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Cheating in Bankruptcy

Bankruptcy is your right under the law. The bankruptcy code is set up to help you out of your burdensome debts and could mean the difference between financial survival and financial ruin to you. But sadly there are some who take advantage of a good thing and try to game the system. Therefore it is no surprise that if you are caught cheating in bankruptcy, the punishment is very severe. Here are some ways irresponsible bankruptcy filers cheat in bankruptcy. I am highlighting these to you as a warning should you be tempted to try these things, not as an incentive to try them.

The first way people try to cheat in bankruptcy is to under-declare their assets. When you file for bankruptcy, you are supposed to declare ALL assets and liabilities. Non-exempt assets will be sold off to pay for your debts under Chapter 7 bankruptcy, while your assets will form the basis of the payment plan to clear your debts under Chapter 13 bankruptcy. So declaring fewer assets than you actually own obviously disrupts the whole process altogether whether you file for Chapter 7 or Chapter 13 bankruptcy. By under-declaring your assets, you are attempting to write off more debts than you should under Chapter 7 bankruptcy or pay less in installment payments than you ought to under Chapter 13 bankruptcy.

The second way people try to game the system in bankruptcy is by increasing their debts. Knowing that your unpaid debts after liquidating your assets will be discharged, you might want to charge your credit card to the maximum or take out additional loans just before filing for Chapter 7 bankruptcy. This is a serious offence and if you are deemed to have committed this by the bankruptcy trustee, he has the right to throw out your case, not to mention you are subject to a harsh penalty as well.

Another way to cheat in bankruptcy is by bribing the officials involved in your bankruptcy case, notably the bankruptcy trustee or even the judge. Bribery in any form is a crime and in bankruptcy cases it is no less so. If you bribe the bankruptcy officials to get them to grant you favorable terms, you will be slapped with a severe punishment.

The penalty for any of the above is a jail sentence of up to 5 years and/or a fine of up to \$250,000. So do not engage in any of these surreptitious methods of cheating in bankruptcy. So do not cheat in your bankruptcy filing. Talk to us instead at (813) 200 4133. It's free and won't get you into trouble.