

Report on the

Professional Bail Bonding Board

Montgomery, Alabama



Department of Examiners of Public Accounts

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July 20, 2022

Representative Howard Sanderford
Chairman, Sunset Committee
Alabama State House
Montgomery, AL 36130

Dear Mr. Sanderford,

This report was prepared to provide information for use by the Sunset Committee in conducting its review and evaluation of the operations of the Alabama Professional Bail Bonding Board in accordance with the *Code of Alabama 1975*, Section 41-20-9.

The report contains unaudited information obtained from the management, staff, and records of the Alabama Professional Bail Bonding Board, in addition to information obtained from other sources.

Please contact me if you have any questions concerning this report.

Sincerely,

A handwritten signature in cursive script that reads "Rachel Laurie Riddle".

Rachel Laurie Riddle
Chief Examiner

Examiner
Rodney Wagstaff

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PROFILE

Purpose/Authority

The Alabama Professional Bail Bonding Board was established in 2019 to license and regulate professional bail and surety companies, bail bondsmen, surety bondsmen, and recovery agents. Current statutory authority for the Board is found in the *Code of Alabama 1975*, Section 15-13-200 through 15-13-219.

<u>Characteristics</u>	
Members and Selection	<p>Nine members</p> <ul style="list-style-type: none">• Seven professional bondsmen nominated by the Alabama Bail Bond Association and appointed by the Governor from a list of not more than four nominees for each position on the Board.• One serving circuit, district, or municipal court judge nominated by the Alabama Bail Bond Association and appointed by the Governor from a list of four nominees.• One serving circuit or municipal court clerk nominated by the Alabama Bail Bond Association and appointed by the Governor from a list of four nominees. <p><i>Code of Alabama 1975</i>, Section 15-13-203(a)(1)(2), and (3)</p>
Term	<p>Members serve four-year terms. There are no term limits. Vacancies are filled by appointment of the Governor for the unexpired portion of the term.</p> <p><i>Code of Alabama 1975</i>, Section 15-13-203(b)</p>
Qualifications	<p>Professional Bondsmen</p> <ul style="list-style-type: none">• Owner of a professional bail bond company• At least 5 years of experience <p><i>Code of Alabama 1975</i>, Section 15-13-203(a)(1)</p>
Consumer Representation	<p>No statutory requirement.</p>
Racial Representation	<p>No statutory requirement. One minority member currently serving.</p>

<p>Geographical Representation</p>	<ul style="list-style-type: none"> • Seven professional bondsmen are appointed one from each of the seven congressional districts of the state. • For initial terms of office, President of the Alabama Bail Bond Association represents the congressional district where he/she resides. • If no professional bondsman is available for nomination by the Alabama Bail Bond Association for a congressional district, the Association provides a list of four professional bondsman nominees from the state at large to the Governor for that congressional district. <p><i>Code of Alabama 1975</i>, Section 15-13-203(a)(1)</p>
<p>Other Representation</p>	<p>The nominating and appointing authorities shall coordinate their nominations and appointments so that diversity of gender, race, and geographical areas is reflective of the makeup of the state.</p> <p><i>Code of Alabama 1975</i>, Section 15-13-203(b)</p>
<p>Compensation</p>	<p>Each member of the Board shall receive travel and per diem compensation for expenses incurred in the conduct of official duties while attending meetings and transacting the business of the Board, in accordance with applicable state travel and per diem paid to state employees.</p> <p><i>Code of Alabama 1975</i>, Section 15-13-203(d)</p>
<p>Attended Board Member Training</p>	<p>Executive Director Two staff members Six Board Members</p>
<p><u>Operations</u></p>	
<p>Administrator</p>	<p>The Board previously contracted with the Austin Group, LLC., for administrative services from May 4, 2020, through December 20, 2021.</p> <p>The Board has an emergency contract with Smith Warren Management Services to provide administrative services and office space. Keith Warren serves as the Executive Director. The contract is effective February 15, 2022, through September 30, 2022, in the amount of \$33,750.00.</p> <p><i>Code of Alabama 1975</i>, Section 15-13-207(c)</p>

Location	2777 Zelda Road Montgomery, AL 36106 Office Hours: Monday – Friday 8:30 a.m. to 4:30 p.m.
Employees	One part-time retired state employee.
Legal Counsel	Tara Hetzel, Assistant Attorney General, Attorney General’s Office.
Subpoena Power	The Administrative Procedure Act shall govern all matters and procedures respecting the hearing and judicial overview of any contested case. <i>Code of Alabama 1975</i> , Section 15-13-216
Internet Presence	www.apbb.alabama.gov <ul style="list-style-type: none"> • Board Member Listing • Board Meeting Minutes • Enabling Statutes • Administrative Rules • Licensing Information • Online Initial & Renewal Applications • Licensee Search • Complaints Information • Contact Information
<u>Financial</u>	
Source of Funds	Licensure fees, late fees, fines, continuing education, and certificate fees.
State Treasury	Yes, Special Revenue Fund 1749 <i>Code of Alabama 1975</i> , Section 15-13-206
Required Distributions	No statutory requirement.
Unused Funds	The Board retains unused funds at fiscal year-end. <i>Code of Alabama 1975</i> , Section 15-13-206

<u>Licensure</u>													
Licensees	<p>As of May 12, 2022</p> <table border="1"> <thead> <tr> <th>License Type</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Professional Bail Bonds Companies</td> <td>171</td> </tr> <tr> <td>Professional Bail Bondmen</td> <td>367</td> </tr> <tr> <td>Professional Surety Bondsmen</td> <td>39</td> </tr> <tr> <td>Recovery Agents</td> <td>36</td> </tr> <tr> <td>Total</td> <td>613</td> </tr> </tbody> </table> <p><i>Source:</i> Staff</p>	License Type	Number	Professional Bail Bonds Companies	171	Professional Bail Bondmen	367	Professional Surety Bondsmen	39	Recovery Agents	36	Total	613
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Recovery Agents	36												
Total	613												
Licensure Qualifications	<ul style="list-style-type: none"> • At least 21 years of age. • Has not been declared by any court of competent jurisdiction incompetent by reason of mental defect or disease unless a court of competent jurisdiction has subsequently declared the applicant competent. • Has not been convicted of a crime or moral turpitude, with the Board having final determination on interpretation of moral turpitude. • Has not been convicted of a felony. • Has successfully completed pre-licensure education administered by an educational provider approved by the Board. <p><i>Code of Alabama 1975</i>, Section 15-13-211</p>												
Examinations	<p>Professional bondsmen, surety bondsmen, and recovery agents are required to attend a 16-hour instructional course and pass a pre-licensure examination. The 16-hour instructional course is conducted by the Alabama Bail Bond Association.</p> <p>As of May 3, 2022, pre-licensure examinations have not been administered.</p> <p><i>Code of Alabama 1975</i>, Section 15-13-211(5) <i>Code of Alabama 1975</i>, Section 15-13-217(a)</p> <p><i>Source:</i> Staff</p>												
Reciprocity	None.												
Renewals	<p>Licenses expire October 31st of each year.</p> <p>Eight hours of continuing education must be completed prior to September 30.</p>												

	<p>Licenseses must complete eight hours of continuing education and a pay a renewal license fee of twice the amount if licenses are not renewed within the next 12 months. If a licensee fails to renew for a 12-month period, the licensee will be required to take the instructional course and examination to become re-certified.</p> <p>On-line renewal is available. All licensees are required to renew on-line.</p> <p><i>Code of Alabama 1975</i>, Sections 15-13-212(c) and 15-13-217(g)</p>
<p>Licensee Demographics</p>	<p>The Board does not collect licensee demographics.</p>
<p>Continuing Education</p>	<ul style="list-style-type: none"> • Professional bail bondsmen, professional surety bondsmen, and recovery agents are required to complete eight hours of continuing education conducted by an educational provider approved by the Board. • A professional bail company owner, who is at least 55 years of age and has five years of experience in the profession is only required to complete four hours of continuing education. • Professional bail bondsmen or professional bail company owners at least 65 years of age and has 15 years of experience in the profession are exempt from the continuing education requirement. <p><i>Code of Alabama 1975</i>, Section 15-13-217(b) <i>Code of Alabama 1975</i>, Section 15-13-217(i)</p>

SIGNIFICANT ISSUES

Significant Issue 2022-01 – We could not verify the accuracy of the Board’s financial statements due to the following discrepancies:

- The Board did not enter financial documents and supporting documentation in the State of Alabama Accounting and Resource System (STAARS), the state’s accounting system.
- License fees totaling \$51,400.25 collected in fiscal years 2020, 2021 and 2022 were not certified into the Board’s fund in the State Treasury until May 2022.
- A \$35 license fee was deposited and certified in another agency’s state treasury fund managed by the former administrative services provider.
- Fees collected for applicants’ and licensees’ background checks were not submitted to the Alabama Law Enforcement Agency.
- As of May 23, 2022, the Board had an outstanding balance of \$23,320.00 with Alabama Interactive for services rendered in prior fiscal years.

Board’s Response – The new administrative services provider started on February 15, 2022, and began identifying items with the Board that were outstanding and needed to be completed. Please find the status of each as follows:

- 1) All financial information is correctly entered into STAARS, and all documentation is filed in accordance with the State Fiscal Policies and Procedures.
- 2) The accountant identified numerous deposits that were not certified with the treasury. The accountant contacted State Treasury to begin the certification process and the full amounts were allowed to be certified before the funds were transferred to the General Fund for not being certified in accordance with Fiscal Policies and Procedures. All funds are now in the Board’s Treasury Fund.
- 3) The Accountant worked with State Treasury to transfer the \$35 that was certified to another Board, and it has been successfully transferred into the Board’s Treasury Fund.
- 4) A memorandum of understanding was never finalized to allow for the payment of background checks. A memorandum of understanding is pending (final approval by the FBI for an Originating Agency Identifier) to allow the Board and ALEA to be fully authorized to submit and receive background checks for applicants and licensees. The Board has not received any invoices to pay for these background checks but is aware of the issue and is working to submit these outstanding invoices to the Board for proper payment.
- 5) The new Executive Director contacted Alabama Interactive after February 15, 2022, to obtain these outstanding invoices for payment. After a review and discussion, the invoices are for services rendered outside of the current fiscal year; therefore, requiring a board of adjustment claim to be initiated. The claim was filed with the Board of Adjustment and the Board has submitted a letter agreeing to the claim without a hearing. The Board is awaiting final approval from the Board of Adjustment to submit the claim for payment in full.

Significant Issue 2022-02 – Three of the six Board members responding to our survey stated that the most significant issue currently facing the Alabama Professional Bail Bonding Board is addressing received complaints. According to complaint files reviewed, the Board received one complaint in 2020; thirteen complaints in 2021; and ten complaints in 2022. The complaints were not investigated until March 2022.

Board’s Response – The new administrative services provider received all the complaint files and immediately opened complaint files, mailed acknowledgement letters, investigators were assigned cases and investigations quickly began. The Board has closed thirteen complaints and negotiated two consent/settlement agreements. The remaining are being investigated or pending disciplinary action. This finding is resolved. All complaints are immediately logged upon receipt, acknowledgement letters mailed to the complainant and respondent, and distributed to the investigators and general counsel for review. Investigative Committee meetings are held the day prior to the Board meeting to prepare cases for Board action.

Significant Issue 2022-03 – Eleven of the twenty-two licensees responding to our questionnaire stated that they are not adequately informed by the Board of changes to the Board’s policies, rules, and laws. Ten of the twenty-two licensees stated that the Board does not respond to inquiries in a timely manner.

Board’s Response – The new administrative services provider started on February 15, 2022, established a new board email address (bailbonds@alstateboard.com) and updated the Board’s contact information to allow constant communication with licensees and the public. The new administrative services provider has a staff of fourteen to include the following:

- Executive Director
- Accountant
- Executive Secretary
- 3 Administrators
- 2 Investigators
- Legal Assistant
- 5 Licensing Specialists

Notification of the new office, contact information and staff was distributed to the licensees in February and the website was updated to include essential staff and departments. Communication should not be an issue in the future and hopefully this significant issue is resolved.

Significant Issue 2022-04 - The Board’s previous contract administrator did not deliver all the Board’s permanent and temporary records, and personal property purchased with Board funds to the new contract administrator. The Board awarded an emergency contract to a new contractor effective March 1, 2022. As of June 1, 2022, the following items have not been transferred to the Board’s current administrative services provider:

- Employee’s personnel file.
- Complete financial records with supporting documentation for fiscal years 2020, 2021, and 2022.

- Laptop valued at \$527.49, two chairs valued at \$120.00, and two file cabinets valued at \$100.00.

Board's Response – The Board has received the Employee's personnel file but has not received complete financial records, laptop, two chairs and two file cabinets. The Board Chairman and General Counsel have requested the return of these items. This significant issue is not resolved.

Significant Issue 2022-05 - The Board paid the previous contract administrator a total of \$18,600.00 for administrative services prior to the effective dates of two emergency contracts. The Board paid the contractor \$3,800 .00 per month for March and April 2020. The effective date of the contract was May 4, 2020, through May 3, 2021. The Board paid the contractor \$5,500.00 per month for May and June 2021. The effective date of the contract was July 14, 2021, through July 13, 2022.

Board's Response – The Board and General Counsel are reviewing this significant issue.

Significant Issue 2022-06 - The previous contract administrator was compensated an amount in excess of the contract amount. The contract amount was \$50,000.00 and the contractor received \$55,800, resulting in an overpayment of \$5,800.00. The Board is responsible for ensuring that contract invoices are properly reviewed and analyzed, and that the Board makes payments to contractors only for goods and services received and accepted pursuant to contractual terms and conditions.

Board's Response – The Board and General Counsel are reviewing this significant issue.

Significant Issue 2022-07 - The Board issued licenses to applicants that completed the instructional course conducted by an educational provider but did not pass an examination approved by the Board.

The *Code of Alabama 1975*, Section 15-13-217(a) states, “A professional bondsman, professional surety bondsman, or recovery agent commencing business in any judicial circuit in this state on and after June 1, 2020, shall attend a 16-hour instructional course conducted by an educational provider approved by the board and *pass an examination approved by the board and administered by an educational provider approved by the board.*”

Board's Response – The Alabama Bails Bonds Association has not created the examination to be administered once the instructional course is complete. The Association has informed the Board that it is in the development stages and should be available soon. This finding is not resolved.

Significant Issue 2022-08 – The Board has not enrolled in the Federal Systematic Alien Verification for Entitlements (SAVE) program used to verify documentation presented by non-citizen applicants, and the Board has not enrolled in E-Verify to verify the employment eligibility of employees.

The *Code of Alabama 1975*, Section 31-13-7(i) states, “The verification that an alien seeking state or local public benefits is an alien lawfully present in the United States shall be made through the

Systematic Alien Verification for Entitlements (SAVE) program, operated by the United States Department of Homeland Security.”

The *Code of Alabama 1975*, Section 31-13-15(b) states, “Effective April 1, 2012, every business entity or employer in this state shall enroll in E-Verify and thereafter, according to federal statutes and regulations governing E-Verify, shall verify the employment eligibility of the employee through E-Verify.”

Board’s Response – The Board is currently enrolling in the SAVE and E-Verify systems and will be in compliance by the July 21, 2022, Sunset Meeting. This significant issue is not currently resolved.

Significant Issue 2022-09 – **The Board adopted administrative rules to require all employees that are engaged in the performance of clerical, stenographic, investigative, administrative, or other duties of a professional bail bond company or professional surety company who has contact with the public to obtain a bail bond license.** According to the *Code of Alabama 1975*, Section 15-13-202 (a), only individuals that hold himself or herself out to the public as a professional bondsman or a professional surety bondsman, or operate as a recovery agent are required to obtain a license from the Board.

The *Code of Alabama 1975*, Section 15-13-201 defines a professional bondsman, professional surety bondsman, and recovery agent. The Alabama Bail Bond Regulatory Act does not require individuals performing clerical, stenographic, investigative, or administrative duties for a professional bail bond company or professional surety company to obtain licensure.

Administrative Rule 153-X-3-.03(2) requires all employees of a professional bail bond company or professional surety company to first obtain a current bail bond license.

Administrative Rule 153-X-2-.01(18) defines employee as “any individual engaged in the performance of *clerical, stenographic, investigative, administrative, or other duties of a professional bail bond or professional surety company who has contact with the public of any kind.*”

Board’s Response – The Board has proposed changes to the definition of an employee that reads as follows:

“Employee” shall mean any individual who engages in the performance of any duties of or for a professional bail company or professional surety company, including but not limited to, clerical, stenographic, investigative and/or administrative duties and/or any other work and/or responsibilities under the contract of hire, express or implied, oral or written where the professional bail bond employer and/or professional surety company employer has the authority or right to control and/or direct said employee in how the duties, work and/or responsibilities are carried out and/or performed. An “Employee” shall include any individual working as an “Apprentice”. No person whose bail bondsman license has been revoked may be employed in any capacity. Employee shall not cover any individual who has no communication or interaction with potential or actual customers, or who does not engage in the performance of any duties.

The Board hopes this will address the concerns regarding the requirement of all employees being licensed by the Board to only those with communication with customers. The Board feels strongly about this rule to ensure that someone that does not qualify for licensure due to disqualifying convictions interact with customers conducting bail bonding business. With this above amendment to the employee definition, we hope this significant issue is resolved.

Significant Issue 2022-10 - The Board’s administrative rules regarding renewing licenses conflict with the *Code of Alabama 1975, Section 15-13-217(g)*. According to the *Code of Alabama 1975, Section 15-13-217(g)*, licensees may renew within the next 12 months by completing eight hours of continuing education. Licensees that fail to renew for a 12-month period may take an instructional course and pass an examination.

Administrative Rule 153-X-4-.01(3) limits the late renewal period to 60 days after the October 31st expiration date of licenses, and *Administrative Rule* 153-X-4-.01(4) requires licensees to restart the initial license application process after January 1st.

Board’s Response – The Board will address this significant issue with amending the rule to comply with the statute at its next meeting.

Significant Issue 2022-11 - The Board adopted administrative rules to charge the following fees that are not authorized by statute:

- Change of Information Fee
- Replacement License
- Licensure Verification Fee
- Reinstatement Fee

The authority to charge specific fees must be included in an agency’s enabling statute. Opinion to Honorable Randall C. Johnson, Director, Alabama Surface Mining Commission, dated June 23, 1987, A.G. Opinion 87-00222 opines, “Where the Legislature has established a sufficiently definite policy, standard or rule an administrative agency may be empowered to deal with the issuing of a license or permit and to fix reasonable fees for such issuance; where the Legislature has not established such a sufficiently definite policy, rule or standard the administrative agency may not be empowered to deal with such issuing of licenses or permits or establishing of fees.”

Board’s Response – The Board has not assessed nor collected any of these fees and will remove them from the administrative rules at its next meeting.

Significant Issue 2022-12 - The *Code of Alabama 1975, Section 15-13-217(h)* states that the Board may set fees not to exceed maximum amounts set by law. The Board has not adopted administrative rules to set fee amounts for the following licenses:

- Apprentice License
- Continuing Education Certificate Fee
- Bail Bondsman, Surety Bondsman, and Recovery Agent Initial License Fee
- Bail Bondsman, Surety Bondsman, and Recovery Agent Renewal License Fee

- Bail Company/Surety Company Initial License Fee
- Bail Company/Surety Company Renewal License Fee

Board's Response – The Board will schedule these fees to be adopted at its next meeting and publish for public comments.

Significant Issue 2022-13 – The Board did not post board member vacancy notices to the Secretary of State's website within 15 days after the vacancies occurred. A notice was posted 34 business days following the death of one member, and a notice was not posted for a member that resigned June 30, 2021.

The *Code of Alabama 1975*, Section 36-14-17(d)(2) states, “The chair of an existing board shall give electronic notification to the Secretary of State of each vacancy occurring as a result of a newly created board position and of every other vacancy occurring for any reason other than the expiration of a term as soon as possible and in any case within 15 days after the occurrence of the vacancy.

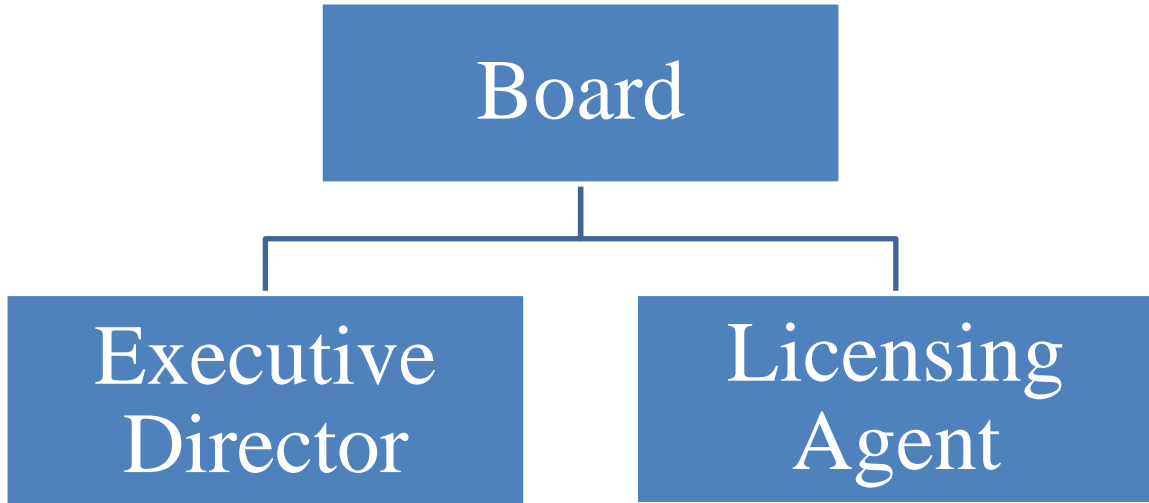
Board's Response – As of February 15, 2022, all Board member vacancies have been posted in accordance with the Open Meetings Act. This significant issue is resolved.

Significant Issue 2022-14 – Information posted on the Board's website is not accurate. A review of the Board's website disclosed the following discrepancies:

- Website states applicants must complete a 12-hour instructional course prior to licensure. The *Code of Alabama 1975*, Section 15-13-217(a) requires applicants to complete a 16-hour instructional course.
- Administrative rules on the website are not current. The rules expired December 29, 2021.

Board's Response – The website is being updated to include all current requirements, statutes and rules. This significant issue is being resolved.

ORGANIZATION



PERSONNEL

The Board contracts with Warren & Company, Inc. (now Smith Warren Management Services) for administrative services and office space. Keith Warren, President of Smith Warren Management Services, serves as the Board's Executive Director. The contract is effective February 15, 2022, through September 30, 2022, in the amount of \$33,750.00. The Board employs one retired state employee as a licensing agent at the rate of \$31.58/hour.

Legal Counsel

Tara Hetzel, Assistant Attorney General, an employee of the Attorney General's Office, provides legal services for the Board.

PERFORMANCE CHARACTERISTICS

Number of Licensees per Employee (FY2021) – 560 licensees

Number of Licensees for the Past two Fiscal Years

Type of Licensees	Fiscal Year*	
	2020	2021
Bail Bond Companies	141	160
Bail Bondsmen	324	346
Surety Bondsmen	61	20
Recovery Agents	43	34
Total	569	560

*Fiscal Year 2020 was the first year of licensing.

Operating Disbursements per Licensee (FY 2021) – \$167.71

Notification of Board decisions to Amend Administrative Rules

The Board complied with notification procedures prescribed in the Administrative Procedure Act, which includes publication of proposed rules in the Administrative Monthly, and public hearings on proposed rules. Licensees are not specifically notified of proposed changes.

COMPLAINT HANDLING

The *Code of Alabama 1975*, Section 15-13-203(c) and *Administrative Rules* 153-X-7, 153-X-8, and 153-X-11 provide the Board’s procedures for receipt, documentation, and investigation of complaints received by the Board.

Initial Contact/Documentation	Any person can file a complaint by mail, email, or fax. The complaint form is available for download on the Board’s website. Complaints must contain the notarized signature of the complainant. The Board notifies the complainant by mail the complaint was received.
Anonymous Complaints Accepted	No
Investigative Process / Probable Cause Determination	The Executive Director and a designated Board member performs a preliminary review of the complaint to determine validity of the complaint. If further investigation is not warranted, the investigative file is closed without any further action. If it is determined further investigation is needed, an Investigative Committee is formed consisting of the Executive Director, two Board members, and the Board’s legal counsel. The Board’s investigator conducts the investigation at the direction of the Board and submits a report to the Investigative Committee. Once the investigation

	has concluded, the Board can either dismiss the complaint, enter into settlement negotiations, start disciplinary proceedings for a formal hearing, or accept voluntary surrender of a license.
Negotiated Settlements	Yes
Notification of Resolution to the Complainant	Complainants receive a letter from the Board stating the resolution of the complaint.

Source: Executive Director

Schedule of Complaints Resolved October 1, 2020 through April 2022				
Year/Number Received	Year/Number Resolved			Pending
	2020	2021	2022⁽¹⁾	
2020 / 1	-	-	1	-
2021 / 13		-	10	3
2022 ⁽¹⁾ / 17			3	14

Source: Executive Director

⁽¹⁾ As of April 20, 2022

Average Time to Resolve Complaints – 212 days

Disposition of Resolved Complaints

# of Complaints	Resolution
2	Closed – No Complaint Form
1	Complaint Withdrawn
1	License Revoked
5	No Probable Cause
5	One Year Probation

REGULATION IN CONJUNCTION WITH OTHER ENTITIES

Professional surety bondsmen are also required to obtain licensure and comply with all licensure requirements issued by the Alabama Department of Insurance.

FINANCIAL INFORMATION

Source of Funds - Licensure fees, late fees, fines, and continuing education certificate fees.

Schedule of Fees

Fee Type	Statutory Authority	Rule	Amount Authorized	Amount Collected
Professional Bail Bondsman, Professional Surety Bondsman, Recovery Agent				
Application Fee	15-13-217(h)	N/A	≤ \$500.00	\$125.00
Renewal Fee	15-13-217(h)	N/A	\$50.00 ≤ \$500.00	\$125.00
Late Renewal Fee	15-13-217(g)	153-X-4-.01(3)	Amount of Renewal License	\$125.00
Apprentice License	15-13-202(c)	N/A	≤ \$50.00	\$50.00
Professional Bail Bond Company or Professional Surety Company				
Application Fee	15-13-217(h)	N/A	≤ \$500.00	\$50.00
Renewal Fee	15-13-217(h)	N/A	≤ \$100.00	\$50.00
Other Fees				
ID Card	15-13-213	N/A	Cost Recovery Set by Board	\$10.00
Continuing Education Certificate Fee	15-13-217(f)	N/A	≤ \$75.00	\$50.00
Bad Check Fee	8-8-15(b)	153-X-9-.01(3)	Max allowed by law	\$30.00
Civil Penalty	15-13-214	153-X-11-.01(2)	≤ \$1,000.00	≤ \$1,000.00

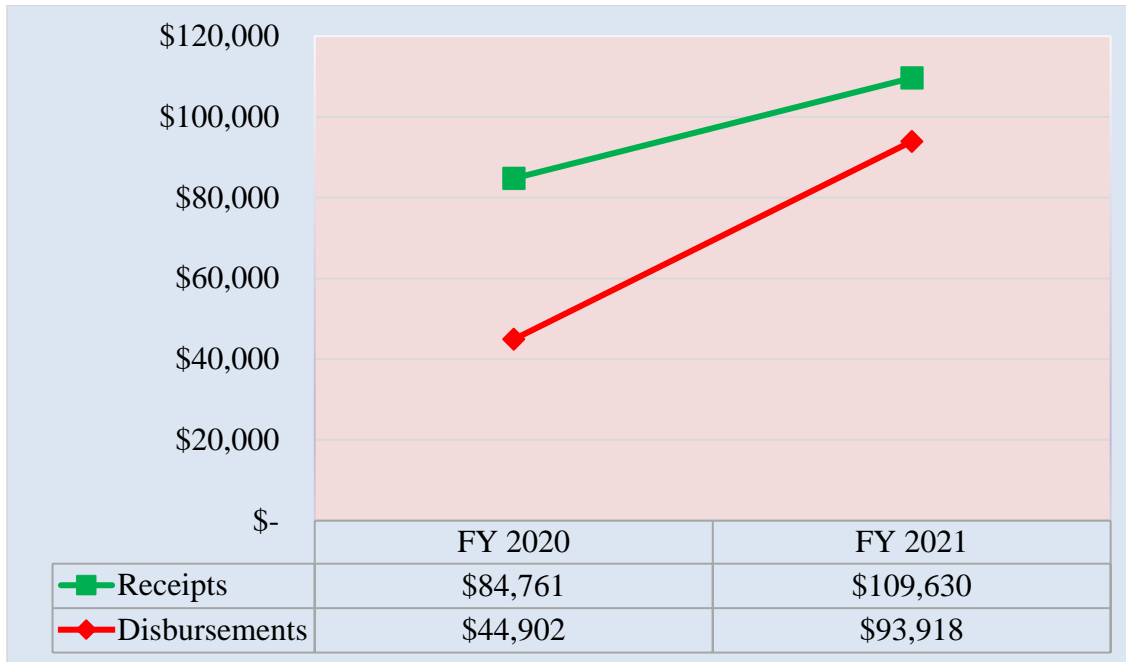
N/A – the amount of the fee has not been set by administrative rule.

Schedule of Receipts, Disbursements and Balances

October 1, 2019 through September 30, 2021

	2021-2020	2020-2019
<u>Receipts</u>		
License Fees	\$ 77,680.00	\$ 84,761.40
Continuing Education Certificate Fees	31,950.00	-
Total	<u>109,630.00</u>	<u>84,761.40</u>
<u>Disbursements</u>		
Personnel Costs	12,253.04	14,921.55
Employee Benefits	937.37	1,141.50
Utilities & Communication	1,512.28	199.04
Professional Services	71,477.84	28,639.41
Supplies, Materials, & Operating Expenses	7,517.35	-
Other Equipment Purchases	220.00	-
Total	<u>93,917.88</u>	<u>44,901.50</u>
Excess of Receipts over Disbursements	15,712.12	39,859.90
Cash Balance at Beginning of Year	<u>39,859.90</u>	-
Cash Balance at End of Year	55,572.02	39,859.90
Reserved for Year-End Obligations	-	<u>(8,800.00)</u>
Unobligated Cash Balance at End of Year	<u>\$ 55,572.02</u>	<u>\$ 31,059.90</u>

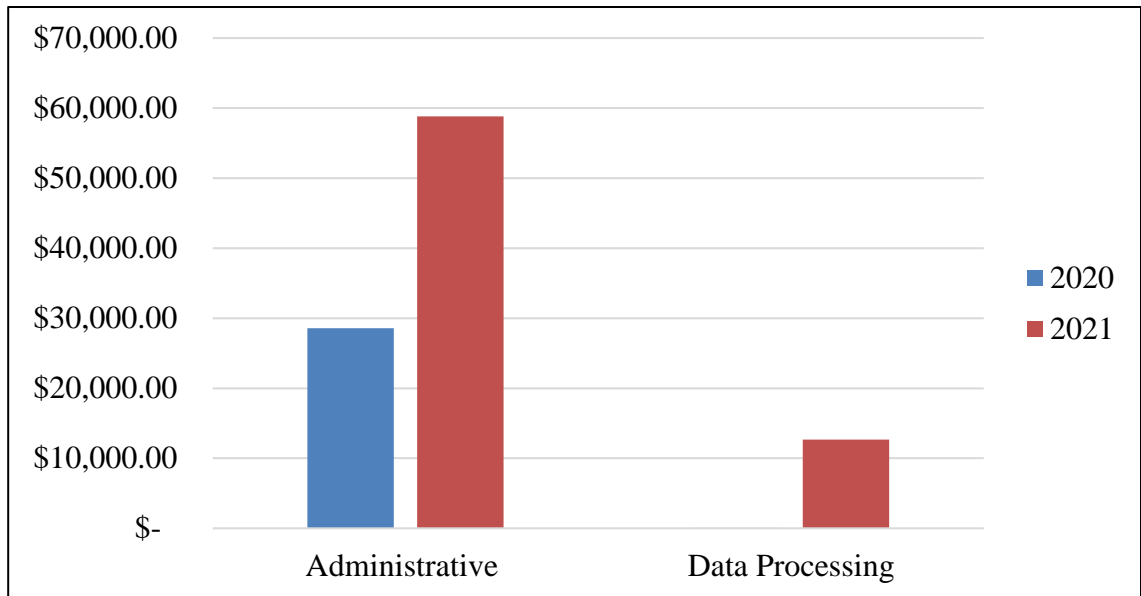
Operating Receipts vs. Operating Disbursements (Chart)



SUMMARY SCHEDULE OF PROFESSIONAL SERVICE DISBURSEMENTS*		
As of September 30 th		
Type of Service	FY 2020	FY 2021
Administrative Services	\$28,580.00	\$58,800.00
Data Processing Services	59.41	12,677.84
Total	\$28,639.41	\$71,477.84

*Detailed information presented in the appendix

Professional Service Disbursement Chart



QUESTIONNAIRES

Board Member Questionnaire

A letter was sent to all nine members of the Alabama Professional Bail Bonding Board requesting participation in our survey. Six participated in our survey. The percentages, where shown, are based on the number who responded to the question.

1. What are the most significant issues currently facing the Alabama Professional Bail Bonding Board and how is the Board addressing these issues?

Board Member #1 - “Licensing and the professionalism of agents and recovery agents are the most important issues. The board is doing background checks for agents and recovery agents. They are addressing and responding to complaints filed against any agents in the State of Alabama.”

Board Member #2 - “We are a new board, so reaching a satisfactory point of professional participation has been an issue. We need to continue our efforts to ensure that all persons covered by our law are adhering to it. We are doing this by following up on complaints and proactively reaching out to public officials in jurisdictions where problems have been noted. We also need to be sure that complaints received by the Board are being handled in a timely and efficient manner.”

Board Member #3 - “Leadership and management of an Executive Director and ensuring that the duties and responsibilities of the Executive Director are met with clear communication and reliable reports have been an issue for the APBB. Recently under an emergency contract, the APBB hired a new Executive Director that the board believes has the experience and knowledge to represent the APBB and work with licensees and the public in a professional and organized manner. Therefore, previous concerns have now been addressed regarding this. Fiscal accuracy has also been an issue that was completely unforeseen. The APBB has learned that we cannot take everything at face value and must review actual documents. This dilemma has been corrected, and with a new Executive Director the APBB believes there will be better fiscal accountability, reliability of reporting, and transparency to the board members.”

Board Member #4 - “None currently.”

Board Member #5 - “Our most significant issue is making sure every bail bondsman or recovery agent in The State of Alabama is licensed through the board. We work with The Unified Judicial System here in Alabama the only problem is it's not unified. The Board has used all avenues such as the clerks association, the judges, and D.A.'s to help with notifying bail bondsmen of their status. A great help has been the state bail bond association. Ensuring all potential licensees raises the level of professional of the industry here in Alabama and when that's accomplished it protects every consumer that has an interaction with a bail bondsman here in Alabama .”

Board Member #6 - “Investigations/Complaints ...working thru those in a timely manner. The board has hired a new director and a new investigator.”

Board Member Questionnaire

2. What, if any, changes to the Board’s laws are needed?

Board Member #1 - “No additional laws are needed from my understanding.”

Board Member #2 - “We recently revised our law, so I am not aware of any needed changes at the moment.”

Board Member #3 - “The APBB is relatively new. After the first year, the APBB in drafting the Rules and Regulations realized laws related to broadening licensing requirements and authority for certain fees was necessary. This was completed in the next legislative session. In that the APBB is now going into its third year, it is still learning and growing. At this time the APBB is implementing the new laws of the Board and need to continue work to determine if any changes are needed.”

Board Member #4 - “none”

Board Member #5 - “none”

Board Member #6 - “None”

3. Is the Board adequately funded?

Yes	6	100%
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4. Is the Board adequately staffed?

Yes	5	83%
Unknown	1	17%

5. Does the Board receive regular reports on its operations from the Executive Director?

Yes	3	50%
No	1	17%
Unknown	2	33%

6. Has the Board experienced any significant changes to its operations?

Yes	4	66%
No	1	17%
Unknown	1	17%

7. Does the Board plan any significant changes in its operations?

Yes	1	17%
No	4	66%
Unknown	1	17%

8. Do you have any other comments you would like to make?

Board Member #1 - “We have a new board with members in their first term. The Board is meeting regularly and is working hard to raise the professionalism of the bail industry in Alabama. I am especially pleased that in addition to having experienced bonding company owners as board members; we also have a judge and a circuit court clerk sitting on the board. They are great compliment to the board.”

Board Member #2 - “Having changed executive directors recently, I would like to ensure that the board is on stable and sure footing when it comes to the budget and money in the bank.”

Board Member #3 - “The APBB has experienced a significant learning curve, particularly in that it was only established in 2019. Within the first several months of creation, the APBB lost a strong board member due to his unexpected passing. In addition, another board member resigned due to illness. This turnover for a new board has created some hardship, but the APBB has adapted well and continued to function. Developing from nothing the Rules and Regulations and starting with zero funds has taken a lot of hard work and time, but I believe the APBB has accomplished this well in spite of COVID which added another layer of what I will call "opportunities". Communication and management has been the most significant obstacles over the past 3 years as the APBB leaned heavily on the advise and guidance of the then Executive Director. Realizing that there were issues, the APBB brought them to light, which created a turnover in management. With the APBB's new replacement, which occurred just 30 days ago, I firmly believe the APBB will now be able to function better, serve the profession, protect citizens, and maintain fiscal accountability. The purpose of this Board was to "clean up" the bail bonding industry, create and establish guidelines while requiring continued education of licensees, assist the courts in monitoring bondsmen, and ensure that citizens needing the services of a bondsmen were protected from fraud, undue hardship, and exploitation. The initial ground work has already seen positive results within the industry. While there is still more work to be done, I do believe the APBB is headed in the right direction for the purpose it was created. Lastly, it is also important to note that this Board has worked together without inner controversy since inception. Each Board member brings something unique, and there is respect for one another. While, yes, there have been obstacles, issues among board members are not one that we have had to jump over.”

Board Member #4 - “None.”

Board Member #5 -“Recently the board has taken on a new executive director with that in place now we are moving forward in a positive direction and will be able to address the needs of any licensee, complainant, or consumer here in Alabama.”

Board Member #6 - “Not at this time.”

Licensee Questionnaire

A letter was sent to one hundred licensees requesting participation in our survey. Twenty-one participated in the survey. The percentages, where shown, are based on the number who responded to the question.

1. What do you think is the most significant issue(s) currently facing your profession in Alabama?

Respondent #1 - "The courts not understanding our profession. This board was supposed to make it easier, but we have only been paying more fees each year and not to mention receiving more threats..." if you do this, you lose your license" we also pay thousands of dollars to a lobbyist with our continuing education funds, but nobody knows what's being done until it's already done."

Respondent #2 - "bail bondmen writing bonds for any amount of money."

Respondent #3 - "████████ ██████████ handpicked the board members instead of following the guidelines. Which to me is a direct overreach of power and authority."

Respondent #4 - "Most people know nothing about my profession."

Respondent #5 - "helping other to become free."

Respondent #6 - "People that are still working unlicensed. There is no direct instructions on how to deal with those people. There needs to be a better way of sending in complaints about unlicensed people working."

Respondent #7 - "I don't like the duplication. My license were originally renewed every two years in my birth month and I prefer to keep it that way as I already write bonds for an Insurance company."

Respondent #8 - "lack of firearm and tactical training."

Respondent #9 - "Because there is still not an affordable and legitimate apprentice program the profession is dying."

Respondent #10 - "Trying to do away with bail through bonding companies."

Respondent #11 - "The small businessman will not be able to bond."

Respondent #12 - "Bail Reform State of Alabama board leadership."

Respondent #13 - "Bounty Hunters: They seem to price gouge i.e. a price is set for pick up, once apprehended, they ask for more money because they say they are out more without any approval's, then if you don't agree because you were not made aware of it, they will turn the person loose. Also, they can get approved to bounty without any experience just a clean criminal history. NOT GOOD The Board sets rules that is to be followed but if you don't agree, you are bullied, threatened, and some have been arrested to my understanding, while others are allowed because of friendship, money donations, and positions held to do the exact same thing that others are being threatened with. I do not feel that the Board should be able to make those who have licensed through the state dept of insurance to be made to pay for continuing education classes with both the state and the board. I do agree that all agents should pay a membership dues to the board. When it first started, the board was to regulate the Professional Bonding Companies, but instead, they want to regulate all where the State Dept of Insur. follows the Alabama Code for Bonding Agents, but the board is

making it hard on them. It feels like a child custody battle, and the child, being the agents, are torn in between and become the victims. I do not feel the Alabama Professional Bail Bonding Board is there to protect the public welfare, it is self preservation and power. What was originally proposed is not what it is! It was to help the industry, some things can be great thing if they were not so full of self. We are never informed a head of time of things that may or may not help the industry of ideas, or solutions until after it has been decided and they make it final. Like the apprentice lic .of which the rules and guidelines the potential future agent must be supervised and cannot write bond, just for training for 120 days, then they must go through the CE classes and obtain a license through the board. Now, the board has decided the apprentice can sign without direct supervision but the courts will not allow an apprentice to sign under a bonding company that has not been approved as a licensed agent, and especially if the company is a professional surety, the state follows the state regulations and laws for qualification on bail agents. and these laws have not been changed that bonding companies know of. This again, is the Board doings because of some friend wanted it changed for his own personal needs. Professional Sureties are again left in the dark. The laws and rules of the board can be a good thing if all practiced it!"

Respondent #14 - "The lack unity of professional bail and professional surety. And unethical way many companies run. They do not abide by the codes of Alabama. They need set amounts of what a company can charge a client. And the counties need to be schooled also in proper procedure for how bonds are to be written. There are two many companies writing bonds are not being held responsible by counties for their forfeitures. There needs to be a stop to companies giving false addresses to avoid being served forfeitures. The word professional does not and should not be used for many companies because of the immoral and unethical practices of many. They do need to regulated and it apply to all and not just a few. And legal repercussions should take place when someone does not abide by the codes set down by the state of Alabama."

Respondent #15 - "No random background or drug tests are being conducted and there are multiple Recovery Agents that have been arrested numerous times and/or KNOWN to be active in drug use."

Respondent #16 - "Signature Bonds or No Cash Bonds."

Respondent #17 - "Changes to legislation and statutes made through lobbyist, swelling costs for licenses and continuing education. Unstructured policies and procedures without empirical rationales."

Respondent #18 - "People writing Bail Bonds and collecting less than 10%."

Respondent #19 - "Transparency with all bail agents..."

Respondent #20 - "Lack of understanding the purpose of bail bonding companies."

Respondent #21 - "Each year there is more fees & more money to pay to the Association. Most of us are small businesses."

2. Do you think regulation of your profession by the Alabama Professional Bail Bonding Board is necessary to protect the public welfare?

Yes	9	43%
No	9	43%
Unknown	1	5%
No Opinion	2	9%

3. Do you think any of the Board’s laws, rules, or policies are an unnecessary restriction on the practice of your profession?

Yes	10	48%
No	8	38%
Unknown	1	5%
No Opinion	2	9%

4. Are you adequately informed by the Board of changes to and interpretations of the Board’s positions, policies, rules, and laws?

Yes	10	48%
No	11	52%

5. Do you consider mandatory continuing education necessary for the competent practice of your profession?

Yes	9	43%
No	11	52%
No Opinion	1	5%

6. Does the Board respond to your inquiries in a timely manner?

Yes	6	28%
No	10	48%
Unknown	5	24%

7. Has the Board performed your licensing and renewal in a timely manner?

Yes	11	52%
No	9	43%
No Opinion	1	5%

8. Do you have any other comments you would like to make?

Respondent #1 - "It's all been a waste of time and money. No change in the industry and even the court clerks are confused majority of the time. Clerks haven't even been notified of new board it was the [REDACTED] [REDACTED] managing now it's a new group...."

Respondent #2 - "I think bailbondmen should take the bailbond test and pass it before they can do business like the surety company does."

Respondent #3 - "How can [REDACTED] [REDACTED] be the president of the bail bond association and the chair of the bail bond board? Also how does [REDACTED] [REDACTED] keep his seat on the board after being indicted on multiple felonies while regulating us? How do you charge for continuing education and the teacher states they know nothing of what they are supposed to be teaching?"

Respondent #4 - "I really think it's just a way to get money out of agents. I don't think we are really being protected and I think if you're not in the circle of the ones who runs it, you're subject to get a raw deal. We here about the lobbyist but we don't get to actually see where our money is going, we should get a monthly report if nothing else."

Respondent #5 - "I would love to stay in this bail bonding life to help others."

Respondent #6 - "There needs to be better communication with those licensed and not just those that are paid members of the board."

Respondent #7 - "I am fine with continuing my education like I have been doing. I was already a licensed bond writer and this stuff that was pulled at the last minute just doesn't make sense to me. Why I should I be doing the renewal every year with Alabama Professional Bail Bonding Board on top of my regular renewing every two years???"

Respondent #8 - "N/A."

Respondent #9 - "Consumers can decide for themselves if they want to hire a competent P.I. and if there is an issue there's many options as to how it can be resolved. Not every profession requires state licenses. We've essentially harmed the public more than helped as many potential P.I.s have chosen other fields of employment. We're talking about a profession with a medium income in the state of less than \$50K."

Respondent #10 - "You should be able to get CEU's from anywhere allowable, not just from the board. They can charge you what they want because you only have one options. There should be other approved places to get your CEU's."

Respondent #11 - "No."

Respondent #12 - "Some board members make rules but do not lead by example, legitimate complaints with proof is not addressed if it is their employee's. The badge/shield has an Alabama seal which is not allowed and is an arrestable offense however is being mandated and is being required and regulated as the only badge allowed. Alabama's licensing is the most expensive license in the US and is not reciprocal in other states. We are the only state that has one license for department of insurance and one for treasury. Both have different laws and rules, some are contradicting each other. A Board member has a recovery agent that is also working as a police officer, videos has come forward with this agent placing his foot on fugitives' neck for no reason, he also has friends that are bondsman the have employees working as recovery agents that are not licensed. This has been brought to this board member many times with no action. The continuing education courses are information that is not prevalent or useful for the majority of the licensees."

Respondent #13 - "Pretty much said it all. This board is to be for the industry and it seems to be the opposite unless you have the buddy system going and don't buck up against the lawlessness of their actions. This is like you scratch my back, I scratch yours forget the laws, let's do it the way we want and if they don't like it, we can get them out. That threat has been made and I hope the people it was made to comes forward. and if this is confidential, if not, then there will be many that will be on that list."

Respondent #14 - "The board as it stands now does not regulate all companies. They pick and choose who do. Board members are threatening and attempting to bully companies into compliance of how they interpret the law and the board members that make up this board are actually some of the ones who have created these problems and are trying to change things to only aid in their companies. They are not in the best interest of either professional or professional surety. They are actually trying to do away with insurance. Many of the board members have had and some are even facing some criminal charges , yet they can condemn another company for doing exactly what they themselves are doing. They are putting into place and creating jobs for those that support only them. They are not out for the best interest of the agents, and bounty hunters nor for the clients we write for. Look at the memo sent out by the executive director of the board about apprentices it is a direct attack on the code of Alabama on how an apprentice should be guided and taught. It says you can write bond without the approval of the board of insurance as well as without the approval of the presiding judges and sheriffs. The code of Alabama has not been revised but it says do it....illegal....and the board put this out. The repercussions' of this could be disastrous to bail. They are not investigating the companies that are complained about just passing them along. Regulate means to make sure all do what's right... its not happening... The board needs better background checks on themselves in the way they write bail. Because they are not in compliance as bailbondsmen or recovery. The bounty hunters are trying to control the bail bonding companies as well, by not sticking to verbal or written contracts. By charging ridiculously high pickup fees when they don't even have to do anything but go to house and pick person up or to a jail. They are acting like they are in fact police officers endangering and causing the bail industry to be at odds with the local government. I could go on and on. The main point is we should not be regulated by a board of bail company owner ,agents that will not regulate themselves. Bounty hunters are not required to do the same courses as the agents and they should how can you work in a bail industry and not know how it works or care about how your actions reflect upon it. And then tell a bondsman how to comply with the laws they have to work under. As of right now there is a lot to be looked at and supervised by someone supervising the board and its actions. They have bragged about unlawful things that they do as companies, soliciting at jails, paying inmates and jail personnel to send bonds, placing tracking devices on cars."

Respondent #15 - "I am actually no longer licensed with APBB, due to my now ex-husband being involved. Who him, along with a few others that are well known in the Mobile area has a drug problem and/or having females from known drug houses riding around with them while performing Recovery work that are NOT licensed nor would they pass backgrounds to be... I am continuously getting phone calls about "the bounty hunters in Mobile" portraying themselves as police officers. I just direct them to [REDACTED] or the board."

Respondent #16 - "NO."

Licensee Questionnaire

Respondent #17 -“The purpose of the board is unnecessary, creates added cost which is of no benefit or support to the profession or professionals in the industry.”

Respondent #18: “Yes if I am state licensed why am I not being able to write bonds in the county where I live in Houston County although I am an owner in six other counties.”

Respondent #19 - “None at this time.”

Respondent #20 - “No.”

Respondent #21 - “Any owner in Business 20 yr. over 60 yr. age should not be required to do classes (*only if they would like to attend) Some of our computer systems are not as secure as the state we should not have to do everything on line for the Association! Everything they want you to do or read is online. Letters should be sent out.”

Complainant Questionnaire

A letter was sent to seventeen complainants requesting participation in our survey. Two participated in the survey. The percentages, where shown, are based on the number who responded to the question.

1. Was receipt of your complaint acknowledged?

Yes	1	50%
No	1	50%

2. Approximately how long after filing your complaint did the Board contact you?

More than 30 days	2	100%
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3. Did the Board communicate the results of the investigation into your complaint to you?

No	2	100%
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4. Do you think the Board did everything it could to resolve your complaint?

No	1	50%
Unknown	1	50%

5. Do you have any additional comments you would like to make?

Respondent #1 - "Board was slow to respond."

Respondent #2 - "The Board has done absolutely nothing about my complaint. It has been 3 or 4 months since I filed the complaint about a bondsman bonding without a license. I don't feel like they have our backs like they said they would. This man bonded for at least 3 months without a license in two counties. This is not fair to the companies that are following the law. I was recently asked if I still wanted to pursue this complaint. I told them yes because there should be consequences. We were told at the meeting that if you bond without a license it is a felony charge. There have not been any charges filed that I'm aware of. The Board has someone new handling cases now so I guess we will see if it is just brushed off. Thank You."

APPENDICES

Applicable Statutes

Article 8 Alabama Bail Bond Regulatory Act

Section 15-13-200 Short title.

This article shall be known and may be cited as the Alabama Bail Bond Regulatory Act.
(Act 2019-409, §1.)

Section 15-13-201 Definitions.

For the purposes of this article, the following terms shall have the following meanings:

- (1) BOARD. Alabama Professional Bail Bonding Board.
- (2) PROFESSIONAL BAIL COMPANY. A person, individual proprietor, partnership corporation, or other entity, other than a professional surety company, that furnishes bail or becomes surety for a person on an appearance bond and does so for a valuable consideration.
- (3) PROFESSIONAL BONDSMAN. Any individual or agent who is employed by a professional bail company or professional surety company to solicit and execute appearance bonds or actively seek bail bond business for or on behalf of a professional bail company, including any individual who has a direct or indirect ownership interest in a professional bail company.
- (4) PROFESSIONAL SURETY BONDSMAN. Any individual who is employed by a professional surety company to solicit and execute appearance bonds or actively seek bail bond business for or on behalf of a professional surety company, including any individual who has a direct or indirect ownership interest in a professional surety company.
- (5) PROFESSIONAL SURETY COMPANY. An insurance company, domestic or foreign corporation, or association engaged in the business of insurance, or a surety with a bail line of insurance to which has been issued a certificate of authority or certificate of compliance by the Department of Insurance to execute appearance bonds or bail bonds in criminal cases in the state.
- (6) RECOVERY AGENT. Any individual, other than an attorney or law enforcement officer, utilized by a professional surety company, professional bail company, or professional bondsman to apprehend a defendant who was released on bail and who violated the terms of his or her bail.
(Act 2019-409, §2; Act 2021-499, §1.)

Section 15-13-202 License requirements; apprentice license.

- (a) An individual may not hold himself or herself out to the public as a professional bondsman or a professional surety bondsman, operate as a recovery agent, or use any term, title, or abbreviation that expresses, infers, or implies that the individual is licensed as a professional bondsman unless the individual at the time holds a valid license as a professional bondsman as provided in this article.
- (b) All applicants shall pass an examination, unless exempted by this article, based on criteria established by the Alabama Professional Bail Bonding Board and established under Section 15-13-203 and shall comply with the continuing education requirements established by this article.
- (c) The board may issue an apprentice license, which expires 120 days after issuance, to any applicant who satisfies all criteria for licensure except passing the examination. The board may require an applicant for licensure as an apprentice to sign an affidavit, on a form provided by the board, attesting that the applicant has no felony convictions. The board, by rule, may also provide

an age exception to allow any applicant who is 19 or 20 years of age to work as an apprentice until he or she reaches the age of 21 years. The board may charge a fee, not exceeding fifty dollars (\$50), for an apprentice license.

(Act 2019-409, §3; Act 2021-499, §1.)

Section 15-13-203 Alabama Professional Bail Bonding Board - Creation; composition; adoption and enforcement of rules; compensation.

(a) The Alabama Professional Bail Bonding Board is created to administer and enforce this article. The board shall consist of all of the following members:

(1) Seven professional bondsmen, one from each of the seven congressional districts of the state, nominated by the Alabama Bail Bond Association and appointed by the Governor from a list of not more than four nominees for each position on the board. For the initial terms of office, the President of the Alabama Bail Bond Association shall be the professional bondsman member of the board who represents the congressional district in which he or she resides. Each professional bondsman member appointed to the board shall be the owner of a professional bail bond company with at least five years of experience. Except as otherwise provided, no two professional bondsman members shall reside in the same congressional district. If no professional bondsman is available for nomination by the Alabama Bail Bond Association for a congressional district, the Alabama Bail Bond Association shall provide a list of four professional bondsman nominees from the state at large to the Governor for that congressional district, and the Governor shall appoint one of those nominees to fill that position on the board.

(2) One serving circuit, district, or municipal court judge, nominated by the Alabama Bail Bond Association and appointed by the Governor from a list of four nominees.

(3) One serving circuit or municipal court clerk, nominated by the Alabama Bail Bond Association and appointed by the Governor from a list of four nominees.

(b) The appointments to the board shall be for terms of four years. The nominating and appointing authorities shall coordinate their nominations and appointments so that diversity of gender, race, and geographical areas is reflective of the makeup of this state. Vacancies shall be filled by appointment of the Governor for the unexpired portion of the term.

(c) The board, pursuant to the Alabama Administrative Procedure Act, Chapter 22 of Title 41, shall adopt and enforce reasonable rules as the board determines necessary to effectively and efficiently carry out its official duty of licensing and regulating professional bail bond companies and professional bondsmen.

(d) Each member of the board shall receive travel and per diem compensation for expenses incurred in the conduct of official duties while attending meetings and transacting the business of the board, in accordance with applicable state travel and per diem paid to state employees. The compensation of members shall be paid from funds available to the board in the same manner as other expenses are paid.

(Act 2019-409, §4; Act 2021-499, §1.)

Section 15-13-204 Alabama Professional Bail Bonding Board - Liability.

(a) Pursuant to Section 36-1-12, the members and employees of the board are granted immunity from civil liability and may not be liable for damages when acting in the performance of their duties under this article.

(b) Board members and employees shall be defended by the Attorney General in regard to any criminal or civil litigation filed against them based on the performance of their official duties under this article.

(Act 2019-409, §5.)

Section 15-13-205 Alabama Professional Bail Bonding Board - President and vice president.

At the initial meeting of the board and each time a new member is appointed to the board, the members of the board shall select from among their members a president to preside over meetings of the board, a vice president to preside in the absence of the president, and a secretary.

(Act 2019-409, §6.)

Section 15-13-206 Alabama Professional Bail Bonding Board - Alabama Bail Bond Board Fund.

(a) There is created in the State Treasury for the use of the Alabama Professional Bail Bonding Board a fund to be known as the Alabama Bail Bond Board Fund.

(b) All application, apprentice, and license fees, penalties, fines, late fees, and any other fees or funds collected by the board under this article are to be deposited in this fund and used only to carry out the operations of the board.

(c) For the purpose of carrying out the objectives of this article and for the exercise of the powers granted in this article, the board may direct the disbursement of the funds from the Alabama Bail Bond Board Fund necessary to cover reasonable and necessary operating costs and board member compensation and expenses as provided by this article, which shall be paid on warrant of the Comptroller upon certificate or voucher of the secretary of the board, approved by the president or vice president of the board. Funds may not be withdrawn or expended except as budgeted and allotted according to the provisions of Article 4 of Chapter 4 of Title 41.

(Act 2019-409, §7; Act 2021-499, §1.)

Section 15-13-207 Alabama Professional Bail Bonding Board - Rulemaking authority; canons of ethics and professional standards; personnel.

(a) The board may adopt rules necessary to implement this article and accomplish its objectives subject to the Alabama Administrative Procedure Act.

(b) The board may adopt and establish canons of ethics and minimum acceptable professional standards of practice for licensees within any rules that it adopts.

(c) The board may hire personnel necessary or as advisable to carry out the purposes of this article.

(d) The Attorney General shall provide legal services to the board and its employees in connection with official duties and actions of the board or the board may employ legal counsel, when deemed necessary by the board, whose compensation shall be fixed by the board and paid in the same manner as the per diem and expenses of the board members are paid.

(Act 2019-409, §8; Act 2021-499, §1.)

Section 15-13-208 Alabama Professional Bail Bonding Board - Meetings; quorum.

(a) The board shall establish regular and special meetings for the purpose of transacting its business as provided by rules adopted by the board. Notice of board meetings shall comply with the Alabama Open Meetings Act.

(b) A majority of the board shall constitute a quorum at any meeting of the board.

(Act 2019-409, §9.)

Section 15-13-209 Licensing violations.

(a) Except as otherwise provided in this article, it shall be unlawful for any individual to act as a professional bondsman or recovery agent, or transact business as either, without first obtaining a license from the board, but a professional surety bondsman shall obtain a license from the Department of Insurance and shall comply with all licensing requirements issued by the Department of Insurance.

(b) Any individual who willfully violates subsection (a) or any other provision of this article, or a rule adopted or order issued by the board pursuant to this article, upon conviction, shall be guilty of a Class D felony.

(c) Each individual licensed in accordance with this article shall designate to the board a physical address where his or her records are to be kept.

(Act 2019-409, §10; Act 2021-499, §1.)

Section 15-13-210 Application for licensure.

(a) An application and all information on an application for licensure pursuant to this article shall be treated as confidential and shall be filed with the board on forms prescribed by the board. The application shall include all of the following information of the applicant:

(1) His or her full name.

(2) His or her date of birth.

(3) All residences during the immediate past five years.

(4) All employment or occupations engaged in during the immediate past five years.

(5) A list of convictions and pending charges involving a felony or misdemeanor in any jurisdiction.

(b) On or before September 1 each year, the board shall send an email reminder to each licensee stating that the last day for submitting an application for a license renewal is September 30 of that year.

(Act 2019-409, §11; Act 2021-499, §1.)

Section 15-13-211 Licensure requirements.

Each individual applicant shall meet all of the following criteria, demonstrating that he or she:

(1) Is at least 21 years of age.

(2) Has not been declared by any court of competent jurisdiction incompetent by reason of mental defect or disease unless a court of competent jurisdiction has subsequently declared the applicant competent.

(3) Has not been convicted of a crime of moral turpitude, with the board having the final determination on the interpretation of moral turpitude.

(4) Has not been convicted of a felony.

(5) Has successfully completed pre-licensure education administered by an educational provider approved by the board.

(Act 2019-409, §12; Act 2021-499, §1.)

Section 15-13-212 Denial of licensure; application for reconsideration; issuance and display of license.

(a)(1) If an application for a license is denied, the board shall notify the applicant in writing and specify the grounds for denial. If the grounds are subject to correction by the applicant, the notice shall so state and specify a reasonable period of time within which the applicant shall make the required correction.

(2) The applicant may submit an application for reconsideration to the board within 30 days from the date of receipt of the denial.

(b) The board shall issue a license to all licensees that shall be at least 8" x 10" in size and shall be displayed on a wall of the workplace of the licensee. This license shall be deemed property of the state and subject to forfeiture to the state upon revocation.

(c) All licenses issued or renewed under this article shall be valid for a period from the date of issuance until October 31.

(Act 2019-409, §13.)

Section 15-13-213 Identification card.

(a) The board shall issue to every bondsman licensee an identification card, which shall be issued in credit card size, be permanently laminated, and contain the following information of the licensee:

(1) Name.

(2) Photograph.

(3) Bondsman's license number.

(4) Expiration date of license.

(b) The identification card shall be carried on the person of the licensee when engaged in the activities of the licensee.

(Act 2019-409, §14.)

Section 15-13-214 Civil penalty for false statements to board.

Making a false statement to the board shall be punishable by a civil penalty not to exceed one thousand dollars (\$1,000) and assessment of the maximum application fee as provided in Section 15-13-217.

(Act 2019-409, §15; Act 2021-499, §1.)

Section 15-13-215 Suspension, revocation, etc., of license; renewal of suspended license.

(a) The board may suspend, revoke, or refuse to issue or renew any license issued by it upon finding that the holder or applicant has committed any of the following acts:

- (1) A violation of this article or any rule adopted pursuant to this article.
- (2) Fraud, deceit, or misrepresentation regarding an application or license.
- (3) Knowingly and willfully making a material misstatement in connection with an application for a license or renewal.
- (4) A conviction by a court of competent jurisdiction of a felony.
- (5) A conviction by a court of competent jurisdiction of a Class A misdemeanor, if the board finds that the conviction reflects unfavorably on the fitness of the individual for the license.
- (6) The commission of any act which would have been cause for refusal to issue the license or identification card had it existed and been known to the board at the time of issuance.

(b) A license may be suspended for the remaining license period and renewed during any period in which the license was suspended.

(Act 2019-409, §16.)

Section 15-13-216 Application of Administrative Procedure Act.

The Administrative Procedure Act shall govern all matters and procedures respecting the hearing and judicial overview of any contested case.

(Act 2019-409, §18.)

Section 15-13-217 Examination; continuing education; certification; costs and fees.

(a) A professional bondsman, professional surety bondsman, or recovery agent commencing business in any judicial circuit in this state on and after June 1, 2020, shall attend a 16-hour instructional course conducted by an educational provider approved by the board and pass an examination approved by the board and administered by an educational provider approved by the board. Upon completion of the course and passage of the examination, the individual shall be awarded a pre-licensure examination certificate by the board, copies of which may be submitted to the presiding circuit judge, or other judicial authority, along with the other requirements set forth in Section 15-13-159 or Section 15-13-160. Those professional bondsmen, professional surety bondsmen, and recovery agents doing business immediately prior to June 1, 2020, are exempt from the initial instructional course and examination.

(b) Unless exempted pursuant to subsection (i), a professional bondsman, professional surety bondsman, or recovery agent making an annual filing in any circuit in this state pursuant to Section 15-13-159 or Section 15-13-160 on and after March 1, 2020, shall first complete eight hours of continuing education conducted by an educational provider approved by the board. A professional bail company owner, who is at least 55 years of age and has five years of experience in the profession, shall only be required to complete four hours of continuing education. The educational provider approved by the board shall provide the board with the name of all professional bondsmen, professional surety bondsmen, or recovery agents completing eight hours of continuing education. Upon completion of the eight hours of continuing education, the individual shall request issuance of an annual continuing education certificate from the board, copies of which may be submitted to the presiding circuit judge along with the other requirements set forth in Section 15-13-159 or Section 15-13-160.

(c) The instructional course, examination, or continuing education courses shall be taught or sponsored by an educational provider approved by the board, which must apply annually for authority to offer such examination or courses.

(d) A list of approved course providers shall be published on the website of the board.

(e) The cost of the instructional course shall be set by the approved course provider but shall not exceed five hundred dollars (\$500) per course. Upon completion of the instructional course, the approved course provider shall issue an instructional course completion certificate in a form approved by the board. This completion certificate, along with the application fee, must be presented to the board in order to take the pre-licensure examination. An instructional course completion certificate shall be valid for a period of 12 months.

(f) The cost of continuing education courses shall be set by the approved course provider but shall not exceed seventy-five dollars (\$75) per hour. Any fee required to be paid by a course provider for reporting continuing education course completion to the board may be added to the maximum charges provided in this subsection.

(g) Each professional bondsman, professional surety bondsman, and recovery agent must renew his or her certification with the board by completing eight hours of approved continuing education prior to September 30 each year. Late renewal within the next 12 months may be had by completing the eight hours of continuing education and paying a renewal license fee of twice the amount otherwise required. If a professional bondsman, professional surety bondsman, or recovery agent fails to renew a certification for a 12-month period, the professional bondsman, professional surety bondsman, or recovery agent will be required to take the instructional course and examination to again become certified.

(h) The board, by rule, shall set the fees to be paid to the board in the administration of this section, not to exceed the maximum amounts set forth below:

(1)a. Application fee for a professional bondsman, professional surety bondsman, or a recovery agent, a nonrefundable fee to be paid to take the examination and for the issuance of the pre-licensure examination certificate, per examination attempt: Up to five hundred dollars (\$500).

b. Application fee for a professional bail company or a professional surety company, a nonrefundable fee to be paid for the issuance of an initial license: Up to five hundred dollars (\$500). Payment of this fee does not alleviate the requirement that each individual professional bondsman, professional surety bondsman, and recovery agent be licensed under this chapter.

(2)a. Annual license renewal fee for a professional bondsman, professional surety bondsman, or recovery agent, to be paid to receive the annual continuing education certificate: From fifty dollars (\$50) up to five hundred dollars (\$500).

b. Annual license renewal fee for a professional bail company or a professional surety company, to be paid to receive the renewal license: Up to one hundred dollars (\$100).

(i) Any professional bondsman or professional bail company owner who, on August 1, 2021, is at least 65 years of age and has 15 years of experience in the profession, shall be exempt from the continuing education requirements of this article.

(j) The board shall adopt rules necessary to carry out this section.

(Act 2019-409, §19; Act 2021-499, §1.)

Section 15-13-218 Effect of criminal or civil actions under article.

No criminal or civil action taken under this article precludes a prosecution or action under any other law of this state.

(Act 2019-409, §20.)

Section 15-13-219 Sunset provisions.

The board shall be subject to the Alabama Sunset Law, Chapter 20 of Title 41, as an enumerated agency as provided in Section 41-20-3, and shall have a termination date of October 1, 2023, and every four years thereafter, unless continued pursuant to the Alabama Sunset Law.

(Act 2019-409, §21.)

Professional Services by Vendor

	FY 2020	FY 2021
Administrative		
Accounting & Auditing		
The Austin Group, LLC	\$ 26,600.00	\$ 58,800.00
Advertising		
Legislative Services Agency	880.00	-
Inter-Departmental Professional Services		
Legislative Services Agency	1,100.00	-
Total Administrative	<u>28,580.00</u>	<u>58,800.00</u>
Data Processing		
Alabama Interactive	-	10,250.00
Department of Finance	59.41	1,146.29
Office of Information Technology	-	1,281.55
Total Data Processing	<u>59.41</u>	<u>12,677.84</u>
Total Professional Services	<u>\$ 28,639.41</u>	<u>\$ 71,477.84</u>

Board Members



ALABAMA PROFESSIONAL BAIL BONDING BOARD
2777 Zelda Road, Montgomery, Alabama 36106
Telephone (334) 420-7225

April 5, 2022

Mr. Rodney Wagstaff
Examiners of Public Accounts
401 Adams Avenue, Suite 280
Montgomery, Alabama 36104-4338

Dear Mr. Wagstaff,

Please find below the members appointed to the Board during the audit period. Let me know if you have any questions or need any additional information.

Thank you for your assistance in this matter.

Respectfully submitted,

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Keith E. Warren
Executive Director

Board Member	Appointment	Expiration	Position
Chris McNeill Representing 1 st Congressional District Caucasian Male	October 9, 2019	October 8, 2023	Chair
Jimmie Lay Representing 6 th Congressional District Caucasian Male	October 9, 2019	October 8, 2023	Vice-Chair
Carla H. Woodall Representing Circuit Clerks Caucasian Female	October 9, 2019	October 8, 2023	Secretary
Judge Spiro Cheriogotis Representing District or Municipal Court Judge Caucasian Male	October 9, 2019	October 8, 2023	
Jennifer Collard Representing 7 th Congressional District Caucasian Female	January 6, 2022	October 8, 2023	
Alesia Kyser Representing State At Large Caucasian Female	October 9, 2019	October 8, 2023	
Gustavius Maxie Representing 2 nd Congressional District African American Male	October 9, 2019	October 8, 2023	
Victor Howard Representing 5 th Congressional District Caucasian Male	October 9, 2019	October 8, 2023	
Barry Johnson Representing 3 rd Congressional District Caucasian Male	March 13, 2020	October 8, 2023	

Response to Significant Issues



ALABAMA PROFESSIONAL BAIL BONDING BOARD
2777 Zelda Road Montgomery, Alabama 36106
Email: bailbonds@alstateboard.com
Website: www.apbb.alabama.gov
Telephone (334) 420-7225

June 23, 2022

Maria L. Catledge
Director, Operational Division
Examiners of Public Accounts
401 Adams Avenue, Suite 280
Montgomery, Alabama 36104-4338

Dear Ms. Catledge,

Please find below the responses to the significant issues outlined in your letter dated June 15, 2022.

Significant Issue 2022-01

The new administrative services provider started on February 15, 2022 and began identifying items with the Board that were outstanding and needed to be completed. Please find the status of each as follows:

- 1) All financial information is correctly input into STAARS, and all documentation is filed in accordance with the State Fiscal Policies and Procedures.
- 2) The accountant identified numerous deposits that were not certified with treasury. The accountant contacted State Treasury to begin the certification process and the full amounts were allowed to be certified before the funds were transferred to the General Fund for not being certified in accordance with Fiscal Policies and Procedures. All funds are now in the Board's Treasury Fund.
- 3) The accountant worked with State Treasury to transfer the \$35 that was certified to another Board, and it has been successfully transferred into the Board's Treasury Fund.
- 4) A memorandum of understanding was never finalized to allow for the payment of background checks. A memorandum of understanding is pending (final approval by the FBI for an ORI #) to allow the Board and ALEA to be fully authorized to submit and received background checks for applicants and licensees. The Board has not received any invoices to pay for these background checks but is aware of the issue and is working to submit these outstanding invoices to the Board for proper payment.
- 5) The new Executive Director contacted Alabama Interactive after February 15, 2022, to obtain these outstanding invoices for payment. After review and discussion, the invoices are for services rendered outside of the current fiscal year therefore, requiring a board of adjustment claim to be initiated. The claim was filed with the Board of

Adjustment and the Board has submitted a letter agreeing to the claim without a hearing. The Board is awaiting final approval from the Board of Adjustment to submit the claim for payment in full.

The above findings that are not resolved above will be resolved within the next few weeks.

Significant Issue 2022-02

The new administrative services provider received all the complaint files and immediately opened complaint files, mailed acknowledgement letters, investigators were assigned cases and investigations quickly began. The Board has closed thirteen complaints and negotiated two consent/settlement agreements. The remaining are being investigated or pending disciplinary action. This finding is resolved. All complaints are immediately logged upon receipt, acknowledgement letters mailed to the complainant and respondent, and distributed to the investigators and general counsel for review. Investigative Committee meetings are held the day prior to the Board meeting to prepare cases for Board action.

Significant Issue 2022-03

The new administrative services provider started on February 15, 2022, established a new board email address (bailbonds@alstateboard.com) and updated the Board's contact information to allow constant communication with licensees and the public. The new administrative services provider has a staff of fourteen to include the following:

- Executive Director
- Accountant
- Executive Secretary
- 3 Administrators
- 2 Investigators
- Legal Assistant
- 5 Licensing Specialists

Notification of the new office, contact information and staff was distributed to the licensees in February and the website was updated to include essential staff and departments. Communication should not be an issue in the future and hopefully this significant issue is resolved.

Significant Issue 2022-04

The Board has received the Employee's personnel file but has not received complete financial records, laptop, two chairs and two file cabinets. The Board Chairman and General Counsel have requested the return of these items. This significant issue is not resolved.

Significant Issue 2022-05

The Board and General Counsel are reviewing this significant issue.

Significant Issue 2022-06

The Board and General Counsel are reviewing this significant issue.

Significant Issue 2022-07

The Alabama Bail Bonds Association has not created the examination to be administered once the instructional course is complete. The Association has informed the Board that it is in the development stages and should be available soon. This finding is not resolved.

Significant Issue 2022-08

The Board is currently enrolling in the SAVE and E-Verify systems and will be in compliance by the July 21, 2022, Sunset Meeting. This significant issue is not currently resolved.

Significant Issue 2022-09

The Board has proposed changes to the definition of an employee that reads as follows:

(18) "Employee" shall mean any individual ~~engaged who engages in the performance of any duties of or for a professional bail company or professional surety company, including but not limited to, clerical, stenographic, investigative and/or administrative duties and/or any other work and/or responsibilities under the contract of hire, express or implied, oral or written where the professional bail bond employer and/or professional surety company employer has the authority or right to control and/or direct said employee in how the duties, work and/or responsibilities are carried out and/or performed. An "Employee" shall include any individual working as an "Apprentice". No person whose bail bondsman license has been revoked may be employed in any capacity. Employee shall not cover any individual who has no communication or interaction with potential or actual customers, or who does not engage in the performance of any duties. of clerical, stenographic, investigative, administrative, or other duties of a professional bail bond or professional surety company who has contact with the public of any kind. No person whose bail bondsman license has been revoked may be employed by a bail bond company in any capacity.~~

The Board hopes this will address the concerns regarding the requirement of all employees being licensed by the Board to only those with communication with customers. The Board feels strongly about this rule to ensure that someone that does not qualify for licensure due to disqualifying convictions interact with customers conducting bail bonding business. With this above amendment to the employee definition, we hope this significant issue is resolved.

Significant Issue 2022-10

The Board will address this significant issue with amending the rule to comply with the statute at its next meeting.

Significant Issue 2022-11

The Board has not assessed nor collected any of these fees and will remove them from the administrative rules at its next meeting.

Significant Issue 2022-12

The Board will schedule these fees to be adopted at its next meeting and publish for public comments.

Significant Issue 2022-13

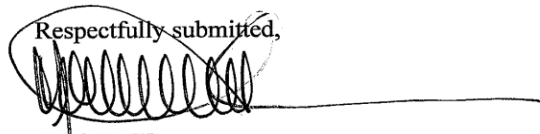
As of February 15, 2022, all Board member vacancies have been posted in accordance with the Open Meetings Act. This significant issue is resolved.

Significant Issue 2022-14

The website is being updated to include all current requirements, statutes and rules. This significant issue is being resolved.

Please do not hesitate to contact me should you have any questions or need any additional information. Thank you for your assistance and cooperation in this matter.

Respectfully submitted,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Keith E. Warren
Executive Director