

NORTH CAROLINA

WAKE COUNTY

DEBRA HALBROOK,

FILED

GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
17-CVS-_____

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Plaintiff,

v.

WALLACE W. BRADSHER, JR.,
CRAIG M. BLITZER,
JOHN HOYTE STULTZ, III,
LUANN W. MARTIN,
GAYLE H. PEED,
PAMELA F. BRADSHER,
CINDY L. BLITZER,
THE OFFICE OF THE DISTRICT
ATTORNEY FOR PROSECUTORIAL
DISTRICT 9A, and
THE STATE OF NORTH CAROLINA,

Defendants.

VERIFIED COMPLAINT

INTRODUCTION

1. This lawsuit is about a 20-year Judicial Branch employee who was fired in retaliation for exposing a criminal scheme involving two District Attorneys, their wives, their staffs, and their Assistant District Attorneys—one of whom is now a District Court Judge.

2. District Attorney Wallace Bradsher, the elected District Attorney for Prosecutorial District 9A, and District Attorney Craig Blitzer, the elected District Attorney for neighboring Prosecutorial District 17A, led a conspiracy to steal from the taxpayers through a fraudulent scheme: They would hire each other's wife as a full-time staff member, allow her to "work" a few days each year, have their staff falsify time records in the Judicial Branch's electronic payroll system to indicate

that their wives were working full-time, and collect a combined total of nearly \$100,000 per year in salaries their wives never earned.

3. Plaintiff Debra Halbrook was working as a legal assistant in District Attorney Bradsher's office when she began to uncover Defendants' crimes. Her discovery culminated in an instance in which she inadvertently caught Senior Assistant District Attorney J. Hoyte Stultz, III (now a District Court Judge) entering false time records for Cindy Blitzer in the Judicial Branch's electronic payroll software.

4. Ms. Halbrook went to the SBI. Based on Ms. Halbrook's information, the SBI immediately initiated a criminal investigation. The SBI told Ms. Halbrook that it would protect her, and that her boss, District Attorney Bradsher, would not discover that she was the informant until after he was indicted.

5. Six months later, however, Bradsher had not yet been indicted, and he increasingly began to suspect that Ms. Halbrook was the informant. By January 2017, Bradsher had concluded that Ms. Halbrook was unwilling to be complicit in his criminal schemes, and therefore, she had to be the SBI informant. In a fit of rage, he summarily fired her.

6. On the day she was fired, Ms. Halbrook was only a few months away from vesting as a 20-year employee of the Judicial Branch, which would have entitled her to a retirement pension and health care benefits for the rest of her life. Now, Ms. Halbrook has no retirement, no health insurance, no job, and no prospects for employment in Caswell County.

7. The State is required by law to protect whistleblowers like Ms. Halbrook, who have the courage to speak up about fraud in state government. Here, instead, the State took away her job, her health insurance, and her retirement. Ms. Halbrook brings this lawsuit to hold the Defendants accountable.

PARTIES

8. Plaintiff Debra Halbrook is a resident of Caswell County.

9. Defendant Wallace Bradsher is the District Attorney for Prosecutorial District 9A. He is a resident of Person County. At all relevant times, he exercised supervisory authority over Ms. Halbrook. He is sued in his official and individual capacities, as described below.

10. Defendant Craig Blitzer is the District Attorney for Prosecutorial District 17A. He is a resident of Rockingham County. He is sued in his individual capacity, as described below.

11. Defendant John Hoyte Stultz, III is a District Court Judge in Judicial District 9A. He is a resident of Person County. At all times relevant to the complaint until January 1, 2017, he was a Senior Assistant District Attorney in the District 9A DA's Office. From January 2015 to September 2016, he exercised supervisory authority over Ms. Halbrook. In November 2016, he was elected as a District Court Judge, and was sworn in on January 1, 2017. He is sued in his official and individual capacities, as described below, for acts he committed before he became a judge.

12. Defendant LuAnn Martin is a Senior Assistant District Attorney in the District 9A DA's Office. She is a resident of Person County. From September 2016

until Ms. Halbrook's termination, she exercised supervisory authority over Ms. Halbrook. She is sued in her official and individual capacities, as described below.

13. Defendant Gayle Peed is the Administrative Assistant for the Office of the District Attorney for Prosecutorial District 9A. She is a resident of Person County. At all relevant times, she exercised supervisory authority over Ms. Halbrook. She is sued in her official and individual capacities, as described below.

14. Defendant Cindy Blitzer is the wife of Defendant Blitzer. She is a resident of Rockingham County. She is sued in her individual capacity, as described below.

15. Defendant Pamela ("Pam") Bradsher is the wife of Defendant Bradsher. She is a resident of Person County. She is sued in her individual capacity, as described below.

16. The Office of the District Attorney for Prosecutorial District 9A is a Defendant. It is one of North Carolina's 44 separate prosecutorial districts.

17. The State of North Carolina is a Defendant. At all times relevant to the complaint, the State acted through the public officials named in this complaint.

JURISDICTION AND VENUE

18. The Court has personal and subject-matter jurisdiction over the individual Defendants in their individual capacities. The Court also has personal and subject-matter jurisdiction over the Defendants in their official capacities, the District 9A DA's Office, and the State, because Ms. Halbrook seeks relief pursuant to the North Carolina Whistleblower Act, for which sovereign immunity has been waived, and for which the doctrine of administrative exhaustion is inapplicable.

19. Venue is proper in Wake County Superior Court pursuant to N.C. Gen. Stat. §§ 1-77 and 1-82.

FACTUAL ALLEGATIONS

Background

20. In January 1997, Ms. Halbrook was hired as a legal assistant for the District 9A DA's Office. She was later promoted to Victim Witness Legal Assistant. She would hold that position until January 2017.

21. As a Victim Witness Legal Assistant, Ms. Halbrook's duties included supporting the DA's office by providing administrative support, assisting victims, and processing and preparing documents. Ms. Halbrook was not tasked with investigating or uncovering wrongdoing within the District 9A DA's Office as part of her job responsibilities.

22. For approximately 10 of her 20 years of service, Ms. Halbrook was the only full-time support staff member within the District 9A DA's Caswell County office location. Ms. Halbrook took pride in serving the public, and she was a dedicated, exemplary employee. She intended to serve the District 9A DA's Office until her eventual retirement.

23. In November 2010, Defendant Bradsher was elected District Attorney for District 9A. He took office in January 2011.

24. Defendant Bradsher was unlike the other DAs that Ms. Halbrook had worked for in the past. He was violent and unstable. Ms. Halbrook witnessed him punch walls and throw things in the office, and at all times, he carried a concealed Glock handgun.

25. In addition, Defendant Bradsher would inappropriately twist Christian messages to enforce an unnatural hierarchy with his staff. While Ms. Halbrook is a devout Christian, she felt that twisting these messages lacked any foundation in the Bible and was inappropriate. For example, Defendant Bradsher referred to himself as “The Lion” and his staff as his “flock of sheep.” To remind the staff that they were subordinate to him, he would frequently tell them, “I am The Lion, you are my sheep.” He also kept a sculpture in his office of a lion with a flock of sheep. In addition, he mounted a lion’s head on his office door. He also created the following official “seal” for his office:



The Bradsher-Blitzer “Hire My Wife” Scheme

26. In January 2011, immediately after taking office, Defendant Bradsher hired his wife, Pam Bradsher, as a legal assistant. Her salary was \$37,432 per year.

27. Defendant Bradsher told his office staff that the North Carolina Administrative Office of the Courts (“AOC”) gave him approval to hire his wife. Not long after she was hired, however, AOC circulated a memorandum making it clear that Judicial Branch officials with hiring authority could not hire their spouses.

Upon information and belief, at all times relevant to the complaint, AOC's regulations prohibited District Attorneys from hiring their spouses.

28. In November 2014, Defendant Bradsher was reelected, and on January 1, 2015, he began his second term of office. That same day, Defendant Bradsher promoted Pam Bradsher to District Attorney Investigator and increased her salary by over \$10,000 to \$48,000.

29. Also on January 1, 2015, Defendant Blitzer was sworn in as the District Attorney for Prosecutorial District 17A in neighboring Rockingham County. That same day, Defendant Blitzer hired his wife, Cindy Blitzer, as a legal assistant. Her salary was \$46,900 per year.

30. Twelve days later, on January 13, 2015, the two District Attorneys' wives swapped jobs: Defendant Bradsher hired Cindy Blitzer as his investigator, and Defendant Blitzer hired Pam Bradsher as his legal assistant.

31. In her new job for Defendant Bradsher, Cindy Blitzer made \$48,000 per year. Her salary was later increased to \$50,160 per year. In her new job for Defendant Blitzer, Pam Bradsher made \$46,900 per year.

32. Following the job swap in January 2015, Cindy Blitzer and Pam Bradsher were paid a combined total of nearly \$100,000 per year. Neither of them, however, actually earned those salaries.

Falsified Time Records

33. During the time that Pam Bradsher "worked" as a full-time legal assistant for Defendant Blitzer's office, she did not work full-time. Upon

information and belief, most employees in Defendant Blitzer's office, as well as the members of the local bar and local law enforcement, had never even met Pam Bradsher.

34. Likewise, during the time that Cindy Blitzer "worked" as a full-time District Attorney Investigator for Defendant Bradsher's office, she essentially did not work at all. She came to the office approximately 5 days each year, and on those days, she would only stay for a few hours at most. Cindy Blitzer was never even issued a security card or security credentials. Most employees in Defendant Bradsher's office, as well as the members of the local bar and local law enforcement community, had never even met Cindy Blitzer.

35. After Cindy Blitzer had been "working" in the District 9A DA's Office for a while, Ms. Halbrook approached Defendant Peed, the office's Administrative Assistant, about why Cindy Blitzer was listed as an employee of Defendant Bradsher's office but was never in the office. Defendant Peed said that she did not know anything about that, and not to ask her.

36. Ms. Halbrook then asked Defendant Stultz, who was then a Senior Assistant District Attorney, the same question. Defendant Stultz said that Cindy Blitzer was working on a murder case in Defendant Blitzer's office in Rockingham County. Ms. Halbrook occasionally followed up on her question when she noticed that Cindy Blitzer was calendared to be working in Defendant Bradsher's office in Caswell County. Each time, however, she was told that Cindy Blitzer was working on a murder case in Rockingham County.

37. At one point, Ms. Halbrook learned that Defendant Peed, who was supposed to enter time worked for all office employees in the Judicial Branch's BEACON payroll time-entry software, had refused to do so for Cindy Blitzer. Ms. Halbrook then began to suspect that Defendant Bradsher's office was involved in a criminal scheme to pay the District Attorneys' wives for work they had not performed.

38. Soon thereafter, however, her fears were confirmed. Walking by Senior Assistant District Attorney Stultz's office one day, she noticed that he had the Judicial Branch's BEACON payroll time-entry software open on his computer. As Ms. Halbrook was well aware, Defendant Peed was the only one in the office who was permitted to access BEACON. Ms. Halbrook asked Defendant Stultz why he had BEACON open on his computer. Defendant Stultz replied that he was "just training."

39. Ms. Halbrook later told Defendant Peed about the incident, and asked her why Defendant Stultz would have been entering time in BEACON. Defendant Peed responded, "Don't worry about what [Defendant Stultz] is doing."

40. Upon information and belief, Defendant Peed immediately informed Defendant Stultz about Ms. Halbrook's inquiry. The very next day, Defendant Stultz approached Ms. Halbrook and told her not to worry about Cindy Blitzer, because she was still working the murder case in Rockingham County. Ms. Halbrook found that comment suspicious. After all, Ms. Halbrook had only asked why Defendant Stultz was entering time in BEACON, not about Cindy Blitzer.

41. Sometime thereafter, Ms. Halbrook learned that Cindy Blitzer could not possibly have been working full-time for a simple reason: Cindy Blitzer was enrolled in full-time nursing school. In addition, Ms. Halbrook also learned that both Cindy Blitzer and Pam Bradsher were receiving substantially higher salaries than her, despite the fact that they had less experience and never showed up to work. Furthermore, both Cindy Blitzer and Pam Bradsher had recently received raises.

42. Ms. Halbrook asked Defendant Bradsher about these inequities. Defendant Bradsher told Ms. Halbrook that Cindy Blitzer and Pam Bradsher “deserved” what they were paid.

43. Shortly thereafter, however, Pam Bradsher abruptly quit her job in Defendant Blitzer’s office. Upon information and belief, Defendant Bradsher orchestrated Pam Bradsher’s departure in an effort to lower Defendants’ profile in the face of Ms. Halbrook’s increasing suspicions and inquiries.

44. To replace Pam Bradsher, Defendant Blitzer hired Tyler Henderson, who was working in Defendant Bradsher’s office at the time. Mr. Henderson did not begin reporting to Defendant Blitzer’s office in Rockingham County, however. Instead, Mr. Henderson remained in Person County, where he continued to work for Defendant Bradsher. In Caswell and Person Counties, Mr. Henderson was widely referred to as Defendant Bradsher’s “bag man.”

45. Upon information and belief, Mr. Henderson was improperly paid by Defendant Blitzer’s office in Rockingham County even though he worked for

Defendant Bradsher in Person County. Upon information and belief, a member of Defendant Blitzer's staff improperly entered Mr. Henderson's time into BEACON to indicate that he was working in Rockingham County for Defendant Blitzer, when he was actually working in Person County for Defendant Bradsher.

46. By this time, in the summer of 2016, Ms. Halbrook was all but certain that Defendants were engaged in serious crimes. Ms. Halbrook feared losing her job if she reported their crimes to law enforcement, but she knew it was the right thing to do.

Ms. Halbrook Informs the SBI

47. After speaking with her husband, Ms. Halbrook spoke with her personal attorney, Lee Farmer, to seek his legal advice on how to report Defendants' crimes without losing her job. On Ms. Halbrook's behalf, Mr. Farmer spoke to Caswell County Sheriff Michael L. Welch about what Ms. Halbrook had revealed, and Sheriff Welch then spoke with the SBI. The SBI then encouraged Sheriff Welch to get Ms. Halbrook to talk with the SBI. Ms. Halbrook said that she would be willing to tell the SBI whatever it wanted to know.

48. In June 2016, Ms. Halbrook met with the SBI and shared all of the information described above. She further told the SBI that she was concerned Defendant Bradsher would eventually fire her, that he was delusional and violent, that he carried a Glock handgun, and that she was physically afraid of him. The SBI promised Ms. Halbrook that it would protect her, and that Defendant Bradsher would not know Ms. Halbrook was the informant until after he was indicted.

49. Based on Ms. Halbrook's information, the SBI initiated a criminal investigation into the Defendants' crimes. Prior to Ms. Halbrook blowing the whistle on Defendants' crimes, the SBI was completely unaware of Defendants' crimes.

50. The next month, in July 2016, the SBI approached Defendant Bradsher for the first time. The SBI called Ms. Halbrook to warn her that it would soon be interviewing Defendant Bradsher.

51. A few weeks later, Defendant Bradsher called Ms. Halbrook to tell her that the SBI had called him, and that there would be an SBI investigation. Defendant Bradsher told Ms. Halbrook that she would likely be interviewed, and that he couldn't tell her what to tell the SBI.

52. That same day, after work, Defendant Martin called Ms. Halbrook at home. Defendant Martin asked Ms. Halbrook what she knew about the SBI investigation. Defendant Martin further asked Ms. Halbrook if it was Mr. Farmer who had talked to the SBI. Ms. Halbrook did not give Defendant Martin any information, and was careful not to reveal that she was the SBI informant.

53. In late July 2016, the SBI interviewed the members of Defendant Bradsher's office.

54. The SBI interviewed Defendant Stultz first, for approximately 2.5 hours. Ms. Halbrook observed Defendant Stultz leave the interview, then meet up with Defendant Bradsher, who was waiting in the hallway. Defendant Bradsher

told Defendant Stultz, “let’s go talk,” and the two men went into Defendant Bradsher’s office and closed the door.

55. The SBI then interviewed the other members of the office staff, including Ms. Halbrook. During Ms. Halbrook’s interview, Defendant Stultz interrupted to show the SBI agents e-mails from Cindy Blitzer purporting to indicate her hours worked.

56. After Ms. Halbrook’s interview, Defendant Bradsher was waiting in the hallway. He stared at Ms. Halbrook, saying nothing.

57. After the SBI interviews, Defendant Bradsher announced to his staff that the reason Mr. Henderson was in Person County was because Mr. Henderson was providing training for a new digital discovery system. Upon information and belief, however, the Judicial Branch already had a training specialist in place to provide this training, and there was no reason for Mr. Henderson to do so. Despite this, Defendant Bradsher would begin trying to persuade Sheriff Welch to begin using the new digital discovery system in Caswell County so that Defendant Bradsher could use it as a cover to justify Mr. Henderson improperly remaining in Person County while being paid by Defendant Blitzer in Rockingham County.

Bradsher’s Indictment is Delayed

58. In late July 2016, after the SBI had completed its interviews, the SBI approached the Superior Court about ordering an investigation. On July 25, 2016, Superior Court Judge Joseph N. Crosswhite ordered an investigation into Defendants’ conduct.

59. In November 2016, Judge Crosswhite reviewed a preliminary SBI report and determined that there was sufficient evidence of criminal acts. Judge Crosswhite then referred the matter to the North Carolina Attorney General's Office.

60. In January 2017, however, the North Carolina Attorney General's Office responded to Judge Crosswhite that "[a]bsent a proper request from a District Attorney and the Attorney General's acceptance of that request in his discretion, the Attorney General has no authority to initiate criminal actions."

61. As a result, by January 2017, a full six months after the SBI had approached Judge Crosswhite with its findings, none of the Defendants—including Defendant Bradsher—had been indicted or removed from public office. As a result of the State's six-month delay, Ms. Halbrook was left vulnerable to Defendant Bradsher, who was becoming increasingly suspicious that she was the SBI's informant.

Ms. Halbrook is Discovered

62. In September 2016, unrelated to any legitimate employment justification whatsoever, Defendant Bradsher reassigned Ms. Halbrook from the District 9A DA's Caswell County office—where she had worked for nearly 20 years—to its Person County office, where Defendant Bradsher could watch over her personally. The Person County office was approximately 22 miles away from the Caswell County office—a 30-minute drive.

63. Around this time, Defendant Bradsher attempted to make Ms. Halbrook complicit in his fraud. Several months after announcing that Mr. Henderson was staying in Person County to provide training on the digital discovery system, Defendant Bradsher was still trying to convince Sheriff Welch to use the system to justify Mr. Henderson remaining in Person County. Defendant Bradsher knew that Ms. Halbrook's husband is the Caswell County Chief Deputy Sheriff, who is responsible for overseeing the daily operations of Sheriff Welch's Office. Defendant Bradsher made it clear to Ms. Halbrook that if she ever wanted to return to the Caswell County office, she needed to influence her husband to persuade Sheriff Welch to use the new digital discovery system.

64. Given what she knew, Ms. Halbrook did not want to become complicit in Defendant Bradsher's criminal scheme in any way. Therefore, when Ms. Halbrook spoke with her husband, she did not conceal anything from him.

65. Around that same time, Ms. Halbrook also spoke to Defendant Martin about Defendant Bradsher's relocation of her to Person County, and her concerns that Defendant Bradsher would ultimately fire her. Ms. Halbrook trusted Defendant Martin, and she shared that information with Defendant Martin in strict confidence.

66. Defendant Martin, however, immediately went to Defendant Bradsher with the information. The next day, Defendant Bradsher called Ms. Halbrook into his office. Defendant Bradsher had tears in his eyes. He told Ms. Halbrook that his "heart was broken" and that he would "never" fire her. Ms. Halbrook told

Defendant Bradsher, “I’m sorry, but I don’t believe that.” Defendant Bradsher immediately stopped crying and snapped into an enraged state.

67. Defendant Bradsher then told Ms. Halbrook that she was not “being loyal,” and that he knew she had met privately with her attorney, Mr. Farmer.

68. Ms. Halbrook asked Defendant Bradsher if Defendant Martin had told him about Defendant Martin’s conversation with her. Defendant Bradsher said “yes,” and that if Defendant Martin had not informed him, her job would have been “in jeopardy.”

69. Defendant Bradsher later called Assistant District Attorney Alisa Mitchell Black into his office. Defendant Bradsher questioned Ms. Black about Ms. Halbrook’s “loyalty,” and whether Ms. Halbrook had mentioned anything about the SBI investigation to her. Ms. Black answered that Ms. Halbrook was loyal and had not mentioned anything about the SBI investigation to her.

70. The next month, in October 2016, Defendant Bradsher feigned a “discovery” that Cindy Blitzer was not actually working full-time, and terminated her employment.

71. One month later, on November 21, 2016, Defendant Bradsher called Ms. Halbrook into his office. Defendant Bradsher’s Assistant District Attorney, Ms. Hollie B. McAdams, and Defendant Martin were in the conference room, as well. Defendant Bradsher was irate, and he was breathing heavily. He told Ms. Halbrook, “You are not being loyal to me,” and he told her that he had “confirmed”

she met with her attorney, Mr. Farmer. Defendant Bradsher demanded that Ms. Halbrook tell him what she and Mr. Farmer had discussed.

72. Ms. Halbrook refused to divulge her attorney-client-privileged communications with Mr. Farmer, which would have revealed that she was the SBI's informant, and that she was concerned that Defendant Bradsher would retaliate against her by firing her. She did admit to Defendant Bradsher, however, that Mr. Farmer was her attorney. That caused Defendant Bradsher to become even more enraged.

73. Defendant Bradsher then told Ms. Halbrook that every other member of his office staff had told him what they told the SBI agents in their July 2016 interviews, except for her. Ms. Halbrook then reminded Defendant Bradsher that the SBI agents had expressly instructed them they could not talk about their interviews, especially with others in the office.

74. Defendant Martin then interrupted the conversation to demand that Ms. Halbrook divulge her conversations with Mr. Farmer. Defendant Bradsher then accused Ms. Halbrook of preventing him from "watching over [his] flock." Again, Ms. Halbrook refused to divulge her attorney-client-privileged communications with Mr. Farmer, and the meeting ended awkwardly.

75. The next day, Defendant Bradsher called Ms. Halbrook back into his office—this time, without Defendant Martin or Ms. McAdams. He told her that he was relocating her office to a new work space. Defendant Bradsher then had Ms.

Halbrook moved out of her office, and he placed her desk in a storage space between two filing cabinets.

76. Meanwhile, around this same time in Rockingham County, Defendant Blitzer terminated Mr. Henderson's employment for unknown reasons. Defendant Bradsher, however, immediately hired Mr. Henderson, and moved him into Ms. Halbrook's old office.

77. After relocating Ms. Halbrook, Defendant Bradsher suddenly began acting superficially kind to her. He would tell her how "wonderful" it was to have her in the Person County office, what an "excellent" job she was doing, and how he did not know what they would do without her. This made Ms. Halbrook extremely uncomfortable. She did not feel safe around Defendant Bradsher. She called the SBI to provide an update about how Defendant Bradsher had interrogated her, relocated her, and begun acting superficially kind to her, and that she believed her job and personal safety were in danger. The SBI reassured Ms. Halbrook that it would protect her.

Ms. Halbrook's Termination

78. In December 2016, Ms. Halbrook received the Judicial Branch's "merit bonus" for outstanding job performance—a salary bonus that is only awarded to one employee per office each year. A few weeks later, however, Ms. Halbrook's 20-year tenure with the Judicial Branch would come to an end.

79. On January 11, 2017, both Ms. Halbrook and Defendant Bradsher were in the Person County office. Ms. Halbrook noticed that Defendant Bradsher

was on a phone call in the conference room. He appeared to become increasingly upset during the call.

80. Upon information and belief, the phone call that Defendant Bradsher received was about Sheriff Welch's decision rejecting Defendant Bradsher's attempt to use the digital discovery system to justify Mr. Henderson remaining in Person County. Upon information and belief, the caller read a letter to Defendant Bradsher from Sheriff Welch memorializing that decision. Upon information and belief, Sheriff Welch was resistant to partner with Defendant Bradsher because he was aware of the criminal acts described above.

81. At that moment, it became clear to Defendant Bradsher that Ms. Halbrook was not using her husband to facilitate his fraudulent schemes, and that, therefore, Ms. Halbrook had to be the "disloyal" SBI informant.

82. When Defendant Bradsher got off the phone, he immediately called Ms. Peed into his office. He then walked over to the doorway of the room where Ms. Halbrook's desk was located, and stood in the doorway where Ms. Halbrook was sitting. He was enraged, gasping for breaths, and his face was bloodshot. He told Ms. Halbrook to report to Ms. Peed's office immediately.

83. Defendant Bradsher entered the doorway of Ms. Peed's office. He continued hyperventilating, and he was physically shaking with rage. Defendant Bradsher then told Ms. Halbrook, "Your services are no longer needed." He summarily fired her, and left the room.

84. On the day Ms. Halbrook was fired, she was several months away from vesting as a 20-year employee of the Judicial Branch, which would have entitled her to a retirement pension and health care benefits for the rest of her life. Now, she has no retirement, no health insurance, no job, and no prospects for employment in Caswell County.

85. Upon information and belief, as a result of Ms. Halbrook reporting Defendants' crimes to the SBI, law enforcement has since uncovered evidence of additional potential crimes involving Defendant Bradsher and his office. These crimes include:

- (a) accepting bribes, kickbacks, and other gratuities, including meals, alcoholic beverages, and vacation rentals, from Joe Weinberger, a criminal defense attorney in Person County, who has a traffic ticket practice with multiple cases pending with Defendant Bradsher's office;
- (b) alleged sexual misconduct within the District 9A DA's Office;
- (c) alleged misuse of grant funds;
- (d) alleged mischaracterization of indictment statistics to secure unwarranted Judicial Branch funds; and
- (e) allegations that in exchange for Defendant Bradsher's support for a state trooper's campaign for sheriff, a state trooper chauffeured Defendant Bradsher to the Washington Duke Inn & Golf Club in Durham, where Defendant Bradsher rented a room and met with women.

86. Upon information and belief, the Federal Bureau of Investigation is now investigating Defendant Bradsher and other individuals named in this lawsuit.

CAUSES OF ACTION

COUNT 1 – NC Whistleblower Act **N.C. Gen. Stat. § 126-86**

87. Ms. Halbrook re-alleges and incorporates by reference all preceding paragraphs.

88. Count 1 is against Defendants Bradsher, Stultz, Martin, and Peed in their official capacities, the District 9A DA's Office, and the State ("the Whistleblower Act Defendants").

89. All State employees, including Judicial Branch employees like Ms. Halbrook, are protected by the North Carolina Whistleblower Act. N.C. Gen. Stat. 126-5(c)(5).

90. The North Carolina Whistleblower Act protects State employees who "report verbally or in writing to . . . [an] appropriate authority, evidence of activity by a State agency or State employee constituting: (1) a violation of State or federal law, rule or regulation; (2) fraud; (3) misappropriation of State resources; . . . or (5) gross mismanagement, a gross waste of monies, or gross abuse of authority." N.C. Gen. Stat. § 126-84. As described above, Ms. Halbrook reported evidence of this kind to the SBI.

91. Under N.C. Gen. Stat. § 126-86, "[a]ny State employee injured by a violation of G.S. 126-85 who is not subject to Article 8 of this Chapter may maintain an action in superior court for damages, an injunction, or other remedies provided

in this Article against the person or agency who committed the violation within one year after the occurrence of the alleged violation of this Article.”

92. Ms. Halbrook is “not subject to Article 8 of [Chapter 126].” *Id.* Ms. Halbrook was an employee of the Judicial Branch, for whom the provisions of Article 8 of Chapter 126 are expressly inapplicable pursuant to N.C. Gen. Stat. § 126-5(c1)(2). Therefore, Ms. Halbrook is entitled to bring this action “in superior court for damages, an injunction, or other remedies provided” in the Whistleblower Act. N.C. Gen. Stat. § 126-86.

93. The Whistleblower Act is an express waiver of the State’s sovereign immunity, and therefore, sovereign immunity does not bar this claim. In addition, as described above, the Whistleblower Act’s administration exhaustion requirements for employees subject to Article 8 of Chapter 126 do not apply to judicial employees like Ms. Halbrook, and therefore, the doctrine of administrative exhaustion is inapplicable.

94. The Whistleblower Act expressly provides “protection from retaliation.” N.C. Gen. Stat. § 126-85. The retaliation provisions of the Act provide:

(a) No head of any State department, agency or institution or other State employee exercising supervisory authority shall discharge, threaten or otherwise discriminate against a State employee regarding the State employee's compensation, terms, conditions, location, or privileges of employment because the State employee, or a person acting on behalf of the employee, reports or is about to report, verbally or in writing, any activity described in G.S. 126-84, unless the State employee knows or has reason to believe that the report is inaccurate.

(a1) No State employee shall retaliate against another State employee because the employee, or a person acting on behalf of the employee,

reports or is about to report, verbally or in writing, any activity described in G.S. 126-84.

(b) No head of any State department, agency or institution or other State employee exercising supervisory authority shall discharge, threaten or otherwise discriminate against a State employee regarding the employee's compensation, terms, conditions, location or privileges of employment because the State employee has refused to carry out a directive which in fact constitutes a violation of State or federal law, rule or regulation or poses a substantial and specific danger to the public health and safety.

(b1) No State employee shall retaliate against another State employee because the employee has refused to carry out a directive which may constitute a violation of State or federal law, rule or regulation, or poses a substantial and specific danger to the public health and safety.

Id.

95. As described above, the Whistleblower Act Defendants committed multiple violations of N.C. Gen. Stat. § 126-85, including retaliating against Ms. Halbrook by intimidating her, relocating her, and ultimately firing her. The Whistleblower Act Defendants' violations of N.C. Gen. Stat. § 126-85 were willful, as described above.

96. Pursuant to N.C. Gen. Stat. § 126-87, Ms. Halbrook seeks to recover from the Whistleblower Act Defendants three times the amount of her actual damages, including lost future earnings, lost back pay, lost retirement, health, and other benefits, unreimbursed expenses, damage to reputation, pain and suffering, and emotional distress. Pursuant to N.C. Gen. Stat. § 126-87, Ms. Halbrook also seeks the costs of bringing this action, including attorneys' fees.

COUNT 2 – North Carolina RICO Act
N.C. Gen. Stat. § 75D-8

97. Count 2 is against Defendants Bradsher, Blitzer, Stultz, Martin, Peed, Cindy Blitzer, and Pam Bradsher in their individual capacities (“the RICO Defendants”).

98. Ms. Halbrook re-alleges and incorporates by reference all preceding paragraphs.

99. Under the North Carolina RICO Act, “[a]ny innocent person who is injured or damaged in his business or property by reason of any violation of G.S. 75D-4 involving a pattern of racketeering activity shall have a cause of action for three times the actual damages sustained and reasonable attorneys’ fees.”

100. As described above, Ms. Halbrook was an innocent person injured or damaged in her business or property. As a result of the RICO Defendants’ conduct, Ms. Halbrook lost her job, her ability to earn a living, and her retirement, health, and other benefits.

101. Ms. Halbrook was injured or damaged by reason of violations of N.C. Gen. Stat. § 75D-4 involving a pattern of racketeering activity. N.C. Gen. Stat. § 75D-4 provides that “[n]o person shall . . . (2) Conduct or participate in, directly or indirectly, any enterprise through a pattern of racketeering activity whether indirectly, or employed by or associated with such enterprise; or (3) Conspire with another or attempt to violate any of the provisions of subdivision . . . (2) of this subsection.”

102. As described above, the RICO Defendants conducted or participated in an enterprise through a pattern of racketeering activity whether indirectly, or employed by or associated with such enterprise. N.C. Gen. Stat. § 75D-4(a)(2). Furthermore, as described above, the RICO Defendants attempted to conduct or participate in an enterprise through a pattern of racketeering activity whether indirectly, or employed by, or associated with such enterprise. N.C. Gen. Stat. § 75D-4(a)(3). In addition, as described above, the RICO Defendants conspired with each other to conduct or participate in an enterprise through a pattern of racketeering activity whether indirectly, or employed by, or associated with such enterprise. N.C. Gen. Stat. § 75D-4(a)(3). The RICO Defendants had a conscious commitment to a common scheme designed to achieve their unlawful objectives.

103. The RICO Defendants were an “enterprise” for RICO purposes. In the alternative, the District 9A DA’s Office, the District 17A DA’s Office, or both were an “enterprise” for RICO purposes. The RICO Defendants ran the conspiracy out of the District 9A DA’s Office, the District 17A DA’s Office, and, upon information and belief, out of each of their homes.

104. As described above, the RICO Defendants pattern of racketeering activity involved multiple incidents of racketeering activity within a four-year period of each other, which had the “same or similar purposes, results, accomplices, victims, or methods of commission or otherwise were interrelated by distinguishing characteristics and were not isolated and unrelated incidents,” as described in N.C. Gen. Stat. 75D-3.

105. The RICO Defendants committed, attempted to commit, or solicited, coerced, or intimidated another person to commit multiple predicate RICO acts, including two or more violations of each the following:

- (a) 18 U.S.C. § 1513(e) (retaliating against employees who provide evidence of fraud to a government agency)
- (b) 18 U.S.C. § 1513(f) (conspiring to retaliate against employees who provide evidence of fraud to a government agency)
- (c) 18 U.S.C. § 1503 (relating to obstruction of justice)
- (d) 18 U.S.C. § 1510 (relating to obstruction of criminal investigations)
- (e) 18 U.S.C. § 1511 (relating to the obstruction of State or local law enforcement)
- (f) 18 U.S.C. § 1512 (relating to tampering with a witness or informant)
- (g) 18 U.S.C. § 201 (relating to bribery)
- (h) 18 U.S.C. § 1341 (relating to mail fraud)
- (i) 18 U.S.C. § 1343 (relating to wire fraud)
- (j) 18 U.S.C. § 1513 (relating to retaliating against a witness or informant)
- (k) 18 U.S.C. § 1952 (relating to racketeering)
- (l) N.C. Gen. Stat. § 14-100 (obtaining property by false pretenses)
- (m) N.C. Gen. Stat. § 14-92 (embezzlement of funds by public officers)
- (n) N.C. Gen. Stat. § 14-118 (blackmailing)
- (o) N.C. Gen. Stat. § 14-118.4 (extortion)

- (p) N.C. Gen. Stat. § 14-221.1 (altering, destroying, or stealing evidence of criminal conduct)
- (q) N.C. Gen. Stat. § 14-225 (relating to false reports to law enforcement agencies or officers)
- (r) N.C. Gen. Stat. § 14-226 (intimidating or interfering with witnesses)
- (s) N.C. Gen. Stat. § 14-228 (buying and selling offices)
- (t) N.C. Gen. Stat. § 14-230 (willfully failing to discharge duties)
- (u) N.C. Gen. Stat. § 14-231 (failing to make reports and discharge other duties)
- (v) N.C. Gen. Stat. § 14-234 (relating to public officers or employees benefiting from public contracts)
- (w) N.C. Gen. Stat. § 14-277.1 (communicating threats)
- (x) N.C. Gen. Stat. § 14-353 (influencing agents and servants in violating duties owed employees)
- (y) N.C. Gen. Stat. § 14-210 (subornation of perjury)

106. As described above, there is a sufficient nexus between the RICO Defendants' pattern of racketeering activity and pecuniary gain. This pecuniary gain includes the theft of more than a combined total of nearly \$100,000 per year in State salaries that were never earned, the cover up to avoid disgorgement of these salaries, and the cover up to avoid the termination of the RICO Defendants' jobs (and salaries) as State employees.

107. Pursuant to N.C. Gen. Stat. § 75D-8(c), Ms. Halbrook seeks three times her actual damages, including lost future earnings, lost back pay, and lost retirement, health, and other benefits. Pursuant to N.C. Gen. Stat. § 75D-8(c), Ms. Halbrook also seeks her attorneys' fees.

108. Pursuant to N.C. Gen. Stat. § 75D-8(d), in addition to her recovery of damages to her business or property, Ms. Halbrook also seeks recovery from the RICO Defendants of forfeited property or proceeds they derived from that property, which is superior to any right or claim the State has in the same property or proceeds.

109. Ms. Halbrook is notifying the Attorney General of this action as required by N.C. Gen. Stat. § 75D-8(c).

COUNT 3 – Obstruction of Justice

110. Count 3 is against Defendants Bradsher, Blitzer, Stultz, Martin, Peed, Cindy Blitzer, and Pam Bradsher in their individual capacities (previously defined as “the RICO Defendants”).

111. Ms. Halbrook re-alleges and incorporates by reference all preceding paragraphs.

112. North Carolina recognizes a common law civil claim for obstruction of justice against a person who commits any act that prevents, obstructs, impedes, or hinders public or legal justice and thereby injures the plaintiff.

113. By July 2016, if not earlier, the RICO Defendants knew that a criminal investigation had been initiated into their conduct. By that same time, if not

earlier, it was also foreseeable to the RICO Defendants that they would face a civil lawsuit for their conduct.

114. The RICO Defendants obstructed, impeded, and hindered public and legal justice in future criminal and civil cases against them. These acts included attempting to cover up key evidence of their crimes, making false statements to law enforcement and the media, intimidating individuals interviewed by the SBI into improperly sharing information with them, impeding the SBI's investigation, and ultimately firing Ms. Halbrook to cover up their crimes and allow them to continue perpetrating and covering up their crimes without Ms. Halbrook informing the SBI.

115. Defendants committed these acts in the District 9A DA's Office, the District 17A DA's Office, and, upon information and belief, in each of their homes.

116. As a proximate cause of the RICO Defendants' obstruction of justice, Ms. Halbrook has suffered damages, including lost future earnings, lost back pay, lost retirement, health, and other benefits, unreimbursed expenses, damage to reputation, pain and suffering, emotional distress, and impaired potential civil recovery under N.C. Gen. Stat. § 75D-8(d) of the RICO Defendants' forfeited property or the proceeds they derived from that property. The RICO Defendants are jointly and severally liable to Ms. Halbrook for these damages.

117. In addition, because the RICO Defendants participated in the fraudulent, malicious, and willful or wanton acts described above, which proximately caused Ms. Halbrook's damages, Ms. Halbrook is entitled to punitive damages under N.C. Gen. Stat. § 1D-15.

COUNT 4 – Intentional Infliction of Emotional Distress

118. Count 4 is against Defendant Bradsher in his individual capacity.

119. Ms. Halbrook re-alleges and incorporates by reference all preceding paragraphs.

120. As described above, Defendant Bradsher's intimidation and retaliation against Ms. Halbrook not only placed Ms. Halbrook in fear of losing her employment, but in fear for her physical safety as well.

121. As described above, Defendant Bradsher's intimidation and retaliation against Ms. Halbrook for reporting his crimes to the SBI constitutes extreme and outrageous conduct and exceeds all bounds tolerated by society.

122. Defendant Bradsher targeted his conduct specifically at Ms. Halbrook, and intended to cause her severe emotional distress. Alternatively, Defendant Bradsher engaged in this course of conduct with reckless indifference as to whether it would cause Ms. Halbrook severe emotional distress.

123. Defendant Bradsher's extreme and outrageous conduct described above did, in fact, cause Ms. Halbrook to suffer severe emotional distress beyond mere embarrassment, temporary fear, or humiliation. Ms. Halbrook has been forced to seek medical treatment for the severe emotional distress caused by Defendant Bradsher. The emotional distress that Defendant Bradsher inflicted on her has had, and will have, lasting emotional and physical manifestations.

124. As a proximate cause of Defendant Bradsher's intentional infliction of emotional distress, Ms. Halbrook suffered damages, including the emotional

distress itself, medical bills to treat the emotional distress, damage to her reputation, and pain and suffering. In addition, because Defendant Bradsher's intentional infliction of emotional distress was fraudulent, malicious, and willful or wanton, Ms. Halbrook is entitled to punitive damages under N.C. Gen. Stat. § 1D-15.

COUNT 5 – Negligent Infliction of Emotional Distress

125. Count 5 is against Defendant Bradsher in his individual capacity.

126. Ms. Halbrook re-alleges and incorporates by reference all preceding paragraphs.

127. At all times relevant to the complaint, Defendant Bradsher owed a duty to Ms. Halbrook to exercise reasonable care under the circumstances.

128. Defendant Bradsher breached his duty of care to Ms. Halbrook by negligently intimidating Ms. Halbrook, negligently supervising his employees, and negligently engaging in unrestrained outbursts directed at Ms. Halbrook.

129. At the time Defendant Bradsher engaged in this negligent conduct, a reasonable and prudent person would have foreseen that this conduct would cause Ms. Halbrook severe emotional distress.

130. Defendant Bradsher's negligent conduct described above did, in fact, cause Ms. Halbrook to suffer severe emotional distress beyond mere embarrassment, temporary fear, or humiliation. Ms. Halbrook has been forced to seek medical care for the severe emotional distress caused by Defendant Bradsher.

The emotional distress that Defendant Bradsher inflicted on her has had, and will have, lasting emotional and physical manifestations.

131. As a proximate cause of Defendant Bradsher's negligent infliction of emotional distress, Ms. Halbrook suffered damages, including the emotional distress itself, medical bills to treat the emotional distress, damage to reputation, and pain and suffering. In addition, because Defendant Bradsher's negligent infliction of emotional distress was fraudulent, malicious, and willful or wanton, Ms. Halbrook is entitled to punitive damages under N.C. Gen. Stat. § 1D-15.

COUNT 6 – Civil Conspiracy

132. Count 6 is against Defendants Bradsher, Blitzer, Stultz, Martin, Peed, Cindy Blitzer, and Pam Bradsher in their individual capacities (previously defined as "the RICO Defendants").

133. Ms. Halbrook re-alleges and incorporates by reference all preceding paragraphs.

134. Upon information and belief, Defendants conspired to commit violations of the North Carolina RICO Act and the common law tort of obstruction of justice. Defendants ran the conspiracy out of the District 9A DA's Office, the District 17A DA's Office, and, upon information and belief, out of each of their homes.

135. In furtherance of the conspiracy, the RICO Defendants committed multiple overt acts described above, including Defendant Bradsher firing Ms. Halbrook.

136. As a direct and proximate result of the conspiracy, Ms. Halbrook has suffered and will continue to suffer damages, including lost future earnings, lost back pay, lost retirement, health, and other benefits, unreimbursed expenses, damage to reputation, pain and suffering, and emotional distress. The RICO Defendants are jointly and severally liable to Ms. Halbrook for these damages.

137. In addition, because the RICO Defendants participated in the fraudulent, malicious, and willful or wanton acts described above, which proximately caused Ms. Halbrook's damages, Ms. Halbrook is entitled to punitive damages under N.C. Gen. Stat. § 1D-15.

DEMAND FOR JURY TRIAL

138. Ms. Halbrook demands a trial by jury on all issues so triable.

REQUEST FOR RELIEF

Ms. Halbrook respectfully requests that the Court:

- (a) award her damages, including lost future earnings, lost back pay, lost retirement, health, and other benefits, unreimbursed expenses, damage to reputation, pain and suffering, and emotional distress, as described above;
- (b) award her treble damages, as described above;
- (c) award her attorneys' fees and costs, as described above;
- (d) award her punitive damages, as described above;
- (e) award her pre-judgment interest, as allowed by law; and
- (f) award any and all other relief which the Court deems just and proper.

Respectfully submitted the 21st day of February, 2017.

POYNER SPRUILL LLP

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DEBRA HALBROOK

STATE OF NORTH CAROLINA

VERIFICATION

COUNTY OF CASWELL

Debra Halbrook, being first duly sworn, deposes and says:

That she is the Plaintiff in this action; that she has read the foregoing Verified Complaint and knows the contents thereof; that the allegations therein are true to the best of her own knowledge, except as to those things therein stated upon information and belief; and that as to those matters and things stated upon information and belief, she believes them to be true.

This the 17 day of February, 2017.

Debra Halbrook
DEBRA HALBROOK

CASWELL COUNTY, NORTH CAROLINA

Sworn to and subscribed before me this the 17th day of February, 2017.

Anita B. Smith
Notary Public

My commission expires: 9-29-2017.

