

Judge cautions bond companies about cutting prices

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CHATTANOOGA, Tenn. (AP) — A judge in Chattanooga says he and others are watching bonding companies that reduce the traditional 10 percent shared cost for accused lawbreakers to go free.

Hamilton County Criminal Court Judge Barry Steelman says the cost-cutting could lead to higher bonds in some cases.

Some judges told the Chattanooga Times Free Press that reduced bond costs can, in some cases, jeopardize public safety (<http://bit.ly/oyVNXZ>).

The 10 percent payment to bonding companies is a guideline, not a law.

In one case, bond for a man charged with vehicular homicide and his second DUI in four months, was set at \$100,000. He was released by paying \$3,750, or 3.4 percent. About a year later, he was charged with a third DUI.

Bondsmen said the lower cost stems from increased competition.

"The bonding companies are technically operating within the guidelines of state law and provide a service to the court by ensuring that defendants appear and save the cost of incarceration to taxpayers, so I want to deal fairly with them," Steelman said. "But their undercutting of each other's pricing should not undermine public safety and my management of the docket."

The James & Perry bail bonding company, with the ability to cover bonds of more than \$8.2 million, has been in business for six years and is among companies that accept 3 percent of bond totals.

Bail bonding companies must pay an entire bond if a freed defendant misses a court date or flees prosecution. State law allows at least six months to find a defendant before a bond must be paid and bondsmen can ask for extensions.

James & Perry declined to comment but the company lawyer, Gary Gerbitz, issued a statement.

"In six years of operation James & Perry Bonding Co. has only had four cases go to final forfeiture where the defendant was not brought before the court," the statement said. "Considering the hundreds if not thousands of bonds made by James & Perry, this is an exceptional record."

Key Bonding Co., in Chattanooga also discounts bond premiums and declined to comment.

General Sessions Court Judge Clarence Shattuck also said that if bonding company premiums continue to



go below 10 percent, judges will have to consider setting higher bonds in cases involving violent histories or risks to public safety.

"If it really became an issue where it involved the safety of the public, that would be the way to do it," he said.

Charles White Sr., a bonding company owner who is also president of the [Tennessee Association of Professional Bond Agents](#), described the business as a "strange animal. We are self-employed entrepreneurs, but we actually work for the Criminal Court judges."

He said that in 1981, there were six to eight companies in Hamilton County and now there are 32.

There are similar trends around the state, White said.

The state bonding association has considered possibly regulating the number of companies in proportion to the population, instituting a fee schedule or raising requirements for entering the bonding business.

Bonds have been on the mind of [Judy Maddux](#).

The man arrested in a traffic accident that killed her husband, Perry, in a traffic accident had a \$108,100 bond from charges in the accident. He got out of jail after paying \$3,750. Records show he split the amount between James & Perry and Key bonding companies.

"What is the point of setting bond at \$100,000 if you can put up less than \$4,000 and walk?" Maddux said.

Her 51-year-old husband was killed in September 2010 when a motorist crossed the centerline and slammed into his motorcycle, causing it to explode.

The other driver, [Demario Goodwin](#), 26, was out on bond in another DUI case.

After the accident, a judge more than doubled Goodwin's bond from \$15,550 to \$108,100 on charges that include DUI, vehicular homicide, driving left of the center line and driving on a suspended license in November. Goodwin stayed in jail 13 days.

The bond was raised after Goodwin was accused of having blood alcohol levels more than three times the legal limit in two DUI cases.

The judge declined to comment on Goodwin's case.

On July 31, still on bond for the second DUI, Goodwin was stopped by police, who said they noticed a strong smell of alcohol. When he was charged with a third DUI, a judge revoked the \$100,000 bond. The judge also ruled that Goodwin violated his probation in his first DUI case and in an aggravated assault conviction for which he received a suspended five-year sentence.

Philip Duval, Goodwin's attorney, did not return a telephone message seeking comment. Goodwin also declined comment from the [Hamilton County Jail](#).



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