

The Mississippi Legislature

Joint Committee on Performance Evaluation and Expenditure Review

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October 7, 1998

Dr. James Easton, Superintendent
Moss Point School District
4924 Church Street
Moss Point, MS 39563

Dear Dr. Easton:

The PEER Committee has concluded its investigation of selected financial and personnel practices of the Moss Point School District. We do not anticipate additional fieldwork on these matters. Based on evidence gathered during the course of the investigation, PEER found no basis for the allegations levied against the school district and school employees. Our conclusions and details concerning each allegation follow:

Allegation:

The Moss Point School District misspent \$3 million in one-time funds from the Destine Pipelines. The funds were misspent by school officials instead of being used for instructional purposes as intended.

Conclusion:

Evidence indicates the Moss Point School District has not received any funds related to Destine Pipelines.

Moss Point School District has not received any money from Destine Pipelines. Destine Pipelines is involved in a joint venture with two oil and gas producing companies in constructing a gas processing plant in the Moss Point School District. Upon completion of the plant, the district will receive ad valorem taxes from the facility. PEER determined from a review of Jackson County Chancery Clerk records that Destine Pipelines has no easements or leases for Moss Point sixteenth section land. Personnel in the Secretary of State's office stated that there is no lease on file between Moss Point School District and Destine Pipelines.

Allegation:

School officials have been embezzling school funds received from the football program and voluntary contributions to the football program for the purchase of championship rings.

Conclusion:

Revenue received from football ticket sales as reported on School Event Receipt Forms was properly received and accounted for by school officials. PEER also reviewed evidence relating to the district's receipt of voluntary contributions for the purchase of championship rings. These funds were properly accounted for and disbursed for intended purposes.

The most recent audit of the Moss Point School District included the 1996 football season. The audit contained no findings relating to deficiencies in the internal controls of the athletic department and noted no embezzlement of school funds.

PEER reviewed all School Event Receipt Forms which recorded the sale of tickets for the 1996 and 1997 football seasons. The information on the forms was found to be materially accurate and all revenue reported on the forms was traced to the appropriate general ledger account of the Moss Point School District without exception. PEER also reviewed bank statements and invoices related to the receipt and disbursement of voluntary contributions to the athletic funds and found that all funds were properly deposited and accounted for. PEER recommended that proceeds from ticket sales at the stadium on Friday nights be deposited with appropriate security measures immediately following the game by use of the bank's night deposit, rather than maintaining the money in a safe on school property over the weekend, as had been the practice of the school at the time of PEER's investigation. The PEER Committee is pleased that this recommendation has been accepted by school officials.

Allegation:

The Moss Point School District pays two individuals cash salaries for their services as assistant coaches with the Moss Point football program and lists these individuals as assistant coaches in the football program.

Conclusion:

Evidence obtained during fieldwork indicates these individuals serve as volunteers with the Moss Point football team without compensation and are not listed in the 1997 football program as assistant coaches.

PEER interviewed school officials and the two individuals allegedly serving as assistant football coaches. All persons interviewed consistently stated that the two individuals specified, as well as two additional individuals, serve as volunteers with the football team and do not receive compensation. PEER found no record of payment to the individuals specified in the allegation and found no listing of the individuals in a 1997 football program.

According to an official with the Mississippi High School Activities Association (MHSAA), MHSAA rules allow schools to use unpaid volunteers as long as they are not involved in coaching activities.

Allegation:

An individual receiving full retirement benefits from the state's retirement system receives a cash salary for employment with the Moss Point School District.

Conclusion:

Evidence obtained during fieldwork indicates the individual is legally employed by the Moss Point School District in accordance with MISS. CODE ANN. §25-11-127, which lists provisions under which a Public Employees' Retirement System service retiree may be re-employed after retirement.

According to PEER's review of school records, the individual in question was listed as a school employee, the individual was not paid by cash, and the individual had not worked more than the number of days allowed by state law.

If you have any questions regarding this review, please contact Linda Triplett, Evaluation Division Manager, or me at 359-1226.

Sincerely,



Max K. Arinder, Ph.D.
Executive Director

c: PEER Committee members
Lieutenant Governor Ronnie Musgrove
Speaker of the House Tim Ford