

Bonding Firm Attorney Cited
'BLACKMAIL' TRY CHARGED
\$629,000 Bail Debt Charged

By BILL LYNCH
(States-Item Bureau)

BATON ROUGE—The New Orleans district attorney's office has accused the Maryland National Insurance Co., a bail bonding firm, of failing to pay \$629,000 in bond forfeitures due in criminal court cases, the States-Item learned today.

The charge was contained in a letter written to the state insurance commissioner last May by Assistant DA Shirley G. Wimberly Jr.

Maryland National is the former employer of Willfam Hardy Davis, who filed an affidavit with Dist. Atty. Jim Garrison accusing Garrison's former chief assistant district attorney, Charles R. Ward, with accepting bribes.

THE MONEY ALLEGEDLY WAS PAID to Ward, who

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has resigned from his post, to influence him to hold back on pressing for collection of the bond forfeitures.

Ward denied the allegations and announced he will oppose Garrison for district attorney in November's Democratic primary.

In addition to the \$629,000 listed in May, Wimberly claimed that another \$115,275 on bond forfeitures would come due to the state when six-month waiting periods have elapsed at the end of August.

In a separate accounting, City Traffic Court Judge David MacHauer informed the insurance commissioner's office of some \$25,000 in outstanding bond forfeitures by Maryland National. However, not all were final judgments as of April 8, pending the lapse of the six-month period.

Maryland National is contesting the district attorney's claim and is seeking to have the judgments set aside.

A HEARING ON WHETHER TO REVOKE the license of the firm has been scheduled June 30 by state Insurance Commissioner Dudley Guglielmo.

Wimberly wrote the May 21 letter as a followup to an affidavit filed with the commissioner of insurance Jan. 3,

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claiming then the firm owed more than \$250,000.

He said this was based on an audit of the minute books of the district courts.

Wimberly declared, "Every method available under the law has been made to collect" the appearance bond forfeitures and added, "There is little hope that Maryland National Insurance Co. will honor the . . . obligations."

A hearing was scheduled Feb. 14 by the insurance commission, ordering the firm to show cause why its certificate of authority to do business should not be revoked.

HOWEVER, A CONTINUANCE WAS granted to March 4 and then another was agreed to by Wimberly until April 3 with a proviso that no further extensions be granted.

Despite this, several other continuances were granted and during this period, Maryland National made a compromise offer which was rejected by the district attorney.

Wimberly wrote Guglielmo in response to a request made by the commissioner at an April 21 meeting in Baton Rouge that was attended by attorneys for the bonding company.

He said since April 21, Maryland has made two additional payments totaling \$12,250 for 72 judgments of bond forfeiture.

Wimberly said the DA's office was informed by the attorneys that the outstanding judgments resulted from fraudulent use of power of attorney stolen from Century Bonding Company of Indianapolis, its agent for bail bond operations. The powers of attorney then allegedly were sold to unauthorized individuals who wrote the bonds in question.

CLOSE SCRUTINY, HOWEVER, raised serious questions on this defense, Wimberly countered. He noted that some of the judgments dated back to 1965.

"We do not feel, therefore, that this company should be permitted to evade its legal debts by a belated claim of ignorance of alleged embezzlement by one of its own agents," Wimberly said.

"And we are prepared to pursue collection efforts in the courts of whatever jurisdiction assets of Maryland National are to be found," he continued. "The judgments in our possession, through the rendition date of Nov. 11, 1968, are final and unimpeachable in any court."

Records checked by the States-Item in both the insurance commissioner's office and in the state treasurer's office show that the district attorney of Orleans has not been careful in following through on bail bond forfeitures.

There is a long list of notices of seizures of bonds put up by bonding companies that are still outstanding on the books. Many of them are for Maryland National, while some are for other firms including some which have gone out of business.

BEFORE A COMPANY CAN DO BUSINESS it must post a bond with the state treasurer's office. In the event an appearance bond is forfeited in court, the state obtains a judgment against the defendant and the bonding company.

The process includes a notice of seizure of the firm's assets with the treasurer.

Then it is up to the district attorney's office to follow through and obtain a motion to turn over funds.

In many cases involving New Orleans bond forfeitures the first steps in the process of seizing the company's assets have been taken but there have been no follow-ups.

The outstanding notices are much less than the amount cited by Wimberly. Apparently, not even the first step in forcing the company to pay was taken in a number of cases.

IRONICALLY, THE DISTRICT ATTORNEY'S office in New Orleans loses by this neglect since it is the only DA's office in the state which can keep the bond forfeitures for its own use.

It is uncertain if the records in the treasurer's office truly reflect outstanding bonds since the district attorney's office may have been lax in notifying of releases from the judgments.

However, some of the judgments in the Maryland National file date back to 1966 in the treasurer's office. Four of the bonds are for \$7,500 each and five are for \$5,000 each. The rest are in lesser amounts.

In December, 1968, a judgment was rendered in Civil District Court in New Orleans against Maryland National Insurance Co., dismissing its suit against Garrison and lifting a restraining order.

In January, Wimberly began moving against Maryland. He forwarded a list of names to the treasurer inquiring the status of efforts to foreclose on the company bonds.

THE TREASURER NOTIFIED HIM that no further action would be taken until a motion to turn over funds is served by the sheriff.

At the same time, Wimberly also began action against another firm, United Bonding Insurance Company. He sent a list of 35 judgments.

The treasurer reported that one surety bond in the amount of \$10,000 had been seized by the sheriff after a motion to turn over funds had been served. This covered part of the cases, but the rest await further action.

The United Benefit Fire Insurance Company, which is in receivership, has about \$80,000 in bond forfeitures outstanding with the treasurer, including three bonds for one person totaling \$35,000.

A number of the Maryland cases on file with the treasurer were begun in May and June of this year. In the case of one company whose license was revoked last year, there is more than \$100,000 in bond forfeitures listed as outstanding in the treasurer's office. Two of these are in \$10,000 amounts and seven are for \$5,000.