

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

UNITED STATES OF AMERICA,

Plaintiff,

Case No. 18-cv-0590-bhl

v.

VLADIMIR M GOROKHOVSKY, et al.,

Defendants.

ORDER

This lawsuit concerns the government’s attempt to enforce tax liens against real estate owned by defendant Vladimir M. Gorokhovskiy and his company Gorokhovskiy Import and Investment Group, LLC (GIIG), whom the government claims owe substantial debts for unpaid federal income tax liabilities. The case has been pending for more than three years during which it has been plagued by discovery misconduct and delay. Ten months ago, on September 1, 2020, Magistrate Judge Duffin entered a decision and order granting Plaintiff’s motion for sanctions against Gorokhovskiy and GIIG based on their repeated failures to comply with their discovery obligations, even after being ordered to do so by the Court.

Gorokhovskiy responded to the sanctions order by objecting to it and asking Magistrate Judge Duffin to disqualify himself. (ECF Nos. 145 & 146.) On September 9, 2020, Magistrate Judge Duffin rejected the request for recusal. (ECF No. 147.) Gorokhovskiy then filed an objection to the refusal to recuse. (ECF No. 148.) Shortly thereafter, on September 18, 2020, Magistrate Judge Duffin awarded Plaintiff \$17,581.60 jointly and severally against Gorokhovskiy and GIIG as “the reasonable expenses, including attorney’s fees, caused by the failure” to comply with the Court’s discovery orders. (ECF No. 149.)

Gorokhovskiy’s objections to the sanctions and recusal orders are meritless. The Magistrate Judge’s well-reasoned decision to sanction Gorokhovskiy and GIIG for their discovery misconduct is not based on a clearly erroneous finding of fact or contrary to law. Among other things, Gorokhovskiy failed to appear for a properly noticed deposition, which the

Court had expressly ruled could proceed by remote means. That Gorokhovsky filed an untimely objection to the Magistrate Judge's order directing that depositions proceed did not unilaterally stay his obligation to appear. Gorokhovsky's suggestions to the contrary, and his claim that the sanctions violated his 14th Amendment due process rights, are frivolous.

Likewise, Gorokhovsky's objection to Magistrate Judge Duffin's recusal decision is without merit. The objection mainly repeats Gorokhovsky's prior disagreements with Magistrate Judge Duffin's sanctions ruling and complains the magistrate judge was biased based on the ruling and its citation to Gorokhovsky's extensive prior history of sanctionable misconduct. The magistrate judge explained that the citation to Gorokhovsky's prior sanctions in other cases was relevant to the need for and amount of sanctions ordered in this case. Contrary to Gorokhovsky's accusations, the citation to that history does not show judicial bias and is not a basis for an unhappy litigant to demand recusal.

Gorokhovsky has yet to pay the sanctions award and, on May 17, 2021, Plaintiff filed a motion asking the Court to set a deadline for payment. (ECF. No. 176.) In response, Gorokhovsky claimed to be ill with COVID-19, home-bound, and unable to work. (ECF No. 178 at ¶3.) He also claimed to be unable to pay the sanctions, but represented to the Court that he "intends to effectuate ... payment as soon as recovery from his present COVID-19 related illness will allow." (*Id.* at ¶4.) The Court promptly set a July 15, 2021 telephonic hearing on Plaintiff's motion and ordered Gorokhovsky to provide, in advance of the hearing, a doctor's affidavit or declaration updating the Court on the status of his health and his prognosis. (ECF No. 179.) The Court gave Gorokhovsky permission in advance to file the document as restricted. (*Id.*)

More than a month later, and just three days before the hearing, Gorokhovsky filed a motion seeking additional time to comply with the Court's order that he document his COVID-19 diagnosis and current health status. (ECF No. 183.) He claims to have asked one of his treating physicians for documentation but says he has not received anything. (*Id.* at ¶¶5-7.) He reports having scheduled future appointments with two doctors but not until late August and early September and seeks a "reasonable extension of time to comply" with the Court's order. (*Id.* at ¶¶8-10.)

Given Gorokhovsky's latest representations, the Court will reluctantly grant his request for an extension. The Court notes, however, that Gorokhovsky has a demonstrated history of

seeking postponements of his obligations in this case, which has been long pending. The Court will not allow Gorokhovsky to invoke asserted health concerns to continue to delay this case. Accordingly, the Court will reschedule the July 15, 2021 hearing to September 2, 2021 at 10:30 a.m. The Court will also allow Gorokhovsky until September 1, 2021 to provide documentation of his health concerns. The documentation must consist of a sworn statement—an affidavit or declaration under penalty of perjury—from a treating medical professional. For the avoidance of doubt, an unsworn letter will not suffice. The statement must update the Court on Gorokhovsky’s health and prognosis, including confirmation of his previously represented COVID-19 diagnosis. Failure to comply fully will expose Defendants to further and more severe sanctions, including potential entry of a default on Plaintiff’s claims. Accordingly,

IT IS HEREBY ORDERED that Defendants’ objection, ECF No. 145, to Magistrate Judge Duffin’s Decision and Order, ECF No. 142, granting Plaintiff’s motion for sanctions, and Defendants’ objection, ECF No. 148, to Magistrate Judge Duffin’s Order, ECF No. 147, denying Defendant’s motion for recusal, are **OVERRULED**.

IT IS FURTHER ORDERED that Defendant’s motion for an extension of time, ECF No. 183, is **GRANTED** and the July 15, 2021 hearing is rescheduled for **September 2, 2021 at 10:30 a.m.** by telephone. To appear, call the conference line at 1-866-434-5269 and enter access code 1737450# before the scheduled hearing time. Defendant must file documentation in the form of a sworn statement from a treating medical professional, updating the Court on Gorokhovsky’s health and prognosis, including confirmation of his COVID-19 diagnosis, on or before **September 1, 2021**. Failure to comply completely will expose Defendants to further and more severe sanctions, including potential entry of a default on Plaintiff’s claims.

Dated at Milwaukee, Wisconsin on July 14, 2021.

s/ Brett H. Ludwig

BRETT H. LUDWIG
United States District Judge