

Legal Aid of North Carolina, Inc.

FAIR HOUSING PROJECT

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Ensuring fair housing throughout North Carolina

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Scotland County housing agency settles fair housing case for \$2.7 million

*Amount includes fund for victims who have yet to come forward in case alleging
sexual harassment of participants in federal housing program*

RALEIGH, July 1, 2015 – Lawyers for 16 women who alleged they were sexually harassed by two employees of Southeastern Family & Community Services (SCFS), a Scotland County nonprofit that administers a federal housing program, have settled a federal housing discrimination lawsuit against the group and its former employees, John Wesley and Eric Pender. The settlement, which also involves the U.S. Department of Justice, requires the housing agency and its former employees to pay \$2.7 million, among other provisions.

The case, *Sellers, et al v. Southeastern Community and Family Services, Inc., et al*, was filed in 2012 and is pending in the U.S. District Court for the Middle District of North Carolina, in Greensboro. The women were represented by Kelly Clarke, of Legal Aid of North Carolina’s Fair Housing Project; Craig Hensel, of Hensel Law PLLC in Greensboro; and Chris Brancart, of Brancart & Brancart in Loma Mar, CA. In December 2014, the U.S. Department of Justice filed a related lawsuit on behalf of the United States against SCFS, Wesley, and Pender, which was later consolidated with the earlier case.

SCFS, formerly known as Four-County Community Services, receives funding from the U.S. Department of Housing and Urban Development to administer the Housing Choice (“Section 8”) Voucher program in Scotland County. The Section 8 Voucher program provides rental subsidies to low-income individuals living in private housing. John Wesley and Eric Pender, respectively, were responsible for approving Section 8 recipients and conducting inspections of their homes. According to the lawsuit, during their employment with SCFS, Wesley and Pender repeatedly demanded sex from the female plaintiffs in exchange for awarding them a Section 8 voucher, passing their homes for inspection, increasing the amount of their subsidies and moving them up on the waiting list.



“Listening to these women describe the abuse they suffered at the hands of these two was heartbreaking and infuriating,” said George Hausen, Executive Director of Legal Aid of North Carolina and one of the Legal Aid attorneys representing the women. “Wesley and Pender’s actions weren’t just despicable; they also violated the federal Fair Housing Act. It was important that they be brought to justice.”

The \$2.7 million settlement award includes attorneys’ fees, compensation for the women named in the lawsuit, and a fund to compensate other victims who have yet to come forward. Lawyers for the women suspect that there are a number of additional Section 8 recipients who were sexually harassed by Wesley and Pender but did not speak up for fear of retaliation. Women who believe they were victims should contact the Fair Housing Project at (855) 797-3247, or the U.S. Department of Justice at 1-800-896-7743, option 94. Any contact must be made within 120 days from the effective date of the Consent Decree, which must be approved by the court.

“We want all the victims to know there is nothing to be afraid of anymore,” said Craig Hensel, an attorney with Hensel Law PLLC in the Greensboro, who filed the initial lawsuit against SCFS, Wesley, and Pender. “Although SCFS did not fire Wesley and Pender until three years after the lawsuit was filed, they’re now gone for good, and other women who were victimized should not hesitate to come forward.”

As part of the Consent Decree negotiated by the Department of Justice, Wesley and Pender are permanently prohibited from having any future involvement with the Section 8 program or property management responsibilities at any residential rental property. SCFS must also appoint an independent manager of its Section 8 program and submit to ongoing monitoring to prevent possible future incidents of sexual harassment.

“This is a huge victory for our clients,” said Kelly Clarke, the Fair Housing Project’s lead attorney on the case. “When they first came forward, no one believed them and they had no hope for justice. Now they have a team of lawyers and the U.S. government on their side. That is powerful vindication. We are thankful to the U.S. Department of Justice for its instrumental role in bringing hope and justice to our clients and other women who were victims of this sexual harassment.”

Legal Aid of North Carolina's involvement in this litigation was made possible by a grant from the U.S. Department of Housing and Urban Development's Fair Housing Initiatives Program.

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Legal Aid of North Carolina is a statewide, nonprofit law firm that provides free legal services in civil matters to low-income people in order to ensure equal access to justice and remove legal barriers to economic opportunity. Legal Aid’s **Fair Housing Project** works to eliminate housing discrimination and to ensure equal housing opportunity for all people in North Carolina through education, outreach, public policy initiatives, advocacy and enforcement. To learn more, visit www.legalaidnc.org and www.fairhousingnc.org.