

Court Coffers Are Dry. Now What?

By Mike Vilensky 2025-10-20T07:03:49000-04:00

Funding's running out for federal courts in New York and around the country, leaving a host of questions about how they'll function as the government shutdown enters a critical period.

Furlough notices for federal courts will be handed out around the country on Monday, per a memo from Administrative Office of the US Courts Director Robert Conrad. Funds slated to keep the court up and running ran out Friday, and the judiciary "will have no funding to incur obligations or make payments for most activities" now that we're on to "phase 2" of the shutdown, the memo says. [Read More](#)

With those comforting words, the impacts on New York's federal courts are still coming into focus. An Oct. 3 [memo](#) from Eastern District of New York Chief Judge Margo K. Brodie that I obtained said court staff should plan to stop receiving "regular salary payments" after Oct. 17.

"The Court may situationally furlough employees," the memo says. Not getting paid until the shutdown's over, per the memo: **court reporters, interpreters, or jurors**.

The Southern District of New York hasn't updated its guidance since Sept. 30, when it [said](#) "questions regarding how the funding situation may affect scheduling or proceedings in individual cases should contact the assigned judge's chambers directly."

Spokespeople for the Southern and Eastern Districts, which encompass Manhattan, Brooklyn, and the surrounding areas, didn't respond to requests for comment.

New York State courts won't be impacted.

"We'll start to see on Monday how different federal courts react to this," New York County Lawyers Association President Richard Swanson told me. "It may be different from district to district."

But without clerks, marshals, and other key court staff, **"the whole system can grind to a halt,"**

Swanson said.

For now, there are cases on the calendar and attorneys prepared to show. Here's some we'll be watching this week:

- **Ex-Queens Defender chief Lori Zeno** is scheduled to appear in Brooklyn federal court on Monday as she faces [charges](#) of stealing from the indigent defense organization that she ran. Judge Rachel P. Kovner is set to address the government's request for Zeno to wear an ankle monitor as she awaits trial. [Docket](#)
- The Second Circuit on Monday will hear arguments in a challenge to **New York's pistol licensing scheme**, including a provision allowing judges to serve as licensing officers. Antero Oliveira of Westchester [says](#) he was unconstitutionally denied a pistol license by a judge over past arrests that ended in case dismissals. [Docket](#)
- **NXIVM leader Keith Raniere** is set to argue for a new trial at the Second Circuit on Tuesday. Raniere [says](#) expert findings show that evidence presented at the trial — images showing child pornography — was falsified. Raniere, who led an “executive coaching” organization and a related secret society premised on “master-slave” relationships, was sentenced to 120 years in prison for sex trafficking, forced labor, racketeering, and child pornography. [Docket](#)
- **Archegos' polo-playing head trader William Tomita** faces sentencing Tuesday in Manhattan federal court. Tomita pleaded guilty and [cooperated](#) with prosecutors against **founder William Hwang**, who was sentenced to 18 years in 2024. Hwang was convicted of orchestrating a scheme to defraud banks into providing Archegos with billions of dollars in trading capacity that it used to inflate the value of its holdings until it imploded. [Docket](#)

Q&A: Anna Estevao, Diddy Defense Lawyer

Anna Estevao joined Manhattan-based boutique **Harris Trzaskoma** as a partner earlier this year. Among her first tasks: cross-examining [Cassie Ventura](#) at the sex trafficking and racketeering trial against Sean “Diddy” Combs, as part of Combs' legal defense team.

Harris Trzaskoma was formed this year by Justine Harris and Theresa Trzaskoma, who left Sher Tremonte to launch the firm. Before private practice, NYU Law grad Estevao cut her teeth as a federal public defender.

She told me about upsetting expectations at the Combs trial and her concerns for defendants'

discovery rights.



Courtesy of Harris Trzaskoma

MV: Which of your past cases keeps you up at night?

AE: All of them. My clients come from different walks of life but each faces very serious challenges with enormous, potentially life-altering consequences. Being in their corner and doing everything I can to achieve the best possible outcome for them leads to a lot of sleepless nights.

What is the biggest challenge facing attorneys in 2025?

AE: Advocating for the underdog, particularly in the federal criminal system, has never been easy, but we're now living at a time when the very rule of law is in jeopardy, when prosecutors are experiencing enormous political pressure, and when basic legal protections are under threat. It will be important to find creative ways to navigate this new legal landscape.

When was the last time you were in a courtroom?

AE: Yesterday, I had a bail review hearing for a CJA client who happens to be facing the exact same charges that were brought against Sean Combs. I believe that everyone deserves a high-quality defense, and show up for each of my clients, whether retained or appointed, in the same way. Celebrity cases sometimes distract from the fact that everyday defendants also suffer similar injustices — overcharging, pressuring witnesses — and we can't lose sight that these are largely due to systemic problems.

What is one statute you'd add or repeal?

AE: For a start, I would ensure that criminal defendants have more robust procedural protections, including the right to depositions and greater subpoena power. It's a travesty that civil litigants are entitled to more discovery than criminal defendants whose liberty is at stake.

What book is on your bedside table?

AE: Call me a millennial, but I mostly read on my phone. Right now it's Haley Cohen Gilliland's "A Flower Traveled in My Blood," about Argentina's Dirty War. It's personal for me because my father was a student journalist in Argentina when he was kidnapped and held in a secret detention center for years before coming to the US as a refugee.

Is it better to be a bulldog in the courtroom or underestimated?

AE: As a thirty-something-year-old woman in this profession, I've only ever been underestimated. But more to the point, being a bulldog is not the only effective way to advocate for your client, so you really need to hone a variety of skills and modes.

Nobody expected me to cross-examine Cassie Ventura in Sean Combs' criminal trial, and we were able to upset everyone's expectations with a really nuanced approach. We didn't just follow the playbook of bashing the government's star witness; we knew something different was required in order to keep the jury with us and develop our defense themes.

It's the court lunch break and you're famished. Where are you going?

AE: The specials at the cafeteria at 500 Pearl are surprisingly good.

This interview has been condensed and edited. Read last week's Q&A with Fox Rothschild's Josh Kopelowitz [here](#) . Email me at mvilensky@bloombergindustry.com to participate.

BNP to Pay \$20M to Sudan Refugees

BNP Paribas was found liable for aiding the Sudanese government's human rights abuses, with a jury awarding three refugees some \$20 million total.

The three bellwether plaintiffs are part of a class of 23,000. They were each [awarded](#) around \$7 million on Friday after a five-week trial.

“The jury recognized that financial institutions cannot turn a blind eye to the consequences of their actions,” Bobby DiCello, an attorney for the plaintiffs, said.

The [trial](#) stemmed from a suit filed nearly a decade ago alleging the French bank knowingly helped a Sudanese dictator sell oil so the regime could use the proceeds for a violent ethnic cleansing campaign.

A bank spokesman said BNP has “strong grounds to appeal” and that “the verdict is specific to these three plaintiffs, and we strongly believe it should not have broader application beyond this decision.”

But **Bloomberg litigation analyst Elliott Stein** said that **the verdict “could be costly”** and that he wouldn’t “rule out a settlement in the low billions” as other class members press their claims.

- **Also Read:** [Why BNP Paribas Is on Trial Over Sudan Human Rights](#)

They Said It

“My goal now is to turn my past into something meaningful, to help create a justice system that truly believes in rehabilitation and second chances.”

—**Ex-Queens Rep. George Santos**, newly released from prison after President Donald Trump commuted his sentence, [says on X](#) that he’s a changed man. He’s also [back on Cameo](#). [Read more on the commutation.](#)



George Santos left federal court in Central Islip on April 25, 2025.

Photographer: Yuki Iwamura/Bloomberg

Finance

SEC Zeroes in on Insider Trading and Offering Fraud Under Atkins

The SEC has pared back enforcement since a new administration took over nine months ago, slashing new lawsuits by over a quarter with Trump-appointed leaders at the helm.

Jefferies Says Weiss Deal With Wife Doesn't Meet Legal Standard

Jefferies Financial Group Inc. said a proposed settlement between bankrupt hedge fund manager George Allen Weiss and his wife fails to meet the legal requirements for court approval after the firm confidentially reviewed their prenuptial agreement.

Tariff Whistleblower Drops Suit Against New York Footwear Seller

A False Claims Act whistleblower who accused the owner of New York footwear companies of engaging in a tariff fraud scheme is ending her suit, ahead of a trial scheduled for February.

In the Courts

Bankrupt Albany Diocese Settles Clergy Abuse Case for \$8 Million

The Roman Catholic Diocese of Albany agreed to settle for \$8 million the first of seven clergy sex abuse lawsuits that were permitted to go forward against the bankrupt diocese.

Nielsen Accused of Monopolizing Radio Ratings Data Market

Nielsen Holdings Plc was sued in federal court by an owner of hundreds of radio stations, which accuses the company of using monopoly power to force it into subscribing to overpriced local radio ratings.

AIDS Drug Purveyor Sued For Sharing User Health Info With TikTok

MISTR, a telemedicine provider of the AIDS-preventative known as PrEP was hit with a proposed class action for allegedly sharing sensitive medical information about HIV patients with TikTok and

other third party trackers.

Cushman & Wakefield Unit, Worker Reach Deal in NY Pay-Delay Case

Commercial real estate firm Cushman & Wakefield U.S. Inc. and a former worker reached a deal to end a lawsuit alleging the company ran afoul of a New York law requiring weekly pay for manual laborers.

NJ Town Can't Use Yeshiva Refund to Redeem Tax Sale Certificate

The township of Lakewood is barred from using a property tax refund to offset a tax sale certificate that was invalid because the property was exempt, a New Jersey tribunal held Friday.

Trump Refiles Shorter NYT Lawsuit Judge Blasted as Too Long

President Donald Trump refiled a streamlined version of his \$15 billion defamation lawsuit against the New York Times, stripping out the “repetitive,” “superfluous” and “florid” allegations and details that resulted in a federal judge tossing it out last month.

Trump Judge Bove Pushes for Judicial Deference on Deportations

Emil Bove, in one of his first opinions as a federal appeals court judge, said the judiciary should show deference to the executive branch in a case challenging a deportation order.

Mangione Seeks to Toss US Murder Charges Over Trump

Comments

Luigi Mangione's lawyers said his federal death penalty case should be dismissed because comments made by President Donald Trump, Attorney General Pam Bondi and other top officials have damaged his ability to get a fair trial.

Policy & Politics

Adams Weighs Stacking Rent Board, Risking Mamdani Priority

New York Mayor Eric Adams is considering a slate of appointments that could wield the power to block parts of mayoral front-runner **Zohran Mamdani's** agenda.

US Pauses \$11 Billion of Projects Across Harris-Voting States

The US Army Corps of Engineers will pause \$11 billion in infrastructure projects in 12 states that voted for Democrat Kamala Harris in 2024 as the White House continues to exert leverage in talks to end a government shutdown now in its 17th day.

NYC Halts 34th Street Busway Project After Trump Funding Threat

New York City halted work on its plan to redesign 34th Street in Midtown to speed up bus service after the Trump administration ordered the city to pause it.

Statehouse AI Job-Loss Solutions Range From Punitive to Positive

State lawmakers have tackled the risks of AI-driven job displacement in limited ways, with a division emerging between “carrot” versus “stick” legislative approaches.

Business & Practice

Kirkland ‘Homecoming’ for Versatile Litigator Departing Latham

A partner in Latham & Watkins’ litigation practice—who helped defend the US Soccer Federation against pay discrimination claims—has returned to Kirkland & Ellis, where he practiced for five years as an associate.

Kirkland & Ellis Promotes Record Number to Partnerships

Kirkland & Ellis promoted a record number of lawyers to the firm’s partnership this year, topping the previous high of 205 in 2023, according to two people familiar with the matter.

Ex-Acting SDNY Chief Jumps to Sidley’s White Collar Defense Team

Matthew Podolsky joined Sidley as a partner in its white collar defense and investigations practice in New York, the firm announced Thursday.

ANALYSIS: More AI-Using Litigants Getting Caught Hallucinating

Litigants’ usage of AI-hallucinated cases, quotes, and citations in briefs and other case filings is becoming increasingly common, based on a Bloomberg Law analysis of court opinions and other judicial orders. In 2025, instances in which lawyers and pro se litigants were caught misusing

generative AI have increased sevenfold.

Columnist Corner



It was bliss when she first left billable hours behind for an in-house gig, writes new Bloomberg Law columnist **Ellen Yang**. But no one tells you that “eventually, at a mature company, your career development and progression will plateau,” she writes.

You don’t need to switch jobs to keep things feeling fresh, Ellen writes. She suggests taking on a passion project or switching out of your lane at the office to get you feeling engaged and inspired again. [Read More](#)

Commentary & Opinion

Legal Operations Is Hidden Catalyst for Faster M&A Integration

Legal operations has evolved from a support function to a strategic partner for general counsel, optimizing efficiency and driving business value.

Editor's Pick

Man With Gun Tackled, Arrested at Conference in Downtown NYC

Police arrested a man wielding a gun at a conference at an office building near Union Square in Manhattan.

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