

FOR IMMEDIATE RELEASE

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STATEMENT OF GEORGE C. STOKES

On July 2, 2008, without notice or warning of any kind, I was informed by the Commissioner of Insurance that he had been requested to remove me as Executive Administrator of the State Health Plan. Needless to say, I was shocked and appalled that such a request had been made without notice to me and that the Commissioner felt that he had to act upon it. I could not believe that after three years in my position, where I had operated within my General Assembly budgetary allocation every biennium, I was being notified that I was being removed. I felt then, as I feel now, that I was being dealt with in a high-handed, unprofessional, unfair and inappropriate fashion.

When I inquired about details of my job status, I was informed by the Commissioner of Insurance that based upon a letter he received from Senator Tony Rand and Representative Hugh Holliman, he would say that I was terminated as of 6:30 p.m. on July 1, 2008. The Commissioner shared with me a letter dated July 1, 2008, from Senator Rand and Representative Holliman wherein they requested that the Commissioner remove me from office. The reason they gave for requesting my removal was invalid, inaccurate and misleading in the least. The stated reason was,

Certain fiscal information has been revealed to us which indicates that we have been operating under projections which can not be met. This has placed us in a very difficult position and one that needs immediate attention.

I do not know what information they refer to in their letter, but I do know that any projections I made were based upon solid information and careful analysis and shared with Senator Rand and Representative Holliman in an agreed upon time table. I reasonably expected to meet my latest projections, just as I had done throughout my tenure. I know for certain that the State Health Plan was in no jeopardy whatsoever and there was absolutely no need for the precipitous action they took.

Throughout my tenure, I have repeatedly requested that I be evaluated but no evaluation has been ever done. No one in a position of authority has brought to me any complaint about my job performance. I have performed my job diligently and made the State Health Plan much stronger than I found it.

The content and tenor of the Rand/Holliman letter suggest that I have engaged in conduct that warranted my immediate removal. Their letter calls into question my honesty, integrity and competence. I cannot sit idly by and allow this to happen without challenging their baseless allegations and the adverse action taken against me.

The law of North Carolina provides that I can only be removed by the Commissioner of Insurance upon the advice of an executive committee of the Committee on Employee Hospital and Medical Benefits. To my knowledge, no such executive committee has existed and functioned during my tenure. If such a committee did exist, it cannot act arbitrarily upon information that has no basis in reality.

For these reasons, I have retained the services of counsel, Attorney James E. Ferguson, II, of Charlotte, North Carolina, to represent me in seeking to rectify the grave wrong which has been done not only to me, but to the integrity of state government, the State Health Plan, my staff and the hundreds of thousands of members of the State Health Plan.

My legal counsel has already reached out to the Commissioner of Insurance in the spirit of rectifying the wrongs that have been done without going through the costly and cumbersome process of litigation. It is my hope that we can resolve matters in a manner that restores and respects my reputation and good name, respects my rights, respects the dignity of the office of the Executive Administrator and respects basic principles of substantive and procedural fairness.

I deeply regret that those who have sought to engineer my removal have chosen to do so in such a high-handed, arbitrary, unwarranted and legally flawed manner that has failed thus far to respect me and my dignity and integrity as a steward of the state.

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