



2015 ANNUAL REPORT
presented at the
State of the Court Luncheon

September 24, 2015

Chief Judge Gerald E. Rosen

STATE OF THE COURT MESSAGE

September 24, 2015

I. Judicial Officers

Last year, Chief Judge Rosen reported that all previous vacancies in the Eastern District of Michigan were filled. That continues to be the case as there are no vacancies in our District.

The Eastern District of Michigan lost two beloved judicial officers in the past year. Judge Paul V. Gadola, Jr. passed away on December 26, 2014. He was appointed to the United States District Court by President Reagan on October 17, 1988, took senior status on January 31, 2001, and retired on September 5, 2008. He spent much of his career with the Eastern District of Michigan as the resident judge in Flint.

Judge Lawrence P. Zatkoff passed away on January 22, 2015. He was appointed by President Reagan on March 4, 1986, and served as Chief Judge of the Eastern District of Michigan from January 1, 1999 until June 16, 2004 when he took senior status. While he spent a large part of his time with the Court in Detroit, he moved to Port Huron after taking senior status and spent the remainder of his tenure there as the resident judge.

Bankruptcy Judge Phillip J. Shefferly continues to serve as Chief Judge of the Bankruptcy Court. Chief Judge Shefferly is in the second year of his current term, which will end on April 24, 2017. Bankruptcy Judge Walter Shapero continues to serve the Bankruptcy Court in recall status.

Magistrate Judge Elizabeth A. Stafford was appointed to the Eastern District of Michigan on November 17, 2014, filling the vacancy created by the elevation of Judge Mark A. Randon to Bankruptcy Judge. Magistrate Judge Stafford was formerly employed as an Assistant United States Attorney for the Eastern District of Michigan.

Magistrate Judge Anthony P. Patti was appointed to the Eastern District of Michigan on January 6, 2015, filling the vacancy created by the elevation of Judge Laurie J. Michelson to District Judge. Magistrate Judge Patti was formerly a partner at the law firm of Hooper, Hathaway, Price, Beuche & Wallace, PC in Ann Arbor.

Magistrate Judge Paul J. Komives, who has served the Eastern District of Michigan since 1971, departed from the Court on January 6, 2015 after 43 years. He retired on July 12, 1997, but continued to serve in recall status until early this year. At the time of his departure, he was the longest serving magistrate judge in history of the United States.

Our nine senior judges continue to contribute substantially to the work of the Court. Judges Cohn, Duggan, Friedman, Cleland, Edmunds, O'Meara, Tarnow, Steeh, and Battani receive cases at the same rate as district judges in active service.

As of this writing, there are 24 district judges (15 in active service and 9 in senior status) and 7 magistrate judges serving in the Eastern District of Michigan, for a total of 31 judicial officers.

II. Clerk’s Office Statistical Information

A. Civil and Criminal Case Information - Calendar Years 2013 and 2014

	<u>2013</u>	<u>2014</u>	<u>%</u>	<u>Circuit %</u>	<u>National %</u>
Civil Cases Filed	5,496	5,090	-7.4	3.0	-0.9
Civil Cases Terminated	5,743	5,153	-10.3	5.7	0.4
Criminal Cases Filed	779	659	-15.4	-14.6	-9.2
Criminal Cases Terminated	724	708	-2.2	-11.4	-7.2
CR Defendants Filed	1,124	960	-14.6	-16.8	-10.8
CR Defendants Terminated	1,027	1,044	1.7	-10.4	-6.7

Our 5,090 civil filings for 2014 rank our district 1st in the Sixth Circuit and 17th nationally, and our 5,153 civil terminations rank us 1st in the Sixth Circuit and 13th nationally. On the criminal side, our 659 filings rank us 1st in the Sixth Circuit and 17th nationally. Our 708 terminations rank us 1st in the Sixth Circuit and 18th nationally.

B. Civil Cases - Median Time Intervals from Filing to Disposition of Civil Cases Terminated During the 12-Month Period Ending June 30, 2015

	<u>Total Cases</u>	<u>Median Time Interval in Months</u>
Cases Disposed of With No Court Action	782	3.0
Cases Disposed of Before Pretrial	1,342	6.2
Cases Disposed of During or After Pretrial	1,585	13.0
Cases Disposed of By Trial	33	20.8

Our total number of 3,742 civil cases disposed of during this time period, with an overall median time interval of 8.6 months, ranks us 2nd in the Sixth Circuit and 38th nationally.

C. Criminal Defendants - Median Time Intervals from Filing to Disposition of Criminal Defendants During the 12-Month Period Ending June 30, 2015

	<u>Total Defendants</u>	<u>Median Time Interval in Months</u>
Defendants Dismissed	86	36.5
Plea of Guilty	795	9.0
Defendants Disposed of By Trial	59	18.6

Our total number of 942 criminal defendants disposed of during this time period, with an overall median time interval of 10.2 months, ranks us 7th in the Sixth Circuit and 61st nationally.

III. Bankruptcy Court Statistical Information

	2013	<u>2014</u>	<u>%</u>	<u>Circuit %</u>	<u>National %</u>
Bankruptcy Filings	31,768	27,107	-14.7	-11.8	-12.6
Bankruptcy Terminations	37,530	31,256	-16.7	-7.7	-8.8

The Bankruptcy Court's 27,107 filings and 31,256 terminations rank 1st in the Sixth Circuit. Nationally, our filings rank us 7th in filings and 5th in terminations.

IV. Probation Department Information

	<u>2013</u>	<u>2014</u>
Persons Supervised	1,609	1,609

The number of persons supervised is the 4th highest in the Sixth Circuit and represents 14% of the total number of persons under supervision in the Sixth Circuit. Nationally, the

Eastern District of Michigan ranks 27th in the number of persons under supervision. The major offenses continue to be violations of drug laws and fraud. Notably, we have seen a significant increase in health care fraud combined with illegal prescription drug distribution. Other contributing offenses were weapons/firearms violations and sex offender cases. There has been a significant decrease in illegal immigration cases.

V. Pretrial Services Agency Information

	<u>2013</u>	<u>2014</u>
Pretrial Initial Appearances	1,306	1,084
Pre-Bail Reports	1,141	959

The 1,084 initial appearances and the 959 pre-bail reports are the highest in the Sixth Circuit, and 12th for initial appearances and 13th for pre-bail reports nationally.

VI. Building Renovation Project

As I have mentioned in previous years, the Levin Courthouse continues to suffer significant infrastructure deficiencies, and the Court has been working for years to address these issues. The General Services Administration (GSA) has received funding for Phase I (31 million) and Phase II (40.5 million) from Congress for the Prospectus Infrastructure Repair Project at the Levin Courthouse. Phase III has been authorized by the House Committee on Transportation and Infrastructure (68.8 million) and has been submitted as part of the President’s Fiscal Year 2016 budget.

GSA has hired EYP, an Architectural firm for design, and recently selected and awarded the Construction Contract to The Christman Company (Christman). Christman has a very good reputation with historic preservation and restoration. I have appointed an ad hoc committee of the Court consisting of Judges Cleland, Hood, Cox and myself in order to be available for project progress updates and to provide critical design and construction input and feedback throughout the project life cycle.

Phase I Construction work will start this fall (2015) with the Contractor mobilizing to the site. Major work items will begin this winter on the modernization of the eight passenger elevators, the replacement of three existing chillers, new electrical switchboard and build out swing space in the courthouse.

Phase II will begin in the Fall of 2016 and include the renovation of the parking and

loading dock area in the basement, begin construction of a new stair tower and elevator tower in the interior light court, creation of a new contractors entrance on Shelby (this will become the employee entrance at the completion of the project), the construction of a new Duty Court on the 1st floor and the start of the infrastructure improvements on the 9th and 10th floors.

Phase III will begin in the spring of 2017 and focus on the floor by floor infrastructure improvements based on a sequencing plan to minimize interruption of court operations. The total estimated cost for all phases of the project is \$140,300,000.

The Highlights of the Renovation are:

Basement/Parking: The Judges parking and the prisoner circulation will be separated from each other. The Marshal plans to build a prisoner sally port in the future. At the moment, the number of judicial parking spaces will remain the same; however, we are working with GSA and have a contingency plan to expand judicial parking up to 33 spaces. The project budget will ultimately determine how many spaces we can add.

Life Safety Improvements: Currently, there are not enough means of egress in the building in case of an emergency per today's building code standards. GSA is installing a new stairwell on the Shelby side of the building within the light court. Also, GSA will be adding a new exit door to the Fort Street stairwell. In addition, GSA will be installing two new elevators next to the new stairwell. All of the current passenger elevators will also be replaced.

New Electrical System: Four new electrical closets on each floor will be installed in order to make electrical improvements moving forward.

HVAC: The current building air conditioning and heating systems are at the end of their life cycle. New units will be installed to replace all the systems in the building. In the future, individual areas will be able to be better controlled by GSA with modern technology.

New Plumbing/Public Restrooms: All the major plumbing lines will be replaced throughout the building and all the public restrooms will be updated.

Light Court/Snack Shop: The current plan is to relocate the snack shop to the 4th floor with an adjacent outdoor "green space" in the light court (3rd floor roof). Employees and the public will be able to enjoy lunch outside during the warmer months of the year without having to leave the building. Space will also be provided indoors as well.

Impact: At some point during the renovation all court staff (including the Judges), will be relocated to swing space for approximately six months. We will keep the public and the

Federal Bar updated on scheduling and locations of Judges. We will post updates on our internet page for this purpose.

I want to thank you for your cooperation through this period. I know that the next few years are not going to be easy on anyone. However, after the completion, the building will be greatly improved and will endure for many more years to come to house the Court family and better receive the public and the Bar.

VII. Budget

The fiscal year 2015 budget, which ends on September 30, 2015, was a major improvement from the prior 2014 fiscal year for the Federal Judiciary, including the Eastern District of Michigan. The District Court Fiscal Year 2015 local budget was 3.1 million dollars more than Fiscal Year 2014 and 5.1 million more than the sequestration budget year of 2013.

The Court did not receive its final fiscal year 2015 budget until January 2015. The District Clerk's Office, Probation Department and Pretrial Services Agency payroll accounts were funded at 95.2% of their staffing formulas. In fiscal year 2015, the District Clerk's Office authorized staffing decreased by five work units, Probation Department decreased 1.6 authorized work units and Pretrial Services Agency decreased 5.5 work units. The operational and information technology accounts were reduced by 4.8% across-the-board for the District Clerk's Office, Probation Department and Pretrial Services Agency.

Congress restoring our Fiscal Year 2015 and 2014 local budget above sequestration levels has allowed us to hire additional Clerk's Office staff, Probation Department and Pretrial Services Agency officers, and has allowed the Court to restore all normal operational levels to the public and the Bar prior to sequestration.

The final budget picture for fiscal year 2016 is not yet known. The Senate and House Appropriations Committees of the FY 2016 Financial Services and General Government (FSGG) Appropriations Bill provided the Judiciary with 2.4% and 3.2% overall increases, respectively, above our 2015 budget level.

We expect to be on a Continuing Resolution (CR) starting the beginning of the fiscal year, October 1, 2015 at one percent above our fiscal 2015 budget level until a final budget is passed.

Congressional action in Fiscal Year 2015 and 2014 were very good budget years and to date on Fiscal Year 2016 Judiciary appropriations is very encouraging and reflects the hard work of the Judicial Conference's Budget Committee, and judges around the country

involved in Congressional outreach efforts.

For many years at the State of Court speeches, I was the bearer of bad budget news for the judiciary. As I end my tenure as Chief Judge, I am very encouraged that the last two fiscal years have been extremely good for the Judiciary, and the prospect for 2016 and beyond appears to be positive as well.

I want to personally thank our outstanding staff that has been doing more with less for several lean years. I also want to thank Congress for making the Judiciary a funding priority in order to allow us to continue to provide the level of services that the Court historically has provided to the public and the Bar for many years.

I will continue to keep you informed on FY 2016 funding for the Judiciary as it progresses through the full Congress and ultimately the President of the United States.

VIII. Space and Facilities Projects

The Court recently completed a renovation of Room 115, the large multi-purpose room on the first floor of the Levin Courthouse. This room is used for naturalization ceremonies and FBA functions, as well as numerous Court activities. For many visitors, this is the only room in the Courthouse that they will see. With that in mind, the Court upgraded the lighting and finishes, as well as planning to install numerous pictures of old Detroit. Once the last phase of the project is complete, this room will be renamed The Detroit Room.

The current Media Room will be renovated in the next few months. The space will be double in size and will be upgraded with video screens so the press will be able to monitor any trial in progress. The space will also be able to isolate the two rooms in the event that there is more than one high profile case occurring at the same time.

The former Clerk's Office space in Ann Arbor is being renovated to accommodate the Probation Office. This project will allow of as many as six Probation Officers to work at that location, twice their current capacity.

Pretrial Services will be renovating their Intake area in the Levin Courthouse. The lighting and furniture will be upgraded. Also, the intake counter will be rebuilt to accommodate a built-in workstation for processing new clients.

The Probation Department has initiated a new project to consolidate all of their staff on the 9th floor of the Levin Courthouse. With all the recent technology improvements, Probation Officers can perform most of their work in the field. When this project is complete, the Probation Department will vacate all of their space on the 10th floor.

IX. Special Sessions of Court

On March 19, 2015, the Court held the Investiture of Magistrate Judge Elizabeth A. Stafford, who was officially appointed on November 17, 2015. Magistrate Judge Stafford filled the vacancy created when Judge Mark A. Randon was elevated to the Bankruptcy Court.

On April 24, 2015, the Court held the Investiture of Magistrate Judge Anthony P. Patti, who was officially appointed on January 6, 2015. Magistrate Judge Patti filled the vacancy created when Judge Laurie J. Michelson was elevated as a District Judge.

On May 4, 2015, the Court held the Portrait Presentation of Judge John Corbett O'Meara. His portrait will be hung in the Ann Arbor Courthouse.

X. Naturalization Ceremonies

In calendar year 2014, the Eastern District of Michigan naturalized 10,453 new citizens, close to the 10,942 in 2013. We are expecting to swear in approximately 10,663 by the end of the current year. Bi-weekly naturalization ceremonies continue to take place in the Court's multi-purpose room and in Courtroom 100. In addition to those ceremonies, judicial officers presided over several large off-site ceremonies throughout the Eastern District including venues such as Comerica Park, the Detroit Opera House, and several local community festivals.

XI. Court Ombudsman

On March 24, 2015, the Eastern District of Michigan appointed Judge Fred Mester as Ombudsman. Judge Mester is a former Circuit Court Judge for the Sixth Judicial Circuit on Michigan and is currently a certified mediator, arbitrator and facilitator, as well as a visiting judge for the Sixth Judicial Circuit of Michigan. He is an active member of the Federal Bar Association, both locally and nationally, and is a member of several other well known bar associations.

Judge Mester was appointed following the death of former Ombudsman Attorney George Bedrosian in December 2014. Mr. Bedrosian was appointed as the first Ombudsman for the Eastern District of Michigan in 2005 by then-Chief Judge Bernard A. Friedman, the first Ombudsman for our District. He was a partner in the Detroit law firm of Goodman, Eden, Millender & Bedrosian for over 35 years, and was active in alternative dispute resolution until the time of his death.

The Ombudsman's role for the Eastern District of Michigan is as an intermediary between judicial officers of the Eastern District and the Bar. He acts on an informal basis to interface and address those matters lacking an institutional mechanism or forum for redress.

XII. Security

The Court's Security Committee, chaired by Judge John Corbett O'Meara, continues to meet regularly with the Marshals Service to discuss security concerns and means by which federal court facilities can remain safe for judges, the Bar, court staff and the public. Additionally, the expanded District-Wide Security Committee continues to meet twice annually. This expanded committee includes members from the Court, as well as from the U.S. Attorney's Office, Federal Defender Office, GSA, and FPS.

XIII. Case Management/Electronic Case Files (CM/ECF)

The Court has reached another milestone in increasing transparency and making access to court records inexpensive and efficient through CM/ECF. The Clerk's Office has begun to upload digital audio recordings of magistrate hearings into CM/ECF. Currently uploading the proceedings in Duty Court, the Court hopes to expand the program to other magistrate judge hearings in the near future. Attorneys of record get a "free look" and interested members of the public can download the mp3 file using their PACER account. In just three months, more than 300 people used a PACER account to download various duty court recordings.

The number of e-filers has grown by more than 2,000 in the last year to more than 18,500 attorneys and pro se filers. Of those thousands of e-filers, more than 5,200 of them filed in the past year. The Court has also worked out procedures allowing attorneys to file sealed documents in criminal cases, leaving virtually no exceptions to e-filing. Filing documents with the Court has never been easier and all involved parties appreciate the reliable filing system and documents at their fingertips. In the next year, the Clerk's Office will begin preparations to transition to the next generation of CM/ECF, which will be implemented across the country over the next few years. This next generation system will provide many new features for attorneys and members of the public.

XIV. Pro Bono

The Court's Pro Bono Committee, assisted by the Federal Bar Association Pro Bono

Committee, continues the work of the Federal Pro Bono Council, an initiative to increase the number of firms, bar associations, and solo practitioners participating in the Court's Pro Bono Program. Past FBA President Thomas McNeill spearheaded this effort several years ago, and Dean John Nussbaumer and Lynn Shecter Co-Chair the Council's Steering Committee. A mediation component of the Council is co-chaired by Antoinette Raheem, Ed Pappas and Marty Reisig. A Recruitment Committee made up of several local and special bar associations is chaired by Marla Linderman. The Resource and Training Subcommittee is chaired by Fred Herrmann.

The pro bono attorney participants have accepted assignments in approximately 25 cases over the past year. Volunteers include not only law firms, individual attorneys, and bar associations, but also an ADR organization and a litigation services company. Court staff, including judges' staff members and Clerk's Office managers, have been invaluable in making this program a success.

The Court is also grateful to those firms and individuals who have taken on pro bono cases this year. The Law Day "Ask the Lawyer" program sponsored by the Court and the FBA continues to be a success with lawyers, law students, and staff assisting persons who have filed pro se cases in our Court.

The Court looks forward to continued combined efforts to assist those who appear in our court without representation. This service to the community is greatly needed and our program provides a unique opportunity for lawyers and other volunteers to use their skills to fulfill their pro bono commitment to the profession.

XVI. Court History Program

A dedication ceremony was held at the Bay City Courthouse on December 12, 2014 for the exhibit of "Delivering Justice in Eastern Michigan", a comprehensive history of dispute resolution in the United States. The exhibit was put together with the help of the Historical Society for the Eastern District of Michigan and the Saginaw Chippewa Indian Tribe of Michigan.

The Court's oral history program is still going strong. To date, there are completed oral histories of District Judges John Feikens, James Churchill, James Harvey, Horace Gilmore, Robert Demascio, Stewart Newblatt, Paul Gadola, Julian Abele Cook, Jr., Anna Diggs Taylor, Lawrence Zatkoff, Avern Cohn, Patrick Duggan, and Bernard Friedman; Bankruptcy Judge George Brody; Magistrate Judge Paul Komives, and former Court Administrators John Mayer and David Sherwood. Orals histories of Chief Judge Gerald E. Rosen and Judge John Corbett O'Meara are in progress.

This year's joint Federal Bar Association-Historical Society luncheon is scheduled for November 10, 2015 at the Westin Book Cadillac.

XVII. Relationship Between the Bench and the FBA

On August 25, 2015, the district judges continued their practice of hosting an annual meeting with representatives of your Chapter of the Federal Bar Association. Items discussed included the communications, website, chapter finances, membership, the luncheon program, and the court historical society.

XVIII. Law Day 2015

The Court and the FBA co-hosted a Law Day event on May 1, 2015. This year's national theme was "*Magna Carta: Symbol of Freedom*", celebrating the 800th anniversary of the Magna Carta. Several federal agencies, as well as Court departments set up booths to inform attendees of their purpose and provide demonstrations. Some of these agencies include the Bureau of Alcohol, Tobacco, Firearms, and Explosives; Customs and Border Protection; U.S. Coast Guard; U.S. Drug Enforcement Agency; Federal Bureau of Investigation; Internal Revenue Service, the U.S. Postal Inspection Service, and many more. Law Day guests included local high school students, college students, and members of the Bar and public. Courthouse tours were also led by Barbara Radke.

The Court, in conjunction with the Federal Bar Association and the Wolverine Bar Association, continued with the always popular "Ask the Lawyer" program where attorney volunteers provided free legal advice to people who have cases pending in our Court and do not have lawyers representing them, as well as other persons with legal questions, was a success as well. This year's "Ask the Lawyer" program included 27 volunteer attorneys who provided legal advice to the 35 litigants who attended. We also had eight student volunteers from Cooley Law School assist with the program.