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**Southeastern Community & Family Services Reaches Settlement
in Fair Housing Act Case**

Lumberton, NC – July 1, 2015 — Southeastern Community & Family Services, Inc. (SCFS) has agreed to settle claims of sexual misconduct and retaliation allegations with the U.S. Department of Justice (DOJ) and several clients receiving services under the agency’s HUD Section 8 Voucher program. The agreement will end a three-year litigation process and provide a monetary settlement totaling \$2.7 million, which includes a Settlement Fund created by SCFS to compensate persons whose rights have allegedly been violated. Those who believe they may have been discriminated against because of sex in connection with the agency’s HUD Section 8 Voucher program should contact DOJ at 1-800-896-7743. The agency has been servicing clients through the HUD Section 8 Voucher program for 35 years. In the last year, the agency served over 400 families per month under the program. SCFS’ HUD Section 8 Voucher program remains active in Scotland County and does not anticipate losing funding due to the settlement.

In December 2014, DOJ released a statement that two former SCFS employees, Eric Pender and John Wesley, offered female clients HUD Section 8 Voucher benefits in exchange for sexual acts, and were accused of taking adverse housing actions against those who rebuffed their sexual advances.

Ericka J. Whitaker, Chief Executive Officer of SCFS states the following:

“I make no pretense of knowing what actually occurred with all parties allegedly involved in this case. What I do know is that fighting an ongoing legal battle is unproductive for the agency. Our mission is to serve those who seek this agency for services. This case has been in litigation for three years, and involves parties that are no longer with the agency. It was in the best interest of the agency, our stakeholders, and those we serve to settle this case and move forward. However, as the CEO of this agency, I cannot ignore the possibility of such degrading acts, nor will they be tolerated. In moving forward, we have implemented a number of improvements to the agency to help ensure the safety of our clients and staff, including:

- *In March 2015, the agency began the process of hiring a new Manager to oversee the Section 8 Voucher program. This individual will be responsible for ensuring compliance to HUD guidelines.*
- *In January 2015, ALL STAFF were required to receive Sexual Harassment training by an outside professional. Additional Sexual Harassment training will be conducted on an annual basis.*



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- *In July 2014, security cameras were installed throughout the agency, including the HUD Section 8 office that monitor activity 24 hours a day, seven days a week.*
- *In June 2014, HUD Section 8 Voucher program procedures were established to require that ALL male Housing Inspectors be accompanied by a female employee at all times.*
- *In February 2014, the agency revised its sexual harassment policy, which states, Acts of sexual harassment by employees, supervisors, and managers are prohibited employment practices and are subject to disciplinary measures.*

Jason J. King, the agency's Board Chair states the following:

"The Board, along with the agency's leadership and legal counsel, as a collective body, and considering all components of this case for the last three years, have determined it best to settle with all parties involved. The agency is insured and had full coverage to settle this matter, therefore programs and services have not been interrupted. However, we have been working diligently with our CEO, Ericka J. Whitaker, establishing policies and procedures to prevent such allegations from happening again."

About Southeastern Community & Family Services

Southeastern Community & Family Services, Inc. (SCFS) is a federally-funded nonprofit agency based in Lumberton, North Carolina serving low income residents in seven neighboring counties for nearly 50 years. The Agency has over 200 employees and an approximate annual budget of \$15 million utilized to operate and manage 15 Head Start schools, HUD Section 8 housing, and other programs involving workforce readiness, economic development, and self-sufficiency.

To learn more about SCFS programs and services, and to keep up with the Agency's latest news and announcements, you may visit www.SCFSNC.org. You may also follow the agency on Facebook.

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