

***Audit of DHS**

(Continued from page 1.)
flowing through state agencies.

The audit of DHS showed massive sums were funneled to grantees like the Mississippi Community Education Center (MCEC) and the Family Resource Center of North Mississippi (FRC), two non-profits. Those grantees were given over \$98 million in DHS grants over the last three years, mostly from the program Temporary Assistance for Needy Families (TANF).

The audit's formal finding is that over \$94 million of that grant money has been "questioned," meaning auditors either saw clear mispending or could not verify the money had been lawfully spent. Examples of questioned spending included:

- MCEC and FRC used TANF money to hire lobbyists with TANF money, which is unallowable, often with no paperwork describing the work the lobbyists were hired to do.
- MCEC awarded contracts to and hired former DHS Director John Davis's family members, sometimes paying them up front in lump sums.
- MCEC and FRC paid large sums to wrestlers Ted Dibiasse, Ted Dibiasse, Jr., and Brett Dibiasse for work that was not performed, for unreasonable travel costs, or with little proof the programs helped the needy.
- MCEC and FRC used TANF money to fund religious concerts with no proof they benefitted the needy.
- MCEC made multiple donations with TANF money—like donations to the

American Heart Association, the Mississippi Highway Patrol, booster clubs, pageants, universities—and provided no proof the donations were used to help the needy. FRC also made unallowable donations.

Among the grantees, MCEC was particularly dependent on TANF funding and engaged in extensive misspending. From 2016 to 2019, MCEC was given over \$60 million in grants from DHS, while raising just under \$1.6 million from other sources. Examples of questioned spending at MCEC included:

- MCEC paid Victory Sports Foundation TANF money for fitness programs for Mississippi legislators and other elected officials/staffers at no charge.
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- MCEC purchased three vehicles with grant funds, each for over \$50,000, for Nancy New (Director of MCEC), Zach New, and Jess New. MCEC also paid salaries, cell phone bills, and other costs for a variety of members of the New family.
- MCEC made many unallowable sports-related expenditures—like sponsoring a college baseball tournament—for services that could not be proven to ben-

efit the needy. Some sports-related spending was for services that were not actually performed.

- MCEC transferred over \$6 million to a private school and organization owned by Nancy New and also purchased curricula and supplies with TANF funds for the school.
- MCEC paid a speeding ticket for Nancy New with TANF funds.
- MCEC issued a \$3,000 check to the bookkeeper of MCEC with a handwritten note saying the payment was actually for John Davis.
- MCEC paid a variety of consultants, including Jess New, for no clear deliverables or where there was no proof the spending met TANF requirements.
- Zach New took a loan out against his MCEC retirement plan and repaid the loan with TANF money.
- MCEC paid for extensive unallowable advertising, like using TANF money to advertise at the NCAA basketball tournament and a college football bowl game. TANF money was also used to purchase tickets to a college football game.
- MCEC paid excessive rent well above market value to a holding company owned

by Zach and Nancy New. Sometimes the rent paid for spaces that were not used for TANF-related purposes.

The unallowable spending was achieved through a variety of improper activities, like: DHS Director Davis limiting monitoring of subgrantees; subgrantees providing summaries of expenditures that did not match actual expenditures; a limited or nonexistent RFP process for selecting subgrantees; fraudulent accounting entries that misstate actual payees; a failure by DHS staff to report obviously improper transactions to law enforcement; and others. Auditors have recommended current DHS leadership take steps to remedy these problems. "DHS staff should immediately move to seize any property that was purchased by grantees with taxpayer money, as that property belongs to the taxpayers," said White. "That property does not belong to the Auditor's office, so we cannot do this for them, but it should be marked as DHS property, and DHS should use their legal authority and move quickly to seize it." The audit also suggested DHS conduct an internal investigation into current and

former DHS staff who may have played a role in the fraud.

"Thank you to our team of professional auditors for their incredible work," said White. "The doggedness and attention to detail shown by Stephanie Palmertree, Michael Torres, Jason Ashley, and their team of CPAs led to this critical report. Their work is the first step to restoring public trust in DHS." The Single Audit report is now forwarded to the federal government, who will determine the consequences for DHS. Those consequences could include cuts to future grants from the federal government or penalties. While this Single Audit report concluded the Auditor's office's audit of DHS, the criminal investigation of this matter by the Auditor's office and federal authorities continues. "This audit should be a wake-up call to everyone in government. The old way of doing things, where you do whatever your boss or a person who controls a lot of money tells you to do, or you ignore the law around how to spend money because you think no one is looking—those days are over," said White.

Attorney General Fitch files amicus curiae against Jackson firearm ban

Press Release
Attorney General Lynn Fitch filed an *amicus curiae*, or friend of the court brief, in federal court on April 30, reaffirming our constitutional right to bear arms, supporting our State laws that protect that right, and seeking to overturn Jackson's unlawful order.

rights and defend our laws." General Fitch wrote Jackson Mayor Chokwe Antar Lumumba on Sunday, April 26, demanding that he revoke his order, noting he had no authority to issue it in the first place. General Fitch's brief excerpts include:

- "It is difficult to imagine a more blatant disregard for constitutional freedoms and the right to possess a firearm, guaranteed by the United States and Mississippi Constitutions."
- "The right to openly carry is fundamental. The City's wholesale ban on this conduct severely - completely - burdens this fundamental right."
- "[G]iven the Mayor's long-standing and well-documented opposition to Mississippians right to open carry, it is abundantly clear that the order serves as a pretext to achieve a goal he has sought for years, a repeal of the right to open carry. The Order exploits a global health crisis to advance a policy goal that is unauthorized by law. It cannot stand."

CROSSWORD PUZZLE

- ACROSS**
- 1) Audio cassettes, e.g.
 - 6) Christmas tree topper
 - 10) On tenterhooks
 - 14) Plant used to make tequila
 - 15) Super-duper
 - 16) City in New York
 - 17) Conundrum
 - 18) "Pro" follower
 - 19) Constrictor snakes
 - 20) Retail perk
 - 23) It can be inflated
 - 25) Susan of "The Partridge Family"
 - 26) Sudden attack
 - 27) Room under a gable
 - 30) Batman and Robin, e.g.
 - 31) Internet letters
 - 32) "Don't forget about me"
 - 34) "No ifs, ___ ..."
 - 38) Willing to do anything for success
 - 41) Arborist's concern
 - 42) Affectedly creative
 - 43) Artist Matisse
 - 44) Cloak-and-dagger org.
 - 45) Staggered drunkenly
 - 46) Comedian Tracey
 - 50) Asian language
 - 52) Hot temper
 - 53) Where to get the best deals?
 - 57) Tolkien creatures
 - 58) Ballpark figures?
 - 59) Boxing matches
 - 62) Top guns, in the air
 - 63) "Laura" director Preminger
 - 64) Small fishing net
 - 65) He and she
 - 66) Astute
 - 67) Nonsensical

- DOWN**
- 1) Dancing specialty
 - 2) "Fourscore and seven years ___ ..."
 - 3) Country music?
 - 4) "... happily ___ after"
 - 5) "Buona ___" (Italian greeting)
 - 6) Draped dress (Var.)
 - 7) Sycophant
 - 8) Not for
 - 9) Take on again
 - 10) Ann ___, Mich.
 - 11) See socially (with "with")
 - 12) Certain Arab
 - 13) "Beau ___"
 - 21) Banned bug killer
 - 22) Whisper sweet nothings
 - 23) Cast out
 - 24) Xbox enthusiast
 - 28) Rub the wrong way
 - 29) Inventor Whitney
 - 30) Say it ain't so
 - 32) Indian tourist stop
 - 33) On a lucky streak
 - 34) Between ports
 - 35) Not able to be seen
 - 36) Engraver Albrecht
 - 37) It has a ladder on a playground
 - 39) Soft, lightweight muslin
 - 40) Ship personification
 - 44) One for the road
 - 45) Certain frying pan
 - 46) Depth charge target
 - 47) "The Addams Family" butler
 - 48) French high school
 - 49) Like many kids' rooms
 - 50) Caffe ___
 - 51) Burning crime
 - 54) Remote option
 - 55) Tends toward low tide
 - 56) Spelling on screen
 - 60) "Shop ___ you drop"
 - 61) Like some grins



Bridal Registry
Laura Beth Kolb
Taylor Burrell
May 9
Howell & Heggie Drug Co.
389 N. W. Depot St.
Durant
662-653-6441

Send in your news!

The Holmes County Herald welcomes reader submissions for news, events and photos for publication in our weekly newspaper. To submit items, email to: hcherald@gmail.com

Please include all pertinent details, dates, location, name of the event or occasion, all associated people, organizations or groups, reason for event or occasion and **NAMES OF ALL PEOPLE PICTURED IN ANY PHOTOGRAPH.**

We look forward to hearing from you!
-Holmes County Herald Staff

DEAL! By Kyle H. Gray

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