



Insurance Department

State of Utah

GARY R. HERBERT
Governor
SPENCER J. COX
Lieutenant Governor
TODD E. KISER
Commissioner

Bail Bond Oversight Board Meeting

(http://www.insurance.utah.gov/producers/bailbond_board.html)

Date: July 13, 2016

Time: Noon

Place: East Building, Copper Room

Board Members

xBrad Jenkins (Chair)	xRyan Cooper
xGordon Wright (Co-Chair)	xPeter Stevens
xLt. Kati Booth	xClay Carlos
xStephen Aina	xBrett Barratt (Non-Voting)

Staff

Todd Kiser, <i>Ins. Commissioner</i>	xSuzette Green-Wright, <i>MC Director</i>	xCathy Burton, <i>Examiner</i>
xPerri Babalis, <i>AG Counsel</i>	xSteve Gooch, <i>PIO Recorder</i>	

Public

Gerald M. Conder	Jim Clark	Vivian Deems
Adam Rogers	Shayna Hoyt	Kitty Rasmussen
Patty Reed	Jack Reed	Denim Reed
Gary Walton	Gordon Wright	Richard Rose
Jamie Statuer	Richard Beard	Ken Staker
Wayne M. Carlos	Christie Ellis	Terry Smith
Steve Brown	Craig Crawford	Ryan Johnson
Wendy Madrill	Fedencio Paredes	Joshua Massey

MINUTES — Not Approved

- **General Session (Open to the Public)**
 - **Welcome** (12:00pm)
 - Brad notes that a law was passed requiring that all bail agencies have a principal attend a Bail Bond Oversight Board meeting at least once a year in order to renew the agency's license. This is the first meeting since that law was passed.
 - Adoption of Minutes for April 13, 2016 / Chair
 - **Motion by Gordon to adopt minutes. Seconded by Ryan. Motion passes 7-0.**
- **Executive Session - If Needed (Closed to the Public)**
- **General Session (Open to the Public)**
 - **Approve Recommended Actions from Executive Session** – Not needed.
 - **Licensing Report for April through June** / Cathy
 - The licensing division has been sending emails to agencies regarding agents whose licenses have lapsed.
 - In June there were no reinstated licenses.
 - Issues have decreased dramatically. Agencies are making sure agents are reinstated before they write bail.
 - **Summary of Enforcement Reports** / Cathy

- Cathy has been able to close some audits with stipulations, but some others are in the process of going to administrative hearing. Some I-Cases are still open, but they should be resolved very soon. Some E-Cases are still open and the department is still going after them.
- Stephen asks about the I-Cases that are over 180 days. Are there certain types of cases that take extra time? Cathy says sometimes attorneys are involved and that can drag things out.
- Gary Walton asks what happens if a person filing a complaint doesn't get an acknowledgement from the department. Cathy says to give her a call. They can also go to the UID's website to see if the complaint has resulted in any kind of an action. However, there are some complaints that don't have a code or rule violation, which means we can't do anything about them. Sometimes a complaint results in a private letter, which isn't information that is given out publicly.
- Brett asks what Cathy's procedure is when she receives a complaint. She says she opens a complaint formally, sends a letter to the person who initiated the complaint to tell them how the process works, and notes that a reportable action will be posted on the UID website. Brett clarifies that if someone doesn't get that letter, they can call her to get a status update. Cathy says yes absolutely.
- Proposed Penalties for Board's Review: None
- Agency Audit Update / Cathy
 - There are a number of agencies that need to be audited, which will start soon. One is in process and Cathy is moving forward on it.
 - Brad asks if those audits are done in the company's office, or at the department. She says they can happen at either place, and the letter they are sent tells them where it will happen. She will work with the agency regarding location as necessary. Brad asks if that's because of distance. Cathy says it can be, but it can also be due to her time constraints.
- **New Business**
 - **New App: 1 Got Bail LLC**
 - The articles of organizations for 1 Got Bail LLC list Jack Reed and Patty Reed as the owners. The Department of Commerce registered the company on August 25, 2015 and it is currently in good standing. The EIN was established with the IRS on June 1, 2016. Jack Reed has been a licensed agent with a bail qualification since September 4, 2002. Jack and Patty Reed own Uintah Bail Bonds. Uintah has given a letter verifying that Jack has worked 2,000 hours on bail. Jack's tax info has been submitted.
 - The Department has no questions.
 - The Board has no questions.
 - **Motion by Gordon to approve the application. Seconded by Kati. Motion passes 7-0.**
 - Discussion about faxing bonds to jails / Cathy
 - Some jails accept faxes while others don't. We respect the jail setting its own protocols and processes, and Cathy has been working to contact the jails and courts to see what the process is. She will inform the board and industry of what those processes are. She's in the early stages of the project.
 - Brad asks if she will ask the courts and jails about e-bonds, and whether they will accept them. She says she will.

- Cathy says she will visit courts and jails in person this year. She has found that a personal visit helps a lot with the department and the industry. She recently visited the jail and court in Duchesne, and was able to answer the court clerk's questions right then and there. She talked to the jail about cash-only bail, which is an industry concern. She will continue the dialogue with the Duchesne jail and others.
- Brad thanks Cathy and notes that her efforts have relieved so many problems.
- Court perspective on new jail policies / Brent Johnson
 - **Brent was unable to make it, so this moves to the October meeting.**
- New jail policies / Scott Carver
 - There is nothing new to add to what Pamela Lofgreen presented in April. However, he would like to answer any questions that have come up in the meantime.
 - They have confirmed that bond companies are being notified of changes in OCR status and stages. Vicki notifies Cathy of changes, and Cathy lets the industry know so they're aware of what offenses the jail is taking at the moment. He reminds the audience that OCRs are driven by jail population, and based on the population the cap management plan will change.
 - Gary Walton asks about the current population of the Salt Lake County Jail. Scott says it's full, but on a day-to-day basis depending on releases they will actually go down to accept misdemeanor-As and Bs, but rarely get to Cs. Normally they're over capacity, thus the increasing number of OCRs, which have skyrocketed. Beds are generally full and the cap management plan changes every day based on that.
 - In the city they're dealing with the homeless issue around Rio Grande, and they often hear that they need more jail space for them. But those people don't stay in jail and shouldn't. It's a difficult problem.
 - Gary notes that the county had generated funding to address the homeless and chronic drug addicts. Is that being enforced now? Scott says how the money will be used hasn't been defined. There is a plan in the works that brings in multiple agencies, but it takes time to get it together and then to fruition.
 - Brad asks about situations where you bring someone to the jail, but then the jail is full. Could there be a form to show that they were brought to the jail, but the jail was at capacity and couldn't accept them. Scott says Pamela gave him a copy of a form that was developed and should be in use now. He will send a copy to Cathy for dissemination. It includes the reason for refusal and will have a space for a jail signature, and should be at the booking desk now.
 - Kati notes that Salt Lake County's policy isn't the same for all jails. All jails have different policies.
 - Wayne Carlos asks about bail enforcement revocation of bonds. Scott says if they bring a bail revocation, the form will show that they were brought in but the jail wasn't accepting them because of the cap management plan.
- Election of new chair / Brad
 - **Gordon nominates Brad as chair. Ryan seconds. Motion passes 7-0.**
 - **Clay nominates Gordon as vice chair. Kati seconds. Motion passes 7-0.**
- **Old Business**
 - Brett updates the Board on the Supreme Court's Committee on Pretrial Release Practices. Last quarter the Bail Bond Association nominated Jeffrey Clayton, who lives in Colorado. The court indicated that they want a Utah resident to sit on the committee. His

understanding is that the Bail Bond Association suggested that Wayne Carlos sit on the committee. Wayne confirms, but says no name has been sent to the committee. Brett encourages the Association to nominate someone before the next meeting, which is on September 8. It will be at the Matheson Courthouse at noon. Judge Shaughnessy has indicated that the meeting will be open to whoever wants to attend. Brett will also participate.

- Wayne asks if the Department has any plans for legislation regarding bail bonds. Brett says it does not, and Cathy has no wishlist items. The Department puts together its legislative package about this time. A bill will be compiled in September for the legislative drafter by early October, which gives them enough time for the package to be put together and heard in an interim committee, so it's ahead of the rest of the legislation next year.
- Kati asks about testing and says that Randy said if legislation was passed, it could be done by next January. Brett says we'd have to change the law this next session, then testing would go into effect January 2018. If it's something the board wants to do, the department would have no objection to it. Brad asks if the department is dealing with a testing company already. Brett says yes, for other licenses. This would just add one more test to the existing contract. Brad asks if it would be possible to check about the possibility of doing so. Brett says absolutely. Pete notes that in other areas they don't have tests and asks if other states test for bail bonds. Gary says yes, Idaho does. Cathy says the vendor has developed bail questions for other states. Pete says we'll need to make sure the tests are Utah-specific. Brett notes that there used to be a requirement that bail producers have yearly continuing education, but it had to be eliminated because there were no CE providers. Would we want an ongoing CE requirement? Brad asks if the other states require tests just for the surety or if there are agent tests too. Gary says in Idaho it's an agency, but in California there are agent tests too. It's not easy to get licensed. Cathy says she was under the assumption that we were talking about testing for agents, so they understand the industry while they're getting their license.
- Gary asks about SB 105. Under 31A-35-404, it says a copy of the applicant's federal and state income taxes are required for the preceding two years, but only for the original application. His understanding is that if they're renewing a license, they shouldn't have to submit tax returns. Cathy says under R590-186-5, it requires the tax info for the preceding year. Gary thinks a state law should take precedence over a department rule. Cathy says we need to fix the rule, and Brett agrees. Perri and Brett will discuss it and will get back to the industry about it. Brett asks when this requirement takes effect. Cathy says two days from now. Brett clarifies that the question is whether for a renewal you must submit federal and state income taxes going back two years. He says it's clear that two years of tax returns are required for a new application, but the renewal is the question. Cathy says the department has the tax information for the year before, but the current year will be required — this equals the two required years. Brad asks if it's the department's position that for people who must renew this week, should they submit the required tax returns. Brett says yes. If there is an immediate change to that, the department will notify people.
- Wayne asks if there has been any activity on the scam that has been going around. Brad asks how many agencies have been affected by a scam in which someone is trying to extort money from clients. Most of the attendees raise their hands. Brad lays out the

scam: Companies will get a phone call ostensibly from the jail saying that they're processing a defendant and need more information. They will then contact the person who was just released (or a cosigner) and tell them they need more money sent via Western Union or they'll go back to jail. The money is supposed to be wired to someone out of state. Brad says it recently happened to him, and describes what happened. The person called the jail and got the defendant's emergency contact info that was given when the defendant was arrested. Wayne says he's had numerous clients pay it, which is sad. Brad says a lot of people probably have clients who have paid it and you don't even know. Kati says the jails have been getting calls as well. She says the jails have been requiring verification of a callback number, which has cut down on that a lot. Brad says he's been telling all of his clients not to deal with anyone else — they should always call his office for more info. Clay asks if anyone in the industry has ever called the jail back for more info because he can't remember a time he ever needed to do it. He suggests not giving that info to anyone who calls. Kati says you can't just put a blanket ban on giving information to agents, because agents legitimately call all the time. She also notes that the scammers don't always say they're agents either — one was a guy pretending to be a law enforcement officer from another agency who was trying to get information. Brad thinks there are people who may have hacked the jail system because they're getting nicknames and emergency contacts that even bail officers don't have access to. Wayne notes that SB 105 requires that you have an emergency contact in place before issuing a bond. Gary asks if the jails have discussed it. Kati says yes, but the problem can be that larger jails only have civilian staff doing bookings, and they don't have access to info that is sent to sworn officers. Brad says if any bail agents or agencies have had it happen, they should send as much info as possible to Cathy. Someone says they had one last week that was a Walmart-to-Walmart transaction.

- **Other Business**
- **Adjourned** (12:51pm)
 - **Motion by Gordon to adjourn. Seconded by Ryan. Motion passes 7-0.**
 - **Next Meeting:** **November 2, 2016** — Copper Room, East Building

2016 Meetings (Noon to 1:30pm)

Jan 13, 2016	Apr 13, 2016	July 13, 2016	November 2, 2016
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