

Shoddy Work and Lack of Inspections By Orkin Expose Homeowners to Dangers

Following an 8-day arbitration hearing in Jacksonville last fall, Searcy Denney Scarola Barnhart & Shipley clients Collier & Peggy Black were awarded a total of \$3 million from Orkin Exterminating, Inc., consisting of \$750,000 in compensatory damages and \$2,250,000 in punitive damages.

Mr. & Mrs. Black entered Orkin's arbitration process after years of problems, including repeated and severe termite invasions — more than 25 swarms in seven years — and Orkin's failure to obtain both the proper legally required permits and inspections for repair work. The unanimous decision by the 3-person arbitration panel was announced on September 4, 2003.

According to the Interim Findings and Award in *Collier Black v. Orkin Exterminating, Inc. and Rollins, Inc.* (Orkin's parent company), the arbitration tribunal found with "clear and convincing evidence" that Orkin and Rollins has "actively and knowingly participated in, knowingly condoned, ratified or consented to the following types of gross and flagrant conduct evidencing reckless disregard of human life, safety of persons exposed to its dangerous effects, or a conscious indifference to the consequences of such conduct."

For example, Orkin and its subcontractor failed to get a permit for repair work on a termite-damaged exterior balcony on the Black's home, nor did they have the balcony inspected by county officials after the repair job was completed. Subsequent examination of the "repaired" balcony proved that the uninspected work by the subcontractor was particularly shoddy, and that the Black's balcony was in imminent danger of collapse.

"As we saw with last year's tragedy in Chicago, where 13 people died when the uninspected balcony they were standing on collapsed, this kind of unlicensed and non-permitted repair work can be deadly. There are probably hundreds, if not thousands, of Orkin customers in Florida and elsewhere who may unknowingly be facing the same danger every day," said Searcy Denney Scarola Barnhart & Shipley attorney Harry Shevin.

"Furthermore, Orkin representatives admitted under oath that they have done nothing so far to notify any current or former customers about unlicensed, uninspected and non-permitted work that Orkin and its subcontractors may have done on their family homes," Shevin added.

In fact, in the testimony of Chris Gorecki, Orkin's Vice President of Quality Assurance and Claims, it was inferred that the exterminating company's failure to obtain permits and screen subcontractors is not limited to Florida. Despite the fact that Orkin has been aware of these allegations since May 2001, Gorecki admitted that the company has done "nothing" on a national basis to address the permitting and background check issues.

In addition to the Black arbitration, there is a class action arbitration with virtually identical allegations, filed by Elizabeth & William Allen, also of Ponte Vedra Beach.

"...Orkin has avoided the inspection process... and potentially exposed thousands of Florida homeowners to financial liabilities and endangerment of life and safety."

In *Allen v. Orkin and Rollins, Inc.*, it is alleged that Orkin failed to obtain the required building permits for repairs on termite damage covered under the exterminating company's repair bond. As demonstrated in the Black arbitration, it is Orkin's pattern and practice to use contractors (including those with criminal backgrounds) that deliberately and consistently avoid the permitting and inspection process required by law.

By not pulling permits, Orkin has avoided the inspection process in all of Florida's counties and potentially exposed thousands of Florida homeowners to financial liability and endangerment of life and safety. These homeowners are unaware of the potential liabilities and dangers of substandard "repair" work that is performed without permits nor inspections.

Mr. & Mrs. Allen and Mr. & Mrs. Black are all represented by Chris Searcy, along with his Searcy Denney Scarola Barnhart & Shipley legal team of Sean Domnick and Harry Shevin. ■