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Jury awards \$1.7 million in officer's removal case

Hudson wins his 'whistleblower' suit against the Morristown PD

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MORRISTOWN — Town Officer Keith Hudson was awarded \$1.7 million in damages Tuesday by a jury that found he blew the whistle on Police Chief Peter Demnitz's "double-dipping" and was thrown out of the detective bureau in retaliation.

The jury of four women and two men initially deliberated about 90 minutes before awarding Hudson \$10,000 in damages for emotional distress and \$199,431 for back and future pay he would have earned as a detective between his ouster on Aug. 1, 2015 and his anticipated retirement date in 2028.



Keith Hudson

By law, the jury also had to separately consider punitive damages against the town as punishment for "willful and wanton" conduct — retaliation against an employee with a reasonable belief that wrongdoing was occurring. The jury deliberated another hour, returning with a verdict of \$1.5 million in punitive damages against the town.

Hudson, 38, declined comment, as did attorney Brent Davis, who defended the town against the officer's lawsuit that was filed under the state's Conscientious Employee Protection Act, also known as the whistleblower law. Police Chief Peter Demnitz was not a direct defendant like the town but the actions he took against Hudson were the heart of the trial. Demnitz was not present for the verdict and could not immediately be reached.

Attorney Jeffrey Catrambone, who represented Hudson with attorney Matthew Curran, said of the verdict: "This jury just focused on the case and ignored the defense distractions. Keith is forever grateful that this jury righted this wrong."

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Town attorney Vij Pawar said town officials "will consider all options." Options would include appealing the verdict, asking the judge to set the verdict aside and order a new trial, or negotiate a settlement.

Jurors heard closing arguments Tuesday morning in which they had to decide whether Hudson was out "to get" a police chief he disliked or was thrown out of the detective bureau as payback for accusing the chief of misconduct.

The rancorous summations were at the end of the three-week trial that pitted Hudson against 14-year Police Chief Peter Demnitz. Hudson had sued the town in 2015, two months after he was removed from the detective bureau on Aug. 1, 2015 and reassigned to the patrol division.

Hudson claimed his transfer was retaliation for his reporting to the Morris County Prosecutor's Office in July 2014 that Demnitz was working extra-duty jobs for JCP&L, Morristown Medical Center and others while simultaneously signed in at the chief's office.

The prosecutor's office found no criminal wrongdoing but then-town Administrator Michael Rogers quickly changed the policy to bar Demnitz from working off-site security and traffic control jobs during the work week.

In reaching the verdict, jurors by a 6-0 vote specifically found that Hudson had a reasonable belief that the chief

was engaged in wrongdoing, that Hudson acted as a whistleblower, and that he was retaliated against for his whistleblowing by being removed from the detective bureau and assigned to patrol.

Davis, the town's trial lawyer, asked jurors to accept Demnitz's account that Hudson was transferred because he balked at handling a serious investigation on July 29, 2015 that involved a man wearing a bullet-proof vest and carrying guns in a backpack around Headquarters Plaza.

"This case is simple. Keith Hudson did not think Morristown Police should investigate an averted massacre," Davis said in his closing.

"It was his unwillingness to protect and serve that resulted in his reassignment," Davis argued.

Demnitz did not learn until October 2015, when Hudson filed suit, that Hudson was the officer who accused him of double-dipping, theft and misconduct by reporting his extra-duty jobs to the prosecutor's office, Davis said.

Hudson's allegations of double-dipping, Davis said, "were an attack against the chief he didn't like."

"Keith Hudson cannot admit it was his behavior during the Headquarters Plaza investigation that led to his removal," Davis argued.

Catrambone, Hudson's lawyer, called his client "ethical" and "accountable," a detective from 2009 until 2015 who reasonably believed the chief broke the law between January and July 2014 when he worked 63 extra-duty jobs in 42 days.

Catrambone said Demnitz lied about his reason for transferring Hudson to

cover up a retaliatory motive.

Demnitz testified he transferred Hudson because of his conduct on the Headquarters Plaza incident and an incident in February 2014 when he yelled at a superior officer. Demnitz said he learned of both episodes from police Capt. Michael Buckley just before the transfer.

But Buckley contradicted the chief's account by testifying he didn't tell the chief about the yelling incident until two weeks after Hudson was removed.

Hudson had testified he questioned Morristown's role and the chain of custody of evidence in the Headquarters Plaza investigation after he learned the Secret Service had taken the suspect into custody without a problem. Catrambone said Hudson never refused to continue the investigation and worked overtime on the case.

"He was so disruptive that no one spoke to him about it and he worked overtime?" Catrambone said. "The situation was under control and my client raised an issue. He didn't refuse to do anything."

Hudson told jurors he believed the chief knew almost immediately after he and Officer Eric Petr went to the prosecutor's office in July 2014 to report perceived wrongdoing. Hudson said a fellow detective asked him if he were trying to commit "career suicide."

The jury gave Hudson the \$199,431 he specifically sought for back and future wage and pension losses. The \$10,000 for emotional distress was the jury's discretion, as was the \$1.5 million it awarded as punishment for the town's

conduct.

"He had his career taken away from him," Catrambone said.

A psychologist hired by Hudson's lawyers opined the officer suffered mild to moderate emotional distress from the transfer. A town-hired psychologist found no adjustment disorder and had testified that Hudson complained he couldn't count on getting out early to go to hockey games as a detective and didn't like all the patrol officers he worked with.

Catrambone told jurors Hudson's psychologist should be credited with not exaggerating the officer's symptoms of emotional distress.

Aside from the transfer, Hudson had claimed he was retaliated and harassed by the chief in other ways between 2014 and the August 2015 transfer. He testified the chief confronted him in a parking lot one day, telling him he had changed and reminding him he had supported Hudson during difficult times.

After the lawsuit was filed, Demnitz asked Buckley, his captain, to request the prosecutor's office look into a day Hudson reported he worked but actually went home early. Buckley had testified the request was "a poorly worded" communication that intended for Hudson's supervising officer to be investigated. Catrambone asked jurors to reject the explanation he called a plain effort to get Hudson in trouble.

"The chief wasn't worried about protecting the public. He was worried about protecting himself," Catrambone said.

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