

**Report: DA office got tow tip in '08**

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The Dallas County district attorney's office has known about allegations of suspicious payments from a towing company to a constable's office for more than two years, according to a Dallas County auditor's report.

The internal audit of Jaime Cortes' Precinct 5 constable's office examined operations from 2007 through April 2009.

In February 2008, a "confidential source" told the county auditor's staff that traffic deputies were required to use Dowdy Ferry Auto Services exclusively for towing and impounding vehicles stopped for certain violations.

The informant also told auditors about "unreceipted payments" from Dowdy Ferry Auto Services to the constable's office, according to the report. The auditor's office said it referred that information to the district attorney's office the same month in 2008.

District Attorney Craig Watkins denied Monday evening that he or his office knew in 2008 about the allegations of payments.

He said his public integrity and civil divisions never received information from the auditor about them.

No charges have been filed in connection with Cortes' towing operations, leading some county officials to question whether Watkins is serious about investigating a fellow Democrat.

"This has been going on for two years, and we don't know any more now than we did two years ago," County Judge Jim Foster said Monday. "It indicates to me the district attorney has no intention of doing anything. He has had more than enough time."

Watkins has declined to discuss or even publicly acknowledge his constable investigation. But his political operatives have stressed that criminal investigations take time.

Watkins faces Republican Danny Clancy in the November election.

Dan Wyde, an attorney for Milad Nasrallah Sr., owner of Dowdy Ferry, said that the district attorney has 21 boxes of the towing company's records over the last four years and that no criminal violations have been found regarding the towing he's done for Cortes.

The audit also found numerous problems and lack of controls in Precinct 5, including bad warrants, improper evidence storage and unexplained time off.

"It would be surprising to me that if they [the district attorney] had that for two years, they were unable to have some sort of conclusion," Commissioner Mike Cantrell said.

Attention was first cast on the relationship between Cortes and Dowdy Ferry in a report last July by The Dallas Morning News that detailed the constable's aggressive and unsupervised towing campaign.

Similar allegations that Precinct 5 deputies received payments from Dowdy Ferry were detailed earlier this year in an independent county investigative report ordered by commissioners.

The report by ex-FBI Agent Danny Defenbaugh said there is evidence that Cortes received bribes in the form of cash and vehicles from Dowdy Ferry. Witnesses reported seeing Cortes and his deputies receiving suspicious envelopes from Nasrallah, according to the report.

Cortes and Nasrallah could not be reached Monday, but they have previously denied wrongdoing. Cortes, who had been facing an attempt to remove him from office by trial, has agreed to step down in July.

The Defenbaugh report said a former Cortes lieutenant, Richard Talamantez, told a deputy that Nasrallah had given Cortes a gold Silverado pickup truck because the constable liked it. A former Dowdy Ferry tow-truck driver said he saw Nasrallah "put a stack of money" into an envelope and later deliver it to Assistant Chief Deputy Michael Hinojosa at Mountain View College, the report said.

Another witness was quoted in the report as saying he believed Cortes' daughter drove a Lexus that came from Nasrallah. And a sergeant told a witness that Cortes was getting \$25 per tow from Nasrallah, according to the report.

The Texas attorney general has twice offered to investigate the constable allegations for Watkins to avoid appearances of a conflict since Watkins' office defends the constables in civil matters. Watkins declined the help both times.

However, the attorney general's consumer division and the Texas Department of Licensing and Regulation are both investigating Dowdy Ferry for allegations of civil violations.

The department concluded in December that Dowdy Ferry violated 19 state regulations, including failing to properly store and secure the vehicles and failing to properly notify owners about their vehicles.

A hearing on the matter is scheduled for July.

Dowdy Ferry got its start in 2006 after Nasrallah, whose family is also in the vehicle salvage business, worked out an arrangement to tow impounded vehicles solely for Precinct 1 Constable Derick Evans. Evans later hired a key Dowdy Ferry employee as a clerk in his Precinct 1 office.

When Cortes, a former sergeant under Evans, was appointed the Precinct 5 constable in 2007, Cortes stopped using the precinct's previous wrecker services and began using Dowdy Ferry almost exclusively.

Dowdy Ferry tried to block commissioners from awarding towing contracts in Evans' and Cortes' precincts, saying it had valid contracts with both constables. But the company failed to get a court order halting the county's contracting process.

Foster and the commissioners are getting close to approving new towing and storage contracts for all five constable precincts and the Sheriff's Department.

The audit also revealed:

- Recalled warrants were listed in computers as active, resulting in some people being arrested on disposed cases.
- More than 50,000 warrants and 1,300 civil papers were not served as of April 30.
- Numerous hours of unexplained compensatory time was granted. Some deputies received comp time for working non-county-related jobs, such as Kwanzaa Fest.
- Time and attendance records didn't accurately reflect time worked or time off taken, resulting in possible overpayment of some employees.
- The property room did not have proper procedures to properly document and keep track of evidence and seized items.

## TIMELINE

Sept. 1, 2006 - Precinct 1 Constable Derick Evans signs an exclusive towing contract with Dowdy Ferry Auto Services.

July 10, 2007 - Jaime Cortes, a Precinct 1 traffic sergeant, is appointed Precinct 5 constable after the previous constable resigns amidst a scandal.

Feb. 14, 2008 - A confidential source tells the county auditor's office that Precinct 5 traffic deputies are required to use Dowdy Ferry to tow impounded vehicles. The source

also says the company has been making "unreceipted" payments to constables. The auditor refers the matter to the district attorney.

May 1, 2008 - Cortes signs an exclusive towing contract with Dowdy Ferry.

January 2009 - The Texas Department of Licensing and Regulation begins an investigation of Dowdy Ferry after receiving a complaint.

July 22, 2009 - Dallas County commissioners say they want to standardize towing contracts for each constable precinct, a day after The Dallas Morning News reports about aggressive and unsupervised towing operations in Precincts 1 and 5.

Aug. 25, 2009 - The Texas Attorney General's consumer protection office sends Dowdy Ferry a letter demanding 40 separate documents as part of a civil investigation.

Sept. 1, 2009 - Dallas County commissioners vote to hire ex-FBI agent Danny Defenbaugh to investigate the Precinct 1 and 5 constable offices.

February 2010 - The county's independent investigation of Cortes produces a 92-page report that concludes there is evidence that Cortes received bribes in the form of cash and vehicles from Dowdy Ferry.