

PENNSYLVANIA CRIME COMMISSION  
DEPARTMENT OF JUSTICE  
COMMONWEALTH OF PENNSYLVANIA

ABUSES AND CRIMINALITY IN THE  
BAIL BOND BUSINESS IN PENNSYLVANIA

37365

NCJRS

NOV 7 1976

RECEIVED

George Rayborn  
Executive Director

Sherrie Lavine Krauser  
Assistant Attorney General

George VanDurick  
Special Agent-in-Charge

Chairman  
Robert P. Kane

Commissioners  
George J. Barco, Esq.  
Jack Brian, Esq.  
Ronald R. Davenport, Esq.  
Bernard L. Siegel, Esq.

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION . . . . .	1
II. SURETY AGENTS . . . . .	6
A. Allegheny Mutual Casualty Company . . . . .	10
David Wander . . . . .	10
B. Midland Insurance Company . . . . .	12
Samuel Bonanno . . . . .	12
Leo Castello . . . . .	13
Harvey K. Childs . . . . .	15
Floyd W. Kellogg . . . . .	18
Ralph Mustello . . . . .	19
Gigi (Gisela) Siers . . . . .	20
Ronald Swartwood . . . . .	22
C. Stuyvesant Insurance Company . . . . .	23
Salvatore C. Cali . . . . .	23
Robert Chalpin . . . . .	24
John Creasy . . . . .	25
Melvin Levine . . . . .	27
Stephen C. Levitt . . . . .	28
Margaret Purcell . . . . .	29
Mary Wann . . . . .	29
III. PROFESSIONAL BONDSMEN . . . . .	31
John A. Bonanno . . . . .	34
John Hakim . . . . .	35
Lawrence Marra . . . . .	36
John D. (Jack) Smith . . . . .	37
Michael Smith . . . . .	38
Vincent Smith . . . . .	39
Harvey Wander . . . . .	40

TABLE OF CONTENTS

	<u>Page</u>
IV. PENNSYLVANIA ASSOCIATION OF BAILBOND UNDERWRITERS . . . . .	41
V. CONCLUSION . . . . .	47
VI. RECOMMENDATIONS . . . . .	49
NOTES . . . . .	50
APPENDIX: CRIMINAL VIOLATIONS RELATED TO BAIL BONDING . . . . .	69
EXHIBITS	
INDEX . . . . .	iv

## EXHIBITS

1. Bail bond posted in Monroe County with stacked powers of attorney.
2. Form letter to indemnitor on default of bail bond.
3. Receipts for Midland powers of attorney used by Samuel Bonanno, showing overcharges.
4. Receipts for Midland powers of attorney used by Leo Castello.
5. Bond posted by Harvey Childs in Crawford County without power of attorney or collateral.
6. Bond posted by Harvey Childs in Mercer County without power of attorney or collateral.
7. Various signatures used on bail bonds posted by Ronald Swartwood in Crawford County.
8. False reporting of bail bonds by Stuyvesant agent John Creasy.
9. Business card used by John Hakim in Carbon County.
10. Bond revoked by Jack Smith after his license expired.
11. Affidavit of Jack Smith.
12. PABU ledger showing expenditures from November, 1974 to November, 1975.

## I. INTRODUCTION

During the past few years, the Pennsylvania Crime Commission received numerous citizen allegations of illegal overcharges and other improprieties in the bail bond system. These allegations were verified in a preliminary inquiry, which, coupled with an earlier investigation in Delaware County,<sup>1</sup> demonstrated the need for a thorough state-wide examination of this multi-million dollar industry. Consequently, the Commission began an investigation into the nature and extent of abuses in the Pennsylvania bail bond system, including an examination of the effectiveness and enforcement of applicable laws, rules and regulations. All aspects of the system were scrutinized: from the defendant, bondsman, and magistrate, through the judicial and law enforcement authorities, to the insurance companies and Insurance Department.

Shortly after arrest, a criminal defendant in Pennsylvania is arraigned before a district justice,<sup>2</sup> who either releases the defendant on his own recognizance (ROR), or on a nominal bond, or sets bail.<sup>3</sup> New guidelines for the setting of bail were adopted by the Pennsylvania Supreme Court in 1973, and permit the judge to accept a fixed percentage of the bail amount as a returnable collateral deposit.<sup>4</sup> In some counties, e.g., Allegheny, Berks, Montgomery

and Philadelphia, local court rules establish the percentage deposit system for general use. If this alternative is not offered, the defendant must post the full cash amount, or its equivalent in real property, or pay a bondsman to post the bond for him. In any event, the failure of the defendant to appear for court as scheduled will render him a fugitive and cause his bail to be forfeited.<sup>5</sup>

A bondsman may be licensed to post bail in Pennsylvania either as a professional bondsman or as a surety agent. A professional bondsman is a person who posts more than two bail bonds in any month, and must pay an annual license fee of fifty dollars (\$50.00).<sup>6</sup> Court rules require the professional bondsman to post sufficient unencumbered collateral with each bond to cover the bail amount.<sup>7</sup> A surety agent is, after passing an insurance examination, licensed to represent an insurance company in posting bail. Since each surety company must deposit substantial funds with the state, and submit to examinations and audits, the surety agent need only post his company's power of attorney as collateral.<sup>8</sup> However, most surety companies require each individual agent to maintain a "buildup fund" to protect corporate assets against the agent's liability. The buildup fund is a fund maintained by the company in trust for the agent, into which the agent must deposit a set portion of each bail fee received.

A major problem in regulation of the bail system is the general lack of uniformity across the state. In each county, the district attorney, the county solicitor, and the Court of Common Pleas may each have responsibility for some phase of the system. The Pennsylvania Insurance Department is, in addition, statutorily authorized to license and regulate all professional bondsmen, surety agents, and surety companies.<sup>9</sup> The Department is limited in its power to enforce criminal penalties, and must refer its recommendations for criminal prosecution to the appropriate district attorneys. The Commission was unable to document any such referrals since 1972.

Effective policing of the bail system from within does not exist. The insurance companies, with the greatest access to their agents' records, have generally ignored criminal violations of state statutes by their agents unless some corporate loss resulted. Usually, many of these violations are only revealed after civil action for nonpayment of forfeitures. Within Pennsylvania alone, millions of dollars are currently owed to the various county courts by professional bondsmen and surety agents for forfeitures. Some individuals are currently ignoring forfeiture debts totalling more than \$100,000. Many of these debts have been outstanding for more than five years, and most are eventually settled by payment of a token amount. Without this financial pressure on bondsmen to guarantee their clients' appearance, fugitives are usually not returned until they are rearrested for another offense. The bondsmen thus are able to collect fees with minimal effort and minimal loss.

Although problems exist throughout the county and state governments in relation to the bail system, perhaps the major victims are those defendants who can least afford it. In general, only those individuals of insufficient wealth to post their own cash or property and ineligible for ROR or nominal bail, need the services of a bondsman. Most of the bondsmen investigated were found to have violated at least one of the criminal statutes pertaining to the conduct of their business. For this reason, this report focuses on the professional bondsmen, the surety agents, and the Pennsylvania Association of Bail-bond Underwriters. All four regional offices of the Crime Commission participated in the bail bond investigation, which extended into almost half of the counties in Pennsylvania, and included some inquiry into the bail activities of over sixty (60) bondsmen; including professional bondsmen, surety agents and unlicensed persons.

Many individuals were found to be misrepresenting their authority, either by improper use of their licenses, by posting bail without a proper license, or by misusing a surety company's power of attorney. The nonpayment of forfeitures, a common problem throughout the state, often resulted from individuals posting bail without proper collateral. Lax licensing requirements permit many bondsmen to post bail although ignorant of bail laws, rules, and regulations. In addition, certain bondsmen were found to have an improper alliance with judicial and law enforcement officials. The most prevalent offense,



however, is the one most damaging to the individual defendant: the misrepresentation of lawful fees, resulting in illegal overcharges. Consequently, many bondsmen fail to report their total income from bail either to their supervisors or to state and federal revenue authorities.

This investigation must progress beyond this level into an examination of the state and local governmental authorities overseeing the bail system, the corporate structures supporting the surety agents, the hidden participants in the bail system, and the various attempts at reform. A thorough exploration of these areas must be undertaken before any major revision of the existing legal structure can be proposed.

## II. SURETY AGENTS

A surety agent must pass an insurance examination and be endorsed by a properly registered insurance company before licensing by the Insurance Commissioner for the regular posting of bail bonds.<sup>10</sup> The licensed agent must then register his company's financial statement and general power of attorney, authorizing him to represent that company, in each county in which he intends to do business.

The ultimate responsibility of each insurance company for the bonds posted by its agents is guaranteed by the requirements of the Insurance Department Act.<sup>11</sup> Further, each surety company must post collateral in the amount of \$100,000 with the Insurance Commissioner, and similar amounts in particular counties, such as Allegheny, Montgomery and Philadelphia. Several companies, however, attempt to limit their liability by requiring each agent to pay their own forfeitures from their own savings, relying on the agent's buildup fund as the next resource before depleting corporate assets. At least one company, Midland Insurance, permits agents with securely established buildup funds to contract with subagents. The subagent remits an extra portion of his fees to the primary agent, who then assumes liability for the bonds posted.

The authority of the surety agent is embodied in the special power of attorney which must be posted with each bond. This power is usually pre-printed with specific limits as to time and amount, and authorizes him to post a certain sum of his company's assets as collateral on a single bond during a specified time period. For example, a power of attorney of Z Insurance Company may authorize John Jones, agent, to post a bond not exceeding \$5,000 between April 2, 1976 and June 2, 1976. Such a power could not be used for a \$7,000 bail bond, or posted on any date not falling within the stated time limits. Since only one power of attorney may be used with each bond, two \$5,000 powers could not be stacked on to the \$7,000 bond. (See Exhibit 1 for an example of stacked powers.) Moreover, the company may not be liable for bonds secured by void or stacked powers. The printing of specific limitations on these powers of attorney, unfortunately, has not prevented abuses.

Each surety agent is required to charge no more than the rate schedule approved for his company by the Insurance Commissioner.<sup>12</sup> The three companies currently operating in Pennsylvania; Allegheny Mutual Casualty Company, Midland Insurance Company, and Stuyvesant Insurance Company; are all currently limited to a rate of seven percent (7%). Public Service Mutual

Insurance Company of New York, which withdrew from the bail bond business on June 30, 1975, was authorized to charge a rate of ten percent (10%).

Allegheny Mutual Casualty Company of Meadville is the only bail surety company incorporated in Pennsylvania. A relatively small company in the health and casualty insurance field, its business in Pennsylvania is almost entirely in bail bonds. All Pennsylvania business is directly overseen by J. Floyd Smith, president of the company. Since January 15, 1973, its approved bail rate is seven percent (7%), with a minimum premium of twenty-five dollars (\$25.00) per bond.<sup>13</sup>

Midland Insurance Company of New York, New York, is a large insurance company with more than thirty bail bond agents in Pennsylvania, with Harvey K. Childs of Greenville as the general state agent. Their lawful premium has been seven percent (7%) of the bond, with a minimum charge of fifteen dollars (\$15.00) since Midland entered the bail bond business in Pennsylvania on November 17, 1972.<sup>14</sup>

Stuyvesant Insurance Company, a New York corporation based in Allentown, Pennsylvania, operates its surety business in Pennsylvania through its state agent, Mid-Atlantic Agency. The agency is owned and operated by Albert Schwartz and Abraham Needleman, Esq., both of Philadelphia. All Stuyvesant agents previously authorized to charge ten percent (10%) on bail bonds were notified that, effective January 1, 1973, the lawful rate would be seven percent (7%), with a minimum premium of twenty-five dollars (\$25.00) per bond.<sup>15</sup>

Although improper practices varied among the agents investigated, certain illegalities fit general patterns across the state. The most prevalent is the overcharging of defendant-clients, in which the agent demands a fee higher than the stated premium or adds business expenses to the legal fee. In so doing, the agent may be misrepresenting the legal fee, and thus, criminally taking money or property under false pretenses.<sup>16</sup> Many agents also require a friend or relative to guarantee a defendant's court appearance by signing an indemnity agreement and/or depositing tangible security, usually in the form of a car title, deed, cash or jewelry. Some agents, as shown in Exhibit 2, attempt to collect from indemnitors for payment of forfeiture debts. However, neither indemnitors nor security are permitted by the insurance rate schedule.

A surety agent may frequently defraud the courts, the Insurance Commissioner and his own company by misrepresenting his authority. Several surety agents, including Harvey Childs,<sup>17</sup> John Creasy,<sup>18</sup> Melvin Levine,<sup>19</sup> and David Wander,<sup>20</sup> have employed persons not licensed as surety agents to solicit business and perform other functions of the surety agent, in defiance of the Insurance Department Act.<sup>21</sup> Further, both Mr. Childs<sup>22</sup> and Mr. Levine<sup>23</sup> also post bail regularly without using corporate powers of attorney. This practice is prohibited by the Criminal Code and the Insurance Department Act, since the agent thereby retains his company's share of the bail

fee,<sup>24</sup> and misrepresents his authority to the defendants and the courts.<sup>25</sup>

In addition, many agents misuse their company's powers of attorney by ignoring the specific limitations previously described. The invalid use of these powers of attorney may prevent the county from establishing corporate liability for defaulted bonds, at an ultimate cost to the taxpayers.<sup>26</sup>

The business practices of selected agents for each of the three active surety companies were carefully examined, and are discussed below.

A. Allegheny Mutual Casualty Company

David Wander

Operating primarily in Allegheny County, David Wander of Pittsburgh is the most prominent surety agent of Allegheny Mutual Casualty Company in Pennsylvania. In violation of the licensing laws,<sup>27</sup> Mr. Wander employs his cousin, professional bondsman Harvey Wander, as an assistant earning two percent (2%) commission on bonds he posts.<sup>28</sup> Harvey Wander acts as a surety agent in all respects, except that he does not sign his own name to bail bonds.<sup>29</sup> Although David Wander testified that he pre-signs bail certificates for Harvey's use,<sup>30</sup> Harvey also has a rubber stamp bearing David's signature.<sup>31</sup>

David Wander testified that he has charged a fee of seven percent (7%) since 1972,<sup>32</sup> although further testimony and evidence revealed additional charges. Mr. Wander disclosed his practice of requesting security deposits, which may be as high as the full bond amount.<sup>33</sup> He frequently requires indemnity agreements,<sup>34</sup> and routinely charges a higher rate on federal bonds.<sup>35</sup> None of these exceptions is justified by the rate filing approved by the Insurance Commissioner. Thus, each such charge above the legal rate constitutes a criminal offense.<sup>36</sup>

An examination of Allegheny County court records disclosed that Mr. Wander used expired powers of attorney and powers of attorney limited to amounts less than the bail which they secured. Use of these void powers enables Allegheny Mutual to limit its liability in the event of default, since the company is only liable for the use of its valid powers.<sup>37</sup> Thus, Mr. Wander misused powers of attorney to the ultimate detriment of the Allegheny County taxpayers by misrepresenting his authority to the courts, in violation of the criminal laws of the Commonwealth.<sup>38</sup>

B. Midland Insurance Company

Samuel Bonanno

A hydraulic engineer by trade, Samuel Bonanno was a licensed professional bondsman in Berks County from 1968 until he received his surety agent's license in July, 1974, despite a prior criminal conviction.<sup>39</sup> Mr. Bonanno testified that he assisted Midland agent Leo Castello as an unpaid trainee for two years, until he passed the insurance agent's examination.<sup>40</sup> Mr. Castello, however, was not licensed as a surety agent during the first year of his association with Mr. Bonanno, and for several months the late James E. Smith, a Midland insurance agent, signed bail bonds for both men.<sup>41</sup> During his training period, Mr. Bonanno accepted calls from potential clients, interviewed them, collected their fees, and accompanied Mr. Castello to the district justice's office.<sup>42</sup> In addition, Mr. Bonanno called Midland general agent Harvey Childs to have several bonds transferred to Leo Castello because his nephew, John Bonanno, had overextended collateral on his property bonds.<sup>43</sup>

Mr. Bonanno testified that he personally signed all documents related to his bail business.<sup>44</sup> After examining several documents purportedly signed by him, he stated that all family members, including his secretary, Georgine Bonanno,<sup>45</sup> have powers of attorney to sign his name.<sup>46</sup> Further, Mr. Bonanno



employs police officers to apprehend bail fugitives.<sup>47</sup> Thus, he is able to operate a lucrative bail business without leaving his office to sign bonds before the district justice, as required,<sup>48</sup> or to find his recalcitrant clients.

Mr. Bonanno admitted that he collects a ten percent (10%) fee,<sup>49</sup> and also requires indemnity agreements.<sup>50</sup> He contended, however, that Mr. Castello instructed him to collect the three percent (3%) overcharge as a returnable collateral deposit, and that he has continued that practice in his own business.<sup>51</sup> Quarterly reports filed by Mr. Bonanno with the Berks County Clerk of Courts, however, indicate fees of ten percent (10%) on all \$500 bonds.<sup>52</sup> Mr. Bonanno also reported overcharges in receipts filed with Midland Insurance Company.<sup>53</sup> (See Exhibit 3.) Moreover, Mr. Bonanno testified that he believes that bondsmen cannot exist on a seven percent (7%) fee.<sup>54</sup>

### Leo Castello

Leo Castello of Berwick was a licensed professional bondsman for ten years. In July, 1973 the Insurance Department refused to renew his license after finding that he was posting surety bonds for Midland Insurance Company. According to Mr. Castello, Midland agents Harvey Childs and James Smith<sup>55</sup> covered his bail for the next few months, until Mr. Castello was licensed as a Midland agent on September 27, 1973.<sup>53</sup> A review of court records verified a confidential informant's allegation that Mr. Castello actually posted bail before

receiving his license. (See Exhibit 4.) Further, he was allegedly reimbursed by Mr. Childs for bail fees he collected.<sup>57</sup>

Since receiving his license, Mr. Castello has posted bail in some thirty counties, and trained Midland agents Samuel Bonanno and William Higgins. Mr. Castello claimed to charge only seven percent (7%), but admitted adding travel expenses to his fee.<sup>58</sup> Further evidence revealed that Mr. Castello usually requires a fee of ten percent (10%) and up to one-half the bond amount as a security deposit, which may include personal property such as stereo equipment.<sup>59</sup> Mr. Castello also posted bail last year with unlicensed bondsman Jack Smith.<sup>60</sup>

Mr. Castello admitted presenting gifts of liquor to all of the magistrates in Columbia County, and the prison guards in Lycoming and Northumberland counties.<sup>61</sup> Confidential sources revealed that Mr. Castello paid kickbacks to magistrates, police officers and prison officials in Columbia, Lehigh, Schuylkill, Snyder and Union counties.<sup>62</sup> In addition, Mr. Castello allegedly receives preferential treatment on bail forfeitures from the Columbia County commissioners.<sup>63</sup>

In Berks County, Mr. Castello was cited by Common Pleas Judge Warren K. Hess for misrepresentation of facts to the court in a forfeiture hearing. Mr. Castello told the court that he and bondsman John Bonanno<sup>64</sup> were responsible for the return of a bail fugitive. The court then reduced the cost of the \$2500 bail forfeiture to \$200. Later information, however, revealed that law enforcement officers of Canada and Pennsylvania were actually responsible for the defendant's return.<sup>65</sup>

Although Mr. Castello voluntarily explained many details of his bail bond business in a personal interview with Crime Commission agents on March 21, 1975, he subsequently chose to ignore a Crime Commission subpoena for a hearing on May 22, 1975 until Commonwealth Court proceedings were initiated. Mr. Castello thereafter appeared with counsel at a hearing on August 13, 1975 in which he refused, on Fifth Amendment grounds, to answer sixty-two questions related to his bail business.

Harvey K. Childs

Former Stuyvesant agent Harvey Childs now operates his bail business and general state agency for Midland Insurance Company from his home in Greenville. Mr. Childs was licensed as an agent of the Stuyvesant Insurance Company, but resigned in September 1973 to go with Midland because the Stuyvesant management "wanted to tell me what to do."<sup>66</sup> As Midland state agent, he must "oversee the writing of bail throughout Pennsylvania through our agents."<sup>67</sup> Although Stuyvesant Insurance Company notified him in December, 1972 that the rate in 1973 would be seven percent (7%), Mr. Childs claimed that he never discussed rates with Midland.<sup>68</sup>

Mr. Childs instructed potential Midland agents that they could 'earn more money with Midland as long as their fees did not exceed ten percent (10%), and that they could add travel expenses.<sup>69</sup> Mr. Childs also endorses the use of indemnitors as 'a psychological thing to make sure they appear.'<sup>70</sup> Midland Agent Ralph Mustello testified that he was not notified of any rate reduction until June, 1975, when he received a letter from Mr. Childs' office.<sup>71</sup> Moreover, Mr. Childs admitted in June, 1975 that he usually charges a nine percent (9%) bail fee.<sup>72</sup>

As state agent, Mr. Childs also recommends new agents, and testified that he would not accept an agent who was "pushy, money hungry [or] a conniver," but that prior revocation of an applicant's professional bondsman's license would not be relevant.<sup>73</sup> Mr. Childs, in fact recommended former professional bondsman Leo Castello, whose license renewal application was denied by the Insurance Department.

Mr. Childs employs both his wife, Linda, and his mother-in-law, Roseanne Hinkson in his bail business, part of which is incorporated into H. L. C., Inc. Both women,<sup>74</sup> and Ronald Swartwood,<sup>75</sup> a Midland agent and employee of H. L. C., Inc., are authorized to sign Mr. Childs' name, and use Midland powers of attorney. Further, Mr. Childs employs some fifteen other licensed and unlicensed persons as subagents using his powers of attorney

and liability to Midland, including: Ann Cook, Dean Cornblower, Charles Hess, Robert Hinkle, Perry Kosoy, Jack Kramer, Nicholas Mirolli, Ralph Mustello, Felix Pallone, Norman Peters, Eugene Rabenstine, John Rabenstine, Thomas Shade, John Wasco, Gordon Weldon and Robert Weyant.

Harvey Childs and Ronald Swartwood frequently post bail in Crawford and Mercer counties without Midland power of attorney or other collateral, often using a surety license number as identification.<sup>76</sup>

(See Exhibits 5 and 6.) Mr. Childs alleged that the Crawford County courts permitted them to post bail without powers of attorney.<sup>77</sup> However, this action violates criminal and insurance laws by perpetrating frauds against their clients, the courts, the state, and Midland Insurance Company.<sup>78</sup>

Further, Mr. Childs stated that defense and prosecuting attorneys, magistrates and judges refer clients to him.

Mr. Childs is also the chief founder and president of the Pennsylvania Association of Bailbond Underwriters (PABU). In that capacity, he has attempted to thwart the Crime Commission's bail investigation by directing PABU members and officers to ignore Commission subpoenas.

Floyd W. Kellogg

Floyd Kellogg was a Monroe county magistrate for twenty-two years, until his last term expired on January 3, 1970.<sup>79</sup> In a hearing before the Crime Commission, Mr. Kellogg testified that he had assisted Melvin Levine<sup>80</sup> in his bail business from 1960 through 1974.<sup>81</sup> For ten years, Mr. Kellogg's responsibilities in arraignments were, in his words, "either jailing them or bailing them."<sup>82</sup> Mr. Kellogg became a licensed surety agent for Midland on January 1, 1975.<sup>83</sup>

While working with Mr. Levine, Mr. Kellogg interviewed potential clients, collected the fee, and signed the bail certificates; Mr. Levine merely sent the signed powers of attorney to him.<sup>84</sup> Mr. Kellogg regularly charged a ten percent (10%) fee, adding fifteen dollars (\$15.00) if a call came late at night.<sup>85</sup> He told clients that he was not a bondsman, and never issued receipts, believing that the "fact they were out of jail is their receipt."<sup>86</sup> Mr. Kellogg testified that he received neither salary nor commission during this period.<sup>87</sup> He claimed that Mr. Levine merely reimbursed his expenses, and added a small fee of up to twenty-five dollars (\$25.00) sporadically.<sup>88</sup> Mr. Levine's testimony, and an examination of records pertaining to transactions between them, however, disclosed that Mr. Kellogg remitted only the portion of the fees remaining after taking his commission of about three percent (3%).<sup>89</sup>

As a Midland agent, Mr. Kellogg still charges ten percent (10%), as instructed by Harvey Childs.<sup>90</sup> Mr. Kellogg still requires indemnitors,<sup>91</sup> and revokes bail without repaying the fee received.<sup>92</sup>

### Ralph Mustello

Ralph Mustello has been in the insurance business in Butler County since 1961.<sup>93</sup> He started posting bail bonds through Harvey Childs in 1971, first with Stuyvesant Insurance Company and then with Midland.<sup>94</sup> However, he testified that he has never received any instructions in his surety business from Mr. Childs.<sup>95</sup> Mr. Mustello is a subagent of Mr. Childs' company, H.L.C., Inc., and posts bail under Harvey Childs' liability with Midland.

In a Crime Commission hearing, Mr. Mustello testified that he never charges less than \$35.00 for any bail bond, charges \$50.00 on a \$500 bond, and charges seven or eight percent (7 or 8%) on bonds over \$1,000.<sup>96</sup> He further admitted to adding travel expenses to his fees and not issuing receipts.<sup>97</sup> By contract, he must remit four percent (4%) to Mr. Childs and Midland. Mr. Mustello stated that he was first informed of the reduction in bail rates in June 1975, when Roseanne Hinkson of H.L.C., inc. sent a letter to all Midland agents advising them of the seven percent (7%) rate.<sup>98</sup> The letter followed inquiries by Commission agents concerning the Midland rate schedule.

Mr. Mustello stated that he never accepts security, although he has required indemnitors.<sup>99</sup> He also admitted using police, prison officials, and magistrates in his bail business, but refused, on Fifth Amendment grounds, to provide more specific information concerning such practices.<sup>100</sup>

Gigi (Gisela) Siers

Gigi Siers and her husband, Allan Siers, have operated a bail bond business in Lehigh and Northampton Counties since 1970.<sup>101</sup> Mr. Siers was licensed as a professional bondsman in Pennsylvania from August 31, 1970, until August 31, 1972. During that time, Mr. Siers acted as a surety agent for Cosmopolitan Insurance Company of New York, supervised by James Rochelle.<sup>102</sup> Mrs. Siers passed the Pennsylvania insurance agent's examination on March 30, 1971, and was licensed as a Cosmopolitan agent on April 7, 1971. Mr. Siers passed the examination on February 22, 1972, but was not granted his license. The Insurance Department fined him \$2,000 for posting surety bonds as a professional bondsman. Since he did not pay the fine, he was not licensed as an insurance agent.<sup>103</sup> Mr. Siers has, however, continued to perform all functions of a surety agent, including signing bonds and powers of attorney.<sup>104</sup>

In December, 1972 James Rochelle left Cosmopolitan for Public Service Mutual Insurance Company, for which Mrs. Siers became a licensed agent on



January 1, 1973.<sup>105</sup> Public Service terminated its bail business on May 15, 1975, and Mr. Rochelle joined the bail management of Midland Insurance Company. Mrs. Siers was accepted as a Midland agent shortly thereafter.<sup>106</sup>

Throughout Mrs. Siers' career as a surety agent, she presigned bail certificates and powers of attorney for her husband's use.<sup>107</sup> Interviews with confidential informants confirmed Mr. Siers' active participation in the bail business,<sup>108</sup> although Mr. Siers identifies himself merely as an interviewer for his wife.<sup>109</sup> In addition, both Mr. and Mrs. Siers have collected excessive fees,<sup>110</sup> added costs of \$10.00 or \$20.00 for installment payments,<sup>111</sup> and required indemnitors and security deposits of cash or property.<sup>112</sup> In 1975, they sued an indemnitor for payment of a bail forfeiture.<sup>113</sup> In other cases, the Siers revoked bonds without returning the fees paid, even after agreeing to post another bond.<sup>114</sup> Since the Siers maintain no record of fees received,<sup>115</sup> their income and its various sources can only be estimated.

Allan Siers testified that he had been approached by a prison official for illegal kickbacks, but refused, on Fifth Amendment grounds, to elaborate.<sup>116</sup> He also refused to discuss the solicitation of bail business in magisterial offices or prisons, or the attempted bribery of law enforcement or judicial officers.<sup>117</sup> Mrs. Siers further denied ever being asked for or paying a kickback.<sup>118</sup> Several officials in Lehigh County, including a district justice<sup>119</sup> and a law enforcement official,<sup>120</sup> however, disclosed that Mr. Siers attempted to bribe them. Thus, Mrs. Siers considers bail bonding "a very crooked business."<sup>121</sup>

Ronald Swartwood

A former law enforcement officer, Ronald Swartwood has been a salaried employee of Harvey Childs since July 1, 1973, and a licensed Midland bail agent since June 21, 1974.<sup>122</sup> Mr. Childs testified in a Crime Commission hearing that Mr. Swartwood also earns a commission of one percent (1%).<sup>123</sup> Mr. Swartwood, however, denied any such arrangement.<sup>124</sup>

Mr. Swartwood operates primarily in Crawford and Mercer counties, where he signs Mr. Childs' name to bonds posted without collateral or Midland power of attorney.<sup>125</sup> (See Exhibit 7.) By so doing, Mr. Swartwood is defrauding the insurance company of its contractual share of the bail premium,<sup>126</sup> defying the statutory requirements of the licensing laws,<sup>127</sup> and illegally misrepresenting his authority to his clients<sup>128</sup> and the courts.<sup>129</sup> He testified that he charges a fee of seven percent (7%) whether a power of attorney is used or not,<sup>130</sup> and adds travel expenses, as directed by Harvey Childs.<sup>131</sup> Mr. Swartwood enlists the aid of police officers to locate bail fugitives,<sup>132</sup> and still has access to police data concerning his bail clients.<sup>133</sup>

Harvey Childs relies on Mr. Swartwood's investigative experience to locate bail fugitives,<sup>134</sup> and to help evaluate potential Midland agents.<sup>135</sup> Mr. Swartwood has also served as an investigator for the Pennsylvania Association of Bailbond Underwriters.<sup>136</sup>

C. Stuyvesant Insurance Company

Salvatore C. Cali

Salvatore Cali, Registrar of Wills in Lackawanna County, owns the S. C. Cali Insurance Agency in Dunmore. He is the only surety agent in Pennsylvania licensed to represent both Stuyvesant and Midland Insurance Companies for bail bonds, in breach of his exclusive contract with Stuyvesant.<sup>137</sup>

In a hearing before the Crime Commission, Mr. Cali testified that he charges the lawful premium rate<sup>138</sup> and issues receipts to his clients,<sup>139</sup> although he admitted adding travel expenses<sup>140</sup> to his fee, and requesting security.<sup>141</sup> Any such addition to the lawful rate must be considered an overcharge, in violation of insurance<sup>142</sup> and criminal laws.<sup>143</sup>

Mr. Cali has used employees of his agency to assist in the bail bond business. He testified that his office manager, Frank B. Muraca, used to post bail, but has not been licensed for the last five years.<sup>144</sup> An examination of court records, however, revealed numerous bail bonds posted by Mr. Muraca within that period. Moreover, Mr. Cali regularly relies on his nephew, John Wasco, to post bail.<sup>145</sup> Mr. Wasco, like Mr. Cali, is licensed to represent both Midland and Stuyvesant, without the knowledge of Stuyvesant.<sup>146</sup>

Robert Chalpin

Robert Chalpin is a very successful surety bond agent, with a principal office in Norristown, close to the Montgomery County courthouse, and seven other offices throughout Pennsylvania and New Jersey. Mr. Chalpin maintains significant contacts with, and obtains referrals from attorneys, district justices, and law enforcement personnel.<sup>147</sup> While his primary business is title insurance, Mr. Chalpin was instrumental in thwarting the adoption of bail rules by the Montgomery County courts, which would have established a schedule of penalties for forfeitures, determined by the time elapsed before the defendant appeared in court.<sup>148</sup>

In a hearing before the Pennsylvania Crime Commission, Mr. Chalpin claimed ignorance of the lawful premium rates,<sup>149</sup> and freely admitted that his customary fee is ten or eleven percent of the bail bond,<sup>150</sup> a clearly illegal overcharge.<sup>151</sup> Although the courts adopted a new bail form in late 1973, Mr. Chalpin still employs the old forms in his office.<sup>152</sup> He further stated that he only issues receipts when requested to do so, notwithstanding his frequent acceptance of deeds and judgment notes as collateral.<sup>153</sup>

Mr. Chalpin is careful to prevent default of his bonds by customarily notifying his clients of their court dates.<sup>154</sup> If a client fails

to appear, Mr. Chalpin contacts friends and relatives of the client before hiring a "headhunter"<sup>155</sup> to locate a fugitive.<sup>156</sup> Mr. Chalpin is responsible for payment of his own forfeitures.<sup>157</sup> However, he settles all outstanding forfeitures by payment of a nominal amount, as determined in a semi-annual out-of-court settlement with the Montgomery County Solicitor's Office.<sup>158</sup>

### John Creasy

John Creasy has been a licensed surety agent in Bucks and Montgomery counties since 1973, with an average annual net income of \$38,000.<sup>159</sup> Prior to obtaining his license, Mr. Creasy assisted Leo Castello and other bondsmen as a headhunter.<sup>160</sup> He also acted as a general subagent of former Stuyvesant agent Herbert Levine,<sup>161</sup> in violation of the licensing laws. He acquired the office and territory of Mr. Levine upon the latter's forced retirement<sup>162</sup> and still pays Mr. Levine a portion of the bail fees collected in Bucks County.<sup>163</sup>

Although Mr. Creasy and Mr. Chalpin both work for Stuyvesant in Montgomery County, they do not compete; rather, they have divided the territory between them geographically. Both men receive frequent referrals from local police officers, district justices, and their staffs, who acknowledge

this territorial division.<sup>164</sup> Further, Mr. Creasy admits to an average premium charge of ten or eleven percent, with some charges as high as fifteen percent.<sup>165</sup> Although any such excessive premium is clearly illegal,<sup>166</sup> Mr. Creasy claims that the overcharge is a returnable security deposit allegedly maintained in an account with general agent Mid-Atlantic Agency until the case is settled.<sup>167</sup> Commission agents examined Mid-Atlantic records, but were unable to verify Mr. Creasy's claims.<sup>168</sup> Moreover, several attorneys in the Bucks County Public Defender's Office have lodged complaints against Mr. Creasy with the Insurance Department and with the Crime Commission for allegedly overcharging their clients.<sup>169</sup>

Commission agents compared court records maintained in Bucks County and Montgomery County with reports prepared by Mr. Creasy for Stuyvesant Insurance Company. By so doing, agents verified Mr. Creasy's illegal use of powers of attorney. Mr. Creasy foisted void powers on the court, misrepresenting his authority to his clients<sup>170</sup> and the courts<sup>171</sup> by using powers limited to less than the bond amount, expired powers, and altered powers. In addition, Mr. Creasy apparently embezzled corporate funds by not reporting all bonds posted,<sup>172</sup> and thereby retaining his company's share of the premiums. (See Exhibit 8 for an example of this false reporting.)

Melvin Levine

Melvin Levine, owner of the A. B. E. Bail Bond Agency in Allentown, posts bail bonds throughout the eastern part of the state. Although licensed in Pennsylvania as a surety agent for the last five years, Mr. Levine regularly posts bail in Northampton County without power of attorney or other collateral.<sup>174</sup> In a hearing before the Crime Commission, Mr. Levine testified that he not only signs his name and license number to such bonds, but charges an illegal fee of seven to ten percent.<sup>175</sup> Moreover, he does not report these bonds to his company.<sup>176</sup> Mr. Levine thereby illegally misrepresents his authority to his clients,<sup>177</sup> and the courts<sup>178</sup> and embezzles Stuyvesant's share of the premiums,<sup>179</sup> all in violation of criminal laws.

To expand his business, Mr. Levine has employed several persons whose primary employment would make them very accessible to clients and the courts, although presenting a substantial conflict of interest. For fifteen years, he employed Floyd Kellogg, now a Midland surety agent, to post bail in Monroe County.<sup>180</sup> Mr. Kellogg was not licensed as a surety agent until 1975,<sup>181</sup> and thus violated insurance laws.<sup>182</sup> Further, Mr. Kellogg served Monroe County as a district justice for ten years of his association with Mr. Levine.<sup>183</sup> Jack Silberlicht, a Wayne County constable, posted bail in his area for Mr. Levine several years ago, without a license.<sup>184</sup> Currently, Margaret Purcell,

the wife of a district justice, posts bail for Mr. Levine in Schuylkill County.<sup>185</sup> Mrs. Purcell, however, is a licensed insurance broker.<sup>186</sup> Nevertheless, Mr. Levine directed the bail activities of each of his subagents, and instructed them to charge illegally high fees.<sup>187</sup>

Continuing to ignore insurance licensing requirements, Mr. Levine still transfers bail bonds to former Stuyvesant agent Mary Wann, notwithstanding the expiration of her license in 1974.<sup>188</sup> Mr. Levine further admitted that he attempted to bribe two district justices in Allentown, and that other district justices and attorneys refer clients to him.<sup>190</sup>

#### Stephen C. Levitt

Mr. Levitt owned and operated the Schwartz-Sills Bailbond Agency of Pittsburgh until May 1, 1973.<sup>191</sup> At that time, he sold the agency to his former employee, Michael Isaac.<sup>192</sup> Mr. Levitt retained his contract with Stuyvesant, and thus his liability for all forfeitures incurred.<sup>193</sup> Several years ago the Pennsylvania Insurance Department pursued allegations of excessive fees paid to Mr. Levitt's agency.<sup>194</sup> Mr. Levitt subsequently paid a fine to the Department, and repaid all overcharges received.<sup>195</sup>

Currently, Mr. Levitt and his former subagent, Victor Kozlowski, are being held in protective custody, allegedly as a potential witness in a federal investigation of kickbacks related to bailbonding in Pittsburgh.<sup>196</sup> In earlier testimony before the Commission, Mr. Levitt was evasive about the payment of kickbacks, but categorically denied any such payments during a specific time period.<sup>197</sup>



Margaret Purcell

Margaret Purcell, a licensed insurance broker, earns a one or two percent commission on bail bonds posted through Stuyvesant agent Melvin Levine<sup>198</sup> and Midland agent Leo Castello.<sup>199</sup> She has collected fees ranging from eight to twelve percent (8 to 12%), depending upon the size of the bond, as directed by Mr. Levine.<sup>200</sup> Although operating generally as a subagent of Melvin Levine, Mrs. Purcell does confer with the general agent, Mid-Atlantic Agency, and received powers of attorney directly from them.<sup>201</sup> Nevertheless, she has stacked powers illegally on bonds.<sup>202</sup>

Mrs. Purcell is a county employee serving as secretary to her husband, a district justice in Pottsville.<sup>203</sup> Although she testified that she is not permitted to post bail in his office,<sup>204</sup> an inspection of court records revealed that she frequently does so. Mrs. Purcell is responsible for more bail bonds in Schuylkill County than any other individual.<sup>205</sup>

Mary Wann

Mary Wann has been active in bail bonding in Berks County since she first obtained a professional bondsman's license on December 13, 1968. The history of her licensing and her career exemplify many of the problems inherent in the current system.

Within a year of her initial licensing, Ms. Wann requested an application for licensing as a surety agent for Allegheny Mutual Casualty Company. The Insurance Department informed her that both licenses cannot be held concurrently, and she routinely renewed her professional bondsman's license. In June, 1971 the Department learned that she was executing bonds with powers of attorney from the Southern General Insurance Company. It thereupon directed the Berks County courts not to accept any bonds executed by Mary Wann for a surety company. Since Southern General apparently revoked the powers of attorney given her, the Insurance Department took no further action. Her license lapsed on December 13, 1971.

Notwithstanding the above-mentioned violations of the licensing regulations, Ms. Wann was permitted to take the insurance agent's examination in December, 1971, and was subsequently licensed as a surety agent for Stuyvesant Insurance Company on July 13, 1972. By March, 1974, however, Ms. Wann was again barred from posting bonds in Berks County, for failure to satisfy outstanding forfeitures totalling more than \$130,000.

Although her license was not renewed in 1974, Mary Wann has continued to post bail through transfer bonds from current Stuyvesant agents. Stuyvesant recently settled her debt to Berks County. Since the Insurance Department never brought formal charges against her, and took no final action, it is possible that she will again be relicensed.

### III. PROFESSIONAL BONDSMEN

The professional bondsman is governed by the Professional Bondsman's Act,<sup>207</sup> which defines his fee as ten percent (10%) of the first one hundred dollars (\$100) of bail, and five percent (5%) of each hundred dollars thereafter,<sup>208</sup> not to exceed a total fee of eight percent (8%).<sup>209</sup> An applicant must be free of prior criminal convictions<sup>210</sup> in order to be licensed by the Insurance Commissioner, at an annual fee of fifty dollars (\$50.00).<sup>211</sup> He must also maintain an office in each county in which he posts bail,<sup>212</sup> and list each county and office on his annual license application.<sup>213</sup>

Notwithstanding these statutory requirements, virtually every bondsman investigated overcharged his clients and violated the bail laws. George Wentzler (Lebanon County) and Frank Al Bock (Fayette County), for example, generally misrepresented the lawful fee by stating flat rates of ten percent (10%),<sup>214</sup> and six percent (6%) respectively.<sup>215</sup> Washington County bondsmen John P. Longo<sup>216</sup> and Charles Losko<sup>217</sup> simply claimed ignorance of the legal rates, although required to affirm their knowledge of the pertinent laws on their license applications.<sup>218</sup>

In addition to the excessive fees, many professional bondsmen create another obstacle for the impoverished defendant by requiring protection against the risk of forfeiture. James Costopoulos<sup>219</sup> (Cumberland County),

Finis Esters<sup>220</sup> (Lancaster County), and Robert Marcus<sup>221</sup> (Dauphin County), have all demanded tangible security, usually in the form of a deed, car title, cash or jewelry. Peter Pope<sup>222</sup> (Dauphin County) and others demand instead that a friend or relative of the defendant sign a third-party indemnity agreement, purporting to relieve the professional bondsman of liability for the defendant's failure to appear.

Several individuals have avoided the licensing requirements of the Professional Bondsman's Act. Gus Giovinco<sup>223</sup> (Montgomery County), Jack Smith<sup>224</sup> (Luzerne County), and Midland agent Samuel Bonanno<sup>225</sup> (Berks County) obtained professional bondsman's licenses although legally prohibited by prior criminal convictions. Others, including Allegheny County professional bondsmen Harvey Wander<sup>226</sup> and Zachquo Winston,<sup>227</sup> violated the licensing laws by acting as surety agents. Northampton County residents Lawrence Marra, his wife, and son, posted bail regularly without licenses.<sup>228</sup> Licensed professional bondsmen John Longo<sup>229</sup> (Washington County), Michael Smith<sup>230</sup> (Luzerne County), and George Wentzler<sup>231</sup> (Lebanon County) employ unlicensed family members to assist in their bail businesses. Similarly, Luzerne County former professional bondsmen John Hakim<sup>232</sup> and Jack Smith<sup>233</sup> continued to post bail after the Insurance Department refused to renew their licenses, and subsequently obtained licenses for their wife and son, respectively, to circumvent the Professional Bondsman's Act.<sup>234</sup>

Further, nearly every one of the bondsmen investigated posted bond outside of their home counties in direct violation of the county-office rule,<sup>235</sup> and illegally added travel expenses to their fees.<sup>236</sup> Some, like Luzerne County former bondsman Jack Smith, revoke bail when concerned about a client's reliability, without returning his bail fee.<sup>237</sup> Most bondsmen, moreover, neither issue receipts to their clients nor maintain other records sufficient to verify their bail income.

The lax record-keeping of most bondsmen creates additional problems for the county courts. Every bond posted by a professional bondsman must be supported by sufficient collateral.<sup>238</sup> This collateral is usually in the form of real property, which must be of unencumbered value greater than the bail amount. If the same property is used as collateral on more than one bail bond, all prior bonds must be considered as encumbrances. Thus, many bondsmen have overextended their collateral, an offense for which Berks County bondsmen John Bonanno and Vincent Smith were suspended from the bail business.<sup>239</sup>

The professional bondsman must post collateral to protect the county against the nonpayment of bail forfeitures. Most counties, however, are extremely lax in requiring collateral for the posting of bonds. And, collection procedures are further complicated in instances where the professional bondsman maintains no office or other property subject to attachment in the county where the forfeiture debt is incurred.<sup>240</sup>

Several of the most prominent professional bondsmen and former professional bondsmen are described in some detail below. Each exemplifies particular problems in the licensing and regulation of professional bondsmen, and illustrates violations committed by others as well as themselves.

John A. Bonanno

A used car dealer in Reading, John Bonanno acquired a professional bondsman's license in February, 1974. By May, 1974, Mr. Bonanno had overextended his collateral in the posting of bail bonds,<sup>241</sup> and used property other than his own as additional collateral.<sup>242</sup> The Berks County court consequently suspended his license for six months, and ordered all his outstanding bail transferred to other bondsmen. Mr. Bonanno remitted all fees collected to Midland agent Leo Castello, who accepted the bail bonds involved.<sup>243</sup>

In testimony before the Crime Commission, Mr. Bonanno admitted his culpability for overextending collateral, but expressed his belief that he was unfairly singled out for a common offense.<sup>244</sup> Moreover, he refused, on Fifth Amendment grounds, to discuss his bail fees,<sup>245</sup> except to assert that the fee should be at least ten percent (10%) of the bond.<sup>246</sup> Evidence gathered by Commission agents verified allegations that Mr. Bonanno actually charges an illegal fee of ten percent (10%).<sup>247</sup>

John Hakim

John Hakim<sup>248</sup> was a licensed professional bondsman from 1970 until 1974, listing offices in Luzerne and Wyoming counties. In testimony before the Crime Commission, however, Mr. Hakim admitted posting bail in seven other counties of northeastern Pennsylvania in which he had no office.<sup>249</sup> Included among these counties is Lackawanna County, where the District Attorney prohibited him from posting bail since he had not met the county requirement of a \$10,000 collateral deposit.<sup>250</sup>

Evidence gathered by Commission agents verified allegations that Mr. Hakim regularly overcharged his clients. In addition, Mr. Hakim admitted that he added travel expenses to his fees, and that his income records do not reflect all fees received.<sup>251</sup>

In 1973, Mr. Hakim was approached to become a surety agent for Midland Insurance Company by state agent Harvey Childs, who told him that the fee was nine and one-half percent (9 1/2%).<sup>252</sup> Mr. Hakim subsequently received a contract and a general power of attorney from Midland, which he filed in the Columbia County courts.<sup>253</sup> After these negotiations were unsuccessfully terminated, Mr. Hakim began using the address of retiring District Justice Lewis A. Williams as his Carbon County office, even though Mr. Williams had refused to join Mr. Hakim's bail business or allow his office to be so used.<sup>254</sup>

(See Exhibit 9).

Thus, Mr. Hakim attempted to perpetrate a fraud on the Carbon County courts, which had required him to maintain a local office.<sup>255</sup>

The Insurance Department suspended Mr. Hakim's license because of overcharges and out-of-county operations. Further investigation by the Crime Commission revealed that Mr. Hakim continued to post bond after suspension of his license. When the Insurance Department refused to relicense Mr. Hakim, his wife, Mary Jane Hakim, applied for and was granted a license. With Michael Milkanin, a licensed professional bondsman and head of Milkanin Detective Agency, John and Mary Jane Hakim continue to operate their bail bond business in Wilkes-Barre, Pennsylvania.

#### Lawrence Marra

Lawrence Marra, his wife Francisca, and his son Lawrence Marra, Jr., have all posted bail bonds in Lehigh and Northampton counties without a license. Mr. Marra is ineligible for licensing because of two convictions in 1961 for bribery and solicitation to commit bribery. In addition, the family allegedly charges excessive bail fees.

The Marras, who live in Northampton County, purchased numerous low-valued properties at tax sales for use as bail collateral.<sup>256</sup> On March 4, 1974, President Judge Koch of the Lehigh County Court of Common Pleas banned the Marras from posting bail in Lehigh County because they had over-extended their collateral.<sup>257</sup>



John D. (Jack) Smith

Former professional bondsman Jack Smith is associated with his son Michael in a Wilkes-Barre bail bond agency, as well as the American Taxi Company and the American Construction Company. During 1972 and 1973, Commission agents gathered evidence documenting numerous illegal fees paid to Mr. Smith, and bail bonds posted by him in counties in which he did not maintain an office. The Commission referred this evidence, with Mr. Smith's criminal conviction record, to the Insurance Department during the summer of 1973. On August 24, 1973, the Department refused to renew Mr. Smith's license, and he did not challenge the action.

In a hearing before the Commission on May 23, 1975, Jack Smith testified that he did not know the legal bail fee, but always charged the legal rate.<sup>258</sup> As a professional bondsman, Mr. Smith required security deposits and indemnity agreements from his clients,<sup>259</sup> and employed indigent clients in his other businesses to work for their bail fees.<sup>260</sup> Mr. Smith also revoked bail without returning the client's payment.<sup>261</sup> On at least one occasion after losing his license, he posted a second bail for a client's later arrest, collected the second fee, and then revoked the earlier bail, causing the client to remain in prison.<sup>262</sup> (See Exhibit 10). Further, a recent examination of court records for Luzerne County confirmed allegations that Mr. Smith has continued to post bail bonds without a license.

Mr. Smith was legally authorized to post bail only in Lackawanna and Luzerne Counties, where he allegedly had offices.<sup>263</sup> As required by the Lackawanna County District Attorney, he also maintained a \$10,000 savings account with that county.<sup>264</sup> However, Mr. Smith admitted that he operated in any county from which he was called.<sup>265</sup> In Susquehanna County, Mr. Smith presented a perjurious affidavit to the courts, claiming that he was legally authorized to post bail there.<sup>266</sup> (See Exhibit 11). He regularly operated in Susquehanna and Columbia Counties without proper authority, and forfeited substantial bonds in both counties.<sup>267</sup> Because Mr. Smith transferred his real property to his corporations and to other family members,<sup>268</sup> neither county was able to satisfy their judgments in full.<sup>269</sup>

When the Insurance Department failed to renew his license, Mr. Smith did not challenge the decision or request a hearing. Since he never reapplied for a license, no final determination was made. Thus, it is conceivable that he could be relicensed.

#### Michael Smith

Michael Smith received his first professional bondsman's license in June, 1973, just two months before his father, Jack Smith, was denied renewal of his license. By September, Michael Smith had ostensibly taken over their Wilkes-Barre bonding firm, although Jack Smith has continued to participate actively in the bail business without a license. Father and son are also active partners in construction and real estate.

In a hearing before the Pennsylvania Crime Commission, Michael Smith testified that he always charges the legal fee,<sup>270</sup> although he was unable to document payments received from several known clients.<sup>271</sup> Mr. Smith admitted requesting security deposits and indemnification agreements from bail clients and their families,<sup>272</sup> and revoking bail on a client without returning the fee paid.<sup>273</sup>

Mr. Smith lists real property as his bail collateral, and admits that most was given to him by his father.<sup>274</sup> Yet, he stated that he did not know why many of those properties were transferred several times between his father and himself.<sup>275</sup> He further testified that, at age 21, he posted \$10,000 in a collateral account in Luzerne County.<sup>276</sup> Although he claims to be legally operating in Lackawanna County, Mr. Smith does not maintain a \$10,000 collateral account, as that county requires of professional bondsmen; the only such account in Lackawanna County is still maintained in his father's name.<sup>277</sup> Mr. Smith further explained that his "office" in Lackawanna County is really the office of a telephone answering service, in which he occasionally uses a spare desk.<sup>278</sup>

### Vincent Smith

Vincent Smith, a former Berks County bondsman, started posting bail with a power of attorney from his mother, Frances Smith, a licensed professional bondsman. On November 10, 1971, Mr. Smith obtained his own

license. By the spring of 1972, however, he had overextended his collateral. The district attorney, therefore, prevented renewal of his license in November, 1972. Litigation concerning his bonds continued until September, 1973. Since Mr. Smith paid his forfeiture debts and was not relicensed, no further punishment was exacted. Mr. Smith was recently convicted of several felony offenses, and is, consequently, ineligible for relicensing.<sup>279</sup>

### Harvey Wander

Harvey Wander uses his professional bondsman's license in the bail bond business of his cousin, Allegheny Mutual surety agent David Wander.<sup>280</sup> In defiance of the licensing laws, bondsman Wander performs all duties of the surety agent except signing the bond;<sup>281</sup> he uses a rubber stamp of David Wander's signature to do so.<sup>282</sup> Mr. Wander is responsible for approximately ninety percent (90%) of the firm's bonds,<sup>283</sup> on which he collects the bail fee, as directed by David Wander, and retains a commission of two percent (2%).<sup>284</sup> Although David Wander admitted demanding both security and third-party indemnity agreements,<sup>285</sup> Harvey Wander insisted that he requires only indemnification.<sup>286</sup>

All forfeitures are the sole responsibility of David Wander,<sup>287</sup> although Harvey Wander often locates fugitives for him.<sup>288</sup> Since Allegheny County first required bondsmen to maintain a collateral deposit of \$25,000, Harvey Wander has not qualified to post bond.<sup>289</sup> He does, however, post bonds for Allegheny Mutual Casualty Company in federal court, with specific authorization from the company.<sup>290</sup>

#### IV. PENNSYLVANIA ASSOCIATION OF BAILBOND UNDERWRITERS

The Pennsylvania Association of Bailbond Underwriters (PABU), a purportedly non-profit<sup>291</sup> organization, was founded in 1971 by a group of bondsmen spurred by Harvey K. Childs of Greenville.<sup>292</sup> With the professional advice of a public relations firm,<sup>293</sup> Mr. Childs wrote to all known bondsmen, enclosing questionnaires suggesting formation of an association to present a more professional public image of bondsmen and augment their influence on the legislature and the courts.<sup>294</sup> About forty professional bondsmen and surety agents responded to those questionnaires.<sup>295</sup> On September 25, 1971, about twenty people met to form the Pennsylvania Association of Bailbond Underwriters.<sup>296</sup> They met again two weeks later to elect officers, and chose Mr. Childs as president.<sup>297</sup>

According to Mr. Childs, the purpose of the association has always been to upgrade bail, and not to lobby for the bondsman's interests.<sup>298</sup> The activities of the association since inception, however, belie this purpose.

The prevalence of bail reform movements was, in fact, a primary impetus for formation of PABU. During 1971, both Philadelphia and Allegheny counties were preparing to establish percentage cash deposit bail and court-run bail agencies, with significant efforts to limit the activities of bondsmen.<sup>299</sup> The Pennsylvania legislature was actively considering a bill to expand such programs across the state.<sup>300</sup> Lobbying against such measures was considered a primary goal of the association by many of its members.<sup>301</sup> After the

supposed reform bill overwhelmingly passed the House, PABU initiated a letter-writing campaign in which members wrote to their state senators, reminding them of the forthcoming 1972 election and their constituents' interest in bail.<sup>302</sup> In addition, former Senator Mazzei invited his constituent, Stuyvesant agent Stephen C. Levitt, to address the committee members concerned with the bill.<sup>303</sup> Although Senator Mazzei sponsored a bail reform bill in 1969, he subsequently opposed the 1972 bill.<sup>304</sup> The Senate's defeat of the bill was generally attributed to the lobbying efforts of the bondsmen and PABU.<sup>305</sup>

Moreover, little effort has been made by PABU to improve the bail system, or to police it from within. No membership requirements were ever determined.<sup>306</sup> Harvey Childs, however, claimed that he performed a background check on each potential member, and refused to approve some individuals.<sup>307</sup> Nevertheless, no member was ever rebuked, suspended, or expelled for illegal activity, although the Insurance Department refused to renew professional bondsman's licenses for charter member John Hakim,<sup>308</sup> current vice president Leo Castello,<sup>309</sup> and former secretary Jack Smith.<sup>310</sup> Only Mr. Castello was subsequently relicensed, but not as a bondsman. He is now a Midland surety agent, recommended and supervised by Harvey Childs.<sup>311</sup>

Throughout its existence, the aims and activities of PABU have been directed by Harvey Childs. Within its first year, the association suffered a major rift because of discord between Mr. Childs and his company.<sup>312</sup> Mr.

Childs expected financial support for PABU from Stuyvesant Insurance Company, then the principal surety company in the bail business in Pennsylvania.<sup>313</sup> At the same time, he had begun negotiations to become state agent for Midland Insurance Company, which was interested in entering the Pennsylvania bail market, and pledged support for PABU.<sup>314</sup> The other Stuyvesant agents quickly grew disenchanted with the association, viewing it as a political tool for Harvey Childs' personal ambitions.<sup>315</sup> When Mr. Childs left Stuyvesant, the Stuyvesant agents left PABU.

PABU never again exceeded thirty-five dues-paying members, despite efforts by Mr. Childs. He enticed new members to join by offering to pay their first year's dues, and sending them free membership cards.<sup>316</sup> The dues, however, were not paid.<sup>317</sup> Further, Mr. Childs has misrepresented the size of the association to the public, legislators, and the Crime Commission, boasting of as many as two hundred members, and claiming state-wide political significance.<sup>318</sup> For example, in June, 1975, Mr. Childs claimed approximately sixty-five (65) members, by adding wives, business associates, and former members to the thirty-two (32) members who paid dues for 1975.<sup>319</sup>

As many former PABU members predicted, Mr. Childs has used his position as president of PABU in various election campaign efforts since 1972.<sup>320</sup> He also corresponds with elected officials on behalf of their constituents.<sup>321</sup> To

catch their attention, he lists seventeen officers and two staff members on the PABU stationery.<sup>322</sup>

Among the seventeen "officers" are ten individuals who either pay no dues, or quit the association several years ago.<sup>323</sup> Further, only the president and treasurer have any duties at all. The treasurer, appointed by Harvey Childs and later voted in by the members, records dues and signs checks as directed by the president.<sup>324</sup> Mrs. Childs, the public relations director, and her mother, Mrs. Hinkson, the executive director, actually prepare all minutes and newsletters.<sup>325</sup> Thus, the secretary and vice president have no duties. Thirteen other individuals are listed as regional vice presidents and members of an executive committee. None have any duties.<sup>326</sup> Each person is listed by home county, intending to show a broad membership base. However, only five are current members.<sup>327</sup>

Nevertheless, the most significant aspect of Mr. Childs' abuse of the members' confidence is his treatment of the limited PABU treasury as his personal expense account. He falsely advised members that their dues payments could be considered charitable contributions,<sup>328</sup> although the association never applied for tax-exempt status.<sup>329</sup> He devised a dues schedule based



upon the member's own assessment of his bail income, with most payments ranging from \$100 to \$500 annually,<sup>330</sup> although minimal payments were accepted from inactive members.<sup>331</sup> But, as former treasurer George Leslie said, there never seemed to be any reason for such high dues.<sup>332</sup>

Mr. Childs has reduced his own payments over the years from \$500 to \$200,<sup>333</sup> while claiming to pay dues for up to fifteen persons.<sup>334</sup> During the first year, over sixty percent of the PABU treasury was allocated to the Graphic Horizons public relations firm owned by Richard H. Miller, then a close friend and business associate of Harvey Childs.<sup>335</sup> Although records for later years have disappeared, the trend of payments is clear. In 1975, over ninety percent (90%) of all disbursements from the PABU treasury were issued to Mr. Childs and his family, as salary or reimbursement for association expenses.<sup>336</sup> (See Exhibit 12). The current fiscal year shows the same pattern, although the largest single expenditure, \$750, is to the law firm which represented the individual interests of Mr. Childs in a hearing before the Crime Commission.<sup>337</sup> According to current treasurer John D. Smittle, however, he issues any check Mr. Childs requests "without any question, because I trust Mr. Childs."<sup>338</sup> The other members were never given an opportunity to approve even such a major disbursement,<sup>339</sup> even though the expense was anticipated nearly a year before the debt was incurred.<sup>340</sup>

Mr. Childs, speaking for PABU, continually refused to cooperate with the Crime Commission's bail bond inquiry. Rather than providing information concerning the state's bail system with suggestions for its improvements, president Harvey Childs attempted to obstruct the investigation at every turn. Mr. Childs threatened Commission staff members that he was "investigating" each individual,<sup>341</sup> and that he would use his political allies to eradicate the Commission.<sup>342</sup> Although opposed by the general membership,<sup>343</sup> Mr. Childs identified these efforts as official acts of the Pennsylvania Association of Bailbond Underwriters, and appropriated most of its 1975 and 1976 budget for such purposes.<sup>344</sup>

Moreover, Mr. Childs advised PABU members that Crime Commission subpoenas could be avoided, and need not be honored.<sup>345</sup> He refused to make any association records available to the Commission until so ordered by the Commonwealth Court on January 20, 1976.<sup>346</sup> Even then, he misled the Court and the Commission regarding the existence of certain membership records.<sup>347</sup> Finally, the Commonwealth Court cited the association for contempt on April 19, 1976, because of Mr. Childs' actions.<sup>348</sup> In short, Mr. Childs purported to represent the official position of the Pennsylvania Association of Bailbond Underwriters in impeding this duly authorized investigation into the bail system which PABU allegedly strives to improve.

## V. CONCLUSION

The Pennsylvania Crime Commission discovered widespread disregard for the laws, rules and regulations intended to govern the activities of bondsmen in Pennsylvania. Both professional bondsmen and surety agents, although licensed by the state Insurance Department, operate without any effective control and, often, in flagrant violation of the criminal and insurance laws of the Commonwealth.

The Commission found evidence of criminal violations allegedly committed by thirty-four (34) individuals engaged in the bail bond business, including professional bondsmen and agents of all three insurance companies: Allegheny Mutual, Midland, and Stuyvesant. This evidence has been referred to the appropriate authorities for possible prosecution.

The Pennsylvania Association of Bailbond Underwriters, in addition to attempting to thwart this investigation, has not produced any real improvements in the bail system. The bail businesses of over half of the recent (1974-75) dues-paying members of the association were examined by the Commission, and found to violate the criminal and insurance laws of the Commonwealth. Despite the purportedly educational goals of the association, the membership is generally ignorant of the laws applicable to the bail bond system. The major success of the association has been its prevention of legislative bail reform through concentrated and effective lobbying.

In sum, the business relations between defendants and bondsmen are tainted by widespread ignorance and illegal activity. Only rarely are bondsmen expected to pay monetary forfeitures to the courts for fugitive clients. Often, any expenses incurred by the bondsmen are reimbursed by security deposits and indemnification from defendants, or their friends and family. The insurance companies involved in the bail surety business exercise limited control over their agents. All bondsmen operate under ambiguous state and local regulatory schemes, which are effectively ignored.

## VI. RECOMMENDATIONS

Based on the findings of the Pennsylvania Crime Commission, a general revision of the existing legal structure pertaining to bail is clearly necessary. The current laws are ineffective, vague, and difficult to enforce. Before a legislative modification of bail bonding can be proposed, a thorough investigation of the current bail system must be completed.

It is, therefore, recommended that the Pennsylvania Crime Commission further examine:

(1) the enforcement of current laws, rules, and regulations pertaining to bail, to determine how the effectiveness of current controls can be improved;

(2) the relation of bail to the judicial system, with particular attention to the education of and ethical restrictions on the minor judiciary;

(3) the internal regulatory practices of insurance companies engaged in the bail bond business, to ascertain their effect on bail surety agents; and

(4) recent reform efforts in the bail bond system, and their effectiveness in meeting the needs of both the criminally accused and the law-abiding majority.

NOTES

1. See, "Report on an Investigation in Delaware County, Pennsylvania, With Particular Reference to Abuses in Bail Bonding: 1970-71 Report of the Pennsylvania Crime Commission, p. 65.
2. The term "district justice" refers to members of the Pennsylvania minor judiciary who began in 1968 to replace magistrates and justices of the peace. However, the terms are still used interchangeably.
3. See 19 P.S. §§51, 52 (Supp. 1975-76); Pa. R. Crim. P. 4001.
4. See Pa. R. Crim. P. 4001-4006.
5. See Pa. R. Crim. P. 4013, 4016.
6. See Professional Bondsman's Act, 19 P.S. §90.1 et. seq. (1971).
7. See Pa. R. Crim. P. 4006(e). Some counties, e.g., Allegheny, Lackawanna, and Luzerne, have also demanded a collateral deposit account from the individual bondsmen.
8. Some counties require an additional collateral deposit from the agent or company, e.g., Allegheny and Philadelphia counties require \$100,000; Montgomery county requires \$25,000.
9. See 40 P.S. §1 et. seq. (1971).
10. See 40 P.S. §§232, 237 (Supp. 1975-76).
11. See 40 P.S. §832 (1971).
12. See 40 P.S. §1184 (1971).
13. Allegheny Mutual Casualty Company surety rate sheet, approved January 15, 1973; Pennsylvania Insurance Department.
14. Midland Insurance Company surety rate sheet, approved November 17, 1972; Pennsylvania Insurance Department.
15. Stuyvesant Insurance Company surety rate sheet, approved January 1, 1973; Pennsylvania Insurance Department.

16. See 18 P.S. §3922 (1971).
17. Examination of records of Allied Fidelity Agents, Inc., Indianapolis, Indiana, pursuant to a subpoena issued by the Pennsylvania Crime Commission on November 7, 1975.
18. Testimony of Michael Klimpl, Esq., Assistant Public Defender, Bucks County, before the Pennsylvania Crime Commission, July 22, 1975 [hereinafter cited as Michael Klimpl], N.T. 20-21.
19. Testimony of Melvin Levine before the Pennsylvania Crime Commission, May 21, 1975 [hereinafter cited as Melvin Levine], N.T. 15.
20. Testimony of David Wander before the Pennsylvania Crime Commission, August 6, 1975 [hereinafter cited as David Wander I], N.T. 6.
21. See 40 P.S. §§234, 279 (Supp. 1975-76).
22. Testimony of Harvey K. Childs before the Pennsylvania Crime Commission, June 11, 1975 [hereinafter cited as Harvey Childs], N.T. 35.
23. Melvin Levine, N.T. 6.
24. See 18 P.S. § 3921; 40 P.S. §470 (1971).
25. See 18 P.S. §§3922, 4114 (1971); 40 P.S. §§277, 279 (Supp. 1975-76).
26. The misuse of powers of attorney may constitute the criminal offense of misapplication of entrusted property, 18 P.S. §4113 (1971). The posting of bail bonds secured by void powers may constitute the criminal offense of securing the execution of documents by deception, 18 P.S. §4114 (1971).
27. See 40 P.S. §234 (1971).
28. David Wander I, N.T. 6; testimony of Harvey Wander before the Pennsylvania Crime Commission, September 19, 1975 [hereinafter cited as Harvey Wander], N.T. 5.
29. Harvey Wander, N.T. 7; David Wander I, N.T. 19.
30. David Wander I, N.T. 18; testimony of David Wander before the Pennsylvania Crime Commission, April 8, 1976 [hereinafter cited as David Wander II], N.T. 50.
31. Harvey Wander, N.T. 7, 12.

32. David Wander I, N. T. 8.
33. David Wander I, N. T. 11; David Wander II, N. T. 10-11.
34. David Wander I, N. T. 62-63.
35. David Wander I, N. T. 27-28; David Wander II, N. T. 9.
36. See 18 P.S. §3922 (1971).
37. See notes 25 and 26 supra, and accompanying text.
38. See note 27 supra, and accompanying text.
39. Testimony of Samuel Bonanno before the Pennsylvania Crime Commission, May 8, 1975 [hereinafter cited as Samuel Bonanno], N. T. 9.
40. Id., N. T. 10-17, 49.
41. Interview with James E. Smith, March 21, 1975.
42. Samuel Bonanno, N. T. 33-44.
43. Id., N. T. 50.
44. Id., N. T. 136.
45. Id., N. T. 90-92.
46. Id., N. T. 137.
47. Id., N. T. 99.
48. Pa. R. Crim. P. 4014.
49. Samuel Bonanno, N. T. 68-69.
50. Id., N. T. 84.
51. Id., N. T. 44.
52. Examination of Berks County records, and interview with Clerk of Courts Donald Dissinger, November 25, 1974 and January 30, 1975.



53. Examination of records of Allied Fidelity Agents, Inc., pursuant to subpoena issued by the Pennsylvania Crime Commission on November 7, 1975.
54. Samuel Bonanno, N.T. 89.
55. Mr. Smith was a general insurance agent for Midland, who had no exposure to the bail business except this alliance with Leo Castello, undertaken at the request of his superiors. See also note 41, supra.
56. Interview with Leo Castello, March 21, 1975.
57. Interview with confidential informant B-1, October 8, 1976; testimony of confidential informant B-6 before the Pennsylvania Crime Commission [hereinafter cited as testimony of B-6], N.T. 65.
58. Interview with Leo Castello, March 21, 1975.
59. Interview with confidential informant, Luzerne County Legal Services, May 10, 1974; testimony of B-6, N.T. 14-18, 26-27.
60. Interview with confidential informant A.B., April 2, 1975.
61. Interview with Leo Castello, March 21, 1975.
62. Interview with B-1, supra, note 57; testimony of B-6, N.T. 30, 31, 68, 69, 90-93.
63. Interview with B-1, supra.
64. See notes 241-247, infra, and accompanying text.
65. "Judge Irked by Action in Bail Case," Reading Times, April 4, 1975, p. 14.
66. Testimony of Harvey K. Childs before the Pennsylvania Crime Commission, June 11, 1975 [hereinafter Harvey Childs], N.T. 14.
67. Id., N.T. 6.
68. Harvey Childs, N.T. 50-51.
69. Id., N.T. 60.
70. Id., N.T. 102.
71. Testimony of Ralph Mustello before the Pennsylvania Crime Commission, August 6, 1975 [hereinafter Ralph Mustello], N.T. 15.

72. Id., N.T. 32.
73. Testimony of Ronald Swartwood before the Pennsylvania Crime Commission, August 5, 1975 [hereinafter Ronald Swartwood], N.T. 15-16.
74. Id., N.T. 8.
75. Examination of court records in both counties revealed this practice, although Mr. Childs and Mr. Swartwood admitted doing so only in Crawford County. See Harvey Childs, N.T. 35; Ronald Swartwood, N.T. 18-19.
76. Harvey Childs, N.T. 36-37.
77. Id., N.T. 48.
78. See 18 P.S. §§3921, 3922, 4113; 40 P.S. §§273.1, 470 (Supp. 1975-76).
79. Testimony of Floyd W. Kellogg before the Pennsylvania Crime Commission, June 10, 1975 [hereinafter Floyd Kellogg], N.T. 8.
80. See discussion of Melvin Levine, infra, p. 27.
81. Floyd Kellogg, N.T. 8.
82. Id., N.T. 27.
83. Id., N.T. 6.
84. Id., N.T. 7.
85. Id., N.T. 13.
86. Id., N.T. 24-25.
87. Id., N.T. 9-10.
88. Id., N.T. 9-10, 20, 24.
89. Testimony of Melvin Levine before the Pennsylvania Crime Commission, May 21, 1975 [hereinafter Melvin Levine], N.T. 109.
90. Floyd Kellogg, N.T. 36, 47-48. See, discussion of Harvey Childs, supra, p. 15.
91. Floyd Kellogg, N.T. 10.

92. Id., N.T. 73.
93. Testimony of Ralph Mustello before the Pennsylvania Crime Commission, August 6, 1975, N.T. 5.
94. Id., N.T. 11.
95. Id., N.T. 15-16.
96. Id., N.T. 17.
97. Id., N.T. 19-20.
98. Id., N.T. 15.
99. Id., N.T. 50.
100. Id., N.T. 42, 47, 60, 62, 64, 72.
101. Testimony of Gigi Siers before the Pennsylvania Crime Commission, May 22, 1975 [hereinafter Gigi Siers], N.T. 9-10.
102. Testimony of Allan Roger Siers before the Pennsylvania Crime Commission, May 22, 1975 [hereinafter Allan Siers], N.T. 8-9. Gigi Siers, N.T. 20.
103. Allan Siers, N.T. 9-10; Gigi Siers, N.T. 7.
104. Allan Siers, N.T. 16-17, 20-21.
105. Gigi Siers, N.T. 7.
106. Id., N.T. 42-44.
107. Id., N.T. 38-39.
108. See, interview with confidential informant B-2, May 20, 1974; interview with confidential informant B-3, January 15, 1975; interview with confidential informant B-4, February 18, 1975.
109. Allan Siers, N.T. 5-6.
110. See, interview with confidential informant B-5, May 16, 1974; interview with confidential informant M.J., February 18, 1975.

111. Allan Siers, N. T. 33.
112. Id., N. T. 68, 87; Gigi Siers, N. T. 29-30.
113. Gigi Siers, N. T. 62.
114. Allan Siers, N. T. 76.
115. Gigi Siers, N. T. 47-48.
116. Allan Siers, N. T. 94.
117. Id., N. T. 95.
118. Gigi Siers, N. T. 58-60.
119. Testimony of District Justice Edward F. Pressman before the Pennsylvania Crime Commission, August 12, 1975, N. T. 14-16.
120. Interview with Michael Holubowsky, Chief of Detectives, Allentown, May 20, 1974.
121. Gigi Siers, N. T. 74.
122. Ronald Swartwood, N. T. 8.
123. Harvey Childs, N. T. 7.
124. Ronald Swartwood, N. T. 30.
125. Mr. Swartwood and Mr. Childs admitted this practice in Crawford County. See Ronald Swartwood, N. T. 30; Harvey Childs, N. T. 35. An examination of court records revealed this practice in Mercer County as well.
126. See 18 P. S. §4113 (1971).
127. See 19 P. S. §90.1 (1971).
128. See 18 P. S. §3922 (1971).
129. See 18 P. S. §4114 (1971).
130. Ronald Swartwood, N. T. 18.

131. Id., N.T. 34.
132. Id., N.T. 35.
133. Id., N.T. 51.
134. Id., N.T. 6.
135. Id., N.T. 31-33. See also, Harvey Childs, N.T. 7.
136. Ronald Swartwood, N.T. 37.
137. Interview with Edwin Rubinstein, Vice President, Stuyvesant Insurance Company, April 10, 1975.
138. Testimony of Salvatore Cali before the Pennsylvania Crime Commission, August 12, 1975 [hereinafter Salvatore Cali], N.T. 19.
139. Id., N.T. 47.
140. Id., N.T. 48.
141. Id., N.T. 15.
142. See 40 P.S. §1184 (1971).
143. See 18 P.S. §3922 (1971).
144. Salvatore Cali, N.T. 30.
145. Id., N.T. 29.
146. See, interview with Edwin Rubinstein, Vice President, Stuyvesant Insurance Company, April 10, 1975.
147. Testimony of Robert Chalphin before the Pennsylvania Crime Commission, May 7, 1975 [hereinafter cited as Robert Chalphin], N.T. 11, 34.
148. Interview with John J. Newett, Montgomery County Clerk of Courts, November 14, 1974.
149. Robert Chalphin, N.T. 50.

150. Id., N.T. 19.
151. See 18 P.S. §3922 (1971).
152. Robert Chalphin, N.T. 17. See Pa. R. Crim. P., Rule 4014, adopted July 23, 1973 (Supp. 1975).
153. Robert Chalphin, N.T. 20-21.
154. Id., N.T. 25.
155. A "headhunter" or bounty hunter is an individual employed by a bail bondsman or surety agent to retrieve a defendant who has "skipped" bail by not making his scheduled court appearance.
156. Id., N.T. 28, 35, 36.
157. Id., N.T. 37.
158. Testimony of Alonzo Horsey, Assistant Solicitor for Montgomery County, before the Pennsylvania Crime Commission, May 8, 1975, N.T. 7, 11.
159. Testimony of John Creasy before the Pennsylvania Crime Commission, May 7, 1975 [hereinafter cited as John Creasy], N.T. 101.
160. Testimony of B-6, N.T. 100-101.
161. John Creasy, N.T. 14.
162. See 40 P.S. §234 (Supp. 1975-76).
163. John Creasy, N.T. 39. Herbert Levine was terminated as an agent for Stuyvesant Insurance Company on July 30, 1973. His license was subsequently revoked by the Pennsylvania Insurance Department on April 24, 1974.
164. Examination of records of John Creasy, pursuant to subpoena issued by the Pennsylvania Crime Commission, May 1, 1975.
165. John Creasy, N.T. 29-31; Robert Chalphin, N.T. 11, 34.
166. John Creasy, N.T. 50-53.

167. See, 18 P.S. §3922 (1971).
168. John Creasy, N.T. 59.
169. Examination of records of Mid Atlantic Agency, Inc., pursuant to subpoena issued by the Pennsylvania Crime Commission, September 29, 1975.
170. Testimony of Michael Klimpl, Assistant Public Defender for Bucks County, before the Pennsylvania Crime Commission, July 22, 1975. N.T. 10-11, 14-22.
171. See 18 P.S. §3922 (1971).
172. See 18 P.S. §4114 (1971).
173. See 18 P.S. §4113 (1971).
174. Testimony of Melvin Levine before the Pennsylvania Crime Commission, May 21, 1975 [hereinafter cited as Melvin Levine], N.T. 50.
175. Id., N.T. 50-51. See 18 P.S. §3922 (1971).
176. Examination of reports prepared by Melvin Levine for submission to Stuyvesant Insurance Company.
177. See 18 P.S. §3922 (1971).
178. See 18 P.S. §4114 (1971).
179. See 18 P.S. §4113 (1971).
180. Melvin Levine, N.T. 15.
181. Floyd Kellogg, N.T. 6.
182. See 40 P.S. §234 (1971).
183. Floyd Kellogg, N.T. 8.
184. Melvin Levine, N.T. 18-19.
185. Id., N.T. 41, 109.
186. Testimony of Margaret Purcell before the Pennsylvania Crime Commission, August 12, 1975 [hereinafter cited as Margaret Purcell], N.T. 20.

187. Id., N.T. 7-8.
188. Melvin Levine, N.T. 93-94.
189. See 18 P.S. §4701 (1971).
190. Melvin Levine, N.T. 99-101.
191. Testimony of Michael Isaac before the Pennsylvania Crime Commission, August 5, 1975 [hereinafter cited as Michael Isaac], N.T. 10.
192. Id., N.T. 28.
193. Testimony of Stephen C. Levitt before the Pennsylvania Crime Commission, August 4, 1975 [hereinafter cited as Stephen Levitt], N.T. 13.
194. Michael Isaac, N.T. 20.
195. Id., N.T. 35.
196. "Bail Bond Kickbacks Probed," Erie Morning News, January 20, 1976; "U.S. Probes Bail Bonding Here, Threatens Grant Street Shakeup," Pittsburgh Post Gazette, January 19, 1976.
197. Stephen Levitt, N.T. 60-61, 80-81.
198. Margaret Purcell, N.T. 7.
199. Id., N.T. 27.
200. Id., N.T. 8.
201. Id., N.T. 19, 22.
202. Id., N.T. 40. See 18 P.S. §4114 (1971).
203. Margaret Purcell, N.T. 5.
204. Id., N.T. 37.
205. Report on examination of court records, Schuylkill County, January 10, 1975.
206. Southern General Insurance Company is the predecessor in interest to Stuyvesant Insurance Company.
207. See generally, 19 P.S. §90.1 et. seq. (1964).



208. 19 P.S. §90.9 (1964).
209. 19 P.S. §94 (1964).
210. See 19 P.S. §§90.6, 90.7 (1964).
211. 19 P.S. §90.4.
212. 19 P.S. §90.5.
213. The Insurance Commissioner requires this information on a form which he must, by law, prescribe. See 19 P.S. §90.3 (1971).
214. Interview with George Wentzler, April 10, 1975.
215. Testimony of Frank Al Bock before the Pennsylvania Crime Commission, August 4, 1975, N.T. 11, 25.
216. Interview with John P. Longo, March 24, 1975.
217. Testimony of Charles Losko before the Pennsylvania Crime Commission, August 5, 1975, N.T. 242.
218. See note 213, supra.
219. Testimony of James Costopoulos before the Pennsylvania Crime Commission, June 30, 1975, N.T. 9.
220. Testimony of Finis Esters before the Pennsylvania Crime Commission, June 30, 1975, N.T. 24.
221. Testimony of Robert Marcus before the Pennsylvania Crime Commission, July 1, 1975, N.T. 9.
222. Interview with Peter Pope, March 18, 1975.
223. Testimony of Gus M. Giovinco before the Pennsylvania Crime Commission, May 8, 1975, N.T. 15.
224. Interview with Russell J. Polley, Jr., Chief, Division of Agents and Brokers, Pennsylvania Insurance Department, July 31, 1973.

225. Samuel Bonanno, N.T. 9.
226. Harvey Wander, N.T. 5.
227. Testimony of Zachquo Winston before the Pennsylvania Crime Commission, August 5, 1975, N.T. 85-95.
228. Examination of court records, Lehigh County and Northampton County.
229. Interview with John P. Longo, March 24, 1975.
230. Testimony of District Justice Edward F. Pressman before the Pennsylvania Crime Commission, August 12, 1975, N.T. 21-23.
231. Interview with George Wentzler, April 10, 1975.
232. Examination of court records, Luzerne County.
233. Id.
234. See 19 P.S. §90.6 (1971).
235. See note 212, supra, and accompanying text.
236. See note 208, supra, and accompanying text.
237. Interview with confidential informant B-7, April 3, 1975.
238. See Pa. R. Crim. P. 4006(e).
239. Interview with Donald W. Dissinger, Berks County Clerk of Courts, November 25, 1974; see also, court records, Berks County.
240. Testimony of Chester Krushefski, Chief Deputy Sheriff, Luzerne County, before the Pennsylvania Crime Commission, August 13, 1975, N.T. 5-6.
241. Testimony of John A. Bonanno before the Pennsylvania Crime Commission, June 10, 1975 [hereinafter cited as John Bonanno], N.T. 25.
242. Id., N.T. 16.
243. Id., N.T. 10. See also discussion of surety agents generally and Mr. Castello, infra, pp. 6-10, 13-15. \*

244. John Bonanno, N. T. 41-42. See discussion of similar charges lodged against former Berks County bondsman Vincent Smith, infra, pp. 39-40.
245. John Bonanno, N. T. 19-22.
246. Id., N. T. 46.
247. Interviews with Brenda Ferrell, December 19, 1974; Judi Schrader, December 19, 1974; Mary Johnson, January 2, 1975; Lillian Grauf, February 5, 1975; Keith Gardner, February 6, 1975; Grady Harris, February 13, 1975.
248. John Hakim is an associate of organized crime member Russell Bufalino, identified in the 1970 Pennsylvania Crime Commission Report on Organized Crime. See testimony of John Hakim before the Pennsylvania Crime Commission, May 21, 1975 [hereinafter cited as John Hakim], N. T. 108-109.
249. John Hakim, N. T. 17-19.
250. Interview with William Murray, Chief Clerk for the Lackawanna County District Attorney, February 20, 1975.
251. John Hakim, N. T. 81.
252. Id., N. T. 20-24.
253. Examination of court records, Columbia County.
254. Testimony of Lewis A. Williams, former Carbon County District Justice, before the Pennsylvania Crime Commission, August 13, 1975, N. T. 11, 15.
255. See 18 P. S. §§4903, 4904 (1971).
256. Interview of Lehigh County Assistant District Attorney Dean Foote, December 17, 1974.
257. Order of Lehigh County Court of Common Pleas, March 4, 1974.
258. Testimony of John D. Smith before the Pennsylvania Crime Commission, March 23, 1975 [hereinafter cited as Jack Smith], N. T. 44.
259. Jack Smith, N. T. 57.

260. Id., N.T. 23.
261. Id., N.T. 58.
262. Interview with confidential informant B-8, April 3, 1975.
263. Jack Smith, N.T. 16.
264. Testimony of William Murray, Chief Clerk for the Lackawanna County District Attorney, before the Pennsylvania Crime Commission, August 14, 1975, N.T. 8-9.
265. Jack Smith, N.T. 36.
266. Interview of Ulric J. McHaley, Esq., Susquehanna County Solicitor, April 10, 1975.
267. Examination of court records in Columbia County and Susquehanna County.
268. Testimony of Chester Krushefski, Chief Deputy Sheriff, Luzerne County, before the Pennsylvania Crime Commission, August 13, 1975, N.T. 5-6.
269. Interview with Donald C. Catuson, Susquehanna County Clerk of Courts, November 27, 1974.
270. Testimony of Michael Smith before the Pennsylvania Crime Commission, May 23, 1975 [hereinafter cited as Michael Smith], N.T. 46.
271. Id., N.T. 39-40.
272. Id., N.T. 44, 59.
273. Id., N.T. 56-60.
274. Id., N.T. 22, 23.
275. Id., N.T. 33, 34.
276. Id., N.T. 31.
277. See note 264, supra.

278. Michael Smith, N.T. 6, 19.

279. On February 9, 1976, the Superior Court remanded this case for a hearing on whether certain new evidence warrants granting a new trial.

280. Harvey Wander, N.T. 5.

281. Harvey Wander, N.T. 7. See 40 P.S. §234 (Supp. 1975-76).

282. David Wander II, N.T.

283. Harvey Wander, N.T. 12.

284. Id., N.T. 15; David Wander I, N. T. 8.

285. David Wander I, N.T. 56, 62.

286. Harvey Wander, N.T. 26.

287. Id., N.T. 24.

288. Id., N.T. 32.

289. Id., N.T. 6, 19.

290. Id., N.T. 21.

291. In correspondence and newsletters directed by president Harvey Childs, Pennsylvania Association of Bailbond Underwriters is referred to as a "non-profit" organization, and members are instructed that their dues payments may be treated, for tax purposes, as charitable contributions. However, no charter or other document has ever been filed with any agency of the state or federal government for qualification as a non-profit, charitable, or tax-exempt organization.

292. Mr. Childs is currently state agent for Midland Insurance Company. See notes 66-78, supra and accompanying text.

293. Mr. Childs employed the firm of Graphic Horizons, operated by Richard H. Miller, to coordinate and organize the bondsmen. See Appendix

294. See Appendix

295. See records of PABU provided on February 17, 1976, pursuant to a subpoena issued by the Pennsylvania Crime Commission on September 23, 1975, as ordered by the Commonwealth Court on January 20, 1976.

296. See note 295, supra; memorandum of first meeting.
297. See note 295, supra; minutes of meeting October 9, 1971.
298. Harvey Childs, N. T. 10-11.
299. These efforts culminated in late 1971 and early 1972 in the creation of the Pretrial Services Division, Philadelphia Common Pleas and Municipal Courts, and the Allegheny County Court Bail Agency, both under the aegis of the Common Pleas courts.
300. See, H.B. No. 634, General Assembly of Pennsylvania, Session of 1971; "Bail Reform Attempt from the Bar," Pretrial Justice Quarterly, 5 (March, 1972).
301. See, e.g., James Costopoulos, N. T. 32; John T. Fields, N. T. 21; Stephen Levitt, N. T. 27; Robert Marcus, N. T. 33; Ralph Mustello, N. T. 74-79.
302. See note 295, supra.
303. Stephen Levitt, N. T. 27. See Newsletter, Pennsylvania Association of Bailbond Underwriters (November, 1971).
304. See "House-Passed Bail Bond Still in Fight, Senate Opposition Coming to Rescue of State Bondsmen," Pittsburgh Press, October 3, 1971.
305. Confidential interviews with Pennsylvania Senate staff members, March 6, 1975, March 7, 1975, June 12, 1975, and July 24, 1975.
306. See note 295, supra.
307. Harvey Childs, N. T. 31.
308. See pp. 35-36, supra, and accompanying text.
309. See note 55, supra, and accompanying text.
310. See pp. 37-38, supra, and accompanying text.
311. See note 56, supra, and accompanying text.

312. See John T. Fields, N.T. 23.
313. See Harvey Childs, N.T. 24.
314. Id., N.T. 25.
315. See, e.g., Stephen Levitt, N.T. 62.
316. Floyd Kellogg, N.T. 43; Ronald Swartwood, N.T. 18.
317. See Harvey Childs, N.T. 18. See also examination of financial records of PABU provided in part on February 17, 1976. See note 295, supra. The majority of these records were not provided or accounted for on that date, as ordered by the Commonwealth Court, necessitating its Order of April 19, 1976, holding PABU in contempt of court.
318. See correspondence, note 295 supra.
319. Harvey Childs, N.T. 16.
320. See correspondence, note 295 supra.
321. Id.
322. Id.
323. Comparison of financial records with stationery, see note 317 supra.
324. Testimony of John D. Smittle before the Pennsylvania Crime Commission, August 5, 1975 [hereinafter cited as John Smittle], N.T. 171, 177.
325. Harvey Childs, N.T. 7; records, note 295 supra.
326. See, e.g., James Costopoulos, N.T. 26; Ralph Mustello, N.T. 74-79.
327. See note 323 supra.
328. See notes 291 and 295 supra.
329. Testimony of George Leslie before the Pennsylvania Crime Commission, January 5, 1976 [hereinafter cited as George Leslie], N.T. 25.
330. Letter to members from Harvey Childs, September 29, 1971.
331. See note 295 supra.

332. George Leslie, N.T. 51.
333. Examination of financial records, see note 317 supra.
334. Id.
335. Id. Miller and Childs were associated in the Conoquenensing Trucking Firm, which was the subject of hearings before the Gleason Committee investigating Penn DOT, and a recent trial in Crawford County.
336. Examination of financial records, see note 317 supra.
337. Id. See also, subpoena to Harvey K. Childs, issued by the Pennsylvania Crime Commission on May 12, 1975.
338. John Smittle, N.T. 182.
339. See, e.g., Robert Marcus, N.T. 26, 46.
340. See note 337, supra.
341. See, e.g., memo from Harvey Childs, April 11, 1975; letter from Harvey Childs to the Pennsylvania Crime Commission, July 25, 1975; newsletter from Harvey Childs, August 20, 1975.
342. Interview with Harvey Childs, September 30, 1975.
343. See Robert Marcus, N.T. 22-25, 27.
344. See note 317, supra.
345. See, Floyd Kellogg, N.T. 58-60; Robert Marcus, N.T. 43-44.
346. See, In re: Petition for Enforcement of a Subpoena to the Pennsylvania Association of Bailbond Underwriters, Commonwealth Court of Pennsylvania, 1975 Docket No. 1588.
347. Id.
348. Id.



APPENDIX

CRIMINAL VIOLATIONS RELATED TO BAIL BONDING

During the course of the bail bond investigation, the Pennsylvania Crime Commission found evidence of numerous acts committed by bondsmen, in apparent violation of the laws of the Commonwealth. A summary of the most common offenses, and their potential penalties, is listed below.

<u>Offense</u>	<u>Penalty</u>
Soliciting or arranging for the furnishing of bail without a professional bondsman's license (19 P.S. §§90.9, 94).	Misdemeanor; \$1,000 fine, 6 months in prison (19 P.S. §90.10(b)).
Failure of a professional bondsman to maintain an office in each county where he does business (19 P.S. §90.5).	Misdemeanor; \$500 fine, 6 months in prison (19 P.S. §90.10(d)).
Overcharging by a professional bondsman (19 P.S. §§90.9, 94).	Misdemeanor; \$500 fine, 6 months in prison (19 P.S. §90.10(d)).
Surety agent acting as a professional bondsman (19 P.S. §§90.1, 91).	Misdemeanor; \$1,000 fine, 1 year in prison (19 P.S. §90.10(a)).
Acting as a surety agent without a license (40 P.S. §234).	Misdemeanor; \$500 fine (40 P.S. §234).
Securing execution of documents by deception (18 P.S. §4114).	Misdemeanor; \$5,000 fine, 2 years in prison (18 P.S. §§1011, 1104).
Overcharging by surety agent, theft by deception (18 P.S. §3922).	Misdemeanor; \$10,000 fine, 5 years in prison (18 P.S. §§1101, 1104, 3903).
Larceny by a surety agent of bail fees owed to his corporate principal (40 P.S. §273).	Misdemeanor; \$10,000 fine, 5 years in prison. (18 P.S. §§1101, 1104, 3903).
Tampering with witnesses for an official proceeding (18 P.S. §4907).	Misdemeanor; \$5,000 fine, 2 years in prison (18 P.S. §§1101, 1104).

Offense

Penalty

Bribery or attempted bribery in  
official matters (18 P.S. §4701).

Felony; \$15,000 fine, 7 years  
in prison (18 P.S. §§1101, 1103).

EXHIBIT I (Three pages)

\$5,000 bail bond posted in Monroe County by Stuyvesant agent Melvin Levine, attaching two \$2,500 powers of attorney. (See page 7)



Rule 406—BAIL BOND  
Published and Sold by The Plankenhorn Co., Williamsport, Pa. 17701

COMMONWEALTH OF PENNSYLVANIA

Versus

FRANK E. REID

No. .... Term, 19.....

Charges: Theft by unlawful taking or disposition

We, the undersigned, Frank E. Reid Principal, and Stuyvesant Insurance Company surety, our successors, heirs, and assigns, are jointly and severally bound to pay to the Commonwealth of Pennsylvania the sum of FIVE THOUSAND AND 00/100 dollars (\$ 5,000.).

The condition of this bond is that the defendant Frank E. Reid is to appear before the issuing authority and in the Criminal Courts of Monroe County at all times as his presence may be required, ordered or directed, until full and final disposition of the case, to plead, to answer and defend as ordered the aforesaid charge or charges, and shall abide and not depart from the court without leave, then this obligation is to be void; otherwise it is to remain in full force and effect. If the defendant pleads, answers and defends as ordered, then this bond is to be void; but if the defendant fails to perform this condition, payment of the amount of the bond shall be due forthwith.

And further, we do hereby empower any attorney of any court of record within the Commonwealth of Pennsylvania or elsewhere to appear for us at any time, and with or without declarations filed, and whether or not the said obligation be in default, to confess judgment against us, and in favor of the Commonwealth of Pennsylvania for use of the County of Monroe and its assigns, as of any term or session of a court of record of the County of Monroe for the above sum and costs, with release of all errors, without stay of execution, and inquisition on and extension upon any levy or real estate is hereby waived, and condemnation agreed to, and the exemption of personal property from levy and sale on any execution hereon is also hereby expressly waived, and no benefit of exemption is claimed under and by virtue of any exemption law now in force or which may be passed hereafter.

And for so doing this shall be sufficient warrant. A copy of this bond and warrant being filed in said action, it shall not be necessary to file the original as a warrant of attorney, any law or rule of the Court to the contrary notwithstanding.

This bond is signed on October 2, 19 73 at Stroudsburg, Pa.

Frank E. Reid (SEAL)  
(Signature of Defendant)

446 White Birch St., East Stroudsburg, Pa.  
(Address)

STUYVESANT INSURANCE COMPANY (SEAL)  
(Signature of Surety)

445 Linden St., Allentown, Pa.  
(Address)

by: Melvin Levine (SEAL)  
(Signature of Surety) Attorney in Fact

445 Linden St., Allentown, Pa.  
(Address)

Signed and acknowledged before me on October 2, 19 73

Thomas A. [Signature]

EXHIBIT I (Cont.)

POWER OF ATTORNEY
THE STUYVESANT INSURANCE COMPANY

New York, New York
Bonding Department, 19C Microlab Road, Livingston, New Jersey 07039

Table with columns: AUTHORITY FOR, ITEM 1, ITEM 2, ITEM 3, ITEM 4, POWER NUMBER. Includes handwritten entries for 'MULTI STATE', 'NJ', '\$5,525.00', and '441423'.

KNOW ALL MEN BY THESE PRESENTS:

SECTION 1. That The Stuyvesant Insurance Company, a New York corporation does hereby make, constitute and appoint the party(s) as set forth in Item One above as its true and lawful attorney-in-fact with full power and authority hereby confirmed to execute on behalf of the said Company, as sole surety only sub...

ITEM FIVE (\$) section with handwritten signature 'Frank E. Reed', 'NAME OF PRINCIPAL TO BE INSERTED', and bond amount '\$ 2500-'. Includes a box for 'Insert Bond Amount Void If Not Completed'.

SECTION 2. That the authority of such attorney-in-fact to bind the Company shall not in any event exceed the amount set forth in Item Two (2) above on one bond and the said attorney-in-fact is hereby authorized to insert in Item Five (5) the name of the person on whose behalf this bond is given.

SECTION 3. This power is not valid unless used on or before the date set forth in Item Three (3) above and can only be used once.

SECTION 4. The authority of such attorney-in-fact is limited to appearance bonds and cannot be construed to guarantee for failure to provide payments, but alimony payments, fines or wage law claims.

SECTION 5. This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of Company on November 19, 1958:

ARTICLE III. OFFICERS

Section 5. Resident Officers and Attorneys-In-Fact. The President, the Executive Vice-President, or any Vice-President shall have power and authority to appoint Resident Vice-Presidents, Resident Assistant Secretaries and Attorneys-In-Fact; and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity, and other writings obligatory in the nature thereof, and attach the seal of the Company thereto, except such seal shall not be necessary when any bond or other obligation shall be executed under a power of attorney to which the seal of the Company is attached and such power of attorney attached to such bond or other obligation.

SECTION 6. This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolution duly adopted by the Board of Directors of the Company on November 19, 1958:

"Resolved, that the signature of the President, or any Executive Vice-President or any Vice-President and the seal of the Company may be affixed by facsimile on any power of attorney, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

SECTION 7. IN WITNESS WHEREOF, THE STUYVESANT INSURANCE COMPANY has caused these presents to be signed by its Vice-President and corporate seal to be hereunto affixed on the date set forth in Item Four (4) above.

SECTION 8. DO NOT ACCEPT A POWER OF ATTORNEY WHICH BEARS ANY ALTERATIONS, ERASURE OR INTERLINEATION

STATE OF NEW JERSEY COUNTY OF ESSEX THE STUYVESANT INSURANCE COMPANY By: Edwin P. Rubenstein Vice-President

On the month day and year as set forth in Item Four (4) above before me personally came Edwin P. Rubenstein to me known, who, being by me duly sworn to depose and say that he resides in the City of Newark, State of New Jersey; that he is the Vice-President of The Stuyvesant Insurance Company, the corporate body described in and which executed the above instrument; that he knows the seal of the corporation and that the seal affixed to said instrument is such corporate seal and that the corporate seal was affixed to the said instrument pursuant to authority given by the Board of Directors; that the corporation is duly and legally authorized to transact business in the District of Columbia and all states and is duly and legally authorized to issue recognizances and bail bonds in the District of Columbia and all states and has complied with and is now complying with the provisions of the Act of Congress of August 13, 1854, and the insurance laws of the said states allowing certain corporations to be accepted as Surety on Bonds.

WORN TO BEFORE ME ON THE DATE SET FORTH IN ITEM (4) FOUR ABOVE Notary Public My Commission Expires September 7, 197

NOTE (1) A SEPARATE POWER OF ATTORNEY MUST BE ATTACHED TO EACH BOND EXECUTED. (2) POWERS OF ATTORNEY MUST NOT BE RETURNED TO ATTORNEY-IN-FACT BUT SHOULD REMAIN A PERMANENT PART OF COURT RECORDS.

EXHIBIT I (Cont.)

**POWER OF ATTORNEY**

**THE STUYVESANT INSURANCE COMPANY**

New York, New York

Bonding Department, 19C Microlab Road, Livingston, New Jersey 07039

AUTHORITY FOR	ITEM 1	ITEM 2		ITEM 3			ITEM 4			POWER NUMBER
		NOT VALID FOR BONDS IN EXCESS OF	AND NO CENTS	NOT VALID IF USED AFTER	EXECUTED AND	RESERVED	MO.	DAY	YR.	
	MELVIN LEVINE	\$5482.500		12	10	73	4	10	73	441429
TO ACT AS ATTORNEY-IN-FACT	STATE			MO.	DAY	YR.	MO.	DAY	YR.	

KNOW ALL MEN BY THESE PRESENTS:

SECTION 1. That The Stuyvesant Insurance Company, a New York corporation does hereby make, constitute and appoint the party(s) as set forth in Item One (1) above as its true and lawful attorney-in-fact with full power and authority hereby confirmed to execute on behalf of the said Company, as sole surety only subject to the limitations as herein set forth, a criminal Bail Bond on behalf of

ITEM FIVE (5)

*Frank E. Reid*

Insert Bond Amount  
Void If Not Completed

to be given to

*Monroe [Signature]*

\$ 2500

SECTION 2. That the authority of such attorney-in-fact to bind the Company shall not in any event exceed the amount set forth in Item Two (2) above on any one bond and the said attorney-in-fact is hereby authorized to insert in Item Five (5) the name of the person on whose behalf this bond is given.

SECTION 3. This power is not valid unless used on or before the date set forth in Item Three (3) above and can only be used once.

SECTION 4. The authority of such attorney-in-fact is limited to appearance bonds and cannot be construed to guarantee for failure to provide payments, bailimony payments, fines or wage law claims.

SECTION 5. This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company on November 13, 1958:

**ARTICLE III. OFFICERS**

Section 5. Resident Officers and Attorneys-in-Fact. The President, the Executive Vice-President, or any Vice-President shall have power and authority to appoint Resident Vice-Presidents, Resident Assistant Secretaries and Attorneys-in-Fact; and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity, and other writings obligatory in the nature thereof, and attach the seal of the Company thereto, except such seal shall not be necessary when any bond or other obligation shall be executed under a power of attorney to which the seal of the Company is attached and such power of attorney attached to such bond or other obligation.

SECTION 6. This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolution duly adopted by the Board of Directors of the Company on November 19, 1958:

"Resolved, that the signature of the President, or any Executive Vice-President or any Vice-President and the seal of the Company may be affixed by facsimile on any power of attorney, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

SECTION 7. IN WITNESS WHEREOF, THE STUYVESANT INSURANCE COMPANY has caused these presents to be signed by its Vice-President and its corporate seal to be hereunto affixed on the date set forth in Item Four (4) above.

SECTION 8. DO NOT ACCEPT A POWER OF ATTORNEY WHICH BEARS ANY ALTERATIONS, ERASURE OR INTERLINEATION.



THE STUYVESANT INSURANCE COMPANY

By: *Edwin P. Rubenstein*  
Vice-President

STATE OF NEW JERSEY  
COUNTY OF ESSEX

On the month day and year as set forth in Item Four (4) above before me personally came Edwin P. Rubenstein to me known, who, being by me duly sworn did depose and say that he resides in the City of Newark, State of New Jersey; that he is the Vice-President of The Stuyvesant Insurance Company, the corporation described in and which executed the above instrument; that he knows the seal of the corporation and that the seal affixed to said instrument is such corporate seal and that the corporate seal was affixed to the said instrument pursuant to authority given by the Board of Directors; that the corporation is duly and legally authorized to transact business in the District of Columbia and all states and is duly and legally authorized to issue recognizances and bail bonds in the District of Columbia and all states, and has complied with and is now complying with the provisions of the Act of Congress of August 13, 1894, and the insurance laws of the states allowing certain corporations to be accepted as Surety on Bonds.

WORN TO BEFORE ME ON THE DATE SET FORTH  
ITEM (4) FOUR ABOVE

*Russell P. Winters*

Notary Public My Commission Expires September 3, 1975

- (1) A SEPARATE POWER OF ATTORNEY MUST BE ATTACHED TO EACH BOND EXECUTED.
- (2) POWERS OF ATTORNEY MUST NOT BE RETURNED TO ATTORNEY-IN-FACT BUT SHOULD REMAIN A PERMANENT PART OF COURT RECORDS.

FROM THE RECORD

*Edward [Signature]*  
Dep. Prathy. Clerk

EXHIBIT 2

Form letter to indemnitor on default of bail bond.  
(See page 9).

Leo Castello, Agent  
Midland Insurance Company  
425 Lantano Street  
Berwick, Pa 17003  
September 14, 1975

Ms. [REDACTED]  
[REDACTED]  
Williamsport, PA 17701

Dear Ms. [REDACTED]:

This is to advise you that the bond in regards to [REDACTED], in the amount of \$3000.00 has been forfeited.

I will have to ask you at this time to produce Mr. [REDACTED] at once or otherwise forward to me the sum of \$3000.00, in that you agreed to indemnify my loss, should this situation arise.

I will proceed to take legal action to fulfill this agreement, if I do not hear from you.

Thank you very much.

Very truly yours,

*Leo Castello*

Leo Castello, Agent

EXHIBIT 3

Receipts for Midland powers of attorney used by Samuel Bonanno in December, 1974 showing overcharges. (See page 13).

HOME OFFICE COPY

MB5 180848

POWER AMOUNT \$3000.00

REMARKS

DEC 6 1974

Bond Amount 500.00 Appearance Date ..... Premium 50.00 Attorney .....  
 Defendant Bernardo Feliciano Address FELICIANO LN #2  
 Court BERKS City READING State PENNA  
 Offense RECKLESSLY ENDANGERING Collateral (Circle) .....  
A PERSON Indemnitor One) Describe .....  
 Issuing Agent Samuel Bonanno Date of Birth 5/25/32 Soc. Sec. # 102-14-1102

HOME OFFICE COPY

MB5 180843

POWER AMOUNT \$3000.00

REMARKS

11th DEC 74

Bond Amount \$ 500.00 Appearance Date ..... Premium 50.00 Attorney .....  
 Defendant BERNARDO FELICIANO Address 447 S 4th ST  
 Court BERKS City RDG State PENNA  
 Offense FAILURE TO STOP AT Collateral (Circle) .....  
SAMUEL BONANNO Indemnitor One) Describe .....  
 Issuing Agent SAMUEL BONANNO Date of Birth 6/2/54 Soc. Sec. # 182-704121

EXHIBIT 4

Receipts for Midland powers of attorney used by Leo Castello in November, 1972 -- ten months before he obtained his license. (See page 14).

13

POWER AMOUNT \$2500.00

HOME OFFICE COPY

NBS 58408

DETAILS

27th November 72

Send Amount \$ 2500.00 Appraisal Date 12/21/72 Attorney Thomas McCreehy

Defendant ROBERT FRANK'S ESTATE JR. Address \_\_\_\_\_

County ALLEN City LANCASTER State PA.

Officer JIM THORPE Original No. \_\_\_\_\_ Original Amount \_\_\_\_\_

Offense Driving License by Pennsylvania State Indenture (Circle) \_\_\_\_\_

Executing Agent Leo Castello Date of Birth 7/19/52 Sex, Sex. # 212-19-2153

POWER AMOUNT \$2500.00

HOME OFFICE COPY

NBS 58409

DETAILS

25th November 72

Send Amount \$ 2500.00 Appraisal Date 11/10/72 Attorney Not Known

Defendant GERALD H THOMPSON Address \_\_\_\_\_

County WILKES City WILKESPORT PA. State \_\_\_\_\_

Offense Driving License by Pa. State Indenture (Circle) \_\_\_\_\_

Executing Agent Leo Castello Date of Birth 12/29 Sex, Sex. # 190-22-2278



EXHIBIT 5

Bond posted by Harvey Childs in Crawford County without power of attorney or collateral. (See page 17).

DEFENDANT'S RECOGNIZANCE

(charge) FAILURE TO STOP HT  
SCENE OF ACCIDENT

VS.

NAME RONALD WAYNE LITTLEFIELD  
ADDRESS 4142 RAIN STREET  
TULSA OK

We and each of us, the undersigned DEFENDANT and SURETIES, our successors, heirs and assigns are jointly and severally bound to pay to the Commonwealth of Pennsylvania the sum of FIVE HUNDRED dollars (\$500).

The condition of this bond is that the DEFENDANT herein named, is to appear before the Issuing Authority herein named in the Criminal Courts of the within named County at all times as his presence may be required, ordered or directed, and final disposition of the case, to plead, to answer and defend as ordered, the aforesaid charge or charges and and and not depart from the Court without leave, then this obligation is to be void, otherwise it is to remain in full force and If the Defendant pleads, answers and defends as ordered, then this bond is to be void, but if the Defendant fails to do this condition, payment of the amount of the bond shall be due forthwith.

And further, we do hereby empower any attorney of any Court of Record within the Commonwealth of Pennsylvania where to appear for us at any time, and with or without declarations filed, and whether or not the said bond has been to confess judgment against us, and in favor of the Commonwealth of Pennsylvania for the use of the within named Court its assigns, as of any term or session of a Court of Record of the within named County for the above sum and costs, lease of all errors, without stay of execution, and inquisition on and extension upon any levy or real estate is hereby and condemnation agreed to, and the exemption of personal property from levy and sale on any execution thereon is hereby expressly waived, and no benefit of exemption is claimed under and by virtue of any exemption law now in force or may be issued hereafter.

And for so doing this shall be sufficient warrant: A copy of this bond and warrant being filed in said section, it shall not be necessary to file the original as a warrant of attorney, any law or rule of the Court to the contrary notwithstanding.

DEFENDANT'S SIGNATURE  
DEFENDANT'S ADDRESS

[Signature]

CORPORATE OR INDIVIDUAL SURETY  
ATTORNEY IN FACT

BOND - 500  
[Signature]

NOTE: WHERE A PROPERTY BOND IS TO BE FILED WITH THE RECORDER OF DEEDS, USE DUPLICATE OF THIS ON BACK OF COMMITMENT. INSERT CARBON BETWEEN PARTS BEFORE REMOVING FROM STUB.

JUSTIFICATION OF SURETY

COUNTY OF Crawford

\_\_\_\_\_ being duly sworn, deposes and says:

I (We) reside in the above named County, and my (our) occupation(s) is (are) \_\_\_\_\_

I am (We are) the owner(s) of real estate in the \_\_\_\_\_ in the above named County follows:

The said property was obtained by me (us) by  Deed  Will from \_\_\_\_\_ in year \_\_\_\_\_, the title is in my (our) name(s) alone and the Deed or Will is recorded in the above named County  Deed  Will Book \_\_\_\_\_, Vol. \_\_\_\_\_, Page \_\_\_\_\_.

The above described property is assessed by the County for the purpose of taxation in the sum of \$ \_\_\_\_\_

The only encumbrances upon said property are \_\_\_\_\_

I am (We are) not surety on any other bond of any kind except as follows:

I (We) do not contemplate the sale of the property above described and am (are) not now negotiating any sale of  
I (We) have carefully read this, or have had explained to me (us), the foregoing affidavit and know it is true & c.

PROSECUTOR'S RECOGNIZANCE

I, \_\_\_\_\_, prosecutor, do hereby acknowledge myself indebted to the Commonwealth of Pennsylvania in the sum of \$ \_\_\_\_\_, to be levied, etc., conditioned that I be and appear at and throughout the next term of the Court of Common Pleas of the above named County, to testify, etc., and to abide and not depart the Court without leave.

(AFFIANT)

Taken and acknowledged before me the within named Issuing Authority on this 12 day of October

[Signature]

JUSTICE OF THE PEACE - MAGISTERIAL DISTRICT

EXHIBIT 6

Bond posted by Harvey Childs in Mercer County without power of attorney or collateral. (See page 17).

JUSTIFICATION OF SURETY OTHER THAN CASH BAIL

(Questions 3, 4, 5, 7, 8 and 9 are applicable only when real estate is posted as security.) (Cash Bail justification shown on reverse.)

The undersigned about to become Surety in the case cited herein, being duly sworn (or affirmed) deposes and says:

- 1. I reside at ... my phone No. is ... and my occupation is ... and I work for ...
2. I have no undisposed of criminal cases against me pending in the Courts of ... County, except as follows: ...

- 3. I am/we are the sole owner(s) of ... real estate situated ... in the said County of ... as follows, viz.: a parcel of ground, in size ... situated at ... which is improved with the following buildings ...

(All other joint tenants or tenants by the entirety must co-sign this bond and state their addresses at the bottom of this page or on an attachment hereto.)

- 4. The said property was obtained by me by ... Deed ... Will from ...
5. The ... Deed ... Will is dated ... and is recorded in the office of the ... Recorder of Deeds ... Register of Wills of ... County, ... Deed ... Will Book Vol. ... Page ... and the title is in ... my name ... and my spouse's name. Also a parcel of ground, in size ... situated at ... in the ... Ward, in the ... Boro. ... Twp. ... City of ... The said property was obtained by me by ... Deed ... Will from ... The ... Deed ... Will is dated ... and is recorded in ... Deed ... Will Book Vol. ... Page ... of ... County, and is in ... my name ... and my spouse's name.

- 6. I am not Surety on any bond of any kind except as follows:
DATE AMOUNT DEFENDANT

- 7. There are no mortgages, or other liens or encumbrances of any kind or description, upon the said premises, and there are no judgments against me except as follows:
Mortgages as set forth in the Recorder of Deeds on first property ...
Mortgages as set forth in the Recorder of Deeds on second property ...
Judgments and Liens ...
Real estate taxes have been paid except: ...
8. The assessed valuation of said premises is: ...
9. No judgment has been entered or action instituted against me upon a forfeited recognizance except ...

10. I have read carefully the foregoing affidavit and know that it is true and correct.

Sworn (XXXX) and subscribed before me this ...

13th day of NOVEMBER 19 74

M. ... Clerk of Court or (Sworn Authority)

Harvey Childs (Signature) SEAL
Clifford L. ... (Signature) SEAL
8 College Avenue, Greenville, Pennsylvania 16125
Address

EXHIBIT 7

Various signatures used on bail bonds posted by Ronald Swartwood in Crawford County, without power of attorney or collateral. (See page 22).

December 31, 1973

Corporate  Individual   
Surety *Ronald Swartwood*  
Attorney in Fact *R. Swartwood*  
COUNTY OF CRAWFORD, ss.

March 15, 1974

Corporate  Individual   
Surety *Ronald Swartwood*  
Attorney in Fact \_\_\_\_\_  
COUNTY OF CRAWFORD, ss.

December 19, 1974

(X) [Redacted Signature] (SEAL)  
SIGNATURE OF DEFENDANT  
*Ronald Swartwood* (SEAL)  
Signature of Surety (May be Bondsman, Bail Agency, or private individual or organization). Except when defendant is released on his own recognizance (ROR), this must be signed in all bail situations, including nominal bail.  
*R. Swartwood, 224-7900*  
ADDRESS OF SURETY, SURETY COMPANY OR DEFENDANT  
224-7900 31 Dec 74  
Surety No. or Professional Bondsmen License No. & Expiration Date

False reporting of bail bonds by Stuyvesant agent John Creasy.  
(See page 26).

**POWER OF ATTORNEY**  
**THE STUYVESANT INSURANCE COMPANY**

New York, New York  
Bonding Department, 19C Microlab Road, Livingston, New Jersey 07039

AUTHORITY	ITEM 1	ITEM 2	ITEM 3	ITEM 4	POWER NUM.
JOHN CREASY	NOT VALID FOR BOND IN EXCESS OF \$5,000	NOT VALID IF USED AFTER 11 MO. 12 DAY 74	EXECUTED AND NOTARIZED	12 74	671662
TO ACT AS ATTORNEY-IN-FACT	STATE				

FIVE THOUSAND AND NO/100 DOLLARS AND NO CENTS

KNOW ALL MEN BY THESE PRESENTS:

SECTION 1. That The Stuyvesant Insurance Company, a New York corporation does hereby make, constitute and appoint the party(s) as set forth in Item above as its true and lawful attorney-in-fact with full power and authority hereby confirmed to execute on behalf of the said Company, as said surety only to the limitations as herein set forth, a criminal Bail Bond on behalf of

ITEM FIVE (5) *Michael O. K. Mullen*

NAME OF PRINCIPAL TO BE INSERTED

to be given to.

Insert Bond Amount Completed **\$1000**

SECTION 2. That the authority of such attorney-in-fact to bind the Company shall not in any event exceed the amount set forth in Item (2) above one bond and the said attorney-in-fact is hereby authorized to insert in Item Five (5) the name of the person whose behalf this bond is given.

MID-ATLANTIC AGENCY  
101 South 13th Street  
Suite 200  
Philadelphia, Pennsylvania 19107

THE STUYVESANT INSURANCE COMPANY, NEW YORK, NEW YORK

I report execution of the following bonds and attach hereto checks and/or cash in settlement thereof. Please receipt on the attached carbon copy for my file.

John Creasy 1 of 2 pages 10/14/74 (AGENT)

FOR THE WEEK ENDING

Bond Number	Defendant's Name	Date Effective	Amt. of Liability	Premium	B. U. F. Coll.
✓ 470943	[REDACTED]	08/06/74	500.00	10.00	5.00
✓ 470944	[REDACTED]	08/29/74	500.00	10.00	5.00
✓ 470945	[REDACTED]	08/29/74	500.00	10.00	5.00
✓ 471662	MULLEN, MICHAEL	09/29/74	500.00	10.00	5.00
✓ 474594	[REDACTED]	09/01/74	1,000.00	20.00	10.00

EXHIBIT 8 (Cont.)

**POWER OF ATTORNEY**  
**THE STUYVESANT INSURANCE COMPANY**

New York, New York  
Bonding Department, 19C Microlab Road, Livingston, New Jersey 07039

AUTHORITY FOR <b>JOHN CREASY</b> TO ACT AS ATTORNEY-IN-FACT STATE	ITEM 1 FIVE THOUSAND AND NINETY/100 DOLLARS AND NO CENTS	ITEM 2 NOT VALID FOR EXCESS OF \$5,000	ITEM 3 NOT VALID IF USED AFTER MO. DAY YR. 05 24 74	ITEM 4 EXECUTED AND NOTARIZED MO. DAY YR. 05 24 74	POWER NUMBER 70298
--	--	---	---	--	-----------------------

KNOW ALL MEN BY THESE PRESENTS:

SECTION 1. That The Stuyvesant Insurance Company, a New York corporation does hereby make, constitute and appoint the party(s) as set forth in Item One above as its true and lawful attorney-in-fact with full power and authority hereby confirmed to execute on behalf of the said Company, as sole surety only subject to the limitations as herein set forth, a criminal Bail Bond on behalf of

ITEM FIVE (5)

*Laverne Newsome*  
NAME OF PRINCIPAL TO BE INSERTED

Insert Bond Amount  
Word if Not Completed  
\$ 5000 -

to be given to

SECTION 2. That the authority of such attorney-in-fact to bind the Company shall not in any event exceed the amount set forth in Item Two (2) above one bond and the said attorney-in-fact is hereby authorized to insert in Item Five (5) the name of the person on whose behalf the bond is given.

THE STUYVESANT INSURANCE COMPANY, NEW YORK, NEW YORK

MID-ATLANTIC AGENCY  
101 South 13th Street  
Suite 200  
Philadelphia, Pennsylvania 19107

I report execution of the following bonds and attach hereto checks and/or cash in settlement thereof. Please receipt on the attached carbon copy for my file.

John Creasy 8/16/74  
(AGENT)

470997	[REDACTED]	8/14/74	1,000.00	20.00	10.00
470998	Laverne Newsome	8/14/74	1,000.00	20.00	10.00
470999	[REDACTED]	8/11/74	500.00	5.00	3.00

EXHIBIT 9

Card used by John Hakim in Carbon County.  
(See page 35).

L. A. WILLIAMS - REPRESENTATIVE  
258 N. 4TH. STREET  
LEHIGHTON, PA. 18235  
PHONE (215) 377-1721



JOHNNY HAKIM  
PROFESSIONAL BAIL BONDSMAN  
NO. 479  
24-HOUR SERVICE

PHONE: 824-6018  
824-7084  
333-4873

565 SOUTH MAIN STREET  
WILKES-BARRE, PA. 18701

---

EXHIBIT 10

Bond revoked by Jack Smith in I. O. No. 14  
a second bond for the same amount is to be posted after  
Note: \_\_\_\_\_

**TRANSCRIPT**

Justice of the Peace

Edward F. Prossmann

31-2-02

Magisterial District:

Charge: Theft by Unlawful Taking, or

Disposition

On Oath of Prosecutor: Det. Sgt. Ronald Neimeyer

Address: Allentown Police Dept.

From Criminal Docket of  
Commonwealth of Pennsylvania  
vs.

Lehigh County Prison

Date of Birth: \_\_\_\_\_  
Address: \_\_\_\_\_

Complaint sworn to \_\_\_\_\_  
Date: June 13, 1974 Summons issued.

Now June 13 1974 Warrant issued to Det. Sgt. Ronald Neimeyer  
(Delete if inapplicable.)  
Name of Constable or other Officer

Now July 15 1974 Defendant appears in response to Summons.  
Defendant arrested by virtue of above recited Warrant, and bail required  
February 1975

in the sum of 20,000.00 for a hearing on the \_\_\_\_\_ day of \_\_\_\_\_  
at 4:30 o'clock P.M. Defendant \_\_\_\_\_ committed to fail in default of bail  
"bound over or under bail" or "committed to jail in default of bail"  
at the time fixed for a hearing is had

**NOTIFICATION OF BAIL AND DISCHARGE**

COMMONWEALTH vs. (Defendant Name and Address)

Lehigh, Pa.

Bail  
 ROR (no surety) \$ 2,000  
Bail (total amount set, if any)

Conditions of Release (aside from appearing at court)  
AT JACK MANLY  
55 E. 4th St.  
Allentown, Pa.  
(attach address if necessary)

DEA. HOWE, E. GAVLIS & ASSOCIATES, YANOLEY, PA. 18064 (215) 493-1571

POLICE CASE NO.

CHARGES: Criminal Conspiracy (2 Counts)  
Theft by unlawful taking (6 counts)

J. P. NO. CR-570, CR-507, CR-511, CR-572, CR-573, CR-574, CR-575, CR-576, CR-577, CR-578, CR-579, CR-580, CR-581, CR-582, CR-583, CR-584, CR-585, CR-586, CR-587, CR-588, CR-589, CR-590, CR-591, CR-592, CR-593, CR-594, CR-595, CR-596, CR-597, CR-598, CR-599, CR-600  
DATE OF CHARGE: June 13, 1974

NEXT

DATE AND

STATE OF PENNSYLVANIA:

SS:

COUNTY OF SUSQUEHANNA:

JACK SMITH BEING DULY SWORN ACCORDING TO LAW DEPOSES AND SAYS THAT HE IS LICENSED BY THE INSURANCE COMMISSIONER OF THE COMMONWEALTH OF PENNSYLVANIA FOR THE YEAR 1972, AND THAT HE IS QUALIFIED TO DO BUSINESS IN SUSQUEHANNA COUNTY.

*Jack Smith*  
\_\_\_\_\_  
JACK SMITH

SWORN AND SUBSCRIBED TO BEFORE ME  
THIS 5th DAY OF AUGUST, 1972.

*Donald C. Peterson*  
\_\_\_\_\_  
PROTHONOTARY



Certified and attested from the records  
of Susquehanna County, Pa.  
this 15th day of May, 1975.  
*Donald C. Peterson*  
Prothonotary-by



EXHIBIT 12

PABU ledger showing expenditures from November, 1974 to November, 1975, with 90% of disbursements to Harvey Childs and family. (See page 45).

*P.A.B.U. Expenditures*

	Date	Name	CR #	Amt	Reason
1	11-74	Harvey Childs	101	42.13	Kopy Kat Printing
2	12-27-74	Roseanne Hinkson	102	250.00	Salary Nov. + Dec 1974
3	1-9-75	Harvey Childs	103	66.50	Printing & Stamps
4	1-9-75	Roseanne Hinkson	104	125.00	Salary For Oct 1974
5	1-9-75	Roseanne Hinkson	105	125.00	Salary For Jan. 1975
6	1-31-75	Roseanne Hinkson	106	125.00	Salary For Feb 1975
7	2-27-75	Roseanne Hinkson	107	125.00	Salary For March 1975
8	3-10-75	HARVEY CHILDS	110	151.50	STAMPS PRINTING TONER PAPER
9	3-25-75	Roseanne Hinkson	111	125.00	SALARY FOR APRIL 1975
10	4-11-75	MARRIOTT INN	112	26.50	EXPENSES AT MARRIOTT
11	4-11-75	HARVEY CHILDS	113	468.49	EXPENSES FOR CONFERENCE
12	4-28-75	ROSEANNE HINKSON	114	125.-	SALARY FOR MAY 1975
13	6-2-75	ROSEANNE HINKSON	115	125.-	SALARY FOR JUNE 1975
14	6-3-75	HARVEY CHILDS	116	303.80	STUFFERS 36.58
15					HOLIDAY INN 41.34
16					SUPERATION 28.84
17					HOTEL BERWICK 4.06
18					TELEPHONE BILL 187.94
19	6-15-75	ROSEANNE HINKSON	117	125.-	SALARY FOR JULY
20	7-12-75	F.B.I Graduate convention	118	150.-	
21	7-24-75	ROSEANNE HINKSON	119	125.-	SALARY FOR AUG
22	8-25-75	ROSEANNE HINKSON	120	125.-	SALARY FOR SEPT
23	9-18-75	ROSEANNE HINKSON	121	125.-	SALARY FOR OCT
24	9-14-75	LINDA CHILDS	122	274.90	P.R. WORK FOR CRIME COMMISSION
25	10-15-75	HARVEY CHILDS	123	50.-	MOTEL FEES
26	10-15-75	ROSEANNE HINKSON	124	125.-	SALARY FOR NOV.
27	11-14-75	SUMMERS OFFICE EQUIPMENT		3.15	OFFICE SUPPLIES
28	11-14-75	ROSEANNE HINKSON	126	125.-	SALARY FOR DEC
29	12-9-75	LINDA CHILDS	127	63.-	HOTEL ROOMS FOR BOUNDING MC
30					

## INDEX

- A.B.E. Bail Bond Agency - 27
- Agent, Surety - See Surety Agent.
- Allegheny County - 1, 2, 6, 10, 11, 28, 32, 40, 41
- Allegheny Mutual Casualty Company - 7, 8, 10, 11, 30, 40
- American Construction Company - 37
- American Taxi Company - 37
- Berks County - 1, 2, 12, 13, 14, 29, 30, 32, 33, 34, 39
- Bock, Frank Al - 31
- Bonanno, Georgine - 12
- Bonanno, John A. - 12, 14, 33, 34
- Bonanno, Samuel - 12, 13, 14, 16, 32
- Bondsman, Professional - See Professional Bondsman.
- Bribery of Officials - 14, 21, 28
- Butler County - 19
- S. C. Cali Insurance Company - 23
- Cali, Salvatore C. - 23
- Carbon County - 35, 36
- Castello, Leo - 12, 13, 14, 15, 16, 25, 29, 34, 42
- Chalpin, Robert - 24, 25
- Childs, Harvey K. - 8, 9, 12, 13, 14, 15, 16, 17, 19, 22, 35, 41, 42, 43,  
44, 45, 46

Childs, Linda - 16, 44

Columbia County - 14, 35, 38

Cook, Ann - 17

Cornblower, Dean - 17

Cosmopolitan Insurance Company - 20

Costopoulos, James - 31

Crawford County - 17, 22

Creasy, John - 9, 25, 26

Cumberland County - 31

Dauphin County - 32,

Deceptive Practices - 9, 10, 11, 12, 13, 14, 16, 17, 18, 20, 21, 22, 23, 25,  
27, 30, 35, 37, 40

Delaware County - 1

Esters, Finis - 32

Fayette County - 31

Fraud Against Courts - See Deceptive Practices.

Fraud Against Insurance Companies - See Theft of Corporate Funds.

Giovinco, Gus - 32

Graphic Horizons - 45

H. L. C., Inc. - 16, 19

Hakim, John - 32, 35, 36, 42

Hakim, Mary Jane - 36

Hees, Charles - 17

Hess, Warren K. (Judge, Berks Co. Common Pleas Court) - 14

Higgins, William - 14

Hinkle, Robert - 27

Hinkson, Roseanne - 16, 19, 44

Isaac, Michael - 28

Kellogg, Floyd W. - 18, 19, 27

Koch, Kenneth (Pres. Judge, Lehigh Co. Common Pleas Court) - 36

Kosoy, Perry - 17

Kozlowski, Victor - 28

Kramer, Jack - 17

Lackawanna County - 23, 35, 38, 39

Lancaster County - 32

Lebanon County - 31, 32

Lehigh County - 14, 20, 21, 26

Leslie, George - 45

Levine, Herbert - 25

Levine, Melvin - 9, 18, 27, 28, 29

Levitt, Stephen C. - 28, 42

License Requirements, Violation of - 10, 12, 14, 16, 18, 20, 21, 23, 25, 27,  
28, 31, 32, 35, 36, 37, 38, 40

Longo, John P. - 31, 32

Losko, Charles - 31

Luzerne County - 32, 33, 35, 37, 38

Lycoming County - 14

Marcus, Robert - 32

Marra, Francisca - 36

Marra, Lawrence - 32, 36

Marra, Lawrence, Jr. - 36

Mazzei, Frank (former Pa. State Senator) - 42

Mercer County - 17, 22

Mid-Atlantic Agency - 8, 26, 29

Midland Insurance Company - 6, 7, 8, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22,  
23, 27, 29, 32, 34, 35, 42, 43

Milkanin Detective Agency - 36

Milkanin, Michael - 36

Miller, Richard H. - 45

Mirolli, Nicholas - 17

Monroe County - 18, 27

Montgomery County - 1, 2, 6, 24, 25, 26, 32

Muraca, Frank B. - 23

Mustello, Ralph - 16, 17, 19, 20

Needleman, Abraham - 8

Northampton County - 20, 27, 32, 36

Northumberland County - 14

Overcharging by Professional Bondsman - 21, 31, 32, 33, 34, 35, 37, 40

Overcharging by Surety Agent - 9, 11, 13, 14, 16, 18, 19, 21, 23, 24, 26, 28, 29

Pennsylvania Association of Bailbond Underwriters - 4, 17, 22, 41, 42, 43,  
44, 45, 46

Peters, Norman - 17

Philadelphia County - 2, 6, 41

Pope, Peter - 32

#### Professional Bondsman

Acting as, without license - 32, 35, 36, 37, 38

Acting as surety agent - 9, 10, 13, 14, 20, 32, 40

County office requirement - 33

Generally - 2, 31, 32, 33

Overcharging - 31, 32, 33, 34, 35, 37, 40

Overextended collateral - 33, 34, 40

Surety agent acting as - 9, 17, 21, 27

Public Service Mutual Insurance Company - 7, 8, 20, 21

Purcell, Margaret - 27, 28, 29

Rabenstine, Eugene - 17

Rabenstine, John - 17

Rochelle, James - 20, 21

Schuylkill County - 14, 28, 29

Schwartz, Albert - 8

Schwartz-Sills Bailbond Agency - 28

Shade, Thomas - 17

Siers, Allan - 20, 21

Siers, Gigi (Gisela) - 20, 21

Silberlicht, Jack (Constable, Wayne Co.) - 27

Smith, Frances - 39

Smith, J. Floyd - 8

Smith, James E. (deceased) - 12, 13

Smith, John D. (Jack) - 14, 32, 33, 37, 38, 39, 42

Smith, Michael - 32, 37, 38, 39

Smith, Vincent - 33, 39, 40

Smittle, John D. - 45

Snyder County - 14

Southern General Insurance Company - 30

Stuyvesant Insurance Company - 7, 8, 15, 19, 23, 25, 26, 27, 28, 29, 30, 42, 43

Surety Agent

- Acting as professional bondsman - 9, 17, 21, 27
- Acting as, without license - 9, 10, 12, 13, 16, 17, 18, 20, 23, 25, 30
- Deceptive practices - 9, 10, 11, 12, 14, 17, 18, 20, 21, 22, 23, 25, 27, 30
- Fraud against courts - See Deceptive Practices.
- Fraud against insurance company - See Theft of Corporate Funds.
- Generally - 2, 6
- Overcharging - 9, 11, 13, 14, 16, 18, 19, 21, 23, 24, 26, 28, 29
- Professional bondsman acting as - 9, 10, 13, 14, 20, 32, 40
- Theft of corporate funds - 9, 17, 21, 27

Susquehanna County - 38

Swartwood, Ronald - 16, 17, 22

Theft of Corporate Funds - 9, 17, 21, 27

Union County - 14  
Wander, David - 9, 10, 11, 40  
Wander, Harvey - 10, 32, 40  
Wann, Mary - 28, 29, 30  
Wasco, John - 17, 23  
Washington County - 31, 32  
Wayne County - 27  
Weldon, Gordon - 17  
Wentzler - George - 31, 32  
Weyant, Robert - 17  
Williams, Lewis A. (former District Justice, Carbon Co.) - 35  
Winston, Zachquo - 32  
Witnesses, tampering with - 17, 46  
Wyoming County - 35



**END**

*7-11-1944*