



Rotary
Club of Jackson,
Mississippi



Rotagram

December 9, 2024

The Rotary Club of Jackson welcomed Mississippi State Auditor Shad White. His presentation was titled “Project Momentum: Reducing Waste and Increasing Efficiency in State Government.”



L to R: Honorary Host Ashby Foote - Ward 1 Jackson City Councilman; Mississippi State Auditor Shad White; President Phillip Carpenter – Rotary President; Owner, Carpenter Properties; and Gerard Gibert - Host of MidDays with Gerard Gibert at SuperTalk Mississippi

**President Phillip Carpenter welcomed Rotarians and guests.
He also led the Club in the Four Way Test.**

Sandra Shelson, Executive Director of The Partnership for a Healthy Mississippi, delivered the Invocation.

Ted Jackson led club members in the Pledge of Allegiance.

Mark Saxon, Rotary Foundation Chair, First Commercial Bank, Senior Vice President (Retired), introduced guests.

- **Jacob Walters**, Communications Director, State Auditor's Office

Rotarian Seth Dickinson's Guest:

- **Rob Pillow**, Government Affairs Director, MS Association of Realtors

SLATE OF OFFICERS VOTE:

Past President Tom Johnson, Nominating Committee Chair, presented the Rotary Club Nomination Committee's slate of officers.

Board of Directors Nominees:

- Deonte Oscar
- Gerard Gibert
- Michael Van Velkinburgh
- Tom Johnson (it is customary for a past president to serve on the Board)

Officer Nominees:

- Richard Wilbourn – President-Elect
- Amanda Fontaine – President-Elect Nominee
- Lee Bush – President Elect Nominee (next in line of succession)

The membership approved the slate of officers as presented.

ANNOUNCEMENTS:

Christmas Lunch

On Monday, December 16, we will celebrate the Holiday Season with a special lunch here at River Hills.

An email with a **Registration Link** was sent (if you didn't receive it, please let Becky Redd know.)

- You have three entrée options to choose from

- Rotarians will incur no additional costs for this lunch.
- Spouses, partners, or guests are welcome to join for \$25.00 per person.

Rotary Club of Jackson members must RSVP no later than December 11.

We Need To Verify Some Information

Please help us update and maintain our records by verifying that your account information is accurate.

An email was sent last week:

- If everything is correct, please let us know by clicking the “Information Verified” button at the bottom of the email.
- If something is incorrect, please click the “Edit Information” button and update your information in DACdb.

Let Becky know if you are having problems making changes.

BIRTHDAYS:

Bill Cook, III	December 6
George Gammon, III	December 7
Al Underwood	December 7
Michael Booker	December 9
David Raddin	December 9
Jared Davis	December 18
Walter Michel	December 30
Richard McRae, Jr.	December 31

MEMBER ANNIVERSARIES:

David & Lyn McMillin	39 years
Michael & Brenda Van Velkinburgh	20 years

ROTARY JOIN DATES:

John Louis	35 years
Ted Jackson	29 years
Dent Anglin	25 years
Nancy Lane	25 years
Ashby Foote, III	14 years

William Smith, Jr.	12 years
Christopher Walters	15 years

Please join us on Monday, January 6, 2025, when we welcome our guest speaker, **FBI Special Agent Molly Blythe**. The title of her presentation is “Combating Human Trafficking in Mississippi.”

Gerard Gibert introduced Mississippi State Auditor Shad White.

Auditor White started his presentation with his background. He grew up in Sandersville, MS, a small town of 700 in Jones County. His dad was an oil field pumper, and so was his grandfather. Once a week, his dad would come in from the oil field, wash the dirt and oil off, eat dinner, and then go to the City Hall, where he was an Alderman. He assumed that everybody had a parent who did that growing up. Later, he realized that this was just something his dad did.

When Auditor White was in middle school, he asked his dad why. He said he did it because he wanted to make his community better and because he wanted Shad to know that everybody is responsible for giving back to their community and doing some service.

For some of us, it’s being in a civic organization, being involved in church, or running for office.

Auditor White said he is grateful to everyone for giving him this job because it gives him a chance to serve every day and do what his dad challenged him to do.

His dad is still an oilfield pumper but is now the mayor of the little town he grew up in. He believes he is the president of the United States. He has a beat-up F-150 that he calls Air Force One.

His father’s message still sticks with him: service is essential.

Auditor White said being a state auditor is not always easy daily and gave us an example:

Most of us know they had a big case a few years ago.

The largest case they have had in his time as state auditor. It is the welfare scandal where it was discovered that about \$100 million of welfare funds had been misspent. Several people have now pleaded guilty to either state or federal charges for their role.

In 2019, they discovered this potential fraud scheme, investigated it, and took the case to a prosecutor.

In February 2020, the prosecutor charged six individuals with a crime. Agents in the auditor's office made the arrests, effectively stopping that fraud scheme. They made the arrests in the middle of the week, and then he was at church getting ready to leave when a woman in the pew in front of him turned and asked if he was Shad White. When he affirmed that he was, she stated that he was the state auditor and had arrested all those people earlier in the week. Shad told her his office agents arrested six individuals who were being investigated in the welfare case. She replied she knew some of those people and that he was wrong and should be ashamed of himself before walking off.

He went home, thought about it, and realized his job was not to be concerned about whether or not anyone got mad over the stuff his office was doing. His job is to do it the right way, follow the law every single time, and look out for the broader interest of all of us, the taxpayers, because they are the ones who put tax dollars into the system, which pays for all of those welfare benefits that eventually got lost.

As difficult as that one interaction was, it showed him the important truth about this job and being an elected official. It made his skin much thicker and made him realize that taxpayers hired him to do this job and deserve to know the truth about what happened to their money—even if it makes some folks mad, or even if it makes an influential person mad, or, heaven forbid, even if it makes a celebrity mad. His job is to do the right thing and follow the law daily.

There are 134 people in the auditor's office, men and women, who believe the same thing. That's why they have recovered about \$75 million over the past six years, more money than in any other six-year period in the auditor's office's history. They're the ones doing the hard work every single day.

So, on their behalf, Auditor White thanked us for letting them do this job for all of us. Coming through all that and believing that they need to do their jobs even when difficult allows them to ask even more challenging questions about how money is being spent, even if it ruffles a few feathers.

Sometimes, when they do these audits or analyses of how the money is being spent, it doesn't show them it is being stolen. Sometimes, it just shows that the money is being wasted or spent inefficiently or in a way that doesn't make good common sense.

Auditor White gave an example: A few years ago, they performed an audit and started looking at Medicaid. They wanted to compare the amount people made when they applied for Medicaid to the amount they made when filing their state income tax returns.

Nobody would be dumb enough to tell Medicaid they'd only made \$3000 last year and then put on their state income tax return that they made \$300,000 last year, right? As it turns out, about 5% to 7% of people are dumb enough to do that.

In a given year, that's somewhere between \$60 and \$144 million of your money going out the door to pay for healthcare for people who aren't eligible to be on the program or look to be ineligible for the program.

So, back up a little bit. When the auditor's office began this audit process, a staffer in the auditor's office said, "Shad, we can't do this; we can't do the audit." He asked her to tell him why. She said, "It would be challenging. The first big problem is getting the legislature to issue a statute allowing us to examine these state income tax returns. The second big problem is if we get the state law changed and find people cheating the system, everyone will be mad at you. They will say you're the biggest, meanest state auditor."

He replied that this would be hard, and they'd say mean things. Those are not good reasons to avoid this audit; we needed to do it.

The statute was changed, so they were able to do this audit and get clear, good results. However, people did say mean things about him. It was a big story in the Clarion-ledger, saying Shad White hates poor people and is as mean as he can be.

This audit was to ensure that only poor people were on the program.

They found a couple living in a 7,000-square-foot home valued at over \$1.3 million. They owned over 40 LLCs, and taxpayers were paying for their Medicaid and healthcare, and they were ineligible. Of course, federal prosecutors got after them. Not long after that, they had to pay the money back.

That's the kind of thing they were trying to stop.

The state auditor's office continued to investigate and found that over 200 people were deceased, but taxpayers were still paying a large corporation for their healthcare. The point is that they investigate and find instances of waste and abuse of taxpayer money.

Another example is cell phones for state employees. They found that Mississippi spends about \$340,000 annually on cell phones that are never turned on in a typical year. They're used for 0 minutes or less than 50 minutes per month. That's spending that defies all common sense.

They investigated some state agencies and found they bought TV screens for \$5,800 each. The federal government even gets the same TV screens for about \$1000. So, as wasteful as you think the federal government is, sometimes our state agencies, unfortunately, are even more wasteful than that.

The State Auditor's office found that Mississippi pays more to insure our state office buildings than Florida pays to insure its state office buildings. Now, Florida is a more significant state. They have more property. They also get hit by hurricanes. So, you would expect their insurance to be pretty pricey, yet they spend less than our state. Auditor White says it can be frustrating sometimes to be a state auditor because he's not allowed to change anything. They think of themselves as flashlights. They highlight problems, but the legislature or agency heads must fix them.

Mississippi has spent so much money on our K12 education system, with a higher percentage of our K12 budget on administrative costs than every other state in the South. That means the money goes outside the classroom and not inside the school to teacher salaries, classroom supplies, and the stuff that actually matters for students and pushes these students forward. Our state still has some of the lowest-paid school teachers.

Audit White said we've made much progress over the last 50 years but still have serious challenges. Mississippi still has the country's highest percentage of children born to single-parent families. Kids born into that environment are 20 times more likely to go to prison. They're nine times less likely to finish high school. They're five times more likely to end up in poverty. Many wonder why our state is still number one in poverty and why our state is still number one in per capita imprisonment.

Auditor White ended his presentation by saying he wants to leave his children in a state that achieves the potential everyone knows it has. He thanked us for giving him the chance to serve all of us and for allowing him to work to make our community and our state better and safer.

More Photos



Seth Dickinson and his guest, Rob Pillow



Past District Governor, Amanda Fontaine