

Suspects bonding out of jail for less

By Beth Burger
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It's a simple, long-standing formula: A bond is set by a judge, and the accused pays 10 percent to a bonding company to get out of jail.

But that formula -- which is a guideline, not a law -- is being complicated by several Chattanooga bondsmen who say their economic viability depends on letting defendants pay as little as 3 percent of a bond's amount.

In one case, bond for a man charged with vehicular homicide and DUI, his second DUI in four months, was set at \$100,000, but he got out of jail by paying only \$3,750, or 3.4 percent. Nearly a year later, he was charged with his third DUI.

The move is infuriating some local judges, who say that competitive pricing among the bonding companies can, in some cases, jeopardize public safety.

"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," said Criminal Court Judge Barry Steelman. "But their undercutting of each other's pricing should not undermine public safety and my management of the docket."

He declined to comment on any particular case, but said the trend of lower bond premiums could mean higher bonds being set in some cases.

A buyer's market?

The county's wealthiest bail bonding company, with the ability to cover bonds of more than \$8.2 million, is James & Perry, which has been in business for six years.

It's also one of the companies that has a reputation for allowing the accused to pay 3 percent of bond totals. And in at least a couple of cases, the company posted bonds for people with more than one pending case stemming from separate incidents.

It's legal in Tennessee for bondsmen to charge less than 10 percent premiums for bonds. Bail bonding companies risk having to pay the entire bond if the defendant misses a court date or skips town. State law allows at least six months to track down the defendant before the bonding company must fork over the money. Even then, bondsmen can ask judges for extensions.

Local bondsmen said lowering the premiums has come from competition among a growing number of companies.

James & Perry declined to comment directly for this story, but its lawyer, Gary Gerbitz, issued a statement.

"James & Perry Bonding Co. is a family-run business with an exemplary record of providing support for the courts by making bail bonds for defendants in Hamilton County Courts and assuring their appearance in these courts. 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. Considering the hundreds if not thousands of bonds made by James & Perry, this is an exceptional record."

Key Bonding Co., the second-largest bonding company in town and one that also discounts bond premiums, declined to comment.

Judges noticed the lower premiums after they set high bonds on certain offenders, only to find the accused bonding out and being arrested again, sometimes on the same charge.

General Sessions Court Judge Clarence Shattuck said if bonding company premiums continue to go below 10 percent, judges will have to consider setting higher bonds, especially when the accused person has a violent history or is a risk for public safety, such as someone with multiple DUIs.

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

The nature of the bail bonding business has changed drastically in recent years, according to numerous bondsmen in Chattanooga.

"The bonding business is a strange animal. We are self-employed entrepreneurs, but we actually work for the Criminal Court judges," said Charles White Sr., president of Tennessee Association of Professional Bond Agents and owner of two local bonding companies, Volunteer Bonding Co. and ABC Bonding Co.

In 1981, there were only six to eight companies in Hamilton County, he said. Today there are 32.

"As the newer companies come in to compete, they have to come up with a marketable approach," he said. "The quickest, easiest way is to reduce the fee schedule. Once it is determined in the detention center or around the jail facilities that a bond company will do bond for a reduced rate, it spreads like wildfire."

The local business is so competitive that at least half the companies have dropped premiums to attract business, White said.

"In the '80s, we were all friends," White said. "We met and did things together. Now, it's gotten so large, so competitive, you have a small pocket of friends you've had historically, and you have competitors you speak to, but you try to run and beat them at the jail."

Inmates call around routinely asking for lower rates, dropping the names of other companies with offers on the table, according to bondsmen. Bond agents visit family members of defendants to solicit business.

"What they will normally do is call and say, 'I've got a \$10,000 bond, what can you make it for?'" White said. "They will come back and say, 'Is that the best you can do? I just talked to XYZ or two other bonding companies, offering \$500 or \$600.'"

"My personal opinion is that is too good of a deal for the inmate. They should pay 10 percent," he said.



So why the growth in the number of bail bondsmen?

"Dog the Bounty Hunter," White said. "They see it on television and think it's appealing. They think it's a lot of money to be made with very minimal work. That's part of the problem, oversaturation."

Similar trends are seen around the state, White said. The state bonding association has considered how to curtail the number of bond companies. Ideas include regulating the number of companies in proportion to the population, instituting a fee schedule or raising requirements for entering the bonding business.

Another idea is to tie the premium to the amount of time required to track down a defendant if he or she doesn't show up for court, White said. The greater the payment by the defendant, the more time a bond company is given to locate a missing defendant.

"If you're going to discount prices, you're going to have less time to apprehend your defendant and settle the case," he said.

That idea doesn't please some of the same companies complaining about the undercutting, he said.

compounding tragedy

Bonds have been on the mind of Judy Maddux.

The man accused of killing her husband, Perry, in a traffic accident had a \$108,100 bond resulting from charges in the accident but got out of jail after paying \$3,750. He split the amount between James & Perry and Key bonding companies, according to receipts obtained by the Chattanooga Times Free Press.

"What is the point of setting bond at \$100,000 if you can put up less than \$4,000 and walk?" Maddux asked. "If this is how easy it is to get out, if you only have to pay this much, if you want someone to have a bond at \$100,000, maybe you should set it at \$1 million."

Perry Maddux, 51, was killed last September when a motorist crossed the centerline on Hixson Pike and slammed into his motorcycle, causing it to explode.

The other driver, 26-year-old Demario Goodwin, was out on bond on a DUI charge in Red Bank.

After Maddux's death, General Sessions Court Judge Clarence Shattuck more than doubled Goodwin's bond from \$15,550 to \$108,100 on charges including DUI, vehicular homicide, driving left of the center line and driving on a suspended license in November. Goodwin stayed in jail for 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.

Shattuck declined to comment on Goodwin's case.

On July 31, still on bond for the second DUI, Goodwin was stopped by Chattanooga police, who said they noticed a strong smell of alcohol coming from him.

When he was charged with a third DUI, a judge revoked the \$100,000 bond, so Goodwin has no hope of getting out before he comes to court.

The judge also ruled Goodwin violated his probation in his first DUI case and in an aggravated assault conviction for which he received a suspended five-year sentence.

Phil Duval, Goodwin's attorney, did not return calls for comment. Goodwin declined to comment from the Hamilton County Jail.

setting bonds

When it comes to setting higher bonds, however, not all cases hinge on whether the accused is considered a public safety concern.

Last week, bondsman Perry Flynn, who works for James & Perry, appeared before Steelman in a case in which a 34-year-old woman was accused of shoplifting from a Dollar General store in December.

Shaneika Bush's case has been continued several times because she was in the process of hiring an attorney. As of last week, she hired Lloyd Levitt.

Attempts to get in touch with Bush and Levitt were unsuccessful.

James & Perry allowed her to pay \$125 on a \$2,500 bond in December. In June, she was arrested on another theft charge and an assault charge in connection with a June 19 shoplifting incident, according to court records. After the second arrest, Steelman asked Flynn to bring him the woman's bond receipt.

He told Flynn that, if defendants violate conditions in their bond contracts, such as rearrest, bonds should be revoked and defendants tossed into jail with higher bonds.

A judge can deny bond only in a capital case or if the defendant has violated probation from a prior conviction.

In court, Flynn told Steelman that the woman always appears for her court date and that she is related to one of the company's agents.

"Well, showing up for court is one aspect," Steelman said. "I think committing new crimes is something totally separate, and I'm concerned about that."

"So if you make her bond again, I'm going to be checking to see the details of that," Steelman said as the woman was escorted away by court officers.

"OK, we won't," said Perry, who noted the company normally doesn't bond out people with pending cases who are accused of reoffending.

But by the end of the day, Bush was out. Key allowed her to pay \$1,000 on the \$25,000 bond, according to receipts.

When bondsmen from Key were called to court, they told Steelman an agent with James & Perry phoned them, asking for Key to make

Company	Limit	Total issued
James & Perry	\$8.27 million	\$8.22 million
Key	\$6.92 million	\$6.77 million
Jet	\$1.52 million	\$0
Gary's	\$1.46 million	\$1.71 million*
AAA	\$1.2 million	\$983,400
Huckabee	\$1.11 million	\$1 million
ABC	\$1.05 million	\$1.04 million
Volunteer	\$1 million	\$982,500

the bond instead.

When it comes to going below 10 percent consistently on bond premiums, Steelman had a warning for bondsmen:

"That's something I think we need to probably address in this jurisdiction."

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