

Foreclosures paying off for appraisers

Critics say sheriff's cronies rake in big bucks from crisis

By Gregory Korte

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As a record number of foreclosures battered Hamilton County homeowners and neighborhoods, six people – mostly politically connected friends of Sheriff Simon L. Leis Jr. – made record earnings from the foreclosure crisis last year.

They're the appraisers hired by the sheriff to determine the value of foreclosed properties before they're sold at a courthouse auction. Last year, the six appraisers each made more than \$165,000. Two earned more than \$250,000.

Only three of them are licensed appraisers, but the law doesn't require them to be. The lone qualification is that there be "an inquest of three disinterested freeholders" – that is, property owners – and residents of Hamilton County.

Most of the appraisers also have three other things in common:

- They are 77 to 84 years old.

- They are registered Republican voters.

- They are consistent contributors to the Republican sheriff's re-election campaigns – usually giving \$1,000

Appraisers' pay

A look at appraisers' pay and contributions to sheriff. **A11**

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each at the sheriff's annual golf outing. Most years, they're the sheriff's biggest campaign contributors.

The exception is Daniel J. Berning, 47, of Springfield Township, a new appraiser who took over the job last year after his father, Glen, died in 2005. Although a registered Republican, he has not contributed to the Leis campaign.

Leis defends the appraisers' work.

"Did you recognize the number of foreclosures we had last year?" Leis said. "That's why they're making big money."

Foreclosures filed in Hamilton County Common Pleas Court hit 6,107 last year, according to projections by the Ohio Supreme Court. That's a jump of 50 percent from four years ago. Payments to appraisers have increased at about the same rate.

But critics say the payments are excessive.

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Appraisers: Big bucks, little work?

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"That's crazy," said state Rep. Steve Driehaus, a Democrat who's running for Congress. He served on a task force that examined foreclosure laws in Ohio last year.

"I think the word 'crony' is often overused, but in this case it would be very appropriate," he said. "And if this is going on in Hamilton County, imagine in the smaller counties — where it's very much a casual relationship."

Driehaus conceded that because taxpayer money is not involved — appraisers are paid out of court costs by the successful bidder at sheriff's sale — the payments are "less egregious."

Still, he said he'd like to see the law changed to allow any licensed appraiser to compete for the work.

'That is such a gravy job'

Sgt. Rick Snow, the deputy who supervises the appraisers, would not discuss their work. In response to a public records request by The Enquirer, the sheriff's office said it had no contracts, résumés or any other documents that would disclose the qualifications of the appraisers — or even their identities. Information about their payments came from the Hamilton County Clerk of Courts, which pays the appraisers out of court costs.

By one appraiser's account, the work load has grown so large that some days, appraisers are doing 50 drive-by appraisals a day.

Cletus McDaniel, who made \$165,015 last year, said he spends about a third of the time physically inspecting houses in the field. The rest of the time is spent doing research at the Hamilton County Auditor's Office and looking for comparable sales through the Cincinnati Area Board of Realtors' Multiple Listing Service, he said.

While in the field, three appraisers travel together in an unmarked sheriff's car, with a deputy driving.

"Some neighborhoods you get in, it's pretty scary," McDaniel said.

Together, they appraise 50 properties a day, he said. In an eight-hour day, that's one every nine or 10 minutes — including travel time from property to property.

Tom Fiehler, a licensed Warren County appraiser who does not work for the sheriff, said there's "no way possible" an appraiser can visit 50 properties in a day.

Still, Fiehler said appraisals of foreclosed properties are among the easiest assignments an appraiser can get — and one that most appraisers would love to get at a time when home sales are slow.

"That is such a gravy job," he said. "If I could do one or two of those a day, my golf scores would improve considerably."

McDaniel, a licensed appraiser, said each property gets a thorough appraisal.

"We go to every house. We get out of the car. If we can, we try to go in," he said. Because properties in foreclosure are still controlled by homeowners, the appraisers need permission to enter the property.

"It's a lot of work, and it's complicated," he said. Still, it's lucrative enough that he retired from his business doing relocation appraisals in order to do foreclosure appraisals full time. A former Sycamore Township trustee, he's now 78.

"I enjoy it. I don't want to sit on the couch for the rest of my life."

Other appraisers would not talk about their work.

"I'm not interested in talking to you. Thanks for calling," said P. Lincoln Mitchell Jr., an appraiser who made \$165,431 last year, before hanging up on a reporter.

The four other current appraisers did not return phone calls seeking comment.

Until Friday, appraisers were paid a percentage of whatever value they placed on a property — meaning the higher they appraised, the more they got paid.

Hamilton County Common Pleas Court judges changed that rule. Starting Feb. 1, appraisers get a flat \$375 per parcel. Split three ways, that's \$125 per appraiser.

That change came at the recommendation of Magistrate Michael L. Bachman, who handles foreclosure cases. He said the court was trying to avoid any appearance that appraisers were artificially inflating the value of properties.

"We're not saying it happened," he said. "We just want to make sure everything looks good."

Big contributors

The rate for Hamilton County appraisals far outpaces neighboring Ohio counties. Butler County pays \$255 per parcel (\$85 per appraiser), Clermont County pays \$150 per parcel (\$50 per appraiser) and Warren County pays \$120 per parcel (\$40 per appraiser).

In Kentucky, two appraisers are paid an average of \$150 each for a more comprehensive report, said Boone County Master Commissioner Larry B. Dillon.

Ohio law allows sheriffs to choose the appraisers, and Leis said he's gotten no complaints about their work in more than 20 years as sheriff.

Leis, 73, of Green Township, is up for re-election to a four-year term this year, and is unopposed for the fourth consecutive election. The job paid \$97,338 last year — less than half of what some of his appraisers made.

As of Jan. 1, his campaign had a balance of \$167,381, according to reports filed with the Hamilton County Board of Elections.

It's a sum he has built up with the help of his appraisers, who have contributed more than

\$20,000 over four years.

McDaniel contributed the most: \$4,415 over four years. The typical contribution for an appraiser was \$1,000 for each golf outing, with additional contributions for each "mulligan" — or retaken shot — a golfer takes. The annual event takes place in late spring at Deer Run Country Club in Miami Township.

Last year, there were 176 golfers, who each gave an average of \$335.

McDaniel said he enjoys playing golf, and no one ever told him he was expected to contribute. The appraisers usually play in their own foursomes, he said.

The appraisers are usually the largest individual contributors all year, but last year was an exception. Hamilton County Commissioner David Pepper, a Democrat, gave \$2,000 from his campaign committee, and Pepper's mother, Frances, gave \$12,500. David Pepper said the contributions went to help pay for a letter from the sheriff to Republican voters, promoting a proposed half-cent sales tax for a new jail and safety programs.

Leis would not comment on the contributions from his appraisers.

"I don't want to address it," he said. "It's a matter of public record."

Skyrocketing foreclosures benefit sheriff's appraisers

Six men appointed by Hamilton County Sheriff Simon L. Leis Jr. each made more than \$165,000 last year conducting appraisals on foreclosed properties. All but one — a new appraiser — contributed to the sheriff's campaign committee.

Appraiser	Age	Residence	2004	2005	2006	2007	Total	Contributed to Leis campaign (since 2004)	Licensed appraiser?
Eugene G. Yuellig	78	Cleves	\$162,050	\$172,298	\$191,710	\$251,946	\$778,004	\$3,360	No
Chester C. Sudbrack Jr.	77	Columbia Township	\$150,809	\$159,248	\$209,664	\$254,278	\$773,999	\$3,585	No
P. Lincoln Mitchell Jr.	83	Hyde Park	\$157,346	\$176,316	\$206,799	\$165,431	\$705,892	\$3,430	No
Fred Morr	84	Cleves	\$148,081	\$162,999	\$192,342	\$196,874	\$700,295	\$3,950	Yes
Cletus McDaniel	78	Sycamore Township	\$158,212	\$155,004	\$200,027	\$165,015	\$678,258	\$4,415	Yes
Glen J. Berning	*	Springfield Township	\$156,713	\$125,337	\$10,361	\$690	\$293,100	\$520	Expired 2002
Daniel J. Berning	47	Springfield Township				\$199,999	\$199,999		Yes
Roger E. Wachendorf	*	Hyde Park			\$128,273	\$14,250	\$142,523	\$665	No
John H. Brueggeman	78	Blue Ash	\$965	\$698			\$1,663	\$400	No
Total			\$934,176	\$951,900	\$1,139,175	\$1,248,483	\$4,273,734	\$20,325	

**Glen Berning died in 2005 and Roger Wachendorf in 2006. Because appraisers don't get paid until the case is closed, there can be a lag of a year or more between appraisal and payment.*