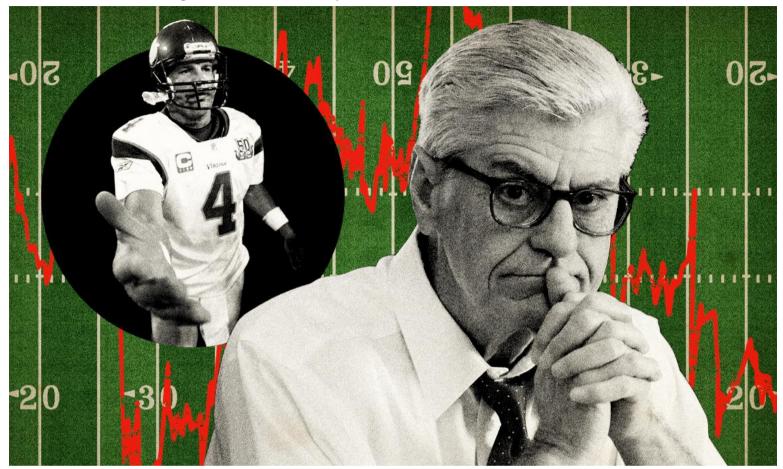
# MISSISSIPPI TODAY

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Credit: Photo Illustration by Zack Orsborn

THE BACKCHANNEL

# Phil Bryant had his sights on a payout as welfare funds flowed to Brett Favre

Text messages obtained by Mississippi Today reveal NFL quarterback Brett Favre briefed Gov. Bryant about the flow of state grant funds to his experimental drug project, a deal that was shielded from public view. Bryant was all set to accept stock in the company hours after he left office — then arrests were made.



Former Mississippi Gov. Phil Bryant used the authority of his office, the weight of his political influence and the power of his connections to help his friend and retired NFL quarterback Brett Favre boost a fledgling pharmaceutical venture.

Then he tried to cash in on the project when he left office, text messages show.

Favre believed he could make millions as an early investor in a drug company. He just needed a little more political and financial capital to push the enterprise into the end zone.

"It's 3rd and long and we need you to make it happen!!" Favre wrote to the governor in late December 2018, according to text messages recently obtained by Mississippi Today.

"I will open a hole," Bryant responded, piggybacking on the football metaphor.

Less than a week later, Favre would meet with Bryant's welfare officials to strike a deal for a \$1.7 million investment in the biomedical startup Prevacus, which promised it had found a treatment for concussions. Prosecutors now say that money was stolen from a federal program intended to serve the state's poorest residents – a pot of money that had virtually no oversight.

Bryant said he did not introduce Prevacus to Nancy New, the nonprofit director who made the payments and now faces bribery, racketeering and embezzlement charges.

But newly uncovered text messages show that, at the very least, Favre told Bryant that New had started funneling public funding to the drug company shortly after he began advocating on its behalf.

As governor, Bryant assisted Prevacus, the company at the center of Mississippi's ongoing welfare embezzlement scandal, in finding investors and gaining favor with federal regulators.

Then, two days after he left office, Bryant agreed by text to accept stock in the company.



Former Gov. Phil Bryant (right) poses with Brett Favre (left) and a \$5,000 check from a local car dealership to the Mississippi Special

"Now that you're unemployed I'd like to give you a company package for all your help," Prevacus founder Jake Vanlandingham wrote in a Jan. 16, 2020, text. "... 

We want and need you on our team!!!"

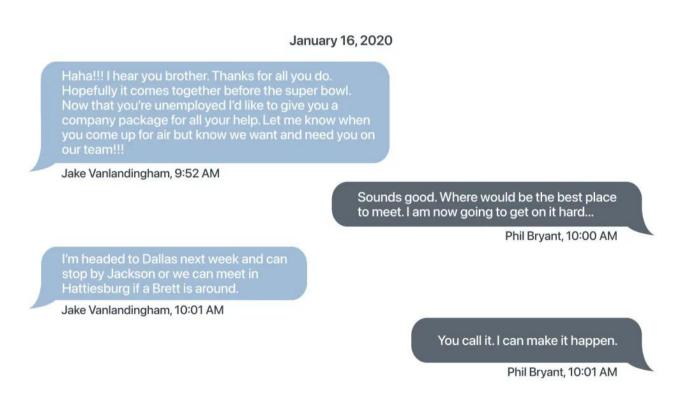
Olympics. Credit: Courtesy @PhilBryantMS on Twitter

"Sounds good," responded the former governor, who was getting ready to take over a private sector lobbying firm. "Where would be the best place to meet. I am now going to get on it hard..."

In a three-hour-long interview with Mississippi Today on April 2, Bryant said that despite the timeline revealed through the candid messages — which he acknowledged "doesn't look good" — he never intended on accepting stock in Prevacus and did not read his texts carefully enough to pick up on the fact that the company had received public funding in the first place.

"I should've caught that and I just simply didn't," Bryant said.

### READ MORE: Full Q&A with former Gov. Phil Bryant about Prevacus, welfare scandal



Credit: Graphic by Bethany Atkinson

Less than three weeks after the "get on it hard" text, the office of State Auditor Shad White, a Bryant appointee and Bryant's former campaign manager, arrested New and John Davis, former director of the Mississippi Department of Human Services. Prosecutors allege they conspired to steal welfare funds, including \$2.15 million that New allegedly funneled to Prevacus.

After the splashy indictments, Bryant appeared surprised to learn that the pharmaceutical firm had received federal welfare funds. Five days later, he cut ties with the company.

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ryant's backchannel maneuvering, uncovered by Mississippi Today's investigation, raises questions about the governor's personal agenda and influence over his welfare officials, which auditors say misspent at least \$77 million in funds that were supposed to assist the state's poorest residents.

Mississippi Today has reviewed hundreds of pages of written communication, which are reprinted here exactly as they appear without correction, between Gov. Bryant and his associates.

The trove of messages gives an indication of how far Bryant would go to help his friend Favre, who was trying to tap the state for resources to make himself a profit or to resemble a charitable alumnus of the University of Southern Mississippi.

Even after the auditor's investigation into agency misspending forced the former welfare chief out of office, the MDHS director who Bryant appointed to replace Davis in 2019 told Mississippi Today that the governor called him to meet with Favre for possible funding opportunities.

Officials have not accused Bryant, Favre or Vanlandingham of a crime.

Davis and New, on the other hand, have pleaded not guilty and could face several years in prison – up to 10 years for Davis and hundreds of years for New – if convicted on all counts.

### READ MORE: A character guide for reading "The Backchannel" series

Taxpayers in Mississippi have nothing to show for their investment, which was supposed to pay for <u>safety</u> <u>studies</u> in the development of a new drug that still hasn't materialized. What's worse, state taxpayers will likely be on the hook to pay back all or some of the many tens of millions of dollars misspent in this overarching welfare scheme.

Vanlandingham has since sold his idea for the medication to <u>Odyssey Group International</u>, an acquisition company the scientist said he is now working with to conduct clinical trials for the drug. Prevacus, meanwhile, <u>has gone dormant.</u>

### **Early years**

As early as 2014, **Favre began working** with Vanlandingham to find backers for a new concussion treatment drug that the Florida neuroscientist had in the works. Vanlandingham, who launched Prevacus in 2012, said he had developed a nasal medication called Prevasol that would reduce harmful brain swelling and inflammation after impact to the head, as well as a preventative topical cream.

For years Favre has raised public awareness about the epidemic of concussions, which he's suffered from himself, but his conversations with the scientist about Prevasol revolved more around him making money. He once said by text that his goal was to walk away with \$20 million.

The NFL legend from Kiln, Mississippi, invested nearly a million of his own money into Prevacus, <u>he told</u> Men's Health magazine, but by 2018, with no physical product to speak of, he was becoming more desperate to get the pharmaceutical project off the ground.

The athlete had an idea. Favre sent Vanlandingham a phone number for the governor – a "great guy good friend" – and told him to reach out. They spoke the next day and Vanlandingham congratulated Favre on his networking.

"Great call with the Governor," Vanlandingham texted in late November 2018. "He's going to make some key connections for us to start with FDA. Good job!!!"

"Don't know if legal or not but we need cut him in," Favre responded, followed three days later by another idea: "Also if legal I'll give some of my shares to the Governor."



Jake Vanlandingham, a Florida neuroscientist and founder of a biomedical startup called Prevacus, testified on June 25, 2014 before the Senate Special Committee on Aging about the effects of traumatic brain injury and his ongoing research. Prevacus became dormant in 2020 after officials arrested a Mississippi nonprofit director for allegedly stealing more than \$2 million in federal grant funds to make investments in the company. Credit: C-SPAN

In their earliest conversations and on Favre's suggestion, Vanlandingham attempted to entice Bryant with company stock. But instead of asking the governor to make a personal investment, Vanlandingham offered Bryant shares in exchange for his help in connecting Prevacus with potential investors and carving paths to the nation's drug regulation agency.

"We want you to know we want you on the team and can offer stock. We don't know the rules but are willing to do what is needed to bring you on board," Vanlandingham texted to Bryant in a group message with Favre

on Dec. 6, 2018, a few weeks before their first meeting. "Grateful for your help!!!"

### **Late 2018**

Vanlandingham, Favre, Bryant and others met for dinner at Walker's Drive-In in Jackson the day after Christmas in 2018.

Bryant brought along New Orleans-based venture capitalist and developer Joe Canizaro, who had already started working with the governor on a real estate development and medical corridor on the Mississippi Gulf Coast called Tradition. Bryant is listed as vice president for the company Canizaro formed to develop the residential neighborhood called The Village at Tradition. Bryant considers the development part of his legacy as governor – a nursing school built there during his administration is named in his honor.



Real estate developer Joe Canizaro (left) and Gov. Phil Bryant (right) at Tradition Medical City in south Mississippi Credit: **Phil Bryant Twitter** 

The concept was for Prevacus to locate its clinical trial site and eventually the drug manufacturing plant at Tradition, in turn boosting workforce and economic development for the state. However, the plans and proposals Prevacus drafted and sent to the governor's office did not include projections related to job creation. Even if they had, that would be a project for the state's economic development agency.

In 2020, Mississippi Today requested all communication from Mississippi Development Authority related to Prevacus or Vanlandingham for this time period. The agency said none existed. Instead, the financing would eventually flow through the Department of Human Services – which was increasingly contorting its mission

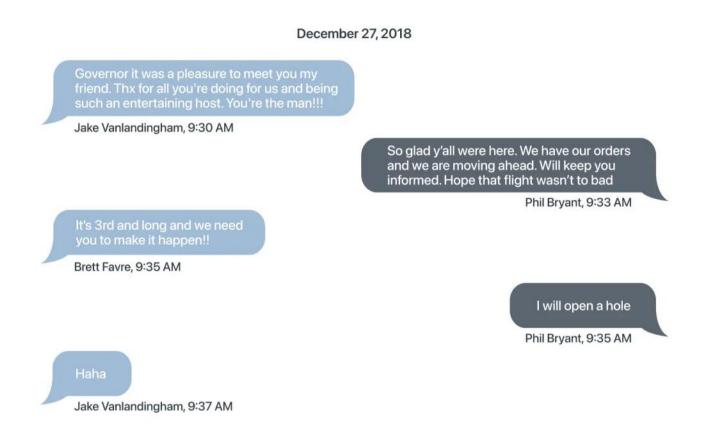
to whatever they could call workforce development.

The morning after their dinner, Vanlandingham sent a message in the group text thanking the governor "for all you're doing for us."

"You're the man!!!" the scientist wrote.

"So glad y'all were here," the governor responded. "We have our orders and we are moving ahead. Will keep you informed."

Favre then texted the touchdown analogy and Bryant promised to act as their lineman.



Graphic by Bethany Atkinson Credit: Graphic by Bethany Atkinson

The next day, Favre sent Vanlandingham the contact information for Nancy New, founder of the nonprofit Mississippi Community Education Center, and instructed the scientist to text her.

At the time, New's nonprofit was on the receiving end of an unprecedented cash flow from the Mississippi Department of Human Services, the public assistance agency run by Bryant's appointee John Davis.

The agency gave New more than \$60 million in contracts to run the now disgraced anti-poverty program called Families First for Mississippi. The money primarily came from a federal grant called Temporary Assistance for Needy Families, or TANF, known for providing the "welfare check" to very poor families. Independent auditors found that New's nonprofit blew at least \$12.2 million and have been unable to trace an additional \$40 million that it spent. New and Davis are both awaiting trial in what officials regard as the largest public embezzlement scheme in state history.

Favre was at least somewhat knowledgeable about the sizable grants New controlled and the flexibility around spending them, his text messages show.

In the two years before this, New's nonprofit had already paid \$1.1 million in grant funds to Favre – which the state auditor demanded he repay – to promote the Families First program. The nonprofit also, at the football player's request, paid \$5 million to Southern Miss Athletic Foundation so it could **build a volleyball stadium** at the university – Favre's alma mater and where his daughter played volleyball. Auditors say both of these payments violated federal regulations, though neither have resulted in criminal charges.

"Text Nancy and include me if you want and basically ask her if she can help with investors, grants or any other way possible," Favre texted Vanlandingham. "She has strong connections and gave me 5 million for Vball facility via grant money. Offer her whatever you feel like. She may can help but won't hurt to ask. Look her up. She has a facility called family first in Jackson."

For at least two years prior to this, Favre and Vanlandingham had texted back and forth, at some points almost daily, and most of their conversations revolved around brainstorming prospective investors and funding sources. But it wasn't until two days after their meeting with the governor that Favre connected the scientist with New.

Just weeks earlier, Bryant had given New the governor's prestigious <u>Mississippi Meritorious Civilian</u> <u>Service Award</u>.

"Hey Nancy, I'm friends and colleagues with Brett Favre," Vanlandingham texted New. "... We are working with the Governor to bring some human trial sites and drug manufacturing to MS. Not sure if we can find some synergy but would love to find out."

After an initial conversation, Vanlandingham expressed high confidence in New.

"I'm going to venture out on a limb and say of all the times you've helped me the key contact that gets us over the top will end up being Nancy New. Thx brother she's great," he wrote to Favre.

Favre told Vanlandingham he believed New and Davis, the director of Mississippi Department of Human Services, "would use federal grant funds for Prevacus."

# January 2019

A few days later, Favre hosted a meeting at his house to introduce Vanlandingham to New and Davis. In a calendar entry obtained by Mississippi Today, Davis wrote that the governor and Favre requested the meeting, which was originally to take place at New's office. But due to bad weather preventing a flight from

Hattiesburg to Jackson, texts show, Davis and New drove to the football player's south Mississippi mansion instead.

During the Jan. 2, 2019, meeting, the group struck a deal for New to direct some of her nonprofit's grant funding to aid Prevacus in its drug development, according to texts and interviews. From then on, Vanlandingham referred to the funding he received from New as Mississippi grant funding, not a private donation or investment.

Vanlandingham told Mississippi Today he always understood New and Davis were helping Prevacus obtain public money, and that he thought of New as a representative of the state.



In this Oct. 31, 2010, file photo, Minnesota Vikings quarterback Brett Favre rubs his eyes after being hit by New England Patriots linebacker Gary Guyton during the first quarter of an NFL football game in Foxborough, Mass. Favre played a major role in welfare spending in Mississippi. (AP Photo/Winslow Townson, File)

"The idea was that the state of Mississippi was getting involved and MCEC (Mississippi Community Education Center) is the arm that signed the contract," Vanlandingham said recently. "The goal was and still is to conduct clinical trials and bring new biotech ventures to Mississippi."

The day after the meeting at Favre's house, Vanlandingham texted the governor to let him know how well it went.

"Governor, we had a great meeting with Nancy New and John Davis. We are excited to be working together !!!" he said. "Thanks."

The governor didn't express surprise to hear they'd met.

"Very good.." the governor said.

Days later, Bryant set up a call for Vanlandingham with Rick Santorum, former U.S. senator from Pennsylvania and failed presidential candidate, who said he would contact the "second in command" of the U.S. Food and Drug Administration on behalf of Prevacus, according to a text message from Vanlandingham to Favre. After the call with Santorum, Vanlandingham thanked the governor.

"You did great by us my brother," Vanlandingham wrote to the governor.

"Had to open a whole (sic) in the line.." Bryant said.

"It was wide enough for even favre to walk through," the scientist responded.

The NFL star also texted with Santorum, who told the athlete he was "excited about the project and getting the chance to work w great folks like you and Jake," according to a text screenshot Favre sent Vanlandingham.

In mid-January, Favre suggested lavishing New and Bryant's welfare director in exchange for the funding Mississippi's welfare agency was providing them.

"This all works out we need to buy her and John Davis surprise him with a vehicle I thought maybe John Davis we could get him a raptor," Favre texted Vanlandingham, referring to the souped up Ford F-150.

Favre then asked his partner when he thought they would start earning money. The scientist said they could start selling equity shares to the public in under a year, and the goal was for them to own 30% of the company by that time.

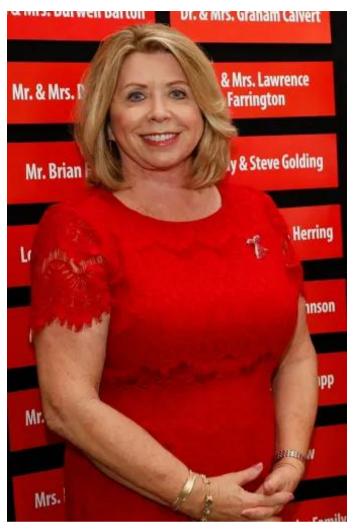
"The governor/Nancy/joe can be key in bringing us funds in for project development and not diluting our percentage ownership," Vanlandingham wrote.

The next day, Vanlandingham texted Gov. Bryant a series of updates, including that Prevacus was "working with Nancy New" on funding its first phase of trials.

"Great report," Bryant responded. "We will get this done."

New sent the first payment of \$750,000 to Prevacus on <u>Jan. 18</u>, according to prosecutors, though the \$1.7 million <u>contract</u> between Prevacus and Mississippi Community Education Center wasn't signed until Jan. 19. In the agreement, the drug company promised to use the funds to finalize development of the nasal application and conduct safety studies. In exchange, the nonprofit would get to pick the location for clinical trials and have exclusive rights to the manufacturing of the drug.

But over the course of the next year, prosecutors say Nancy New and her son and assistant Zach New diverted funds from the nonprofit to Prevacus and its spinoff company PreSolMD, not as a philanthropic grant, but as a personal investment. PreSolMD claimed it was developing a cream to prevent concussions. Prosecutors



This May 4, 2017 photograph, shows Nancy New, owner and Director of the Mississippi Community Education Center (MCEC) and New Learning, Inc., at a social function in Jackson, Miss. New is facing several criminal charges related to her use of federal welfare funds in Mississippi. (Sarah Warnock/The Clarion-Ledger via AP)

produced a **<u>physical stock agreement</u>** to back up their allegations that the News intended to profit off of welfare money.

# February 2019

Throughout 2019, while Bryant's welfare department and the Families First for Mississippi program was bleeding funds and providing the state virtually no bookkeeping, Bryant texted with Favre and Vanlandingham about the company's progress.

"We couldn't be more happy about the funding from the State of MS," Favre texted the governor in early February. "In fact Nancy New is going to meet with Joe (Canizaro) at Tradition the following week."

Bryant responded to this text by urging Favre to keep looking for funding. He also said he would let the athlete know when he found them a partner.

To explain Bryant's claim that he was unaware Prevacus was receiving state funds, the former governor said he didn't read the text carefully enough. Bryant said he was often so busy he didn't register the content of messages people sent when they wanted something from him. He said he often shot back canned responses without much thought.

"I just simply did not carefully look at those texts and realize the intent in them," Bryant said. "And I know that's hard to believe and I know people read it and say, 'Well, of course he knew,' but I'm telling you, I just did not realize the details within those texts."

Canizaro told Mississippi Today that he did not recall Vanlandingham or Favre saying they had secured public grants during their conversations about Prevacus. The 85-year-old developer also said he did not remember meeting New.

### February 4, 2019

Hey Governor. Hope you're well. We wanted to update you on Prevacus. Headed down early next week to meet with Joe Canizaro at Tradition to talk clinical trial structure. Joe also hooked us up with LSU medical that has some potential additional ingredients to our drug that might increase our chances of success in human trials. We couldn't be more happy about the funding from the State of MS. In fact Nancy New is going to meet with Joe at Tradition the following week.

We continue to push for an additional 1.5M to ensure we can get Phase 1B drug made and FDA sign off for phase 1B in MS ASAP. You got leads we will run with them. Thx.

Brett Favre, 10:27 AM

Keep looking out there. Will let you know when we find a partner. Joe can be a big help.

Phil Bryant, 10:58 AM

Graphic by Bethany Atkinson Credit: Graphic by Bethany Atkinson

avre's friendly relationship with the governor ensured he and his business partner maintained Bryant's ear.

"Keep me close with the governor," Vanlandingham texted Favre.

Favre also remained in contact with director Davis. A couple months after their meeting, Favre told Davis that he still "owed" \$1.1 million on his commitment to help build the new volleyball facility at the University of Southern Mississippi.

"Any chance you and Nancy can help with that?" Favre texted Davis. "...You and Nancy stuck your neck out for me with jake and Prevacus I know and that's going to turn out very good I believe."

In April, the governor contacted the Hattiesburg military post Camp Shelby on behalf of Prevacus, texts show, after Vanlandingham posed the idea of securing funding from the U.S. Department of Defense to test the concussion drug on National Guard trainees.

"Will pave the way.." Bryant wrote.

Vanlandingham texted three days later to tell Bryant and Favre that his call with Camp Shelby's commander was a success and that they'd scheduled another briefing. He thanked the governor.

"Like I've said Jake," Favre texted, 'The Governor can get done."

"Just making holes in the line," Bryant responded.

# **July 2019**

By July, however, the investigation into Davis and MDHS spending had begun and Vanlandingham was having a harder time getting clear answers from New about when they could expect to receive their next installments of grant funds.

At the same time, Favre continued to complain to Vanlandingham about his "debt" in the volleyball facility, which he expected New and Davis to pay off.

Favre was worried about the lack of cash flow, previously telling Vanlandingham he was "not sure if Nancy and John can keep covering for me."

The scientist and Favre were also trying to get New to invest in the separate concussion cream project, but the welfare well seemed to be drying up.



John Davis, former director of the Mississippi Department of Human Services, was arrested in 2020 within what officials have called the largest alleged public embezzlement case in state history. Credit: MDHS Twitter

The athlete turned to Bryant.

"Hey Governor we are in a little bit of a crunch," Favre wrote in mid-July 2019. "Nancy New who is wonderful and has helped me many times was gonna fund this pregame cream that we can be selling really soon. Well she can only do a small portion now. Jake can explain more but bottom line we need investors and need your direction."

"Will get with Jake.." the governor responded, "will help all I can."

By the end of that month, Bryant had replaced Davis as director of MDHS with former FBI Special Agent Christopher Freeze.

"I heard John Davis retired. Shit!!!" Vanlandingham texted Favre in August of 2019.

He asked Favre about the "new guy" Freeze.

"Nancy said he ain't our type," Favre wrote.

"Fuck," Vanlandingham responded. "Well we may need the governor to make him our type."

Freeze recently told Mississippi Today that after Bryant appointed him to take over the welfare department, they discussed the ongoing investigation and the governor always implored Freeze to "do the right thing."

Around the same time though, Freeze said Bryant called him to his office to meet with New and Favre so they could pitch Freeze on a project related to the University of Southern Mississippi that they wanted MDHS to fund. Freeze said he couldn't remember the details of the project, but the conversation didn't go far because the director told New that MDHS had implemented an official bidding process, called a Request for Proposals – a standard government practice that MDHS hadn't followed since 2012.

Freeze said he told New and Favre that if they wanted an MDHS grant, they'd have to submit a proposal and the department would score it. After the meeting, Freeze said, New asked if she could come by his office to get the ball rolling on the project. He told her, "No."

In the six months Freeze was head of Bryant's welfare department, he said the discussion about the project New and Favre proposed to MDHS was the most substantive conversation he had with the governor.

Between requests for funding for the volleyball facility and the concussion project, Vanlandingham and Favre tried to tread delicately to make sure they weren't badgering their benefactors. Their communication suggests that the governor – at least they perceived – was the one with the power to bestow them with public funding.

"I know you're stressed about USM money from governor for volleyball facilities," Vanlandingham texted Favre in mid-October. "We still need the last 380k agreed for Prevacus too. Is there a play left with governor or should we let it go? Should I contact Nancy New or does that mess u up?"

"Ask Nancy if that's something the Governor can ok," Favre responded.

"He is about out," Vanlandingham wrote, referring to the end of Bryant's term. "May be better for us when he is."

### **December 2019**

By December 2019, as Bryant neared his last month as governor, he began talking more seriously about elevating Prevacus, telling Vanlandingham that Canizaro was interested in investing \$100,000. He was also working with former President Donald Trump's White House to host a summit about youth brain safety featuring Prevacus.

Bryant told the scientist, "Trump love us."

Vanlandingham asked Bryant by text in early December, "Governor can we bring you onboard with ownership now?"

The scientist and governor did not discuss, at least by text, Bryant investing his own funds into Vanlandingham's venture. The conversations involved Bryant becoming a shareholder in exchange for the help he provided as governor and planned to provide after his term.

"Cannot till January 15th," Bryant wrote, referring to his first day out of office. "But would love to talk then. This is the type of thing I love to be a part of. Something that save lives..."

A week before Bryant finished his term in office, Favre again encouraged Vanlandingham to offer the outgoing governor "a package that will get him determined to see it through."

Bryant was about to announce his leap to Bryant Songy Snell, the lobbying firm <u>his former chief of staff</u>

<u>Joey Songy</u> created a few months before his term was up. Canizaro has had Bryant on retainer ever since, the developer told Mississippi Today, specifically to recruit businesses to Tradition. Canizaro recently renewed Bryant Songy Snell's contract, even though he said he "really wasn't anxious to renew because they had brought nobody to the table."

"But he's a friend and he asked me to give him some more time," Canizaro said. "He's been working on several deals and that's why I extended the agreement, but to date he's landed nobody."

Canizaro said he didn't think it would be appropriate, when asked, to share the amount of the former governor's contract.

According to text messages, it appears one of Bryant's first tasks in his new role as a private consultant was to bring Prevacus to Tradition. On Jan. 16, 2020, two days after leaving the Mansion, Bryant began plotting h next meeting with the scientist.

"Now that you're unemployed I'd like to give you a company package for all your help," Vanlandingham texted. "Let me know when you come up for air but know we want and need you on our team!!!"

"Sounds good. Where would be the best place to meet. I am now going to get on it hard..." the former governor responded.

In a text with another Prevacus partner, Vanlandingham indicated his intent was to "cut an equity deal with the governor to join prevacus/PreSolMD."

Vanlandingham, who defended the governor and his dealings with him, told Mississippi Today that Bryant never ended up obtaining shares in his company.

"The governor was always straight up. There was never any stock exchanged. There was never any money exchanged. He just wanted to help," Vanlandingham said. "And we never did a deal for him to come on with his consulting firm and that could be because this (the arrests) happened. We were probably working towards having the governor, post-governorship, help us, and I think that would have been great."

Bryant maintains that he never intended to accept the shares Vanlandingham offered on three occasions.

"I think that the important part here: Would I trade a future with this firm, would I give up 30 years of integrity over some paper? Over some stock of a company that barely existed? Why would I do that? I'd have to be out of my mind to do that."

After he left office, Bryant spoke with Prevacus, as he said he would, but he told Mississippi Today that his instincts told him not to move forward. "At the end of the conversation, I said, 'No. Nope. This would not be the right thing to do, and I'm not going to be a part of it.""

But Bryant's texts paint a different picture about his departure from Prevacus. In reality, he talked about helping Vanlandingham all the way up until the arrests.

# February 2020

On Feb. 4, 2020, Bryant scheduled a meeting for Feb. 12 at Tradition, where Vanlandingham could pitch Canizaro on investing in Prevacus. Bryant wrote: "If Brett could come it would seal the deal."

Meanwhile, on the same day, officials in Hinds County were filing indictments against Bryant's former welfare officials.

Before Bryant and Vanlandingham had a chance to meet again and "seal the deal," as Bryant put it, the state auditor's office arrested New, Davis and four others the next day.

White investigated the case and did not turn information over to the FBI until it made the arrests, <u>according</u> to the local U.S. Attorney's Office at the time. The auditor has explained that his office made the arrests as soon as it had enough evidence against the welfare officials in order to stop the flow of funds out of MDHS.

The federal government, on the other hand, has brought no charges. It's unclear if a federal investigation into the welfare scandal is ongoing, as both the Jackson offices of the FBI and U.S. Attorney's Office would not comment. Bryant told Mississippi Today he has not been interviewed by state or federal investigators.

Since the 2020 arrests, White has called Bryant the whistleblower in the case – though the fraud tip White says Bryant turned over to his office pertained to a small portion of the larger welfare scheme, according to Mississippi Today's review of early investigative materials and interviews. Bryant claimed in texts he sent after the arrests that he was unaware Prevacus had received welfare funds.

"Is this your company mentioned in the second paragraph?" Bryant texted Vanlandingham on the day of the arrests with a screenshot of a news article.

Vanlandingham said yes, that he'd been subpoenaed and "just gave them everything."

"Not good..." Bryant wrote.

Five days later, after a tidal wave of news coverage about the scandal, Bryant texted Vanlandingham to abruptly cut ties with the company.

"I was unaware your company had ever received any TANIF funds," Bryant texted at 8:37 a.m. on Feb. 10, 2020. "If some received anything of benefit personally then Legal issues certainly exists. I can have no further contact with your company. It is unfortunate to find ourselves at this point. I was hoping we could have somehow helped those who suffer from Brain Injuries. This has put that that hope on the sidelines."

# Did you receive TANIF Funds? Phil Bryant, 8:52 AM Our contract was with MCEC. Jake Vanlandingham, 8:53 AM That's all I know Jake Vanlandingham, 8:53 AM I am sure you will be contacted soon. Phil Bryant, 8:55 AM I've spoke many times with state auditor office and shared all communication and contracts. Jake Vanlandingham, 8:56 AM

Credit: Graphic by Bethany Atkinson

That same morning, Auditor White appeared on a conservative talk radio show that is broadcast statewide to reveal the identity of the whistleblower in the welfare scandal.

"That person in this case was Governor Phil Bryant," White said. "He said he was comfortable letting that information out now."

This is Part 1 in Mississippi Today's series "The Backchannel," which examines former Gov. Phil Bryant's role in the running of his welfare department, which perpetuated what officials have called the largest public embezzlement scheme in state history.



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