

New rules for bail bondsmen

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BRIDGEPORT -- It's been billed as a major fix for a spiraling-out-of-control process -- bail bondsmen.

But while the law passed last week does impose more controls on a system that has allowed dangerous felons to go free and commit crimes, even murder, there is still a concern that not much will change because little money has been allocated for the increased controls.

"I'm cautiously optimistic the law may do something, but with little money being put forward, I really don't see how it will," said Patrick Moynihan, a longtime bail bondsman who has campaigned for reform of his profession.

The law requires the bondsmen to take more fees upfront and keep records of bonds.

With more than 500 surety bail bondsmen in this state -- more than those in New York and New Jersey combined -- it has been clear to the Legislature for many years that tougher restrictions on the profession were needed.

The vast majority of surety bail bondsmen, are backed by insurance companies and pay premiums to insurance companies based on the number of bonds they post. In exchange, the insurance companies guarantee their bonds up to a set amount.

The surety bondsmen, who are overseen by the state insurance commissioner, have been required to charge 10 percent of the first \$5,000 of the bond and 7 percent of the remainder. But that is almost never done.

Instead, because of the aggressive competition among bail bondsmen that has led to fights outside courthouses and police stations, most criminal defendants end up paying bondsman 1 or 2 percent and sometimes nothing to get bonded out on even very high bonds. This discounting of bonds is called undercutting.

"There are now probably 80 percent of bondsmen who routinely bond people out without collecting the full fee because of the market forces," said Moynihan, a bondsman since 1993. "They know if they don't do it, someone else will. They are either going to make a portion of what they should be making or they will make nothing."

Problems with bail bonds came to light in two recent area cases.

Selami Ozdemir, of West Haven, was bonded out on a Saturday last January and shot his wife to death the next day. Eric Stiggle, awaiting trial for allegedly stabbing and kidnapping his wife in Bridgeport and leading police of a chase through three states, walked out of prison where he was held on \$1.3 million bond after giving a bail bondsman a letter claiming he had money in a bank account (he didn't), and then gave his wife a call.

Under the new law, bail bondsmen are still required to charge the percentage fees, but as of Oct. 1, they are required to take 35 percent of those fees down when offering payment plans with full payment to be made within 15 months.

To ensure bondsmen are not undercutting, they are required under the new law to keep records of the bonds they post and these records are to be examined by special auditors hired by the state. Any violations are subject to \$5,000 fines and possible license revocation.

To fund these audits, bondsmen will now be required to pay a yearly fee of \$450.

"We are ready to start a new era in the bail bonds industry," said Amy Stegall, program manager for the fraud investigative unit of the state insurance commissioner's office. "This law gives us more tools to regulate bail bondsmen."

Currently, Stegall has four full-time and one half-time investigator to not only keep track of bail bondsmen but also to conduct numerous fraud investigations.

And that's not going to change under the new law. And while the \$450 annual fee is expected to bring in \$243,675 the first fiscal year and \$250,650 the second year, the legislature's Office of Fiscal Analysis has determined those totals will only pay for a total of 19 audits out of the total of 529 bail bondsmen for the first two years.

"I'm just afraid it's just statutorily regulating status quo," Moynihan added.

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