



SEASON 5 EPISODE 9

How Those Drowning in Carceral Debt Are Lining Others' Pockets

The commercial bail bond industry is privatized, consolidated – and estimated to be worth \$2.4 billion dollars. People arrested in a state like California, the most expensive place to post bail, often end up in cycles of carceral debt that derail their lives. Reporter Sonia Paul follows one woman's story – and talks to the organizers, politicians, and experts advocating for reform.

Mitzi Miller:

This is 70 Million, and I'm Mitzi Miller. As we have chronicled over five seasons, there are 70 million American adults with a criminal record. Each of them represents one of many ways our systems of justice deliver and deny justice in the judicial sense of it. But just outside the courthouse and its proceedings lie expanding networks that entrap justice-involved citizens. One such network is the bail industry.

Stephanie Jeffcoat:

Initially, the relationship is they're nice, they're friendly. They say they want to help. They're going to get your loved one out, just give them this much money. So they ask questions as in like, what are you going to be putting for collateral? Do you have a car that you want to put up? Do you have a home? How much cash can you bring?

Miller:

That's Stephanie, whose story we'll hear in this episode, explaining how she began to interact with bail agencies on her own behalf and later, on loved one's behalf. But the people she dealt with are the tip of a cottage industry that resembles a pyramid scheme.

James Gordon:

In every state that has a commercial bail industry, the vast majority of states, every bail bondsman is required to be supported by an insurance company who promises to pay the state if the bail bondsman can't.

Miller:

And everyone is out to get paid as we learn in this investigation from reporter Sonia Paul.

Jeffcoat:

When I had went to court, even though I was still in jail, they had said, "We'll take you to the ATM. You give us \$500, we'll let you go." They had a ATM in the jail that they just walked me down to after I had met with the judge and they allowed me to use my debit card.

Sonia Paul:

Stephanie Jeffcoat faced some serious challenges a few years ago.

Jeffcoat:

For sure, I've been arrested over 15 times, and I think pretty much every time, there was some fine or fee that came with that.

Paul:

When she lived in North Dakota and was arrested there, she had to pay bail to be released from jail pretrial. She could afford the cost of bail then. Now 35 and living in Orange County, she since turned her life around. She has dark hair, a bright smile, and an easy laugh. She'll laugh a bit even when she's talking about some of her struggles because she understands that some situations are just preposterous and she has little control over them. Stephanie still hasn't escaped other costs she's accrued due to her experience with arrest, being jailed, and helping others who have been jailed. Because she's not always aware of how much she owes, it's been nearly impossible for her to keep track of all her charges. She estimates she's accumulated about \$8,000 in carceral debt over the years, and right now, she believes she still owes \$1,800, but that's just what she knows.

Jeffcoat:

Even now, it's like a burden because now I'm starting to get on my feet and I'm trying to survive and pay the bills that I have now, and then to have all these additional past fines and fees and bills from when I was in that lifestyle, it makes it hard to be able to just survive.

Paul:

But why and how did Stephanie end up owing so much money?

Jeffcoat:

I grew up in Orange County, California, primarily Fullerton. I grew up with a single mom, only child, just me and her. Growing up, many people think because I was from Orange County that I must have had this extravagant lifestyle, but for me, unfortunately that wasn't the case. I grew up with a mom who struggled from substance use. So growing up in that type of household and environment, it ultimately led me to the streets and it caused me to start getting into trouble. I started ditching school, running the streets with my friends, started drinking at the age of 13, smoking cigarettes, just bad things all the way around and that drinking just continued.

Paul:

When Stephanie was 16 years old, she became pregnant. She and the baby's father separated during the pregnancy, so she became a single mom to her son. The destructive habit she developed as a teenager morphed into what she describes as a certain kind of lifestyle.

Jeffcoat:

For years, I struggled with addiction from alcohol. Instead of continuing on to college, I ended up getting involved with dancing to make a living, and that's when my addiction went from just alcohol to other things. At 21, the first drug that I did was Ecstasy, then cocaine, then Molly, then Adderall, then crystal meth. So I pretty much did every upper that there was. The last drug that I was addicted to was crystal meth.

Paul:

Stephanie was arrested for the first time at 22. She had rented a car, driven it from California to Las Vegas to pursue work as a dancer and stopped making payments on the rental about four to five months in, so she was charged with a misdemeanor for unlawful taking of a vehicle.

Jeffcoat:

I was eight months pregnant when I went to jail for the first time and that was the start of the next 10 years of me going in and out of the carceral system.

Paul:

She was still a single parent at the time, so her mother who had moved out to Las Vegas with them, watched her son. Stephanie says she was in jail for three weeks. She soon gave birth to a daughter. Three years later, she gave birth to another son. All her kids had different fathers and none of them were in the picture at the time. She then followed her work to Idaho and moved there with her three kids, but her mom soon came to get the children and brought them back to California. Stephanie didn't protest. She knew she wasn't coming back to her home state anytime soon and that her kids could live a much healthier lifestyle with their grandmother. In 2014, as her mom petitioned for formal guardianship of her children, Stephanie, still a dancer, then moved to North Dakota. A friend there agreed to transfer his car over to Stephanie and she assumed responsibility for making payments on it, but she still ran into trouble with the law, mostly for petty theft. She eventually found her way back to California in 2015.

Jeffcoat:

When I came back out here, I was homeless. My mom wouldn't let me stay with them because I was still struggling with addiction, and so I wasn't allowed to live with them. Shortly after coming back to California, I was a victim of a rape, which resulted in a pregnancy. During that time, I was sleeping in my car, I was pregnant, and I just was committing petty theft after petty theft, just these little crimes in order to survive. So that led me to get involved with the carceral system again once I returned back to California.

Paul:

And every time Stephanie got arrested or was ticketed mostly for minor infractions like being on the railroad tracks, sleeping in her car, or petty theft, [she incurred multiple legal administrative fees](#).

Jeffcoat:

Because at the time I was homeless and was unable to pay those tickets, they did what's called a [civil assessment fee](#).

Paul:

Which in California is a single automatic fee tacked onto a ticket when it's not paid or when a person doesn't show up to court. A maximum fine of up to \$300 can be imposed [each time a person misses their deadline](#). It doesn't matter if the original cost of the ticket is as low as \$35. The civil assessment fee alone could add up to \$300, and that's not the only fee she faced.

Jeffcoat:

The way that California works, they automatically give you this fee just because you got arrested.

Paul:

It's what's known as a state [restitution fee](#). Restitution is the process of paying back the damage caused by a crime to both the court and the victim. When a person gets a direct order to pay back the victim, the amount is based on the amount of loss the victim suffered. There is no maximum amount the judge can order and the restitution goes directly to the victim. A restitution fee, on the other hand, is a fine a person pays back to the state for the crime they're convicted of. The fines are paid to the victim's compensation and government claims board, and they can range from \$300 to \$10,000. But critics say that because of the amount of bureaucracy involved in trying to access these funds as a victim, the money ends up staying in government accounts. Stephanie's restitution fee cost her another \$300.

Jeffcoat:

Since most of my cases were petty theft, they came with some cost because I was stealing from the store. So there was always some sort of cost associated with it. So I was just accumulating all these fees.

Paul:

For Stephanie, the debt was piling up and her penalties were not even close to the biggest debt people involved in the carceral system face, bail. [Bail is the process of releasing someone from jail](#) under conditions that ensure their appearance in court and maximize public safety. Today, this process typically has a price tag. It's the amount of money arrestees pay to be released from jail while they await trial or the amount of money they pay to a bail agent or third-party guarantor to obtain release.

When she was arrested in North Dakota, Stephanie didn't need a bail bond to get to go home, but using a bail bond service is pretty common, especially in a state like California where [the medium bail amount is \\$50,000](#), which is more than five times the median bail amount than the rest of the nation. That's according to the [Public Policy Institute of California](#), a nonprofit, nonpartisan think tank.

Recent statistics on the number of people assigned bail are hard to come by, but as of 2007, the US Department of Justice estimated that [more than two million defendants annually work with commercial bail companies](#). The [Center for American Progress](#) found that [80% of people charged with a felony and assigned bail in 2009 needed a commercial bail bond](#) to afford release. A 2017 report from the Public Policy Institute of California found that bail was [the most common form of pretrial release](#) for serious offenses in the state. Since most people who are arrested in California can't come up with \$50,000, they end up working with a bail bonds agency if they want a chance to leave pretrial. These bail companies then charge defendants a non-refundable fee so they can get out of jail. The Center for American Progress found that this premium typically ranges from [10% to 15% of the total bail amount](#), but it's usually 10% in most states, including California. This system is no accident. It's been rigged to be set up this way.

Gordon:

In the Eighth Amendment of the US Constitution, it says that we can't be exposed to excessive bill. Let me read it to you.

Paul:

James Gordon is a former trial attorney in San Francisco. In 2021, he wrote a paper for the Columbia Law Review about the [corporate manipulation of the commercial bail bond industry](#).

Gordon:

What the Eighth Amendment says is that excessive bail shall not be required. That's called the excessive bail clause. My point is that at the founding, when the United States was considering its own constitution, there was already a strong idea that the government cannot subject people charged with crimes to pretrial detention unless it's very justified.

Paul:

The two main justifications were one, if there was a risk the person arrested would run away, and two, if the person was a threat to public safety.

Gordon:

So the entire purpose of bail is to prevent flight risk and promote public safety.

Paul:

This concept is mythologized in old Western films, where bounty hunters chase cowboy fugitives in the American West and where people ostensibly have no ties to their communities. So if they had the chance, they would flee.

Gordon:

So judges in the 19th century on the American frontier responded by setting very, very high bail.

Paul:

This piece of history set up our modern day system. As judges raise the cost of bail, some businessmen had an idea. Even if the people who were arrested couldn't afford bail, perhaps they could as entrepreneurs working on behalf of arrestees, and these businessmen could also profit by charging the arrestee for the service.

Gordon:

So they would post a bond or pay out to the court and the person would go free in exchange for a fee. That was how the commercial bail industry started.

Paul:

To be clear, the bond these agents post at the court is not money. It's basically a piece of paper that serves as a type of financial guarantee. It's a promise to the court that if the arrestee fails to show up for their scheduled court date, the bail agent will pay the government. To make sure the bail bondsman could deliver on this promise, private insurance companies got involved to underwrite them. There are now thousands of bail bond companies in the United States. James' research found that they're all underwritten by about 30 insurance companies, which are known as [surety companies](#). Those 30 companies are all backed by larger insurance companies, and there are [only nine of them](#). According to the credit rating agency, AM Best, just [six surety companies control 76% of the entire market](#). This is the corporate consolidation of the industry. The entire commercial bail system, however, has four main players.

Gordon:

There's the arrestee, there's the bail bondsman, there's the surety company, and then there's the judges and the court itself.

Paul:

But the bail bondsman and the surety companies are both private entities profiting and maintaining a strong financial interest in the current bail system. Remember that 10% fee that bondsmen charge in most states? That [premium rate is set by surety companies and regulated by state insurance departments](#), which, according to James' research, typically approve these rates. Bail bond companies can also make money by asking a defendant to put a property or some other kind of collateral as bail or by setting up payment plans if a person can't pay that 10% all at once. Surety companies meanwhile make money by getting a cut of that 10%, although it's not always clear exactly how much they're earning because this entire industry is privatized and rather secretive.

Gordon:

So even though this is a space of very clear public policy, we don't actually know how the bail bondsmen are contracting with insurance companies. There's a significant amount of overlap, sort of incestuousness within the whole industry. The whole industry is working in concert to maintain this industry.

Paul:

Which is why bail bonds companies also end up charging the same percentage fee in every state, says James. It's not like any other industry in the country.

Gordon:

In a competitive market, you would expect someone who's arrested to be able to go walk around and talk to them and maybe get better terms from one or the other, but in reality, they're all controlled by the same insurance companies and so the price is the same.

Paul:

The commercial bail bond industry is estimated to be worth \$2.4 billion. In January 2019, four public interest groups, including the [National Consumer Law Center](#), [filed a class action lawsuit](#) on behalf of bail customers [against more than 20 surety companies and bail agents in California](#). The [lawsuit](#) alleges that since at least 2004, they've been conspiring to set rates and that more than hundreds of thousands of people in California have paid inflated bail bond premiums as a result. At the time of this reporting, [trial hearings](#) for the case were currently taking place in a California Northern District court.

According to the initial filing, the amount of injury and damages these class action plaintiffs could stand to benefit from would be proven at trial. 70 Million reached out to the six surety companies that backed the majority of the bail industry for comment and to better understand how they work, Fairfax Financial Holdings Limited, Bankers Financial Corporation, Allegheny Casualty, International Fidelity and Associated Bond, Financial Casualty and Surety Incorporated, Lexington National Insurance Corporation, and American Surety Company. At the time of reporting, only Financial Casualty and Surety called us back. Its President Bill Shields says his company typically earns anywhere from five-tenths of 1% to nine-tenths of 1% of the bail premium.

Bill Shields:

For example, if a bond was issued for \$10,000 and the fee paid to the bail surety would be somewhere in the range of about \$50 to \$90. I can't speak for the others because I don't have access to their information.

Paul:

Bill also says the allegations in the antitrust lawsuit are misguided because bond premium rates in every state are typically the upper limit of what agencies can charge.

Shields:

It's a maximum rate and the amount actually charged is less. Each company sets their own guidelines through their own agents as to what they will accept. Speaking for just our company, we do it the way most traditional property and casualty insurance companies do, is we evaluate ultimately whether we make a profit or loss and what we strive to do is make a profit.

Paul:

Scholars, activists, and policymakers have a term of art for systems like the bail bond one, defender-funded justice. Essentially, the people paying to uphold the system are the people being arrested into the system who may not even be convicted. A 2022 report from the [Prison Policy Initiative](#) found that [81% of all people held in local jails haven't been convicted](#). They are detained because they can't afford their bail.

ABC 10 News Clip:

[Well, paying money to bail out of jail in California could be a thing of the past.](#) Seriously, a bill that will change the criminal justice system is now sitting on the governor's desk...

Paul:

That's why over the years, the movement to end cash bail has been gaining momentum, but it's been mired in its own legal battles. Take the situation in California. In 2018, Governor Jerry Brown [signed a bill known as SB 10](#). It would've ended cash bail in the state and replaced it with a system of risk assessment algorithms to determine if someone qualify to be released from custody.

Jeff Clayton:

Certainly, the bill was moving so fast that it just wasn't able to be stopped. So the day it passed, the conversation was had, what would it take to stop legislation?

Paul:

This is Jeff Clayton. He's the executive director of the American Bail Coalition, a trade association of insurance companies that underwrite criminal bail bondsmen throughout the United States. SB 10 ultimately never became law, thanks in large part to the bail industry.

Clayton:

I'd never even contemplated what a referendum would look like, so I set up a call and the money was raised to get the signatures that puts the issue on the ballot, and then of course, it freezes the law and then two years later, the voters ultimately rejected it by a double-digit margin.

Paul:

What he's referring to is [Proposition 25](#), which was the referendum that defeated SB 10. Bail bond and surety companies spent more than \$3 million to qualify for this referendum. The LA Times found that once Proposition 25 was on the ballot, the bail industry spent more than \$10 million in campaign financing. The American Bail Coalition alone raised more than \$6.5 million to make sure SB 10 would not become law. It was an unlikely coalition that backed this campaign, not only the bail industry, which was fighting for its survival, but also civil liberties groups like the [ACLU](#), which argued [the accuracy of risk assessment algorithms was unreliable](#). These tools pull from data generated in a historically biased criminal justice system, which means the [algorithms inevitably reproduce this bias](#). It's a phenomenon that data scientists sometimes call garbage in, garbage out and SB 10 wanted to institute this questionable system, but ultimately, it failed.

Clayton:

I think really the reason was because people at that point didn't trust the computer. They just don't want to see pretrial decisions made like that.

Paul:

The bail industry also has a financial incentive to preserve the current system, and Jeff doesn't deny that.

Clayton:

The thing about it is we have an incentive and the key incentive is we don't get paid unless we get somebody out of jail, and I think we want that. We want pressure on the system to get people out of jail.

Jeffcoat:

The times that I've been arrested in California, I've never been able to bail out. I've never had anyone to bail me out. I didn't have the money to bail out, so most of the time, I would have to just sit in jail until the judge would decide to release me.

Paul:

But even when she wasn't in custody, bail was on Stephanie's mind.

Jeffcoat:

I have a cousin and I have an ex who is always in and out, and so there were a few times where I actually went to co-sign for my cousin to get her out of jail, and then I've also co-signed for my ex to get him out of jail.

Paul:

Co-signing means that Stephanie signed an agreement with the bail bondsman to pay the 10% fee to bail someone out of jail.

Jeffcoat:

I remember I had went in and I did six and a half months and the ex never did anything while I was in there. Then when I got out of jail, I immediately went right back to the life that I was living, hustling, and

stealing and stuff and made the money to bail him out. When I got out of jail, I knew that I was going to go right back to that so that I can help get him out of jail.

Paul:

She set up a cycle of committing crimes to get money to bail him out, landing at the bail bonds office and talking to a bail agent.

Jeffcoat:

So initially, the relationship is they're nice, they're friendly. They say they want to help. They're going to get your loved one out, just give them this much money. They ask questions as in, what are you going to be putting for collateral? Do you have a car that you want to put up? Do you have a home? How much cash can you bring? This is how much it's going to be. Then they go over what the process will be like.

Paul:

For Stephanie, that meant borrowing from the bail bond company to cover whatever portion of the 10% fee she couldn't pay that day. She'd have to make a monthly payment on the principle plus the interest.

Jeffcoat:

At the time, you're not thinking about that. You just want to get your loved one out, so you don't care what the future consequences may be. You're just trying to get your person out of jail.

Paul:

Which Stephanie did, but she says her cousin and her ex never paid her back, nor did they assume responsibility for the loan she took to bail them out. The organization the [Debt Collective](#) estimates that [more than a million people in California hold debt from bail bonds contracts and at least \\$500 million of that debt involves a co-signer](#). Stephanie says neither her ex nor her cousin showed up to their court date, but she was on the hook for that debt. She paid when she could, but she was also living day to day and couldn't keep up with payments. That's when the relationship with the bail bonds company changed.

Jeffcoat:

So they go from, "Oh, we just want to help. Just give us this much. We'll do this," to just harassing, "If you don't call us back, if you don't pay, we're going to do this. We're going to take legal action." It's harassment and threats that come with those voicemails. They will call and call and call and call all day long for hours and hours and hours. Well, it's like someone just yelling at you, like when you're a kid and your parents are like, "You need to do this right now." One of those just very harsh, like there was no more kindness. There was no more soft tone speaking.

Paul:

Aggressive phone calls are just one tactic used by the bail bonds companies to collect their money. They also sometimes employ bounty hunters to find people who do not show up for court. Here's James Gordon again.

Gordon:

Essentially, they're just people that can help look after the bail bondsmen clients.

Paul:

In most cases, bail bondsmen [employ bounty hunters as independent contractors](#). The requirements to be a bounty hunter vary by state. In California, you currently have to complete 20 hours of classroom education and at least 12 hours of continuing education for every two-year license term. That will change in July of 2023 when the state will require 20 hours of classroom education and a 40-hour power of arrest course. James says that upon completing [these courses](#), bounty hunters then get badges that look exactly like the ones police officers wear.

Gordon:

They have the power to arrest so that once they've contracted the client, they can literally arrest them, which means that they can tie their hands together and essentially kidnap them. They have the right that is normally reserved to police officers. They [can do that under state law](#).

Paul:

Bounty hunters take on [the role of state actors when they are in fact private contractors](#). In October 2022, California Governor Gavin Newsom [passed a new law](#) that will require bounty hunters to be licensed by the California Department of Insurance. Like the entire bail industry, there has been little to no regulation of the work they do on behalf of bail agencies, and this is a system-wide problem for people who enter into bail contracts.

Rachael Eisenberg:

What most people don't understand is that these agreements are incredibly predatory.

Paul:

This is Rachael Eisenberg. She's the senior director of [Criminal Justice Reform](#) at the Center for American Progress and co-author of its [2022 report](#) on the commercial bail industry. The report found that there is little oversight over commercial bail bond companies and that they frequently employ unethical and abusive practices to collect money.

Eisenberg:

If you enter into that kind of an agreement with a commercial bail bondsman, then you pay that company the money that you owe. You don't ever get it back, whether the charges are dropped, whether they're withdrawn or whether you show up to court. That money is gone. Not only do they charge a fee, but then they can charge late fees upon late fees to individuals and the debt mounts up.

Paul:

The [Lawyer's Committee For Civil Rights in San Francisco](#) works on litigation that directly impacts debtors like Stephanie.

Elisa Della-Piana:

It is disproportionately families and friends and disproportionately women who bear the brunt of bail debt.

Paul:

Elisa Della-Piana is the legal director for the Lawyers' Committee for Civil Rights in San Francisco. One key decision that could help change the situation is the Humphrey ruling. The petitioner, Kenneth Humphrey, was given a \$350,000 bail after threatening a man and stealing \$7 and a bottle of cologne from him. The California Supreme Court decision states that courts have to consider a person's ability to pay when setting bail.

Della-Piana:

In March 2021, the Supreme Court unanimously said, conditioning pretrial release on someone's ability to pay bail is unconstitutional. However, that decision has not been applied to make a real change across the state. Courts are simply not releasing people at the rates you would expect given the clarity of the Supreme Court decision.

Paul:

Elisa says that's in part because courts are not setting aside the time to even assess what a person could afford to pay. The community organization [Silicon Valley De-Bug](#), which is based in San Jose, California, conducted [a small survey in three counties](#) of the Bay Area to determine the effect of the Humphrey ruling. It found that a judge mentioned a person's ability to pay in only one out of nearly 250 cases. Another case, Caldwell versus Bad Boys Bail Bonds, looks closely at what co-signers know and do not know when they bail out a loved one.

Della-Piana:

The co-signer often doesn't know that they're responsible for any more than the amount they paid that day than the down payment they made. Most co-signers aren't told that they owe anything beyond that.

Paul:

The Caldwell case is a class action lawsuit that makes a simple claim, bail bond companies have to follow consumer laws.

Della-Piana:

In California, there is a law that says when you are asking someone to be a co-signer, they're not getting the benefit. The benefit is obviously you get out of jail. When you're asking someone to be a co-signer, you have to give them a very specific notice that says, if it's true, they'll be responsible for the whole debt, and bail companies were not giving this notice. They were giving the opposite of this notice. They were leading people to believe they would never have to deal with this again and then coming after them aggressively for these debts that they didn't know they have.

Paul:

Elisa says the next step in that case is deciding what should happen for families who are already steeped in debt from the carceral system.

Della-Piana:

How much money we're able to get back from people, how much debt we're able to take off the books permanently, we think it'll be around \$39 million. That's what we're deciding in the trial court right now.

Paul:

After Stephanie came back to California and got pregnant after being raped, she spent her entire pregnancy living in hotel rooms or her car. When she gave birth to her daughter in 2016, Child Protective Services immediately took her baby. As her mother continued to care for Stephanie's other children, Stephanie was able to maintain a relationship with her baby daughter's foster family for a little while, but then her car got impounded because she couldn't afford payments, so she started living in a tent. She was in Anaheim at the time and would [often get ticketed for being homeless or trespassing](#) on the railroad. By 2017, still in and out of jail, she struggled to maintain contact with her baby's new foster family and she eventually lost touch. A year later, Stephanie says she wanted to make different choices after she left jail for the last time.

Jeffcoat:

When I got out is when I had bailed the ex out. But during that time of incarceration, my youngest daughter was adopted, and so just going through that. I go to jail for six months and during that time, I lost my child forever. My mindset was different when I got out of jail that time, but because I was still with the ex and I still was homeless and still addicted to drugs, it was a little hard to break away from that.

Paul:

Later that year, she was arrested for petty theft. Instead of going to jail, she was [given a citation for minor offenses](#) known as [Cite and Release](#), which is a ticket and a court date.

Jeffcoat:

So in 2019, I had finally decided that I was done. I was tired of that life. I had gotten into an altercation with a guy and had almost lost my life a day at the park.

Paul:

Like Stephanie, this man was out and homeless and he had stolen her bicycle, which at that point, had become like her car. She struggled to get it back, but he eventually took off with one of her last few possessions.

Jeffcoat:

The next day, I just decided I was done and wanted to get help. When the police had come and they actually were coming just to see if I wanted help, they weren't coming to arrest me or take me to jail, they came to see if I wanted to go to a shelter and I said yes.

Paul:

Stephanie went to the shelter and got sober. She's now a community organizer with A New Way of Life Reentry Project, where she mentors other women who have been in the carceral system. She's also in school.

Jeffcoat:

I've been working, going to school, got back in church, and my life has just been great for the most part.

Paul:

After doing all the work to restore her life, the one thing that lingered from her past was the debt she took on to bail out her ex and her cousin.

Jeffcoat:

Where I was just like, no, I'm not going to pay anymore for these people. I'm done. I'm not paying anything else.

Paul:

But the minute Stephanie miss a payment, the phone calls started again. They lasted for months. She didn't think too much about them. She was focused on getting her life going and the calls were background noise. But one day, she saw her credit report.

Jeffcoat:

I was shocked.

Paul:

Unbeknownst to Stephanie, her credit had been destroyed by all those mispayments.

Jeffcoat:

I was like, they can do this? I didn't know that they would be able to report to my credit report and of course, me trying to get back on my feet, now it's not only do I have them calling me and harassing me and leaving voicemails, now it's on my credit. So now it's showing that I owe these bail bond people on my credit report.

Paul:

We reached out to the three bail bonds companies that Stephanie worked with, Bad Boys Bail Bonds, Aladdin Bail Bonds, and Power Bail Bonds to find out more about their process, including when they report someone to a collections agency. At the time of reporting, only Power Bail Bonds, which is now owned by CEO Scott Esparza called back. He says that he asked clients who are about to incur debt several times whether they know what they're doing and that if they fail to pay back their debt, all he can do is manage his own business.

Scott Esparza:

If you send a bill to somebody four, five, six times, call them five, six times, they don't respond to it, then you have no other course but to write it off. This is the beautiful part of America. We're business people, and in business people, you get to take it off your taxes.

Paul:

In other words, [bail companies rarely absorb the cost of these losses](#), but collections agencies become involved once the government is notified of a loss, says Scott. He added that surety companies have very little part in this process, save for the fact that they write bail agencies "blank checks." A 2014 investigation by Mother Jones on the bail bond industry found that [surety companies are estimated to pay less than 1% on bond losses](#). In 2021, Stephanie heard from an old colleague, Manuel Galindo.

Manuel Galindo:

Most people just call me Manny.

Paul:

He had some news about how she could push back against her debt. Manny is now the lead carceral debt organizer for the Debt Collective, which is the first debtors union in the US. He focuses on finding people who have been impacted by this debt and working with them to tell their stories.

Galindo:

Because one of the things we've recognized when it comes to carceral debt is that there's a significant amount of shame, even more so when you start discussing who pays the costs of incarceration. So taking models from the labor unions, every other union we've seen currently in the workforce area, taking that model and applying it to debt types and helping people use their debts as a form of leverage to make systemic change.

Paul:

In November of 2021, the Debt Collective created an online tool specifically for co-signers. Co-signers answer a few questions online and the tool generates a dispute letter with which they can inform bail agencies about their consumer protection rights.

Galindo:

So it's really just allowing people who have these debts the ability to put these bail agencies on notice for having had their rights violated, but it's also a way for us to be able to organize with these individuals and create community because we recognize that bail debt is not the biggest priority for a lot of these people. Most of the people who have bail debt also have other forms of carceral debt that they're not currently challenging.

Paul:

With permission, Manny mails the letters to bail companies on behalf of the signers who receive a PDF copy.

Galindo:

We expected a few different types of answers, where they just either completely ignore you, but because of the fact that we're sending the letters, we have some sort of legal leverage to then take them to court to let them know. And in some situation, we actually receive letters saying, "Hey, we're not going to accept your argument, but we're going to cancel this contract," and that's ultimately what we want.

Paul:

Stephanie had letters sent on her behalf, and for the time being, she stopped receiving harassing phone calls from bail bond companies. She's now focused on being a full-time parent to her 13-year-old daughter. Her oldest son is 18 and still lives with his grandmother while her second son, who's now 10, lives with a close friend of Stephanie in North Dakota. Her youngest son has been living with this friend for years ever since it became too hard for Stephanie's mom to support three children while Stephanie was struggling to get her life on track. Stephanie had given this friend power of attorney and she

maintains a close relationship with her son even though he's far away. She and her daughter went to visit them in March of 2022. But all the fines, fees, and other debt that's accrued from Stephanie's old life and from trying to help her cousin and ex-boyfriend makes getting on her own two feet even harder.

Jeffcoat:

For me, I feel like I've served my time. Not only have I served my time, but I lost my child going through all of this, being incarcerated and spending time in jail and then it's like, you're still coming after me. You still want more. It just feels like every time I turn around, I have some other agency that's coming after me to collect a debt that I didn't even know that I owed.

Debtor's Assembly:

That means you don't have to go to a lawyer immediately, at least. You don't have to go and scramble to get to this place.

Galindo:

Yeah. Right now, we're at Homeboy Industries. We're specifically meeting with people who have been incarcerated or formally incarcerated and their families.

Debtor's Assembly:

Yes, the paperwork filed.

Paul:

In October 2022, the Debt Collective organized what they called a Debtors' Assembly at Homeboy Industries in Los Angeles. Homeboy Industries is the largest gang rehabilitation center in the world. About 30 people gathered at the center's backyard and sat in chairs underneath a mustard-colored tent. A freeway overpass loomed above them.

Debtor's Assembly:

Can you, when you try to negotiate with your landlord as one person, how effective is that? There, Barry? Why? Like, why is it wasting time? So one thing, you know, you frustrated, so if you frustrated, we should talk by the way about that. But yeah, go ahead. Yeah, so...

Paul:

The point of the event was to not just understand and address carceral debt, but to also see this debt in relation to other kinds of debt, student loan debt, housing debt, eviction debt, and everything else formally incarcerated people and their communities face.

Galindo:

We basically just had a lot of conversations amongst ourselves about what these debt types are, how it impacts ourselves, and then we really had a long, deeper, envisioning circle where we discussed what a dream version of our lives could be if these debts didn't hold us down. The reason we did that was because we wanted to have people, A, understand that in order for us to change this system, we have to have envisioned what it would mean for us to not have it. That's what we did today, was really just discuss all the resources we have, but also really have a really deep conversation about how we can work together to create change.

Paul:

Stephanie wasn't able to attend the Debtors' Assembly, but after everything she's been through, she has no doubt that trying to eliminate carceral debt is a gateway to helping people like her move forward in their lives.

Miller:

Thanks to Sonia Paul for that story. For more information, toolkits, and to download the interactive transcript for this episode, visit 70millionpod.com. 70 Million is an open-source podcast because we believe we are all part of the solution. We encourage you to use our episodes and supporting materials in your classrooms, organizations, and anywhere they can make an impact. You may rebroadcast parts of or entire episodes of our five seasons without permission, just please drop us a line so we can keep track. 70 Million is made possible by a grant from the Safety and Justice Challenge at the MacArthur Foundation and is produced by LWC Studios. This episode was edited by Monica Lopez and Juleyka Lantigua, who is the show's creator and executive producer. Paulina Velasco is our managing producer. Erica Huang mixed this episode. Haylee Millikan fact-checked the story. Michelle Baker is our photo editor. Mark Betancourt was a contributing reporter. I'm Mitzi Miller. Thank you for listening.

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