STATE OF NEW JERSEY

In the Matter of John Fano,
Department of Human Services

CSC Docket No. 2024-2593
OAL Docket No. CSV 09074-24

FINAL ADMINISTRATIVE ACTION
OF THE
CIVIL SERVICE COMMISSION

ISSUED: FEBRUARY 23, 2026

The appeal of John Fano, a Police Sergeant Human Services with the Department of Human Services, of his 10-working day suspension, on charges, was heard by Administrative Law Judge Gauri Shirali Shah (ALJ), who rendered her initial decision on December 31, 2025.

Having considered the record and the attached ALJ's initial decision, and having made an independent evaluation of the record, the Civil Service Commission (Commission), at its meeting on February 4, 2026, adopted the ALJ's recommendation to acknowledge the settlement agreement entered into by the parties.

The appointing authority charged the appellant with conduct unbecoming a public employee, other sufficient cause, and violations of departmental procedures, policies, rules, and regulations. After a departmental hearing, the charges were upheld, and the appointing authority imposed a 10 working day suspension. The appellant appealed the suspension to the Commission, which referred it to the Office of Administrative Law for a hearing. On July 1, 2025, the appellant was involved in a separate unrelated incident that gave rise to the issuance of disciplinary charges on August 5, 2025, in which the appointing authority sought his removal. With respect to his appeal of the 10 working day suspension that was before the ALJ, on August 1, 2025, the parties settled the matter on the record to a three working day suspension, backpay for seven days, and no counsel fees. The appellant testified under oath that he understood the settlement and the terms were acceptable, he discussed the terms with his attorney and participated in

settlement discussions, he had no additional questions about the settlement, and he entered the settlement voluntarily and freely.

On August 6, 2025, the appointing authority's counsel sent the settlement agreement to the appellant encompassing the terms discussed on the record and the appellant refused to execute the settlement agreement. The appellant argued that the settlement should not stand because he was misled by the appointing authority since it drafted the August 5, 2025 charges against him at the same time he was entering the settlement. The ALJ found that there were no compelling circumstances or fraud present as the settlement was placed on the record before the court, the appellant voluntarily accepted the terms, and he conferred with his counsel about the terms of the settlement. Therefore, the ALJ concluded that the appellant's refusal to execute the settlement did not invalidate the agreement and the settlement was fully dispositive of all the issues in controversy between the parties in this case.

Upon its *de novo* review of the matter, the Commission agrees with the ALJ that the settlement agreement represents a valid agreement to be acknowledged. Initially, it is emphasized that the policy of the judicial system strongly favors settlement. *See Nolan v. Lee Ho*, 120 *N.J.* 465 (1990); *Honeywell v. Bubb*, 130 *N.J. Super.* 130 (App. Div. 1974); *Jannarone v. W.T. Co.*, 65 *N.J. Super.* 472 (App. Div. 1961), *cert. denied*, 35 *N.J.* 61 (1961). This policy is equally applicable in the administrative area. A settlement will be set aside only where there is fraud or other compelling circumstances. *See Nolan, supra.* Such circumstances are not present in this matter. Rather, the Commission finds that the terms of the settlement on the record do not contravene Civil Service law or rules.

Moreover, a settlement agreement should be enforced where a party has competent representation of his or her choosing and entered into the agreement knowingly and voluntarily. *See e.g., In the Matter of Barbara Knier* (MSB, decided January 12, 1999) and *In the Matter of William Munoz* (MSB, decided June 16, 1998). In addition, settlements have been acknowledged where the appellant voluntarily agreed to a settlement and was represented by an attorney of his or her choosing; however, the settlement was not reduced to writing. *See In the Matter of Nicholas Vamvakidis* (MSB, decided February 26, 2003) (Reduction to writing was found to be a formality that was not necessary and did not impede the enforceability of the agreement where the appellant voluntarily agreed to the settlement, he was represented by an attorney of his choosing, and the terms of the settlement on the record did not contravene Merit System rules); *In the Matter of Johnny Walcott* (MSB, decided September 10, 2002) (Unexecuted settlement acknowledged where the settlement was entered into the record and the ALJ was satisfied the affected parties understood the agreement as worked out by their counsel); *In the Matter of Edgar Medina* (MSB, decided May 23, 2000) (Settlement acknowledged where settlement was placed on the record but the appellant did not sign written

memorialization of agreement). In the present case, the appellant was represented by counsel and entered into the agreement knowingly and voluntarily. Therefore, based on the foregoing, the settlement agreement between the parties should be acknowledged.

ORDER

The Commission acknowledges the settlement agreement in this matter.

This is the final administrative determination in this matter. Any further review should be pursued in a judicial forum.

DECISION RENDERED BY THE
CIVIL SERVICE COMMISSION ON
THE 4TH DAY OF FEBRUARY, 2026

Allison Chris Myers

Allison Chris Myers
Chairperson
Civil Service Commission

Inquiries
and
Correspondence

Dulce A. Sulit-Villamor
Director
Division of Appeals and Regulatory Affairs
Civil Service Commission
P.O. Box 312
Trenton, New Jersey 08625-0312

Attachment

State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

AMENDED INITIAL DECISION
APPROVING SETTLEMENT
OAL DKT. NO. CSV 09074-24
AGENCY DKT. NO. 2024-2593

IN THE MATTER OF JOHN FANO,
HUMAN SERVICES POLICE.

Stuart J. Alterman, Esq. for petitioner (Alterman & Associates, LLC, attorneys)

Sherri Eure-Washington, Director/ERC, for respondent pursuant to N.J.A.C. 1:1-5.4(a)(2)

Record Closed: November 20, 2025 Decided: December 31, 2025

BEFORE **GAURI SHIRALI SHAH**, ALJ:

STATEMENT OF THE CASE

On August 1, 2025, appellant, a Department of Human Services (DHS) police officer agreed before the court, knowingly and voluntarily, to settle this civil service case but thereafter refused to sign the settlement agreement. Is appellant bound by the settlement placed on the record? Yes. Fairness and public policy favoring settlements dictate that a party is bound by their knowing and voluntary acceptance of a settlement before the court. Puder v. Buechel, 183 N.J. 428, 437 (2005).

PROCEDURAL HISTORY

On February 17, 2023, respondent DHS issued a Preliminary Notice of Disciplinary Action (PNDA) seeking a ten-day suspension of appellant John Fano (Fano). Fano contested the PNDA, and on April 17, 2024, a departmental hearing was held. On May 30, 2024, after the hearing officer issued a decision upholding the charges, DHS issued a Final Notice of Disciplinary Action (FNDA).

On June 3, 2024, Fano appealed the FNDA to the Civil Service Commission.

On June 25, 2024, the Civil Service Commission transmitted this case to the Office of Administrative Law (OAL), where it was received on June 28, 2024, and filed as a contested case under the Administrative Procedure Act, N.J.S.A. 52:14B-1 to -15, and the act establishing the OAL, N.J.S.A. 52:14F-1 to -23, for a hearing under the Uniform Administrative Procedure Rules, N.J.A.C. 1:1-1.1 to -21.6.

Thereafter, between August 28, 2024, and December 3, 2024, several settlement conferences were held before the Hon. Susan Scarola, ALJ, but the parties failed to reach settlement. The case was then assigned to me.

On January 27, 2025, I held an initial pre-hearing conference with the parties. A January 28, 2025, letter order issued by me reflected the parties' request for time for discovery, a discovery end date and a status conference scheduled for May 8, 2025.

At the May 8, 2025, status conference, the parties informed me they were trying to settle the case and requested additional time. A status conference was scheduled for June 11, 2025. At the June 11, 2025, conference, the parties advised they had not reached settlement and requested that I conduct a settlement conference. Both parties agreed to an August 1, 2025, in-person settlement conference. I required that appellant Fano also be present at the settlement conference. Additionally, in case the settlement conference was unsuccessful, I scheduled hearing dates for January 7, 2026, and January 8, 2026, the first dates that all counsel were available.

On August 1, 2025, the parties appeared before me for a settlement conference and reached an agreement. The parties placed the terms of settlement on the record which included a reduction of Fano's suspension from ten working days to three days. Appellant Fano was present for the settlement conference and provided testimony under oath as to his understanding of the agreement. Respondent's counsel agreed to provide a written settlement agreement to appellant's counsel within the next week to be executed and submitted to me.

On September 15, 2025, I held a telephonic conference with the parties to ascertain why I had not received an executed settlement. I was advised that appellant was served by DHS with an August 5, 2025, PNDA that sought removal, that he was upset and that he refused to sign the settlement agreement in this case. Appellant's counsel advised that he needed time as his client wanted an in-person meeting. I provided that time to appellant and scheduled another conference for November 3, 2025. Respondent requested leave to file a motion to enforce/confirm the settlement. I advised that if appellant had not executed the agreement by November 3, 2025, the parties would be permitted to engage in motion practice and submit briefs on the issue to me.

At the November 3, 2025, telephonic conference, appellant's counsel advised that appellant refused to execute the agreement. Thereafter, respondent filed a motion to enforce the settlement and for an initial decision confirming the settlement. Respondent obtained and provided the transcript of the August 1, 2025, settlement conference colloquy, and also submitted opposition to the respondent's motion. On November 20, 2025, after receipt of the transcript, I closed the record.

FINDINGS OF FACT

Based on the testimony provided and my assessment of its credibility, together with the documents submitted and my assessment of their sufficiency, I **FIND** the following as **FACT**:

Appellant Fano is employed by DHS as a police officer with the rank of sergeant. A February 17, 2023, PNA issued by DHS charged Fano with conduct unbecoming, and

other sufficient cause, including for repeatedly violating polices relating to professional appearance standards for not wearing his uniform, the care and handling of his weapon, and insubordination, all based on incidents that occurred in January 2023. On May 23, 2024, after a departmental hearing upheld the charges, DHS issued an FNDA that called for a ten-working day suspension. Fano appealed the FNDA, and the Civil Service Commission transmitted the matter to the Office of Administrative Law for a hearing.

On July 1, 2025, Fano was involved in a separate unrelated incident that gave rise to disciplinary charges. An August 5, 2025, amended PNDA (August PNDA) issued by DHS charged Fano with neglect of duty, conduct unbecoming, and sufficient cause for violation of DHS polices and orders, and sought his removal.

On August 1, 2025, a settlement conference was held before me in this case. At the conference, the parties advised that the matter had settled. The terms of settlement were placed on the record and included the following:

1. A reduction of the suspension from ten working days to three working days; and
2. Backpay for seven days; and
3. No counsel fees.

Appellant Fano took the stand and was placed under oath for voir dire about the settlement. In response to questioning by this tribunal, Fano testified that he understood the terms of the settlement and that the terms were acceptable. Fano further advised he had been able to discuss the terms with his attorney, had participated in settlement discussions, had no additional questions about the settlement terms, and that he entered into the settlement voluntarily and freely.

On August 6, 2025, respondent's counsel sent a settlement agreement to appellant's counsel that encompassed the terms discussed on the record. Appellant has refused to execute the settlement agreement.

CONCLUSIONS OF LAW

In New Jersey jurisprudence, "settlement of litigation ranks high in public policy". Nolan v. Lee Ho, 120 N.J. 465, 472 (1990) quoting Jannarone v. W.T. Co., 65 N.J. Super. 472 (App. Div.), certif. denied 35 N.J. 61 (1961). An agreement between parties to settle a lawsuit is a contract. Pascarella v. Burke,190 N.J. Super. 118, 124 (App. Div.) certif. denied 94 N.J. 600 (1983). Thus, in the absence of "fraud or compelling circumstances", New Jersey courts strongly favor that agreements to settle litigation be honored. Honeywell v. Bubb, 130 N.J. Super. 130, 136 (App. Div. 1974).

Appellant argues that the settlement should not stand because he was misled by DHS with the August PNDA. The argument is meritless. Appellant argues that that "unbeknownst to appellant", DHS had drafted the August PNDA around the same time he was entering this settlement. The August PNDA references a July 1, 2025 incident. Ostensibly, appellant was aware of the incident as his actions as a supervising officer were allegedly the basis for incident that gave rise to the disciplinary action. What appellant was unaware of, undoubtedly, was the severity of the discipline that DHS sought in the August PNDA, namely, his removal. **I CONCLUDE** that there are no compelling circumstances or fraud present in this instance relative to the settlement.

Here, appellant refuses to execute the settlement. However, the fact that the parties made the settlement orally is of no consequence on the validity of the settlement. Pascarella v. Burke, 190 N.J. at 124. Indeed, N.J.A.C. 1:1-19.1, which is applicable here, requires the parties to a settlement to disclose the terms of any settlement to the judge either orally, by the parties or their representatives or in writing. Thus, I **CONCLUDE** that appellant's failure to execute the written settlement agreement does not invalidate the agreement.

Additionally, the terms of the settlement were placed on the record before the court. Appellant represented to the court that he voluntarily accepted the terms, understood the terms, had conferred with his counsel, and had no further questions of the court or counsel regarding the settlement. Fairness and public policy favoring settlements dictate that a party is bound by their knowing and voluntary acceptance of a settlement

before the court. Puder v. Buechel, 183 N.J. 428, 437 (2005). I **CONCLUDE** that the parties have agreed to settle this case and have entered into an agreement. Having reviewed the terms of their agreement, I have determined that the settlement is voluntary, consistent with the law, and fully dispositive of all issues in controversy between the parties in this case.

ORDER

Given my findings of fact and conclusions of law, I **ORDER** that the settlement entered into by the parties on August 1, 2025, is **APPROVED**, that its terms are **INCORPORATED** into this decision, and that this case is **CONCLUDED**.

I **FILE** my decision with the **CIVIL SERVICE COMMISSION** for consideration. This recommended decision may be adopted, modified, or rejected by **CIVIL SERVICE COMMISSION**, who is empowered by law to make a final decision in this case. If the **CIVIL SERVICE COMMISSION** does not so act within 45 days, and unless such time limit is otherwise extended, this recommended decision becomes a final decision in accordance with N.J.S.A. 52:14B-10.

December 31, 2025
DATE

GAURI SHIRALI SHAH, ALJ

Date Received at Agency: December 31, 2025

Date E-Mailed to Parties: December 31, 2025

GSS/nn

APPENDIX

Witnesses

For appellant:

John Fano

For respondent:

None

Exhibits

For appellant:

Brief and exhibits, dated November 11, 2025

For respondent:

Brief and exhibits, dated November 17, 2025