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State, Orkin settle termite-actions dispute

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April 19, 2008 After an investigation lasting nearly four years, the state of Florida has quietly reached a settlement with Orkin Inc. over allegations the pest-control company conducted inadequate termite inspections and made repairs without building permits.

Under terms of last month's settlement, Orkin admits to no wrongdoing, pays the state \$80,000 in administrative costs, agrees to inspect and repair at no charge some of the previous termite repairs that were done without permits, and changes its procedures to ensure that future inspections and repairs are done properly.

Orkin spokeswoman Martha Craft called the settlement a vindication.

"We have consistently denied that the investigation was justified, and this conclusion only supports our position," Craft said Friday in a written statement. She said the \$80,000 payment to the Attorney General's Office was a gesture by Orkin "so [Florida] taxpayers do not bear the entire burden" for the investigative costs.

That total burden was about \$200,000, said Sandi Copes, a spokeswoman for the attorney general, who said the state opted for a discounted rate on the fees "rather than take the case to litigation and further delay relief to consumers."

While there may have been no admission of guilt by Orkin, the settlement makes clear there was wrongdoing that needed to be changed, Copes said. It ensures a correction of "poor practices by Orkin about which we have extensive evidence."

The initial poor practice that generated the investigation was brought to light by Duval County resident Collier Black, whose home sustained severe termite damage while covered by an Orkin lifetime contract. Black's lawsuit eventually won him \$4.6 million from Orkin.

The racketeering investigation, launched by then-Attorney General Charlie Crist in April 2004, ended under Attorney General Bill McCollum.

Neither Orkin nor McCollum's office, which list dozens of press releases on their respective Web sites, issued press releases on the "assurance of voluntary compliance" that was signed March 7.

Tampa lawyer Pete Cardillo, who specializes in representing property owners with termite-damage claims, said he learned of the settlement only this week.

"It's very disappointing," said Cardillo, who called the settlement a slap on the wrist. "I can't understand after three or four years [of investigation] this namby-pamby result."

While agreeing there was little sting to the settlement, pest-control consultant Wayne Cowart said the state's investigation had caused Orkin to change and improve its practices.

Cowart, a former Orkin executive who now runs a consulting company in Valdosta, Ga., assisted the Attorney General's Office with its investigation. He said Orkin was now handling its consumer claims quickly and efficiently.

"If they had done that all along, the AG's office wouldn't have had an investigation," he said.

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