No: 24-593

SUPREME COURT OF THE UNITED STATES

WILLIAM F. KAETZ, Petitioner

vs.

United States of America; United States Department of Justice; Educational Credit Management Corp.; Law Offices of Kenneth L. Baum; *Experian Information Solutions, Inc.; Price Meese Shulman & D'Arminio; Transunion; Schuckit & Associates; *Equifax Information Services LLC; *Clark Hill Plc; Seyfarth Shaw, LLP; Kenneth L. Baum; Camille R. Nicodemus; William R. Brown, Esq.; Dorothy A. Kowal; Robert T. Szyba; Boris Brownstein, Esq.

*(Amended pursuant to Clerk Order of 6/22/23)

Respondents

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Third Circuit

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PETITION FOR REHEARING

Date: 3/21/2025 By: William F. Kaetz

William F. Kaetz, Petitioner
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Constitutional Challenge to The Federal Department of Education and Student Loan Bankruptcy Statute 11 U.S.C. § 523(A)(8).

The Constitutional Questions:

(1) Is the United States government's power over education unconstitutional?

(2) Does Congress have constitutional authority to legislate over education?

(3) Is the Higher Education Act, the Federal Department of Education, including the student loan bankruptcy statute 11 U.S.C. § 523(a)(8), unconstitutional under the void for vagueness doctrine?

(4) Is there a separation of power offense in student loan bankruptcy matters?

Mr. Kaetz presents in his petitions to this Court legal arguments that the Higher Education Act and the Federal Department of Education including the student loan bankruptcy statute 11 U.S.C. § 523(a)(8) is unconstitutional under the void for vagueness doctrine and there is a separation of power offense in student loan bankruptcy matters.

Is federal power over education constitutional?

The U.S. Constitution does not explicitly grant the federal government power over education. The word "education" does not even appear in the document. Historically, education was seen as a state and local matter, rooted in the 10th Amendment, which reserves powers not delegated to the federal government to the states or the people. This is why education systems, like funding, curricula, and standards, have traditionally varied widely across states.

That said, the federal government has carved out a role through broader constitutional hooks. The General Welfare Clause (Article I, Section 8) lets Congress tax and spend for the "general welfare," which has justified federal education funding, like grants or student loans. The 14th

Amendment's Equal Protection Clause has also been used to enforce civil rights in schools, as seen in *Brown v. Board of Education* (1954). And the Commerce Clause has occasionally stretched to cover education-related issues tied to interstate economic activity.

Critics argue this is overreach. They say education is not a delegated power, so it should stay with the states. Supporters counter that federal involvement ensures equity and national standards: think No Child Left Behind or the Department of Education, established in 1979 under Carter. But that department's existence doesn't settle the debate: it's just Congress acting, not proof of constitutional bedrock.

Legally, this Court has not struck down federal education programs as unconstitutional, but it's never fully clarified the limits either. Cases like *San Antonio Independent School District v. Rodriguez* (1973) suggest education is not a federal "fundamental right," leaving room for state primacy. Yet federal influence keeps growing through money and mandates.

So, is federal power over education constitutional? So far it depends on who is reading the text. Strict originalists say no, nothing in 1787 gave Washington that power. Pragmatists say yes, modern needs and loose clauses like General Welfare make it work. The reality? It is a gray area, fought out in politics more than courtrooms.

This is a legal question for this Court to answer, not politicians. The new Presidential Administration wants to return education powers to the states and eliminate the federal Department of Education because they believe federal power over education is unconstitutional. This Court will need to answer the Constitutional Question whether federal power over education is unconstitutional or constitutional.

Please take the time to answer the questions. It is of national importance and would resolve all Mr. Kaetz's cases.

Petition for Rehearing Questions Presented

1. Does 11 U.S.C. § 523(a)(8)'s vagueness—lacking any directive on "undue hardship"—combined with judicial reliance on non-binding *Hood* dicta since 1978, violate the Fifth and Fourteenth Amendments' due process guarantees and Article I's separation of powers, as argued in Petitioner's original petition?

2. Do Respondents' fraudulent collection of $15,835 from Petitioner for a worthless Kaplan degree, enabled by § 523(a)(8)'s judicial gloss, and the Justice Department's systemic misuse of dicta—now exposed by DOGE's March 2025 findings of $881 million in Department of Education waste—warrant rehearing to end a mass tort affecting 44 million debtors?

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Introduction

I, William F. Kaetz, a 60-year-old carpenter bankrupted by a $15,835 Kaplan University loan, seek rehearing of this Court's February 24, 2025, denial of my certiorari petition. For over a decade, I have battled Respondents' illegal collection of this debt post-bankruptcy, enabled by a vague 11 U.S.C. § 523(a)(8) and judicial overreach begun in 1978 with *Tennessee Student Assistance Corp. v. Hood* (541 U.S. 440). This regime traps 44 million Americans in $1.7 trillion of student debt, a crisis now laid bare by the Department of Government Efficiency (DOGE). Since March 2025, DOGE has uncovered $881 million in Department of Education waste—e.g., $4.6 million for Zoom coordination—mirroring the fraud that cost me my fresh start. New grounds—Trump's executive actions and DOGE's findings—compel rehearing under Rule 44.2 to enforce the Constitution's separation of powers and due process.

Procedural History

My ordeal spans two suits. In 2016, I sued Educational Credit Management Corp. (ECMC) et al. (No. 2:16-cv-09225, D.N.J.) for collecting $15,835 post-discharge, dismissed September 30, 2019 (Petition for a Writ of Certiorari Appendix a49-a60), (see also a31 to a47) affirmed April 4, 2022 (Petition for a Writ of Certiorari Appendix a43-a48). On June 6, 2022, I sued again (No. 2:22-cv-03489, D.N.J.) (see a2 to a28), adding the United States and DOJ, challenging § 523(a)(8)'s constitutionality. Dismissed March 30, 2023 (Petition for a Writ of Certiorari Appendix a11-a42), affirmed June 11, 2024 (Petition for a Writ of Certiorari Appendix a2-a10), with rehearing denied August 27, 2024 (Petition for a Writ of Certiorari Appendix a1), I sought certiorari, denied February 24, 2025 (a1). This rehearing petition follows, spurred by DOGE's March 2025 revelations and Trump's actions to return power over education to the states.

Argument

I. 11 U.S.C. § 523(a)(8) Is Void for Vagueness

Section 523(a)(8) states student loans are non-dischargeable "unless excepting such debt from discharge...would impose an undue hardship." As argued originally, its silence on who proves hardship, how, or where renders it void (*Connally v. Gen. Constr. Co.*, 269 U.S. 385, 391 (1926)). *Sessions v. Dimaya* (138 S. Ct. 1204, 1212 (2018)) struck a vague statute for lacking "fair notice"; § 523(a)(8) fails similarly, leaving pro se debtors like me—judicially deemed indigent (Appendix a11)—guessing at hidden rules like adversary proceedings. This vagueness, exploited by Respondents to collect $15,835, violates the Fifth and Fourteenth Amendments, a flaw courts have masked since 1978.

II. Judicial Overreach Since 1978 Violates Separation of Powers

Since 1978, the Justice Department has treated *Hood*'s dicta—"unless the debtor affirmatively secures a hardship determination, the discharge order will not include a student loan debt" (541 U.S. at 450)—as law, citing a textbook (Norton § 47:52) and legislative history (S. Rep. No. 95-989). My original petition argued this usurps Article I (*Egbert v. Boule*, 142 S. Ct. 1793, 1809 (2022)). *Gundy v. United States* 139 S. Ct. 2116, 2147 (2019)) reinforces: "legislative history is not the law." The Third Circuit's reliance on *Hood* and *Brunner v. New York State Higher Educ. Servs. Corp.* (831 F.2d 395 (2d Cir. 1987))—imposing a three-prong test absent from the statute—defies *INS v. Chadha* 462 U.S. 919 (1983) at 962 to 963). DOGE's March 2025 findings of $881 million in waste (e.g., $1.5 million to "observe mailing operations") expose the Department's mismanagement, amplifying this overreach.

III. New Grounds Post-February 24, 2025, Demand Rehearing (Rule 44.2)

Since this Court's denial, substantial grounds not previously presented have emerged, satisfying Rule 44.2:

1. **Trump's Executive Actions and DOGE's Findings (March 2025):** On February 4, 2025, NBC News reported Trump's draft executive order to abolish the Department of Education, directing Secretary Linda McMahon to "facilitate the closure." By March 12, 2025, Axios noted nearly half of the Department's 4,100 staff were cut, effective March 21, with an order to dissolve non-statutory functions. DOGE's March 15, 2025, report (X @korn_dogg1) terminated 89 contracts worth $881 million, flagged as "waste, fraud, and abuse"—e.g., $4.6 million for Zoom coordination (X @hnysm8, March 11), $3 million for unused reports (X @PogiBatch2, March 12), and $1.5 million for mail observation. These post-February 24 actions vindicate my critique of the Department's unconstitutional roots (Appendix a37-a38), potentially mooting § 523(a)(8) and exposing the fraud enabling Respondents' actions.

2. **Respondents' Fraud Exposed:** ECMC et al. collected $15,835 for a Kaplan degree, unmarketable since 2018 accreditation issues (Appendix a35). This mirrors DOGE's findings of systemic waste, like $3 million on ignored reports, shielding for-profit scams (*Hazel-Atlas Glass Co. v. Hartford-Empire Co.*, 322 U.S. 238, 245 (1944)). Kaplan's 50% default rate (Dept. of Ed., 2022) reflects this fraud, newly tied to DOGE's revelations.

These grounds—unavailable in my August 2024 petition—demand rehearing.

IV. Systemic Harm Demands Supreme Court Review

Over 60% of Chapter 7 filers are pro se (Admin. Office of U.S. Courts, 2022), yet fewer than 1% discharge student loans (NCLC, 2020), a disparity § 523(a)(8) entrenches. My $15,835 loss reflects a $1.7 trillion crisis (Federal Reserve, 2023), worsened by the Department's waste—$881 million cut by DOGE (X@korn_dogg13, March 15, 2025). Trump's March 2025 cuts signal reform, yet Respondents' fraud persists, a mass tort this Court must end.

Conclusion

Section 523(a)(8) is void—vague, judicially rewritten, and a tool of fraud, as DOGE's $881 million waste findings confirm. Trump's March 2025 actions align with my decade-long fight, exposing the Department's rot. Respondents stole my fresh start; millions suffer similarly. I urge this Court to declare § 523(a)(8) unconstitutional or strike *Hood* and *Brunner* as ultra vires, remanding for Congressional clarification.

Certification

I, William F. Kaetz, swear under penalty of perjury all statements herein are true.

Date: 3/21/2025 By: William F. Kaetz

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Appendix

Supreme Court of the United States
Office of the Clerk
Washington, DC 20543-0001

Scott S. Harris
Clerk of the Court
(202) 479-3011

February 24, 2025

Mr. William F. Kaetz
437 Abbott Road
Paramus, NJ 07652

Re: William F. Kaetz
v. United States, et al.
No. 24-593

Dear Mr. Kaetz:

The Court today entered the following order in the above-entitled case:

The petition for a writ of certiorari is denied.

Sincerely,

Scott S. Harris, Clerk

Additional material from this filing is available in the Clerk's Office.