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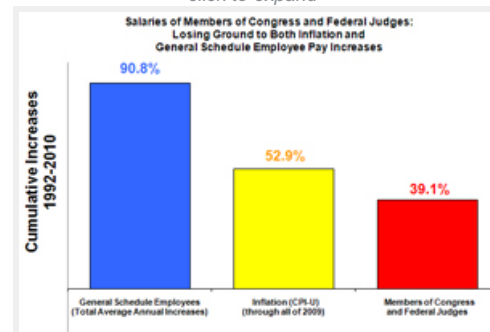
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FAQs About Federal Judges

The real pay for federal judges has declined dramatically.

- The annual cost of living adjustment (COLA) mechanism for judges established under the Ethics Reform Act has not operated as intended. Since 1992, the pay of most federal workers has increased by 91 percent, while inflation has increased by 36 percent. However, judicial pay has fallen way behind, increasing by only 39 percent over this time.
- The repeated denials of the COLAs in 1994, 1995, 1996, 1997, 1999, 2007, and 2010 have created major and growing financial losses for judges: a district court judge on the bench since 1993 failed to receive a total of \$283,100 in statutorily authorized but denied pay. Appellate court judges have lost even more.

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Many federal employees can now earn substantially more than judges.

- Thousands of federal employees (i.e., professional positions in the executive branch and banking agencies) can now receive salaries at or above the salary of district judges (currently \$174,000).
- Many federal employees can now receive total compensation exceeding \$200,000 annually.

Judicial salaries should be increased significantly, and there is precedent to do so.

- 1989: Ethics Reform Act effected net increases of 35-40% over two-year period.
- 1969: Quadrennial Commission established varying salary increases (e.g., 33% for district court judges, up to 56% for the Chief Justice).

The Volcker Commission declared that "Judicial salaries are the most egregious example of the failure of federal compensation policies."

- In January 2003, the National Commission on the Public Service (the "Volcker Commission") found "that the lag in judicial salaries has gone on too long, and the potential for the diminished quality in American jurisprudence is now too large." (Volcker Commission Report)
- The Volcker Commission recommended that Congress' "first priority . . . should be an immediate and substantial increase in judicial salaries."

Low federal judicial salaries threaten the independence of the Third Branch.

Chief Justice Roberts has stated that:

- "Inadequate compensation directly threatens the viability of life tenure, and if tenure in office is made uncertain, the strength and independence judges need to uphold the rule of law—even when it is unpopular to do so—will be seriously eroded."
- "If judicial appointment ceases to be the capstone of a distinguished career and instead becomes a stepping stone to a lucrative position in private practice, the Framers' goal of a truly independent judiciary will be placed in serious jeopardy."

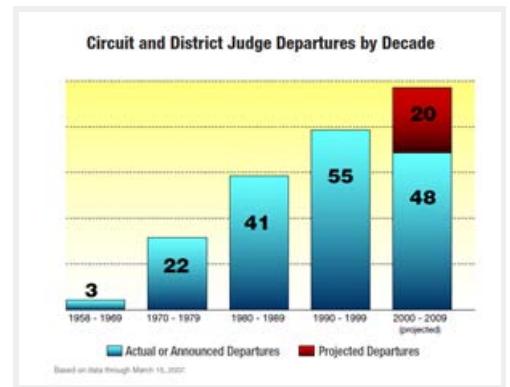
Good, experienced judges are leaving the bench.

- Since 1990, 123 Article III judges have left the bench through resignation or retirement.
- Many of the judges who have resigned or retired in recent years have noted that financial considerations were a big factor in their decision to leave the bench. Several have

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joined law firms or private arbitration/mediation groups, earning several times more than their previous federal salaries.

- Other judges have left to become corporate counsels, earning average compensation of more than \$700,000 in salary and bonuses, plus the possibility of stock options.
- Even law clerks who join major law firms as first-year associates can earn more in their first year than any federal judge earns (\$135,000 to \$165,000 base salary, plus substantial signing bonuses and other payments).



The Judicial Conference supports increases in compensation for senior officials in all three branches of government.

- The Volcker Commission declared that "Congress should grant an immediate and significant increase in judicial, executive, and legislative salaries to ensure a reasonable relationship to other professional opportunities."
- The Judicial Conference has consistently supported efforts to enact immediate increases in pay for judges, Members of Congress and senior executive branch officials, as well as other related proposals to improve the overall compensation system for high-level government officials.



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The purpose of this site is to provide information from and about the Judicial Branch of the U.S. Government.



HOW A BANKRUPTCY FRAUD SCHEME WORKS
Its basis in the corruptive power of the lots of money available
through the provisions of the Bankruptcy Code and
unaccountable judicial power

(excerpt from Dr. Cordero's petition to the Supreme Court of the United States
for a writ of certiorari to the Court of Appeals for the Second Circuit
in *Cordero v. Trustee Gordon et al.*, 04-8371, SCT
http://Judicial-Discipline-Reform.org/Follow_money/for_certiorari_SCT.pdf¹)

1. Given that the Judicial Conduct and Disability Act (28 U.S.C. §351 et seq.) has been misapplied for decades, the Court has had no regular indication of the nature and extent of judicial misconduct and its impact on the integrity of the judiciary or the kind of justice that litigants receive and their current perception of "the appearance of justice". However, the Court is aware of a situation in the judiciary that is a potent cause for misconduct: money, "the root of all evils", the Bible at 1 Timothy 6:10. Thus, for years the Court has known that judges are discontent because of inadequate pay and Congress' failure to provide the promised regular COLAs (Cost of Living Adjustments). This problem has "serious effects", as Chief Justice Rehnquist put it:

Although we cannot say that the judges who are leaving the bench are leaving only because of inadequate pay, many of them have noted that financial considerations are a big factor.⁴ The fact that judges are leaving because of inadequate pay is underscored by the fact that most of the judges who have left the bench in the last ten years have entered private practice.⁵ It is no wonder that judges are leaving when law clerks who join big law firms in large cities can earn more in their first year than district judges earn in a year. Inadequate pay has other serious effects on the judiciary. [Administrative Office of the U.S. Courts] Director Mechem's June 14 letter to you makes clear that judges who have been leaving the bench in the last several years believe they were treated unfairly...[due to] Congress's failure to provide regular COLAs...That sense of inequity erodes the morale of our judges. *Statement on Judicial Compensation by William H. Rehnquist, Chief Justice of the United States, Before the National Commission on the Public Service, July 15, 2002*; at http://www.supremecourtus.gov/publicinfo/speeches/sp_07-15-02.html.

2. It cannot come as a surprise if such erosion of morale has stripped some judges of the moral standards that should prevent every person from resorting to illegal means of self-help to increase his income. Should one reasonably expect judges to have remained unaffected by the lure of money in the midst of a society that values material success above anything else and pursues it with unbound greed and conspicuous disregard for legal and ethical constraints?
3. In the bankruptcy context, the lure of money is extremely powerful because there is not just money, but rather lots of money. Indeed, an approved debt repayment plan followed by debt discharge can spare the debtor an enormous amount of money. For instance, the DeLano's plan [SCtA.379] contemplates the repayment of only 22¢ on the dollar, which means its approval would spare the DeLanos 78% of their total liabilities of \$185,462 [SCtA.381 Summary of Schedules] or over \$144,462...and that does not take into account all the money saved on their total credit card debt of \$98,092 [SCtA.381 Schedule F] that given their over 230 late payments would otherwise be charged annual compound interest at the delinquent rate of over 23%.

¹ See also http://Judicial-Discipline-Reform.org/US_writ/1DrCordero-SCT_petition_3oct8.pdf >US:2442§IX.

4. Others too can make lots of money. A standing trustee is appointed under 28 U.S.C. §586(b) for cases under Chapter 13 and is a federal agent inasmuch as her performance is dictated and supervised by a U.S. trustee, who in turn is under the general supervision of the Attorney General, §586(c). However, the standing trustee earns part of her compensation from ‘a percentage fee of the payments made under the repayment plan of each debtor’, §586(e)(1)(B) and (2).
5. After receiving a petition, the trustee is supposed to investigate the debtor’s financial affairs to determine the veracity of his statements, 11 U.S.C. §1302(b)(1) and §704(4) and (7). If satisfied that he deserves bankruptcy relief from his debt burden, the trustee approves the repayment plan of the debtor, who can count with the trustee’s support when the plan is submitted to the court for confirmation, §1325(b)(1). A confirmed plan generates a stream of payments from which the trustee takes her fee. But even before confirmation, money begins to roll in because the debtor must commence to make payments to the trustee within 30 days after filing his plan and the trustee must retain those payments, §1326(a).
6. If the plan is not confirmed, which is likely if the trustee opposes its confirmation, the trustee must return the money paid, less certain deductions, to the debtor, §1326(a)(2). This provides the trustee with an incentive to approve the plan and get it confirmed by the court because no confirmation means no further stream of payments and, hence, no fees for her. To insure her take, she might as well rubberstamp every petition and do what it takes to secure the confirmation of its plan by any judge or any other officer or entity that can derail confirmation, §1325(b)(1)(A).
7. The trustee would be compensated for her investigation of the petition -if at all, for there is no specific provision therefor- only to the extent of “the actual, necessary expenses incurred”, 28 U.S.C. §586(e)(2)(B)(ii); cf. 11 U.S.C. §330(a) and (c). Now, an investigation of the debtor that allows the trustee to require him to pay his creditors another \$1,000 will generate a percentage fee for the trustee of \$100 (in most cases, §586(e)(1)(B)(i)). Such a system creates a perverse incentive for the debtor to make the trustee skip any investigation in exchange for an unlawful fee of, let’s say, \$300, which nets her three times as much as if she had sweated over the petition and supporting documents. For his part, the debtor saves \$700. Even if the debtor has to pay \$600 to make available money to get also other officers to go along with his plan, he still comes \$400 ahead. To avoid a criminal investigation for bankruptcy fraud, a debtor may well pay more than \$1,000. After all, it is not necessarily as if he were broke and had no money.
8. Add the corruptive power of money to the corruptive power of judicial power that escapes any effective control and discipline system, let alone any investigation, and the end product is a morally corrosive mix. It can dissolve the will to abide by the oath of office already weakened by a “sense of inequity [over unadjusted judicial compensation that] erodes the morale of our judges”, para. 1 above. In contact with such mix, due process ends up severely deteriorated.

Addendum²: In FY08, 1,043,993 new bankruptcy cases were filed. This represented a 30% increase over the 801,269 in FY07. Yet the number of such type of case filed in the regional circuit courts of appeals decreased 9% from 845 to 773. This means that bankruptcy judges disposing of \$10s of bls. annually were all but sure that whatever they decided would stand since only 0.07% of all bankruptcy cases went to the appeals courts or only 1 in every 1,351 cases. Yet, 61,104 appeals were filed in those courts. Moreover, since bankruptcy judges are appointed by circuit judges, the former are further assured that the latter will not overturn their rulings on appeal, for that would call into question their capacity to appoint competent bankruptcy judges. Judges that dispose of \$10s of bls. however they want with no adverse consequences have the most powerful incentive to engage in wrongdoing: riskless enormous profit under cover of their colleagues.

² See http://Judicial-Discipline-Reform.org/US_writ/2DrCordero-SCT_rehear_23apr9.pdf >US:2521§III.

Fraudulent Coordination Among The Main Players In The Bankruptcy System

Homeowner or Debtor ↔ Financial Institution : imposes foreclosure-aimed terms
 1. forced placed home insurance
 2. wrong higher rates
 3. budget-busting escrow charges

Trustee : ← not appointed at random or Ch.# standing trustee → The Judge: Approves all compensation applications regardless of 11usc330 "actual and necessary services or expenses"

Professional persons: appointed under 11usc327

Attorney:
Trustee's own law firm

Auctioneer:
holds no auction or an insiders' auction

Appraiser:
No-appraisal undervaluation

Property management co.: secretly owned by
Trustee & Auctioneer, e.g. in their minor's names

Other trustees, judges,
friends & relatives

Intra-sale:
at loss for capital loss or at inflated price for money laundering

Flip property on open market for quick gain

Homeowner or Debtor:
Squeezed dry in pincer movement