sales of TSB Vehicles Not in Compliance with Statutes

We requested a sample of proceeds from the sales of surplus vehicles. During that review, we noted that the following nine vehicles were sold to DHHS in July 2024:

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 – TRANSPORTATION SERVICES BUREAU
EQUIPMENT LEASE OR RENTAL REVENUE

COMMENTS AND RECOMMENDATIONS

(Continued)

5. Sales of TSB Vehicles Not in Compliance with Statutes (Continued)

Description	Requesting Division
2015 Chevy Equinox	Columbus Office (Northern Service Area)
2015 Chevy Equinox	Columbus Office (Northern Service Area)
2015 Chevy Equinox	Columbus Office (Northern Service Area)
2015 Jeep Cherokee	Columbus Office (Northern Service Area)
2017 Jeep Cherokee	Seward Office (Northern Service Area)
2018 Jeep Cherokee	York Office (Northern Service Area)
2019 Jeep Cherokee	York Office (Northern Service Area)
2019 Jeep Cherokee	North Platte Office (Western Service Area)
2019 Jeep Cherokee	North Platte Office (Western Service Area)

TSB is responsible for holding title to all State-owned vehicles, which do not include special-use vehicles. Because none of the nine vehicles sold to DHHS appear to have been special-use vehicles, we inquired with the TSB Administrator about this apparent statutory noncompliance.

Per the TSB Administrator:

DHHS requested approval to purchase these vehicles in an effort to support the unique travel requirements for their CFS divisions in rural areas. TSB approved the purchase of these vehicles to support DHHS. You will need to check with them as to if they consider these to be “special-use” as defined in 81-1011.

The following justification was noted on four of the nine lease exemption forms:

The Columbus office helps service numerous areas within the Northern Service area (NSA) through the supervision and support of other staff at Albion, David City, Norfolk, and Neliegh (sic). The Columbus office also continues to serve as on-call support for the Albion & David City offices in addition to WSA-wide case support for (Nance, Boobe, (sic) Madison, Stanton, Colfax, Butler, & Polk Counties. The CFS, DD, EA, & MLTC divisions are all represented at this office making the need for reliable transportation vital for in-person visits with children and families. During instances where children need emergency removal, additional interior space is very much needed to accommodate car seats, children’s belonging, multiple children, etc. Additional complicating factors are consistent weather related obstacles and poor road conditions (many rural areas in the NSA have minimum maintenance roads making clearance a major issue in muddy conditions) that make travel to many rural areas very difficult and therefore threatens to disrupt consistent service delivery.

A similar justification was included for the two vehicles for the York location, two vehicles for North Platte, and one vehicle for Seward.

Such usage does not appear to constitute that of a special-use vehicle. DHHS could have leased these types of vehicles from TSB, with TSB retaining the titles thereto.

Neb. Rev. Stat. § 81-1008.01 (Reissue 2024) states in relevant part, “The purposes of the transportation services bureau are to centralize title to and insure efficient utilization and proper maintenance of all state-owned vehicles”

Neb. Rev. Stat. § 81-1011(b) (Reissue 2024) states the following:

State-owned vehicle does not include special-use vehicles, such as buses, laundry trucks, mail trucks, airport security vehicles, or military trucks and cars; vehicles which are considered a duty station, such as vehicles used by the Nebraska State Patrol, the Nebraska Oil and Gas Conservation Commission, or conservation officers of the Game and Parks Commission; or those vehicles which, by nature of their usage, require the installation or carrying of special equipment which precludes the use of such vehicles for multiple agency transportation usage.

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 – TRANSPORTATION SERVICES BUREAU
EQUIPMENT LEASE OR RENTAL REVENUE

COMMENTS AND RECOMMENDATIONS

(Continued)

5. Sales of TSB Vehicles Not in Compliance with Statutes (Concluded)

Neb. Rev. Stat. § 81-1015 (Reissue 2024) provides the following:

Subject to section 81-1013, the bureau shall own and hold title, in the name of the State of Nebraska, to all state-owned vehicles. All purchases of state-owned vehicles and automotive equipment shall be made or approved by the bureau. The Director of Administrative Services shall not approve any voucher for the purchase of any passenger car unless submitted by the bureau.

Failure of TSB to retain title to all State-owned vehicles results in statutory noncompliance.

We recommend the Department review vehicle ownership by other State agencies to ensure such ownership and titling meet the requirements of § 81-1008.01 and § 81-1015. Additionally, we recommend the Department request assistance from the Attorney General to clarify the meaning of the relevant statutes, especially regarding the definition of special-use vehicles.

DAS Management Response: *The Bureau will review internal policies and procedures and will work with our partner agencies to better educate them on the requirements for compliance through additional training, increased resources, and required documentation.*

DHHS Response: *DHHS has provided the emails pertaining to the actual purchase and requests for those listed vehicles. DHHS would classify the use of these vehicles as special use according to the following justifications.*

- **81-1011, Exclusions:**

1) Special use vehicles. *According to this definition allowing for buses, laundry trucks, etc.; these 9 vehicles are considered bus transportation for multiple children either before, during or after removal from their homes. These vehicles are also used to transport clothing (laundry), furniture, equipment, and food for the children who have been removed and/or placed in foster care. Although these are not specific yellow buses or actual commercial vehicles, the usage is still the same just on a smaller level but consistent. The code does not specify type of bus or type of laundry truck so DHHS would argue that our usage of these vehicles mirrors the intent of the wording in this code.*

2) Vehicles considered a duty station for specific agencies. *Due to the work that these agencies perform, DHHS does consider these vehicles an extension of the departments workstation as they do spend considerable time in these vehicles, such as State Patrol, performing duties including child removal and transportation, following up on removals and foster care placement, site visits, and delivery of goods and services to agencies and families.*

6. Pool Cars Did Not Utilize GPS

The Global Positioning System (GPS) is a satellite navigation system that provides location and time information to a GPS receiver. During our review of vehicle logs, we noted that TSB utilized GPS electronic travel logs for most vehicles that were permanently leased by agencies. TSB claims to perform a high-level review of GPS logs for reasonableness. However, paper travel logs – as opposed to their GPS counterparts – were still used for most rental vehicles. Any rental pool vehicles equipped with GPS were for diagnostic and testing purposes only. TSB lacks, according to its administrator, the resources to complete the frequent mileage sync process for pool vehicles.

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 – TRANSPORTATION SERVICES BUREAU
EQUIPMENT LEASE OR RENTAL REVENUE

COMMENTS AND RECOMMENDATIONS

(Continued)

6. Pool Cars Did Not Utilize GPS (Continued)

Neb. Rev. Stat. § 81-1008 (Reissue 2024) states the following:

There is hereby created within the Department of Administrative Services the transportation services bureau which shall provide service and guidance to all state agencies in the utilization, operation, and servicing of bureau fleet vehicles and the utilization of privately owned vehicles used for state purposes. The transportation services bureau shall be responsible for monitoring all transportation requirements of the state and maintaining complete records thereon.

Neb. Rev. Stat. § 81-1008.01 (Reissue 2024) states in relevant part, “The purposes of the transportation services bureau are to centralize title to and insure efficient utilization and proper maintenance of all state-owned vehicles”

Neb. Rev. Stat. § 81-1101(2) (Reissue 2024) requires the Department to do the following:

Provide for development and maintenance of such modern and economical methods and systems for record keeping, accounting, expenditure planning and control as may be possible through timely adoption of modern technological developments;

Neb. Rev. Stat. § 81-1024 (Reissue 2024) states, in part, the following:

No officer or employee of the State of Nebraska shall use any motor vehicle owned by the State of Nebraska for any personal use whatsoever.

Neb. Rev. Stat. § 81-1025(1) (Reissue 2024) states the following:

Each operator of a bureau fleet vehicle shall report the points between which the bureau fleet vehicle traveled each time used, the odometer readings at such points, the time of arrival and departure, the necessity and purpose for such travel, the license number of such vehicle, and the department to which such vehicle is assigned.

TSB maintained 150 pool cars at December 2024. We reviewed eight TSB pool rentals, none of which had GPS travel logs. We also requested the travel log for one daily rental with over 1,000 miles in a month. The rental was driven 27 days for 1,436 miles. The agency was using the pool vehicle while its assigned vehicle was being repaired. The travel log had the odometer reading and miles traveled each day but the start and finish times for each day were “0000” to “0000.” The destination each day was from “WSC” to “WSC,” with the purpose noted as security. Mileage varied from 4 miles a day to 97 miles a day.

Due to the lack of GPS logs, we could neither determine whether the miles recorded were accurate nor review for possible personal vehicle use.

Good internal control requires procedures – such as utilizing GPS, which is an effective tool for monitoring points of travel, to track vehicle usage – to ensure that all State-owned vehicles, including TSB pool rentals, are used for appropriate purposes, and their travel logs are accurate.

Without such procedures, there is an increased risk of the Department being unable to perform effectively its statutory duty of ensuring “efficient utilization and proper maintenance of all state-owned vehicles.”

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 – TRANSPORTATION SERVICES BUREAU
EQUIPMENT LEASE OR RENTAL REVENUE

COMMENTS AND RECOMMENDATIONS
(Concluded)

6. Pool Cars Did Not Utilize GPS (Concluded)

We recommend the Department implement procedures – such as utilizing GPS, which is an effective tool for monitoring points of travel, to track vehicle usage – to ensure that all State-owned vehicles, including TSB pool rentals, are used for appropriate purposes, and their travel logs are accurate. Furthermore, we will forward this issue to the Legislative Performance Audit Committee.

DAS Management Response: *The Bureau will review internal policies and procedures and will work with our partner agencies to better educate them on the requirements for compliance through additional training, increased resources, and required documentation.*



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NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 – TRANSPORTATION SERVICES BUREAU
EQUIPMENT LEASE OR RENTAL REVENUE

INDEPENDENT ACCOUNTANT’S REPORT

Department of Administrative Services
Lincoln, Nebraska

We have examined the accompanying Schedule of Equipment Lease or Rental Revenues of the Department of Administrative Services Program 180 – Transportation Services Bureau for the period January 1, 2024, through December 31, 2024. The Department of Administrative Services’ management is responsible for the Schedule of Equipment Lease or Rental Revenues based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedule of Equipment Lease or Rental Revenues 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 Equipment Lease or Rental Revenues 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 Equipment Lease or Rental Revenues. 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 Equipment Lease or Rental Revenues, 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.

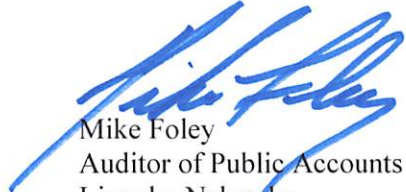
In our opinion, the Schedule of Equipment Lease or Rental Revenues for the period January 1, 2024, through December 31, 2024, is based on the accounting system and procedures prescribed by the State of Nebraska Director of Administrative Services, as set forth in Note 1, in all material respects.

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 Equipment Lease or Rental Revenues; fraud that is material, either quantitatively or qualitatively, to the Schedule of Equipment Lease or Rental Revenues; and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of management concerning the findings, conclusions, and recommendations, as well

as any planned corrective actions. We performed our examination to express an opinion on whether the Schedule of Equipment Lease or Rental Revenues 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 Equipment Lease or Rental Revenues 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*.

The purpose of this report is to express an opinion on the Schedule of Equipment Lease or Rental Revenues, 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.

June 18, 2025



Mike Foley
Auditor of Public Accounts
Lincoln, Nebraska

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 - TRANSPORTATION SERVICES BUREAU
SCHEDULE OF EQUIPMENT LEASE OR RENTAL REVENUES
For the Period January 1, 2024, through December 31, 2024

	Transportation Services Revolving Fund 56570
REVENUES:	
Sales & Charges	
Equipment Lease or Rental	\$ 7,306,563

The accompanying notes are an integral part of the schedule.

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 – TRANSPORTATION SERVICES BUREAU
EQUIPMENT LEASE OR RENTAL REVENUE

NOTES TO THE SCHEDULE

For the Period January 1, 2024, through December 31, 2024

1. Criteria

The accounting policies of the Department of Administrative Services (Department) Program 180 – Transportation Services Bureau (TSB) are on the basis of accounting, as prescribed by the State of Nebraska’s Director of the Department of Administrative Services.

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2024), the duties of the State of Nebraska’s Director of the Department of Administrative Services 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 Department State Accounting Division (State Accounting) and are available to the public.

The financial information used to prepare the Schedule of Equipment Lease or Rental Revenues 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. As revenue transactions occur, the agencies record the accounts receivable and related revenues in the general ledger. As such, certain revenues are recorded when earned, regardless of the timing of related cash flows. State Accounting does not require TSB to record all accounts receivable and related revenues in EnterpriseOne; as such, the TSB’s Schedule does not include all accounts receivable and related revenues.

The following fund type is established by the State and used by TSB:

50000 – Revolving Funds – account for the operation of State agencies that provide goods and services to other departments or agencies within State government.

The following major revenue account classification is established by State Accounting and used by TSB:

Sales & Charges – Income derived from sales of merchandise and commodities, compensation for services rendered, and charges for various licenses, permits, and fees.

2. Reporting Entity

The Department is a State agency established under and governed by the laws of the State of Nebraska. As such, TSB is exempt from State and Federal income taxes. The Schedule includes all funds of TSB for Equipment Lease or Rental Revenue included in the general ledger.

TSB is part of the primary government for the State of Nebraska.

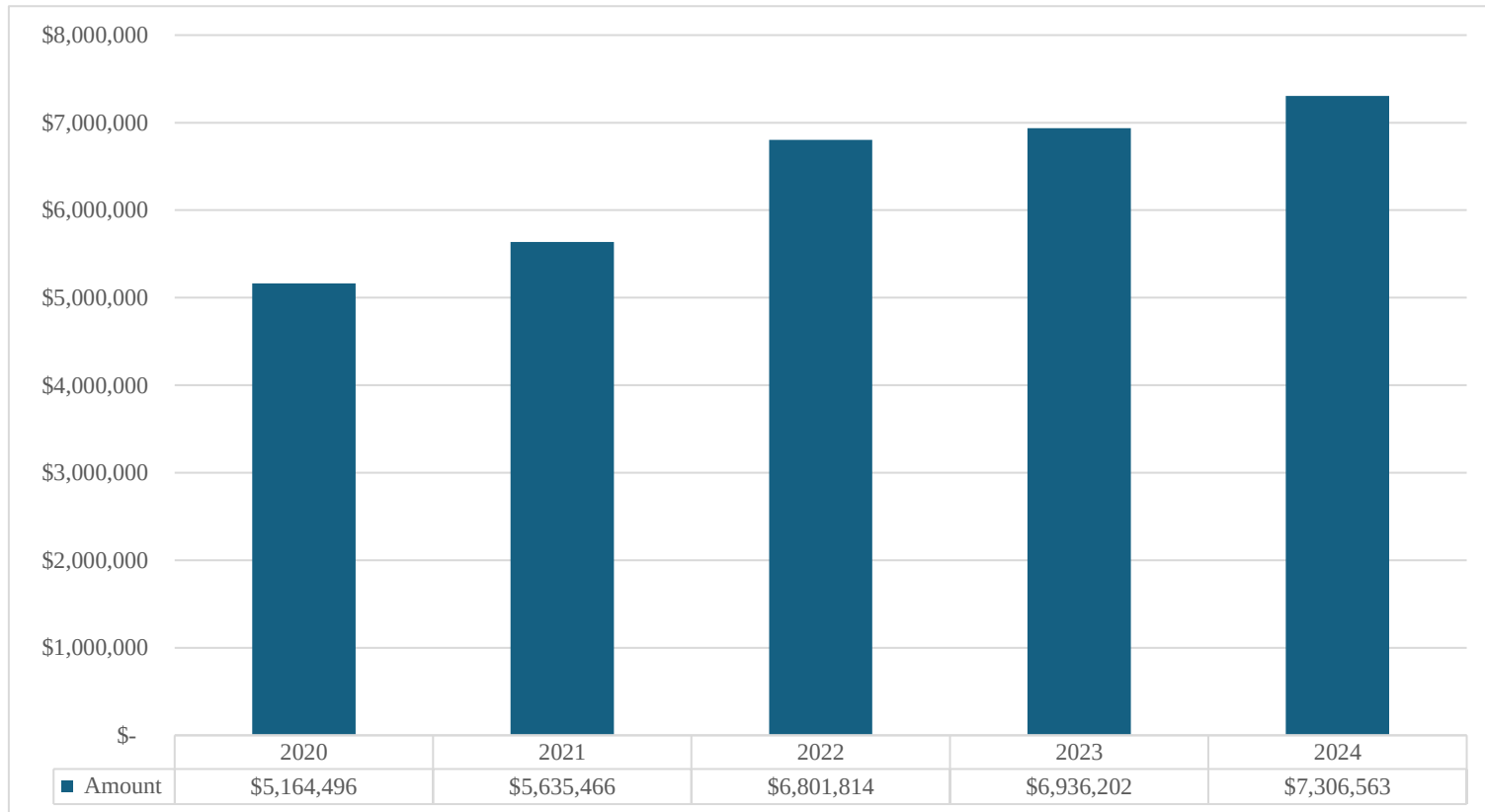
NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 – TRANSPORTATION SERVICES BUREAU
EQUIPMENT LEASE OR RENTAL REVENUE

SUPPLEMENTARY INFORMATION

Our examination was conducted for the purpose of forming an opinion on the Schedule of Equipment Lease or Rental Revenues. Supplementary information is presented for purposes of additional analysis. Such information has not been subjected to the procedures applied in the examination of the Schedule of Equipment Lease or Rental Revenues, and, accordingly, we express no opinion on it.

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 - TRANSPORTATION SERVICES BUREAU
EQUIPMENT LEASE OR RENTAL REVENUE
For Calendar Years 2020 through 2024

Exhibit A



NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 - TRANSPORTATION SERVICES BUREAU
NUMBER OF LEASED VEHICLES BY AGENCY AND TYPE
For Calendar Year 2024

Exhibit B

AGENCY	SUBCOMPACT	COMPACT	SEDAN	SUV	VAN	PICKUP	TOTAL
Administrative Services, Department of			1	15	15	1	32
Agriculture, Department of	1	15	4	3	6	16	45
Attorney General		3					3
Blind and Visually Impaired, Commission for the	3	20					23
Corn Development, Utilization and Marketing Board					2		2
Correctional Services, Department of	4	28	13	4	60	9	118
Criminal Justice, Commission on Law Enforcement and		1					1
Economic Development, Department of		6	1				7
Education, Department of	21	28	3		8		60
Educational Telecommunications Commission	1			6		2	9
Electrical Board, State		3		2	1	10	16
Environment and Energy, Department of	3	15	3	12	6	7	46
Fire Marshal, State		6		1	1	41	49
Health and Human Services, Department of	30	163	20	9	33	4	259
Historical Society, State				2		2	4
Insurance, Department of		1					1
Labor, Department of	1	3			1		5
Military Department		4		5	1	1	11
Motor Vehicle Industry Licensing Board		4	2				6
Motor Vehicles, Department of	1	16	2	1	24		44
Natural Resources, Department of				3		16	19
Pardons and Parole, Board of	2	16	6		1		25
Racing Commission, State		4					4
Real Estate Commission	1		2				3
Revenue, Department of	2	8	5	7	2		24
State Colleges	2	16	5	5	19		47
Supreme Court	27	76	18				121
Tourism Commission					2		2
Transportation, Department of					4		4
Veterans' Affairs, Department of	1	1			5		7
Total Number of Leased Vehicles	100	437	85	75	191	109	997

Source: Capital Asset Management (CAM), general ledger dates January 1, 2024, through December 31, 2024

Note: The number of vehicles includes all vehicles during the calendar year with a monthly lease by the Agency.

2024 Neb. Laws LB 631, § 30, effective July 19, 2024, revised Neb. Rev. Stat. § 83-1,100 (Cum. Supp. 2024) to move the Division of Parole Supervision from the Board of Parole to the Department of Correctional Services (DCS). As a result, 23 vehicles were transferred from the Board of Parole to DCS during the calendar year. The vehicles are shown under both agencies.

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 - TRANSPORTATION SERVICES BUREAU
MILES DRIVEN BY LEASED VEHICLES BY AGENCY AND TYPE
For Calendar Year 2024

Exhibit C

AGENCY	SUBCOMPACT	COMPACT	SEDAN	SUV	VAN	PICKUP	TOTAL MILES
Administrative Services, Department of			6,070	74,734	129,485	76	210,365
Agriculture, Department of	30,696	257,273	48,404	26,386	35,518	320,696	718,973
Attorney General		89,235					89,235
Blind and Visually Impaired, Commission for the	53,694	213,451					267,145
Corn Development, Utilization and Marketing Board					19,856		19,856
Correctional Services, Department of	46,030	355,922	140,772	43,548	1,003,662	148,912	1,738,846
Criminal Justice, Commission on Law Enforcement and		9,574					9,574
Economic Development, Department of		59,827	6,294				66,121
Education, Department of	180,592	209,325	36,434		75,307		501,658
Educational Telecommunications Commission	9,706			108,894		39,005	157,605
Electrical Board, State		41,939		30,495	25,345	275,303	373,082
Environment and Energy, Department of	34,763	243,504	50,335	184,596	51,398	123,092	687,688
Fire Marshal, State		86,779		5,156	13,996	672,523	778,454
Health and Human Services, Department of	422,953	2,698,474	265,758	110,560	321,282	29,295	3,848,322
Historical Society, State				20,631		37,770	58,401
Insurance, Department of		11,029					11,029
Labor, Department of	13,814	21,883			19,516		55,213
Military Department		28,697		28,649	9,662	12,781	79,789
Motor Vehicle Industry Licensing Board		55,239	14,309				69,548
Motor Vehicles, Department of	12,910	223,667	21,917	20,545	283,488		562,527
Natural Resources, Department of				47,308		284,432	331,740
Pardons and Parole, Board of	19,682	167,042	67,651		10,137		264,512
Racing Commission, State		63,815					63,815
Real Estate Commission	11,816		27,675				39,491
Revenue, Department of	2,671	102,000	53,183	88,876	8,459		255,189
State Colleges	32,090	249,427	61,413	64,669	225,854		633,453
Supreme Court	366,183	1,091,360	214,146				1,671,689
Tourism Commission					16,293		16,293
Transportation, Department of					28,233		28,233
Veterans' Affairs, Department of	8,533	8,890			47,566		64,989
Total Miles Driven	1,246,133	6,288,352	1,014,361	855,047	2,325,057	1,943,885	13,672,835

Source: Capital Asset Management (CAM), general ledger dates January 1, 2024, through December 31, 2024

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 - TRANSPORTATION SERVICES BUREAU
NUMBER OF VEHICLES LEASED 12 MONTHS DURING CALENDAR YEAR 2024
AND AVERAGE MILES DRIVEN PER MONTH BY AGENCY

Exhibit D

AGENCY	Number of Vehicles/Average Miles Driven per Month				Total
	Less than 500	500 to 799 Miles	800 to 999 Miles	1,000 and Over	
Supreme Court		9	12	82	103
Attorney General				3	3
Education, Department of	8	25	5	11	49
Pardons and Parole, Board of		1		1	2
Revenue, Department of	1	2	3	8	14
Agriculture, Department of	1	5	1	30	37
Fire Marshal, State	5	4	7	33	49
Insurance, Department of			1		1
Labor, Department of				2	2
Motor Vehicles, Department of	2	3	12	23	40
Health and Human Services, Department of	7	23	29	155	214
Transportation, Department of		1		1	2
Veterans' Affairs, Department of		4	3		7
Natural Resources, Department of			2	16	18
Electrical Board, State				10	10
Military Department	1	3	1	2	7
Racing Commission, State		1		3	4
Motor Vehicle Industry Licensing Board	1		2	2	5
Real Estate Commission				2	2
Correctional Services, Department of		3	10	52	65
Educational Telecommunications Commission			2	6	8
State Colleges		3	2	31	36
Historical Society, State				2	2
Administrative Services, Department of	2	6		4	12
Economic Development, Department of	1	4		2	7
Blind and Visually Impaired, Commission for the			1	10	11
Environment and Energy, Department of	2	2	4	27	35
Corn Development, Utilization and Marketing Board		1		1	2
Total # Leased Vehicles Driven 12 Months	31	100	97	519	747

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 - TRANSPORTATION SERVICES BUREAU
NUMBER OF RENTAL VEHICLES BY POOL AND TYPE AT DECEMBER 2024

Exhibit E

LOCATION	SUBCOMPACT	COMPACT	SEDAN	SUV	VAN	PICKUP	TOTAL
Lincoln	7	50	20	19	12	3	111
Omaha	8	2	2		3		15
North Platte	4	4		1	1	1	11
Kearney	1	5	1				7
Norfolk		3					3
Scottsbluff	1	1	1				3
Total	21	65	24	20	16	4	150

NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES
PROGRAM 180 - TRANSPORTATION SERVICES BUREAU
RENTAL VEHICLES MILES DRIVEN BY AGENCY FOR CALENDAR YEAR 2024

Exhibit F

AGENCY	SUBCOMPACT	COMPACT	SEDAN	SUV	VAN	PICKUP	TOTAL MILES
Administrative Services, Department of	4,731	21,307	5,331	9,089	11,780	865	53,103
Agriculture, Department of	61	2,529	14,203	2,113	2,487	5,305	26,698
Arts Council	204	3,995	1,192	345			5,736
Attorney General	2,519	30,958	6,383	19,225	3,187		62,272
Blind and Visually Impaired, Commission for the	8,366	9,125	1,352	527	6,881	1,189	27,440
Brand Committee					3,536	12,063	15,599
Correctional Services, Department of	1,822	25,892	12,992	6,929	17,822		65,457
Criminal Justice, Commission on Law Enforcement and	304	9,543	1,417	4,218	218	5	15,705
Deaf and Hard of Hearing, Commission for the	7,931	15,201	3,038		88		26,258
Economic Development, Department of	7,495	8,180	6,470	1,309	4,646		28,100
Education, Department of	11,960	37,314	9,801	15,109	19,739	5,242	99,165
Electrical Board, State			1,580	2,081	1,230	3,216	8,107
Environment and Energy, Department of	6,398	5,866	5,221	10,674	3,867	3,262	35,288
Ethanol Board	702	3,024	1,443				5,169
Health and Human Services, Department of	148,611	363,867	64,241	107,651	56,952	3,763	745,085
Historical Society, State	4,947	16,562	3,424	3,611	1,676	193	30,413
Insurance, Department of	278	4,899	220	1,283	1,811		8,491
Labor, Department of	14,870	25,519	10,197	5,465	2,339	332	58,722
Legislative Council	124	4,719	624	2,217			7,684
Library Commission	2,042	7,417	1,080	936	272		11,747
Motor Vehicle Industry Licensing Board			10,134				10,134
Motor Vehicles, Department of	635	5,799	1,432	9,080	1,464	680	19,090
Natural Resources, Department of	10,949	10,628	10,070	4,366	13,069	815	49,897
Pardons and Parole, Board of	1,017	22,832	2,406				26,255
Public Employees' Retirement Board		1,508	561	1,492	4,423		7,984
Racing Commission, State	297	1,342	1,378	2,896			5,913
Revenue, Department of	8,678	23,410	19,515	2,389	3,242		57,234
State Colleges		14,467	2,197	531	9,936		27,131
Supreme Court	11,410	71,668	6,979	8,530	2,186		100,773
Tourism Commission	1,668	10,071	752	2,544	131		15,166
Veterans' Affairs, Department of	364	5,379	813	2,264	1,423	354	10,597
Agencies less than 5,000 miles	1,195	10,373	1,683	5,120	8,208	473	27,052
Grand Total Pool Car Rental Miles Calendar Year 2024	259,578	773,394	208,129	231,994	182,613	37,757	1,693,465

Source: Capital Asset Management (CAM), general ledger dates January 1, 2024, through December 31, 2024