



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov

PO Box 98917

State Capitol, Suite 2303

Lincoln, Nebraska 68509

402-471-2111, FAX 402-471-3301

auditors.nebraska.gov

March 31, 2025
For Immediate Release

State Auditor Reveals Serious Financial Concerns at the Nebraska Statewide Independent Living Council

State Auditor Mike Foley announced today the release of a letter detailing numerous disturbing financial issues – ranging from what appears to have been excessive payroll disbursements to the apparent misuse of credit cards – found by his staff during a recent investigation of the Nebraska Statewide Independent Living Council (NESILC).

Established in 2001, the NESILC is a public benefit non-profit corporation with the self-proclaimed mission “to partner with the Independent Living Network to promote Independent Living and facilitate systemic change that promotes independence, inclusion, non-discrimination, and dignity for all people with disabilities in Nebraska.”

State law authorizes Foley’s office to audit any non-profit entity that expends public funds to carry out a State or Federal program or function. The issues uncovered during Foley’s investigation of the NESILC arose from the apparent malfeasance of that organization’s former Executive Director, who resigned from his position effective December 31, 2024, months after the NESILC Board voted unanimously to place him on probation.

While running the NESILC, the former Executive Director was working also as the Executive Director of another organization called the Disabilities Resource Center of Siouxland, which he instructed not to comply with requests by Foley’s staff for his payroll information there.

“When someone affiliated with an entity audited by my office is intentionally uncooperative,” Foley observed, “it is typically indicative of an effort to conceal wrongdoing – a presumption that, not surprisingly, appears to have held true for the present audit work.”

Former Executive Director – Excessive Payroll and Reimbursements

Foley’s letter alleges that the former Executive Director, whose duties involved, among other things, oversight of the NESILC’s finances – including payroll processing and control of the organization’s bank accounts – paid himself over \$2,000 more than his authorized salary from October 1, 2021, to October 31, 2024.

During that same period, moreover, the former Executive Director appears to have received \$6,750 in other questionable reimbursement payments, issued by himself, ostensibly for health insurance stipends.

When questioned by Foley’s audit team, NESILC representatives were unable to produce any supporting documentation for either the thousands of dollars of apparently excess salary disbursements to the former Executive Director or the thousands of dollars in other suspicious payments to him. More damning yet, NESILC Board members claimed never to have been aware of those expenditures, much less to have approved them.

“At the risk of sounding like a broken record,” Foley said, “I can’t emphasize this enough. Allowing someone to exercise anything close to exclusive control over an organization’s finances, with no meaningful oversight, is begging for serious trouble.”

Former Executive Director – Airline Ticket Purchase with NESILC Credit Card

In addition to profiting from both apparently excessive payroll disbursements and dubious reimbursement payments, Foley’s letter alleges further, the former Executive Director seems to have misused a NESILC credit card for personal gain.

Specifically, on early March 6, 2024, the former Executive Director evidently purchased a United Airlines round-trip flight from Las Vegas, NV, to Denver, CO, to Little Rock, AR, and back with the NESILC credit card. Costing over \$650, the ticket appears to have been bought for a man with whom, according to NESILC representatives, the former Executive Director had both business and romantic relationships. That individual was neither employed by nor formally associated in any other way with the NESILC.

Along with the problematic airline ticket expenditure, Foley’s letter details more than \$8,000 in other questionable credit card transactions apparently made by the former Executive Director – all of which reportedly lacked not only supporting documentation but also approval by the NESILC Board. Adding insult to injury, those expenditures contributed to the NESILC being charged late fees, foreign transaction fees, and credit card interest on numerous occasions.

Failure to File with the IRS

Finally, Foley’s letter explains that the NESILC failed to make mandatory annual filings with the Internal Revenue Service (IRS) for both tax years 2022 and 2023.

With gross deposits of \$121,889 and \$103,644 in 2022 and 2023, respectively, the NESILC would have been required to file a Form 990-EZ for both tax years; however, those filings did not occur.

Foley concluded, “The auditors noted that the NESLIC lacked proper policies and procedures for safeguarding its funds and performing important administrative functions. Those currently in charge there appear finally to be taking the appropriate corrective measures. While better late than never, some of this could have been avoided had the NESILC Board taken its oversight responsibilities more seriously from the start.”

Foley’s letter will be forwarded to the Nebraska Attorney General, the Lancaster County Attorney, and the Federal Bureau of Investigation (FBI) for further inquiry into the information contained therein.

* * * * *