



PRESS RELEASE

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Summary of Martinsville Workplace Investigation Concerning Former City Manager

Introduction

On August 7, 2025, the Martinsville City Council voted to terminate former City Manager Aretha Ferrell-Benavides for cause, citing malfeasance and dishonesty among other grounds, and voted to refer certain findings to the Commonwealth's Attorney. Below is a summary of supporting facts that are verifiable through City records, financial documents, and other non-privileged sources. The Council has chosen not to include facts that are subject to attorney-client privilege or certain constitutional protections. The Council appreciates the public's desire for transparency, and this statement reflects the Council's carefully considered effort to weigh the need for complete openness against the best interests of the City.

- **Questionable Hiring Practices:** Ms. Ferrell-Benavides engaged in a pattern of hiring employees with little or no vetting, failing to conduct background checks, and failing to maintain standard new-hire documentation in personnel files.
- **Fiscal Irregularities:** City financial records document significant fiscal irregularities during Ms. Ferrell-Benavides's tenure. Some of these irregularities include:
 - Ms. Ferrell-Benavides authorized the transfer of nearly \$170,000 from the Economic Development budget into the City Manager's budget, which Council had originally appropriated at \$571,677 for FY2025.
 - Budget amendments were entered into the accounting system by staff in the City Manager's office without prior Council approval and without the public hearing required by Virginia law for amendments exceeding 1% of the City budget.
 - A \$10 million FY24 school appropriation was posted by the Chief Operating Officer in late January 2025 before Council approved it.
 - Ms. Ferrell-Benavides failed to turn in thousands of dollars in missing receipts for purchase card charges.
 - Ms. Ferrell-Benavides' purchase card spending lacked meaningful independent oversight; transactions were reviewed only by herself or by her direct subordinates, contrary to City policy requiring independent review.
 - Ms. Ferrell-Benavides repeatedly violated the City's travel policy, which places limits of either \$45 for meals/incidentals or applicable GSA per diem rates.
 - Additional purchase card irregularities included a \$200 charge by a subordinate at a high-end clothing retailer on the subordinate's City purchase card with no record of disciplinary action, and a \$233.80 purchase by that same subordinate at a chocolate shop in December 2024 using Ms. Ferrell-Benavides's card.



- **ARPA Compliance Failures:** The City nearly lost \$4.4 million in American Rescue Plan Act funds due to compliance failures. Required filings for September 30, 2024, and December 31, 2024, were past due as of March 17, 2025, with the Treasury Department portal scheduled to close in two weeks. The reports were filed within 24 hours only after intervention by Congressman Morgan Griffith’s office.
- **Undue Influence and Conflicts of Interest:** Multiple subordinates lived with Ms. Ferrell-Benavides, a fact she publicly acknowledged in an interview with the *Martinsville Bulletin*. Ms. Ferrell-Benavides purchased a brand new hot tub for Mayor L.C. Jones and his girlfriend in the months before Mayor Jones voted for a substantial pay raise for Ms. Ferrell-Benavides. She also paid for expensive restaurant outings for Councilmembers and staff.
- **Retaliation Against City Employees**
 - A City employee raised legitimate concerns about financial mismanagement through official channels. On March 13, 2025, the employee wrote a memorandum to Ms. Ferrell-Benavides and her Chief Operating Officer detailing “several deficiencies within the operational structure of internal controls and lack of adequate oversight by Management.” On April 13, 2025, the employee emailed the City Attorney a six-page memorandum detailing financial mismanagement. Ms. Ferrell-Benavides thereafter began openly undermining the employee to various City employees and officials.
 - A recording of an April 18, 2025, phone conversation between Ms. Ferrell-Benavides and a former City employee reveals that Ms. Ferrell-Benavides outed the whistleblowing employee as a whistleblower, disparaged him professionally, and called him a “chauvinist” who was “full of s***.” In that same conversation, Ms. Ferrell-Benavides acknowledged whistleblower protections and stated, “by filing a whistleblower complaint, his job is now protected because he’s now in a protected class.” Even so, Ms. Ferrell-Benavides used the conversation to spread incendiary rumors about the employee and suggested that the former employee help Ms. Ferrell-Benavides undermine the whistleblowing employee. Ms. Ferrell-Benavides also said the following to the former employee: “Don’t put a lot of stuff in writing,” and “Anything you need from me, let me know, and just call me.”
 - On July 10, 2025, the whistleblowing employee discovered that the Chief Operating Officer still had system access after her resignation and was creating new funds. When the employee emailed Ms. Ferrell-Benavides about this concern, she responded by copying Mayor Jones, Vice Mayor Lawson, Police Chief Fincher, and two attorneys for the city, accusing the employee of being unable to do his job. When the employee attempted to defend himself in response, Ms. Ferrell-Benavides wrote to the employee: “This message is inappropriate and will be documented in your Human Resources File as open insubordination.”

Conclusion

Ms. Ferrell-Benavides’ employment agreement permitted termination for cause immediately, without notice, for malfeasance, dishonesty, policy violations, unsatisfactory performance, and “any other behavior or conduct that may be deemed by City Council to adversely affect the confidence of the public or the integrity of the City.” Based on the facts summarized above, as well as other facts that are subject to attorney-client privilege or constitutional protections, Council determined that grounds existed for termination.

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