

REDACTED INTERNET SUMMARY OF
TRUSTEE ADMINISTRATIVE DECISIONS
(as of June 8, 2004)

Case No. 03-0002

Trustee [REDACTED]

Decision by Director Lawrence A. Friedman

January 21, 2004

Chapter 7 trustee was terminated, in part, because he had not responded to the United States Trustee's repeated requests and inquiries concerning deficiencies in the trustee's performance, including his failure to respond to an audit conducted by the Office of the Inspector General, in which the trustee's operations were determined to be "Inadequate" because of his: (1) failure to file timely accurate reports, including interim reports, final reports, and accounts; (2) repeated and consistent failure to respond timely and adequately to deficiencies identified by the United States Trustee; (3) failure to take proper steps to secure estate property; and (4) unjustifiable delay and substandard performance in case administration.

Case No. 03-0004

Trustee [REDACTED]

Decision by Director Lawrence A. Friedman

January 21, 2004

Chapter 7 trustee was placed on partial suspension and the trustee's case assignments were to be reduced by half, due, in part to the statistical discrepancies between the number of asset cases the trustee identified and the number of asset cases identified by the only other trustee who receives all of his cases from the same geographical area. In addition to the trustee's inability to identify asset cases, the United States Trustee also noted the trustee has demonstrated an inadequate and untimely administration of asset cases, and has failed to investigate and refer potential civil enforcement cases.

Case No. 03-0005

Trustee [REDACTED]

Decision by Director A. Friedman

August 13, 2003

United States Trustee withdrew the notice of suspension after the chapter 7 trustee appropriately responded to the deficiencies identified in an audit issued by the Office of the Inspector General.

Case No. 02-0008

Trustee [REDACTED]

Decision by Director Lawrence A. Friedman

February 3, 2003

Director concluded that review was moot after chapter 7 trustee cured deficiencies identified by the Office of the Inspector General which stated that trustee's accounting and cash management practices and procedures were inadequate for safeguarding bankruptcy estate funds.

[Case No. 02-0009](#)

Trustee [REDACTED]

Decision by Director Lawrence A. Friedman

January 29, 2003

Chapter 13 standing trustee was suspended for sending a threatening letter to the Debtors, in response to an inquiry, intimidating independent auditors who audited his operations, failing to exercise effective case administration in the Debtors' case, and generally creating a climate of fear that suppressed any questioning of his administration.

[Case No. 02-0007](#)

Trustee [REDACTED]

Decision by Director Lawrence A. Friedman

November 15, 2002

The United States Trustee terminated the trustee's eligibility to receive future case assignments based on his misconduct as Examiner in the bankruptcy case of Debtor. Chapter 7 trustee failed to comply with the disinterestedness and disclosure requirements of Title 11 of the Bankruptcy Code and the Bankruptcy Rules, because the trustee sought to enter into fee agreements and had solicited payments from the Debtor's unsecured creditors.

[Case No. 02-0006](#)

Trustee [REDACTED]

Decision by director Lawrence A. Friedman

December 17, 2002

Trustee sought administrative review of a decision rendered by the United States Trustee to terminate trustee and requested relief from the Interim Directive. Director then received a copy of a letter from trustee stating that trustee was resigning. Therefore, Director's review is moot.

[Case No. 02-0005](#)

Trustee [REDACTED]

Decision by Director Lawrence A. Friedman

February 28, 2003

Chapter 7 trustee removed, in part, because he failed to adequately supervise an auctioneer and an unpaid office assistant. As the trustee's agent, the auctioneer plainly had fiduciary obligations to the various estates being administered by the trustee. The burden is on a chapter 7 trustee to be knowledgeable and vigilant with respect to his fiduciary obligations. The United States Trustee also reviewed the trustee's entire recent record of performance and concluded that there were numerous instances wherein the trustee did not comply with instructions and requests of the Clerk of the Court and the United States Trustee.

[Case No. 02-0004](#)

Trustee [REDACTED]

Decision by Director Lawrence A. Friedman

October 23, 2003

Trustee sought administrative review of a decision rendered by the United States Trustee to suspend trustee. Director received a copy of a letter from the trustee to the Assistant United States Trustee stating that trustee was resigning and thus withdrawing appeal. Therefore, Director's review of trustee's suspension is moot.

[Case No. 02-0003](#)

Trustee [REDACTED]

Decision by Director Lawrence A. Friedman

July 01, 2002

The United States Trustee imposed suspension because the Panel Trustee was the subject of an inadequate audit opinion contained in the Office of the Inspector General Audit Report, where it was shown that the Panel Trustee inadequately engaged in accounting and cash management practices, excessive payment professional fees, and failed to close cases in a timely manner.

[Case No. 02-0002](#)

Trustee [REDACTED]

Decision by Director Lawrence A. Friedman

October 23, 2002

Trustee sought administrative review of a decision by the United States Trustee to terminate trustee. Director received a copy of the letter from trustee resigning from the right to receive future case assignments. Therefore, Director's review is moot.

[Case No. 02-0001](#)

Trustee [REDACTED]

Decision by Director Lawrence A. Friedman

May 2, 2002

Trustee sought administrative review of a decision by the United States Trustee to suspend trustee from the chapter 7 case assignment rotation for a period of six months. Director has received a copy of a letter from the trustee stating that trustee has resigned from the panel of chapter 7 trustees effective immediately. Therefore, Director's review is moot.

[Case No. 01-0004](#)

Trustee [REDACTED]

Decision by Acting Director Martha L. Davis

October 24, 2001

Chapter 7 trustee sought review of a decision by the United States Trustee to terminate his receipt of new case assignments. The trustee was removed for failing to actively examine, investigate, and pursue assets of debtors despite multiple warnings from the United States Trustee regarding his failure.

Case No. 01-0003

Trustee [REDACTED]

Decision by Acting Director Martha L. Davis

July 24, 2001

Chapter 7 trustee removed because, among other things, she consistently failed to supervise professionals. She frequently gave possession of her files to other professionals, failed to follow up after long periods of inactivity. She also failed to liquidate assets in a number of cases and never considered tax issues related to other cases. The trustee has never investigated or pursued a preference action in any of her cases, despite questionable pre-bankruptcy transfers.

Case No. 01-0001

Trustee [REDACTED]

Decision by Acting Director Martha L. Davis

February 02, 2001

A Notice of Non-Renewal of Appointment was issued to the trustee by the United States Trustee because, in part, the trustee: (1) failed to follow United States Trustee Policy not to administer over-encumbered properties of no value to the estate, despite the United States Trustee's admonition to cease the practice; (2) improperly paid exemptions to debtors and a lien holder; (3) used his position as trustee for personal gain by contracting with and paying his own real estate title company; and (4) filed pleadings that omitted and mischaracterized relevant information.

Case No. 00-0006

Trustee [REDACTED]

Decision by Director Kevyn D. Orr

December 28, 2000

Chapter 7 trustee removed, in part, because the trustee: (1) allowed a real estate agent, regularly employed by the trustee, to purchase debtor's assets; (2) failed to file notices of abandonment or complete Form 1 to note abandonment; and (3) failed to administer a personal injury suit in one case, and did not file a complaint to revoke the debtor's discharge for absconding with the settlement.

Case No. 00-0005

Trustee Kuperman

Decision by Director Kevyn D. Orr

November 9, 2000

Chapter 7 trustee sought administrative review of a decision by the United States Trustee to suspend him. Director received a copy of the letter from trustee stating that he has resigned from the panel of chapter 7 trustees. Therefore, Director's review is moot.

[Case No. 00-0004](#)

Trustee [REDACTED]

**Decision by Director Kevyn D. Orr
September 29, 2000**

Chapter 7 trustee suspended from receiving new cases for thirty days because the trustee: (1) commingled estate funds with the trustee's law firm escrow account in one case; (2) disbursed estate funds to himself for sanctions in one case with a check drawn on his law firm trust account; and, (3) paid himself an improper amount of sanctions in one case because he relied on the debtor's cover letter rather than reviewing the original court order.

[Case No. 00-0003](#)

Trustee [REDACTED]

**Decision by Director Kevyn D. Orr
August 14, 2000**

Chapter 7 trustee suspended from receiving new cases, in part because the trustee: (1) failed to actively supervise professionals, and frequently turned case files and account receivable ledgers over to other professionals without following up or keeping track of the case status; and, (2) repeatedly failed to pursue estate assets, including overdue rent, worker's compensation, and other account receivable.

[Case No. 00-0002](#)

Trustee [REDACTED]

**Decision by Director Kevyn D. Orr
June 26, 2000**

The trustee sought administrative review of a decision rendered by the United States Trustee to suspend the trustee. Director received a copy of a letter stating that period of suspension expired and the trustee has been returned to active rotation.

[Case No. 00-0001](#)

Trustee [REDACTED]

**Decision by Director Kevyn D. Orr
April 28, 2000**

Chapter 13 trustee's eligibility to receive new cases terminated because of gross misconduct. The trustee made racist and ethnically derogatory comments to the State Senate Commerce and Human Resources Committee, which were considering the Governor's renomination of this trustee as Chairman of the State Endowment Fund Investment Board.

[Case No. 99-0004](#)

Trustee [REDACTED]

**Decision by Director Joseph Patchan
February 9, 2000**

Chapter 7 trustee suspended from receiving new cases due to perceived inadequacies in her case administration. The trustee failed to file TFRs and TDRs. Those she did file were riddled with errors, including overpayments to herself, incorrect disbursements, and duplicate payments of claims. Trustee also lacked adequate staff to administer new cases.

[Case No. 99-0003](#)

Trustee [REDACTED]

Decision by Director Joseph Patchan

December 1, 1999

Chapter 13 trustee suspended from receiving new cases for ninety days for failing to inform the United States Trustee about the nature and extent of payments he made to his law firm, including payments for maintenance fees, furniture and equipment rental, and employee salaries.

[Case No. 99-0002](#)

Trustee [REDACTED]

Decision by Director Joseph Patchan

September 8, 1999

Chapter 7 trustee was suspended from receiving new cases for sixty days because two OIG audits, two performance reviews, and one examination revealed that the trustee failed to: (1) perform duties in a timely and consistently satisfactory manner; (2) maintain adequate internal controls; (3) properly administer assets; (4) maintain books and records in satisfactory fashion; and (5) for using profanity at a section 341 initial meeting of creditors.

[Case No. 99-0001](#)

Trustee [REDACTED]

Decision by Director Joseph Patchan

April 22, 1999

The trustee sought administrative review of a decision by the United States Trustee to suspend trustee. Director received a letter stating that the trustee was no longer suspended and had been returned to active rotation. Therefore, Director's review is moot.

[Case No. 98-0004](#)

Trustee [REDACTED]

Decision by Director Joseph Patchan

October 2, 1998

Chapter 7 trustee suspended from receiving new cases for, among other things: (1) his failure to safeguard and account for estate assets and to aggressively remedy losses when they are discovered; and (2) his failure to adequately monitor the work of his employees and professionals, auctioneer, including his failure to notify the Office of United States Trustee when his auctioneer disappeared with estate assets and an employee was caught embezzling funds. Trustee also states the trustee failed to timely resign as trustee in two previous cases due to a conflict of interest.

[Case No. 98-0003](#)

Trustee [REDACTED]

Decision by Director Joseph Patchan

April 1, 1999

The trustee sought administrative review of a decision by the United States Trustee to suspend trustee. Director received a letter stating that the trustee was no longer suspended and had been returned to active rotation. Therefore, Director's review is moot.

[Case No. 98-0002](#)

Trustee [REDACTED]

Decision by Director Joseph Patchan

May 28, 1998

Chapter 7 trustee suspended from receiving new cases for, among other things, deficient and untimely pleadings, erroneous distribution reports, failing to provide notice of asset sales to appropriate parties, failing to administer her cases in timely fashion, failing to file trustee's final reports in timely fashion, and delaying her deposit of estate funds. On more than one occasion, her pleadings have been returned to her because the Judge decided that they were "unintelligible."

[Case No. 98-0001](#)

Trustee [REDACTED]

Decision by Deputy Director Kevyn D. Orr

Undated

Deputy Director responded to trustee's request for administrative review of the United States Trustee's decision to reappoint the trustee for a limited period. Director informed trustee that administrative review is only available for cessation of the assignment of cases, and not for a decision to limit the trustee's reappointment period.

[Case No. 98-A-1](#)

Trustee [REDACTED]

Decision by Director Joseph Patchan

Undated

Director responded to trustee's request for review with letter explaining that request was not eligible for review because trustee's review was untimely and review provisions were not intended to apply retroactively.

[Case No. 97-0001](#)

Trustee [REDACTED]

Decision by Director Joseph Patchan

January 12, 1998

In response to chapter 7 trustee's request for a review the United States Trustee's decision not to reappoint her, Director concluded that the United States Trustee has not yet reached a final decision, and the trustee should remain on the panel while that decision is made and may request an administrative review if the United States Trustee's decision is to remove, terminate, or suspend the trustee.

[Case No. 97-A-7](#)

Trustee [REDACTED]

Decision by Director Joseph Patchan

March 24, 1998

Chapter 7 trustee's appointment was not renewed due to deficiency in basic case administration. The trustee failed to submit reports and court pleadings in a complete, adequate, and timely manner. The bankruptcy court had previously informed the trustee that his failure to file minutes for section 341 meetings or final reports in over 50 cases were prejudicing debtors who could not be discharged until the minutes were filed with the court.

[Case No. 97-A-6](#)

Trustee [REDACTED]

Decision by Director Joseph Patchan

April 22, 1998

Chapter 7 trustee's appointment was not renewed, in part due to: (1) failure to prepare and maintain adequate records for the estates the trustee was administering; (2) maintaining funds at a bank without a depository agreement; (3) commingling funds with his law firm; and (4) failure to maintain estate case receipts and disbursement records.

[Case No. 97-A-5](#)

Trustee [REDACTED]

Decision by Director Joseph Patchan

April 22, 1998

The United States Trustee made a decision not to reappoint chapter 7 trustee at the expiration of his term because the United States Trustee believed, based on statistical evidence, that the trustee had administered fully encumbered assets to obtain a larger fee. The Director overturned the United States Trustee's decision (because statistics alone cannot establish a trustee's negligence) and ordered the trustee to be returned to the panel of individuals available for appointment as trustee in chapter 7 cases.

[Case No. 97-A-4](#)

Trustee [REDACTED]

Decision by Director Joseph Patchan

March 24, 1998

In this case, the Director modified the United States Trustee's decision not to reappoint a chapter 7 trustee and ordered, instead, that the trustee be suspended from active case rotation. The Director found that the trustee had demonstrated problems with safeguarding funds and monitoring the work of others, but appeared to rectify those problems. The Director noted that the trustee's professional demeanor still needed improvement, as the trustee had engaged in unnecessary hostilities with the United States Trustee and met reasonable requests with anger and opposition.

Case No. 97-A-3

Trustee [REDACTED]

Decision by Director Joseph Patchan

Undated

Removed by private trustee before decision.

Case No. 97-A-2

Trustee [REDACTED]

Decision by Director Joseph Patchan

November 24, 1997

The Director modified the United States Trustee's decision not to reappoint the chapter 7 trustee and ordered, instead, that the trustee be suspended for two years. The trustee's lax performance in his duties revealed a negligent attention to detail and a lack in internal controls in case administration and office procedure. The trustee had taken two checks drafted in the names of creditors and cashed them for his personal use. Trustee also admitted that, in one case, he certified to the bankruptcy court and debtor's creditors that the Internal Revenue Service and State Department of Revenue had been paid when they had not.

Case No. 97-A-1

Trustee [REDACTED]

Decision by Deputy Director Kevyn D. Orr

August 21, 1997

Chapter 7 trustee's appointment to the panel was not renewed, in part, due to the state supreme court's public censure of the trustee, who was also an attorney, on the grounds that she wrote eleven checks that were dishonored, threatened to sue her mortgage holder unless the mortgage holder submitted false credit reports, and subsequently filed a lawsuit, which the court dismissed as "frivolous, groundless, and vexatious."