THE WATCHDOG

A Periodic Newsletter from the Office of the United States Trustee
Region 16 - Central District of California
September 2009 - Issue No. 22

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Criminal and Civil Enforcement News
UST's Creditor Abuse Initiative
EOUST Report to Congress
Language Assistance Plan
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and Remarks as Prepared for Delivery by
Attorney General Eric Holder at His Installation Ceremony

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Important Links:

www.usdoj.gov/ust/r16 provides a wealth of information on Region 16. There's a page devoted to each of the field offices; Los Angeles, Riverside, Santa Ana, Woodland Hills and its Santa Barbara satellite office. You can find maps to the office and meeting rooms, parking information, and a staff directory with phone numbers. Find out about a variety of topics like "Brown Bag" Training series, local forms and references, how to submit criminal complaints fraud and report identity theft, public notices and local policies. A quick click on the "What's New" link will show you what documents have been added or updated.

You can use the "Email Us" link to create an email addressed to us. Email us with questions or comments about the web page, or with questions about bankruptcy topics. Please do not submit a complaint or fraud complaint this way - follow the instructions on the "Complaints" page. Always keep in mind that we cannot provide legal advice.

www.cacb.uscourts.gov/ will link you directly with the U.S. Bankruptcy Court - Central District of California .

Visit the U.S. Trustee Program's website, ***www.usdoj.gov/ust/***. It's loaded with information on the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) of 2005

For information on:

- Means Testing forms and IRS Standards
- Credit Counseling & Debtor Education
- State Domestic Support Enforcement Agencies
- Data Enabled Form Standard

You can also find:

- Annual Reports
- Bankruptcy Statistics
- Press Releases
- Testimony & Statements

Questions for Region 16 can be directed to: ***www.ustp.region16@usdoj.gov***

Please contact us with suggestions and topics. To make sure you are included in our "subscriber" data base, please e-mail your address to the address above and put "WATCHDOG" in your subject line.

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FRIDAY, MARCH 27, 2009

REMARKS AS PREPARED FOR DELIVERY BY ATTORNEY GENERAL ERIC HOLDER AT HIS INSTALLATION CEREMONY

WASHINGTON, D.C.

Thank you, Mr. President for your remarks and for the trust you have placed in me by asking me to lead this great Department. I also want to thank my wife, Sharon, and my three wonderful children, whose love and support sustain me. I want to say hello to my mother who is recovering from a recent illness but who I know is watching this event. You work hard and you get well. And I want to thank the many career professionals from the Department I see here today. Over my career, you have been my mentors, my colleagues, and my friends. It is your dedication to duty and love of country that gives the Department of Justice its heart and its soul, and ensures that it lives up to the ideals enshrined in our Constitution that are our special duty to protect.

Ours is a nation of laws, guided by principles that reflect the essential goodness of the American people. Many of these values – adherence to the rule of law, equality before the law, and the applicability of Due Process – are as well-known as they are timeless. And yet, these principles can only truly be the animating force of our legal system if we, both individually and collectively, make it so. That is why, Mr. President, I pledge to you, to my fellow Department of Justice employees, and to the American people as a whole that I will lead a Department of Justice that is firmly rooted in, and solely guided by, these sacred principles. In all that we do, in all that requires us to make the difficult judgments that must withstand the scrutiny of the ages, these values will serve as our eternal touchstone.

It will not always be easy to solely let these principles serve as the enduring markers that will guide our path. This will be particularly true when we face unforeseen and even existential challenges. And it won't always be popular, as we apply them to unfamiliar dangers. But it will always be right. There are some who say that we can no longer afford to use these principles as our foundation. There are some who say that the challenges we face are too grave, that the stakes are too high. And there are some who say that these principles weaken us as we meet the challenges of this modern age.

But here is what I say – the power of this nation is at its zenith when the actions of our government are firmly grounded on the bedrock of the rule of law and the values that make our nation unique. My friends, the true test of our nation's greatness is whether we uphold our most cherished principles, not when it is easy, but when it is hard. Our nation – our Department – has met this test in times past. We will do so again. You – the women and men who compose the Department of Justice – know that there is no contradiction between our ideals and our efforts to enforce the law. Our commitment to the rule of law, to equal protection, and to

Due Process are not an obstacle to be overcome, but the foundation upon which you – and generations of our predecessors – have built this Department's long and storied history.

This nation – this Department – has faced novel and difficult challenges before. We have overcome them. And let no one doubt that we will overcome the challenges we face today, and those that will confront us tomorrow. And let no one doubt that we shall do so guided by the principles that gave birth to our great nation and that are enshrined not only on the parchment pages of the Constitution but also in the living spirit of the American ideal and in the halls of the Department that I now call home for a final time.

Here is my commitment to you as the new Attorney General. We at the Department of Justice will protect our people from those abroad – and from those within our borders – who seek to do us harm. We will protect our nation's markets from fraud and from those who prey on the vulnerable.

We will protect the civil rights of our fellow citizens, all of our fellow citizens – in the workplace, in the housing market, in our educational institutions and in the voting booth, as well as in their day to day lives.

We will protect our environment from depredation, and our public institutions from corruption. We will be fair and just in all of the things that we do. And we will zealously protect our Constitution – indeed, the very rule of law itself – from those who would force upon us the false choice between security and liberty, between safety and justice.

During the last eight weeks, I have had the opportunity to meet with a number of you, and to thank you for your dedicated work for our Department and for our Nation that we are all so fortunate to serve. In the coming months, I hope to meet many more of you, and to talk about and refine the methods we will use in our common cause.

Please know that I consider it to be a special privilege – the highest honor and the highlight of my life and career- to return to this institution that I love for the last time and to be given the responsibility to lead it. Please also know that I am proud to serve with you.

This is our time. When Americans generations from now look back on the work we will do, let us strive to insure that they say we kept the faith and that we made a superb Department of Justice even greater.

Thank you my friends.

CRIMINAL ENFORCEMENT NEWS

From the United States Attorney's Office

June 11, 2009

LOS ANGELES MAN ARRESTED ON CHARGES OF ABUSING BANKRUPTCY SYSTEM TO DEFRAUD THOSE IN FORECLOSURE

A Los Angeles man was taken into federal custody last night on charges that he has been defrauding homeowners by falsely promising them that he could prevent foreclosures and evictions from their property.

Gilfert Welton Jackson, 64, was arrested without incident at a homeowner's residence in Los Angeles yesterday by Los Angeles County Sheriff's deputies and turned over to special agents with the Federal Bureau of Investigation. Jackson, a transient whose last known address was in Inglewood, made his initial court appearance this afternoon in United States District Court in Los Angeles, where he was ordered detained until he posts a $25,000 bond.

Jackson was indicted on June 4, and charged with six counts of making false representations and filing documents in bankruptcy proceedings in furtherance of a scheme to defraud. According to the indictment, which was unsealed after his arrest, Jackson's scheme was designed to bilk distressed homeowners, as well as banks and other creditors by fraudulently obstructing lawful foreclosure and eviction actions.

The indictment alleges that Jackson falsely passed himself off as an attorney. Jackson allegedly told property owners and their tenants that he could prevent foreclosure and unlawful detainer and eviction actions in exchange for payments to purported non-profit organizations, including Silver Dollar Classic Foundation, Inc., and Herd Community Development Corporation. Jackson and others filed bankruptcy petitions to obtain an "automatic stay," which under bankruptcy law prevents any action against the bankruptcy debtor and his property. Jackson created fraudulent notices of automatic stay that he gave to banks, their agents and others, including the Los Angeles County Sheriff's Department, who were attempting to foreclose on properties and litigate unlawful detainer actions. In each such notice of automatic stay, Jackson fraudulently represented that the identified property was owned by a debtor in bankruptcy and was, therefore, subject to the automatic stay.

In addition to the banks and other creditors who were forced to delay taking possession of properties while they litigated the purported "automatic stay" in bankruptcy court, the indictment alleges that Jackson's scheme victimized homeowners, who paid Jackson for his worthless services. According to the indictment, during the period of delay that Jackson caused, Jackson collected rent from third parties living in the properties based on the false representation that he was the rightful landlord of the properties.

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed to be innocent until proven guilty in court.

The case against Jackson was referred to the United States Attorney's Office by the Office

of the United States Trustee, which is the component of the Department of Justice that oversees bankruptcy case administration and litigates to enforce the bankruptcy laws. "Protecting the integrity of the bankruptcy system is an important objective of the U.S. Trustee Program," stated Peter C. Anderson, United States Trustee for the Central District of California (Region 16). "Our bankruptcy system is designed to provide honest people who have fallen on unfortunate times with a fresh start. Those who use the bankruptcy system to prey upon such people and others for their own financial gain undermine the fundamental purpose of the bankruptcy system and will be referred for criminal prosecution."

Jackson was convicted of bankruptcy fraud in 1998 and sentenced to 63 months in federal prison. In 2006, the Bankruptcy Court for the Central District of California issued an order that forbade Jackson from filing any bankruptcy petitions or any other documents, without first obtaining Court approval to do so. If he is convicted of the six counts of bankruptcy fraud alleged in the indictment, Jackson would face a maximum statutory penalty of 30 years in federal prison.

The case against Jackson was investigated by the Federal Bureau of Investigation.

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March 11, 2009

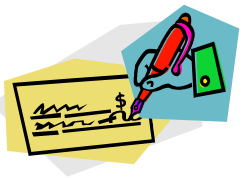
CANADIAN BUSINESSMAN CHARGED WITH BANKRUPTCY FRAUD

A Canadian businessman who used to own the Edmonton Oilers hockey team was arrested this morning at his Palm Springs-area home on charges of bankruptcy fraud for allegedly concealing assets during bankruptcy proceedings. Peter Hugh Pocklington, 67, of Palm Desert, was arrested without incident this morning at his residence by special agents with the Federal Bureau of Investigation.

A two-count indictment returned under seal last Wednesday by a federal grand jury in Riverside and unsealed today accuses Pocklington of making false statements in bankruptcy, and making false oaths and accounts in bankruptcy.

In conjunction with his arrest, FBI agents executed search warrants at Pocklington's residence in an exclusive development called The Lakes, and at two storage units that he controls.

Pocklington filed for personal bankruptcy in United States Bankruptcy Court in Riverside in August 2008. In his bankruptcy petition, Pocklington indicated that he had debts of approximately $19.6 million, but that his assets totaled essentially only $2,900, a figure that included $300 worth of clothing and shoes. The discrepancy raised suspicions that he was not disclosing all of his assets to the Bankruptcy Court, according to a search warrant affidavit that was also unsealed today.



The indictment alleges that Pocklington failed to disclose to the Bankruptcy Court two bank accounts at Palm Desert National Bank (PDNB) for which he has sole signature authority, as well as the contents of the two storage units in Palm Desert. In the seven months immediately preceding a September 2008 hearing in his bankruptcy case, Pocklington allegedly wrote a series of checks on a PDNB account in the name of "Dempsey Investment Corp.," an entity that he failed to mention in the bankruptcy petition.

Court documents also allege that Pocklington, in an effort to partially satisfy a court judgement against him, gave a creditor a piece of art, a rug and a desk that were collectively worth approximately $80,000 and were located in one of his storage lockers.

Pocklington is expected to make his initial court appearance this afternoon in United States District Court in Riverside. If he is convicted of the two counts in the indictment, Pocklington would face a statutory maximum sentence of 10 years in federal prison.

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed to be innocent until proven guilty in court.

This case is being investigated by the Federal Bureau of Investigation.

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BANKRUPTCY PETITION PREPARER, WIFE, PLEAD NO CONTEST TO STATE LAW CHARGES

Bankruptcy petition preparer Emmanuel Assaf pleaded no contest to state law charges of conspiracy to commit fraud by false pretenses, grand theft, and elder abuse, at a hearing held on July 22 in the Superior Court of the State of California. Assaf stipulated to serve six months in jail and pay restitution to five victims in the total amount of approximately $9,000. His wife, Katya Assaf, pleaded no contest to a state law charge of unlawful use of personal identifying information, and stipulated to serve 24 months of probation. Assaf who is not licensed to practice law, operated four offices in California that charged Spanish-speaking and elderly debtors for legal services. The U.S. Trustee's Woodland Hills and Los Angeles offices assisted in the investigation and prosecution conducted by the Los Angeles City Attorney's Office.

EOUST Report to Congress: Criminal Referrals by the USTP for FY 2008

In May of this year, the Executive Office for United States Trustees presented their report to Congress on criminal referrals by the U.S. Trustee Program (USTP) for Fiscal Year (FY) 2008. This report is required under the provisions of Section 1175 of the Violence Against Women and Department of Justice Reauthorization Act of 2005. In brief, the USTP made 1,471 bankruptcy and bankruptcy-related criminal referrals during the FY, which is 27% increase over the previous year's numbers. The most common allegations in the FY 2008 referrals involve false oaths or statements (42%) followed by concealment of assets (32%); bankruptcy fraud schemes (20%); tax fraud (20%); and identity theft or use of false/multiple Social Security numbers (20%). The report also details the outcomes for our referrals.

To review the report in its entirety, please go to: http://www.usdoj.gov/ust/eo/public_affairs/reports_studies/index.htm.

CIVIL ENFORCEMENT NEWS

Bankruptcy Petition Preparer Fined $19,500, Ordered to Pay $3,500 in Damages

The Bankruptcy Court for the Central District of California on August 10 fined a BPP $19,500 and awarded $3,500 in damages related to the BPP's failure to disclose that he and his company prepared bankruptcy documents and signed the debtor's name to the bankruptcy petition. The documents identified the preparer as another person whom the debtor never met or spoke with, and indicated the preparer charged a $150 fee. In fact, the BPP collected $1,750 for the bankruptcy document preparation. The U.S. Trustee's Los Angeles office obtained the sanctions.

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Creditor Agrees to Correct Improper Debt Reaffirmation Procedures

Approving a settlement between a creditor and the U.S. Trustee's Los Angeles office, on July 15, the Bankruptcy Court for the Central District of California found that the creditor violated the automatic stay in a case by failing to file for five months a reaffirmation agreement signed by the debtor. They also failed to inform the debtor that it had decided not to sign the agreement, even though it continued to collect post-petition payments from the debtor as set forth under the agreement. The creditor attempted to characterize the payments as "voluntary." Under the settlement they agreed to promptly file all reaffirmation agreements with the court or notify the debtor, in writing, that it does not intend to accept the agreement; not accept payment from any bankruptcy debtor until a reaffirmation agreement is filed or the debtor is notified of the rejection; and record all of its Bankruptcy Rule 2004 examinations of debtors and file with the court a status report of such 2004 examinations.

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No Discharge for Debtor with $12,150 Mortgage Payment

Ruling for the U.S. Trustee's Los Angeles office, on February 18, the Bankruptcy Court for the Central District of California dismissed this debtor's case, preventing the chapter 7 discharge of $268,994 in unsecured debt. The debtor under-reported her monthly income by more than $2,800 and claimed excessive monthly expenses including a mortgage payment of $12,150 and an auto loan payment of $1,143.

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No Plane Tickets, No Discharge

On February 24, the Bankruptcy Court for the Central District of California approved the debtor's waiver of the chapter 7 discharge of $552,545 in unsecured debt. After receiving several complaints from creditors, the U.S. Trustee's Santa Ana office conducted extensive discovery, which indicated that the debtor operated a travel agency that he used to collect money from customers to purchase airline tickets. Airline tickets were never purchased, and the money received by the travel agency was diverted to another business owned by the debtor. He agreed to waive his discharge before the U.S. Trustee filed a complaint to deny discharge.

Debtor's No-Show Causes Denial of $169,559 Discharge

On March 18, the Bankruptcy Court for the Central District of California entered a default judgment denying a debtor's chapter 7 discharge of $169,559 in unsecured debt. When the debtor filed bankruptcy, he disclosed real property valued at over $2 million and automobiles valued at over $60,000. At his section 341 meeting of creditors, however, he testified that from 2005 through 2007 he earned a total of $40,000. The debtor failed to produce any documentation of his finances or appear for a court-ordered Bankruptcy Rule 2004 examination. The U.S. Trustee's Woodland Hills office objected to his discharge, alleging he knowingly and fraudulently withheld information relating to his property. The debtor failed to respond to the complaint.

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Thirteen-Time Filer Barred From Refiling for Two Years

Ruling for the U.S. Trustee's Santa Ana office, on April 1, the Bankruptcy Court for the Central District of California dismissed the debtor's chapter 13 case and barred her from refiling in any district for two years without court permission. The debtor filed 13 chapter 13 petitions since 2004. She never obtained confirmation of a chapter 13 plan and, in most of her cases, she failed to comply with Bankruptcy Code requirements. The debtor filed petitions in the Southern, Northern, and Central Districts of California and in the District of Nevada, including cases she filed using aliases.

Hidden Condo Proceeds Cause Waiver of Discharge for $529,391 in Unsecured Debt

On April 6, the Bankruptcy Court for the Central District of California approved the debtor's waiver of the chapter 7 discharge of $529,391 in unsecured debt. The U.S. Trustee's Santa Ana office investigated the debtor's books and records, discovering that she failed to disclose two condominiums in which she had a 50 percent interest and the sale of two other condominiums from which she received more than $150,000 in proceeds. A substantial amount of the proceeds were transferred to her brother. The debtor agreed to waive her discharge before the U.S. Trustee filed a complaint to deny discharge.

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Dismissal Prevents Chapter 7 Discharge of $492,506 in Unsecured Debt

Granting a motion by the U.S. Trustee's Los Angeles office, on May 20, the Bankruptcy Court for the Central District of California approved a stipulation to dismiss the chapter 7 case of a debtor pursuant to 11 U.S.C. § 707(b)(2), preventing the discharge of $492,506 in unsecured debt. The debtor was a medical doctor with gross monthly income in excess of $23,000. The U.S. Trustee's investigation revealed that, for means testing purposes, the debtor overstated his household size and his expenses for telecommunication services and disability insurance.

UNITED STATES TRUSTEE'S CREDITOR ABUSE INITIATIVE

by Assistant United States Trustee Jill Sturtevant

In his May, 2008 address before the United States Senate[1], United States Trustee Program Director Cliff White stated that it is one of the core functions of the United States Trustee Program to combat bankruptcy abuse. This not only includes protecting consumer debtors from wrongdoing by attorneys, bankruptcy petition preparers, creditors, and others, but also includes ensuring compliance with the Bankruptcy Code and Rules and the accuracy of documents filed with the Court.

In furtherance of these goals, the USTP conducts formal and informal reviews and analysis of conduct by creditors, counsel for creditors and counsel for debtors, most specifically in the area of motions for relief from stay, proofs of claim, reaffirmation agreements and improper solicitation of extensions of credit.

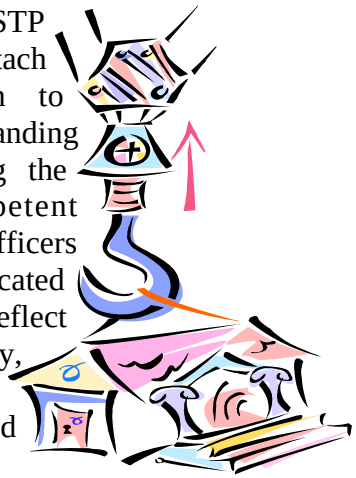
As further stated by Director White:

> *"In response to an increasing number of complaints about the accuracy of bankruptcy court filings made by some mortgage servicers, approximately 18 months ago, [the USTP] established an informal working group to review the complaints and devise a coordinated approach for addressing the problem. The working group considered many legal and practical issues. . . . [The USTP takes] the legal position that the Program has authority to redress violations by creditors, particularly when the abuse is systemic or multi-jurisdictional. . . . The Program should focus its attention on cases in which the integrity of the bankruptcy system as a whole is at stake. In those cases that have broader, system-wide implications, it is important for the Program to take direct enforcement action."*

So what kind of creditor conduct rises to the level of abuse? The USTP is focusing on conduct that is systemic or multi-jurisdictional, meaning conduct that is capable of recurring, whether by a specific creditor, law firm, attorney or coalition of any or all of these parties. However this does not mean that discrete or one time flagrant abuses should, or will, be ignored.

Mortgage Servicing Issues

Among the documents the USTP reviews for abusive creditor conduct are proofs of claim and motions for relief from stay filed by mortgage holders and servicers. Many of the issues the USTP identifies are failures to attach appropriate documentation to substantiate the movant's standing to file the claim or bring the motion, such as competent declarations of authorized officers of the creditor, and authenticated copies of documents which reflect who holds title to the property, who holds the note, and who has been assigned



[1]Statement of Clifford J. White III, Director Executive Office for United States Trustees, United States Department of Justice, Before the Committee on Judiciary Subcommittee on Administrative Oversight and the Courts, United States Senate, *"Policing Lenders and Protecting Homeowners: Is Misconduct in Bankruptcy Fueling the Foreclosure Crisis?"*, presented May, 2008, http://online.wsj.com/public/resources/documents/CliffWhite.pdf

servicing rights. Such documents include Assignments, Assignment-by-Merger certificates, allonges to the note, and documentary proof of a pool servicing agreement. Sometimes these procedural issues become substantive; for example, in several cases the Los Angeles UST Field Office has requested documentation to prove standing to bring a motion for relief from stay, only to find out that the attorneys had filed these motions on behalf of the wrong noteholder.

There is other conduct in the mortgage servicing context which is substantive in nature. The USTP has pursued inquiries into the policies and procedures of mortgage servicers who file proofs of claim or declarations re motions for relief from stay based upon inaccurate accounting. For example, the USTP has found examples of creditor's misapplying post- and pre-petition plan payments, and adding unsubstantiated fees and charges to the mortgage which are not provided for in the deed of trust or are unreasonably high.

The most common problems noted are multiple charges lumped together in a one line item (these should be itemized in a footnote), attorneys fees for previously filed unwarranted motions or motions that were denied; arrearage overstatements or lack of evidentiary support for arrearages; excessive or unusually high escrow arrearages with no explanation for same in the Declaration; "estimated" fees or expenses (the standard mortgage agreement requires that fees and expenses must have been incurred and billed in order to be added to the mortgage), or exorbitant fees. The USTP has seen a number of dubious expenses added to mortgages, such as a $60 "pay off statement fee" (if the mortgage had been paid off, it would not still be in foreclosure), $137 overnight mail fee (one mailing), $79 fax fee (one fax), unnecessary forced place insurance, unnecessary or duplicative drive-by inspections, broker price opinions (BPOs) and appraisals, and fees attached to vague descriptions such as "bankruptcy fee", or "delinquency expense".

Often the debtors are in pro per, or have counsel who have limited responsibility. Unless the mortgage servicer's accounting is challenged by the UST, then the court might grant the relief from stay and the debtor may be materially harmed as a result.

Proofs of Claim for Previously Discharged Debt

Another kind of abusive creditor conduct is when a proof of claim for old unsecured debt is filed, but the debt had been previously discharged in the debtor's earlier bankruptcy filing. Because financial institutions frequently conduct bulk sales of defaulted credit card accounts, it is not unusual for the new holder to fail to note that the debt was already discharged. The USTP has taken action in a number of these situations nationwide, and the Program's Office of the General Counsel has negotiated a number of consent agreements with creditors setting forth agreed upon enhanced procedures.

Non-Compliance with FRBP 9037

This issue applies to debtors' counsel as well as creditors and their counsel. Federal Rules of Bankruptcy Procedure Rule 9037 became effective December 1, 2007. In response to an increase of identity theft, Congress enacted this Rule that requires redaction of certain specified personal identification information ("PII") from unsealed documents filed with the Court. The Rule is specific. PII is required to be redacted by the filing entity and includes all but the last 4 digits of a Social Security or Taxpayer ID Number, the names of minor

children (initials or ages are sufficient), all but the last four digits of financial accounts (including savings, checking, or other financial accounts); and the full date of birth of any consumer (the year only may be disclosed). This information must be redacted if it is for an individual, even if the individual is not the debtor (e.g., a non-debtor spouse, or a debtor's children or other dependents).

Local Rule 1002-1(e) requires the redaction of PII from bankruptcy petitions and mandates that the responsibility rests solely with debtor and the debtor's counsel to ensure that PII is not disclosed in any Petition, Schedule or Statement. *It is important to note that the court does not review documents for compliance. Also See*, Central District Clerk's Public Notices 017 – 019 concerning the redaction of PII from court-filed documents such as transcripts and tax returns, and the login screen for CM/ECF next to the user name and password.

Inappropriate Post Petition Solicitation of Credit

The USTP considers it inappropriate for a creditor, in soliciting credit agreements with debtors, distributes correspondence which appears to be an official government document. Examples of inappropriate solicitation include a creditor's use of the Great Seal of the United States, or words such as "United States Bankruptcy Court" or "Office of Chapter 13 Trustee or Trustee" anywhere in the written solicitation.

If you become aware of such a solicitation of credit to debtors post-petition, please contact your local Field Office (the Assistant U.S. Trustee). If the Program agrees that the material is misleading or inappropriate, it will send a cease and desist letter to the offending party.

Reaffirmation Agreement Issues

Issues of concern to the USTP relating to Reaffirmation Agreements include the addition of unreasonable attorneys' fees and costs by debtor's counsel, § 523 waivers or other additional language inserted into the agreement's statutory language recitation, failure to make required disclosures or a creditor policy of failing to cause the reaffirmation agreements to be accepted and filed with the Court prior to accepting payments based on the agreement.

UST Action

When the USTP discovers potential abuse, it will take informal or formal action as the facts dictate. Possible informal UST actions include a personal communication with creditor's counsel, such as a telephone call, conversation at Court or at the Section 341 meeting. There might be written contact, such as a letter or email requesting information or setting forth an informal demand for action, or an informal request to amend the defective pleading or to withdraw an improper motion.

However, if the conduct is repeated, ongoing or egregious, the UST will take more formal action such as noticing a 2004 examination, filing a formal objection with the Court or a motion for Order to Show Cause, and a request for Rule 9011 sanctions will be sought for serious or systemic abusive conduct.

If you have knowledge of any conduct or series of actions by a creditor that you believe is abusive, please refer this information to the AUST in the appropriate Field Office. Written documentation or corroborating evidence of the conduct is especially helpful, because the USTP will do its own independent investigation of all referrals before deciding to act.

DIRECTOR'S SPEECH

On August 27th, Director Cliff White addressed the 2009 Annual Meeting of the National Association of Bankruptcy Trustees in Boston, Massachusetts. His remarks focused on bankruptcy filings and chapter 7 trustee compensation, mortgage fraud and abuse, the Program's implementation of its Language Assistance Plan, improving technology in section 341 meeting rooms, paperwork reduction, implementation of the uniform final reports, and the recent decision in *Schwab v. Reilly*. His speech is available for review on both the Program's Internet site located at http://www.usdoj.gov/ust/eo/public_affairs/ testimony/index.htm (scroll down to the "speeches" section).

UNIFORM FINAL REPORTS

Section 602 of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, codified at 28 U.S.C. § 589b, required the Attorney General to issue uniform forms for final reports by trustees under chapters 7, 12, and 13 of the Bankruptcy Code (uniform forms). These uniform forms, which were developed through the Federal Rulemaking process, took effect on April 1, 2009. The forms are filed under the Bankruptcy Court's CM/ECF system which is a significant procedural change for the U.S. Trustee's Office staff as well as the trustees and their administrators as it pertains to closing chapter 7 asset cases.

The nationalized uniform forms have been developed for all aspects of the case closing process including the Notice of the Trustee's Final Report, the Trustee's Final Report, and the Trustee's Final Distribution Report. Trustee software providers have adapted their systems to accommodate the creation of the reports and the relevant exhibits. The U.S. Trustee appreciates the patience the chapter 7 trustees have shown during the implementation process. To review all the forms and instructions, please go to: http://www.usdoj.gov/ust/eo/bapcpa/uniform_final_rpts/index.htm.

ANNOUNCEMENT OF LANGUAGE ASSISTANCE PLAN

Effective April 2009, chapter 7 panel trustees and chapters 12 and 13 standing trustees nationwide have been advised that debtors with limited English proficiency may request, free of charge, the use of a telephone interpreter service at their section 341 meetings of creditors. This marks the completion of a major phase in the implementation of the Program's updated Language Assistance Plan, which has included distributing conference quality speaker phones, installing phone lines where needed, contracting with three telephone interpreter services, and creating training materials for trustees and their staffs. The Program's updated Language Assistance Plan is available at http://www.usdoj.gov/ust/eo/public_affairs/lep/index.htm.

TRAINING PROVIDED TO CITY ATTORNEY'S OFFICE

On June 17, 2009, the United States Trustee Program's Acting Chief of the Criminal Enforcement Unit, Sandy Klein, and the Woodland Hills Assistant U.S. Trustee, Jennifer Braun, gave a presentation on bankruptcy cases and bankruptcy crimes at the Los Angeles City Attorney's Office at the Los Angeles City Hall. Prosecutors with the City Attorney's Office had requested a training in bankruptcy issues, to assist in their efforts to take action against criminal frauds, including real property fraud that takes particular advantage of minority communities or creates local nuisance problems. The investigators and prosecutors who attended investigate and prosecute local crimes that include mortgage and foreclosure fraud, identity theft, elder abuse, and the unlicensed practice of law. The presentation was well attended and received excellent reviews.