

## JOB LOSS MAY LEAD TO BANKRUPTCY CRIMES



In October 2012, PayPal announced it was shedding around 325 employees as part of a re-organization by the company's new president, David Marcus, seven months after he took office. Besides employees, the company will let go 120 contractors. Most of the job cuts are in PayPal's product and technology units. Around the same time, Sharp made public workforce cuts to become more agile. The company considered cutting more than 10,000 jobs, about 18 percent of its workforce, reported Bloomberg. The company was in talks with Foxconn to rid three manufacturing plants. At the end of the second quarter, Sharp owed an estimated \$16 billion in debt and didn't have cash to cover its short-term obligations. With so many job losses, people are continuing to file bankruptcy. Bankruptcy may be a test of honesty more than the ability to reform personal finances. All of a debtor's actions will be examined by the bankruptcy court and trustee once a person files for bankruptcy as a result of unemployment or other inability to meet debt obligations. The aims of bankruptcy are to provide a fresh start for consumers and equitably distribute a debtor's estate to creditors. Job loss can bring on emotions of not meeting personal career goals and financial expectations. Sometimes a person may put too much value in material things and commit bankruptcy crimes. For example, when a debtor fills out a petition, the individual needs to ensure everything is true. An attorney may help to complete the paperwork, but like tax returns, the individual stays responsible for clerical errors and other mistakes. When a person loses a job, there is pressure to make plan payments. If a person files Chapter 13, for example, and is not able to make the payments, the debtor needs to ask the court to modify the repayment plan. Once the court confirms the plan, the creditors agree to what they will get, and the debtor pays the trustee monthly amounts to be distributed to the creditors. The bankruptcy process relies upon everyone's integrity. Bankruptcy crimes are not based on harm. Bankruptcy crimes seek to prevent abuses of the system to make sure people do not file bankruptcy when they just want the advantage of the automatic stay to stop creditors from collections, or to hide assets they do not want to lose. A conviction of a bankruptcy crime may result in fines, or a criminal record. A fine can become a lien on all of the debtor's property and rights to future property such as inheritance. Entry of a guilty plea or a conviction can mean loss of employment opportunities because many employers do background checks, and may not want to work with someone who has a criminal background.

**Update:** Once again the rate of job opportunities becomes higher. Qualified candidates can [apply here](#) for latest openings.