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For further information: contact:  
David E. Johnson, Jr., Director, OAE  
(609) 530-4008

### **Office of Attorney Ethics Releases 2002 Annual Report**

Trenton, N.J..The Office of Attorney Ethics (OAE) released its [2002 annual report](#) to the New Jersey Supreme Court today. The OAE serves as the Supreme Court's investigative and prosecutorial arm in attorney-discipline matters. The report contains information on the state's attorney disciplinary system, the fee arbitration process, the random audit program and the annual attorney registration process. The programs described in the annual report are funded through fees paid by New Jersey's approximately 77,500 attorneys.

The complete text of the [OAE annual report](#) may be found at the Judiciary Web site, [www.njcourtsonline.com](http://www.njcourtsonline.com).

### **OAE Year 2002 Report Highlights**

#### **Public Discipline**

In the area of attorney discipline, the report reveals that 267 lawyers were disciplined in calendar year 2002. The Court imposed final sanctions on 226 lawyers, while another 41 received temporary, emergent sanctions. Statistics for final sanctions (totaling 226) in 2002 included:

- 20 disbarments;
- 22 disbarments by consent, a process in which lawyers voluntarily surrender their licenses;
- 81 suspensions;
- 63 reprimands;
- 38 admonitions;
- 1 censure;
- 1 disability-inactive, the status of an attorney unable to practice due to a medical condition.

#### **Fee Arbitration**

New Jersey is one of only 10 states to have a statewide, mandatory fee arbitration program. In 2002, the state's 17 district fee arbitration committees, composed of volunteer attorneys and public members, disposed of 1,282 cases involving disputes over lawyers' fees.

In New Jersey, lawyers are required to submit their fees to review by an arbitration committee at the request of a client. Under the program, the attorney has the burden of proving that the fee charged was reasonable.

Since participation in the fee program is mandatory on the part of lawyers, clients requesting use of the system must consent to be bound by the results of the process. If the fee in dispute is \$3,000 or more, a panel of two lawyers and one

public member usually hears the matter; disputes involving smaller amounts may be heard by a single lawyer member of the committee. Filing fees of \$50 each from both the client and lawyer are required in arbitration cases.

The fee arbitration system, which is administered by the OAE under the supervision of the Supreme Court, operates independently of the disciplinary system.

## **Random Audit Program**

New Jersey is one of only seven states to have an operational random audit program. Under this program, trust accounts of private practice law firms in the state are randomly selected by computer for audit. The primary purpose of the audit is to determine whether or not the law firm is complying with mandatory record-keeping requirements meant to insure the integrity of clients' trust monies maintained by the law firms. While designed to identify problems with record-keeping, the audits have proven to be an important consumer protection tool in a number of cases involving lawyer theft and other serious financial violations.

This report also includes a 20-year retrospective of the random audit program.

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