

FORGOTTEN VICTIMS

Final Indignities

AN EDITORIAL INVESTIGATION

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Third of four parts

How long must Karen Wanich wait?

Ms. Wanich is a 50-year-old woman with cerebral palsy who uses a wheelchair. When her Aunt Myrtle died, she waited for the inheritance that would help her face old age with more than a government disability check.

The money never came.

When St. Petersburg lawyer Dennis D. Correa was convicted of stealing \$900,000 from seven estates and punished only with probation, Ms. Wanich and other beneficiaries waited for Correa to make good on his promise of speedy repayment.

They're still waiting.

[Twice trusting, twice betrayed](#): After seeing lawyers plunder their inheritances, victims of estate rip-offs suffer again when the legal system leaves them empty-handed.

A judge set Correa free to make restitution, but officials have collected only a pittance. The Florida Bar promises justice through a victim's repayment fund, but fails to deliver. State law provides for insurance policies to compensate the victims of looted estates, but judges routinely skimp on this important protection.

It's bad enough that Florida law provides so many opportunities for dishonesty in probate estates and living trusts. It's doubly outrageous that when money is taken, officials forget the victims.

After scraping for decades on a secretary's wage, Myrtle Trembley turned to lawyer Dennis D. Correa for help in leaving a final gift to her niece and other loved ones. She trusted Correa completely, said Mrs. Trembley's sister-in-law, Rosemary Dent. "He was like a god to her."

Correa returned that faith by stealing \$391,000 from Mrs. Trembley's savings, and more than \$500,000 from six other estates. On Nov. 8, he stood before Pinellas Circuit Judge Claire Luten to admit his guilt and plead for mercy.

Correa didn't come to court alone. An impressive parade of supporters filled the courtroom with talk of remorse and restitution.

Correa's therapist said the lawyer felt deep sorrow and had "worked really hard in therapy." A financial planner talked of giving Correa a job with a potential "six-figure income" that could help quickly repay victims. Banking scion Hubert Rutland III pledged "my personal financial support."

Finally, there was Correa himself. He declared, "I will repay these people."

Judge Luten has slapped other rip-off artists with long prison terms. In this case, she went easy.

State sentencing guidelines allowed a 7-year prison term, and even Correa's lawyer hoped for no better than two and a half years. But Luten decided instead to release Correa on probation. She cited his "strong support group," his "sincere remorse," and his "desire to pay restitution."

That was ten months ago. By now, the restitution should be cascading in, right?

Wrong. Correa has paid less than 1 percent of his \$910,000 debt. Karen Wanich's share so far totals only \$272.

Although Correa technically stole from his deceased clients, it is their beneficiaries who suffer. Take Ms. Wanich. She is forced to rely on her father to make up the difference between a modest government disability check and her needs for shelter, food and heat in the hard Pennsylvania winter. Bill Wanich does his best, but he worries about what will happen when he's gone.

"I'm 74 years old," he says. "Who's going to take care of her?"

In stealing Aunt Myrtle's gift, Correa stole Karen Wanich's financial security and her father's peace of mind. Wanich is outraged that the legal system set Correa free without demanding that he make good on the promise of rapid repayment.

"As I see it, there's no penalty," Wanich said. "It's a joke on the whole legal system."

Correa has his excuses. His lawyer, Shawn Burklin, said Correa can't begin his "six-figure" job until a higher court rules on prosecutors' appeal of Luten's probation sentence. Correa's prospective employer doesn't want to train him for a job if he might go to prison, Burklin said.

But what of Correa's other resources? Property records show that he and his wife sold their home for \$327,000 shortly before Correa's arrest; what happened to the money from that sale? Burklin promised to answer that question, but never called the Times back. Correa also owned a pleasure boat, which was sold last year for \$3,000. Once again, Burklin did not explain where that money went.

Correa did not answer questions from the Times, but his lawyer said, "He has a great desire to make full restitution."

Correa's desire won't buy Karen Wanich one loaf of bread. Meanwhile, officials are doing little to hold Correa to his promises.

The Department of Corrections, which oversees Correa's probation, has established a "suggested schedule" of restitution that would have Correa paying \$3,198 a month. Although Correa has paid just over one month's worth of that sum, DOC spokeswoman Laura Levings said officials are satisfied: "The guy is making an effort."

The lesson of Correa's case is clear. A lawyer who robs nearly \$1-million from vulnerable clients can walk away without a prison term or significant financial penalty. All he has to do is show up in court with some fancy promises, and then stroll out the courthouse door.

As Correa enjoys his freedom, Karen Wanich waits for justice.

A fair share for lawyers

Many thieving lawyers are like Correa. They can't, or won't, repay stolen money. To help these people and

improve the legal community's image, Florida lawyers have created a victim's reimbursement fund.

The Florida Bar Clients' Security Fund is one of the oldest in the nation. It is far from the best.

Teresa Hile is one of the victims who went to the fund looking for a measure of justice. Hile had trusted St. Petersburg lawyer Jay M. Thorpe to handle her mother's estate; instead, the lawyer stole \$172,000.

Hile was devastated. At a hearing in May, Hile testified that the theft forced her to file bankruptcy, lose her car, and forgo important care and medication for her learning-disabled son. Rather than being able to benefit from her mother's life savings, she had to take a \$5.50-an-hour job, even as she struggles to overcome breast and bone cancer.

"Before all this happened, I could borrow \$30,000 on my signature and I did," the 47-year-old testified. "Now that's not possible, probably never will be in my lifetime. At a time when I should be retiring or be able to be at home to take care of my health, I have to work in order to try to keep some insurance."

Thorpe was convicted of grand theft, ordered to repay the money, and sent to jail. So far, he has made no restitution. In hopes of speeding reimbursement, Hile filed a claim with the Clients' Security Fund late last year.

She shouldn't hold her breath.

According to a 1993 study by the American Bar Association, Florida's fund was the second-slowest in the nation in paying claims. When and if the Bar gets around to paying Hile, it will likely reimburse only a fraction of what her lawyer stole.

To appreciate how badly Florida's legal community treats its victims, consider a similar program in New Jersey. While Florida takes a year to 18 months to pay most claims, New Jersey takes six months. While Florida pays a maximum of \$50,000 per claim (and often much less), New Jersey pays up to \$200,000.

The key to New Jersey's success -- and Florida's failure -- is money. And not a lot of money.

In New Jersey, most lawyers contribute \$50 a year to the victims' fund. In Florida, by contrast, each lawyer chips in only \$11. Starved for cash, the Florida fund relies on a hard-working but tiny staff and the lawyers who serve as volunteer investigators.

Although on paper the fund pays up to \$50,000 on large claims, it is so short on money that last year's maximum payment was \$35,000 -- in a state where lawyers have stolen ten times that much.

The Florida Bar clearly wants to use the Clients' Security Fund to improve its public image. It's time lawyers put their money where their PR is.

The solution is simple: a modest increase in the fees lawyers pay to the victims fund. Increasing each lawyer's yearly contribution by \$40 would generate an extra \$2-million for the fund, enough to elevate it toward New Jersey's level of consumer service.

Forty dollars. That's how much an average estate lawyer would charge for fifteen minutes of his time. But ask lawyers about that modest contribution, and listen to them howl.

We're honest professionals, the refrain goes. Why should we pay for the crimes of the bad apples?

Because decency demands it. Citizens trust lawyers to uphold the law that provides them with a handsome living. When one lawyer violates that trust, every lawyer is diminished. The victims are waiting for Florida

lawyers to recognize that fact, and make amends.

Skimping on bond coverage

When all else fails, the law provides for an insurance policy to cover theft of estate funds. But all too often, judges blithely eliminate this important safeguard -- and beneficiaries are left empty-handed.

The family of Inez Michelsen-Hoyer learned this lesson the hard way. When Ms. Michelsen-Hoyer died, the family and judge saw no need to require a bond of the lawyer serving as executor of her estate. After all, Michael L. Nikolas was the family lawyer, a man they trusted absolutely.

Nikolas returned that trust by stealing \$414,000. According to court records, he used the money to pay office expenses, make mortgage payments on his parents' home, and help run a place called Lou's Restaurant.

Nikolas pleaded guilty to grand theft last year, was sentenced to a year in jail and ordered to repay the money. So far, he has paid about 1 percent of his debt. A bond could have repaid the entire amount, but the judge presiding over the case said he generally waives that insurance policy for lawyers handling estates.

"I rarely require lawyers to post bonds," said Palm Beach Circuit Judge Gary Vonhof.

Such decisions are all-too-common. Judges routinely waive the bond, or require a bond too low to cover assets vulnerable to theft. In Pinellas County, judges deserve credit for consistently requiring some bond, but the bonds are often low. Pinellas court guidelines call for \$100,000 estates to carry \$25,000 bonds, for instance, and \$1-million estates to carry \$100,000 protection.

Judges cite several reasons for skimping on bond coverage: They trust their lawyer colleagues. Some people waive the bond in their wills (often at their lawyer's suggestion). But the most important reason, say judges and lawyers, is to save estates the cost of a bond premium.

How absurd. Would these same judges insure a \$100,000 home for one-quarter its value? Of course not. Yet, that's exactly what they are doing with other people's property.

Here's the real irony: Estate bonds cost only a fraction of what they could save.

To guard against attorney Nikolas' \$414,000 theft, the beneficiaries would have spent \$1,395 on a yearly bond premium. In the case of St. Petersburg lawyer Lauren Sill, who stole \$270,000 from an estate, each of the 32 beneficiaries could have had bond protection for \$30 a year. (The expense would not come out of pocket; bond premiums are simply subtracted from the inheritance.)

Surely, many beneficiaries would be willing to sacrifice a fraction of their inheritance to guard against losing it all. If some wanted to go without a bond, they should be allowed to -- as long as they understand they are giving up important protection.

Beneficiaries are waiting for judges to give them that choice -- before it's too late.

Lawyers occupy a special position of trust in our legal system. As officers of the court, they enjoy great freedom and power. When lawyers abuse that power to plunder an inheritance, the system must help make things right.

Too often, Florida courts and lawyers have forgotten that duty.

Recall the case study that began this series. [Joe Thomas](#) was an 86-year-old man who died believing that the courts would distribute his life savings to 32 beloved grandnieces and grandnephews. Instead, attorney

Lauren Sill stole \$270,000 -- nearly all the money.

Thomas' heirs are working folks who planned to use Uncle Joe's gift to pay off medical bills, send their kids to school, or invest in a safer home. Instead, for years, they have waited.

Sill pleaded guilty to grand theft this year and was ordered to make restitution, but she has paid nothing. Judges ordered an estate bond, but it only replaced \$25,000 (some of which will cover legal expenses). A claim is pending with the Bar's victim fund, but the heirs can only hope to collect a small slice of their inheritance.

The money is lost. So is their faith in the Florida courts.

"They keep writing and telling us, 'Soon.' Why do they keep telling us that?" said one heir, Margaret Jendrezak. "It's just wrong. . . And nobody tried to make it right."

Like the other victims, Uncle Joe's family is waiting . . . to be remembered.

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