

# Judges Cite Outstanding Debt

# Bonding Firm Ban Is Imposed

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By ALLAN KATZ

A survey of the Orleans Parish District Attorney's records shows that the DA's office failed to collect \$637,325 in forfeited bail bonds from the Maryland National Insurance Company during the period from Jan. 1, 1966 to Jan. 1, 1969.

District Attorney Jim Garrison says the money eventually will be collected.

However, since the company is required to keep only \$70,000 on deposit in the state of Louisiana, Garrison probably faces a long court fight with an uncertain result before he can collect any part of the whopping sum owed by Maryland National.

SINCE JUNE 23, the DA's office has been prohibited by a federal judge from moving to collect the forfeited bail bonds or to prevent Maryland National from running up additional forfeitures.

The S-I survey shows that an additional \$93,450 has been forfeited during 1969 but is mostly not yet collectible be-

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cause the law requires a six-month waiting period before action can be taken.

The grand total of Maryland National forfeitures since 1966 is \$720,775.

The federal district judge who has enjoined the DA's office from acting to collect the bonds after three years of inaction is Lansing L. Mitchell.

Garrison says the failure to move strongly against Maryland National in 1967 or 1968 is "the one serious mistake" committed during his seven-year administration of the district attorney's office.

"As an elected official charged with running this office, I must take full responsibility and admit my error," Garrison said.

"However," he added, "the error consisted of placing my full confidence in one man who betrayed my confidence."

GARRISON SAYS the man he is referring to is Charles Ray Ward, first assistant district attorney until June 17.

On that date, Ward resigned and announced he would

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run against Garrison for DA in the Democratic primary election in November.

Ward says that Garrison did not want to crack down on Maryland National's huge backlog of forfeited bail bonds because he was satisfied to get token monthly payments against the total.

These, Ward says, were used to finance the DA's investigation of New Orleans businessman Clay L. Shaw, who was acquitted in March of charges that he had conspired to kill President John F. Kennedy.

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Ward says Garrison preferred to get token payments from Maryland National because a move to get the whole amount would lead to a two-or-three-year court fight during which there would be no payments.

Garrison says that during the heat of the investigation into the murder of the late President Kennedy, he allowed Ward to make oral reports to him on the status of bail bond forfeitures.

"WARD CONCEALED the true situation from me," says Garrison. "When I learned in December, 1968, that Maryland National was deeply in debt to us, I moved to correct the mistake.

"I ordered Ward to crack down on Maryland National. He dragged his feet. So I ordered him again to take action.

"There will be full payment by Maryland National of every penny they owe. You can count on it."

Full statements by Garrison and Ward presenting their widely differing accounts of their individual actions leading to the present status of the Maryland National matter appear in the States-Item today.

According to records in the DA's office, Maryland National has accumulated bail bond forfeitures in this manner since 1966:

—In 1966, Maryland National owed \$40,000, resulting from 32 forfeitures;

—In 1967, Maryland National added \$156,350 to the above total from another 153 forfeitures;

—In 1968, a staggering 311 bond forfeitures added a whopping \$430,975 to the uncollected total.

—In 1969, to July 1, Maryland National has accumulated an additional \$93,450 in bail bond forfeitures.

Agents for Maryland National still are writing bonds today under the protection of the federal court order.

Since the Maryland National bail bond boondoggle has surfaced, Assistant District Attorney Shirley Wimberly Jr. has been assigned to set up a fool-proof system to prevent any recurrence.

Wimberly has revamped the bookkeeping system used to track bail bond forfeitures and also the approach to collecting forfeitures.

He offers this view of how Maryland National's backlog grew so large:

"In my personal opinion, the problem was that the people handling bail bond forfeitures in the DA's office weren't tougher on Maryland because they didn't want to be bad guys.

"MARYLAND NATIONAL kept asking for more time to straighten themselves out, pleading their records were imperfect or that some confusion existed, and the DA's office kept giving them extra time.

"The people in the DA's office didn't want to be in the position of putting somebody out of business so they went along figuring that tomorrow it would get straightened out.

"Our people tried to give Maryland a helping hand without any intention of doing wrong. But, when you give somebody in quicksand a helping hand, you've got to be careful they don't pull you in along with them."

Wimberly says his totals on the total debt of Maryland National is \$629,000 through Jan. 1, slightly different than the States-Item's figure. Wimberly says this might be due to several cases that have been settled.

TO PREVENT a recurrence, Wimberly has set up a new procedure that gives a bail bond company 10 days to pay off a forfeited bond after the six-month waiting period expires.

If the company does not pay off the bond, Wimberly acts to seize the forfeited sum out of the \$70,000 each bail bond company must post with the state treasurer.

If a company's \$70,000 is seized and not replaced, the company is out of business in Louisiana.

Garrison's new first assistant district attorney, James L. Alcock, was asked why Maryland National was able to write so many bonds that were later forfeited.

"The reports we have indicate Maryland National's agents have been writing a lot of 'bad business'—people charged with crimes who are considered poor risks to turn up for trial.

"THE MARYLAND AGENTS, we understand, dominate the local bail bonding picture because their 20 or so agents are willing to write a bond for almost anyone."

In the bail bond system, a bonding company puts up a bond for an accused person, charging the individual 10 per cent.

Assistant DAs report that Maryland agents undercut other bonding companies by charging less than 10 per cent and also by allowing their clients to pay off on a long-term installment plan.

"In this way," Alcock says, "a Maryland agent can write a \$1,000 bond and charge a \$50 premium. Let's say he agrees to accept \$5 a week.

"AFTER FOUR WEEKS, the accused person disappears after paying \$20 of his premium.

"Now, the key becomes whether the DA's office moves to seize the \$1,000. If the \$1,000 is forfeited and seized, the company has collected \$20 and surrendered \$1,000.

"That's how the system should work and that's how it worked before 1966 and works now."

Wimberly promises that "no company will again be allowed to get as far behind in payments as Maryland National. We'll rigorously pursue the bail bond companies and put them out of business without a tear if they are lax."

IN A SUIT filed in Judge Mitchell's court, Maryland National alleges that a former president of the company stole bonding powers and distributed them to a variety of agents who wrote bonds and accepted premium payments without the company's knowledge.

Two New Orleans attorneys, Milton P. Masinter and Thomas Toranto, have been indicted by the Orleans Parish Grand Jury on charges of corrupt influence in an alleged effort to bribe Ward not to press for collection of Maryland National's forfeitures.

The charges were made in an affidavit by William Hardy Davis, a former president of Maryland National. Masinter and Toranto have said they are innocent.

(Tomorrow: How To Improve The System)