

The Dallas Morning News
August 5, 2011 Friday

Denton County: Dallas' top prosecutor Craig Watkins owes for past bail bonds

By Kevin Krause and Ed Timms, Staff Writers

Dallas County District Attorney Craig Watkins, whose office plays a key role in seeking judgments against bail bondsmen whose clients skip court, has had a close and sometimes financially uneven career in that industry.

Watkins still owes Denton County more than \$3,400 from when he wrote bail bonds as a private defense attorney, officials said. Records also show that some Dallas County bondforfeiture judgments levied against his former company, Fair Park Bail Bonds, were not paid on time.

Watkins, a Democrat who won re-election last year, has received more than \$70,000 in contributions from bail bond companies, individuals associated with those companies and attorneys who've written bonds.

He said this week that if he owes Denton County -- and he's not certain he does -- he'll make good on that. He also defended his former bond company's operations, saying they were in line with industry practices. And he said his political support from bail bondsmen does not influence his decisions.

Watkins' background before becoming district attorney has taken on new significance because of his recent statements that he's working on ways to collect overdue payments from bail bondsmen -- a claim met with skepticism by some county commissioners.

The industry is facing more scrutiny here after *The Dallas Morning News* reported last month that Dallas County has been stuck with \$35 million in unpaid bond forfeiture judgments -- most of it uncollectible because it was allowed to accumulate over decades.

The News also found that money the county gets from forfeited bonds has fallen dramatically recently. County officials aren't sure why.

When criminal suspects miss court dates after a certain amount of time, the bond company or attorneys who wrote the bonds must pay the county the full amount.

James McCormack, an Austin lawyer who served as the State Bar of Texas' chief disciplinary counsel, said Watkins' bail bond issues suggest there was "insufficient consideration of how to avoid pitfalls like this" -- and how to avoid the appearance of irregularities.

"People in the public eye have to be conscious of the optics of how certain things might look," McCormack said.

Denton County records reviewed by *The News* initially showed Watkins had seven unpaid judgments and owed more than \$8,000 from bonds he wrote as a private attorney.

The Denton County district attorney's office re-examined court records this week after Watkins questioned that total and determined he owed \$3,460 in bond forfeiture judgments from two 2004 misdemeanor cases.

Watkins said that suggests there "obviously were some problems with the system in Denton County" tracking bond forfeiture cases that also exist in Dallas County.

"There's a lot of instances where people don't even know what they owe, or if there's a forfeiture," he said.

Denton County officials said their records show Watkins was notified in 2005 about overdue payments. It's unclear what happened after that.

Assistant District Attorney Lauri Frohbieter said Watkins owed the county for default judgments in two misdemeanor cases, each for \$1,730.

Texas is one of the few states that allow attorneys to provide bail bonds for their clients.

In some counties, district attorneys play a big role in collecting judgments by making sure liens and other court papers are filed against bondsmen who don't pay.

Watkins said his efforts to crack down on those who owe money have been stymied by county commissioners' failure to provide adequate funding for his office.

Some commissioners have disputed Watkins' assertion, saying neither he nor his top staff has raised the bail bond issue with them or asked for money to address it.

Review of Watkins' bond cases

The News' review of Watkins' bond cases in Dallas County showed that in at least nine instances between 2006 and 2008, court judgments against Watkins' former bail bond company and his insurance company were not paid when due.

As a result, the county issued writs of execution against Fair Park Bail Bonds and the insurance company that backed them. The writs are court orders that allow the sheriff to seize collateral or other property to pay the judgments.

The total owed came to nearly \$13,000, in both felony and misdemeanor cases. At least seven of them were paid, records show.

Watkins said not paying until after the writ is filed is an industry standard "because the goal is always to get the person back in jail."

"It's not that a person isn't living up to his responsibility by not paying. They're just trying to get the person back in jail so they don't have to pay the whole forfeiture," he said. "A judge is more likely to give you a pass if the guy's back in jail."

Watkins paid at least two judgments while he was district attorney after executions were issued against his former company, the sheriff's department said.

In another case, one of Watkins' prosecutors signed off on agreements to dismiss forfeiture cases against his former company.

In 2008, Assistant District Attorney Jennifer Kachel signed settlement agreements that dismissed two forfeiture cases -- for \$15,000 and \$3,500 -- against Fair Park. When Watkins wrote the bonds, he was an agent for Financial Casualty & Surety, a Houston-based insurer that backed his bonds.

It was a routine matter that didn't involve any contested issues. The defendant, who faced a felony drug charge, was rearrested within the grace period.

Watkins told *The News* he "ceased operating and relinquished my interest in Fair Park Bail Bonds in 2005" and had no interest in the outcome of those cases.

McCormack, the former state bar general counsel, said that having a subordinate work on a case involving her boss could create the appearance of a conflict. The more "sound approach," he said, would have been to ask for an outside lawyer to do it.

The outcome probably would have been the same, McCormack said, and no one could suggest that the district attorney received any favoritism.

"Public officials understand they are held to a higher standard," he said. "You don't want anyone to even question it."

Financial Casualty officials declined to comment.

Active bail bonds

Watkins' former bail bond company still had more than 60 active bail bonds worth nearly \$300,000 as of late June, records show. They were among the bonds he wrote before being elected district attorney in late 2006.

If any of those bonds are forfeited to the county, it is unclear whether Watkins could have any financial responsibility.

Because bail bondsman can be liable for judgments against them, they typically continue to maintain a reserve fund known as a build-up fund to pay future forfeiture judgments.

If a former bail bondsman doesn't have enough money to cover the forfeiture judgments, the insurance company backing the bonds could sue.

"If it's collectible, then sure, they go after them," said Randy Adler, a local lawyer who represents bondsmen. "Any agent that writes for an insurance company gets the lion's share of the premium, but the company has all the liability."

Watkins said he has no financial interest in the outcome of those cases.

Watkins' contributors

Even after Watkins became district attorney, his ties to the bond industry were apparent.

Since 2006, bail bond companies, individuals associated with those companies, and attorneys who've written bonds in Dallas County have made more than \$70,000 campaign contributions to Watkins.

Watkins said he receives donations from "a variety of individuals and occupations," and that bail bond industry's contributions make up less than 7 percent of his donations.

"Every elected official in the courthouse receives contributions. Just as it doesn't affect our decision-making, it doesn't affect theirs."

As a bondsman, Watkins fended off accusations from a client in the mid-2000s that he violated rules by the county bail bond board, which regulates the industry.

Among the allegations: Watkins' staff blocked unannounced inspections, and he was not conducting his business at the address provided to the board, said the sheriff's bail bond investigator, Scott Jones.

"When the investigator was allowed to inspect the bond company, he was escorted to T-Shirts Etc. located next door," Jones wrote. "Inside, there was one desk and one file cabinet that he claimed was the bond company."

Watkins responded, in part, by criticizing Jones.

"As a result of your mischaracterization of the facts your credibility is suspect," Watkins wrote to Jones. He also asked how he could file a complaint against the investigator.

Jones also wrote that the client reported that "all of her meetings with the bail bond company took place in the conference room at the law office of Craig Watkins" -- in violation of the board rules. Watkins replied that the situation had been remedied.

Ultimately, no action was taken against Watkins' company. Records show that Watkins' bail bond license expired on Jan. 31, 2006, and the board was notified that his insurance company was not renewing him on March 13, 2006 -- just as his successful campaign to become district attorney was taking shape.

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