

19 crisis. The Government Finance Officers Association awarded her its Distinguished Budget Presentation Award in every prior city she managed. She is African-American, female, and was the City of Martinsville's first Black female City Manager. She is a citizen and resident of Virginia.

16. Defendant **CITY OF MARTINSVILLE** is a political subdivision of the Commonwealth of Virginia. The City Council holds final policymaking authority over the appointment, supervision, and termination of the City Manager. Its acts in those functions are acts of the City for purposes of municipal liability under *Monell v. Department of Social Services*, 436 U.S. 658 (1978), and *Pembaur v. City of Cincinnati*, 475 U.S. 469 (1986).

17. Defendant **AARON RAWLS** at all relevant times served as a Councilmember of Martinsville. He is a citizen of Virginia. Ms. Ferrell-Benavides sues him in his individual capacity.

18. Defendant **SANDS ANDERSON, PC** is a Virginia professional corporation with offices in Richmond and elsewhere. The acts alleged were performed by attorneys it employed, including Joshua L. Rogers, Stephen Durbin, and Faith Alejandro, within the scope of their employment. The Firm is liable under respondeat superior and Virginia law governing professional corporations. Stephen Durbin held himself out as City Attorney for Martinsville. The Council never appointed Sands Anderson, Rogers, Durbin, or Alejandro as City Attorney by resolution or ordinance, as the Charter required.

## FACTS

### **A. January 2023: A New Council, and a Firm Engaged Without the Charter-Required Appointment**

19. This case began before Ms. Ferrell-Benavides arrived, with the engagement of the law firm that would later investigate her. The same Charter-appointment defect and the same

dispute over the Firm's billing that began here would, two years later, provide both the investigator and the asserted grounds for her suspension and termination. Sands Anderson never held the appointment required by the City Charter.

20. The Martinsville City Council took office on January 2, 2023, electing LC Jones as Mayor and Defendant Rawls as Vice-Mayor. About six weeks later, on February 13, 2023, Sands Anderson attorney Daniel M. Siegel transmitted an engagement letter to then-Councilmember Rawls, then-City Manager Leon Towarnicki, and then-Councilmember Jones, purporting to retain the Firm as City Attorney.

21. Section 2 of the Charter required that the City Attorney be "an attorney at law" appointed by Council. The City Attorney had to be an individual, not a firm. The engagement letter named "Sands Anderson PC," not any individual attorney, as the contracting party.

22. The Charter was amended in 2024 to permit the appointment of "a member of a firm of attorneys," but the appointment still had to be of an individual by Council resolution or ordinance. The Council never adopted any such resolution or ordinance. Stephen Durbin nonetheless held himself out as City Attorney. As late as October 8, 2025—after the termination and after Ms. Ferrell-Benavides's counsel had designated the Firm as a potential defendant in writing—Durbin signed a letter to her counsel asserting that "this Firm serves as City Attorney for the City," even though no Council resolution or ordinance ever appointed it.

23. The Firm thus operated under color of municipal authority but outside the agency the City could lawfully confer.

24. From the outset, the Firm's billings drew protest from the very Councilmembers who would later turn its investigation against Ms. Ferrell-Benavides. By June 26, 2023, City Manager Towarnicki was reporting the Firm's early invoices to Council, and Rawls wrote in

reply, “We need suggestions to reduce those costs by 70%.” Vice-Mayor Lawson wrote that “the cost for this service is not the best use of taxpayer money.” When Ms. Ferrell-Benavides later raised the same concern about the Firm’s billings, Defendants treated that oversight as a basis for adverse action against her.

25. The Firm sat in judgment of the City’s finances, in which it was itself the largest new participant. Sands Anderson began billing the City as its purported City Attorney in the spring of 2023, some eight months before Ms. Ferrell-Benavides took office, and its fees became the most conspicuous feature of the City’s finances: legal-services spending rose 245% in a single fiscal year, charged under an engagement the Charter never authorized. Yet when the management of the City’s finances became the subject of investigation, the Firm did not submit its own billing records or disclose its unappointed status to the independent outside counsel that the Virginia Department of Risk Management, the Commonwealth’s Attorney, and its own published guidance all said the circumstances required. It made itself the investigator instead, demanding of the City’s first Black female City Manager an accounting it never gave of itself.

**B. Fall 2023: Hired Over a Slur, Into a City That Needed Rebuilding**

26. The City recruited her from Texas. To secure her, it agreed to a severance package equal to one year’s salary, then \$175,000, payable only upon a demonstrated without-cause termination.

27. During the finalist interviews, an internal email surfaced in which Rawls and Councilmember Tammy Pearson, both white, called her “a liar and a fake” before she was hired and before the Council had seen a day of her work. The Council hired her anyway, and she assumed office in October 2023. The City she inherited needed rebuilding: the budget document had not been materially restructured since 1987; the chart of accounts had swollen to several

times its normal size; and the City was drawing on reserves and one-time federal funds to cover recurring costs. She began that work.

**C. December 2023 through 2024: A Race-Based Pattern, a Hostile Evaluation, and a Hospitalization**

28. A pattern of hostility toward Black-owned and Black-led institutions emerged during Ms. Ferrell-Benavides's first months, shaping the environment in which she worked.

29. In December 2023, at a Police Holiday event, Rawls and Pearson pressed Police Chief Robert Fincher to take action to shut down Kornna Kitchen, a Black-owned restaurant. The Chief declined and walked away. On September 17, 2024, Rawls admitted contacting the Virginia Alcoholic Beverage Control Authority (Virginia ABC) about the same restaurant.

30. In April and May 2024, Rawls publicly criticized Communities Promoting Economic Growth ("CPEG"), a Black-led economic development organization, and pushed to defund it.

31. On August 30, 2024, Mayor Jones published a signed, dated Facebook post detailing several statements Rawls had made in the Mayor's presence. Rawls said he "would make sure that" a Black Council candidate "would not receive a white vote in the City of Martinsville" and would "get out and go door to door" to that end. He had "vowed to never spend a dime at the Tad Space," a Black-owned community space. He also complained about hiring decisions in which the only material change was "new faces of color."

32. Rawls left the City's first Black History Month program soon after it began in February 2024, did not attend the second, and was the only Councilmember absent from the January 18, 2025 Martin Luther King, Jr. event hosted by a Black fraternity. This conduct, though often directed at others, establishes the racial character of the environment in which Defendants acted against the City's first Black female City Manager.

33. Against that backdrop, the hostility turned directly on the City Manager. On October 8, 2024, Ms. Ferrell-Benavides received a hostile performance evaluation drafted by Vice-Mayor Rawls. Mayor Jones, Councilmember Lawson, and Councilmember Mitchell each gave her exceedingly high reviews. Pearson arrived late, carrying an encrypted document that only Rawls could read, and only Rawls, working from it, rated her otherwise.

34. The confrontation put her in the hospital. Two days later, on October 10, 2024, a co-worker transported her to urgent care, where the provider urged her to go directly to the emergency room because of stroke-like symptoms. Her blood pressure was dangerously high, despite no prior history of hypertension, and her physician concluded the symptoms were stress-induced.

35. On October 17, 2024, the Carilion Clinic documented a positive Romberg sign, a clinical finding indicating neurologic abnormality. She underwent a brain MRI on November 6, 2024, and, beginning December 16, 2024, commenced ongoing treatment with Dr. Valencia Ren Eggleston-Clark, who, in May 2025, certified that she required medical leave for a stress-related illness. She was on FMLA leave from May 23 through June 10, 2025. The symptoms persisted; the leaves repeated; the injuries continued throughout the period of Defendants' conduct.

36. Rawls's own signed October 5, 2024 evaluation form forecloses any claim that Ms. Ferrell-Benavides was not meeting expectations. It acknowledges that "[t]he annual budget is the greatest success during the evaluation period," that "two high-contribution hires were onboarded," that she brought "multiple world-class consultants to the small city of Martinsville," and that her "[t]echnical knowledge not present before CM's arrival has been invaluable." In the Financial Management category, the precise area in which Defendants later accused her of misconduct, Rawls rated her "Exceeds Expectations" on two criteria and "Meets Expectations"

on three. Defendants' own November 28, 2025 EEOC Position Statement characterizes the same evaluation as "overall a positive performance review."

37. In December 2024, at a public Council meeting, Rawls attacked the Council majority that had supported Ms. Ferrell-Benavides, calling them "more focused on race hustling and manufacturing culture wars" than on the City's interests. Through counsel of record, Rawls has since admitted in the November 28, 2025 EEOC Position Statement that he referred to fellow Councilmembers as "scumbags" or "dirtbags," characterizing the comments as "admittedly unprofessional."

**D. October 2024: The Mitchell Complaint Identifies Rawls's Bias — Held by the Firm, Never Investigated**

38. On October 22, 2024, Councilmember Lawrence Mitchell filed a written complaint with Sands Anderson, the Berkley Group, City HR Director Travis Hodge, and Mayor Jones, identifying bias in the Rawls/Pearson evaluation, the encrypted document Pearson had brought to the meeting, the Firm's history of bias and business ties, and the lack of transparency in the process. From that date forward, the Firm maintained a written, formal complaint identifying Rawls's and Pearson's bias against the City's first Black female City Manager.

39. The Firm did not investigate Rawls. It did not investigate Pearson, notwithstanding the pre-hire "liar and a fake" email, Pearson's late arrival with the encrypted document, and her December 2023 conduct alongside Rawls pressuring the Police Chief. The same Firm was later retained to investigate Ms. Ferrell-Benavides.

40. Also in October 2024, Councilmember Lawson informed Ms. Ferrell-Benavides that Eric Payne — a candidate the Council had voted to hire as City Attorney, though not licensed to practice in Virginia — was positioning for Ms. Ferrell-Benavides's job. Mr. Payne is now Economic Development Director for the Martinsville Economic Development Authority,

and later supplied documents Rawls used to compile the April 17, 2026 AI Transmittal Memorandum.

41. Sands Anderson's own later investigative report described an anonymous letter then circulating in the City as containing "racially incendiary remarks were made about Black personnel," and identified that letter as one of two stated catalysts of racial tension on the Council. On the face of its own work product, the Firm knew the racial character of the environment in which Rawls was operating. Yet it still did not investigate, censure, or propose any for-cause action against him. The second of those two stated catalysts the Firm's Report identified was Mayor Jones's August 30, 2024 Facebook post. The Report recorded, in the Firm's own work product, that the Mayor had publicly accused Rawls of conduct directed at the City's Black community.

**E. March 2025: A "Sufficiently Praiseworthy" Review and a Raise**

42. On March 17, 2025, the Council reviewed Ms. Ferrell-Benavides's performance in executive session and found her work "sufficiently praiseworthy" to authorize an annual compensation increase of \$34,145, an approximately nineteen-percent raise to a base salary of \$215,000. The same Council action produced a \$55,000 reduction in the City Attorney's salary, taken — as the Firm's own report records — "at the instruction of all members but Rawls (who was not present)." Defendants' November 28, 2025 EEOC Position Statement admits the raise was "agreed unanimously" by the four members present (Jones, Lawson, Gravely, and Mei) and that on July 22, 2025 the Council formally voted in open session to approve the same raise.

43. The hostility surrounding that review was planned, not provoked. Fifteen days earlier, on March 2, 2025, Rawls posted online that he intended to confront Mayor Jones and Ms. Ferrell-Benavides at the upcoming meeting. On March 25, 2025, a Sheriff's Deputy assigned to a

Council meeting asked Rawls to take a break and leave the dais after a heated closed-session altercation continued into his open-session remarks. Three days later, Rawls and Councilmember Mei held a press conference accusing the salary-review process of being manipulated.

**F. April–May 2025: The Insurer’s Directive, Rawls’s FOIA Campaign, and a “Hazardous” Workplace**

44. In April 2025, the Firm sought authority to investigate. Faith Alejandro described that authority, in writing on April 30, 2025, as procured by “informal polling” of individual Councilmembers — not a resolution, not an ordinance — and acknowledged in the same writing that the Firm “would most likely be disqualified for any future representation of the City in any litigation related to the findings of our investigation.” The Virginia Department of Risk Management, the state agency that carries the City’s liability, directed the Firm in writing not to conduct the investigation and to retain independent outside counsel. The Firm’s own published article tells other municipalities to do exactly that. The Martinsville Commonwealth’s Attorney separately warned the Firm in writing of its conflict. The Firm proceeded anyway.

45. The Firm’s financial stake had measurable shape. **Before its engagement, the FY 2022–23 legal-services budget was \$121,033; with the Firm engaged, FY 2023–24 actual legal-services expenditures rose to \$416,880 (measured against the comparable prior-year budget), a 245% increase in a single fiscal year.** By December 2025, the City had spent more than \$400,000 on the Sands Anderson investigation and the Brown Edwards forensic audit alone. Ms. Ferrell-Benavides questioned those bills through channels outside her ordinary job duties: in communications with the Virginia Department of Risk Management, in open-session Council meetings, in contesting the Firm’s authority to act as City Attorney under the Charter, and in coordination with Mayor Jones as a separately elected official. The Firm then investigated her.

46. In May 2025, Rawls began issuing FOIA requests for Ms. Ferrell-Benavides's City credit-card and travel records, then released excerpts to the public and the press to paint a misleading narrative of misconduct, including reimbursed charges he attributed to her. On May 15, 2025, Police Chief Fincher warned all five Councilmembers in writing that City employees "in multiple departments [were] being harassed and even threatened" and that "what is developing is not only a hostile working environment but a hazardous one," attributing the harm to "things said and released to the media."

**G. June 2025: Rawls Personally Sues the City Manager He Was Elected to Supervise**

47. On June 2, 2025, Rawls personally sued Ms. Ferrell-Benavides and the Sheriff's Deputy who had asked him to leave the dais. *See Rawls v. Keen and Ferrell-Benavides*, No. 4:25-cv-00028-TTC-CKM (W.D. Va., Roanoke Division). He sued her "in her personal capacity" for compensatory, nominal, and punitive damages under 42 U.S.C. §§ 1983 and 1988, and she was personally served at her home while serving as the sitting City Manager.

48. The lawsuit was not Rawls's first resort to the law-enforcement process against City officials: earlier in his term, he had asked Police Chief Fincher to arrest the former City Manager over unsubstantiated corruption allegations and had asked the Virginia State Police to investigate the former Mayor and Councilmember Lawson, neither request producing any finding of wrongdoing.

49. A sitting Councilmember's personal suit against the City Manager he was elected to supervise, and against a sworn officer who had performed her ordinary duties — both Black women — fit a pattern of weaponizing legal process that recurred in the criminal referral, the affidavit, and the AI memorandum.

## **H. July 2025: The EEOC Charge, the “Do You Consider Yourself Racist?” Investigation, and the Suspension**

50. As the hostility against her escalated from a personal lawsuit to a workplace investigation, Ms. Ferrell-Benavides sought the protection of the federal civil rights laws. On July 2, 2025, Ms. Ferrell-Benavides filed a charge with the EEOC, dual-filed with the Virginia Office of Civil Rights, alleging discrimination, harassment, and defamation based on race, color, and sex. Rawls was a primary actor named in the charge. The filing is the protected activity that starts the retaliation clock: 21 days later she was suspended, and 42 days later she was terminated.

51. Sands Anderson lawyers Joshua L. Rogers and Faith Alejandro began the investigation on or about July 14, 2025. **Among Rogers’s first questions to the City’s first Black female City Manager, in preparation for the Firm’s “impartial report,” was: “Do you consider yourself racist?”** Ms. Alejandro had previously advised her to retain personal counsel — the City’s lawyer telling the City’s City Manager that the City’s lawyer could not protect her — and then helped run the witness interviews that produced the report.

52. The questioning went well beyond financial management. The Firm asked the HR Director to pull up the Facebook pages of Mayor Jones and Rawls, asked staff about personal and family matters, asked whether Ms. Ferrell-Benavides was romantically involved with a former subordinate, and asked the Police Chief whether “there [was] something in Mei’s background that could be a problem for the City.” The questioning reached a point where Ms. Ferrell-Benavides had no choice but to leave the room.

53. The Firm’s financial scrutiny was itself racially selective, and that selectivity ran through the forensic audit. Although Brown Edwards CPAs performed the audit under its contract, Sands Anderson set its direction and scope, and that scope reached only the pay raises

or six-figure salaries of Black City employees and others connected to Ms. Ferrell-Benavides, while excluding white employees in comparable roles, including the Fire Chief, the Public Works Director, and the Budget Director.

54. The narrow list of individuals the audit singled out did not reflect every City employee who received a compensation increase during the same period; the City's compensation records for directors and part-time hourly staff supply the fuller picture.

55. The Firm's own Report confirms that its findings reached well beyond financial management into personal and interpersonal conduct (witness interactions, statements to a reporter, hiring and personnel decisions, workplace "gossip," and racial dynamics) while expressly deferring the financial-mismanagement complaints to the separate Brown Edwards forensic audit, corroborating that the authorized financial-management inquiry had been transformed into a personal investigation.

56. During this same period, and at the urging of Vice-Mayor Lawson, the Firm was asked to provide Ms. Ferrell-Benavides a disability accommodation. She completed the accommodation paperwork after a medical professional confirmed medical necessity, and the City's HR Director certified it. The Firm nonetheless denied the accommodation, demanding to review her physician's notes; when the HR Director declined to produce them in keeping with Ms. Ferrell-Benavides's rights under HIPAA, the Firm refused to provide her the investigative questions in writing.

57. On July 8, 2025, Mayor Jones wrote to the Firm asking for a detailed scope and projected costs, reporting that staff feared being named in the next local-news headline and that the personal questions posed in the investigation appeared unrelated to any financial-management or retaliation issue. The Firm produced no scope outline. Within a week, Ms.

Alejandro recast Ms. Ferrell-Benavides's exercise of her right to counsel and her departure from the interview as "interfering with the investigation" — a label later written into the August 13 termination letter. Alejandro's July 15, 2025 email also invited, in writing, ex parte communications with individual Councilmembers "just as Aaron and I have spoken in the past," disclosing that such communications with Rawls were already occurring.

58. The investigation did more than scrutinize Ms. Ferrell-Benavides; it emboldened the very subordinate the Firm had supplied. On July 10, 2025, the interim finance official Sands Anderson had placed with the City, Richard Stanfield, demanded by email that Ms. Ferrell-Benavides strip a finance employee's system access, then escalated the demand to the entire City Council and to Sands Anderson, touting his own performance and disparaging the City Manager's direction. When Ms. Ferrell-Benavides advised Stanfield that copying the full Council was inappropriate, Durbin and Alejandro intervened within hours—not to support her supervisory authority over the employee the Firm had supplied, but to warn her that any response to his insubordination, even a documented one, would expose the City to a retaliation claim.

59. In a contemporaneous reply, Ms. Ferrell-Benavides wrote that the investigation had "enabled and reinforced" the subordinate's misconduct and that what "began as a review of potential mismanagement within the Finance Department now appears to have shifted toward scrutinizing [her] leadership and character."

60. On July 19, 2025, responding to Mayor Jones's written request to suspend the investigation and refer it to an independent agency, Ms. Alejandro agreed she had "no qualms with a third-party agency, such as the Virginia State Police or the Office of the Attorney General investigating this matter," yet raised the prospect of criminal liability for individual Councilmembers. The same letter asserted that the Firm was "in receipt of a recorded statement

by the City Manager” indicating that a Councilmember had financially benefitted from her “efforts to use her influence for that individual to obtain a certain job.” The Firm has never produced, identified, or substantiated that “recorded statement.”

61. On July 22, 2025, the Council formally voted in open session to approve the raise. That same day, Ms. Ferrell-Benavides tendered a written resignation to the Mayor and Council, effective October 6, 2025. Her letter invoked the 60-day notice provision of her contract, noted that the Council could place her on administrative leave during the notice period to facilitate an orderly transition, and attributed her departure to “the persistent strain of ongoing personal and professional attacks” that had produced a workplace “no longer viable for continued public service.” The City thus held, before it took any further action, a voluntary and orderly resignation that would have ended the employment relationship within weeks.

62. As Defendants admit, the Council “was not advised of the City Attorney’s preliminary investigation findings” when it approved the raise. The Firm delivered those findings the next day, July 23, 2025, in closed session, and on that basis the Council suspended her. The notice for the July 23 executive session stated that the meeting concerned the future employment of Sands Anderson, not Ms. Ferrell-Benavides. Rogers spoke loudly enough to be heard outside the Council room and called her a liar. The Council placed her on indefinite administrative leave effective immediately, with no prior notice, no opportunity to reply, and instructions not to speak to any City employee or Councilmember. Mayor Jones voted no.

63. The indefinite, punitive administrative leave the Council imposed—immediate, open-ended, expressly tied to the investigation, and accompanied by a gag instruction and the Firm’s “liar” accusation—bore no resemblance to the orderly transition leave Ms. Ferrell-Benavides’s resignation had contemplated.

64. The same day, July 23, 2025, it was publicly reported that Ms. Ferrell-Benavides was a finalist for the City Manager position in Elgin, Texas. **The suspension foreclosed Elgin and every comparable role.** No municipality hires a candidate on indefinite administrative leave pending an active investigation into bribery accusations. When a Martinsville Bulletin reporter pursued the story to Elgin, the Firm accused Ms. Ferrell-Benavides of leaking information to him; in fact the information originated with the Firm and with Rawls, who maintained a close relationship with the reporter and, on information and belief, assisted in preparing certain of the articles.

**I. August 2025: Termination Without Process, and the Firm’s Letter in Its Own Voice**

65. On August 7, 2025, the Council met in executive session. Sands Anderson handed Council written information from its investigation and gave approximately ten minutes to read it before collecting all the pages. Per Mayor Jones, the Firm had not finished its investigation and had no final report.

66. Hours later, the Council voted to terminate Ms. Ferrell-Benavides for cause on a motion by Councilmember Mei, then passed a motion directing the Firm to provide “the pertinent facts and information of their investigation” to the Commonwealth’s Attorney, a referral that publicly insinuated she had committed a crime.

67. On August 13, 2025, at a televised public meeting, the Council voted a second time 3-2 to fire her, with an official termination date set 60 days out. Mei, Rawls, and Vice-Mayor Lawson voted yes; Gravely and Mayor Jones voted no.

68. The two members who joined Rawls to form that majority, Mei and Lawson, voted on the strength of the Firm’s investigative presentation, including the written materials the Firm had handed Council on August 7 and collected back before any discussion. Lawson had

urged the City to extend Ms. Ferrell-Benavides a disability accommodation and was among those to whom she had reported the Firm's conflict; her vote rested on the record the Firm controlled and curated, not on any independent finding of cause.

69. Also on August 13, 2025, Sands Anderson attorney Faith Alejandro wrote the termination letter on the Firm's letterhead and signed it "on behalf of the Council" in language the Firm chose. **The letter was not a bare transmission of the Council's decision; the Firm wrote it, chose the language, and made the accusations.** In its own voice, it accused Ms. Ferrell-Benavides of "interfering with investigative witnesses"; "violating instructions by publicly speaking about privileged and confidential City information"; "being dishonest and uncooperative"; "providing financial benefits to subordinates and City officials that creates the appearance of impropriety"; "offering City jobs with little to no vetting"; "engaging in the most extreme forms of workplace gossip"; admitting "to engaging in illegal and unethical practices"; and "a host of troubling financial practices — including undisciplined spending and still-unexplained purchases." The "interfering" charge refers to her protected questioning of the out-of-scope investigation and her departure from the interview at which Rogers demanded "Do you consider yourself racist?" The "admitted to engaging in illegal and unethical practices" charge refers to no admission she ever made.

70. Thirteen days earlier, on July 31, 2025, Ms. Ferrell-Benavides had submitted a comprehensive written rebuttal citing budget records, City policies, statutory authority, and contemporaneous communications. The Firm had it in hand and wrote the August 13 letter anyway — more than three months before the Brown Edwards audit issued, and with knowledge that no forensic finding then existed to support a single one of the inflammatory accusations. The Firm's own Report corroborates the timing, stating that Brown Edwards "has been engaged by

the City to examine” the financial-mismanagement complaints and “will be the subject of a supplemental report ... once that review is complete.”

71. When the Firm wrote the August 13 letter, it held not only Ms. Ferrell-Benavides’s July 31 written rebuttal but her July 22, 2025 resignation effective October 6, 2025. Neither the Firm nor the Council needed to brand a departing executive a briber, refer her for criminal prosecution, and deny her contractual severance in order to end her tenure; she was already leaving. The choice to convert a voluntary resignation into a public for-cause termination accompanied by a criminal referral—three weeks after the resignation and thirteen days after the rebuttal—is itself evidence that the object was not to manage an employment relationship but to injure her.

72. **The City provided no pre-removal process.** The August 13 letter itself labels the 60-day period beginning that date a “pre-removal suspension in accordance with Chapter 5, § 1 of the City Charter.” During those 60 days, the City provided no notice of specific charges, no copy of the Sands Anderson report, no list of witnesses, no opportunity to respond on the record, and no name-clearing hearing. The City also refused to pay the approximately \$220,000 severance her contract required. To this day, she has received no copy of the report.

73. The withholding was deliberate and litigation-driven. After Ms. Ferrell-Benavides’s counsel made a Virginia FOIA request for the Report, Sands Anderson advised the Council in writing, on October 21, 2025, to withhold it, warning that disclosure would hand her “a roadmap for her defenses in litigation” and that, “based on her prior conduct, she may try to tamper with witnesses”—even as the Firm released portions of the same Report to the press and to the circulators of the removal petition. The Firm thus confirmed in writing that it anticipated litigation by Ms. Ferrell-Benavides and was managing its disclosures to disadvantage her in it,

leveled a fresh imputation of witness tampering, and selectively disclosed to her detractors what it denied to the subject of the Report.

74. No comparable letter was ever drafted about Rawls, against whom the Firm held the Mitchell complaint and the Police Chief's "hazardous"-workplace warning, and whom the Firm never investigated.

75. The Firm's letter was not the end of the matter but the script for what came next. In the weeks that followed, Rawls carried the Firm's accusations into the public arena.

76. On September 5, 2025, he wrote a letter to Sands Anderson, copied to the Martinsville Bulletin, which published its contents on September 8, 2025, accusing Ms. Ferrell-Benavides of bribery, conflict of interest, and misuse of public funds. On October 9, 2025, he publicly demanded "the brightest spotlight imaginable" on "Aretha's behavior" and called for "a very public trial."

**J. November 2025 through January 2026: The Forensic Audit Produces No Finding of Bribery; Three Accusations Are Structurally Impossible**

77. The forensic audit by Brown Edwards CPAs — the auditor the City paid more than \$400,000, whose engagement letter named Ms. Ferrell-Benavides as its subject — produced no finding that she engaged in bribery, the giving or receipt of corrupt gifts, manipulation of property assessments, or any criminal conduct. The audit examined hundreds of credit-card charges, dozens of budget amendments, employee files including hers, and ARPA expenditures. It was issued in final form on November 20, 2025 and delivered to Ms. Ferrell-Benavides's counsel on January 7, 2026, more than three months after the August 13 termination letter. Its adverse findings concerned only policy compliance and internal controls — travel-policy noncompliance, charges exceeding GSA per diem, missing receipts, untimely budget

amendments, and ARPA reporting failures — and disclosed no bribery, corrupt gift, or other criminal conduct by Ms. Ferrell-Benavides.

78. Three of the most prominent public accusations are not merely contrary to the record but structurally impossible on facts within Defendants’ institutional knowledge. First, property assessment in Martinsville lies with the elected Commissioner of Revenue, a constitutional officer wholly outside the City Manager’s authority. Unlike Virginia localities in which the assessor reports to the City Manager or Council, the assessment function in Martinsville is wholly independent of the City Manager, and the elected Commissioner contracted the reassessment to an outside firm, placing any influence by Ms. Ferrell-Benavides over assessed values beyond her structural reach.

79. Second, the “nail-salon” charge originated from a state judicial officer not under her authority, held no City P-Card under her control, and was flagged and reimbursed in full.

80. Third, of 129 City Purchase Cards in circulation, only three are held within City Administration — the City Manager, the City Clerk, and Council support staff — and Councilmembers hold none; many of the rest are held by constitutional and state officers, including the Sheriff, the courts, and the Registrar, who do not report to the City Manager. The premise that Ms. Ferrell-Benavides personally controlled City P-Card spending is incompatible with the City’s P-Card structure.

81. Each of these predicates was verifiable in minutes from records the Firm already possessed or controlled as the City’s purported counsel, and Ms. Ferrell-Benavides’s July 31, 2025 written rebuttal directed Defendants to that disproof before the August 13 letter issued.

82. Separately, the April 22, 2024 airfare charge that Defendants recast as bribery was a reimbursed travel arrangement, not a corrupt benefit. The charge on Ms. Ferrell-Benavides’s

City card paid for tickets so that Mayor Jones, Ms. Robinson, Rawls, and Ms. Ferrell-Benavides could travel together to a conference.

83. Ms. Robinson understood she was personally responsible for reimbursing the City. After the City requested reimbursement in June 2024, Ms. Robinson promptly sent a check for the full amount, which the City received that same month.

84. An erroneous travel charge, a request for reimbursement, and full repayment by the recipient are a reimbursement pattern, not bribery—there was no corrupt agreement, no official act by Ms. Ferrell-Benavides, and nothing given in exchange. The repayment was complete more than 18 months before Rawls swore the affidavit that recast it as a bribe.

**K. November 12, 2025: The Coordinated Exclusion of Her Closest Council Ally**

85. On November 12, 2025, the Council convened a closed session to deliberate on Ms. Ferrell-Benavides’s EEOC complaint. Before the meeting, Sands Anderson and Rawls coordinated to share the unredacted investigative Report with each other Councilmember during a pre-meeting review beginning at 5:00 p.m. Vice-Mayor Lawson and Mayor Jones arrived thereafter.

86. When Mayor Jones entered, the Firm’s attorneys spoke in coordinated sequence to remove him, advising him he had a conflict, warning that his presence could “potentially lead to a misdemeanor offense,” and stating that Council “could initiate the process for [his] removal from office.” Rawls said, “We don’t need someone in here who’s going to take back our strategy to Aretha,” and later, in response to a warning that closed-session notes are not privileged, stated on the record: “Yes, I plan to have them brought back into court.” Sixty days later, he swore the January 12, 2026 affidavit.

87. Through that episode, the Firm and Rawls acted in concert to exclude Ms. Ferrell-Benavides's most supportive Councilmember from a deliberation about her own EEOC charge.

**L. 2026: Every Neutral Reviewer Rejects the Case, and the Related Petition Is Dismissed**

88. **Every neutral reviewer rejected the case Defendants built.** Brown Edwards produced no finding implicating Ms. Ferrell-Benavides in bribery, corrupt gifts, manipulation of property assessments, or any criminal conduct.

89. The elected Martinsville Commonwealth's Attorney, Andy Hall, publicly rejected the criminal referral after Sands Anderson admitted to him it had no evidence to support the alleged bribery scheme, and cited the Firm's refusal to provide him an unredacted version of its report despite a Council vote directing it to do so.

90. Special Prosecutor Bethany Harrison concluded the related Mayor Jones removal matter should not proceed. Substitute Special Prosecutor Alfred Gray Collins, III, the first and only unconflicted prosecutor to complete an independent review, reached the same conclusion.

91. On January 13, 2026, a citizen petition to remove Mayor Jones under Va. Code § 24.2-233 was filed in the Martinsville Circuit Court, and a petition circulator, Patti Covington, separately transmitted a letter to the presiding Judge invoking the Sands Anderson investigative Report as "evidence" warranting his removal; the Firm, which had selectively released portions of that Report to non-clients, did not disclaim, correct, or seek to limit that use.

92. On May 15, 2026, the Martinsville Circuit Court dismissed the related removal petition against Mayor Jones, obtained on the same investigative record, with the Commonwealth admitting on the record that the petition had been "launched on rumors." To

date, no criminal investigation of Ms. Ferrell-Benavides has been opened by any law-enforcement authority.

93. **Defendants’ own counsel of record has now declined to defend the inflammatory accusations on the merits.** In the November 28, 2025 EEOC Position Statement, Defendants retreated from the bribery, “troubling financial practices,” “illegal and unethical practices,” and “extreme forms of workplace gossip” accusations to a single asserted finding of “a lack of consistent and regular supervision of the City’s financial processes and systems.” That finding describes supervisory negligence, not criminal conduct or moral turpitude. Because the retreat was taken by Defendants’ own counsel of record in a litigation submission, it is an admission against interest: the only finding they are prepared to defend is supervisory negligence. Defendants’ inflammatory accusations about Ms. Ferrell-Benavides remain unretracted.

94. On or about April 17, 2026 — the day after Special Prosecutor Harrison informed counsel she had concluded the matter should not proceed — Rawls publicly admitted that he “used AI to compile ‘disparate docs’ into a single file”: a 150-page composite that, by his own account, included the forensic audit and documents provided by Eric Payne, the candidate alleged above to have positioned for Ms. Ferrell-Benavides’s job. Rawls transmitted the composite to the Special Prosecutor and the Virginia State Police outside any authorized Council process and after the prosecutor’s announced conclusion.

95. Defendants’ wrongful conduct has produced continuing harm. Substitute Special Prosecutor Collins has indicated he will present the matter to a special grand jury, notwithstanding the multiple independent rejections. The pendency of that investigation imposes

continuing reputational injury on Ms. Ferrell-Benavides and continuing impairment of her ability to obtain comparable senior-municipal-executive employment.

**M. The Harm**

96. Ms. Ferrell-Benavides lost more than her job. She lost a position she had been recruited from Texas to take, the trust of colleagues she had worked beside, and the institutional standing she had built across thirty years of public-sector executive service. The publicly broadcast accusations reached the city in which she lived, the professional networks she had built, and the family that watched her name appear in the press in connection with allegations of bribery and “the most extreme forms of workplace gossip.” The medical injuries that began with the October 10, 2024 emergency-room visit continued throughout the period of Defendants’ conduct.

97. **Ms. Ferrell-Benavides’s concrete economic injuries include:** (a) lost wages and the value of benefits from August 13, 2025 through trial; (b) unpaid contractual severance of approximately \$220,000; (c) the loss of the City Manager position in Elgin, Texas, for which she was a publicly identified finalist on July 23, 2025 and which she would have secured but for the suspension and the published accusations; (d) the loss of additional comparable senior-municipal-executive opportunities for which she was qualified; and (e) documented medical expenses for the October 10, 2024 emergency-room treatment, the October 17, 2024 Carilion Clinic visit, the November 6, 2024 brain MRI, and the ongoing course of treatment with Dr. Eggleston-Clark beginning December 16, 2024, all in amounts to be proven at trial. She has further suffered general damages including damage to her professional standing, professional and personal humiliation, emotional pain and suffering, anxiety, and loss of quality of life.