

NCICL Files Lawsuit against Randy Parton and Others for Fraud

June 19, 2008

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Raleigh, N.C. A conspiracy by Randy Parton and others to fraudulently obtain public money to build a theater in Roanoke Rapids is the subject of a lawsuit filed today by the North Carolina Institute for Constitutional Law (NCICL).

The lawsuit alleges that Randy Parton, former economic development official Rick Watson, attorney Ernest Pearson, and various businesses they worked through began scheming in 2004 to fraudulently lure a city into an agreement to build the Randy Parton Theater so that they could personally profit at the expense of taxpayers. In carrying out their plan, these individuals, all named as defendants in today's lawsuit, made false statements, withheld material facts, breached their fiduciary duties to taxpayers, and ignored substantial conflicts of interest. The City of Roanoke Rapids issued \$21.5 million in bonds to pay for the theater project which the defendants led the City to believe would bring much needed economic development to the struggling community.

This scheme went undetected initially because of an amendment to the State Constitution which narrowly passed in 2004—the same year the defendants' scheme began. Known as Amendment One, this law did away with the right of the people to approve or disapprove the type of bonds used in this case to the detriment of the taxpayers who did not have an opportunity to vote on the bonds issued to finance the Randy Parton Theatre.

NCICL is representing a citizen of Roanoke Rapids, Jim Garrett, who brought the lawsuit on behalf of himself and the City of Roanoke Rapids and his fellow taxpayers.

“The City of Roanoke Rapids was sold on the concept of the Theater as a way to bring new jobs and revitalization to their struggling town,” said Jeanette Doran, Senior Staff Attorney at NCICL, “but all the people got was a \$21.5 million debt that they are going to have to repay.”

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