



JAMES A. KOMPANY
Chairman

GREGORY PETZOLD
Executive Director

September 8, 2026

Sent via email to: [REDACTED]

ALTERMAN & ASSOCIATES, LLC
Stuart J. Alterman, Esq.
[REDACTED]

Sent via email
September 17, 2026
SB

RE: Thomas Murphy
[REDACTED]

OAL DKT No TYP 01930-21

FINAL ADMINISTRATIVE DETERMINATION

Dear Mr. Alterman:

The Board of Trustees (Board) of the Police and Firemen's Retirement System of New Jersey (PFRSNJ) has reviewed the Initial Decision (ID) issued by the Office of Administrative Law in this matter, dated July 16, 2026, as well as Exceptions on behalf of the PFRSNJ Board, filed by Kimberly L. Forino, Esq., dated July 29, 2026, and Reply to Exceptions on behalf of the appellant, filed by Stuart J. Alterman, Esq., dated August 4, 2026, in the matter of Thomas Murphy.

At its meeting on August 10, 2026, the Board voted to reject the Office of Administrative Law's (OAL) ID, which recommended reversal of the Board's determination to impose a partial forfeiture of nineteen percent (19%) of Mr. Murphy's total retirement benefit.

Findings of Fact and Conclusions of Law as outlined below were presented and approved by the Board at its September 8, 2026 meeting.

FINDINGS OF FACT

The Board finds the following as fact. Thomas Murphy began his career as a Patrolman with Mountainside Borough (Mountainside) on July 29, 1994 and was enrolled accordingly in the PFRS, effective August 1, 1994. He remained with Mountainside for the duration of his career. He attained 25 years of total service credit with the pension fund.

The Division of Pensions and Benefits (Division) had been made aware of possible misconduct based on public news articles and on August 1, 2018, his pension file was annotated to alert staff that the file would need review once the member applied for retirement. He filed for retirement benefits¹ with the Division on December 25, 2019, with an effective date of January 1, 2020.

¹ The only retirement type available to Murphy upon application was Service Retirement, based on the service credit posted at the time. Following a settlement agreement which awarded back pay, he was credited with an additional 12 months of service, providing him a total of 25 years of service credit and

The Board reviewed Murphy's disciplinary record, including a Second Amended Preliminary Notice of Disciplinary Action (PNDA), dated October 4, 2019, as well as a Settlement and Last Chance Agreement (Settlement) between Mountainside and Murphy, signed by the member on or around December 15, 2019. He was administratively charged with seven (7) statutory violations under N.J.S.A. 40A:14-147 and seventeen (17) violations of departmental rules and regulations.

According to the specifications of the PNDA Murphy "engaged in a pattern of inappropriate, unprofessional and unbecoming conduct from at least 2014 through 2018." The indiscretions described include times spent at his armored car business and fruit stand while on duty, as well as a "considerable amount of time at the local 7-Eleven." Also referenced are multiple occasions engaging in a dangerous practice called "buzzing," wherein Murphy would race past a fellow member of the Department in his vehicle at a high rate of speed in close proximity to the officer's car, causing dust and debris to enter the officer's vehicle.

The PNDA also alleged that Murphy repeatedly engaged in sexually explicit, racist, and inappropriate communications and conduct. This behavior included engaging in horseplay involving sex toys both at Headquarters as well as at a PBA dinner dance, in front of both members of the Department and civilian guests. There is also mention of Murphy using Department computers to send hundreds of inappropriate videos, including materials related to transsexuals. He also allegedly played a homophobic game on a daily basis from on or about 2014 through on or about October 2016. The PNDA goes on to list several racist, sexist, and homophobic comments, in addition to sexual harassment. The PNDA sought Murphy's immediate termination.

The Board also reviewed the terms of the Settlement, wherein Murphy pled guilty to charges of Conduct Unbecoming a Public Employee under N.J.S.A. 40A:14-147 and Mountainside Police Department Rule 3:1.1 Standards of Conduct for behavior that occurred from 2014 – 2018. Per the Settlement terms, Murphy agreed to accept: a demotion from the rank of Police Lieutenant to the rank of Patrol Officer, effective July 13, 2018; a suspension without pay for the period of July 13, 2018 to November 30, 2018; the forfeiture of 151.52 hours of accrued compensatory time; 472 hours of vacation time; 2,752 hours of sick leave; 72 hours of personal leave; and the forfeiture of all time-related benefits owed to him in 2018 and 2019. In exchange, Murphy was reinstated to employment in the position of Patrol Officer effective December 1, 2018, with appropriate back pay and benefits. He was also to be reimbursed for any health insurance premiums Mountainside would have otherwise paid.

All this to say that the Board was provided with Murphy's extensive history of misconduct as well as the penalties imposed by Mountainside when it reviewed the matter for honorable service at its meeting of December 12, 2020, pursuant to N.J.S.A. 43:1-3. Based on an analysis of the "Uricoli factors," as set forth in Uricoli v. Bd. Of Trs., Police & Firemen's Ret. Sys., 91 N.J. 62, 66 (1982), the Board weighed the 11 factors and determined that a whole pension forfeiture was not warranted. However, they found that a partial forfeiture of 19 percent of his total pension was an appropriate penalty, given Murphy's ongoing, continuous harassment of his fellow employees, along with the egregiousness of his actions, which involved racist and homophobic comments and repeated sexually inappropriate conduct.

On February 8, 2021, the Board approved Murphy's request for a hearing. The matter was transmitted to the OAL as a contested case pursuant to N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14 F-1 to -13. Subsequent to a hearing in the OAL, the ID was issued on July 16, 2026. The ID concluded that the member had been sufficiently penalized by his employer while he was still an active employee, that the Board's proposed forfeiture was excessive and entirely inappropriate and that the record weighs in favor of no forfeiture by the Board. The ID thereby reversed the Board's determination.

therefore eligible for the enhanced Special Retirement benefit.

Pursuant to N.J.S.A. 52:14B-10(c), the recommended decision (ID) may be adopted, modified or rejected by the PFRSNJ Board, which by law is authorized to make a final decision here. The Board rejects the conclusions of law in the ID for the following reasons.

LEGAL CONCLUSIONS

The Board concludes the following based upon applicable law. N.J.S.A. 43:1-3 states that a public pension or retirement benefit is “expressly conditioned upon the rendering of honorable service.” The statute requires the Board to determine whether the member rendered honorable service and, if not, whether forfeiture of all or part of the earned service credit is warranted after balancing the 11 Uricoli factors:

- (1) the member’s length of service;
- (2) the basis for retirement;
- (3) the extent to which the member’s pension has vested;
- (4) the duties of the particular member;
- (5) the member’s public employment history and record covered under the retirement system;
- (6) any other public employment or service;
- (7) the nature of the misconduct or crime, including the gravity or substantiality of the offense, whether it was a single or multiple offense and whether it was continuing or isolated;
- (8) the relationship between the misconduct and the member’s public duties;
- (9) the quality of moral turpitude or the degree of guilt or culpability, including the member’s motives and reasons, personal gain and similar considerations;
- (10) the availability and adequacy of other penal sanctions; and
- (11) other personal circumstances relating to the member which bear upon the justness of forfeiture.

The Board carefully weighed the factors and in doing so, afforded greater weight to factors seven (7) and nine (9). Factor seven requires the Board to analyze the nature of the misconduct, including the substantiality of the offense and whether it was isolated and continuing. Murphy’s conduct clearly was not limited to a single event. He displayed a chronic pattern of excessively inappropriate and unacceptable behavior over several years’ time.

Factor nine calls for an analysis of the quality of moral turpitude, guilt or culpability, personal gain, and similar considerations. The Board determined the degree of moral turpitude to be high. His chronic, shameful acts do not fall within the moral standards of his community or society in general, particularly as an officer of the law. Murphy’s pattern of misconduct exploited his position and undermined the public trust.

The Board also found the degree of guilt to be high. Murphy pled guilty to the statutory charge of Conduct Unbecoming a Public Employee and to violations of Mountainside's rule regarding Standards of Conduct.

The ID concedes that the member "did engage in offensive, inappropriate, unprofessional, and unbecoming conduct that warrants significant punishment." However, the conclusion that "that is exactly what he received" and "that the record fully supports the notion that the proposed forfeiture would be "excessive," and that a penalty of a 19 percent forfeiture of petitioner's pension benefits was entirely inappropriate" is misplaced. The ID does not identify any statutory factor that the Board failed to consider. Instead, it reweighs the factors, resulting in a different resolution.

The Board's analysis, rather, is supported by sufficient competent and credible evidence of record. See N.J.S.A. 52:14B-10(c); Orosz v. Bd. of Trs., Police & Firemen's Ret. Sys., A-3175-13T3, (App. Div. June 3, 2015) ("sufficient credible evidence"). There are no restrictions under N.J.S.A. 43:1-3 on the type of documentation or evidence that can be considered or applied in conducting an honorable service review. Also, the definition of "misconduct" making a member's service dishonorable is set by the Board in administering the pension fund. N.J.S.A. 43:1-3(b); N.J.A.C. 17:1-6.1(a). The authority for a partial forfeiture is vested in the Board, which operates this pension fund. The 19 percent partial forfeiture imposed was based specifically on the number of years of dishonorable service in ratio to the years of honorable service. The Board did its prescribed duty and there is no legal reason for their decision to be disturbed.

The Board's application of the Uricoli factors is proper here. "[T]he balancing test anticipates a situation in which non-criminal conduct can factor into a pension-forfeiture decision." Corvelli v Bd. of Trs., Police & Firemen's Ret. Sys., 130 N.J. 539, 552 (1992). The Board weighed all factors, including the member's total length of service, but placed special emphasis on factors seven and nine in Uricoli. Murphy's period of dishonorable service was deemed as such because his acts were chronic, continuous, and egregious.

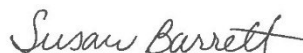
The rejection of the partial forfeiture in the ID is an improper arrogation of the Board's statutory prerogative to the OAL. The Board finds no error in the facts themselves in the ID; only that it reweighs the Uricoli factors. Reclaiming its prerogative, the Board finds that the record supports a partial forfeiture, as does the law.

CONCLUSION

For the foregoing reasons, the Board imposed a partial forfeiture of 19 percent of Murphy's total pension benefit that is supported by the record as well as these conclusions of law. The ID rejecting this action is rejected entirely. This correspondence shall constitute the Final Administrative Determination of the PFRSNJ Board of Trustees.

Mr. Murphy has the right, if he wishes, to appeal this final administrative determination to the Superior Court of New Jersey, Appellate Division, within 45 days of the date of this letter in accordance with the Rules Governing the Courts of the State of New Jersey.

Sincerely,



Susan Barrett
Board Secretary
Police and Firemen's Retirement System of New Jersey

September 8, 2026
Stuart J. Alterman, Esq.
RE: Thomas Murphy

G-8/sb

c: Thomas Murphy
Nels Lauritzen, Esq., PFRSNJ Deputy Director of Legal Affairs (ET); Kimberly A. Sked, Esq. PFRSNJ Staff Attorney;
Thomas R. Hower, Esq. PFRSJ Staff Attorney
OAL, Attn. Library (ET)