



Credit: Photo Illustration by Zack Orsborn

THE BACKCHANNEL

# Family first: Gov. Phil Bryant turned to welfare officials to rescue troubled nephew

*While Gov. Phil Bryant set policies making it harder for welfare dollars to meet the actual needs of poor Mississippians, he pulled strings so his great-nephew could get special attention from the welfare agency. The state contractor who profited from the program had all the reason to help.*

by **Anna Wolfe**  
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Noah McRae was the kind of kid who, if you said the sky is blue, would argue it is red until he was ready to fight.

Growing up in the Jackson suburbs, McRae had problems with authority and his temper. His parents divorced. He bounced from school to school, and he eventually started using drugs.

But he had at least one thing going for him that other young men didn't: His great-uncle is Phil Bryant, Mississippi's governor from 2012 to 2020.

And the governor had two things: A friend named Nancy New and a welfare department with millions in flexible cash and free rein to hire whomever it wanted. Both came in handy when McRae needed some help.

Bryant's subordinates and friends helped McRae secure a spot at an exclusive school, a job after he was expelled and specialized supervision.

And according to records recently obtained by Mississippi Today, federal investigators have been told New even paid for McRae to go to rehab.

**A**n early assist came when McRae was having difficulty in school. His family eventually linked up with Nancy New's private New Summit School in Jackson. New was a **campaign contributor** to Phil Bryant and worked closely with his wife, Deborah, the sister of McRae's grandmother.

Bryant **had previously praised New's private school district**. He said it was an example of what public schools should look like.

Mississippi's current governor Tate Reeves even used the Jackson school as a film location for his **campaign advertisement**, which aired in 2019 while New was under state investigation for fraud and theft related to the massive contracts her nonprofit received from the welfare department under Bryant's administration.

Agents from the state auditor's office arrested New, her son Zach New and Bryant's former welfare director John Davis in early 2020 in what officials have called the largest public embezzlement scheme in state history. Each of them pleaded not guilty and still await trial while the governor, despite his involvement with the players in the case, appears to have coasted.

But at the time, New was well-known in political circles. Prominent state figures touted her school for its work in educating children with intellectual disabilities and for taking students with behavioral problems.

McRae had been diagnosed with ADD, anxiety and a visual processing disorder called Irlen Syndrome, according to court documents, so his family felt fortunate that he landed a spot at the school.

“The governor pulled strings to get him in there,” said Darin Cooper, McRae’s stepfather.

Because of Noah McRae’s relationship to the governor, Cooper said the family paid a discounted tuition at New Summit.

It didn’t work out as hoped, but McRae still managed to get a safety net.

“He got expelled from there,” Cooper said, and then the school “turned around and hired him as a groundskeeper.”



The New Summit School in Jackson, formerly run by Nancy New and her son Zach New. Both were arrested in 2020 on charges they allegedly stole \$4 million in Mississippi welfare dollars. Credit: Vickie D. King/Mississippi Today

Things were not quite what they seemed at the school, either. Federal prosecutors say that for four years the News **filed fraudulent claims to illegally collect millions** in public school dollars typically reserved for kids who have mental health disorders and need hospitalization. Nancy and Zach New also pleaded not guilty and still await trial in that separate federal case.

Cooper said the family believes McRae was one of the students whose names the News used to draw down the funds.

“We had a lot of hope in that school,” Cooper said. “It was real big for the family when he got admitted to that school. They were promising to fix everything, you know, and turn him around.”

McRae never made it past 10th grade. Shortly after in April of 2017, police in neighboring Madison **arrested the 18-year-old McRae** after he and his friends broke into several vehicles, stealing guns and other items.

McRae pleaded guilty in June of 2017 to three counts of auto burglary, according to the court file obtained by Mississippi Today. McRae agreed to be a sheriff's trusty, which kept him out of the penitentiary. But after just shy of a year, officials terminated him from the program for cause. He sat in jail for five months until his sentencing. By then, he'd been locked up for about a year-and-a-half.

Madison County Circuit Court Judge Steve Ratcliff sentenced McRae to seven years in prison, four years suspended, meaning he only had to serve three years. With credit for the 18 months he had already been incarcerated, McRae had served half of his sentence and was parole eligible. The Mississippi Department of Corrections released him about a month later.

A few weeks after leaving prison, New's nonprofit began paying the 19-year-old small, sporadic payments, records obtained by Mississippi Today show. He was paid under a welfare-funded program called Families First for Mississippi, according to the ledger of purchases.

While New's nonprofit claimed to provide reentry services to people leaving the correctional system, New **stressed to Mississippi Today in 2018** that Families First did not provide direct assistance to clients.

So it's not clear what McRae may have been doing in exchange for the payments, but it wasn't long until an exchange of text messages indicated that something was amiss with the young man. State employed welfare officials were spending work hours trying to keep an eye on him.



Credit: Graphic by Bethany Atkinson

**E**ventually, Gov. Bryant would take concerns about McRae to his appointed welfare director John Davis, according to text messages Mississippi Today obtained and have reprinted here as they appear without correction.

“The boy needs help quickly or he is going to fall badly. Thanks for all your have done,” Bryant said in a text to Davis on April 1, 2019.

The request brought the combined resources and interests of the state’s welfare department and New’s nonprofit together for another attempt to help McRae. It’s unclear how far that help went.

“I’m sure I told John at some point, ‘This is a tragedy and we’re worried about his health,’ and John would have said, ‘Let me help you with him,’” Bryant said in a recent interview with Mississippi Today when asked about the connection between McRae and the welfare agency.

According to the texts, Bryant was specifically asking Davis for information about how to get his great-nephew into a treatment program, but an individual with close ties to the welfare scandal says McRae received much more than a referral.



Former Gov. Phil Bryant

In a transcript from a 2021 interview with federal investigators, the person told agents that New said she paid for McRae to go to rehab.

Bryant told Mississippi Today in a recent interview that he did not recall New paying for his great-nephew to go to rehab, but that he felt it might be an appropriate use of her resources.

“I don’t know all the guidelines, but for an agency that works with the Department of Human Services and I don’t remember her doing it, but saying, ‘We think we can pay for a rehab of this very fragile, indigent child. We think that’s the right thing to do,’ would not have shocked me,” Bryant said. “I would not have said, ‘Whoa, wait a minute, let me go read the code books and make sure we can do all of that.’”

Investigators did not immediately ask follow-up questions about the alleged payment, moving on to other topics, according to the transcript. The interviewee said they didn’t know which facility McRae went to, but that he was in treatment around the same time that New and Davis allegedly sent professional wrestler Brett DiBiase to a luxury rehab clinic on the taxpayer’s dime. That began in February 2019. DiBiase pleaded guilty to defrauding the state – collecting money for work he didn’t do while he was in rehab – in December 2020.

New had a strong motivation to keep Bryant and Davis happy. Under the two men's leadership, the Mississippi Department of Human Services had started funneling tens of millions from the federal welfare program called Temporary Assistance for Needy Families to New's nonprofit through a no-bid contract.

The idea was for her nonprofit, Mississippi Community Education Center, to run a state-sanctioned initiative called Families First for Mississippi, which Gov. Bryant frequently touted as part of his plan to help poor people get off welfare. Bryant has not been accused of misconduct and has denied any wrongdoing.

**D**rug rehab payments have played a key role in the welfare scandal.

It has been widely reported that Families First paid the \$160,000 tab for retired wrestler Brett DiBiase to stay four months at the Rise in Malibu, Calif., which bills itself as a luxury rehab center with "private en suite rooms, majestic ocean views, world-class treatment and luxurious accommodations." Prosecutors say the payments were made using welfare funds.

Brett DiBiase is the son of Ted DiBiase Sr., who WWE fans know as "The Million Dollar Man." The dad also received welfare funding in his role as a Christian minister. Brett DiBiase was one of six people arrested in the welfare fraud case, and he's since flipped to aid the prosecution.

Jackson attorney Scott Gilbert, who represented McRae in his 2017 car burglary case, currently represents the other son, Ted "Teddy" DiBiase Jr., another character in the scandal who received more than \$3 million in federal funding to make motivational presentations to welfare department staffers and other state employees. Gilbert said his office does not comment on their client representation.

In the indictment against Davis, prosecutors allege the welfare director conspired with New to use the taxpayer money her nonprofit received to pay for Brett DiBiase's drug treatment in Malibu.



John Davis, former director of the Mississippi Department of Human Services

States are **allowed to use some** Temporary Assistance for Needy Families funding **to pay for** substance abuse treatment for needy, qualified residents, a progressive policy focused on meeting the actual needs of families.

But in Families First's many million-dollar promotional campaigns, brochures and thousands of dollars worth of spots on radio stations, the program did not advertise that families could receive drug treatment through the program.

In fact, Bryant previously signed and publicly lauded a new law that requires applicants and recipients of Temporary Assistance for Needy Families to take drug screenings and tests or face rejection from the program. The policy became a significant barrier to eligibility, even for people who don't abuse substances, because applicants must find transportation to the testing clinic.

These days, Bryant is a spokesman for local rehab facility [Mercy House Adult & Teen Challenge](#), part of a national Christian program that has [received scrutiny recently](#) for imposing harsh discipline and forcing residents into unpaid labor.

**T**hroughout January and February of 2019, Mississippi Community Education Center paid Noah McRae several small, sporadic payments totaling about \$1,500, ledgers obtained by Mississippi Today show. Officials have told Mississippi Today that these ledgers likely contain errors and omissions, especially since nonprofit officials had been transferring funds between several different bank accounts.

Under the Families First program, it was common for employees to appear as if they were working for the Mississippi Department of Human Services but receive their paycheck from the nonprofit, whose expenses were shielded from public view.

By March, McRae had stopped receiving funds from Families First, according to the ledger, but Davis and his communications director Lynne Myers were still discussing McRae as if he were a rogue agency employee.

"I'm needing your direction on how you would like me to handle Noah," Myers messaged Davis in early March. "He has not been at work since last Wednesday ... He hasn't shown up at all this week and I can't get him on his cell. How would you like me to proceed?"

It's unclear what position McRae may have held at the nonprofit or welfare department or what qualifications he possessed for the job. Current MDHS leadership says there is no record of McRae's employment at the agency.

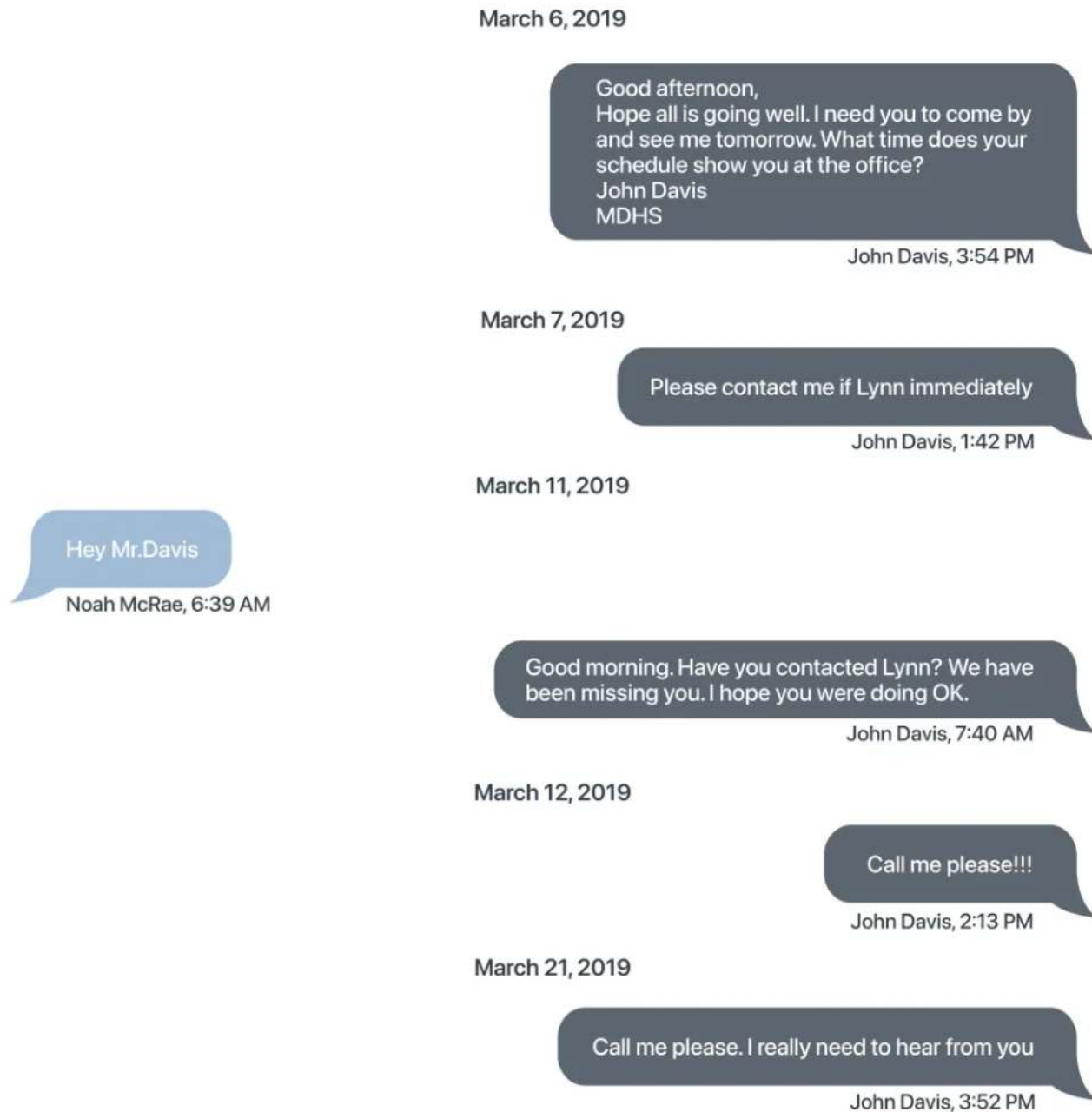
In the weeks after Myers reached out, Davis sent McRae several text messages asking the governor's great-nephew to meet with him or call him. It's unclear why the director would have had a direct line to a Families First client or employee, let alone one at McRae's level, as that kind of exchange was not common.



Nancy New, founder of Mississippi Community Education Center and owner of New Summit School



When asked why welfare officials would have been texting with McRae, Bryant responded, “because he was my great-nephew.”



Credit: Graphic by Bethany Atkinson

Finally, Nancy New chimed in. In late March 2019, New messaged Davis and Myers, “I have an update on Noah McRae.”

“Is he okay?” Myers responded.

No texts on the group chat follow.

Less than a week later, Gov. Bryant himself messaged Davis about his great-nephew.

“Would you have a number for David at Region 8. Trying to get Noah into a treatment program,” Bryant wrote on April 1. “The boy needs help quickly or he is going to fall badly. Thanks for all you have done. He has to do some of this on his own but David can tell us what he thinks is best for him.”

David Van is the director for Region 8, the Community Mental Health Center in the Jackson-metro area. The Community Mental Health Centers are a series of quasi-public-private clinics and treatment facilities that accept payment on a sliding scale depending on what a person can afford.

Van told Mississippi Today it was not unusual for the governor to call him, asking for help guiding constituents to services, but that he did not remember ever talking to John Davis or triaging someone named Noah McRae.

Davis and New are bound by gag orders which prevent them from speaking to the media about their cases. Their attorneys declined to answer questions for this series. Myers would not respond to Mississippi Today’s calls to offer further context about her involvement with McRae. Myers has not faced any charges, but agents from the auditor’s office did interview her early on in their investigation about why she moved merchandise purchased with taxpayer money from state property to the nonprofit after the state placed Davis on administrative leave in June 2019, according to a recording of the interview.

Myers took over the communications division in the fall of 2018 right after her predecessor, Paul Nelson, became the subject of a **complaint** for **failing to release public records in a timely manner**. The agency was soundproofing itself, forcing all agency communication with reporters to go through the attorney general’s office. It also enacted a media policy that reporters must submit all questions for the agency in writing, which it would often not answer.

April 1, 2019

Would you have a number for David at region 8. Trying to get Noah into a treatment program. The boy needs help quickly or he is going to fail badly. Thanks for all you have done. He has to do some of this own his own but David can tell is what he thinks is best for him.

Phil Bryant, 9:08 AM

Cell if we have it..

Phil Bryant, 9:09 AM

Let me get it for you sir.

John Davis, 9:08 AM

Yes sir

John Davis, 9:09 AM

Credit: Graphic by Bethany Atkinson

**D**avis and New's involvement with McRae isn't the only example of the welfare officials helping a colleague deal with a family member in addiction.

Texts show the assistant attorney general assigned to MDHS sought help from Davis and New for his coworker's son, who was at the time checking into Pine Grove, an addiction treatment facility in Hattiesburg. The son worked for MDHS's child support contractor before he passed away in 2021. "I will reach out to Dr. New," the assistant attorney wrote in late June of 2019, after Bryant kicked the director out of office but before Davis announced his retirement publicly. "Again, thanks for all you have done."

In general, Davis and New ran a government program rampant with nepotism, texts show.

The welfare-funded Families First program also hired Myers' husband, Kevin Myers, former **director of the Department of Public Safety's administrative operations**, as a **community liaison**. He pulled a salary of at least \$86,000 from New's nonprofit, according to its ledger. Text messages show that Davis also secured a job at Families First for their daughter Mason Myers, who was paid roughly \$600 a week, the ledger shows.

April 11, 2019

Good afternoon! Just wondered if you had a chance to mention to Nancy about Mason working at the VR Acad when she gets out in May? It would only be for 7 weeks.

Lynne Myers, 2:50 PM

I would REALLY appreciate anything you can do!!

Lynne Myers, 2:51 PM

You are a BLESSING!!!! Thank you!!

Lynne Myers, 3:08 PM

No need to ask we will make it work. No problem. Boom

John Davis, 2:52 PM

God is good.

John Davis, 3:08 PM

Credit: Graphic by Bethany Atkinson

“You have blessed our family greatly John, and I just needed to tell you you’re awesome and we are so grateful,” Lynne Myers texted Davis in mid-June of 2019, about a week before he would face his first polygraph test in connection with the audit of his department.

Myers previously served as the special projects coordinator for Bryant’s office. On LinkedIn, she described herself as a **network account executive for TeleSouth Communications**, also known as Supertalk radio, beginning in 2017. She was director of communications for MDHS in 2018 and 2019. SuperTalk radio is a hyper-conservative talk radio station that state agencies pay hundreds of thousands of taxpayer dollars each year in exchange for advertising and, **in some cases**, the luxury of soft-ball interviews for state bureaucrats.

New’s nonprofit **funneled nearly \$330,000** in MDHS funds to the station, a 2020 audit report shows.

Davis had close communication with Supertalk CEO Kim Dillon and the two would discuss the progress of her son Logan Dillon, who worked as a lobbyist for the welfare department.

“Everybody tells me how great Logan is doing,” Davis once texted the CEO. “I’m so proud of him.”

A couple months before Davis abruptly retired, Kim Dillon invited the welfare director out to dinner at Tico’s Steakhouse in Ridgeland.

“I talked with Logan last night and told him I had dinner with you. I didn’t go into what all we talked about but did let him know. I appreciate everything you have done for him!” Dillon texted Davis in early May of 2019.

**W**hile the good ole boy system in Mississippi’s government provided McRae opportunities and second-chances not enjoyed by most, the alleged scheme also exploited McRae.

Prosecutors say the News converted at least some of the public school funds they allegedly bilked in the name of students like McRae to their own personal use.

“From what we understand with the private school, they were receiving a bunch of state or federal funds and pocketing them,” Cooper, McRae’s stepdad, said. “None of them ever went to Noah. No help ever went to Noah from those people. They were just using his name as a shell to collect government funds.”

Despite gaining a spot at New’s private school, a job on the campus and Families First, and supervision from powerful bureaucrats, McRae didn’t achieve a better outcome.

After McRae’s time under the wing of the welfare department and Families First, he went back to breaking into cars in late 2019 and wound up convicted of conspiracy to commit auto burglary in neighboring Rankin County.

In February 2021, a couple months after the birth of his daughter, McRae pleaded guilty and a judge sentenced him to five years in prison, **according to MDOC records.**

He is currently incarcerated at Leake County Correctional Facility.

*This is Part 5 in Mississippi Today’s series **“The Backchannel,”** which examines former Gov. Phil Bryant’s role in the running of his welfare department during what officials have called the largest public embezzlement scheme in state history.*