

Housing agency to pay \$2.7 million in sexual harassment cases

By: Heath Hamacher July 9, 2015

A Scotland County housing agency has agreed to pay \$2.7 million to settle two cases in which numerous plaintiffs and the U.S. Department of Justice allege that two of its former employees attempted to extort sex for federal subsidy housing vouchers.

According to the DOJ, the settlement represents the largest monetary settlement in a sexual harassment case brought by the department under the Fair Housing Act.

Plaintiff Kristen Sellers filed the complaint in 2012, claiming that John Wesley and Eric Pender, former employees of Four-County Community Services (now operating as Southeastern Community & Family Services) sexually harassed her, demanding sexual favors in exchange for vouchers and favorable home inspections.

Wesley determined who received Section 8 vouchers, according to court documents, while Pender was charged with inspecting participants' homes to ensure they met health and safety standards.

Greensboro attorney Craig Hensel helped represent the plaintiffs. He said last year that Wesley and Pender established a sexual quid pro quo system that "forced their victims ... to decide between homelessness and sexual humiliation."

The DOJ complaint accuses both men of subjecting voucher program participants to "unwanted sexual comments, sexual touching and other sexual acts" and retaliatory actions against those who rebuffed their advances.

According to the complaint, Pender once agreed to give a passing inspection to a home provided that Sellers perform sexual acts on him. He reportedly made several attempts to solicit sex and allegedly pulled Sellers into a bathroom and exposed himself, telling her that she "kn[ew] what she had to do."

The FCCS later threatened to stop Sellers' benefits after the home failed subsequent inspections, according to court documents, and the plaintiffs said the defendants went out of their way to harass Sellers after she filed the lawsuit.

Legal Aid attorney Kelly Clarke said then that this was a case of "clear-cut retaliation" and an attempt to scare the other plaintiffs into keeping quiet.

Wesley and Pender were terminated after the DOJ filed its lawsuit and, according to the decree, are permanently prohibited from involvement in the Section 8 program and "property management responsibilities at any residential rental property."

Principal Deputy Assistant Attorney General Vanita Gupta of the Justice Department's Civil Rights Division said, "It is deeply offensive and illegal to sexually harass women who are seeking housing for themselves and their families."

"This settlement sends a strong message to those who would exploit their positions of power that their egregious conduct will not be tolerated and that the Civil Rights Division will aggressively pursue those who engage in it," she added.

Another plaintiff's attorney, George Hausen, executive director of Legal Aid of North Carolina, said that listening to the women talk about the abuse was "heartbreaking and infuriating."

"Wesley and Pender's actions weren't just despicable; they also violated the federal Fair Housing Act. It was important they be brought to justice," he wrote in a release.

One of Pender's attorneys, Tim Wilson of Poyner Spruill in Rocky Mount, did not return an email seeking comment.

An attorney for Wesley, Ken Kyre of Pinto Coates Kyre & Bowers in Greensboro, called the case "he said-she said" litigation and said that his client was "fully ready and willing to go to trial and defend his honor and reputation."

The plaintiffs' attorneys, Kyre said, made it sound in media reports as though plaintiffs' allegations are undisputed and Wesley committed all of the alleged bad acts when "nothing could be further from the truth."

"Frankly, the cases settled not because John Wesley wanted them settled and that he feared a trial, but rather, the defendants' insurance companies were willing to pay money to settle the case as a business decision, and with the

prospect that this litigation could get behind him, John was willing to go along with the insurance companies' desire to settle."

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SETTLEMENT REPORT – FAIR HOUSING ACT

Case name: Sellers, et. al v. Southeastern Community and Family Services, Inc., et al.

Case number: 1:14-cv-00422

Court: Scotland County Superior Court

Amount: \$2.7 million

Date: July 2

Attorneys for plaintiffs: Craig Hensel of Hensel Law in Greensboro; Kelly Clarke and George Hausen of Legal Aid of North Carolina; and Chris Brancart of Brancart & Brancart in California

Attorneys for defendants: Ken Kyre of Pinto Coates Kyre & Brown in Greensboro for John Wesley; Tim Wilson and Karen Chapman of Poyner Spruill in Rocky Mount for Eric Pender; and Rodney Pettey, Kelly Brewer and Brian Williams of Yates, McLamb & Weyher in Raleigh for FCCS

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