

State considers banning some confidential lawsuit settlements

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TRENTON — A bill designed to force public agency lawsuit settlements into the light of day cleared the state Senate Judiciary Committee on Thursday.

The bill, sponsored by state Sen. Nia H. Gill, D-Essex, Bergen, would ban confidential settlements when a public agency — such as a town, school or state agency — is a party.

“Allowing public officials to hide behind the veil of confidentiality is diametrically opposed to the concept of open government,” Gill said in a statement. “We cannot give the government an escape hatch from public scrutiny, whether in the Statehouse, City Hall, or a courtroom.”

The bill also would say that the settlement document itself was a public record, subject to the state’s Open Public Records Act. The only exception would be for national security.

The panel approved the measure 11-0 with no discussion. It now goes to the full Senate for approval. Gill said she was unaware of who would sponsor the bill in the Assembly.

Gill said she proposed the bill for the sake of transparency. She told senators that state settlements could be so hush-hush that “sometimes even we can’t get it.”

“The Attorney General settles a lot of cases where we have no knowledge about the settlement,” Gill said after the vote.

Some of the cases she said include sexual harassment claims against legislators and racial profiling issues. “We’ve paid out a lot of money,” she said.

Confidential lawsuit settlements involving public agencies occasionally arise, but New Jersey courts have frequently sided with the public’s right to know.

In 1995, a Press of Atlantic City investigation revealed that joint insurance funds were quietly paying hundreds of thousands of dollars annually in lawsuit settlements around the state. Joint insurance funds are insurance fund pools that multiple public agencies pay into for coverage.

That year, The Press successfully also sued the Atlantic County Utilities Authority after the agency initially denied a request to reveal the terms of its agreement with a former publicist. The utility paid \$250,000 to settle a sexual harassment case. And after The Press sued in 2001, an Atlantic County court ordered Atlantic County to disclose that it paid \$75,000 to a county worker to settle a sexual harassment suit.

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