



STATE OF MISSISSIPPI  
Phil Bryant, Governor  
DEPARTMENT OF HUMAN SERVICES  
Christopher Freeze  
Executive Director

September 6, 2019

Mississippi Community Education Center  
Dr. Nancy New, Executive Director  
2525 Lakeward Dr., Suite 200  
Jackson, MS 39216

VIA ELECTRONIC MAIL

Dear Dr. New,

This letter is in response to your request for additional funds for several purchases and/or contracts which MCEC entered into for commodities or services. We understand from your prior electronic communications you are stating MCEC incurred these costs at the direction of former Executive Director John Davis.

In an email dated August 30, 2019, MDHS advised we could add the following items to your TANF subgrant based on information and documentation provided to MDHS:

- Two payments of \$500,000.00 requested by Family Resource Center
- One payment of \$52,000.00 for Rick Rigsby
- One payment of \$35,000.00 for Friendship Connection

In addition, MDHS is adding to your TANF subgrant \$85,992 related to the lease at Oakley Youth Development Center.

Further, we advised the additional \$804,213.10 requested as additional payment to KLLM for amounts above the allowable cost of \$4,000.00 per student was not allowed according to federal regulations, specifically 2 CFR 200.400-405. MDHS does not have and has never had the authority to circumvent federal regulations or instruction with federal funds nor do we have the authority to instruct subgrantees to do so.



200 South Lamar St.  
Jackson, Mississippi 39205  
Phone 601-359-4500  
www.mdhs.state.ms.us




To ensure we have specifically asked for all documentation which may exist, MDHS is requesting any and all documentation of the procurement of the items purchased and/or the contract awarded according to Section 6, Procurement and Purchasing, of the MDHS Subgrant/Agreement Manual. Regardless of whether or not John Davis wanted you to lease or purchase these items, he cannot authorize subgrantees to enter into contracts or to purchase commodities outside of the requirements of federal procurement regulations at 2 CFR 200.317-326.

Specifically, please provide a copy of any quotes which were obtained for any purchases under \$50,000.00 or any legal notices and proof of publication and bids obtained for purchases over \$50,000.00, to include the requests for reimbursement for Cirlot and City Centre.

MDHS will review any further documentation that is provided and consider payment for such items as is warranted.

Sincerely,

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Christopher Froeze  
Executive Director