

**ATTESTATION REPORT
OF THE
NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL**

JULY 1, 2009 THROUGH JUNE 30, 2010

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Issued on May 4, 2011

NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

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NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

BACKGROUND

The Attorney General is Nebraska's chief legal representative and the head of the Department of Justice. The Nebraska Department of Justice – Office of the Attorney General (Attorney General) is responsible for charge and control of all legal business of all departments and agencies of the State. The Attorney General is also responsible for the representation of the State in all legal matters, both civil and criminal, where the State is named as a party or may have an interest in the outcome of the litigation or dispute.

The Nebraska Department of Justice – Office of the Attorney General consists of four bureaus each concentrating on a specific area of law.

Civil Litigation Bureau

Attorneys in the Civil Litigation Bureau are the State's trial attorneys, and defend the State against most civil liability lawsuits including tort claims, workers' compensation suits, employment discrimination, employee grievance appeals, civil rights violations, and inmate litigation lawsuits. The Civil Litigation Bureau represents all State employees accused of negligence on the job, and any State agency, commission, or board if sued. Attorneys also provide legal counsel to State agencies, commissions, and boards in handling employee personnel matters and day-to-day legal affairs of State government.

Criminal Bureau

The Criminal Bureau is responsible for both prosecutorial and appellate functions and includes:

- The *Child Protection Division* responds to requests for research, trial assistance, trial preparation, sentencing, and consultation with medical experts, child behavioral professionals, witnesses, family members, and victims. The Child Protection Division also supervises, briefs, and argues child abuse appeals and related prosecutions in the Nebraska Supreme Court.
- The *Drug and Violent Crime Section* handles cases related to illegal drugs and domestic violence. Prosecutors and investigators from the Attorney General's office assist local prosecutors and the task forces covering a large geographic area. Prosecutors assist counties with large or complex cases, including homicides, major drug dealers, and domestic violence.
- The *Criminal Appellate Division* manages the criminal appeals processed by the Attorney General's office. Attorneys regularly appear for the State in the Nebraska Court of Appeals, the Nebraska Supreme Court, and the Eighth Circuit Court of Appeals.

Legal Services Bureau

The Legal Services Bureau provides legal advice and legal services to over 110 different state agencies, boards, commissions, departments, and officers. In addition, the Legal Services Bureau attorneys handle a significant amount of civil litigation involving State agency defense, probate, election law, escheat, constitutional litigation, and open meetings/public records enforcement. The Legal Services Bureau researches and drafts the bulk of the attorney general's opinions for review by the Attorney General, and reviews agency rules and regulations for statutory authority and constitutionality.

NEBRASKA DEPARTMENT OF JUSTICE
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BACKGROUND
(Continued)

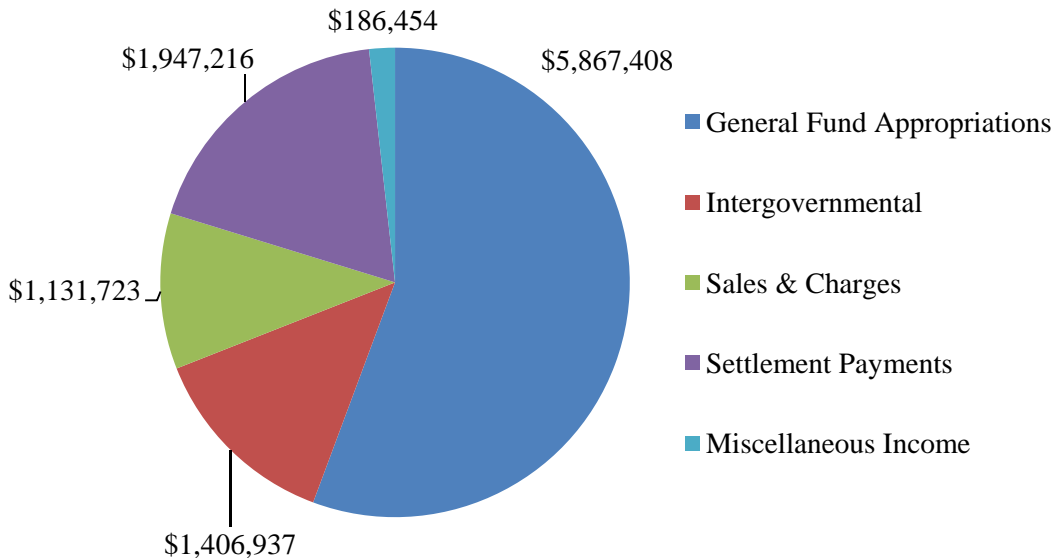
Public Protection Bureau

The Public Protection Bureau enforces regulatory laws in many areas including the following:

- The *Administrative License Revocation Unit* represents the Nebraska Department of Motor Vehicles in appeals cases by drivers whose operator's licenses were administratively revoked.
- The *Consumer Protection Division* investigates allegations of fraud or illegal practices by a business, offers information and consumer education about avoiding becoming a victim of fraud and serves as a mediator of consumers' complaints that relate to a retail transaction.
- The *Health Licensing Unit* represents the State in all disciplinary actions and appeals against licensed health professionals and subsequent appeals. The Health Licensing Unit also initiates litigation against individuals unlawfully engaged in health professions without a license.
- The *Medicaid Fraud Patient Abuse Unit* investigates and prosecutes fraudulent claims, patient abuse, and neglect. Providers found guilty may be subject to civil and criminal penalties.
- The *Tobacco Enforcement Unit* monitors compliance with the economic provisions of the Master Settlement Agreement (MSA). They enforce the MSA and Smokeless Tobacco Settlement Agreement provisions restricting advertising, marketing, and lobbying. They also enforce statutory requirements on nonparticipating tobacco product manufacturers and defend Nebraska statutes and the MSA against court challenges.

Revenues for the Attorney General consist of general fund appropriations, intergovernmental (federal grant), sales and charges, settlement payments, and miscellaneous income (investment interest). The majority (56%) of the \$10,539,738 in revenues for the Attorney General is general fund appropriations as noted in the following chart of revenues by type for fiscal year 2010.

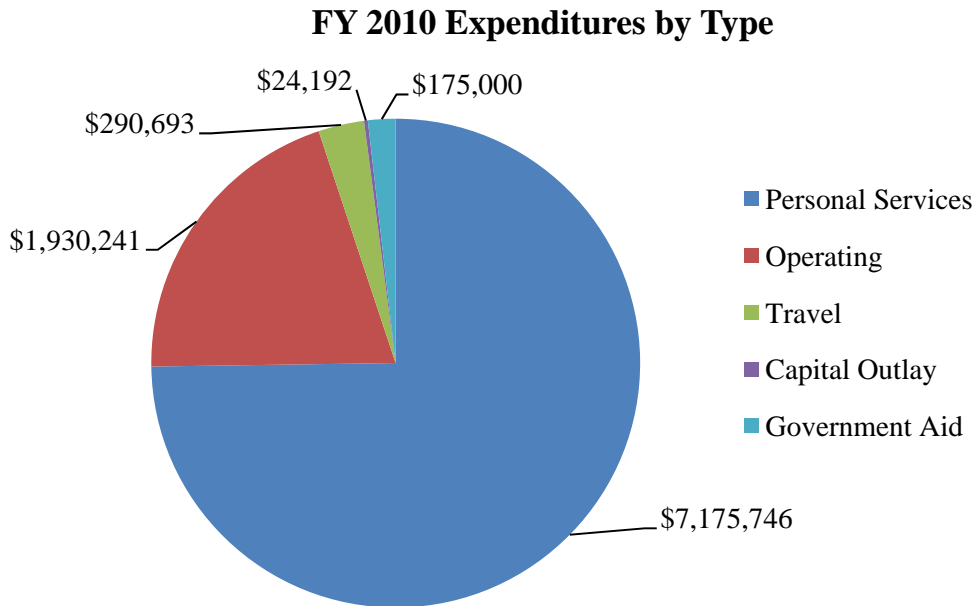
Fiscal Year 2010 Revenues by Type



NEBRASKA DEPARTMENT OF JUSTICE
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BACKGROUND
(Continued)

Expenditures for the Attorney General, totaling \$9,595,872, consist of personal services, operating, travel, capital outlay, and government aid. Seventy-five percent (75%) of the expenditures for the Attorney General are personal services as noted in the following chart of expenditures by type for fiscal year 2010.



The Attorney General has multiple settlement funds. See **Exhibit C**. Among those are the State Settlement Cash Fund and the Medicaid Fraud Control Unit Cash Fund. The balances in these funds, as of June 30, 2010, were \$4,734,489 and \$695,763, respectively.

Neb. Rev. Stat. § 59-1608.04 (Reissue 2010) creates the State Settlement Cash Fund and states, in part, “All money in the fund shall be subject to legislative review and shall be appropriated and expended by any allowable legal purposes as determined by the Legislature.” Additionally, § 59-1608.04 provides, “Transfers may be made from the fund to the General Fund and the State DNA Sample and Data Base Fund at the direction of the Legislature.”

Neb. Rev. Stat. § 68-940.01 (Reissue 2009) creates the Medicaid Fraud Control Unit Cash Fund and states that the use of the fund is to pay salaries and related expenses for the State Medicaid Fraud Control Unit.

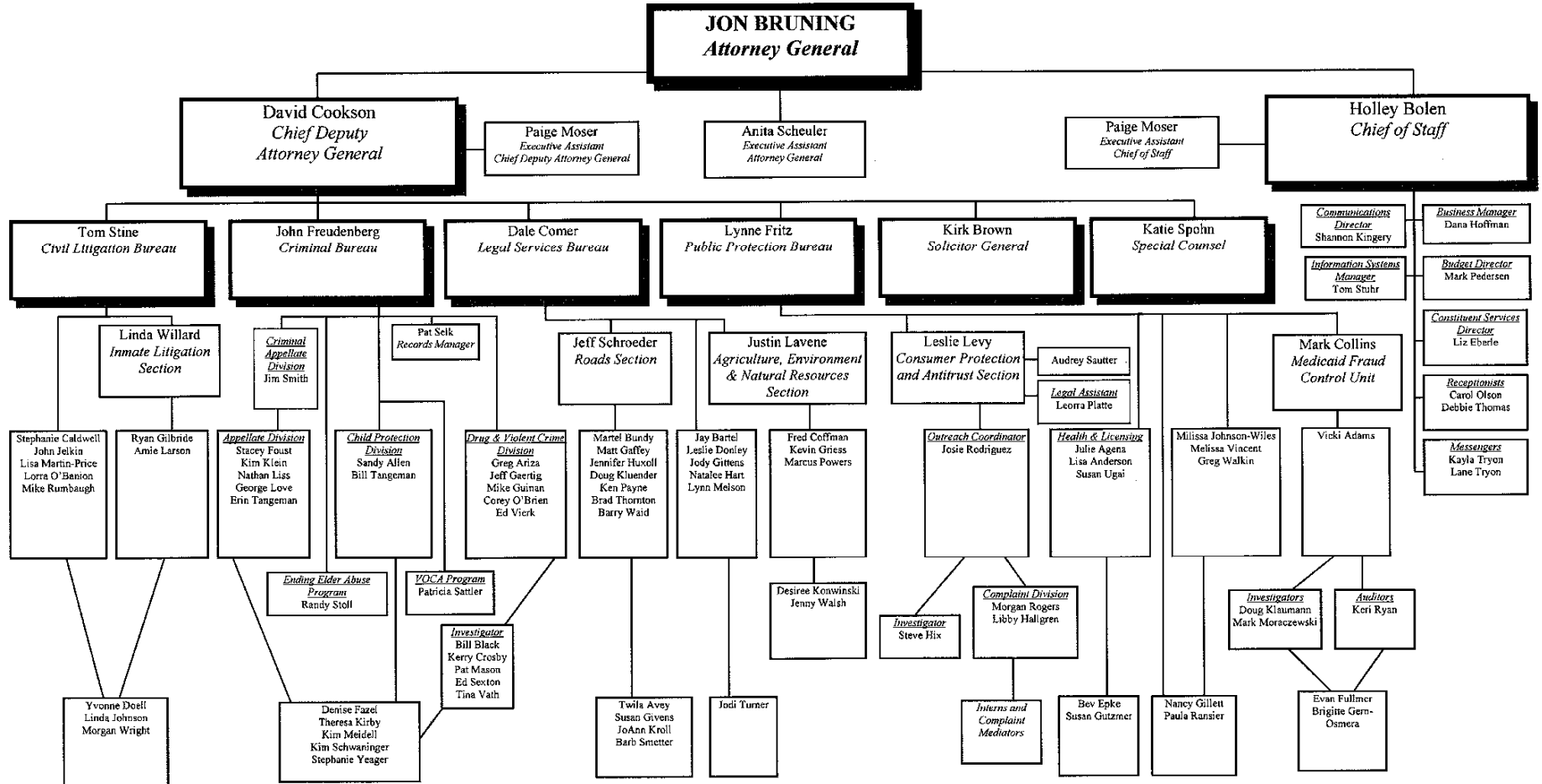
MISSION STATEMENT

To defend the United States and Nebraska constitutions and provide for the interpretation, application and enforcement of the law.

NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

ORGANIZATIONAL CHART

NEBRASKA DEPARTMENT OF JUSTICE ~ OFFICE OF THE ATTORNEY GENERAL



NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

EXIT CONFERENCE

An exit conference was held April 21, 2011, with the Nebraska Department of Justice – Office of the Attorney General (Attorney General) to discuss the results of our examination. Those in attendance for the Attorney General were:

NAME	TITLE
David Cookson	Chief Deputy
Mark Pedersen	Budget Director
Dana Hoffman	Business Manager

NEBRASKA DEPARTMENT OF JUSTICE
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SUMMARY OF COMMENTS

During our examination of the Nebraska Department of Justice – Office of the Attorney General (Attorney General), we noted certain deficiencies in internal control and other operational matters that are presented here.

1. **Revenues:** Receipts were not prepared immediately upon opening of the mail, nor were deposit documents compared to the original listing of mail opened. Receipts were not written for \$650,702 in deposits on the State accounting system. Deposits were not made in a timely manner and the review of the monthly title fees and the general ledger detail were not documented.
2. **Supporting Documentation for Expenditures:** Adequate documentation was not maintained for 13 of 35 expenditure documents tested. Expenditures included \$7,845 in purchasing card purchases, \$100,000 in State Settlement Trust Fund expenditures, furniture purchases for \$11,201 and \$13,241, a meal for \$94, and monthly rent allocations of \$1,781 and \$2,451.
3. **Payroll and Expenditure Allocation:** Documentation was not available to support the allocation of 2 employees' payroll and the percentage allocation used for payroll and operating expenditures had not been reviewed on a regular basis.
4. **Travel Expenditures:** Expense reimbursement documents were not properly completed in accordance with State statute and included unreasonable reimbursements for meals and lodging. Detailed receipts were not maintained for meals over \$5.
5. **Incorrect Coding of Expenditures:** Expenditures totaling \$175,000 from the State Settlement Trust Fund were coded to an operating expense account and should have been coded to a government aid account as they were grants or grant payments per court ordered settlements.
6. **Timesheets:** 9 of 10 employees tested did not complete timesheets to document forty hours of work each week, only leave usage was recorded. The employees did not document they had worked not less than forty hours each week as required by Neb. Rev. Stat. § 84-1001.
7. **Capital Assets:** There was a lack of segregation of duties over capital assets as a documented, independent review of exception reports or the additions and retirements report was not completed. Additionally, one asset tested was not properly tagged as property of the State of Nebraska and one asset could not be located.

More detailed information on the above items is provided hereafter. It should be noted this report is critical in nature as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any accounting strengths of the Attorney General.

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SUMMARY OF COMMENTS
(Continued)

Draft copies of this report were furnished to the Attorney General to provide them an opportunity to review the report and to respond to the comments and recommendations included in this report. The Attorney General declined to respond.

We appreciate the cooperation and courtesy extended to our staff during the course of the examination.

NEBRASKA DEPARTMENT OF JUSTICE
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COMMENTS AND RECOMMENDATIONS

1. Revenues

A good internal control plan would require procedures to ensure receipts are written for all checks received, a reconciliation be performed to ensure checks received through the mail are actually deposited, and deposits be completed in a timely manner. Receipts should be prepared and noted on the depository log immediately upon receipt of the check through the mail opening process. Neb. Rev. Stat. § 60-154 (Reissue 2010) states 20 cents of the \$10 fee for each original certificate of title issued is to be deposited in the Motor Vehicle Fraud Cash Fund. A good internal control plan would also require a documented review of title fees received for reasonableness and a documented review of the general ledger to ensure all deposits post appropriately.

The following was noted in regards to the Attorney General's controls over revenues:

- Receipts were not prepared immediately upon opening of the mail, nor were the deposit documents compared to the original listing of mail opened. Checks were sent to the appropriate attorney; the attorney would then forward the check with a memo on how the deposit should be coded to the business manager. The business manager would prepare the deposit document. The receptionist would then receive a copy of the deposit document, prepare the receipt, and complete a depository log.
- When reconciling receipts written to the depository log created by the receptionist, and deposits on the State accounting system, the following was noted:
 - Receipts were not written for \$747,723 in checks noted on the depository log. These checks were traced to deposits on the State accounting system.
 - Receipts were not written and the checks did not appear on the depository log for \$650,702 in deposits on the State accounting system.
- Deposits were not made in a timely manner in accordance with Neb. Rev. Stat. § 84-710 (Reissue 2008) for 7 of 14 documents tested. Deposits were made from 6 to 41 days after the date of the check. There was no documentation to support when the checks were actually received since the receipts were prepared after the deposit document had been prepared. Neb. Rev. Stat. § 84-710 requires deposits to be made with the State Treasurer within 3 business days of receipt if the aggregate is over \$500.
- Monthly statistic reports for vehicle titles and registrations issued were received from the Department of Motor Vehicles; the business manager stated the reports were reviewed and filed. There was no documentation to support the reports were actually reviewed to ensure the title fees received by the Attorney General were reasonable.
- Review of the general ledger revenue transactions was completed by the business manager; however, the review was not documented.

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COMMENTS AND RECOMMENDATIONS

(Continued)

1. Revenues (Concluded)

Without adequate controls over checks, timely deposit of checks, and a documented review of the general ledger there is an increased risk checks will be lost or State funds will not be deposited with the State Treasurer in the appropriate fund. Without a documented review of the title fees received there is an increased risk the Motor Vehicle Fraud Cash fund is not being credited for the appropriate fees required by State statute.

We recommend the Attorney General implement a comparison of the original mail log to the deposit documents to ensure all checks are deposited. Receipts should also be prepared immediately upon the opening of mail to ensure accountability over checks received. We also recommend the Attorney General document the review of title fees and the general ledger revenue transactions.

2. Supporting Documentation for Expenditures

Neb. Rev. Stat. § 81-118.02 (Reissue 2008) states “(4) An itemized receipt for purposes of tracking expenditures shall accompany all state purchasing card purchases. In the event that an itemized receipt does not accompany such a purchase, the Department of Administrative Services shall have the authority to temporarily or permanently suspend state purchasing card purchases in accordance with rules and regulations adopted and promulgated by the department.”

The Department of Administrative Services (DAS) State of Nebraska Purchasing Card Manual, notes one of the cardholder’s responsibilities is to “Obtain a receipt for every purchase and attach the receipts to your monthly cardholder statement.”

A good internal control plan and sound accounting practice requires adequate supporting documentation be maintained for expenditures, including detailed receipts or invoices for items purchased.

During testing we noted 13 of 35 expenditure documents tested did not have adequate supporting documentation as follows:

- Seven documents tested were payments for purchases on the State Purchasing Card. A total of \$7,845 in purchases made using the State Purchasing Card, as detailed below, did not have itemized receipts for the items purchased or documentation included only internal emails between employees of the Attorney General’s office providing an explanation of the items purchased.

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COMMENTS AND RECOMMENDATIONS
(Continued)

2. **Supporting Documentation for Expenditures** (Continued)

Vendor Name (per Card Statement)		Item Description	Amount
1)	MIDWEST EXPRESS	Round trip airfare to Washington D.C. for arbitration meetings	\$ 745
2)	CONTINENTAL	Round trip airfare to Miami, FL for Training of Trainers Conference	\$ 594
3)	CONTINENTAL	Round trip airfare to Miami, FL for Training of Trainers Conference	\$ 577
4)	UNITED AIR	Round trip airfare to Miami, FL for Training of Trainers Conference	\$ 576
5)	UNITED AIR	Round trip airfare to Miami, FL for Training of Trainers Conference	\$ 576
6)	AMERICAN AIRLINES	Round trip airfare to Miami, FL for Training of Trainers Conference	\$ 573
7)	USAIRWAYS	Round trip airfare to Washington D.C. for arbitration meeting	\$ 445
8)	DELTA AIR	Airfare flight change charges for flight to Washington D.C. for arbitration meetings	\$ 398
9)	UNITED AIR	Round trip airfare to Washington D.C. for arbitration meetings	\$ 378
10)	FUTURE COMPUTER TECHNOLOGY	Data storage CDs	\$ 363
11)	CONTINENTAL	Round trip airfare to Miami, FL for the Association of Government Attorneys in Capital Litigation (AGACL) conference	\$ 342
12)	CONTINENTAL	Round trip airfare to Miami, FL for AGACL conference	\$ 342
13)	DELTA AIR	Round trip airfare to Atlanta, GA for arbitration meetings	\$ 315
14)	CABLES TO GO	Video splitter box	\$ 262
15)	DELTA AIR	Airfare from Atlanta, GA to Omaha returning from arbitration meetings	\$ 239
16)	DELTA AIR	Round trip airfare to Chicago for arbitration meetings on 7/22/09	\$ 228
17)	DELTA AIR	Airfare from Atlanta, GA to Lincoln returning from arbitration meetings	\$ 197
18)	SOUTHWEST AIR	Round trip airfare to Chicago for Federation of Associations of Regulatory Boards seminar	\$ 176
19)	AMERICAN BAR ASSOCIATION	Government ethics training CD & booklet	\$ 160
20)	DELTA AIR	Airfare flight change charges for flight to Washington D.C. (destination to Chicago) for arbitration meetings	\$ 160

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COMMENTS AND RECOMMENDATIONS
(Continued)

2. Supporting Documentation for Expenditures (Continued)

Vendor Name (per Card Statement)		Item Description	Amount
21)	NEBRASKA STATE BAR ASSOCIATION	Minimum Continuing Legal Education (MCLE) program registration	\$ 49
22)	AIRCELL *GOGO INFLIGHT	In-flight Internet/Communication Link	\$ 30
23)	AT&T W2GO2	Mobile internet service	\$ 30
24)	COURTS/USBC - NY - SECF	Court filing fee	\$ 25
25)	HILTON WIRELESS INTRNT	Wireless internet service	\$ 15
26)	AIRCELL *GOGO INFLIGHT	In-flight Internet/Communication Link	\$ 10
27)	AIRCELL *GOGO INFLIGHT	In-flight Internet/Communication Link	\$ 10
28)	AIRCELL *GOGO INFLIGHT	In-flight Internet/Communication Link	\$ 10
29)	AIRCELL *GOGO INFLIGHT	In-flight Internet/Communication Link	\$ 10
30)	AIRCELL *GOGO INFLIGHT	In-flight Internet/Communication Link	\$ 10

Total Charges \$ 7,845

- Two documents were for the payment of monies from the State Settlement Trust Funds.
 - Documentation to support a Supplemental Environmental Project (SEP) grant to the City of Lincoln, in the amount of \$50,000, included only a press release. There was no documentation to support how the Attorney General determined the appropriateness of granting the money to the City of Lincoln.
 - Documentation was not available to support how the amount to be paid or the recipient was determined for a payment to the Norfolk YMCA, in the amount of \$50,000. The money received was from a court ordered settlement that did not specifically identify how the settlement funds were to be used. Documentation was not available to support how the Attorney General determined the recipients of the settlement. The total settlement received was \$100,000; the remaining \$50,000 was paid to CenterPointe, Inc.
- Two documents were for purchases from TierOne, in the amounts of \$13,241 and \$11,201, for office furniture in additional space leased by the Attorney General. The invoices from TierOne did not contain a detailed listing of items purchased or documentation of how the prices for the furniture were determined.
- One document for a \$94 meal at the Nebraska Club did not include an itemized invoice. The invoice from the Nebraska Club did not contain the detail of the number of items or description of items purchased.

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COMMENTS AND RECOMMENDATIONS

(Continued)

2. Supporting Documentation for Expenditures (Concluded)

- One document was for a rent payment for leased space at the Great Western Bank building (formerly TierOne). However, there was no documentation to support the amounts coded to the Consumer Protection Cash Fund for the Consumer Protection section of the Public Protection Bureau or the Justice Revolving Fund for the Administrative License Revocation section of the Public Protection Bureau. The total rent charged to the funds for the month tested were \$1,781, and \$2,451, respectively.

When expenditures are not adequately supported with detailed receipts or invoices, there is an increased risk of the loss or misuse of State funds or State held Trust funds due to fraud. Additionally, without adequate supporting documentation for expenditures, there is an increased risk of noncompliance with State statutes, court orders, or settlement agreements. A similar finding was noted in our previous report.

We recommend the Attorney General implement policies and procedures to ensure adequate supporting documentation is maintained for expenditures including detailed invoices or receipts. We also recommend adequate documentation be maintained to support the determination of amounts and to whom disbursements of settlement agreement or court ordered monies are to be paid when entities are not specifically identified in the agreements or court orders.

3. Payroll and Expenditure Allocation

Good internal control requires procedures and records to provide reliable financial information. When allocations to different funds and programs are used, proper records should exist to support the allocation. This includes a periodic review of the method of allocation to ensure it is an accurate representation of the expenses incurred for each fund and program.

We noted the following regarding the allocation of costs:

- We were unable to verify the correct fund and program had been charged for duties performed for 2 of 13 employees tested.
 - Adequate documentation to support the allocation of the Deputy Attorney General's salary was not maintained. The Deputy Attorney General's salary was split between the four bureaus (Civil, Criminal, Legal Services, and Public Protection), the Medicaid Fraud Control Unit, tobacco settlement, and a rural crime grant.

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COMMENTS AND RECOMMENDATIONS

(Continued)

3. Payroll and Expenditure Allocation (Concluded)

- One employee's payroll of \$421 for the month tested was coded to the Motor Vehicle Fraud Cash Fund. The Auditor of Public Accounts (APA) was not provided with documentation supporting wages paid to the employee were in compliance with Neb. Rev. Stat. § 60-154.01 (Reissue 2010). Statute 60-154.01 states the Motor Vehicle Fraud Cash Fund is only to be used for expenses incurred and related to the investigation and prosecution of odometer and motor vehicle fraud and motor vehicle licensing violations.
- The percentages used to allocate expenditures to the various programs and funds had not been reviewed on a regular basis. According to Attorney General staff, the allocation percentages had been determined in July 2007 based on the number of employees under each of the four bureaus/programs; Civil, Criminal, Legal Services, and Public Protection. However, the supporting list of employees included a total of 20 individuals who had termination dates ranging from July 8, 2005, to May 4, 2007, all prior to the July 2007 determination. These allocation percentages were used to allocate expenditures on four documents tested including two purchases of furniture, monthly rent, and the annual operating expense per the lease agreement. The documents totaled \$11,202, \$13,241, \$41,040, and \$16,565.
- One document tested for copy service billings was charged to the General Fund and Program 270 (Administration) and was not allocated to other programs or funds, even though the copiers are available for use by employees working in the various other programs which are also funded through cash and Federal funds as well.

Without adequate internal controls over the payroll process, including documentation to support the allocation of payroll costs to more than one fund, there is an increased risk the correct program and fund are not being charged for duties performed. Without a periodic review of the methodology and percentages used to allocate costs, there is an increased risk of incorrect amounts being allocated to the various funds/programs.

We recommend adequate documentation be maintained to support the allocation of payroll costs to more than one fund. We also recommend the Attorney General implement policies and procedures to periodically review allocation percentages, and document the determination and review of percentages to ensure all expenditures are properly allocated to the correct funds and programs.

NEBRASKA DEPARTMENT OF JUSTICE
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COMMENTS AND RECOMMENDATIONS

(Continued)

4. Travel Expenditures

Completion of Reimbursement Documents

Neb. Rev. Stat. § 81-1174 (Cum. Supp. 2010) requires expense reimbursements to be fully itemized, including the amount, date, place, and essential character of the expense incurred. A good internal control plan would require procedures be in place to ensure expense reimbursements are properly completed in accordance with State statute and reviewed.

Expense reimbursement requests were not properly completed, signed by an immediate supervisor, or submitted within sixty days as follows:

- Seven documents tested had information omitted from the expense reimbursements including the headquarter city for the employee, travel start and stop times, location of travel, or employee residence information.
- Five documents were not signed by an immediate supervisor or someone with direct knowledge of the employee's travel.

Mileage

Neb. Rev. Stat. § 81-1176 (Reissue 2008) states mileage reimbursements shall be allowed for each mile actually and necessarily traveled in each calendar month by the most direct route. Neb. Rev. Stat. § 81-1174 (Cum. Supp. 2010) requires the points between which travel by a personal vehicle occurred. A good internal control plan would require procedures to ensure reimbursements for mileage are reasonable.

For two of seven documents tested with mileage reimbursements, mileage was not reasonable and proper based on the most direct route of travel.

- One expense reimbursement request included total mileage of 693 miles. Based on the information on the employee's expense reimbursement and the most direct route of travel, the APA calculated 608 miles for a variance of 85 miles. The mileage reimbursement rate in effect at the time of travel was \$0.55 per mile resulting in \$47 over-reimbursed to the employee.
- One expense reimbursement request included total mileage claimed of 949 miles. Mileage was listed in total only for each week of travel, and not identified by each trip. Based upon the employee's headquarter city, location of hotel, and the location of where the employee was performing services, the APA recalculated mileage based on the most direct routes of travel. The APA recalculation resulted in 716 miles for a variance of 233 miles. Mileage reimbursement rate in effect at the time of travel was \$0.55 per mile for a total of \$128 over-reimbursed for mileage to the employee.

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COMMENTS AND RECOMMENDATIONS

(Continued)

4. Travel Expenditures (Concluded)

Meals and Lodging

Nebraska State Accounting Manual, AM-005, Travel Expense Policies, Section 6 states receipts are required for meals unless the cost of the food/meal is under \$5. Nebraska State Accounting Manual, AM-005 Section 8 states a detailed receipt is defined as a receipt that shows a listing of each item purchased and the related cost and does not include the receipt copy that only identifies an amount is being charged to the employee's credit card.

A good internal control plan would require procedures to ensure meal reimbursements are adequately documented and lodging is reasonable.

We noted the following regarding meals and lodging expenses:

- Five of eight documents tested with reimbursement requests for meals did not have detailed receipts on file for meals of \$5 or more. Meals without detailed itemized receipts ranged from \$5 to \$30 and totaled \$109.
- Lodging was not reasonable for one of eight documents tested based on the Federal General Services Administration (GSA) per diem rate per place of travel. The Federal GSA per diem rate for lodging for Sioux City, IA is \$70 per night. The rate charged was \$119 per night, for a variance of \$49 per night. The employee stayed eight nights, for a total amount of \$392 reimbursed over the Federal GSA.

Without adequate procedures for review of travel expenditures or adequate documentation to support travel expenditures, there is an increased risk for loss or misuse of State funds due to errors and an increased risk of noncompliance with State statutes. A similar comment was noted in our previous report.

We recommend the Attorney General implement policies and procedures to ensure all travel expense reimbursements are reasonable and proper including a review of mileage, meals, and lodging expenses. We also recommend the Attorney General implement procedures to ensure amounts claimed are adequately supported and expense reimbursements are reviewed and approved by someone other than the employee requesting reimbursement.

5. Incorrect Coding of Expenditures

A good internal control plan and sound accounting practice requires adequate policies and procedures for the review of expenditures to ensure the amounts are correctly coded for fund, program, and major expenditure account code for proper financial statement presentation.

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COMMENTS AND RECOMMENDATIONS

(Continued)

5. Incorrect Coding of Expenditures (Concluded)

During our testing of expenditures, six documents tested were incorrectly coded for fund, program, or major account code. The documents were SEP grants to various organizations or payments to specific organizations per court orders from the State Settlement Trust Funds. The documents were coded to recreational and educational supplies expense, and operating expense account but should have been coded to a government aid account. The total amount of miscoded items was \$175,000. The schedule of revenues, expenditures, and changes in fund balances was adjusted.

When expenditures are not correctly recorded to the proper fund, program, and major expenditure account, there is an increased risk of the material misstatement of financial statements due to error.

We recommend the Attorney General implement policies and procedures to ensure expenditures are correctly recorded for fund, program, and major account code to ensure proper financial statement presentation.

6. Timesheets

Neb. Rev. Stat. § 84-1001(1) (Reissue 2008) states, “All state officers and heads of departments and their deputies, assistants, and employees... shall render not less than forty hours of labor each week except any week in which a paid holiday may occur.” In addition, a good internal control plan requires hours actually worked to be adequately documented, for example, via timesheets, time logs, etc. and that such documentation be kept on file to provide evidence of compliance with the requirements of § 84-1001. Furthermore, a good internal control plan also requires that whenever employees accrue vacation and sick leave, adequate documentation should be maintained to support the employees having “earned” the amounts recorded in the leave records.

Nine of ten full-time employees tested did not complete timesheets to document forty hours of work each week; only leave usage was recorded. The employees did not certify they had worked not less than forty hours each week. This finding was noted in our previous report.

Without adequate records to support hours worked, there is an increased risk for fraudulent or inaccurate payment of regular hours worked or accumulation of leave. There is also an increased risk for noncompliance with State statute if procedures are not in place to verify 40 hours worked each week.

It is the APA’s position that the Attorney General does not have documentation to support they are in compliance with the above State statute. We recommend the Attorney General implement procedures to ensure all employees are certifying they either

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COMMENTS AND RECOMMENDATIONS

(Continued)

6. Timesheets (Concluded)

worked or had leave for 40 hours each week. A “certification” document may be used to meet the above statutory requirement. That document, signed by the employee and the employee’s supervisor, would include leave used by the employee during the period and a statement such as: “I certify that the employee has worked or been on approved leave for at least 40 hours each week of this pay period.”

7. Capital Assets

A good internal control plan would require procedures to ensure an adequate segregation of duties over capital assets. This should include an independent review of the additions and retirements report.

Neb. Rev. Stat. § 81-1118.02(3) (Reissue 2008) states, “Each such executive, department, commission, or other state agency shall indelibly tag, mark, or stamp all such property belonging to the State of Nebraska, with the following: Property of the State of Nebraska.” A good internal control plan would require procedures to ensure all property is properly tagged in accordance with State statute and all capital asset items noted in the accounting system are properly accounted for.

We noted the following regarding the capital assets of the Attorney General:

- There was a lack of segregation of duties over capital assets. One individual was responsible for adding new items, changing the status of items for disposal, and reviewing any exception reports. There was no independent, documented review of the exception reports or the additions and retirements report.
- We selected 5 items from the Attorney General’s capital asset listing to verify items were properly tagged property of the State of Nebraska and could be traced to the physical item. One of the five items could not be located and one was not properly tagged. The assets had an original cost of \$2,835 and \$1,646.

When an independent review of capital asset reports is not performed, items are not properly tagged and procedures are not in place to ensure all items are accounted for, there is an increased risk of loss or misuse of State assets. A similar finding was noted in our prior examination.

We recommend the Attorney General implement procedures to ensure an adequate segregation of duties over capital assets. Procedures should be implemented for a documented review of the exception reports and the additions and retirements report by an

NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

COMMENTS AND RECOMMENDATIONS
(Continued)

7. **Capital Assets** (Concluded)

individual separate from the capital asset process. We also recommend the Attorney General implement procedures to ensure all assets are properly tagged as required by State statute and all assets are properly accounted for.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Department of Justice
Office of the Attorney General
Lincoln, Nebraska

We have examined the accompanying schedule of revenues, expenditures, and changes in fund balances of the Nebraska Department of Justice – Office of the Attorney General (Attorney General) for the fiscal year ended June 30, 2010. The Attorney General's management is responsible for the schedule of revenues, expenditures, and changes in fund balances. Our responsibility is to express an opinion 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, and accordingly, included examining, on a test basis, evidence supporting the schedule of revenues, expenditures, and changes in fund balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents, in all material respects, the revenues, expenditures, and changes in fund balances of the Nebraska Department of Justice – Office of the Attorney General for the fiscal year ended June 30, 2010, based on the accounting system and procedures prescribed by the State of Nebraska Director of the Department of Administrative Services as described in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the schedule of revenues, expenditures, and changes in fund balances and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the schedule of

revenues, expenditures, and changes in fund balances 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 revenues, expenditures, and changes in fund balances or on compliance and other matters; accordingly we express no such opinions. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of management, are described in the Comments Section of the report.

This report is intended solely for the information and use of management, the Attorney General, others within the Attorney General, and the appropriate Federal and regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

Signed Original on File

April 26, 2011

Don Dunlap, CPA
Assistant Deputy Auditor

NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2010

	State General Fund 10000	Motor Vehicle Fraud Cash Fund 21110	State Settlement Cash Fund 21160	Yahoo! Settlement Cash Fund 21161	Medicaid Fraud Control Unit Cash Fund 21170
REVENUES:					
Appropriations	\$ 5,867,408	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Sales & Charges	180	107,907	688,077	-	644,810
Miscellaneous	861	299	150,150	4,595	13,975
TOTAL REVENUES	5,868,449	108,206	838,227	4,595	658,785
EXPENDITURES:					
Personal Services	4,614,844	105,196	74,032	-	160,588
Operating	1,099,593	-	177,734	34,537	16,540
Travel	140,212	-	19,327	2,142	894
Capital Outlay	12,759	-	1,139	1,994	-
Government Aid	-	-	-	-	-
TOTAL EXPENDITURES	5,867,408	105,196	272,232	38,673	178,022
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,041	3,010	565,995	(34,078)	480,763
OTHER FINANCING SOURCES (USES):					
Sales of Assets	2,343	-	-	-	-
Deposit to General Fund	(3,384)	-	-	-	-
Deposit to/from Common Fund	-	-	-	-	-
Operating Transfers In	-	-	-	-	215,000
Operating Transfers Out	-	-	(26,587)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,041)	-	(26,587)	-	215,000
Net Change in Fund Balances	-	3,010	539,408	(34,078)	695,763
FUND BALANCES, JULY 1, 2009	1,586	5,462	4,195,081	159,285	-
FUND BALANCES, JUNE 30, 2010	<u>\$ 1,586</u>	<u>\$ 8,472</u>	<u>\$ 4,734,489</u>	<u>\$ 125,207</u>	<u>\$ 695,763</u>
FUND BALANCES CONSIST OF:					
General Cash	\$ -	\$ 5,506	\$ 4,734,489	\$ 125,207	\$ 695,763
Petty Cash	300	-	-	-	-
Deposits with Vendors	1,286	19	-	-	-
Accounts Receivable Invoiced	-	-	-	-	-
Due From Other Funds	-	2,947	-	-	-
Due From Other Government	-	-	-	-	-
Due to Fund	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 1,586</u>	<u>\$ 8,472</u>	<u>\$ 4,734,489</u>	<u>\$ 125,207</u>	<u>\$ 695,763</u>

The accompanying notes are an integral part of the schedule.

(Continued)

NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2010

	Nebraska Health Care Fund 22640	Federal Letter of Credit Fund 40000	Justice Federal Fund 41110	Violence Against Women Fund 41120	One Call Federal Grant Fund 41130	DMV Highway Safety Grant Fund 41160
REVENUES:						
Appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	914,306	240,844	110,813	38,000	76,104
Sales & Charges	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL REVENUES	-	914,306	240,844	110,813	38,000	76,104
EXPENDITURES:						
Personal Services	269,131	688,681	147,580	55,771	16,467	69,860
Operating	47,539	161,990	3,030	6,592	-	1,157
Travel	33,623	56,608	20,963	7,107	-	5,601
Capital Outlay	-	7,027	1,273	-	-	-
Government Aid	-	-	-	-	-	-
TOTAL EXPENDITURES	350,293	914,306	172,846	69,470	16,467	76,618
Excess (Deficiency) of Revenues Over (Under) Expenditures	(350,293)	-	67,998	41,343	21,533	(514)
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	-	-	-	-	-
Deposit to General Fund	-	-	-	-	-	-
Deposit to/from Common Fund	(34,907)	-	-	-	-	-
Operating Transfers In	385,200	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	350,293	-	-	-	-	-
Net Change in Fund Balances	-	-	67,998	41,343	21,533	(514)
FUND BALANCES, JULY 1, 2009	-	-	24,176	15,000	153	1,282
FUND BALANCES, JUNE 30, 2010	\$ -	\$ -	\$ 92,174	\$ 56,343	\$ 21,686	\$ 768
FUND BALANCES CONSIST OF:						
General Cash	\$ -	\$ -	\$ 50,789	\$ 5,730	\$ 21,686	\$ 768
Petty Cash	-	-	-	-	-	-
Deposits with Vendors	-	-	-	-	-	-
Accounts Receivable Invoiced	-	-	44,000	50,613	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Government	-	-	332	-	-	-
Due to Fund	-	-	(2,947)	-	-	-
TOTAL FUND BALANCES	\$ -	\$ -	\$ 92,174	\$ 56,343	\$ 21,686	\$ 768

The accompanying notes are an integral part of the schedule.

(Continued)

NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2010

	Meth Grant Fund 41170	VOCA Grant Fund 41175	Justice Revolving Fund 51110	State Settlement Trust Fund 61110	State Settlement Trust Fund 61120	Totals (Memorandum Only)
REVENUES:						
Appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,867,408
Intergovernmental	(27,130)	54,000	-	-	-	1,406,937
Sales & Charges	-	-	1,023,636	271,834	342,495	3,078,939
Miscellaneous	-	-	2,553	13,801	220	186,454
TOTAL REVENUES	(27,130)	54,000	1,026,189	285,635	342,715	10,539,738
EXPENDITURES:						
Personal Services	-	-	973,596	-	-	7,175,746
Operating	-	-	28,577	-	352,952	1,930,241
Travel	119	-	4,097	-	-	290,693
Capital Outlay	-	-	-	-	-	24,192
Government Aid	-	-	-	175,000	-	175,000
TOTAL EXPENDITURES	119	-	1,006,270	175,000	352,952	9,595,872
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,249)	54,000	19,919	110,635	(10,237)	943,866
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	-	-	-	-	2,343
Deposit to General Fund	-	-	-	-	-	(3,384)
Deposit to/from Common Fund	-	-	-	-	-	(34,907)
Operating Transfers In	-	-	-	-	-	600,200
Operating Transfers Out	-	-	-	-	-	(26,587)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	537,665
Net Change in Fund Balances	(27,249)	54,000	19,919	110,635	(10,237)	1,481,531
FUND BALANCES, JULY 1, 2009	27,249	-	79,171	407,117	10,975	4,926,537
FUND BALANCES, JUNE 30, 2010	\$ -	\$ 54,000	\$ 99,090	\$ 517,752	\$ 738	\$ 6,408,068
FUND BALANCES CONSIST OF:						
General Cash	\$ -	\$ -	\$ 22,965	\$ 519,813	\$ 738	\$ 6,183,454
Petty Cash	-	-	-	-	-	300
Deposits with Vendors	-	-	-	-	-	1,305
Accounts Receivable Invoiced	-	54,000	76,125	-	-	224,738
Due From Other Funds	-	-	-	-	-	2,947
Due From Other Government	-	-	-	(1,190)	-	(858)
Due to Fund	-	-	-	(871)	-	(3,818)
TOTAL FUND BALANCES	\$ -	\$ 54,000	\$ 99,090	\$ 517,752	\$ 738	\$ 6,408,068

The accompanying notes are an integral part of the schedule.

(Concluded)

NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

NOTES TO THE SCHEDULE

For the Fiscal Year Ended June 30, 2010

1. Criteria

The accounting policies of the Nebraska Department of Justice – Office of the Attorney General (Attorney General) are on the basis of accounting as prescribed by the State of Nebraska Department of Administrative Services (DAS).

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2008), the State of Nebraska Director of the Department of Administrative Services duties 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 2008), 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 to maintain the general ledger and all detailed accounting records. Policies and procedures are detailed in the Nebraska State Accounting Manual published by DAS State Accounting Division (State Accounting) and are available to the public. The financial information used to prepare the schedule of revenues, expenditures, and changes in fund balances was obtained directly from the general ledger and fund balance information maintained on EnterpriseOne. As transactions occur, the agencies record the accounts receivables and accounts payable in the general ledger. As such, certain revenues are recorded when earned and expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows. The expenditures and related accounts payables recorded in the general ledger as of June 30, 2010, include only those payables posted in the general ledger before June 30, 2010, and not yet paid as of that date. The amount recorded as expenditures as of June 30, 2010, does not include amounts for goods and services received before June 30, 2010, which had not been posted to the general ledger as of June 30, 2010.

Other liabilities are recorded in an account titled Due to Fund for the Attorney General. The recording of this liability reduces the fund balance/equity. Liabilities for accrued payroll and compensated absences are not recorded in the general ledger.

The fund types established by the State that are used by the Attorney General are:

10000 – General Fund – accounts for activities funded by general tax dollars and related expenditures and transfers.

20000 – Cash Funds – account for revenues generated by specific activities from sources outside of State government and the expenditures directly related to the generation of the revenues. Cash funds are established by State statutes and must be used in accordance with those statutes.

NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

NOTES TO THE SCHEDULE
(Continued)

1. **Criteria** (Continued)

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

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

60000 – Trust Funds – account for assets held by the State in a trustee capacity. Expenditures are made in accordance with the terms of the trust.

The major revenue account classifications established by State Accounting used by the Attorney General are:

Appropriations – Appropriations are granted by the Legislature to make expenditures and to incur obligations. The amount of appropriations reported as revenue is the amount of expenditures.

Intergovernmental – Revenue from other governments in the form of grants, entitlements, shared revenues, payments in lieu of taxes, or reimbursements.

Sales & Charges – Income derived from compensation for services rendered, title fees, and court-ordered settlements.

Miscellaneous – Revenue from sources not covered by other major categories, such as investment income.

The major expenditure account classifications established by State Accounting used by the Attorney General are:

Personal Services – Salaries, wages, and related employee benefits provided for all persons employed by the Attorney General.

Operating – Expenditures directly related to a program's primary service activities.

Travel – All travel expenses for any state officer, employee, or member of any commission, council, committee, or board of the State.

Capital Outlay – Expenditures which result in the acquisition of or an addition to capital assets. Capital assets are resources of a long-term character, owned or held by the government.

NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

NOTES TO THE SCHEDULE

(Continued)

1. Criteria (Concluded)

Government Aid – Payment of Federal and/or State money to governmental subdivisions, State agencies, local health and welfare offices, individuals, etc., in furtherance of local activities and accomplishment of State programs.

Other significant accounting classifications and procedures established by State Accounting and used by the Attorney General include:

Assets – Resources owned or held by a government that have monetary value. Assets include cash accounts, deposits with vendors, and receivable accounts. Accounts receivable are recorded as an increase to revenues resulting in an increase to fund balance on the schedule. Cash accounts and deposits with vendors are also included in fund balance and are reported as recorded in the general ledger.

Liabilities – Legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. Accounts payable transactions are recorded as expenditures resulting in a decrease to fund balance. Other liabilities recorded in the general ledger for the Attorney General's funds at June 30, 2010, include amounts recorded in Due to Fund. The activity of this account is not recorded through revenue and expenditure accounts on the Schedule of Revenues, Expenditures, and Changes in Fund Balances.

Other Financing Sources – Operating transfers and proceeds of fixed asset dispositions.

2. Reporting Entity

The Nebraska Department of Justice – Office of the Attorney General (Attorney General) is a State agency established under and governed by the laws of the State of Nebraska. As such, the Attorney General is exempt from State and Federal income taxes. The schedule includes all funds of the Attorney General included in the general ledger.

The Attorney General is part of the primary government for the State of Nebraska.

3. Totals

The Totals "Memorandum Only" column represents an aggregation of individual account balances. The column is presented for overview informational purposes and does not present consolidated financial information because interfund balances and transactions have not been eliminated.

NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

NOTES TO THE SCHEDULE

(Continued)

4. General Cash

General cash accounts are under the control of the State Treasurer or other administrative bodies as determined by law. All cash deposited with the State Treasurer is initially maintained in a pooled cash account. On a daily basis, the State Treasurer invests cash not needed for current operations with the State's Investment Council that maintains an operating investment pool for such investments. Interest earned on those investments is allocated to funds based on their percentage of the investment pool.

5. Capital Assets

Capital assets include land, buildings, equipment, improvements to buildings, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). Under State Accounting policies, expenditures for such capital assets are not capitalized as an asset in the funds used to acquire or construct them. Rather, costs of obtaining the capital assets are reflected as expenditures in the general ledger and are reported as such on the Schedule.

However, State Accounting does adjust such expenditures and reports the capital assets as assets for the State of Nebraska in the Comprehensive Annual Financial Report (CAFR). In addition, the Attorney General takes an annual inventory and accounts for all equipment that has a cost of \$1,500 or more at the date of acquisition and all computers in the State Accounting System.

For the CAFR, the State requires the Attorney General to value all capital assets at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Generally, equipment that has a cost of \$5,000 or more at the date of acquisition and has an expected useful life of two or more years is capitalized. Depreciation expenses are reported in the CAFR in the funds used to acquire or construct them for the State of Nebraska. The cost of normal maintenance and repairs that does not add to the value of the asset or extend the asset's life is not capitalized.

Equipment is depreciated in the CAFR using the straight-line method with estimated useful lives of three to ten years.

Capital asset activity of the Attorney General recorded in the State Accounting System for the fiscal year ended June 30, 2010, was as follows:

NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

NOTES TO THE SCHEDULE
(Continued)

5. Capital Assets (Concluded)

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets				
Equipment	\$ 456,867	\$ 24,193	\$ 34,500	\$ 446,560
Less accumulated depreciation for:				
Equipment				363,882
Total capital assets, net of depreciation				\$ 82,678

6. Transfers

The Nebraska Health Care Fund 22640 is a common fund with the Department of Health and Human Services. A transfer is made each year to fund the costs of enforcement of the Tobacco Master Settlement Agreement for the Attorney General. Neb. Rev. Stat. § 81-3119 (Supp. 2009) required \$215,000 to be transferred from the Health and Human Services Cash Fund to the Medicaid Fraud Control Unit Cash Fund.

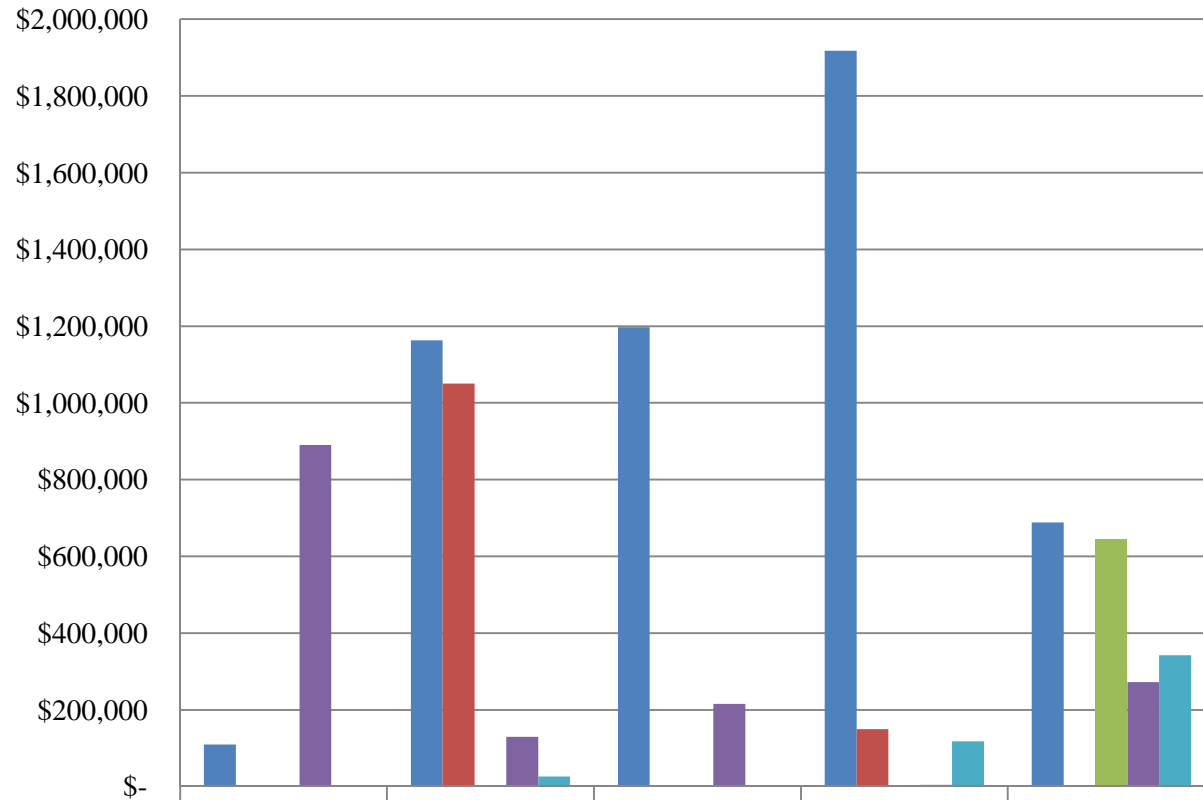
NEBRASKA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

SUPPLEMENTARY INFORMATION

Our examination was conducted for the purpose of forming an opinion on the schedule of revenues, expenditures, and changes in fund balances. 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 revenues, expenditures, and changes in fund balances, and, accordingly, we express no opinion on it.

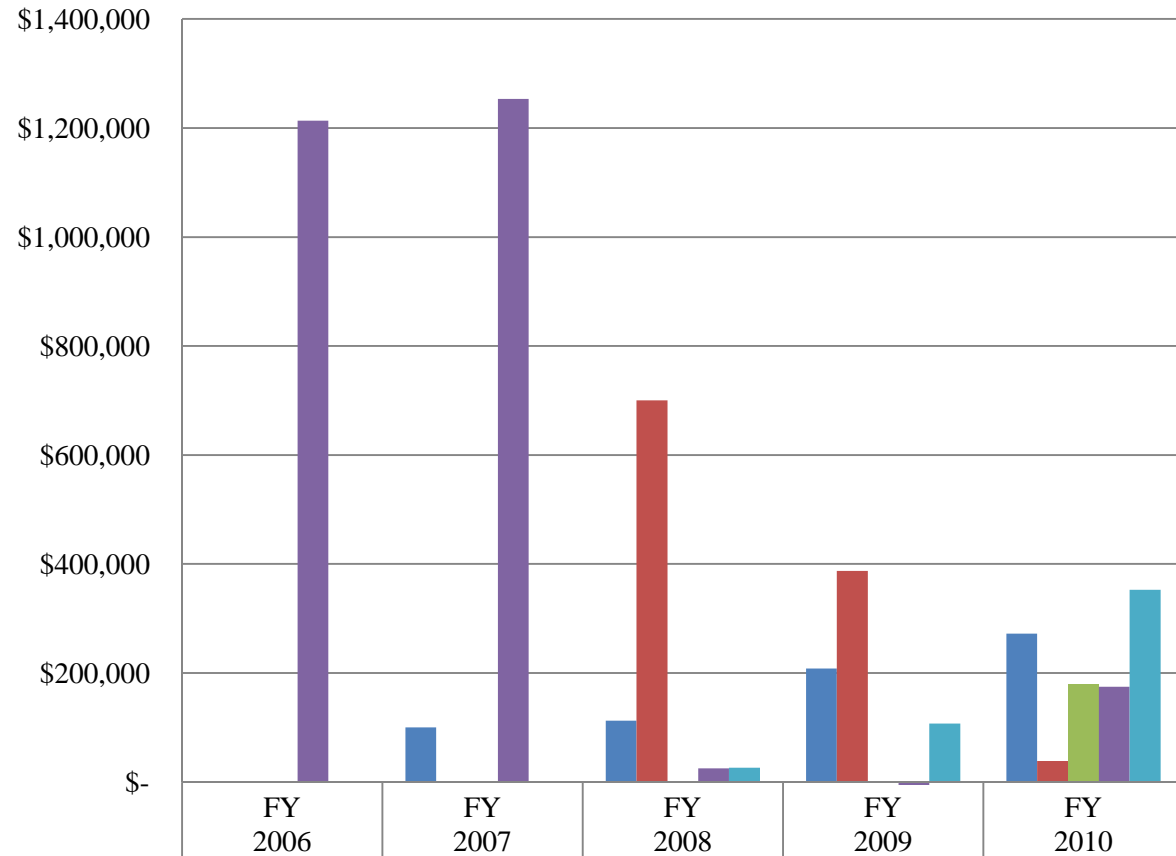
NEBRASKA DEPARTMENT OF JUSTICE - OFFICE OF THE ATTORNEY GENERAL
SETTLEMENT REVENUES

For the Fiscal Years Ended June 30, 2006 through 2010



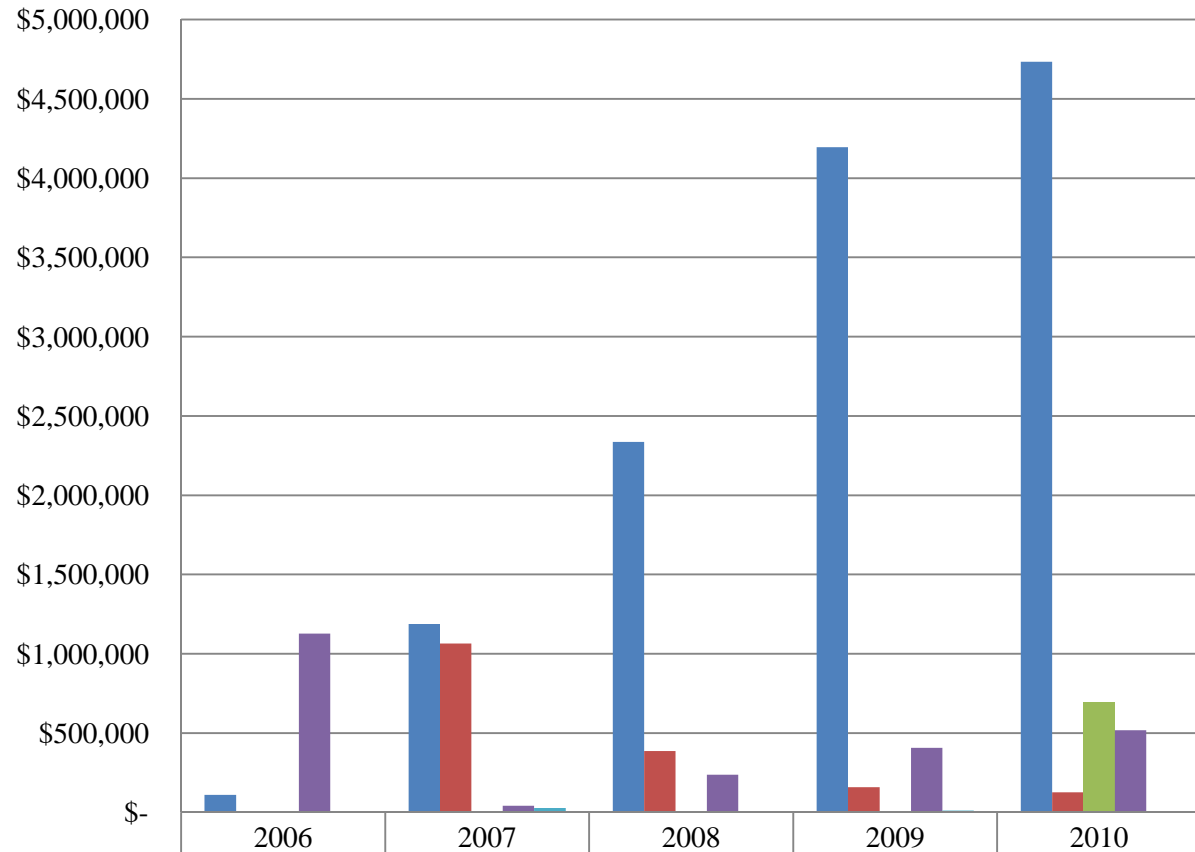
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
■ 21160 State Settlement Cash Fund	\$110,000	\$1,162,856	\$1,196,941	\$1,917,351	\$688,077
■ 21161 Yahoo! Settlement Cash Fund	\$-	\$1,050,000	\$-	\$150,000	\$-
■ 21170 Medicaid Fraud Control Unit Cash Fund	\$-	\$-	\$-	\$-	\$644,810
■ 61110 State Settlement Trust Fund	\$889,897	\$129,900	\$215,199	\$4,450	\$271,834
■ 61120 State Settlement Trust Fund	\$-	\$25,953	\$-	\$117,940	\$342,495

NEBRASKA DEPARTMENT OF JUSTICE - OFFICE OF THE ATTORNEY GENERAL
SETTLEMENT FUND EXPENDITURES
 For the Fiscal Years Ended June 30, 2006 through 2010



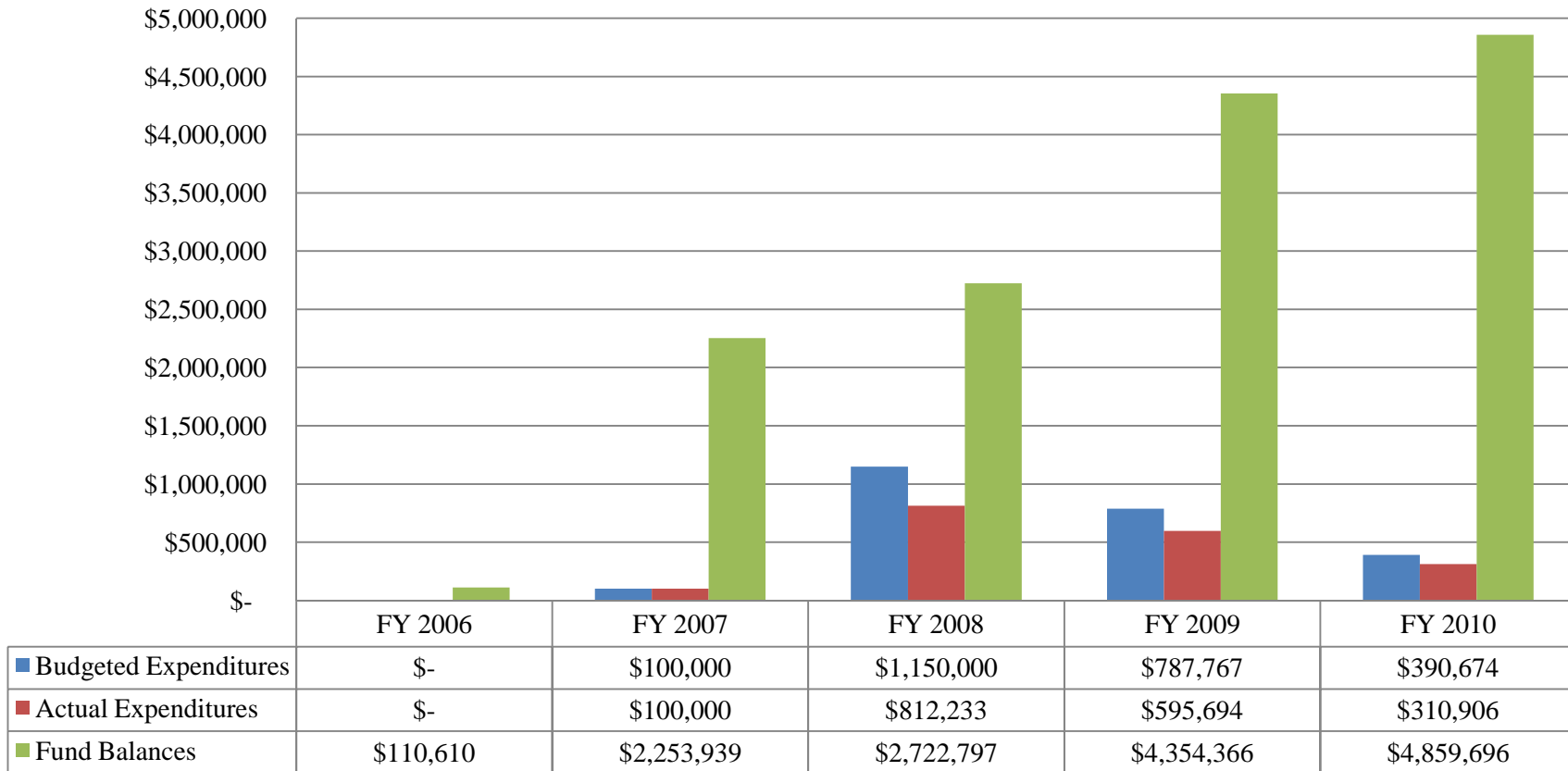
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
■ 21160 State Settlement Cash Fund	\$-	\$100,000	\$112,233	\$208,433	\$272,232
■ 21161 Yahoo! Settlement Cash Fund	\$-	\$-	\$700,000	\$387,261	\$38,673
■ 21170 Medicaid Fraud Control Unit Cash Fund	\$-	\$-	\$-	\$-	\$178,022
■ 61110 State Settlement Trust Fund	\$1,213,313	\$1,253,655	\$25,024	\$(150,000)	\$175,000
■ 61120 State Settlement Trust Fund	\$-	\$-	\$25,953	\$107,483	\$352,952

NEBRASKA DEPARTMENT OF JUSTICE - OFFICE OF THE ATTORNEY GENERAL
SETTLEMENT FUND BALANCES
 As of June 30, 2006 through 2010



	2006	2007	2008	2009	2010
■ 21160 State Settlement Cash Fund	\$110,610	\$1,188,802	\$2,335,373	\$4,195,081	\$4,734,489
■ 21161 Yahoo! Settlement Cash Fund	\$-	\$1,065,137	\$387,424	\$159,285	\$125,207
■ 21170 Medicaid Fraud Control Unit Cash Fund	\$-	\$-	\$-	\$-	\$695,763
■ 61110 State Settlement Trust Fund	\$1,127,005	\$42,163	\$237,134	\$407,117	\$517,752
■ 61120 State Settlement Trust Fund	\$-	\$28,035	\$2	\$10,975	\$738

NEBRASKA DEPARTMENT OF JUSTICE - OFFICE OF THE ATTORNEY GENERAL
PROGRAM 290 - STATE SETTLEMENT FUNDS
BUDGETED EXPENDITURES, ACTUAL EXPENDITURES, AND FUND BALANCES - CASH FUNDS ONLY
 For the Fiscal Years Ended June 30, 2006 through 2010



Source: State of Nebraska Annual Budgetary Report for the Fiscal Years Ended June 30, 2006 through 2010 from the following website:
www.das.state.ne.us/accounting/budrept/contents.htm

Note 1: Amount shown for budgeted expenditures and actual expenditures represents only the cash fund budgeted and actual expenditures.

Note 2: Fund balance consists of Fund 21160 - State Settlement Cash Fund and Fund 21161 - Yahoo! Settlement Cash Fund