

Synopsis of an Investigative Journalism Proposal

Where the Leads in Evidence Already Gathered in [12 Federal Cases](#)

Would be Pursued in a Watergate-like *Follow the money!* Investigation to Answer the Question:

Has a Federal Judgeship Become a Safe Haven for Coordinated Wrongdoing?

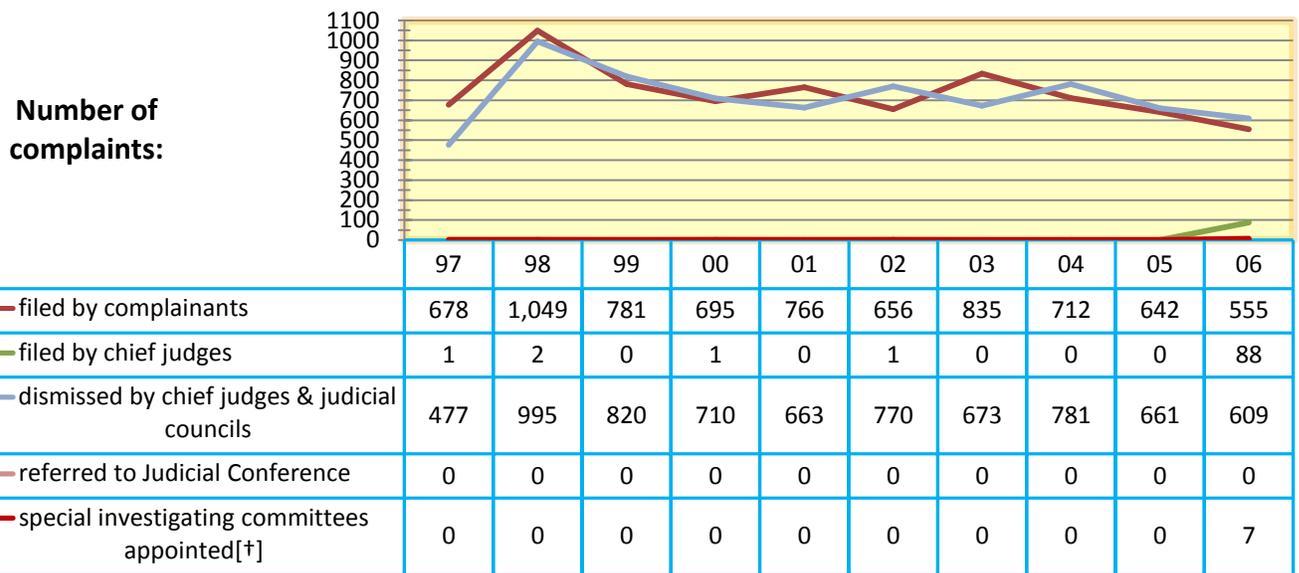
This is a poignant question, for it casts doubt on the integrity of the branch of government that should incarnate respect for the law and high ethical values. What makes it a realistic question worth investigating is the fact that since 1980 judges are charged with the duty to discipline themselves; what is more, complaints by anybody against their conduct must be filed with, and handled by, them. But according to the statistics of the [Administrative Office of the U.S. Courts](#) judges [systematically dismiss](#) all complaints. As a result, in the last 28 years only three judges out of some [2,184 federal judges](#), have been impeached, the last one in 1989. Actually, in the whole 219 years since the U.S. Constitution of 1789, [only 7 judges](#) have been impeached and removed from the bench...on average one every 31 years!

If that were the time it would take for your CEO to be held accountable by his peers for his conduct toward you and the other people in your office, and in the meantime he could wield power over your property, liberty, and life with no more consequences than the suspension of a decision of his, do you think that he would be tempted to treat you however he wanted? If all complaints of yours ended up in the wastebasket together with those of your colleagues in the office, would you say that they would want to know of your efforts to force your CEO and his peers out of their safe haven in order to require them to treat you and your colleagues with respect or be liable to all of you? If so, you have a U.S. audience of 300 million colleagues waiting to know about your efforts to hold your judicial CEO and his peers accountable for their conduct.

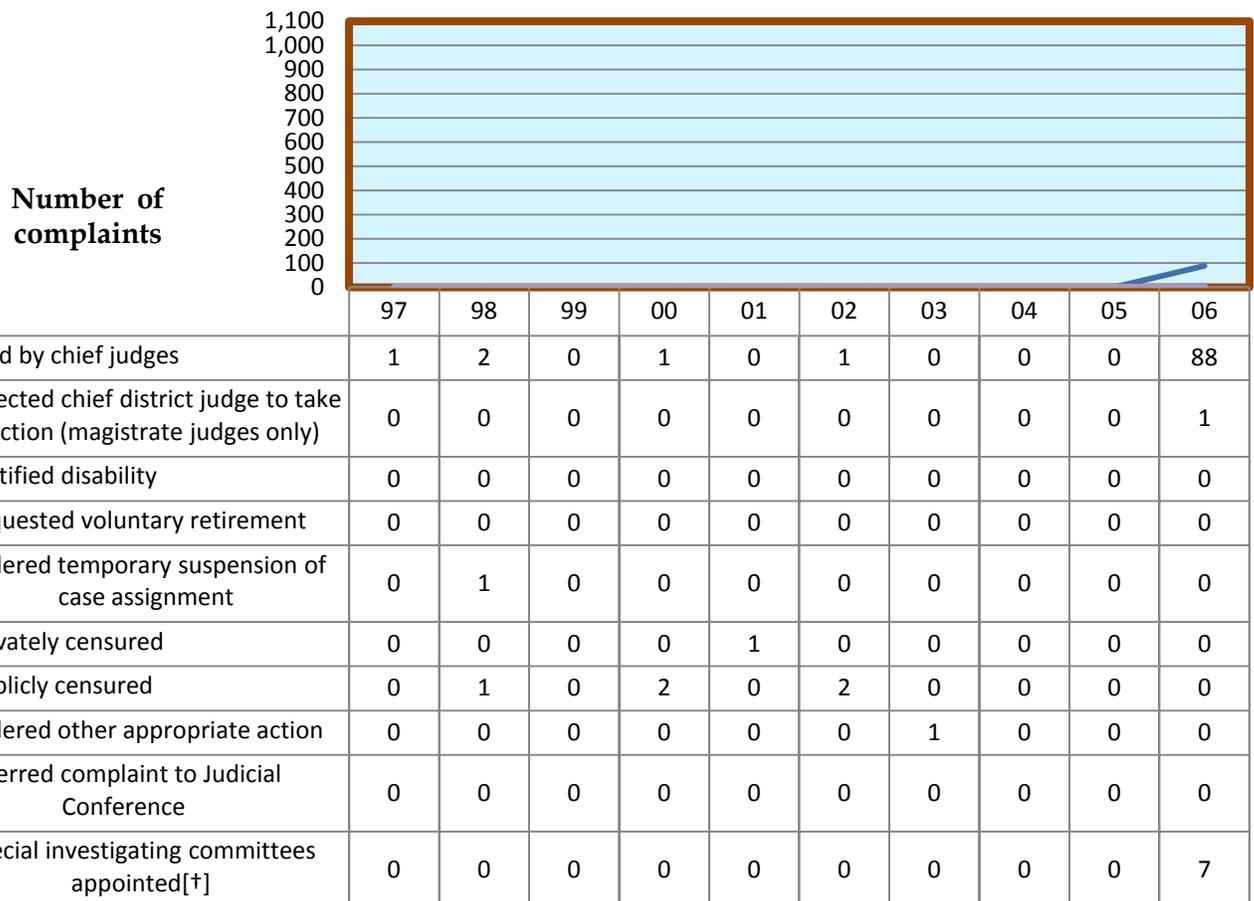
Indeed, by law the chief justice of the Supreme Court and the associate justices review with the chief district and appellate judges [twice a year reports](#) showing that complaints against judges are dismissed systematically, which points to coordination to disregard a duty placed upon them by law. They have known also that in an area such as bankruptcy, judges wield enormous power over tens of billions of dollars annually. Power and money, the two most insidious and absolute corruptors in the hands of the same judges that have exempted themselves from any discipline. There is evidence that bankruptcy judges have engaged in a [bankruptcy fraud scheme](#) with the knowledge and support of district judges, and at least the toleration of circuit judges and the justices of the Supreme Court. That evidence and [leads](#) are hereby being offered for a joint *Follow the money!* investigative journalism project.

The discovery of evidence that a federal judgeship has become a safe haven for coordinated wrongdoing is bound to have a farther reaching impact than finding out that the Watergate Burglary was connected to President Richard Nixon. Unlike the president and his White House aides, federal judges hold office for life or renewable 14-year terms and can only be removed through the historically [useless impeachment mechanism](#). Hence, the investment of investigative resources in this project would not be for a momentary scoop, but rather for the development of a lode of news that would implicate the Congress dominated by ["the culture of corruption"](#) and the Executive, whose agenda is challenged in court. A *Follow the money!* investigation from acts or toleration of judicial bias and disregard for the law to concealed assets would outrage the public and lead to a cleansing institutional crisis. For the bloggers and investigative journalists that pursued the story most competently there are rewards to be gained: 15 minutes of fame, a Pulitzer Prize, or the title of the Bob Woodward and Carl Bernstein of our generation. Let's get together to discuss the [objectives and strategy](#) to join resources and push forward this investigation.

Number of Complaints Filed by Complainants and Systematically Dismissed by Chief Judges and Judicial Councils Between '97 and '06

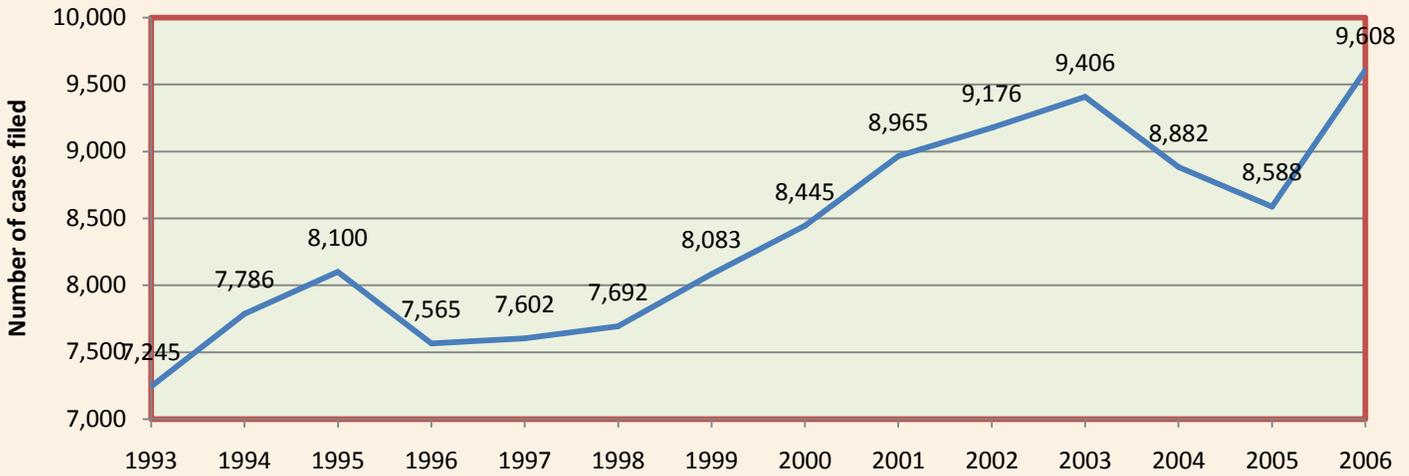


Judicial Councils' Action Against Complained-about Judges From 1997-2006

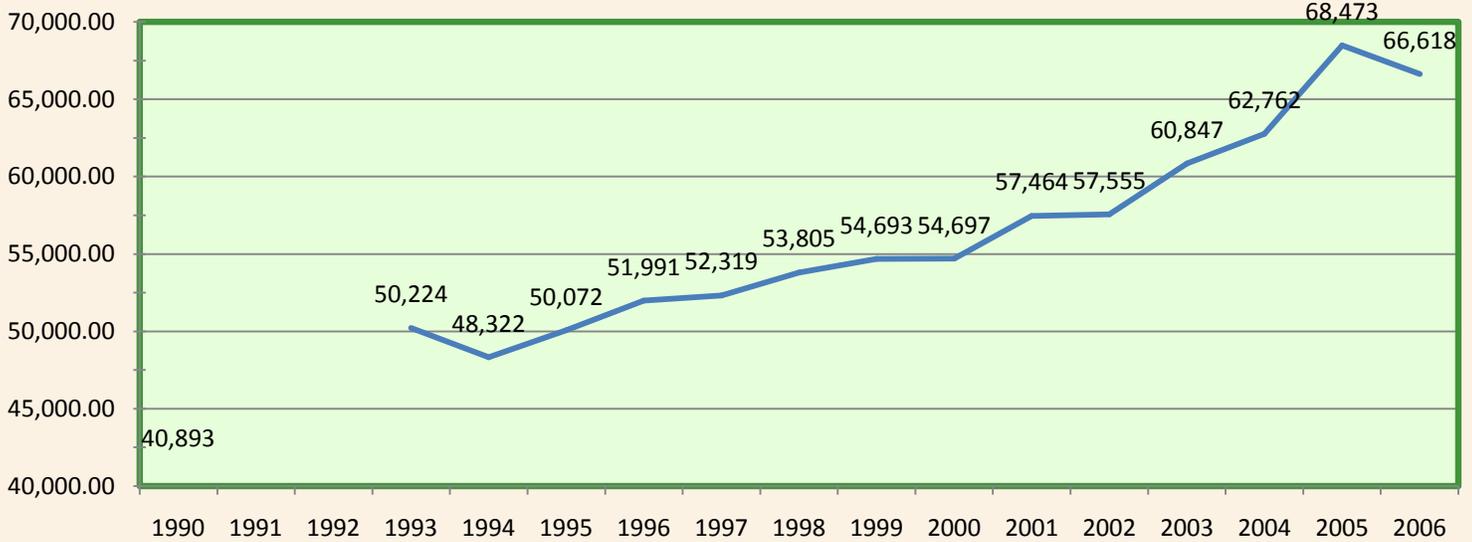


Source: Tables of the Adm. Off. of the U.S. Courts; collected in http://Judicial-Discipline-Reform.org/judicial_complaints/DrCordero_revised_rules.pdf

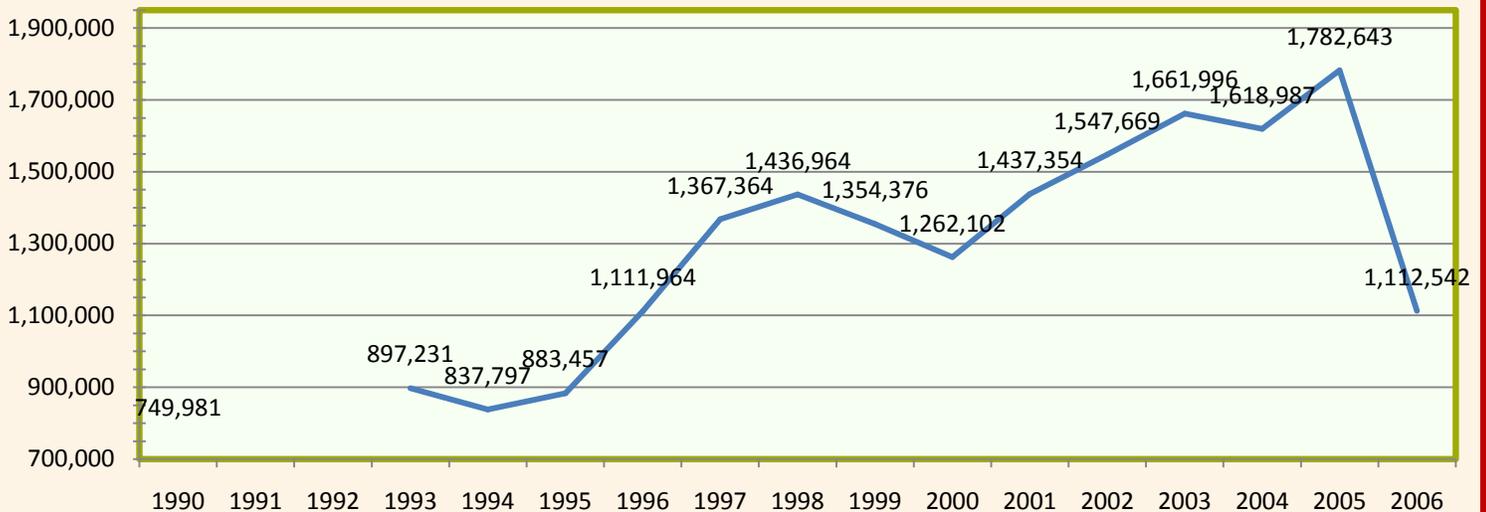
Cases Filed in the Supreme Court Between 93-06 showing a 33% increase



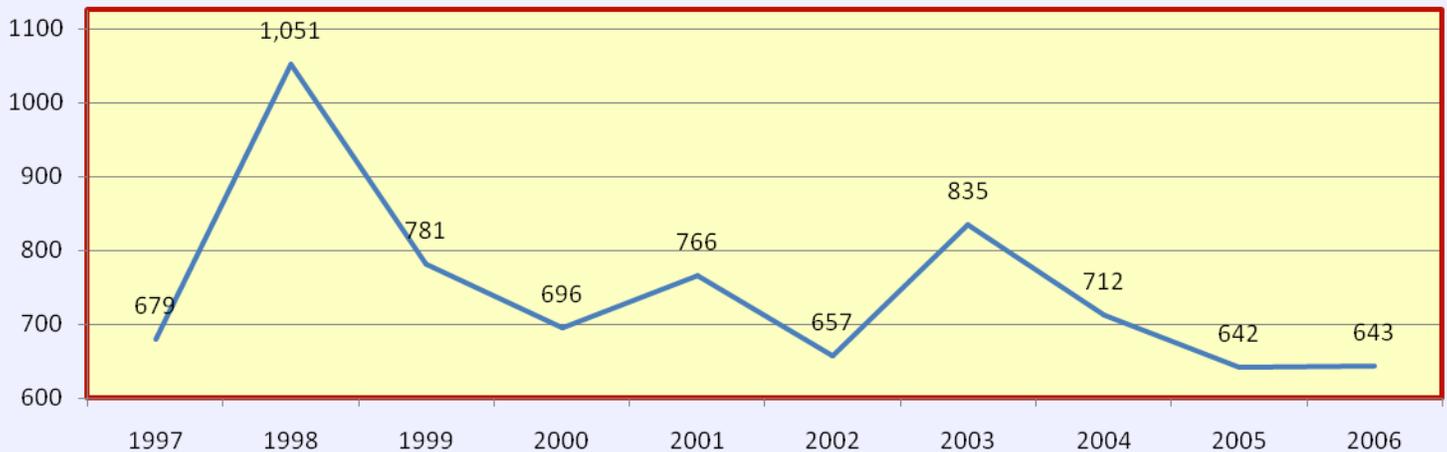
Cases Filed in the Court of Appeals Between 90-06 Showing a 63% Increase



Cases Filed in Bankruptcy Courts Between 90-06 Showing a 138% Increase at Peak



Complaints Filed Between 97-06 Showing a *Decrease of 5%*



[Footnotes in the originals]

NOTE: EXCLUDES COMPLAINTS NOT ACCEPTED BY THE CIRCUITS BECAUSE THEY DUPLICATED PREVIOUS FILINGS OR WERE OTHERWISE INVALID FILINGS.

* REVISED. [regarding complaints pending]

** EACH COMPLAINT MAY INVOLVE MULTIPLE ALLEGATIONS AGAINST NUMEROUS JUDGES. NATURE OF ALLEGATIONS IS COUNTED WHEN A COMPLAINT IS CONCLUDED.

Source: For Tables 1, 2, and 6, Judicial Business of U.S. Courts, 1997-2006 Annual Reports of the Director, Administrative Office of the United States Courts.

For Tables 3, 4, 5, 2005-2006 Judicial Facts and Figures, Administrative Office of the U.S. Courts.

The original Tables are collected and reproduced in http://Judicial-Discipline-Reform.org/judicial_complaints/DrCordero_revised_rules.pdf, wherein they are accompanied by links to the originals.

Tables 1, 2, and 6, supra, report on complaints filed and processed in the Federal Circuit, the District of Columbia, the 1st-11th circuits, the U.S. Claims Court, and the Court of International Trade. (Cf. 28 U.S.C. §§351(d)(1) and 363)

†The category “Special Investigating Committees Appointed” first appears in the 2006 Table.

These figures do not even include cases filed with Article I courts, which are part of the Executive, not the Judicial, Branch, such as the U.S. Tax Court, established in 1969 (after it was created as the Board of Tax Appeals in 1924 and its name was first changed to Tax Court of the U.S. in 1942). Another such court is the U.S. Claims Court, established as an Article I court in 1982, and renamed U.S. Court of Federal Claims in 1992. Likewise, the U.S. Court of Veterans' Appeals was established as an Article I court in 1989 and then renamed the Court of Appeals for Veterans Claims in 1998.

They too support the conclusion to be drawn from these statistics: The significant increase in cases filed with these courts every year attests to the litigiousness of the American society. They belie the judges' report that in the '97-'06 decade Americans have filed a steady number of complaints against them hovering around the average (after eliminating the outlier) of only 712 complaints. The explanation lies in the first footnote in the originals, above: Judges have arbitrarily excluded an undetermined number of complaints. The fact that they have manipulated these statistics is also revealed by the first table above: After 9 years during which the judges filed less than one complaint a year, they jumped to 88 in 2006...and that same year it just so happened that complainants filed the lowest number of complaints ever, 555! *Implausible!* Yet, the judges did not discipline a single peer, just one magistrate.

The Salient Facts of The *DeLano* Case showing a bankruptcy fraud scheme supported or tolerated by judges

DeLano is a federal bankruptcy fraud case. As part of 12 such cases, it reveals fraud conducted through coordinated wrongdoing that is so egregious as to betray overconfidence born of a long standing practice: Fraud has been organized into a bankruptcy fraud scheme. This case was commenced by a bankruptcy petition filed with Schedules A-J and a Statement of Financial Affairs on January 27, 2004, by the DeLano couple. (04-20280, WBNY) Mr. DeLano, however, is a most unlikely candidate for bankruptcy, for at the time of filing he was already a 39-year veteran of the banking and financing industry and was and continued to be employed by M&T Bank precisely as a bankruptcy officer. He and his wife, a Xerox technician, declared:

1. that they had in cash and on account only \$535 (D:31), although they had declared that their monthly excess income was \$1,940 (D:45); and in the FA Statement (D:47) and their 1040 IRS forms (D:186) that they had earned \$291,470 in just the three years prior to their filing;
2. that their only real property was their home (D:30), bought in 1975 (D:342) and appraised in November 2003 at \$98,500, as to which their mortgage was still \$77,084 and their equity only \$21,416 (D:30)...after making mortgage payments for 30 years! and receiving during that period at least \$382,187 (2)...through a string of eight mortgages! (D:341) *Mind-boggling!*
3. that they owed \$98,092 –spread thinly over 18 credit cards (D:38)- while they valued their household goods at only \$2,810 (D:31), less than 1% of their earnings in the previous three years! Even couples in urban ghettos end up with goods in their homes of greater value after having accumulated them over their worklives of more than 30 years.
4. Theirs is one of the trustee's 3,907 *open* cases and their lawyer's 525 before the same judge.

These facts show that this was a scheme-insider offloading 78% of his and his wife's debts (D:58) in preparation for traveling light into a golden retirement. They felt confident that they could make such incongruous, implausible, and suspicious declarations in the schedules and that neither the schemers would discharge their duty nor the creditors exercise their right to require that bankrupts prove their petition's good faith by providing supporting documents. Moreover, they had spread their debts thin enough among their 20 institutional creditors (D:38) to ensure that the latter would find a write-off more cost-effective than litigation to challenge their petition. So they assumed that the sole individual creditor, who in addition lives hundreds of miles from the court, would not be able to afford to challenge their good faith either. But he did! The Creditor analyzed their petition and documents and estimated that the DeLano Debtors had concealed assets worth at least \$673,657!

The Creditor requested that the DeLanos produce documents as obviously pertinent to prove the good faith of a debtors' bankruptcy petition as their bank account statements. Yet the trustee, whose role is to protect the creditors' interests, tried to prevent the Creditor from even meeting with the DeLanos. After the latter denied *every single document* requested by the Creditor, he moved for orders of production. Contrary to their duty to determine whether the Debtors had engaged in bankruptcy fraud by concealing assets, the bankruptcy judge, the district judge, and the *Court of Appeals* also denied him *every single document* requested. Then they eliminated him by disallowing his claim in a *sham evidentiary hearing*. Revealing how incriminating these documents are, to oppose their production the DeLanos, with the trustee's recommendation and the bankruptcy judge's approval, have been allowed to pay their lawyers \$27,953 in legal fees... although they had declared only \$535 in cash and on account! To date \$673,657 is still unaccounted for. Where did it go and for whose benefit? How many of the trustee's 3,907 *open* cases have unaccounted for assets? How big is the scheme and how far up does it *reach*?

**The DeLanos' income of \$291,470,
+ mortgage receipts of \$382,187 = \$673,657
and credit card borrowing of \$98,092**

unaccounted for due to the judges' and the trustees' refusal to require the DeLanos to produce documents supporting their declaration in Schedule B (D:31) of their bankruptcy petition that at the time of its filing on January 27, 2004, they had in hand and on account only \$535!¹

Exhibit page #	Mortgages referred to in the incomplete documents produced by the DeLanos to Chapter 13 Trustee George Reiber ^a (cf.Add:966§B)	Mortgages or loans	
		year	amount
D ^b :342	1) from Columbia Banking, S&L Association	16jul75	\$26,000
D:343	2) another from Columbia Banking, S&L Asso.	30nov77	7,467
D:346	3) still another from Columbia Banking, S&L Asso.	29mar88	59,000
D:176/9	4) owed to Manufacturers & Traders Trust=M&T Bank	March 88	59,000
D:176/10	5) took an overdraft from ONONDAGA Bank	March 88	59,000
D:348	6) another mortgage from Central Trust Company	13sep90	29,800
D:349	7) even another one from M&T Bank	13dec93	46,920
D:350-54	8) yet another from Lyndon Guaranty Bank of NY	23dec99	95,000
	9) any other not yet disclosed?	Subtotal	\$382,187
The DeLanos' earnings in just the three years preceding their voluntary bankruptcy petition of January 27, 2004 (D:23)			
2001	1040 IRS form (D:186)	\$91,229	\$91,229
2002	1040 IRS form (D:187) Statement of Financial Affairs (D:47)	\$91,859	91,655
2003	1040 IRS form (D:188) Statement of Financial Affairs (D:47)	+97,648	+108,586
to this must be added the receipts contained in the \$98,092 owed on 18 credit cards, as declared in Schedule F (D:38) ^c		\$280,736 ^d	\$291,470 ^d
		TOTAL	\$673,657

^a The DeLanos claimed in their bankruptcy petition that their only real property is their home, valued on November 23, 2003, at \$98,500, as to which their mortgage is still \$77,084 and their equity is only \$21,416 (D:30/Sch.A)...after making mortgage payments for 30 years! and having received during that same period at least \$382,187 through the known elements of a string of mortgages! *Mind-boggling!*

^b D=Designated items in the record of *Cordero v. DeLano*, 05-6190L, WDNY, of April 18, 2005.

^c The DeLanos declared that their credit card debt on 18 cards totals \$98,092 (D:38/Sch.F), while they set the value of their household goods at only \$2,810! (D:31/Sch.B) *Implausible!* Couples in the Third World end up with household possessions of greater value after having accumulated them in their homes over their worklives of more than 30 years.

^d Why do these numbers not match?