

Fake ChatGPT Cases Result in \$5,000 Loss for Lawyers



A federal judge has fined two Manhattan lawyers \$5,000 for submitting a court brief generated by ChatGPT, an artificial intelligence language model. The lawyers, Steven Schwartz and Peter LoDuca were found to have included bogus quotes from nonexistent cases in their 34-page brief. The judge has also ordered them to send the sanctions opinion to the real-life judges that ChatGPT claimed had issued the fake opinions. However, the financial penalty may not be the most significant consequence they face, as the public attention surrounding the case could be even more damaging to their professional reputations.

Legal ethics experts have suggested that Schwartz and LoDuca could potentially face additional disciplinary action from the New York State Bar Association due to their use of ChatGPT. US District Judge P. Kevin Castel concluded that at least one of the lawyers knowingly made false statements to the court, and both lawyers persisted in defending the fake cases despite questions raised about the accuracy of their brief. Jan Jacobowitz, a legal ethics attorney based in Miami, commented that the lawyers have become emblematic of the improper use of artificial intelligence in the legal profession, and their case has garnered significant public attention.

The combination of widespread news coverage and the imposed fines is expected to serve as a deterrent for the lawyers and prevent them from relying on ChatGPT's inaccurate information in the future, according to legal ethics experts. Fordham Law professor Bruce Green emphasized that any litigator would have already received the message about the risks associated with blindly relying on ChatGPT. The experts believe that the lawyers' conduct after their initial memo of law was challenged, where they failed to verify the cases and instead reaffirmed their legitimacy, presents a greater disciplinary risk.

See also: [New York Judge Orders Lawyers to Justify Citation of Fake Case Citations in Briefs Following ChatGPT Research](#)

In the sanctions order, Judge Castel strongly criticized Schwartz and LoDuca for their persistence in defending the fake cases and only admitting the truth when questioned by the court. Additionally, the order revealed that LoDuca had made a knowingly false statement to the court, falsely claiming he was on vacation in an attempt to delay a court deadline. He later confessed that he was not on vacation. The New York Bar's grievance committee is likely to consider imposing disciplinary measures against the lawyers for their conduct after submitting the misleading brief, noted Professor Green.

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The saga surrounding the fake court brief wasted valuable time and harmed the lawyers' client, who was suing Avianca Airlines over injuries sustained during a 2019 flight. Judge Castel emphasized that the episode fosters cynicism about the legal profession and could potentially tarnish the reputation of the judges whose names were associated with the fictitious opinions. He expressed concerns that future litigants may be tempted to challenge judicial rulings by falsely claiming doubts about their authenticity.

During a hearing, Schwartz requested leniency from the court, acknowledging that he had failed in verifying the cases he cited and admitting to feeling embarrassed by the situation. In response, Schwartz's firm has committed to conducting mandatory training sessions on technological competence, artificial intelligence programs, and notarization processes. The lawyers may face a reprimand or censure through a state bar discipline proceeding, but according to Michael Frisch, ethics counsel at Georgetown Law, the public embarrassment they have experienced is likely to serve as a strong deterrent against similar misconduct.

The Manhattan lawyers who submitted a ChatGPT-generated court brief have been fined \$5,000 by a federal judge. The case has attracted significant public attention, and the lawyers may face additional disciplinary action from the New York State Bar Association. The judge strongly criticized their behavior, highlighting their persistence in defending fake cases and making false statements to the court. The episode has raised concerns about the legal profession's credibility and the potential impact on future litigation. While the lawyers may receive further disciplinary measures, the publicity surrounding their misconduct is expected to act as a deterrent for others.

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