IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

RACHEL BLASBERG,
Plaintiff,

v.

CITY OF DEMOREST,
And
Rachel Bryant, Amy Payne,
personally,

Defendants.

CIVIL ACTION NO.
JURY TRIAL DEMANDED

COMPLAINT

COMES NOW Plaintiff, Rachel Blasberg ("Plaintiff" or "Ms. Blasberg"), by and through counsel, signed below and files this Complaint, against her former employer(s) City of Demorest ("City Defendant") and former co-workers, Rachel Bryant, ("Defendant Bryant") Amy Payne, ("Defendant Payne") in each of their personal capacities or collectively ("Defendants"), alleging as follows:

NATURE OF THIS ACTION

1.

Plaintiff seeks to recover damages from City Defendant resulting from her termination on account of Title VII sexual harassment/hostile work environment,

Title VII retaliation, and Georgia Whistleblower Act against City Defendant and Defamation *per se*, O.C.G.A. §51-5-4, against former co-workers, Rachel Bryant and Amy Payne.

PARTIES, JURISDICTION, AND VENUE

2.

This Court's jurisdiction, over Plaintiff's claims, is invoked under 28 U.S.C. §1331.

3.

Venue properly lies in the Northern District of Georgia under 28 U.S.C. §1391(b) because a substantial portion of the events giving rise to the claims herein arose in this judicial circuit.

4.

Plaintiff is a female natural person, former public employee, and resident of the state of Georgia who submits herself to the jurisdiction and venue of this Court.

5.

City Defendant has substantial ties to the state of Georgia and the Northern District of Georgia given that it operates a city located in Georgia and is a public employer who maintains and maintained offices at all relevant times hereto, conducting regular, not isolated acts of business in Georgia and in the Northern

District of Georgia. Therefore, this Court possesses jurisdiction over these Defendants.

6.

The unlawful employment practices were committed within the state of Georgia. City Defendant is a public employer in Georgia located in this district and division. Therefore, venue is proper in this district and division pursuant to 28 U.S.C. §1391 (b) & (d).

7.

City Defendant may be served with the summons and complaint to its Mayor, Jerry Harkness at 250 Alabama Street, Demorest, Georgia 30535.

8.

Defendants Bryant and Payne work/worked for City Defendant and are former co-workers of Plaintiff who published untrue and defamatory statements about Plaintiff to Plaintiff's employer. These statements were related to Plaintiff's work. Defendant Payne may be served with summons and complaint at her place of work located at City of Demorest, 250 Alabama Street, Demorest, Georgia 30535. Defendant Bryant may be served at her residence at 295 Camp Creek Circle, Cornelia, Georgia 30531.

9.

This Court may exercise supplemental jurisdiction over the subject matter relating to The Georgia Whistleblower's Act, and Defamation *per se* pursuant to 28 U.S.C. §1367 as the facts and circumstances of the Georgia claims arise out of the common nucleus of the operative facts of the Title VII claims.

FACTUAL ALLEGATIONS

Plaintiff's Employment

10.

Plaintiff worked for City Defendant under the title assigned to her by City Defendant, GCIC Operator/Utility Clerk and within the City Police Department and Court System. Plaintiff began working part time for Defendant in October, 2022. City Defendant initially paid Plaintiff $15.00/hour.

11.

Plaintiff was made full time by City Defendant in or around July 1, 2024. At the time of her termination, City Defendant was paying Plaintiff $19.06/hour.

12.

City Defendant never issued any written discipline to Plaintiff. Defendant issued written, positive evaluations of Plaintiff's work. City Defendant rated Plaintiff as "exceptional" and "exceeds expectations." Defendant assigned

Plaintiff these positive values as recently as January of 2026, just a few months prior to City Defendant's termination of her. The evaluations included comments about Plaintiff's work such as "Rachel is an excellent worker." Yet, City Defendant terminated Plaintiff citing "lack of work" and offered Plaintiff a severance agreement and payment. However, after removing certain duties from Plaintiff's work tasks, Defendant wrote on her DOL 800 Separation Notice the reason for the separation was "budget constraints." At the time of termination, Plaintiff had worked for Defendant for approximately 3 years.

City of Demorest Employer

13.

City Defendant is and was a public employer who employed Plaintiff from in or around October 11, 2022 until City Defendant terminated Plaintiff on or about April 17, 2026.

14.

City Defendant was/is subject to the laws under The Civil Rights Act of 1964, as amended, Title VII, as City Defendant employs/employed in excess of 15 employees, each working in at least 20 calendar weeks in the current and prior year and as a public employer in Georgia, City Defendant was/is subject to the provisions of The Georgia Whistleblower Act.

Defendants Rachel Bryant and Amy Payne

15.

Bryant and Payne were/are employees of City Defendant and were co-workers of Plaintiff.

16.

Bryant and Payne made untrue statements about Plaintiff to Plaintiff's employer regarding Plaintiff's relationship with the Chief of Police, Casey Chastain. These statements became known to others who reside in Habersham County, Georgia, the small community in which Plaintiff lives. In fact, because City Defendant is a public entity subject to Georgia Open Records Requests, the local newspaper, The Northeast Georgian, reported on this issue using Plaintiff's name. As employees of a public employer, Payne and Bryant were aware of the requirements prescribed to their employer under the Georgia Open Records Act which makes statements/documents available for public review. When Plaintiff's name is Googled, now, the story mentioning Plaintiff's name is immediately shown.

17.

These untrue statements caused City Defendant to open an investigation regarding these allegations and eventually these allegations negatively impacted

Plaintiff's reputation at work, eventually leading to Plaintiff's termination. When questioned on or about February 24, 2026, by City Defendant about these false statements, Plaintiff refused to go along with making negative, false statements of an inappropriate sexual nature about Casey Chastain, the police chief. Plaintiff viewed such negative, false statements as illegal.

FACTS

18.

Plaintiff began working for City Defendant, part time on or about October 11, 2022 and Plaintiff began working full time on or about July 1, 2024. Plaintiff worked within City Defendant's Police Department and court.

19.

In view that City Defendant is/was a public employer, Plaintiff was a public employee.

20.

During her tenure with City Defendant, Plaintiff never received a reprimand or discipline of any kind.

21.

During her tenure with City Defendant, Plaintiff suffered unwanted touching by City Defendant's City Manager, Mark Musselwhite.

22.

Musselwhite repeatedly hugged Plaintiff, touched her back and arms and he demeaned Plaintiff by often calling her "Baby" in front of co-workers. This touching was unwanted and embarrassed Plaintiff. As a young woman striving to be seen as a professional, being called "baby" was also unwanted and embarrassing to Plaintiff. Musselwhite would have known that Plaintiff was embarrassed as she pulled away from him and tried to avoid the touching.

23.

Musselwhite has/had a negative view of females as he referred to women in his employ as "a bunch of middle school girls."

24.

City Defendant, prior to hiring, Musselwhite, knew that, according to information and belief, Musselwhite had been arrested for public nudity. (Reports of the arrest appeared in local publications like CBS News and the Telegraph Herald, Fox News, and the Gainesville Times.)

25.

City Defendant, according to information and belief, continues to employ Musselwhite even though another employee accused him of creating a hostile work environment.

26.

According to the publication, NowHabersham, an outside investigator of City Defendant concluded that there was "clearly a toxic atmosphere" within the department's civilian office and recommended management "take action to improve working relationships." According to the same publication, Police Chief Casey Chastain has tendered his resignation and is working a two-week notice.

27.

Further, City Defendant continues to employ Musselwhite even though, according to information and belief, he has been inappropriate with female subordinates in his actions and his words.

28.

City Defendant also continued to employ Defendants Bryant and Payne despite having made false accusations of inappropriate behavior between Chief of Police, Casey Chastain and Plaintiff to Musselwhite. According to the publication, NowHabersham, Bryant has since resigned.

29.

Musselwhite, believing these statements, opened an investigation into these accusations. He initially interviewed Plaintiff about these allegations on or about February 2, 2026.

30.

Chief of Police, Casey Chastain was questioned about these false statements and denied the allegations.

31.

After denying these accusations, Plaintiff was again questioned by Musselwhite on or about February 24, 2026, who according to the City Defendant's Charter, Section 49-1 and Section 49-7, acts as the personnel director for City Defendant.

32.

Plaintiff again denied these accusations to Musselwhite. During this session with Musselwhite, Plaintiff again denied that nothing inappropriate had occurred with Police Chief Casey Chastain.

33.

City Defendant employs a City Manager. As part of its Charter, Sections 49-1 and 49-7, the City Manager is responsible for Human Resources functions given that the City Manager possesses authority to hire and fire and discipline City employees. The City Manager maintains the employee handbook, administers the City's policies, and maintains personnel files.

34.

City Defendant employs Mark Musselwhite as City Manager. While being questioned about the allegations of inappropriate touching by the police chief and even though Plaintiff feared retaliation by City Defendant, Plaintiff reported to Musselwhite, City Defendant's Human Resources office, that it was he [Musselwhite] who had inappropriately continually touched her and had continually called her "baby" in front of her coworkers.

35.

City Defendant, at the time of hire, was aware that Musselwhite had previously been arrested for "Public Indecency." (As this had been reported by local media).

36.

City Defendant was aware that Musselwhite held inappropriate views of female subordinates given that he referred to adult female subordinates as "a bunch of middle school girls."

37.

City Defendant was also aware that Musselwhite had been accused of harassing other employees because City Defendant hired an attorney to investigate and settle accusations of at least one other employee.

38.

City Defendant is aware that Plaintiff reported Musselwhite for her inappropriate touching and demeaning behavior to her.

39.

Yet, according to information and belief, City Defendant continues to employ Musselwhite in his capacity as City Manager and thus, Human Resources Director, a position of trust.

40.

Also, according to information and belief, City Defendant has not taken any action to reprimand Musselwhite for this unlawful and inappropriate behavior nor has City Defendant taken action to protect employees from Musselwhite.

41.

In accordance with O.C.G.A. 34-7-20, City Defendant had a duty to use reasonable care when hiring and continuing to employ Musselwhite.

42.

City Defendant was aware of Musselwhite's proclivities toward unlawful behavior and the injury to Plaintiff was foreseeable to City Defendant.

43.

During the session, which occurred on or about February 24, 2026, Plaintiff reported to Musselwhite that it was he (Musselwhite) who inappropriately touched her. During this session, Musselwhite again demeaned Plaintiff by calling her "baby." By making this report to Musselwhite, Plaintiff was reporting the sexual harassment that she endured to the Human Recourses Department of City Defendant, a protected activity.

44.

Within days of reporting the sexual harassment to Musselwhite and his inappropriate actions toward Plaintiff and within days of Plaintiff's refusal to make false accusations against Police Chief, Casey Chastain, City Defendant, through Musselwhite, removed the majority of Plaintiff's job tasks on or about March 27, 2026 (within a month or Plaintiff's report of inappropriate touching to Musselwhite) and subsequently, on or about April 17, 2026, City Defendant terminated her for "lack of work." During a staff meeting held on or about April 13, 2026 Musselwhite made statements in front of all present that he had been counting the numbers of work performed within the year, in the department, and that Plaintiff had the highest numbers performing a lot more work than her co-workers. Despite this, Plaintiff was terminated just days later. City Defendant claimed the

reason for termination of Plaintiff was "budget constraints" as written on the DOL 800 Form. However, City Defendant did not have any budgetary issues as the City Manager had been reporting to the City Council that the City was in the "best financial condition that it had ever been" and City Defendant hired additional employees after Plaintiff was terminated.

ADMINISTRATIVE PREREQUISITES

45.

Plaintiff timely filed a charge of sexual discrimination/hostile work environment, on or about June 8, 2026 and retaliation, on or about June 9, 2026, with the Equal Employment Opportunity Commission ("EEOC") (charges # 410-2026-11147 and 410-2026-11209).

46.

Plaintiff received a notice of right-to-sue on or about July 16, 2026 from the EEOC with respect to Charge No. 410-2026-11147. The right-to-sue notice for the second charge (410-2026-11209) was received on or about September 18, 2026.

47.

Plaintiff's charges served to provide notice of the charges to Defendant and Defendant was afforded the opportunity but chose not to participate in the investigation and conciliation of these charges. This action was filed within ninety

days of Plaintiff's receipt of her "Notice of Right-to-Sue." Thus, administrative remedies have been satisfied.

CLAIMS FOR RELIEF

Count I

Violation of The Civil Rights Act of 1964, as amended, Title VII/Sex/Hostile Work Environment Against City Defendant

48.

Plaintiff re-alleges and incorporates by reference each of the foregoing paragraphs of this Complaint as if set forth fully in this count.

49.

City Defendant's City Manager inappropriately and repeatedly touched Plaintiff. This occurred in front of Plaintiff's peers.

50.

City Defendant's City Manager demeaned Plaintiff by calling her "baby" and in front of her peers at meetings and events held by City Defendant. Because Plaintiff was required to attend these meetings and events, she could not avoid this humiliation. And Musselwhite's behavior toward Plaintiff continued throughout her tenure with City Defendant. This was especially difficult for Plaintiff because Musselwhite was the City Manager, a position of the highest authority.

51.

City Defendant's City Manager apparently holds negative and inappropriate thoughts about females as he referred to female subordinates in his employ as " a bunch of middle school girls."

52.

City Defendant's City Manager had previously been arrested for public indecency in Rabun County, Georgia as reported by CBS News and the Telegraph Herald, Fox News, and the Gainesville Times.

53.

City Defendant's Human Resources Director, according to City Defendant's Charter was/is the City Manager, in this case, Mark Musselwhite. In view that City Defendant hired and retained the employment of Musselwhite, placing him in a position to create this unwanted harassment and hostile working environment, City Defendant is liable for Musselwhite's actions and omissions.

54.

Plaintiff reported to Musselwhite in February, 2026, the sexual harassment/hostile working environment based on sex that Musselwhite had created, a protected activity. As Musselwhite's behavior continued each time he

was with Plaintiff, this harassment was severe and pervasive. This sexual harassment and hostile working environment was unwelcome by Plaintiff.

55.

Within days of the report, Plaintiff had most of her job tasks for which she was responsible removed which subsequently led to the termination of her employment for City Defendant's reasons of "lack of work" and "budget constraints."

56.

As a direct and proximate result of Defendants' unlawful conduct, Plaintiff suffered loss of employment, loss of income, and loss of employment benefits.

57.

Plaintiff is entitled to recover the wages and benefits she has lost as a result of Defendants' unlawful conduct, and interest thereon, calculated at the prevailing rate.

58.

Plaintiff is entitled to reinstatement or front wages in lieu thereof.

59.

Plaintiff is entitled to recover her lost wages, salary, and employment benefits, and costs of litigation, including reasonable attorney's fees.

Count II.

Violation of The Civil Rights Act of 1964, as amended (Title VII Retaliation) Against City Defendant

60.

Plaintiff re-alleges and incorporates by reference each of the foregoing paragraphs 1-59 of this Complaint as if set forth fully in this count.

61.

Plaintiff engaged in protected activity by reporting sexual harassment to City Defendant's Human Resources, Mark Musselwhite.

62.

Plaintiff suffered an adverse employment action when City Defendant first removed her duties then terminated her employment.

63.

City Defendant first removed most of Plaintiff's job tasks and subsequently terminated Plaintiff's employment in retaliation for her reports of sexual harassment to City Defendant's Human Resources Director, Mark Musselwhite.

64.

As a direct and proximate result of City Defendant's unlawful conduct, Plaintiff has suffered loss of employment, loss of income, and employment benefits.

65.

Plaintiff is entitled to recover from City Defendant the wages and benefits she has lost as a result of City Defendant's unlawful conduct, and interest thereon, calculated at the prevailing rate.

66.

Plaintiff is entitled to reinstatement or front wages in lieu thereof.

67.

Plaintiff is entitled to recover her costs of litigation, including her reasonable attorney's fees, pursuant to 42 U.S.C. § 2000e-5(k).

Count III
The Georgia Whistleblower's Act, O.C.G.A. §45-1-4 Against City Defendant

68.

Plaintiff re-alleges and incorporates by reference each of the foregoing paragraphs 1-44 of this Complaint as if set forth fully in this count.

69.

The Georgia Whistleblower Act, at O.C.G.A. § 45-1-4(d), provides the following prohibition of retaliation against employees who complain of misconduct or oppose wrong-doing by public employers:

> (3) No public employer shall retaliate against a public employee for objecting to, or refusing to participate in, any activity, policy, or practice of the public employer that the public employee has reasonable cause to believe is in violation of or noncompliance with a law, rule, or regulation.

70.

Plaintiff believed, at the time of her report of sexual harassment to City Defendant's Human Resources Department, that sexual harassment was wrong-doing by City Defendant and was thus illegal.

71.

As such, Plaintiff's report of sexual harassment to City Defendant's Director of Human Resources was activity protected under O.C.G.A. §45-1-4(d).

72.

Additionally, City Defendant attempted to coerce Plaintiff into confirming false reports by other employees that an inappropriate relationship existed between Plaintiff and Police Chief, Casey Chastain.

73.

Plaintiff refused to be coerced into making a false report. Plaintiff denied that any inappropriate behavior occurred between herself and Police Chief Casey Chastain on or about February 2, 2026 and again on or about February 24, 2026. Within days of her refusal, Plaintiff had her job tasks removed by City Defendant (through Musselwhite) on or about March 27, 2026 within one month of her refusal to participate and her report of sexual harassment and hostile work environment to Musselwhite, City Manager. Plaintiff was subsequently terminated from her job, on or about April 17, 2026 with City Defendant claiming that the reason for termination was "lack of work" and due to "budget constraints." This was less than two months of Plaintiff's refusal to participate in making a negative report to Musselwhite about the police chief and her report of a hostile work environment to Musselwhite. The reasons given for Plaintiff's termination by City Defendant were pretext and the true reason for City Defendant's adverse employment

actions were a result of Plaintiff's reports and refusal to participate in false accusations in unlawful retaliation.

74.

Despite this protection, Plaintiff suffered the adverse employment actions of having her job tasks removed then subsequently she was terminated in retaliation for her reports of City Defendant's wrong-doing.

75.

Plaintiff is entitled to reinstatement, damages for lost wages, compensatory damages, emotional distress, and other losses directly resulting from retaliation. Additionally, Plaintiff is entitled to her reasonable attorney's fees, court costs, and expenses of litigation.

Count IV.
Defamation per se Against Defendant Payne and Defendant Bryant

76.

Plaintiff re-alleges and incorporates by reference each of the foregoing paragraphs 1-44 of this Complaint as if set forth fully in this count.

77.

Defendants Payne and Bryant knowingly made negative false statements to City Defendant regarding Plaintiff and Casey Chastain, the City's Police Chief. Defendants Payne and Bryant were not privileged to make such statements. Said

statements were made to a third party, City Defendant, through Musselwhite. They stated that Police Chief Casey Chastain "has hands on Rachel Blasberg," They claimed that Chastain is "touchy" with Plaintiff and was "playing rubbing her arms, her shoulders her back, etc." and Payne illustrated how he allegedly touched Plaintiff.

These statements were willful misconduct, made with malice, were fraudulent, made with wantonness, for oppression of Plaintiff, and made without care with conscience indifference to the consequences they were creating for Plaintiff.

78.

Payne and Bryant made these statements together on or about January 30, 2026. And said statements made were willful misconduct, made with malice, were fraudulent, made with wantonness, for oppression of Plaintiff, and made without care with conscience indifference to the consequences they were creating for Plaintiff. The statements were not opinion but instead Bryant and Payne claimed to have personally witnessed events that never occurred.

79.

The statements made by Payne and Bryant were defamatory and made about Plaintiff's trade, profession or office. Because the statements were made about

Plaintiff's trade, profession or office, these statements were defamation *per se*. Therefore, special damages need not be proved because damage is inferred. OCGA § 51-5-4(b). (*Bellemead, LLC v. Stoker*, 631 S.E.2d 693, 280 Ga. 635 (Ga., 2006)).

80.

The defamatory statements made by Payne and Bryant caused harm to Plaintiff's reputation, social standing, and caused Plaintiff emotional distress.

81.

Plaintiff is entitled to recover presumed damages as found by the conscience of the enlightened jury.

82.

Making these statements was willful misconduct by Payne and Bryant. Said statements were fraudulent. And because Payne and Bryant made these statements with malice, with wantonness, for oppression of Plaintiff, and made these statements without care and with conscience indifference to the consequences they were creating for Plaintiff, Plaintiff is entitled to punitive damages as determined by an enlightened jury.

WHEREFORE, Plaintiff requests that this Court:

a) Take jurisdiction of this matter and supplemental jurisdiction over the claim in the Georgia Whistleblower's Act and the claim of Defamation *per se*;

b) Clerk to issue summons as attached;

c) Grant a trial by jury as to all matters properly triable to a jury;

d) Issue an Order holding that Plaintiff was an eligible employee entitled to the protections provided by the Georgia Whistleblower Act;

e) Issue an Order holding that City Defendant committed violations of Title VII;

f) Issue an Order holding that City Defendant unlawfully retaliated against Plaintiff;

g) Award Plaintiff all compensation and employment benefits that she lost as a result of City Defendant's unlawful conduct;

h) Award Plaintiff punitive damages for City Defendant's illegal and willful misconduct perpetrated by City Manager, Musselwhite in the amount of the enlightened conscience of the jury;

i) Award Plaintiff punitive damages for Defendants Bryant and Payne's willful misconduct, malice, fraud, wantonness, oppression, and entire want of care for their indifference to the consequences of their actions in the amount to be determined in the enlightened conscience of the jury;

j) Award Plaintiff pre-judgment interest;

k) Award Plaintiff nominal damages;

l) Award Plaintiff reinstatement or front wages in lieu thereof;

m) Award Plaintiff her reasonable attorney's fees and costs of litigation; and

n) Award any and such other further relief this Court deems just, equitable and proper.

Respectfully submitted, this 30th day of September 2026.

/s/Beverly A. Lucas
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