

New Orleans jury: Dell liable in crime camera suit

November 2 2009, By BECKY BOHRER , Associated Press Writer

(AP) -- A jury found Dell Inc. liable Monday for \$12.8 million in damages over unfair competition and conspiracy claims in a lawsuit involving the city's problematic crime camera surveillance program.

Southern Electronics Supply Inc. and Active Solutions LLC sought had sought \$3.6 billion in punitive damages from Dell, but the jury rejected those claims as well as allegations their camera system was ripped off by former city technology chief Greg Meffert and others.

Plaintiffs' attorney Gladstone Jones said no one was completely happy with the verdict.

"They're in a conspiracy, and we didn't get as much money as we wanted," Jones said.

Plaintiffs' attorney James Garner said they would review appeal options and planned to seek attorneys' fees that, with interest, would push the judgment against Dell over \$20 million.

Dell attorney Phillip Wittmann said there was no immediate decision about whether to appeal.

The plaintiffs said Meffert and others tied to city government plotted with Dell to steal the surveillance system they'd developed. They claimed the system - particularly in a post-9/11 world - could be worth millions, if not billions, of dollars.

Defense attorneys characterized Southern and Active as losers in a competitive environment whose own pricing and pace of work cost them city business. They also suggested the local companies were going after Dell because of its relatively deep pockets. (Dell posted \$61.1 billion in revenue in 2008.)

Jurors began deliberating nearly a week ago after more than a month of testimony. The most sensational testimony from Meffert and Chris Drake, a project manager for the program while working for then-city vendor Imagine Software.

Imagine was run by Mark St. Pierre, who went on to form NetMethods and Veracent. The plaintiffs claimed NetMethods was created to compete with them shortly after Southern signed its contract with the city in the summer of 2004. Meffert acknowledged working as a consultant for NetMethods while at City Hall.

But he testified his work with the technology firm was meant to offset the cut in pay he took in leaving the private sector for government work after Mayor Ray Nagin took office in 2002.

Nagin, early in his first term, announced plans for a citywide [surveillance system](#) to help curb violent crime. But it has never lived up to the lofty expectations he once had for it. It's a fraction of the size initially envisioned and has become known more for its costs and contract problems than for catching criminals.

Meffert said he ordered a "handful" of cameras from Dell before leaving City Hall in July 2006. He said, by that time, the plaintiffs had refused to sell him more cameras over a pay dispute. According to a city inspector general's report, Veracent installed cameras the city purchased from Dell.

The jury assigned Dell the greatest percentage of fault - 35 percent - among seven parties or choices in awarding \$10 million in damages for unfair trade.

The jury also awarded \$2.8 million from Dell, finding the companies relied to their detriment on promises by [Dell](#) to go into business together. It awarded another \$3.5 million in damages for contract interference, assigning blame to Meffert, Imagine and Southern and Active.

Smith said it wasn't clear whether Meffert would have to pay in part because the jury ascribed less than 50 percent of the blame to him.

Judge Rosemary Ledet was expected to decide that and any liability the city itself might face.

There is a federal criminal investigation into the city's technology office and the crime camera contracts. Smith has said Meffert is a target of that probe, but based on the jury's findings, he said he doesn't see a "fair basis" for criminal action against Meffert.

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Citation: New Orleans jury: Dell liable in crime camera suit (2009, November 2) retrieved 2 May 2024 from <https://phys.org/news/2009-11-orleans-jury-dell-liable-crime.html>

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