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**NEWS FIX**

# Inside Santa Clara Jails, Predatory Bail Schemes Flourished for Years

By [Sukey Lewis](#)  Apr 10, 2017

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On June 20, 2014, a bail bond agent named Dino Garcia received a phone call from an inmate in the **Santa Clara County Main Jail**. The inmate, known as Riley in **court documents**, wasn't calling to bail himself out.

He was calling about bail for another inmate who had just arrived at the jail. Riley told Garcia the new inmate was trustworthy and willing to use his homes or vehicles as collateral.

Garcia spoke to the man and then got back on the line with Riley, urging him to find more clients.

"Get me some good ones, dude, some Asians, some fucking Hindus, some good domestic violence ones," said Garcia, according to a **transcript** of the call.

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Garcia wasn't alone. For years, bail bond agents had been compensating inmates to drum up business in the county's jails, according to an investigation by the Santa Clara County District Attorney's Office.

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Prosecutors say the illegal activity, known as "bail capping," gave agents an unfair competitive advantage.

It also put inmates and the public at risk.

KQED has learned that the [Santa Clara County Sheriff's Department](#) knew that bail capping was occurring in its jails, but failed to stop it.

Through interviews and court records, KQED has found that at least 30 inmates in Santa Clara County jails were involved in bail-capping schemes. Those recruiters controlled access to the phones, threatened other inmates or promised cheap bail to pressure inmates to sign contracts with certain bail agents.

The sheriff's department's lack of oversight -- and lax policies -- made it easier for agents and inmates to continue working together, in violation of the law.

### 'Gatekeepers of bail'

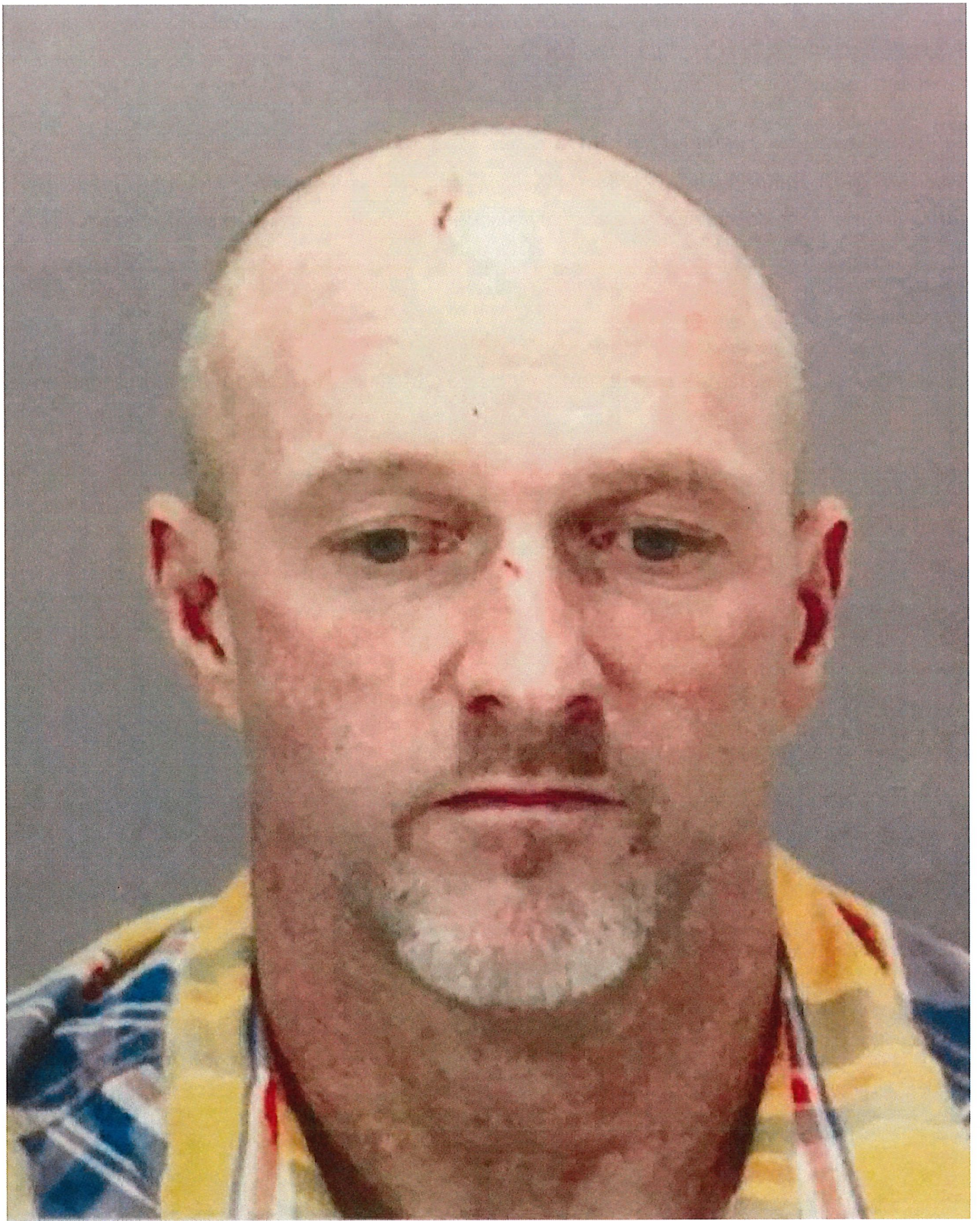
Longtime inmates in the Santa Clara County Main Jail acted as the "gatekeepers of bail," according to Alison Filo, the deputy district attorney tasked with prosecuting dozens of bail agents for illegal business practices.

Scott Culp told KQED he started working for agents from inside the main jail about three months after he was arrested for armed robbery in 2013. He said he worked as a recruiter until he was transferred to [Pleasant Valley State Prison](#) in 2016.

Culp said new inmates had "no choice" but to use the bail bond agents he called.

In order to make a phone call, inmates needed a special code. Culp said in the unit where he was serving time, new inmates weren't given instructions on how to use the phone codes. He would "help" them.





Scott Culp says he worked as a recruiter for bail agents for three years while in Santa Clara County Main Jail on armed robbery charges. (From Scott Culp's case file)



“I take their code,” explained Culp. “I use their code, so they’re not able to call their family to have their family bail them out. They have to go through me and through these bail agencies.”

Under state law, only defendants, their family members or their attorneys can contact a bail agent to arrange bail.

Prosecutors say that bail capping creates a predatory environment in the jail. First-time inmates are especially vulnerable, because often they’re afraid and have little information. They don’t know, for example, that they may be **eligible to get out of jail** without paying bail or to have their bail reduced.

“Their instant reaction is what they see on television or what they read in the newspapers,” Filo said, “Which is, ‘I’ve got to get bail,’ and that sort of desperation is preyed upon by the inmates who are in custody seeking to get some benefit for themselves.”

Inmate-recruiters also angled to maintain that benefit by limiting their competition.

When Garcia complained to an inmate named Alberto Solorio about another inmate who was “pushing people to Luna,” a rival bail agency, Solorio assured him that he would take care of the problem, according to an **investigator’s summary** of a phone call between the two men.

Garcia told Solorio to get the other inmate “rolled out (kicked out of the dorm).” Solorio responded: “That’s not even a problem.”

### **Visitation irregularities**

Culp told KQED that guards were also involved in the illegal activity.

He said guards allowed some bail agents to visit him multiple times a week, even though he was not eligible for bail. During those visits, Culp said, agents would train him to recruit new clients, explaining what kinds of questions to ask inmates to find out their suitability for bail.

KQED submitted a public records request for the log of Culp’s visitors. In its response, the sheriff’s department said Culp had no visitors.

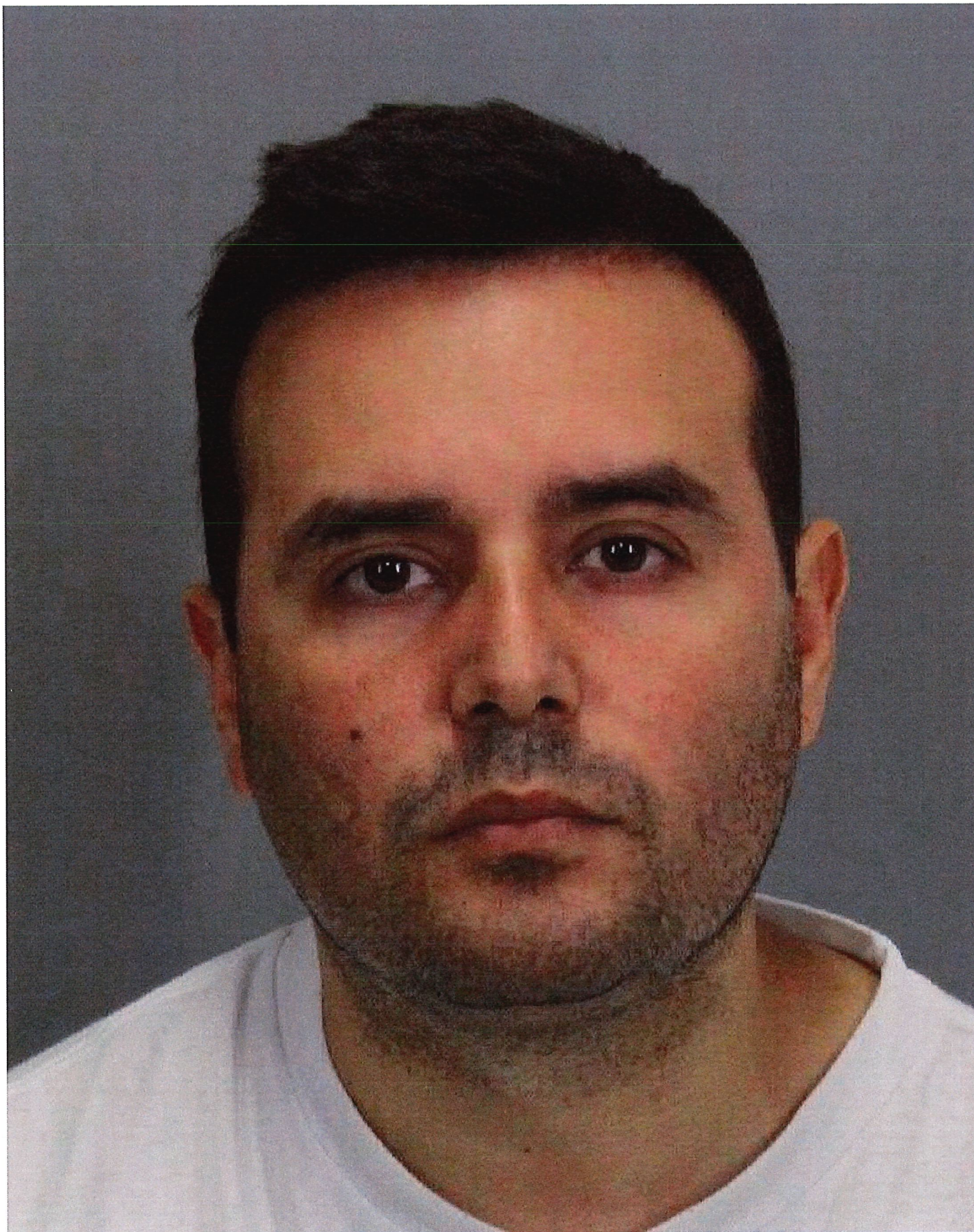
Garcia, now a former bail agent, told KQED that he saw correctional officers giving other agents special treatment, allowing them access to the jail outside of visiting hours.

Bail agents are supposed to follow the same rules as other jail visitors, according to the sheriff’s department, including writing down the names of the inmates they are visiting in a

log book.

But at least one bail agent, Fernando Casillas of Aladdin Bail Bonds, was permitted to bypass visiting procedures. According to the **district attorney's investigation**, when Casillas came into the jail to interview an inmate, he wrote "inmate" on the log book.





Fernando Casillas was one of 31 bail agents arrested by law enforcement on charges of illegal business practices. (*California Department of Insurance*)

The inmate who Casillas interviewed was named Lakhbir Singh. Singh told investigators that a jail staff member referred him to Casillas.



“Singh said he was then interviewed by someone inside the jail from Aladdin Bail Bonds soon after speaking with this person working at the jail,” the investigator's report said.

Singh said that neither he nor his wife called Casillas or **Aladdin Bail Bonds**.

Investigators were unable to identify the jail staff member.

The sheriff's department did not respond to questions about its visitation procedures or whether it had investigated jail staff in connection with bail capping.

The district attorney's office said it did not have evidence to file charges against any guards or jail administrators.

Amy Le, president of the Santa Clara County Correctional Peace Officers Association, said she is not aware of any officer involvement in bail capping schemes.

“We have over 750 employees here,” she said. “We are all professional people. We do what is right even when no one is watching.”

Le said to her knowledge none of the employees she represents have been investigated or disciplined for bail-related misconduct.

If officers are involved in such misconduct, Le said, “They [the officers] don't need to wear a uniform. They don't need to work here.”





Aladdin Bail Bonds was one of seven companies whose agents were arrested for alleged illegal business practices, including bail capping. (Jayne Lucas/California Department of Insurance)

The sheriff's department has been under **scrutiny** since the in-custody death of Michael Tyree on Aug. 26, 2015. Three guards are on **trial** for allegedly beating the mentally ill inmate to death. The guards -- Matthew Farris, Rafael Rodriguez and Jereh Lubrin -- have pleaded not guilty to second-degree murder.

A **commission** formed to assess operations in Santa Clara County's jails in the wake of Tyree's death did not address illegal activity between bail agents and inmates.

The **Federal Bureau of Investigation** would not comment on whether it is investigating the sheriff's department.

### **\$100 deposits**

**Court records** show that jail administrators knew since at least 2012 that illegal bail activity was going on in the jails.



On July 6, 2012, Kevin Heilman, who was then the captain of the main jail, received an email from Sgt. Eric Liddle. A bail agent had complained to Liddle that inmates in the Main Jail were working as paid recruiters for another bail firm. Liddle recommended an investigation.

Another jail sergeant wrote to Heilman in a follow-up report dated July 31, 2012, that guards had searched the cell of two inmates suspected of being involved in the scheme. They found a list of inmate ID numbers, bail bond agent phone numbers and a pay/owe sheet that showed a series of \$100 deposits into an account. The two inmates were moved to other areas of the jail.

Court documents do not indicate whether the sheriff's department took any action against bail agents, including restricting their access to inmates.

A year later, Lt. April McHugh at the Main Jail **emailed** sheriff's department administrators about a call she received from a bail agent named Robert Silva of Amigo Bail Bonds, alleging that bail agents and inmates were still working together.

Date	Amount	Notes
<del>July 10</del>	<del>\$ 100.00</del>	
<del>July 17</del>	<del>\$ 100.00</del>	
<del>July 24</del>	<del>\$ 100.00</del>	
<del>July 31</del>	<del>\$ 100.00</del>	
July 30	\$ 300.00	
AUGUST 06	\$ 100.00	
AUGUST 13	\$ 100.00	
AUGUST 20	\$ 100.00	
AUGUST 27	\$ 100.00	
SEPT 03	\$ 100.00	
SEPT 10	\$ 100.00	
SEPT 17	\$ 100.00	

Presupuesto - July thru SEPT 17, '12  
 \$ 1200.00 total  
 Direct Deposit \$ -300.00  
 \$ 900.00 Total  
 A \$ 50.00 WKS X 52 weeks  
 X 6 months

When guards searched the cell of two inmate suspected of involvement in bail capping, they found a list of inmate ID numbers, bail bond agent phone numbers and a pay/owe sheet that showed a series of \$100 deposits into an account.



“The inmates allegedly question the new inmates as to whether they have bail and when they say they do they intimidate them to go to the other company,” McHugh wrote. “The other company sends commissary packages online anonymously to the inmate who refers the new inmate to them.

“It sounds like this inquiry has gone nowhere, but Mr. Silva says he has one or two ‘victims’ who are very afraid to talk, because the bail company has all of their information. I am not sure what he hopes to gain by contacting Main Jail.”

The department declined to answer questions about whether it investigated Silva’s complaint.

In 2014, the district attorney’s office launched its own bail-capping investigation and found widespread illegal activity between bail agents and jail inmates.

### **Jail accounting**

Jail practices made it easy for bail agents to pay recruiters with deposits into their inmate commissary accounts.

Culp, the former Santa Clara County inmate, claims agents paid him \$15,000 in one year.

KQED couldn’t confirm the payments to Culp. Prosecutors couldn’t either. The jail did not track deposits to commissary accounts, allowing agents to give inmates money without the jail having any record of the source of those funds.

“You would think that you would have to show some identification or something in order to provide an inmate with commissary credit or phone credit or actual cash,” Filo said. “And you don’t. So they were able to freely give those sorts of benefits with no accountability or no paper trail.”

Inmates leaving the Main Jail would often pass the “business” on to others.

The sheriff’s department did not answer questions about whether it has taken measures to track commissary account deposits.

### **Three-way calling**

Bail agents also compensated inmates with free phone calls. Such calls can cost **\$3 just to establish a connection.**



The Santa Clara County Main Jail records inmates' phone calls, and jail staff are supposed to monitor them.

“They do random monitoring,” said Le, the correctional officers' association president.

But court records show bail agents regularly used three-way calling to allow their inmate-recruiters to contact friends and family. An inmate would call an agent, who would then forward the call to a phone number that inmate provided. Jail phone records would show only that the inmate called the agent.

By hiding the ultimate targets of their calls, inmates could use the free calls to intimidate witnesses or run other criminal activities from behind bars, putting the public at risk.



For years bail bonds agents used inmates inside the Santa Clara County Main Jail to drum up new business. *(Lisa Pickoff White/KQED)*

“If the bail agent then uses his or her cellphone or office phone and makes a three-way call to, for instance, that inmate's domestic violence victim, who is protected by a restraining order, we would have no way to prove that phone call was made,” prosecutor Filo said.

Le said if inmates are caught making three-way calls, they can have their calling privileges suspended. But, she added, the volume of jailhouse calls makes monitoring them difficult.



The sheriff's department declined to answer questions about whether jail staff monitored those calls or whether it has taken steps to block three-way calling.

Garcia said he never paid inmates with cash. But he acknowledged giving them free phone calls.

Court records show that during a five-month period in 2014, Garcia received 934 calls from the jail to his personal cellphone.

## **The bust**

Investigators in the district attorney's office started combing through thousands of recorded phone calls between bail agents and inmates in September 2014.

In late August 2015, Garcia peered through the blinds in his living room. He found his house surrounded by law enforcement officers with their guns drawn. They were pointing at him.

"I said, 'Holy smokes!'" Garcia said. "I thought I was dreaming."

Police arrested Garcia and booked him into the Santa Clara County Main Jail.

"It's funny, because I couldn't get through to anyone," he said. "Everybody was in jail."

Along with Garcia, law enforcement officers arrested 30 other bail bond agents. It was the **largest bust** of its kind in state history.

Prosecutor Filo said when the district attorney's office first began looking into bail-capping allegations, it didn't expect to uncover evidence against so many bail agents. She said at some point investigators had to limit the scope of their work to get through the evidence they already had.

Garcia worked for a small firm, but many of those agents were employed by some of the nation's biggest bail providers, including Aladdin, All-Pro Bail Bonds and Bail Hotline.

Garcia will serve three months in jail for his involvement in bail capping.









The Santa Clara County District Attorney's Office busted 31 bail bond agents in 2015 for illegal business practices. (Jayne Lucas/California Department of Insurance)

Most of the agents who were arrested have accepted plea deals, with sentences ranging from community service to four months in jail. Seven of the cases have yet to be adjudicated. One agent, Garcia's boss, went to trial and was found not guilty.

No charges were filed against any bail firms or inmates.

Jeff Clayton, director of the [American Bail Coalition](#), insisted the agents who were arrested do not represent the industry.

"We don't agree with people doing the alleged conduct, and if it is happening it does need to be stopped," he said.

Clayton said bail agents who don't follow the rules should have their licenses revoked, but doesn't think they should face felony charges.

### 'Charity bonds'

Unlawful bail practices aren't unique to Santa Clara County. In the past few years, [Los Angeles](#), [San Bernardino](#) and [Orange](#) counties have reported bail-capping cases. The [California Department of Insurance](#), which regulates the bail industry, estimated that since 2012, complaints about illegal activity by bail agents have tripled.

Many of these have come from other bail agents. The [Santa Clara County District Attorney's Office](#) launched its 2014 investigation after receiving complaints from agents.

The surge in complaints may be a result of increased competition within the industry, which generates \$2 billion in revenue nationwide.

According to testimony from Sylvia Herrera, a former Aladdin employee and a witness in the bail-capping cases, agents had to bring in \$50,000 and write 20-30 bonds a month. Herrera said the quota was nearly impossible to meet without bending the rules.

She described several occasions when she posted bonds for defendants for as little as \$10 down. She said she would set up a payment plan for a defendant, knowing the person would probably never pay it.

Herrera said agents don't make a commission on these "charity bonds," but the deals boost their monthly numbers, and the bail agency is satisfied because the competition for those bonds is eliminated.

Aladdin didn't respond to requests for comment.

Payment plans are common in the **bail industry**. But they can put the public at risk. A defendant facing felony charges for a violent crime can get out of jail while paying a fraction of the standard bail amount.

**Court records** show that a Santa Clara County defendant charged with a felony -- battery with serious bodily injury -- bargained with a bail agent to get out of jail for a \$150 down payment. A judge had set his bail at \$25,000.

The final terms of this deal, like all bail bond deals, aren't known to the public, the courts or regulators.

Clayton, the bail industry spokesman, acknowledged that payment plans are a problem. Other states have a set "floor" on how much money a defendant has to put up, but California does not. He said in an effort to get business, bail agents here offer defendants smaller and smaller down payments as part of a "race to the bottom."

## **Balloon payments**

The terms of these payment plans can also hurt defendants.

Some payment plans are structured like payday loans, with debt payments ballooning over time, according to Cherise Burdeen of the **Pretrial Justice Institute**, an organization working to end for-profit bail.

"People will be paying long after they've satisfied whatever conditions they agreed to for the court," Burdeen said.

Those who sign bail contracts with payment plans can lose their cars or even their homes. Often it's not the defendant who pays, but a family member.

The **California Department of Insurance** said it does not regulate contracts between agents and individuals. Teresa Campbell, assistant chief counsel for the department, said it often receives calls from people who say that a bail agent has taken possession of a car used for



collateral, even though the defendant has not missed a court date. Campbell said the department can't make the agent return the car, but it can apply pressure.

"In those situations, we will try and resolve it by getting that consumer, making that consumer whole," she said. "They just want that car back, so we can work something out where they pay a fine or they have a restriction, and then they give the car back."

Campbell said the department doesn't have the resources or the authority to adequately police bail agents. But she said that many bail agents are trying to keep their industry clean.

"Bail agents will often make complaints about other bail agents, if they know that they're going into jails or things like that," she said.

## **An Alternative to Bail**

California state lawmakers are considering moving the state away from a money-based bail system to what is called "risk-based" pretrial release.

Under legislation sponsored by Assemblyman Rob Bonta (D-Alameda) and Sen. Robert Hertzberg (D-Van Nuys), defendants would be assessed for release based on a range of risk factors, including employment, criminal history and community ties.

Individuals who are considered lower risk will be released on their own recognizance, without having to pay bail. Higher-risk defendants could be released if they comply with certain conditions, such as ankle monitoring or check-ins with a pretrial services officer.

Defendants charged with violent crimes such as murder would not qualify for the pretrial release program. Judges would retain their authority to set bail in cases they deem appropriate.

The bill's proponents say that it would reduce the number of people in jail awaiting trial and create a more equitable system. But bail agents say the legislation threatens public safety and undermines defendants' civil liberties.

"It's basically putting people on parole before they've been accused of a crime," said Corrin Rankin of the California Bail Agents Association.

Rankin said money bail works because bail agents are neutral third parties. They don't have any stake in what the defendant did or didn't do.

"It's beside the point," Rankin said. "Our job is to make sure people go to court and we do it well."

Santa Clara County is also considering moving away from money bail. It's studying the feasibility of a nonprofit alternative to commercial bail bonds and looking at expanding pretrial supervision.

"Our objective is making Santa Clara County safe and making sure that our justice system is truly just," **county Supervisor Cindy Chavez** said.

*This piece was updated to include comments from Amy Le, president of the Santa Clara County Correctional Peace Officers Association. An earlier version of this post included comments from correctional officer Sean Allen.*

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