

(as of June 7, 2007)

PROPOSAL
To Join a *Follow the Money!* Investigation
In the Context of a Business Venture
to Further Pursue the Evidence Already Gathered of
a Bankruptcy Fraud Scheme Supported by
The Coordinated Wrongdoing of Federal Judges
in Order to Expose It and Thus Promote
Honesty in The Judiciary and The Integrity of Judicial Process

I am an attorney and a researcher-writer, holding a Ph.D. in banking law and an MBA with emphasis on profit maximization through telecommunications technologies. I have prosecuted 12 bankruptcy cases for the last 6 years from bankruptcy court, to district court, to the Court of Appeals, 2nd Cir., to a petition to the U.S. Supreme Court for a writ of certiorari.¹ During the course of that prosecution, I have collected documentary evidence [ip:9] –now posted with analytical comments on my website, namely, <http://Judicial-Discipline-Reform.org> that demonstrates the participation of trustees, debtors, and other officers² in a **bankruptcy fraud scheme³ supported by the coordinated wrongdoing of federal judges⁴**.

My proposal is for a Watergate-like *Follow the money!* investigation⁵ to start from public financial reports filed by judges, trustees, debtors, and other officers⁶ and go through their network of personal and financial relationships in order to discover their concealed assets. Finding them would expose coordinated financial criminal activity participated in or tolerated by even top members of the federal judiciary; prove their unfitness to hold office for lack of “good Behaviour”⁷; and show the failure of the current system of judges disciplining themselves.⁸ The fact is that life-tenured federal judges have abused their judicial power to self-grant immunity from prosecution so that only seven of them have been removed from the bench in the 218 years since the adoption of the Constitution in 1789!⁹ The resulting sense of impunity has worked as both reassurance and inducement for them to show bias and disregard for the rule of law whenever needed to turn a federal judgeship into a safe haven for wrongdoing.

The *Follow the money!* investigation would be conducted by a **multidisciplinary team of professionals applying fraud and forensic accounting techniques** (FFA).¹⁰ They would initially work on the *DeLano* test case. [ip:3] The exposure of life-tenured judges coordinating their wrongdoing could trigger a longer and more intractable Constitutional crisis than that brought about by the revelation of the participation in the Watergate Burglary of President Richard Nixon and his top White House aides, who could cause further harm or mount a cover up only during the remainder of the second four-year term of his presidency. What is more, this investigation would reveal patterns of conduct that would enable the team to pursue similar investigations throughout the rest of the federal judiciary.¹¹ The public outrage provoked by such exposure could create a buzz on the Internet and the media and induce bloggers and journalists to apply the same outside-court approach and similar FFA investigative techniques either to expose other federal judges as well as state ones in probate, divorce, real estate, or landlord-tenant courts complained-about in particular or to ascertain their integrity in general. [ip:27§D]

Both the team's own investigation and that of others would give rise to long-term activity that would make it economically attractive for the team to organize itself into a partnership or company. Among its profit centers would be a website reflecting the annual development of the **Report on Judicial Wrongdoing in America**. The site would sell advertisement intended for visitors attracted by evidentiary documents, commentaries, statistics, charts, and the text of authorities posted by the team. There is already an audience for this information since it does not take long for one to Google dozens of websites and find Yahoo groups where people complain about federal and state judges' corruption and disregard for the law and express their desire for judicial reform. The site's attractiveness would be enhanced by bloggers too, who could be willing to not only post their findings on their blogs, but also contribute them to the team's website in order to have access to leads, tips, and recognition reserved for contributors. This suggests another profit center, i.e., people willing to pay the team to have the documents of their cases summarized in a synoptic paragraph and included in the **Table of Judicial Wrongdoing Across the Nation** describing a pattern of conduct in the 3rd Branch of Government.¹²

An investigative team renowned for having exposed coordinated judicial wrongdoing would enjoy competitive advantage in **educating other investigators**. It would author texts and videos for case studies and hands-on investigation courses on judicial wrongdoing to be sold to, and conduct seminars at, accounting, law, journalism, and IT schools and other teaching institutions wanting to develop an FFA program or add to their existing ones. Another profit center would be in-house training materials and seminars adapted to, and augmented with consulting and litigation services for, the corporate world in order to enable managers and employees to determine how such wrongdoing may affect their current lawsuits. Those services would also be offered to companies and individuals that were injured in past suits by judicial wrongdoing and want to obtain the reversal of adverse decisions and/or compensation. This line of business may be most profitable and generate the most publicity since it can lead to **class actions in multidistrict litigation** based on the Racketeer Influenced and Corrupt Organization Act.¹³ **RICO** allows the reimbursement of attorneys' fees and treble damages by a losing defendant, which here would be one with the deepest of pockets: the federal government, whose coordinated wrongdoing judges have run a corrupt enterprise and lack any Constitutional immunity.¹⁴

While these profit considerations describe a realistic way of defraying the investigation and attracting first rate professionals, this proposal aims at objectives of a higher order: The *Follow the money!* investigation can expose the involvement of judges in concealment of assets, money laundering, and tax evasion or their toleration by those who were entrusted with the administration of justice.¹⁵ It can thereby so outrage the public as to force U.S. attorneys, the FBI, and the Congressional Judiciary Committees as well as their state counterparts to conduct their own investigations. The latter can lead to judicial discipline reform legislation. [ip:23¶¶5-9] This can bring well-earned public gratitude together with Pulitzer Prizes to those who embarked on an arduous undertaking, despite the risk of retaliation from those wielding 'absolutely corruptive' self-immunizing power, but succeeded in rendering a service of superior moral and practical value for the common good, to wit, the promotion of integrity in the judiciary and the bringing of it ever closer to its lofty goal of delivering to all people "Equal Justice Under Law".

I invite you to consider joining the investigation of the bankruptcy fraud scheme summarized below and thereby contribute to exposing coordinated judicial wrongdoing. To discuss it, please contact me at investigation-proposal@Judicial-Discipline-Reform.org or (718)827-9521.

A Case That Reveals a Bankruptcy Fraud Scheme and the Extent of its Enabling Coordinated Judicial Wrongdoing

The extent of coordinated judicial wrongdoing in support of a bankruptcy fraud scheme is revealed by a case so egregious as to betray overconfidence born of a long standing practice. *In re DeLano*, 04-20280, WBNY, is a case commenced by a bankruptcy petition filed with Schedules A-J and a Statement of Financial Affairs on January 27, 2004, by the DeLano couple.¹⁶ Mr. DeLano, however, is a most unlikely candidate for bankruptcy, for he is a 39-year veteran of the banking and financing industry who at the time of filing was and continued to be employed by M&T Bank precisely as a bankruptcy officer. He and his wife, a Xerox technician, declared:

- a) that they had in cash and on account only \$535 [ip:41/Sch.B], although they had declared in the Statement of Financial Affairs [ip:57] and their 1040 IRS forms¹⁷ to have earned \$291,470 in just the three fiscal years immediately preceding their bankruptcy filing;
- b) that their only real property was their home, appraised two months earlier at \$98,500, as to which their mortgage was still \$77,084 and their equity only \$21,416 [ip:40/Sch.A] ...after making mortgage payments for 30 years! and having received during that period at least \$382,187 through a string of eight known mortgages!¹⁸ *Mind-boggling!*
- c) that they owed \$98,092 on 18 credit cards [ip:48/Sch.F], while they valued their household goods at only \$2,810 [ip:41/Sch.B], 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.

This 39-year veteran banker was assisted in his filing by a lawyer that had appeared in 525 cases before the judge assigned to the case,¹⁹ one of 3,907 *open* cases that the bankruptcy trustee had likewise brought before the same judge.²⁰ Thus, this was a scheme-insider offloading 78% of his and his wife's debts [ip:68] 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 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.^[21, ip:182§1] But he did! The Creditor analyzed their petition and documents and estimated that the DeLano Debtors had concealed assets worth at least \$673,657!²²

The Creditor requested that the Debtors produce financial documents as obviously pertinent to prove the good faith of any debtors' bankruptcy petition as their bank account statements.²³ Yet the trustee, who is supposed to represent the creditors' interests, tried to prevent the Creditor from even meeting with the Debtors. After the Debtors denied *every single document* requested by the Creditor [ip:146], he moved for orders of production [ip:149]. Contrary to their duty to determine whether the Debtors had engaged in bankruptcy fraud by concealing assets, the bankruptcy judge [ip:159], the district judge [ip:162], and the Court of Appeals [ip:165, 166] also denied *every single document* requested. Then they eliminated the Creditor by disallowing his claim in a sham evidentiary hearing. ^[24, ip:184§2] Revealing how incriminating these documents are, to oppose their production the Debtors, with the trustee's recommendation and the bankruptcy judge's approval, have been allowed to pay their lawyers legal fees in the amount of \$27,953²⁵ ...although they had declared only \$535 in cash and on account [ip:41].

To date \$673,657 is still unaccounted for. [ip:186§B] Where did it go and for whose benefit?²⁶

Work Experience and Education

RESEARCHER AND WRITER, 1995-to date New York City, NY
LAWYERS COOPERATIVE PUBLISHING, 1991-1993 Rochester, NY

THE UNIVERSITY OF CAMBRIDGE, Ph.D. of the Faculty of Law, 1988 Cambridge, England
THE UNIVERSITY OF MICHIGAN, MBA of the Business School, 1995 Ann Arbor, Michigan
LA SORBONNE, French law degree of the Faculty of Law and Economics, 1982 Paris, France
BAR MEMBERSHIP, lawyer admitted to the NY State Bar

Publications

- ◆ The Creation of a European Banking System: A study of its legal and technical aspects, Peter Lang, Inc., New York, XXXVI, 390 pp., 1990; this book earned a grant from the Commission of the European Communities and was reviewed very favorably in [32 Harvard International Law Journal 603 \(1991\)](#) and [24 New York University Journal of International Law and Politics 1019 \(1992\)](#).
- ◆ Competition Strategies Must Adapt to the Euro, 17 Amicus Curiae of the Institute of Advanced Legal Studies, London, 27 (May 1999)
- ◆ Why Business Executives in Third Countries and Non-participating Member States Should Pay Attention to the Euro, European Financial Services Law 140 (March 1999).
- ◆ Some Practical Consequences for Financial Management Brought About by the Euro, 5 European Financial Services Law 187 (1998).
- ◆ Impending Conversion to the Euro Prompts New Guidelines from the IRS, New York Law Journal, pg. 1, Friday, October 2, 1998.
- ◆ A Strict but Liberalizing Interpretation of EEC Treaty Articles 67(1) and 68(1) on Capital Movements, 2 Legal Issues of European Integration 39 (1989); article proposing a novel interpretation and application of European Communities provisions on capital movements.
- ◆ The Development of Video Dialtone Networks by Large Phone and Cable Companies and its Impact on their Small Counterparts, 1 Personal Technologies no. 2, 60 (Springer -Verlag London Ltd., 1997).
- ◆ Video Dialtone: Its Potential for Social Change, 15 Journal of Business Forecasting 16 (1996).
- ◆ Video Dialtone Network Architectures, by Richard Cordero and Jeffery Joles, 15 Journal of Business Forecasting 16 (Summer 1996)
- ◆ Availability of an Implied Right of Action under the Tender Offer Provisions of §14d-f of the Securities Exchange Act of 1934 (15 USCS §78n(d)-(f)), added to the Exchange Act by the Williams Act of 1968, and Rules Promulgated thereunder by the SEC, 120 ALR Federal 145.
- ◆ Venue Provisions of the National Bank Act (12 USCS §94) As Affected By Other Federal Venue Provisions and Doctrines, 111 ALR Federal 235.
- ◆ Construction and Application of the Right to Financial Privacy Act of 1978 (12 USCS §§ 3401-3422), 112 ALR Federal 295.
- ◆ Exemption or Immunity From Federal Antitrust Liability Under the McCarran-Ferguson Act (15 USCS §§1011-1013) and the State Action and Noerr-Pennington Doctrines for the Business of Insurance and Persons Engaged in It, 116 ALR Federal 163.
- ◆ Who May Maintain an Action Under §11(a) of the Securities Act of 1933 (15 USCS §77k (a)), in Connection With False or Misleading Registration Statements, 111 ALR Fed. 83.

Endnotes with Links

Important! The text of this letter and most of its exhibits are in the file at http://Judicial-Discipline-Reform.org/Investigation_Proposal/to_FFA_professionals.pdf, which is 12MB in size and will take several minutes to download. Other exhibits can be downloaded individually. All must be opened with **Adobe Acrobat Reader 7 or higher**, which is downloadable for free from www.Adobe.com.

This proposal stands on its own. The documents below are attached hereto or referred to herein as writing samples of my capacity to present a vast amount of information in a way accessible to a layperson, concisely, and in a highly organized fashion. Elements discussed in them that are not specifically discussed in the letter above need not form part of the proposal.

- ¹ **Summary of the Tables of Exhibits** that provide the evidence gathered in 12 cases over 6 years showing that a federal judgeship has become a safe haven for wrongdoing and justifying an investigation based on the representative case charging that Former Chief Judge John M. Walker, Jr., and Current C.J. Dennis Jacobs of the Court of Appeals for the 2nd Circuit (CA2) have engaged in a **series of impact-consistent acts** of disregard of evidence both of the rule of law and of bias and arbitrariness, as well as systematic dismissal of judicial **misconduct** complaints **forming a pattern of non-coincidental, intentional, and coordinated wrongdoing** that supports a bankruptcy fraud scheme and protects the schemers (full Table at http://Judicial-Discipline-Reform.org/docs/Tables_of_Exhibits.pdf)ip:7
- ² Wrongdoing in Bankruptcy Court **covered up** in District Court and CA2; http://Judicial-Discipline-Reform.org/docs/Statement_of_Facts_Table_of_Cases.pdf
- ³ **The Dynamics of Organized Corruption in the Courts** How judicial wrongdoing tolerated or supported in one instance gives rise to the mentality of judicial impunity that triggers generalized wrongdoing and weaves relationships among the judges of multi-lateral interdependency of survival where any subsequent unlawful act is allowed and must be covered up; http://Judicial-Discipline-Reform.org/Follow_money/Dynamics_of_corruption.pdf.....ip:11
- ⁴ The judges' 'eroded morale over stagnant compensation' is aggravated by the **corruptive power of the lots of money** available in bankruptcy (excerpt from Dr. Cordero's petition to the Supreme Court for a writ of certiorari to the Court of Appeals, 2nd Cir., in *Cordero v. Trustee Gordon et al.*, 04-8371, SCt, http://Judicial-Discipline-Reform.org/Follow_money/for_certiorari_SCt.pdf)ip:12
- ⁵ http://Judicial-Discipline-Reform.org/Plan_of_Action/Follow_money.pdfip:14
- ⁶ The *Follow the money!* investigation would be based on **public records** such as:
 - a) the annual judicial financial disclosure reports required under [5 USC App. 4](#) ;
 - b) bankruptcy petitions and their schedules [[nt.16](#), ip:33];
 - c) the final report filed by a trustee upon closing a case (cf. [11 USC §704\(a\)\(9\)](#));
 - d) the property registry at county clerks' offices (cf. <http://www.naco.org>);
 - e) accounts audited by the Executive Office of the U.S. Trustee (cf. [28 CFR §58.6\(8\)](#)),
 - f) documents obtained through the Freedom of Information Act ([5 USC §552](#)).http://Judicial-Discipline-Reform.org/Plan_of_Action/Motive_Strategy.pdf..... ip:16
- ⁷ Const. Art. III, Sec. 1; http://Judicial-Discipline-Reform.org/docs/US_Constitution.pdf
- ⁸ **Judicial Conduct & Disability Act**; <http://Judicial-Discipline-Reform.org/docs/28usc351-364.pdf>
- ⁹ www.fjc.gov/history/home.nsf; **Unimpeachable Judges** are Judges Above the Law; http://Judicial-Discipline-Reform.org/Follow_money/Unimpeachable_above_law.pdf.....ip:18
- ¹⁰ **Synopsis of an Investigative Journalism Proposal** to Answer the Question: Has a Federal

Judgeship Become a Safe Haven for Coordinated Wrongdoing? (full Synopsis at http://Judicial-Discipline-Reform.org/docs/Investigation_proposal.pdf).....ip:19

- 11 **Contact information** about the *Follow the money!* investigatees and links to PACER; http://Judicial-Discipline-Reform.org/Follow_money/contact_info.pdf
- 12 The **Report** and the **Table** are described in the Programmatic Proposal, which works as a business plan at the pre-quantified stage, setting forth specific activities for the team to conduct its investigation, present its results, and generate income, all toward concrete objectives. See [ip:24§III] of http://Judicial-Discipline-Reform.org/docs/Programmatic_Proposal.pdf...ip:21
- 13 http://Judicial-Discipline-Reform.org/docs/18usc1961_RICO.pdf
- 14 **Judges have no grant of immunity** from the Constitution and are ‘Equally Justiciable Under Law’, at http://Judicial-Discipline-Reform.org/docs/no_judicial_immunity.pdf
- 15 http://Judicial-Discipline-Reform.org/docs/Sct_knows_of_dismissals.pdf ip:31
- 16 http://Judicial-Discipline-Reform.org/docs/DeLano_petition.pdf..... ip:33
- 17 http://Judicial-Discipline-Reform.org/docs/1040_IRS_DeLano_forms_01_03.pdf ip:79
- 18 http://Judicial-Discipline-Reform.org/docs/mortgages_of_DeLanos.pdf..... ip:82
- 19 http://Judicial-Discipline-Reform.org/docs/Werner_525_before_Ninfo.pdf
- 20 http://Judicial-Discipline-Reform.org/docs/Trustee_Reiber_3909_cases.pdf
- 21 **Statement of Facts** (excerpt from Appellant’s opening brief in *Dr. Richard Cordero v. David and Mary Ann DeLano*, 06-4780-bk, CA2, filed on March 19, 2007; full brief at http://Judicial-Discipline-Reform.org/Follow_money/DrCordero_v_DeLano_06_4780_CA2pdf) ip:180
- 22 The **DeLanos’ income** of \$291,470, mortgage receipts of \$382,187, plus credit card borrowing of \$98,092 unaccounted for due to the judges’ refusal to require production of documents supporting their declaration in Schedule B [ip:41] that at the time of filing their bankruptcy petition they only had in hand and on account \$535!; http://Judicial-Discipline-Reform.org/docs/DeLanos_income.pdf..... ip:136
- 23 Creditor’s **requests for financial documents** so that bankruptcy petitioners prove the good faith of their petition and **denial of every single document** by them, the bankruptcy judge, the district judge, and the Court of Appeals, 2nd Cir.; http://Judicial-Discipline-Reform.org/Follow_money/Docs_denied.pdf..... ip:137
- 24 **Statement of Facts** with proposed production order (excerpt from brief in *Cordero v. DeLano*, 05-6190, WDNY; http://Judicial-Discipline-Reform.org/docs/Stat_Facts_DisCt_dec5)
- 25 To oppose production of incriminating financial documents, the bankruptcy petitioners that declared **having only \$535** in cash and account **receive legal services worth \$27,953** from their attorney, whose bills the trustee recommends for payment and the bankruptcy judge approves their payment; http://Judicial-Discipline-Reform.org/Follow_money/DeLanos_legal_fees.pdf ip:167
- 26 **Scope of the investigation:** one bankruptcy case, to wit, *In re DeLano*, 04-20280, WBNY, whose salient elements are summarized on ip:3, above.

Objective: to match up publicly declared assets to assets publicly registered either by or for the DeLano Debtors or by anybody else for his or her own benefit in order to determine whether assets were fraudulently concealed by the DeLanos with the coordinated aiding and abetting of bankruptcy, district, and circuit judges.

Rationale: This work demarcation is based on the reasonable assumption that once evidence of the assets concealed by the debtors with the assistance of judges is discovered, the party or parties facing criminal indictments for committing or enabling bankruptcy fraud will give in to a powerful incentive to plea bargain and trade up: the risk of being both sentenced to up to 20 years' imprisonment and imposed devastating fines of up to \$500,000.

Search data specific to the *DeLano* case: It will allow the judicial wrongdoing investigative team to conduct a narrowly focused and cost-effective search for concealed assets. Thanks to this data, the search can begin on the Internet both by electronically accessing the property registries in county clerks' offices, such as those with links on www.naco.org, and by running queries on databases, such as Accurint, WestLaw, and ChoicePoint, and performing a UCC search.

David Gene DeLano, SS # 077-32-3894
DoB: September 1, 1941
Last employer: M&T Bank -Manufacturers & Traders Trust Bank-
255 East Avenue, Rochester, NY 14604
Previous employers: Central Trust, Rochester, NY;
Vice President at First National Bank, Rochester, NY
Voter Identification Number:13374201

Mary Ann DeLano, SS # 091-36-0517
DoB: September 21, 1944
Last employer: Xerox, where she was a product specialist
Their current address: 1262 Shoecraft Road, Webster, NY 14580
previous address: 35 State Street, Rochester, NY 14814-8954
Current telephone: (585) 671-8833

Their children and their education: Jennifer DeLano, born circa 1969
Mercy High School, 1988
Associate Business degree from Monroe Community College, NY
Michael David DeLano, born circa 1971
Aquinas High School, 1989
Associate Business degree from Monroe Community College, NY

Judges to be investigated: The investigative team will try to match up, on the one hand, the assets that the judges involved in the *DeLano* case have declared in their mandatory annual financial disclosure reports filed in Washington, D.C., under the Ethics in Government Act [\[ip:5 nt.6a\]](#) and, on the other hand, assets publicly registered in their names, their relatives, or their agents, in particular these judges:

1. U.S. Bankruptcy Judge John C. Ninfo, II, WBNY
2. U.S. District Judge David G. Larimer, WDNY
3. Former Chief Judge John M. Walker, Jr., CA2 (Court of Appeals for the 2nd Circuit)
4. Current Chief Judge Dennis Jacobs, CA2
5. U.S. Circuit Judge Peter W. Hall, CA2