

USDOJ Sexual Harassment Settlement

From: USDOJ-Office of Public Affairs (SMO)
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To: USDOJ-Office of Public Affairs (SMO)
Subject: SCOTLAND COUNTY, NORTH CAROLINA, PUBLIC HOUSING AGENCY AND TWO FORMER EMPLOYEES TO PAY OVER \$2.7 MILLION TO SETTLE SEXUAL HARASSMENT LAWSUITS

Note: The consent decree is attached as a PDF.



Department of Justice

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SCOTLAND COUNTY, NORTH CAROLINA, PUBLIC HOUSING AGENCY AND TWO FORMER EMPLOYEES TO PAY OVER \$2.7 MILLION TO SETTLE SEXUAL HARASSMENT LAWSUITS

WASHINGTON – The Justice Department today announced that Southeastern Community and Family Services Inc. (SCFS), a public housing agency that administers the Section 8 voucher program in Scotland County, North Carolina, and two of SCFS’ former employees have agreed to pay more than \$2.7 million in monetary damages and

civil penalties to settle consolidated Fair Housing Act lawsuits brought by the Justice Department and private plaintiffs. SCFS was formerly known as Four-County Community Services Inc. The suits allege that Wesley, SCFS's former Section 8 housing coordinator, and Pender, SCFS's former housing inspector, sexually harassed female voucher program participants and applicants. **This represents the largest monetary settlement ever agreed to in a sexual harassment case brought by the Justice Department under the Fair Housing Act.**

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

“The conduct of these defendants was reprehensible, and we are pleased with the outcome in this case,” said U.S. Attorney Ripley Rand of the Middle District of North Carolina. “We will continue to do everything we can to vindicate the rights of those who are subject to sexual harassment and hold accountable those who seek to prey upon others.”

“No one who provides much-needed housing or housing benefits to low-income women has the right to demand sexual favors in exchange for that housing,” said Assistant Secretary Gustavo Velasquez of the Department of Housing and Urban Development (HUD). “It’s wrong and it’s illegal. Today’s settlement reaffirms the Justice Department’s and HUD’s commitment to protecting the rights of women to live safely in their homes, without harassment.”

The department’s complaint, filed in the U.S. District Court for the Middle District of North Carolina, alleges, among other things, that Wesley and Pender subjected voucher program participants and

applicants to unwanted sexual comments, sexual touching and other sexual acts, conditioned or offered Section 8 benefits in exchange for sexual acts and took adverse housing actions against those who rebuffed their sexual advances. As alleged in the complaint, Wesley and Pender engaged in this conduct while exercising their authority as employees of SCFS, and SCFS failed to take reasonable preventive or corrective measures. SCFS terminated the employment of Wesley and Pender after the department filed its lawsuit.

The consent decree, which is subject to approval by the U.S. District Court, requires the defendants to pay \$2,700,000 in monetary damages to victims of their discriminatory conduct, including fifteen victims who filed a private lawsuit and their attorneys, and any additional individuals who are identified by the United States through a process established in the consent decree. Individuals who believe they were subjected to sexual harassment by Wesley or Pender should contact the Justice Department at 1-800-896-7743, option 94, or e-mail the department at fairhousing@usdoj.gov. In addition, the defendants must pay \$27,500 to the United States as a civil penalty.

The consent decree also prohibits the defendants from engaging in discrimination and requires SCFS to establish a non-discrimination policy and grievance procedure and to hire an independent manager for the Section 8 Voucher program. SCFS officials are required to participate in fair-housing training to prevent such conduct in the future. The decree bars Wesley and Pender from participating in the management of any Section 8 Voucher program and any residential rental properties in the future. The department's lawsuit began after Legal Aid of North Carolina Inc.'s Fair Housing Project brought the matter to the department's attention. HUD also referred to the department a complaint against the defendants. The department then conducted an independent investigation and filed suit.

The federal Fair Housing Act prohibits discrimination in housing based on race, color, religion, national origin, sex, disability and familial

status. More information about the Civil Rights Division and the laws it enforces is available at www.justice.gov/crt. Persons who believe that they have experienced unlawful housing discrimination elsewhere can contact the Justice Department at 1-800-896-7743, or e-mail fairhousing@usdoj.gov, or contact the Department of Housing and Urban Development at 1-800-669-9777.