



## From City Hall to Shady Deals: Greensboro's Legal Liability is Now Fully Baked

### Description

Greensboro doesn't need another scandal. What it needs is a legal firewall, a PR resuscitator, and possibly a priest. Because thanks to City Attorney Chuck Watts and his baffling side hustle representing a floundering defense contractor, the city is now wobbling toward the wrong kind of headline—and the even worse kind of courtroom.

Let's not rehash the drama. Watts moonlighting for Cyberlux while using his city office, his city email, and presumably his city coffee pot isn't just ethically questionable. It's legally radioactive. And while the city didn't write the emails, sign the court filings, or draft the stock opinions, it did let them all happen on its watch. That, legally speaking, is a problem.

Mayor Nancy Vaughan, when asked about Watts's dual roles, offered this gem: "There isn't anything necessarily wrong with a city attorney doing other work. That happens in other cities." Maybe. But other cities aren't currently staring down the barrel of potential litigation from bankruptcy attorneys and irate financial stakeholders. Other cities' attorneys don't appear on OTC Markets' naughty list while typing legal memos from City Hall.

Enter the principle of supervisory negligence. It's not just a bureaucratic buzzword; it's the legal tether that could drag Greensboro into the same flaming barrel as Cyberlux. When cities fail to prevent employees from misusing public resources, courts often find them liable—not for what they did, but for what they didn't stop. And in this case, what they didn't stop happened right under their municipal nose.

And here's where the scale of Watts's entanglement becomes undeniable. This wasn't a casual consultation. It wasn't billable-hour moonlighting from his kitchen table. Watts was the legal architect tasked with securing releases from all known creditors of Cyberlux—an intricate, high-stakes requirement under the company's termination settlement with HII Mission Technologies. That obligation, outlined in binding contract language, involved direct negotiations, legal certifications, and orchestrating sign-offs from a cast of creditors scattered across multiple jurisdictions. All of it needed to be handled before in excess of \$25 million in federal contract termination payments could be released to Cyberlux.

And those payments weren't the full story. The original subcontract between Cyberlux and HII was worth a staggering \$78.8 million—a serious federal award to a penny stock company now drowning in litigation. Managing this legal fallout wasn't a side job; it was a full-time fire drill. Watts wasn't just advising a contractor—he was functioning as de facto general counsel for a company unraveling under the weight of interpleader lawsuits, federal receiverships, tax liens, and failed supplier contracts.

Emails show Watts managing this legal labyrinth from his Greensboro.gov address, coordinating timelines, pressuring stakeholders, and promising payment pathways—all while seated at a desk paid for by city taxpayers. The scale of his effort wasn't theoretical. It was operational. He wasn't just a lawyer doing side work. He was managing a corporate crisis with municipal tools.

Now toss in the creditors. Not angry Reddit investors in basements—actual attorneys representing real financial interests. They've known about Watts's dual allegiances for a while. If they decide that Greensboro's inaction made their client's situation worse, the city could face lawsuits faster than you can say "misappropriation."

And what about journalists? While there's no conclusive proof that Watts helped coordinate legal threats or doxing efforts against reporters, such conduct did occur under his watch—and as Cyberlux's de facto general counsel, it's hard to imagine he wasn't at least aware of it. That's not just troubling—it's potentially actionable. Watts had a legal and ethical **duty** to stop any retaliatory behavior by the company he was representing. If he didn't step in—if he stayed silent—he failed both his client and his public office.

And then there's the matter of commissions. Multiple agreements tied to Cyberlux's federal contract funds appear to funnel taxpayer money to third parties through backdoor deals. Many of these arrangements were likely drafted—or at least reviewed—by Watts himself. And what do they have in common? They run afoul of federal acquisition rules. Under FAR and DFAR regulations, paying commissions or kickbacks on government contracts without full disclosure and compliance isn't just frowned upon—it's a violation. If Watts enabled those transactions, knowingly or not, Greensboro could find itself entangled in federal scrutiny alongside the contractor he was quietly guiding.

Litigation isn't just messy—it's expensive. Defense costs alone could drain city coffers before a single ruling is handed down. And settlements? Those don't come cheap. Add in the chance that Greensboro's insurer might balk—arguing this wasn't an accident but systemic negligence—and you're staring down the barrel of a fiscal migraine.

Then there's the trust problem. Civic faith is fragile on a good day. Watching your city attorney moonlight for a company under federal scrutiny while parked at a city desk doesn't inspire confidence. It sparks outrage. Or worse, apathy—the kind that hollows out communities from the inside.

What Greensboro needs now isn't a press release. It needs action. Real oversight. Real consequences. Real reform. Because this isn't just a Chuck Watts issue. It's a municipal systems failure.

And if the city doesn't fix it fast, it won't just be taxpayers footing the legal bills—it'll be their faith in local government that gets foreclosed next.

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