



Gilded Badges

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How the Police Bank Millions Through Their Union Contracts

The public funds six-figure “sick day” payouts, \$2,500 “perfect attendance” bonuses and lucrative “extra duty” assignments identified in a ProPublica, Asbury Park Press analysis of New Jersey police union contracts.

by Andrew Ford, Asbury Park Press, and Agnes Chang, Jeff Kao and Agnel Philip, ProPublica

Feb. 8, 2021



Matt Chase, special to ProPublica

This story was co-published with the Asbury Park Press, a member of the ProPublica [Local Reporting Network](#).

One town's police contract guaranteed a retiring lieutenant \$121,000 for unused sick time. Another's promises officers six months pay with no work required as a parting retirement benefit. In another contract, cops get paid \$109 an hour for side gigs like monitoring traffic at construction sites.

Despite attempts to rein in police union contracts in New Jersey, costly provisions remain common, an unprecedented analysis by the Asbury Park Press and ProPublica found. The news outlets identified contract clauses throughout the state that protect officer payouts that cost the public hundreds of millions of dollars.

In 2010, state lawmakers passed a law to stop huge retirement payouts for unused sick days, but taxpayers are still funding the largesse. North Bergen approved generous payments to four retiring officers in 2019, including a sergeant who got \$75,330.32 for unused sick time. Some retirement payouts can be even higher. In 2017, a chief in Jersey City collected more than half a million dollars.

The debt for unused sick time and vacation time, which is largely dictated by the contracts, totaled at least \$492.9 million for municipal police alone in 2019, according to a review of town budget records. The liability is primarily due to officers who were hired before the 2010 law passed.

The Press and ProPublica also found that unions and towns have a loophole that gets around the limit the state Legislature put on the payouts. Unlike in the private sector, where many companies require employees to use or lose their sick and vacation time each year, some union deals allow officers to sell back their unused sick time annually, which could allow new hires to exceed the \$15,000 limit the state put on such payouts at retirement. Four officers in Norwood appear to have already exceeded the state limit with annual payouts. Norwood Borough Attorney Kevin Corrison said he believed the town was in compliance, but that he was unfamiliar with the law and would investigate further.

New Jersey State Sen. Declan O'Scanlon, R-Monmouth, did not like hearing that the state law can be subverted.

"We obviously changed the law because we felt what was going on was wrong," O'Scanlon said. "It's a disservice to property taxpayers. Pure and simple."

Reporters downloaded thousands of police union contracts from [a state website](#) and used a machine-learning computer analysis to identify provisions related to financial perks and discipline. Then the reporters read and counted provisions in 245 contracts that were in effect as of Jan. 1, 2019.

The contracts were laden with various financial perks. In nearly two dozen towns, they guarantee retiring cops months of pay, dubbed "terminal leave," while doing no work. In Asbury Park, retirees get a golden badge. Some towns give a "perfect attendance" bonus if officers do not use sick time. In one town it's a \$600 gift card. In another the "attendance incentive" can tally up to \$2,500 a year.

High-paying "extra duty" jobs — like sitting in a patrol car monitoring traffic at a road construction site — are also protected by the contracts. One department launched an internal investigation after the Press and ProPublica identified an officer logging nearly 28 straight work hours between his day job and his moonlighting.

New Jersey officers already enjoy the [third-highest base salaries in the nation](#), as well as generous pensions and health care benefits. The costly compensation contributes to the state's top rank for property taxes.

Six Months of Paid Time Off

The borough of Carlstadt's [contract](#), effective from Jan. 1, 2020, to Dec. 31, 2024, provides retiring officers who have served at least 24.5 years with six months of "terminal leave," taken as either six months of paid time off or "a lump sum payment of six months salary."

SEVERANCE BENEFITS

At any time following the Employee's Twenty-fourth and one-half (24 1/2) year of service, the Employee shall become entitled to a terminal leave of six (6) months provided that separation from his employment is not based upon disciplinary termination. Terminal

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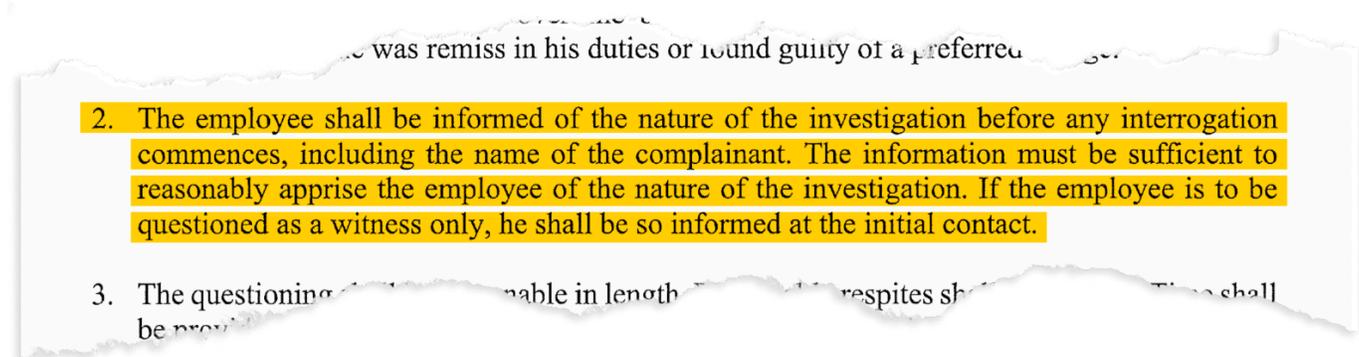
leave may be taken at the Employee's sole option as a six month leave of absence with full pay and benefits or as a lump sum payment of six months salary at retirement. The Borough of Carlstadt may, at the discretion of the Governing body, grant additional terminal leave on an individual basis, however such additional grants will not constitute

Beyond the financial benefits, at a time when there's a national call for police accountability, the contracts include clauses that experts say can impede discipline.

Reporters found contracts in 20 towns that say police officers facing discipline are entitled to know the name of the person who complained about them. Hoboken's contract says records of police discipline will be expunged and removed from an officer's personnel files after five years. Contacted by a reporter, officials in several towns, including Hoboken, said they don't currently follow the troubling provisions. They noted that police discipline is largely influenced by guidelines published by the state attorney general, which have added police accountability provisions since some contracts were negotiated.

Right to Know Complainants

Clinton’s current [contract](#), effective from Jan. 1, 2018, to Dec. 31, 2021, guarantees officers under investigation the right to know the name of the person who complained about them.



A reporter shared the findings of this investigation with more than a dozen state and national experts in criminal justice, labor law, municipal finance and police accountability, including five who studied or worked with police union contracts. The contract provisions related to discipline are similar to those found in other parts of the country, they said. It’s hard to say precisely how New Jersey’s financial perks for police officers compare to those in other places because there’s been so little academic attention given to the subject, the experts said. But one former police official said he has heard of similar provisions in other states.

“Examination of police budgets is critically important right now and something that communities are demanding all across the country,” said Jonathan Smith, who supervised work on police accountability in the Civil Rights Division of the U.S. Department of Justice from 2010 to 2015. “These provisions may be targets for review as to whether this is really fair compensation.”

The New Jersey State Policemen’s Benevolent Association and the New Jersey Fraternal Order of Police, which represent officers across the state, did not respond to requests for comment.

Attorney Frank Crivelli, who said he negotiated contracts on behalf of police unions in at least 40 towns, said the dangers and challenges of police work justify the price in New Jersey.

“Ask somebody who calls 911” whether the responding officer is paid too much, Crivelli said.

Almost every small town in New Jersey has its own police department, even some places where the jurisdiction is so tiny it covers a single square mile. Experts say town officials may be at a disadvantage when they negotiate with the powerful police unions. The unions “extract the greatest value possible in any negotiation,” said Regina M. Egea, who was once Gov. Chris Christie’s chief of staff and now serves as president of Garden State Initiative, a conservative think tank.

New Jersey’s local budgets, like those of towns across the country during the COVID-19 pandemic, are under tremendous strain.

Cutting costs won’t be easy. Some towns and state lawmakers have tried in the past, but their attempts were opposed by the unions.

That’s what happened in Lodi.

We Identified the Following Types of Pricey or Disciplinary-Action Provisions

ProPublica and the Asbury Park Press scoured 245 police union agreements to find sample clauses that experts say could waste taxpayer money or impede the disciplinary process.

- **Past practice clauses:** A town must keep giving officers benefits they've had in the past, even if the benefits aren't written into the contract.
- **Sick day sell-backs:** These provisions allow officers to trade their sick days for cash or paid time off in ways that could exceed limits imposed by state law.
- **End-of-career payments:** Sometimes called "terminal leave" payments. These clauses require a town to give a retiring officer months of pay as a parting benefit.
- **"Extra duty":** A system that allows officers to make money with side jobs arranged through the police department, sometimes at rates that may exceed \$100 an hour.
- **Sharing the identity of complainants:** An officer being investigated is entitled to know, before interrogation, the name of the person who complained about them.

The Uphill Battle

Vincent Caruso was a cop in Lodi for 27 years, including a dozen as police chief. He could have served about 17 more years before hitting New Jersey's mandatory retirement age for officers, 65.

But Christie had been crusading against perks for public employees, including the ability to cash in unused sick days for six-figure publicly funded payouts.

So in 2014, at age 48, Caruso retired with a payout of \$342,000, which included his unused sick and vacation time and a three-month "terminal leave" payment to mark the end of his career. Lodi is home to about 24,000 residents and protected by a department of about 45 officers. The small borough had to arrange a "special emergency appropriation" to come up with Caruso's cash and paid in installments.

"Police officers don't get paid for what they do, they get paid for what they may have to do," Caruso said. "How many people are going to turn around and strap a gun on, put a bulletproof vest on, kiss their wife goodbye and say: I may not be home tonight?"

Caruso became the borough manager for Lodi in 2017, which means he's now obligated to be fiscally responsible for the same town that had to come up with money for his retirement payment.

But he said it's exceedingly difficult to reduce the costs of a police union contract. Unions generally won't accept the removal of one benefit from a contract without a town providing another, making it difficult to achieve a real reduction, Caruso said.

“It’s an uphill battle on many different levels,” Caruso said.

Towns that want to cut costs can face state arbitrators that may side with the unions.

In 2011, Lodi argued it could no longer afford to give retiring officers the three months of pay. The Press and ProPublica identified 22 police union contracts that offer a similar benefit, either as cash or as paid time off.

The Policemen’s Benevolent Association Local 26 in Lodi challenged the action before the Public Employment Relations Commission, a state body that hears public employment disputes and gives binding orders to towns. Lodi’s police contract didn’t say cops were guaranteed the departure payouts. But Lodi had handed the money to retiring officers in the past, and the police union cited a “past practice” clause in the contract, which said unwritten benefits officers had enjoyed in previous years had to be maintained.

Guarantee of Past Benefits

A previous Lodi [contract](#) shows a “past practice clause” that guarantees that officers continue to receive the same benefits they enjoyed in the past even if those benefits are not spelled out in the contract. The clause remains in the town’s current contract.

ARTICLE 50

PAST PRACTICE CLAUSE

A. The parties agree that all benefits, rights, duties, obligations and conditions of employment relating to the status of Borough of Lodi Police Officers, which benefits, rights, duties, obligations, terms and conditions of employment are not specifically set forth in this Agreement, shall be maintained at not less than the highest standards in effect at the time of the commencement of collective bargaining negotiations between the parties leading to the execution of this Agreement.

B. Unless a contrary intent is expressed in this Agreement, all existing benefits, rights, duties, obligations and conditions of employment applicable to any Police Officer pursuant to any rules, regulations, instruction, directive, memorandum, statute or otherwise shall not be limited, restricted, impaired, removed or abolished.

Lodi was ordered to pay up. Since then, borough taxpayers gave the three-month bonus to 17 retiring officers, paying out a total of \$660,000.

A similar catch-all “past practice” provision shows up in at least 66 of the 245 police union contracts reviewed by the Press and ProPublica. That means those towns also will have a hard time getting taxpayers off the hook for any established benefits, even when a contract expires, unless the police union agrees to the change, an expert said.

“It’s almost like you’d need a stick of dynamite to get it out of the contract,” Caruso said of public employment perks. “Nobody’s going to give in.”

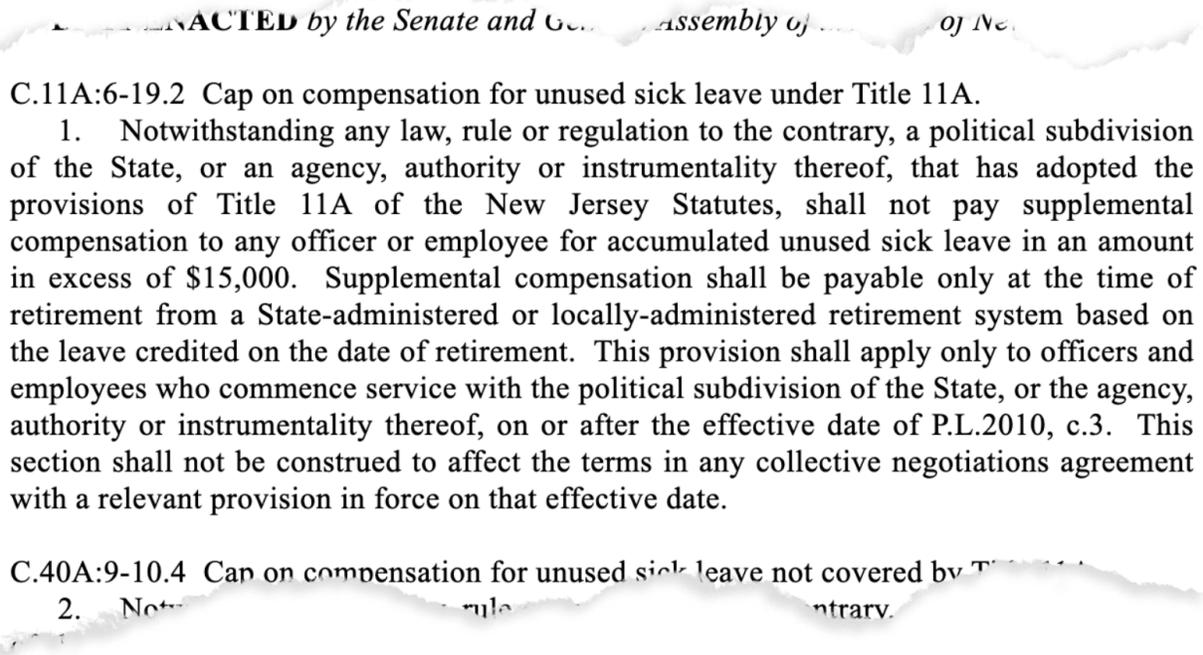
Short of layoffs, the best a town can reasonably do to reduce costs is to cut benefits for cops who haven’t yet been hired, which means cost savings are only achieved as senior employees phase out. And even then, towns generally have to provide another benefit if they propose taking one away.

Lodi’s police union contract expired in December. Caruso and the union agreed to stop the retirement payments for officers who had yet to be hired by the town. In exchange, Caruso agreed to a deal he thinks will eventually save money. Current officers got their annual raise bumped up, from 2% to 3%, in addition to keeping their retirement payments.

Sailing Into Retirement With “Boat Checks”

The battle against “boat checks” shows how hard it is to weed out the expensive benefits written into police union contracts.

Christie was outraged by retiring government workers selling back unused sick days for six-figure sums. Christie called the taxpayer-funded payouts “boat checks” for public servants to set sail in their golden years. He signed a law in 2010 capping the retirement payouts for unused sick time at \$15,000 for new hires. But taxpayers are still funding the payments for officers who were hired before the law passed.



In 2010, then-Gov. Chris Christie signed a state law capping retirement payouts for unused sick time at \$15,000 for new hires. (New Jersey Legislature)

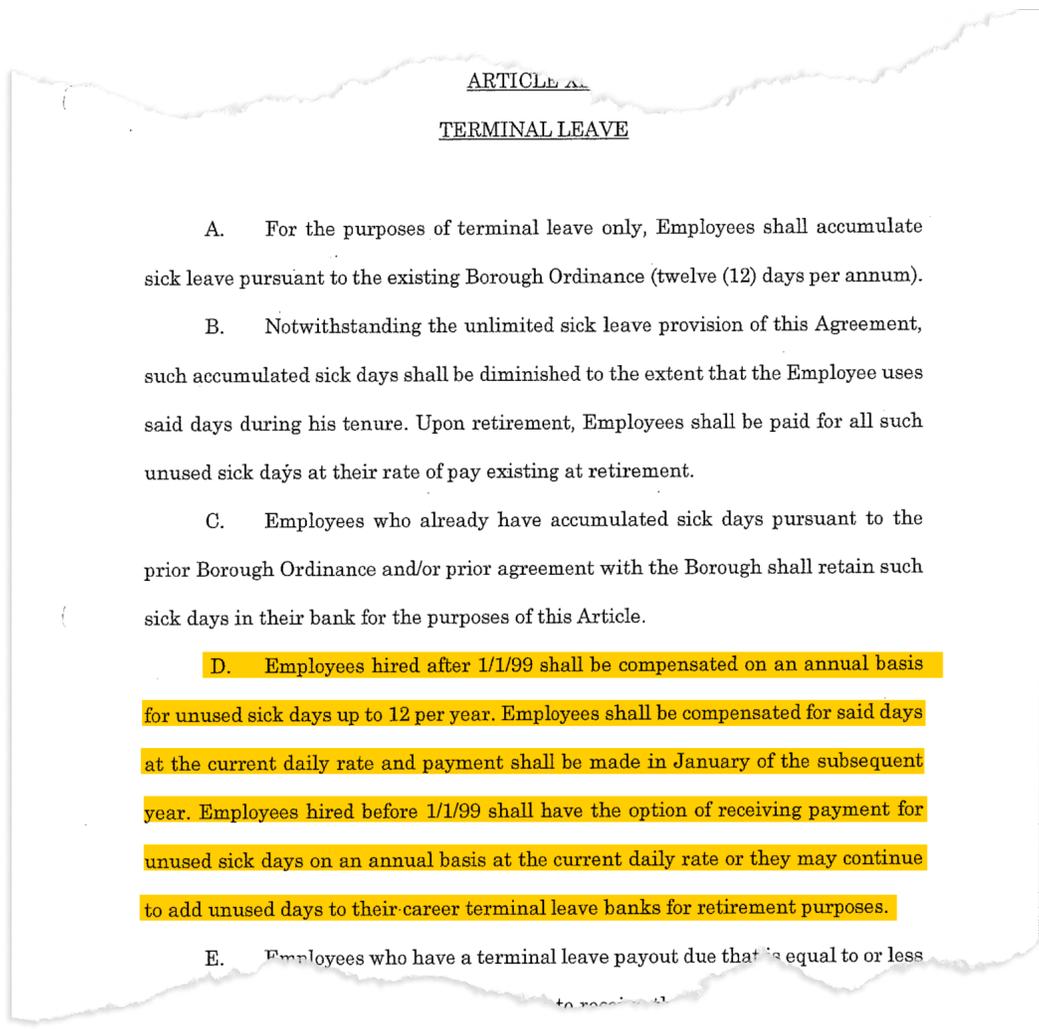
In 250 towns, the total liability owed to municipal employees grew between 2015 and 2019. Police made up more than half of the total liability in 2019, the most recent year the data was widely available.

The Press and ProPublica found that newly hired officers could get around Christie’s \$15,000 cap on the payments. At least 54 of the 245 contracts reporters reviewed allow cops to sell back their unused sick days each year in a way that would allow the typical officer to collect more than \$15,000 over a 20-year career. At least eight of the 54 towns did not have that clause in place at the time Christie’s law passed, meaning the clause was added after legislators tried to cap the buybacks.

The payout could be in cash or converted to paid time off. In three towns, an officer earning a median salary could feasibly sell back more than \$100,000 in sick days over the course of a career, more than six times as much as the cap set by the 2010 law.

Selling Back Sick Days

Norwood borough’s most recent [contract](#), effective from Jan. 1, 2018, to Dec. 31, 2021, has a provision that allows officers to sell back sick days each year. When called for comment, Norwood Borough Attorney Kevin Corriston said he believed the town was in compliance with the law.



Payroll records show that some recently hired officers are on track to exceed the \$15,000 threshold if they continue selling back sick days annually. In a report last year, the New Jersey State Commission of Investigation, which was created to fight organized crime, [highlighted the annual sell-back problem](#) in Toms River, Brick and Lodi.

Toms River Business Administrator Louis Amoruso said he didn't agree with the report and argued the sick day sell-backs save money by encouraging employees to use sick days only when they really need to.

Brick Township Administrator Joanne Bergin noted that the report was critical of the town, but said state law and a state arbitrator that sided with a union left local officials in an "impossible position to be successful and make change."

One finance expert said the annual payments for unused sick time violated the spirit of the 2010 law.

"The law should be changed," said Richard F. Keevey, a former New Jersey state budget director and comptroller who has taught at Rutgers and Princeton.

When town officials and lawmakers try to walk back the excess, the unions hold their ground. In 2018, the New Jersey Legislature was poised to lower the sick day payouts at retirement for all public employees, not just newly hired ones. The bill had the sponsorship of top lawmakers in both houses. Then a police union president came to Trenton to lobby against the bill, and it died.

There has been no serious effort at reform since. Democratic Gov. Phil Murphy, who was backed by the Policemen's Benevolent Association when he ran for governor four years ago, pledged to members at a 2017 fundraiser, "I'm going to be here when you need me," according to the police union's magazine.



New Jersey Gov. Phil Murphy with leaders of New Jersey's four major police and fire unions in 2018, including Bob Gries, far left, the union representative from the New Jersey State Fraternal Order of Police, and Pat Colligan, second from left, president of the New Jersey State Policemen's Benevolent Association. (Courtesy of the governor's office of New Jersey)

Pat Colligan, the PBA president, didn't respond to a reporter's requests for comment over three weeks.

When One Six-Figure Job Isn't Enough

On top of taxpayer-funded benefits, New Jersey police officers can increase their earnings with "extra duty" jobs that add up to millions of dollars across the state.

Albert Maalouf manages 10 officers in his role as police chief for the affluent Bergen County suburb of Harrington Park. The town has about 5,000 residents and saw four violent crimes in the past decade. His \$200,000 base salary is \$25,000 greater than that of the governor of New Jersey. But Maalouf's contract does not even require him to work a 40-hour week.

The light workload gives him time to boost his paycheck by doing extra duty jobs. In 2020, Maalouf earned at least \$36,870.22 in overtime hours for the extra duty work, records show. The hours he worked add up to the equivalent of more than six 40-hour workweeks.

Maalouf walked a reporter through how he spent his typical workday toward the end of last year. He said he started at about 6 or 6:30 a.m. He'd schedule his officers, check his emails and then work an extra duty detail for about five hours. He'd come back at about noon and attend to other duties until he clocked out around 4 or 5 p.m.

"I attend to my duties adequately and I'm compensated the same as other chiefs," he said.

Town Councilman Greg Evanella concurred, saying in an email: "there has never been a scintilla of a reason to conclude that the chief is not properly addressing matters within his purview as department head."

Cops doing extra duty jobs are a common sight in New Jersey. Private entities like construction firms and utility companies pay towns for an officer's time, at rates that can top \$100 per hour, which are written into police contracts, the Press and ProPublica found. The towns pass the money on to their officers. In 37 towns, the contract says the municipality takes a cut — Lodi gets 33%.

"It's definitely a revenue generator, there's no question about it," said Caruso, the former chief who is now the Lodi town manager.

Officers don't necessarily work hard for the money, he acknowledged. When he was chief in Lodi, he got complaints that officers were reading the newspaper or looked like they were sleeping on extra duty jobs. So he instituted a rule that officers had to stand outside their patrol cars. Caruso acknowledged the rate that entities pay the town for off-duty officers is high, but a police car with its lights flashing helps to prevent accidents and the potential liability that comes with them.

"I do think it's important to safety," he said.

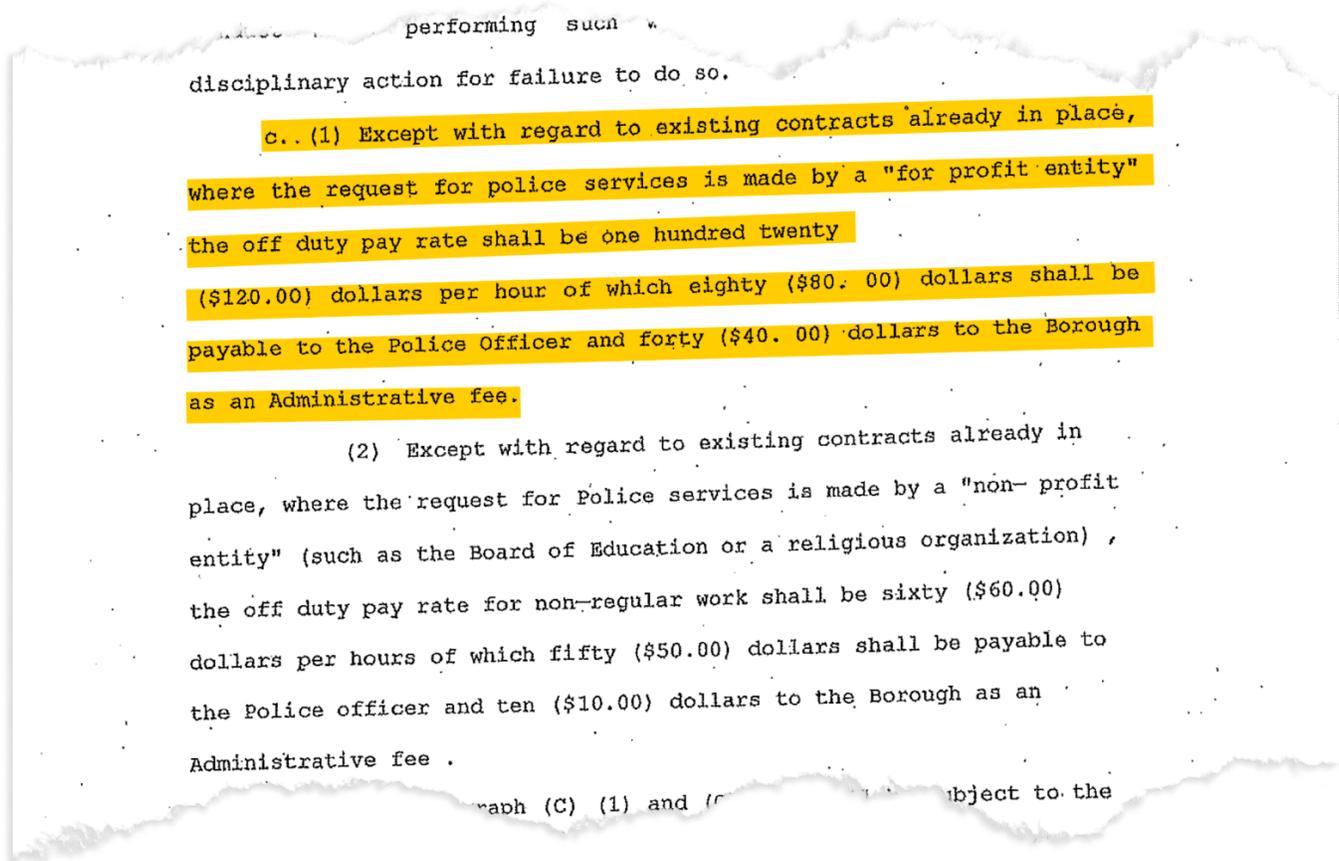
At least 84 New Jersey towns guarantee officers access to extra duty jobs through union contracts, the Press and ProPublica found. The contracts in 19 towns sweeten the deal, guaranteeing officers a minimum number of hours regardless of how long the work takes.

"We make it a four-hour minimum just to make it worth the officer's while," said Flemington Council Vice President Jeremy Long, who serves as the council's liaison to the police department.

In some towns, it adds up to big money. In 2019, Rahway officers took home \$1.2 million through extra duty work. That year in Bayonne, contractors paid \$3.8 million for police extra duty jobs.

Extra Duty Compensation

Lodi's past [contract](#) guarantees that extra duty work will be paid at a rate of \$120 per hour, of which \$80 is paid to the officer and \$40 goes to the town. The provision remains in the current contract.



Municipal finance experts said the high pay rates for extra duty work are good for police but bad for the public. Companies have to budget for traffic control and those costs get passed on to their customers, the experts said.

“You pay a lot more for a police officer than you do for a crossing guard,” said Matt Hale, a Highland Park councilmember and an associate professor of political science and public affairs at Seton Hall University. “And when you pay more, that additional cost is going to get passed on to consumers in the form of higher rates.”

Officially sanctioned extra duty jobs for cops can also present a conflict of interest, experts point out. For example, if officers frequently perform extra duty security at a bar, will they be a neutral arbiter if they’re called to a conflict at that bar when they’re performing their regular duties?

A 2017 [study](#) found police departments nationwide are increasingly involved in extra duty work. The study stressed the need to examine how those shifts could lead to misconduct, citing examples in New Orleans and Pittsburgh.

“It can potentially lead to corruption,” said Giuseppe Fazari, professor of criminal justice at Seton Hall University.

Higher Pay for Extra Duty

The borough of North Haledon's current [contract](#), effective from Jan. 1, 2018, to Dec. 31, 2022, guarantees the rate for extra duty to be one and a half times the hourly rate of an officer employed for 20 years, meaning extra duty work pays \$112.69 an hour in 2021.

B. Off Duty Work

1. All police officers shall receive \$50.00 per hour for off duty employment on projects paid for by the Borough of North Haledon.

2. All police officers shall receive time and one half (1.5) at the rate of a police employed by the Borough for twenty (20) years for all other off duty work. The rate for 2018 is \$98.58; 2019 is \$102.00; 2020 is \$105.49; 2021 is \$109.06; and 2021 is \$112.69. These rates commence with the adoption of the contract and there shall be no retroactive pay for previously performed off-duty work.

3. The Borough may establish fees to include the costs associated with administrative management of

Flemington borough's current [contract](#), effective from Jan. 1, 2020, to Dec. 31, 2022, guarantees that officers will be paid for a minimum of four hours on all extra duty jobs.

a. Outside details, including security (except as provided below), shall be paid at the rate of eighty (80) dollars per hour. All outside detail jobs shall be paid at a minimum of four (4) hours.

1. Outside details shall mean any work performed by or for a private contractor within the Borough of Flemington.

2. Work performed solely by employees of the Department of Public Works shall be paid at the officer's overtime rate of pay.

b. It is understood that the Borough may collect an administrative fee and/or other costs associated with this contract.

In Lakewood, Officer Andrew Solomon worked 980 extra duty hours in 2019 and took home an additional \$63,000, which more than doubled his base salary that year. Over two days in June 2019, he recorded a 17-hour extra duty shift, took an hour off, then worked another 10 hours on his regular duties. He responded to eight routine police incidents on that shift, according to town records.

Solomon's marathon of work appears to conflict with a department policy intended to prevent exhaustion. Officers aren't supposed to work more than 24 hours without a six-hour break.

Following a reporter's inquiry in January, the department launched an internal affairs investigation into Solomon's extra duty hours, said Capt. Gregory Staffordsmith.

"We're looking to see if any department policies were violated by either the officer or his supervisors," Staffordsmith said. He added that the department is exploring a service to more carefully track officers' off-duty work hours.

ProPublica and the Asbury Park Press scoured hundreds of police union agreements for details on publicly funded payouts to cops.

Solomon could not be reached to respond to questions about his long work hours.

Extra duty jobs have been criminally abused. About a dozen Jersey City cops, including the chief, have been charged with federal crimes — mostly fraud — in the U.S. District Court of New Jersey. Most of the charges were filed in 2017. The former chief, Philip Zacche, pleaded guilty to taking money for extra duty work he didn't do. He was sentenced to two years' probation and ordered to repay the city more than \$24,000, forfeit more than \$18,000 and pay a \$10,000 fine. Five cops were sentenced to prison time, others faced probation and fines, and one died before sentencing, according to a spokesperson for the U.S. Attorney's Office in New Jersey.

"For decades there was a pattern of corruption in the off-duty jobs program," a spokesperson for the Jersey City mayor's office and police department said. The program was dismantled and is in the process of being reformed, the spokesperson said.

Jersey City unions responded to the shutdown of extra duty work in 2019 by suing the mayor. Their lawsuit was dismissed, according to James Mets, the attorney who represented the unions.

As for the former Jersey City chief, the state cut off his publicly funded pension. But the city funded a retirement payout worth more than \$500,000 before he was charged, [according to NJ.com](#).

Zacche's attorney said the former chief shouldn't have been penalized as severely as he was.

"[Zacche] deserves to pay a very hefty price, but it should not be the loss of the entire pension and medical benefits for his lifetime," attorney Samuel Halpern said.

Asbury Park Guarantees Retiring Officers Their Golden Years

Generous police benefits can surprise even those who have worked in local government for decades.

Asbury Park Mayor John Moor was skimming through a list of city expenses in the spring of 2017 when one shocked him: a \$7,442 gold badge and case for the departing acting police chief, Anthony Salerno.

"This one stood out like a sore thumb and it threw me for a loop," Moor said.

His initial reaction was: OK, stop the big purchase.

Too late, Salerno already has it, Moor was told.

“That’s when I lost all faith in the system,” Moor said.

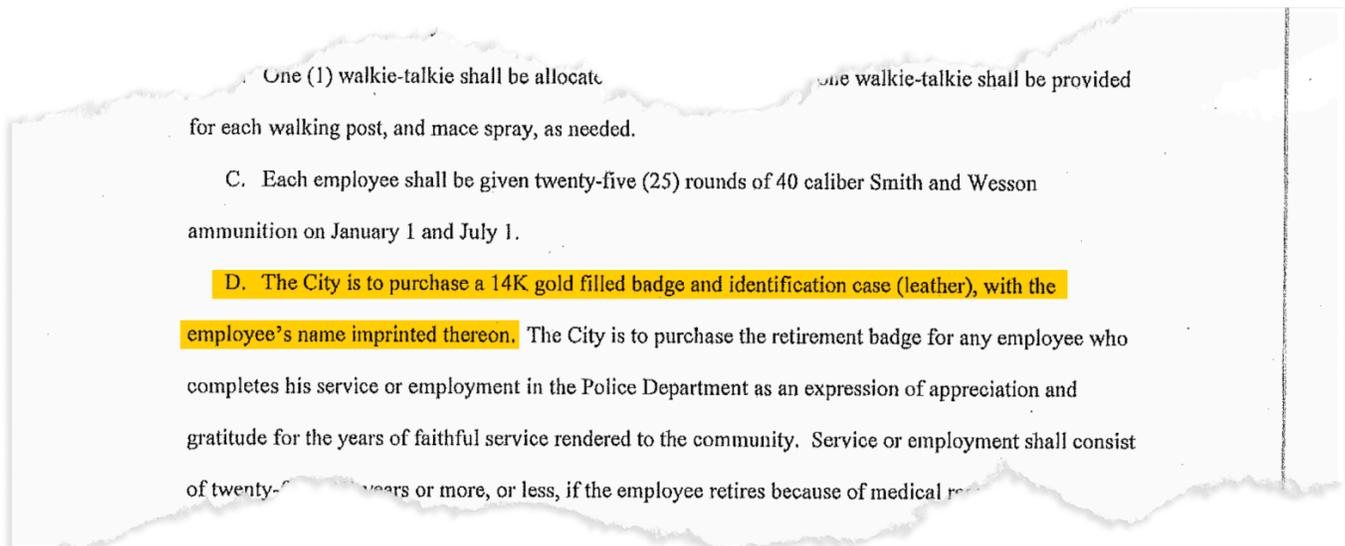
He started asking questions about how this happened, but everybody he spoke to just pointed fingers.

The genesis of the gold badge is the town’s police union contract.

Asbury Park’s police contract says retiring police officers are entitled to a 14-karat “gold filled” police badge. Ordinarily, “gold filled” jewelry is similar to gold-plated — a cheaper metal coated with a thick layer of gold. Not counting Salerno’s badge, the city had spent \$8,163 on 10 badges in the past 10 years, an average of \$816 each.

14-Karat Gold-Filled Retirement Badge

Asbury Park’s superior officers’ contract, effective from Jan. 1, 2018, to Dec. 31, 2020, gives a 14-karat gold-filled “retirement badge” to every officer with 25 or more years of service “as an expression of appreciation.”



Salerno’s badge is described in a purchase quote as “14k solid gold,” a higher-end bauble than what was called for in the police contract and one much more expensive than what other officers received.

Salerno didn’t respond to requests for comment. Charles Uliano, an attorney who once represented him, declined to speak on his behalf and said he would pass a reporter’s contact information on to Salerno.

Asbury Park’s contract was the only one the Press and ProPublica could find that required a gold badge at retirement. Moor said he didn’t have a problem with officers receiving gold badges, but he felt the contract should specify a size and price.

\$600 Gift Card

Delanco township's current [contract](#), effective from July 1, 2019, to June 30, 2022, awards a \$600 gift card "from a major credit card company" to any officer who does not use any sick leave during a calendar year.

... shall be deducted from the emp... at the rate of one... for each workday, irrespective of the number of hours... within the employee's workday.

18.5 Any officer that does not use any sick leave during any Calendar year covered by this agreement shall be entitled to receive a \$ 600.00 gift card from a major credit card company (Master Card, Visa, American Express, Discover or similar as determined by the Township) which shall be issued to the eligible officer by January 30 of the following year.

18.6 Each member shall be entitled upon retirement to receive a lump sum payment as supplemental compensation for the earned and unused accumulated sick leave which is credited on the effective date of separation. The supplemental compensation payment shall be computed at the rate of one-half of the hourly rate of pay for each hour of earned and unused accumulated sick leave based upon the average annual compensation at the time of separation divided by 2184, provided, however, that... member hired after January 1, 1995... sum supplement...

Annual Bonuses for Perfect Attendance

The city of Elizabeth's current [contract](#), effective from July 1, 2018 to June 30, 2022, awards an annual bonus of \$1,500 to any employee who does not use a sick day within a calendar year, and a \$2,500 bonus to any employee who does not use a sick day in two consecutive years.

1. The present sick leave plan pertaining to non-occupational injuries and illness shall continue in effect for the duration of the Agreement and is as follows: The City may provide for granting leaves of absence with pay not exceeding one (1) year, to members and officers of its Police Department and force who shall be injured, ill or disabled from any cause, provided that the examining physician appointed by the City shall certify to such injury, illness or disability.
2. Attendance Incentive: Effective July 1, 2018, Any Local 4 member who does not use a sick day for an entire calendar year will receive a one-time payment of \$1,500.00 by April 1 of the following year. **In accordance with this provision's requirements, any employee who does not use a sick day in two consecutive years shall receive an additional increase of \$1,000 for a total of \$2,500.** For year 2018, the payout will be 1,000.

Salerno could have approved the upgraded badge himself, funding his own glittering memento at taxpayer expense. As the head of his department, Salerno had the authority to initiate a purchase like the \$7,000 badge, according to Moor.

Moor didn't think to pursue asking Salerno to return the badge. After he got the runaround when asking about how the purchase was made, he gave up. "My bad that I didn't pursue that," he said.

Shortly after he was retired, Salerno filed a discrimination lawsuit against the town where he had been a public servant. He claimed he had been denied a promotion because he is a white man. The town denied wrongdoing and settled for \$85,000.

Upon his retirement, Salerno also received a pension of \$90,000 a year for life and a payout for unused sick and vacation time that came to \$127,000.

Contracts were sourced from the New Jersey Public Employment Relations Commission. Highlights added by ProPublica.

[Alex Mierjeski](#) contributed reporting.

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leave may be taken at the Employee's sole option as a six month leave of absence with full pay and benefits or as a lump sum payment of six months salary at retirement. The Borough of Carlstadt may, at the discretion of the Governing body, grant additional terminal leave on an individual basis, however such additional grants will not constitute

of the Employer's obligation under this

A provision found by ProPublica and the Asbury Park Press entitles senior retiring officers in Carlstadt borough to a retirement payout. (New Jersey Public Employment Relations Commission, highlight added by ProPublica)

This story was co-published with the Asbury Park Press, a member of the [ProPublica Local Reporting Network](#).

Calls for police accountability have included demands to examine the public money spent on law enforcement and the ways officers are disciplined. The Asbury Park Press and ProPublica examined the collective bargaining agreements that govern the relationship between unionized police forces in New Jersey and the towns where they operate.

There are 565 municipalities in the state, and some that contract with police unions are as small as 1 square mile. Police unions consolidate their legal and collective bargaining expertise across the state.

Our analysis found many examples of contract terms that experts say are costly to the cash-strapped towns that fund the agreements. Our story, [How the Police Bank Millions Through Their Union Contracts](#), lays out benefits given to officers that may be more generous than towns can afford, but that are difficult to cancel due to ironclad contract language and the power of police unions. Other provisions could make it more difficult to hold officers accountable for misconduct.

Reporters at the Press and ProPublica wanted to determine how prevalent these terms are across the state. We collected thousands of current and past New Jersey police union contracts and developed computer programs and machine learning models to find sample clauses that experts say could waste taxpayer money or impede discipline. We then used those samples to identify similar clauses in police union contracts.

We quantified the provisions in 245 recent and current contracts, which can be seen [here](#). Our analysis found that in at least 22 towns, the contracts guarantee senior retiring cops months of paid time off, known as “terminal leave,” as a parting benefit. We found that 26 towns offer “perfect attendance” incentive bonuses each year for using few or no sick days. In 54 towns, officers are allowed to sell back their unused sick days each year in a way that subverts the spirit of a \$15,000 limit the state put on lump-sum sell-backs at retirement for public employees who have been hired since 2010.

The public funds six-figure “sick day” payouts, \$2,500 “perfect attendance” bonuses and lucrative “extra duty” assignments identified in a ProPublica, Asbury Park Press analysis of New Jersey police union contracts.

We found at least 66 “past practice” clauses that require departments to continue handing out previously established benefits. This clause makes it difficult to cancel past perks — even those that were never established in writing — outside of official contract negotiations. We also found that at least 84 towns guarantee officers access to “extra duty” jobs that are a source of additional income for many officers. In 19 cases, the contract guarantees a minimum number of hours of pay regardless of how long the extra duty work takes. Finally, we found that contracts in 20 towns say police officers facing discipline are entitled to know the name of the person who complained about them.

We also estimated the aggregate liability imposed on New Jersey towns by officers owed money for their unused sick and vacation time to be at least \$492.9 million in 2019.

Below, we describe how we gathered our data and arrived at conclusions, as well as what assumptions we made and what the limitations of our analysis are.

Data Collection

We collected the contracts for our analysis from the [website](#) of the New Jersey Public Employment Relations Commission, also known as PERC. Public employers are required to file with PERC the contracts they negotiate with public employee representatives. The site contains an extensive database of public contracts, including police union contracts, for nearly all the state’s municipalities, going back decades.

We downloaded all 6,366 of the contracts on the site, along with associated metadata, such as the contract’s start and end date, county and municipality, and the parties involved. We then removed any public sector

contracts which were not for rank-and-file police officers. (Contracts negotiated by the unions representing firefighters, teachers and other types of police are also on the site.) The remaining contracts formed our starting body of 2,957 New Jersey police union contracts.

We used language from all the contracts, including historical ones, for our computational analysis. But our investigation focused on provisions in current contracts. Thus, we limited our final manual evaluation of provisions to the 245 contracts that are likely to still be in effect, meaning those that were effective on or after Jan. 1, 2019. This left us with a pool of contracts for under half the municipal agencies in the state. See the below section “Incomplete Collection of Contracts” for reasons that a department’s agreement may not be included.

Text Digitization and Cleaning

Using Google Cloud Vision, we converted the digital image PDF contracts into machine readable text. We then trained a type of machine learning model called a conditional random field to weed out extraneous text, such as cover and signature pages or the table of contents, leaving only the contract text we were interested in.

Sentence Segmentation and Encoding

We used a sentence as the basic unit of analysis. We segmented the body text for each contract into individual sentences using the language processing library [spaCy](#). Then we fed each sentence of more than three words into [Google’s Universal Sentence Encoder](#), which converted them from a textual to a numerical representation. These numerical representations allow us to computationally compare the similarity in meaning between sentences without having to compare their text. This is especially useful where the words used in two sentences are completely different, but the meaning remains similar.

```
Original sentence:
Terminal leave may be taken at the Employee's sole option as a six month leave of absence with full pay
and benefits or as a lump sum payment of six months salary at retirement.[Carlstadt Boro and PBA Loc 312
2020.pdf]

Similarity: 0.7607
an employee shall have the option to be paid said terminal leave pay in a lump sum check on his last day
of active service , or be permitted to use such accumulated terminal leave as a paid leave of absence
prior to retirement .[Middletown Tp and PBA Loc 124 2011.pdf]

Original sentence:
if an employee is under arrest or is likely to be , that is if he is a suspect or the target of a
criminal investigation , he shall be given his rights pursuant to the miranda decision .[Passaic and PBA
Loc 14 2007.pdf]

Similarity: 0.8442
in cases other that departmental investigations , if an officer is under arrest or if he is a suspect or
the target of a criminal investigation , he shall be given his rights pursuant to the current decision
of the united states supreme court . [Buena Boro and PBA Loc 266 2013.pdf]

Similarity: 0.8099
5.3.8 if an employee is under arrest or likely to be , or if he is a suspect or the target of a criminal
investigation , he shall be afforded and advised of all his rights pursuant to the united states
constitution . [Paterson and PBA Loc 1 2008.pdf]
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Two examples comparing sentence similarity using the numerical representations calculated by Google’s Universal Sentence Encoder.

Collecting Representative Contract Provisions

The process described above allowed us to convert our collection of contracts into a database of sentences. We then identified representative provisions from across our database in each category of clauses. The clauses we examined were:

- Past practice clauses, which require employers to continue previously established benefits to officers, even if the benefits weren't written into the contracts, unless the benefits are explicitly ended by a new contract.
- Sick day sell-back provisions, which allow officers to convert unused sick days to cash or paid time off. In some cases the provisions could subvert a 2010 state law that limited sick day payouts at retirement to \$15,000 for employees hired after that date.
- End-of-career payments, which call for a town to pay an officer months of salary upon retirement after 20 or 25 years of service, as a parting benefit.
- Extra duty provisions, which govern side work that towns direct to their officers, and have become a routine source of cash.
- Rules about sharing the identity of complainants, which require that the identity of a person who complains about an officer to be provided to the officer under investigation.

We used two strategies to find various versions of these clauses. We first developed a lookup tool for the reporting team that could take any sentence as input and return the most-similar sentences from the database. Starting with provisions identified in our reporting, we used this lookup tool to find alternative wording or different terminology in otherwise semantically similar provisions in our data. We also used clustering algorithms to automatically group sentences in the database with similar meaning, to see if known provisions were connected with other sentences. For each clause, we repeated this exploration until we could add no alternative wordings to our collection of representative provisions. We ultimately identified dozens of representative provisions for the categories.

Evaluating Contracts

We evaluated the 245 recent and current contracts in our collection against these representative provisions. Any contract with at least one sentence with a high similarity to a representative provision was considered likely to fall in the corresponding category and became a candidate for further review.

Next, to eliminate false positives, we manually reviewed and verified the language and context in which the candidate sentence appears. To ensure consistency, we defined a standard for each category. Past-practice clauses were flagged if they required continuation of past benefits for officers that went unaddressed by the current contract. Extra duty provisions were tagged whenever the contract acknowledged the existence of such an arrangement. Provisions that entitled officers to know the names of citizens who had filed complaints against them were counted only if the text explicitly required it. Most contracts simply provided that the officer will be "informed of the nature of the investigation," and few contracts explicitly prohibited disclosure of the complainant's name to the officer who had been the subject of the complaint.

The sick day and retirement payout category was the most complicated. Towns use a variety of formulas and tiered calculations to determine the size of an individual officer's benefit. To be consistent, we spotlighted such provisions if they violated the spirit of a 2010 state law (N.J.S.A. 40A:9-10.4 and N.J.S.A. 11A:6-19.2) that limited sick day cash-outs at the end of a career to no more than \$15,000 for employees hired after that date. If a contract negotiated after 2010 allowed for sick day sell-back benefits that would amount to more than \$15,000, whether in the form of cash or paid time off, over the career of an officer newly hired under that

contract, we included it in the sick day cash-out category. Since the law supersedes contracts that allow an end-of-career sellback that exceeds the \$15,000 cap, we set those contracts aside.

Calculating Future Payments for Unused Time Off

Getting paid for unused sick and vacation time is a significant perk in many union contracts, and it's often available to police and other municipal employees. Many employees hired before 2010 law still receive the benefit. These checks, cut at retirement, have made headlines because they sometimes reach six-figure sums. Using more than 500 budget documents obtained primarily from the New Jersey Department of Community Affairs website, our analysis found that New Jersey towns were liable for \$938.6 million of unused time off in 2019, the total owed to all municipal employees.

We then manually reviewed the organizations named in these documents to identify how much of this liability was attributed specifically to law enforcement employees. Our review found \$492.9 million was due to law enforcement officers in towns throughout the state. However, this understates the true burden attributed to police because some towns didn't specify how the total was divided among their employees.

The Department of Community Affairs clearinghouse for budget reports was missing 2019 data for about 40 towns. We compiled information for about 30 of those from town websites and public records requests.

Assumptions and Limitations

We examined a large number of police union contracts, and there was a wide range in contract language. Below are the assumptions we made in our analysis and the limitations of our conclusions.

Incomplete Collection of Contracts

First, the universe of contracts we examined is not complete. While public employers across the state are required to file these agreements with PERC, many municipal police departments did not have current contracts on the site. In many cases, municipalities have not yet provided these agreements to PERC. In others, these contracts may have automatically continued upon expiration if no replacement agreement was negotiated. It was impractical to manually examine whether each municipality's contract was current, so we only looked at contracts that expired after our cutoff date of Jan. 1, 2019. We also scraped our universe of contracts in July 2020, so there may have been updates since then.

Risk of Compounding Errors

Machine learning models save time on manual review, but their results are bound to be imperfect. Image-to-text conversion is not perfect. Like any model, the one we trained to strip extraneous language can make errors. We caught some of these during manual checks, but reading through all the documents would be practically impossible and would negate the benefit of building a model in the first place.

In any similar data pipeline, there is potential for these errors to compound, leading to blind spots — potentially large ones — in the final outcome. We accounted for this by reviewing results by hand to rule out false positives and by estimating our false negative rate using random sampling. Our false negative rate for each category was low: 15% for past practice clauses, 15% for extra duty provisions, and 3% for clauses that required sharing the identity of a complainant. We also decided to manually review all contracts for sick day sell-backs because of the provision's complexity. These limitations are inherent in data analyses of this kind and were not unique to this project.

In addition, since the contracts we analyzed and reviewed consisted only of those we could obtain from the PERC website, they may not be representative of all contracts in New Jersey. We reported accurate numbers for towns that use a given contract provision, but a reader should not use the data or our analysis to draw inferences about the state as a whole, or about towns that are not in our analysis.

Evaluating Sick Day Cash-Out Provisions

We also made a number of assumptions, guided by experts, when determining whether a particular provision violated the spirit of the law. This was especially true for the complex category of sick day sell-back provisions, which appear in a variety of forms. As we mentioned, a 2010 state law limits sick day sell-backs to \$15,000 at retirement for employees hired after that date. We counted a sell-back benefit in our tallies if it was structured in a way that could violate the spirit of the law through a loophole: allowing annual sell-backs that could, over many years, tally up to more than \$15,000.

We searched for contracts that allowed sick days to be turned into a benefit as a recurring annual option. Accumulated unused sick days could be converted to cash or paid time off, or a combination thereof. The state law does not limit these benefits for officers hired before the law. So we only counted contracts that would allow the annual sick time benefits for officers hired after the state law to exceed \$15,000.

We estimated whether a typical officer could get around the state cap by selling back unused time off annually. To calculate the typical officer's payout, we assumed an officer would work a 20-year career with 8-hour work days, adding up to 2,080 hours in a year, which is the method used to calculate the hourly rate in most of the contracts. We estimated a median police salary for a typical officer by [filtering pension data](#) to find the base salaries of officers with 10 years on the job, that is, those who were halfway through a 20-year career.

We calculated the maximum possible benefit assuming an officer takes 10% of his or her sick days over the course of a career, which we understand to be a reasonable assumption according to our conversations with experts.

To arrive at the final dollar value of a benefit, we used the formulas specified in each contract. Those typically consisted of the number of sick leave hours per year, the rate of conversion for sell-back (e.g. one day's pay or paid leave for two days of sick days sold), and sometimes a limit on those sellable hours. In some contracts, unused sick days were instead awarded as paid time off. We calculated conversions of unused sick days to paid leave at the wages paid for that time off, with the same salary assumptions as above.

In some cases, we checked town payroll records to see whether officers hired after 2010 were selling back unused sick time annually. In one town, Norwood, we found that four officers had already exceeded the \$15,000 limit through annual sick time sell-backs. In other towns, we found sick day sell-backs taking place in a way that, if it continued, would put some officers on track to exceed the \$15,000 limit.

“The Ball Was Dropped by All”: How Cops Got More Than \$400,000 in Unlawful Sick Day Payouts

Records in 25 New Jersey towns show that police officers took annual payments for unused sick days despite a law forbidding the practice. The payments add up to nearly half a million dollars from 2017 through 2019. The cops may have to pay it back.

by **Andrew Ford**

March 29, 2021



The township of North Brunswick paid \$25,000 in total to eight officers who weren't legally eligible to sell back their sick days before retirement. Alexander Lewis/MyCentralJersey.com

<https://www.propublica.org/article/the-ball-was-dropped-by-all-how-cops-got-more-than-400-000-in-unlawful-sick-day-payouts>

This story was co-published with the Asbury Park Press, which was a member of the ProPublica [Local Reporting Network](#) in 2020.

In 2010, New Jersey lawmakers wanted to put a stop to the six-figure payouts police officers and other public employees could get by cashing in their unused sick days at retirement. They capped the sellbacks at \$15,000 for anyone hired after the law took effect.

Six years later, Vernon Township, a small town in northern New Jersey, changed its police contract to allow officers to cash in their sick days annually, in addition to at retirement. Over the years 2017 and 2018, officers hired after the 2010 law took effect were paid more than \$13,000, according to town payroll records.

Vernon is one of 25 towns identified by the Asbury Park Press and ProPublica as having made payments for unused sick time to officers covered by the 2010 law, totaling more than \$460,000 between 2017 and 2019. Now, New Jersey's acting state comptroller has deemed those types of payments illegal. In some cases, the officers might need to pay that money back.

[In a report issued this month](#), Comptroller Kevin Walsh highlighted improper sick time sellbacks by public employees in Palisades Park, a Bergen County town across the Hudson River from Manhattan. Any sick time sellback payments other than a retirement check capped at \$15,000 are unlawful, the report said. The town's attorney, John Schettino, said police officers are not among those who received payouts for sick days. He said the town is working to get money back from employees who shouldn't have received it and is changing its contracts to comply with the law.

In Vernon, a reporter's review of payroll records shows five officers received seven payouts that appear unlawful by the comptroller's definition. The town's business administrator, Charles Voelker, said in an email that four officers received payments, but did not respond to a question about the discrepancy.

"The ball was dropped by all parties on this," Voelker said.

Vernon's labor attorney, the town police union and auditors never pointed out problems when the contract was approved, he said.

The problem has since been corrected, Voelker said. He did not say whether the money had been repaid. The town's latest police contract allows officers covered by the 2010 law to convert unused sick time to comp time, which is paid time off.

"Please know that Vernon Township is not alone in this," Voelker wrote. "There are other contracts throughout the state, where municipalities did and may still be paying sick time" for officers hired within the New Jersey police pension system "without knowing about the law change. Some know, some don't, some of it is caught by the auditors, some is not."

State Sen. Declan O'Scanlon, R-Monmouth, who was involved in passing the 2010 law, noted it was discussed publicly at the time, and underscored its importance.

"When we do reforms ... and those reforms are ignored, it's a serious problem," O'Scanlon said.

New Jersey residents pay some of the highest average property taxes in the nation. In February, the Press and ProPublica [revealed how New Jersey police officers pad their contracts](#) with financial perks. Over the years, money owed for unused sick days has left taxpayers on the hook for hundreds of millions of dollars in eventual payouts to law enforcement officers alone.

Walsh declined to comment on towns other than Palisades Park, the subject of a report by his office. But he said his office is prioritizing review of sick time payouts to public employees covered by the 2010 law.

“Any employee who was hired after the effective date of this law, and who is covered by this law, who receives an annual sick leave payout does so in violation of this law,” Walsh said.

Walsh would not talk about possible investigations in towns other than Palisades Park. But he encouraged tipsters to step forward if they know about such payments.

The president of the New Jersey State Policemen’s Benevolent Association, the state’s largest police union, didn’t respond to questions about the payments the comptroller is calling unlawful.

Experts on New Jersey government said it’s possible that a knowing misuse of public funds could lead to criminal penalties for those involved. But it’s more likely, they said, that town officials would suffer political blowback for paying unused sick time to employees covered by the 2010 law. For example, soon after the release of the Palisades Park report, which flagged a host of financial problems in the town, the town’s mayor, Christopher Chung, [withdrew from a bid for state Assembly](#) to focus on making reforms. Chung didn’t respond to a request for an interview.

There could also be other consequences. The New Jersey Division of Local Government Services, a branch of the state’s Department of Community Affairs, has the power to fine towns for ethical violations. The agency would not say whether it has done so.

Individuals who pay property taxes could also request an accounting of a town’s finances from a judge and raise legal claims of malfeasance, but experts said that’s probably a long shot.

“The Legislature could also go back and amend the law to provide some type of penalty for it,” said Marc Pfeiffer, assistant director of the Bloustein Local Government Research Center at Rutgers University.

To identify the towns where police officers received payouts for unused sick time before retirement, a reporter requested records from hundreds of towns. The review did not include a look at records for public employees other than police, or for every township in the state.

A reporter reached out to officials in all 25 towns where pre-retirement sick time payouts were identified. Some agreed the payments were improper and said that the reporter’s inquiry brought the issue to their attention. Three said they’d change their contracts, and two said they’d ask for the money back.

West Caldwell administrator Nikole H. Baltycki noted payments in that town were for people who had left employment with the department. The comptroller’s office can’t comment on specific towns but draws a bright line on the sick pay issue: The 2010 law means covered employees can only get paid for sick leave at retirement, according to a statement from Megan Malloy, spokesperson for the Office of the State Comptroller.

From 2017 through 2019, Mantua Township, near Philadelphia, gave three officers more than \$9,000 that would conservatively fall into the category flagged by the comptroller, the town’s records show. The payments were called for under a provision in the town’s police union contract.

“These have been in contracts for years and they should be out of the contracts, so I’m working immediately to get these removed from the contracts,” said Jennica Bileci, the Mantua business administrator.

Highlands, a seaside borough just south of New York City, gave more than \$18,000 in similar payments to five cops over the same three-year period, records show.

Highlands Borough Administrator Michael Muscillo, who was hired in January, said the town would stop making the payments. Borough officials will remove the provision the next time a union contract expires, he

said, and are exploring asking for the money back.

“You brought it to our attention, we looked at it, our attorneys agreed that it was in violation of the statute, and we’re going to fix it moving forward,” Muscillo said.

Some town officials argued the practice of allowing police officers to sell back their sick days saves money by encouraging officers not to use them, thereby reducing overtime costs: When a cop calls in sick, their department has to find a last-minute replacement to cover the officer’s shift. But the officials said they’d comply with state law.

The township of North Brunswick in the central part of the state provided records showing payments labeled “Sick Pay Buy Back Adjustment” totaling \$25,000, to eight officers who wouldn’t be legally eligible for them under the state comptroller’s interpretation.

North Brunswick “has complied with all statutory, regulatory, and contractual obligations as they relate to sick time, vacation time, and other compensation,” a spokesperson for the town said in a statement. “The township is aware of the comptroller’s position. The township follows the law.”

Albert Marmero, an attorney responding on behalf of the township of Deptford, said the town’s sick time buyback program was “in line with the statute.”

“Essentially, it takes the \$15k cap and spreads it out over a period of time so that the Township can better absorb the costs over a period of time,” Marmero wrote in an email.

But the state comptroller’s report on Palisades Park says the law “prohibits” sick leave payouts “other than a one-time payment of up to \$15,000 at retirement.”