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Claim Bail Forfeits

By GENE BOURG

The Orleans Parish district attorney's office allowed bond forfeiture judgments against Maryland National Insurance Co. to accumulate to \$1,040,000 before taking action to collect the money, a Maryland National attorney charged today.

The bonding company lawyer, Ralph L. Kaskell, said Civil District Court records show that the forfeiture claims began to mount as far back as 1966.

Kaskell made the statements in a Federal District Court hearing in which the district attorney's office seeks dismissal of a suit filed by Maryland National asking that the state be restrained from seizing its assets.

JUDGE LANSING L. MITCHELL today continued the hearing until a later date. He extended indefinitely an earlier temporary order restraining the state insurance commissioner and the district attorney's office from seizing Maryland National's assets.

The DA's office claims the bonding company owes \$629,000 in bond forfeitures dating back several years.

The \$1,040,000 in bond forfeiture judgments was eligible for immediate execution by the DA's office, said Kaskell.

Of the total, he said, some \$78,000 of them were rendered in 1966, another \$274,000 in 1967 and about \$750,000 in 1968. He said the figures were taken from records in the district attorney's office.

Named as defendants in Maryland National's suit are

Topped \$1 Million

Dist. Atty. Jim Garrison, State Insurance Commissioner Dudley A. Guglielmo, assistant DA Shirley G. Wimberly Jr., and others.

Assistant DA Numa V. Bertel Jr. argued the suit should be dismissed because the federal court lacks jurisdiction and on grounds that Maryland National failed to state a claim on which relief can be granted.

Maryland National claims the bonds in question were executed under stolen powers of attorney. Bertel argued that personal notice was hand delivered to Maryland National whenever defendants failed to appear.

JUDGE MITCHELL ASKED BERTEL whether bond agents are notified to appear when a forfeiture is ad-

judged. Bertel said it is the agent's obligation to appear when notified as to the date and time of a forfeiture judgment.

Bertel argued that Maryland National has not completely litigated the matter in state court, and the federal court thus lacks jurisdiction.

Kaskell cited the delay since 1966 in seeking collection of some bonds, saying:

"If the district attorney delayed that long collecting forfeitures, a matter of another month or two is insignificant."

Kaskell criticized bond forfeiture procedures used by Garrison's office, saying notices of forfeiture did not go to

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Maryland National in Atlanta, but to local agents operating under stolen powers of attorney.

THEREFORE, HE SAID, MARYLAND National had no knowledge of the forfeiture judgments. All but two of the 657 outstanding judgments against Maryland National were made on stolen powers of attorney, he said.

Kaskell said for Maryland National to obtain reviews from state courts, it would have to initiate 657 separate procedures in Criminal District Court.

Kaskell cited the fact that the money derived from bond forfeitures are used to pay the expenses of the DA's office and the court and said:

"This may subconsciously have an effect on their actions and judgments."

Kaskell also questioned whether the Criminal District Court has the injunctive powers to take action in such cases.

He claimed that none of Maryland National's officers was a stockholder in Century Surety, and that therefore there was no corporate connection between the two.

Bertel countered that William Stroud, president of Century Surety, also is resident vice president of Maryland National.

In continuing the hearing, Judge Mitchell said the action will allow the DA's office to take depositions in its position in the case. Attorneys were requested to file any further briefs by Aug. 22.

THE MATTER CAME TO LIGHT last month when Charles Ray Ward, first assistant DA under Garrison, resigned and announced he plans to run against the DA. He said at the time he had been accused of improper conduct in connection with bail bond forfeitures.

Subsequent investigation revealed the dispute between Maryland National and the DA's office, and the Orleans Parish Grand Jury began an investigation of the matter.

William Hardy Davis of Atlanta, former president of Century Surety Underwriters of Indiana Inc., said in an affidavit he dispatched \$15,000 to New Orleans during 1968 in the belief the money would be used to bribe Ward to ease up on collection procedures.

Century is an affiliate of Maryland National.