



U.S. Department of Justice

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**PRESS RELEASE**

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**BANKRUPTCY PETITION PREPARER**  
**SENTENCED TO SIX MONTHS IN PRISON**  
**FOR CRIMINAL CONTEMPT OF COURT**

PHOENIX, ARIZ.--Bankruptcy petition preparer Richard S. Berry of Tempe, Ariz., was sentenced yesterday by Chief Judge Robert C. Broomfield of the District of Arizona to six months in prison for criminal contempt of court, United States Trustee Brenda Moody Whinery announced today.

"I am pleased that Chief Judge Broomfield focused on the severity of Mr. Berry's willful disregard of Bankruptcy Court orders and imposed the maximum penalty against him," Whinery stated. "This will act as a deterrent to other document preparers who think they can ignore court orders. The Office of the United States Attorney is to be commended for its diligent prosecution of this matter."

Since January 1997, various court orders have addressed Berry's violations of the federal bankruptcy laws that regulate "bankruptcy petition preparers"--non-attorneys who assist consumer debtors in preparing their bankruptcy papers. Bankruptcy petition preparers may not provide, or represent that they provide, legal services. Typically, they are restricted to typing documents for consumer debtors to file with the bankruptcy court.

Bankruptcy courts have the authority to set a reasonable fee for a bankruptcy petition preparer's services. The Bankruptcy Fraud Task Force for the District of Arizona sought criminal contempt charges against Berry based on evidence that Berry violated a January 1997 bankruptcy court order limiting his fees. The task force includes representatives from the United States Attorney's Office, the United States Trustee's Office, the Federal Bureau of Investigation, and other law

enforcement agencies.

Berry pleaded not guilty in June 1998 to criminal contempt charges filed under 18 USC 401(3). Chief Judge Broomfield held a trial on the criminal contempt charges on Aug. 12, 1998. On Feb. 3, 1999, he entered an order finding Berry guilty and setting April 19 as the date for sentencing.

In a related ruling, on March 6, 1998, the Bankruptcy Court for the District of Arizona imposed fines of \$1 million each against Berry and two corporations he owned, for willfully violating the orders barring them from preparing bankruptcy documents and advertising for bankruptcy business in the District of Arizona. Baum also held Berry and the corporations in civil contempt and barred them from soliciting customers for bankruptcy document preparation or providing any bankruptcy preparation services.

The United States Trustee Program is a component of the Justice Department that supervises the administration of bankruptcy cases nationwide. Whinery is the United States Trustee for Region 14, the District of Arizona.

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