

# FUNERALS, BURIALS AND CONSUMERS

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FORUM  
BEFORE THE  
SPECIAL COMMITTEE ON AGING  
UNITED STATES SENATE  
ONE HUNDRED SIXTH CONGRESS  
FIRST SESSION

CLINTON, IA AND CEDAR RAPIDS, IA

DECEMBER 14, 1999

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# FUNERALS, BURIALS AND CONSUMERS

TUESDAY, DECEMBER 14, 1999

U.S. SENATE,  
SPECIAL COMMITTEE ON AGING,  
*Clinton, IA*

The committee met, pursuant to notice, at 10:03 a.m., in room 10, The Graphic Arts Technology Center of Iowa, 1951 Manufacturing Drive, Clinton, IA, Hon. Charles E. Grassley, (Chairman of the Committee) presiding.

## OPENING STATEMENT OF SENATOR CHARLES GRASSLEY, CHAIRMAN

The CHAIRMAN. If it is not an inconvenience to anybody I like to start meetings on time and I thank—first of all, I want to thank everyone for coming and welcome you and thank you for joining us today. We are here to discuss a very important subject that affects all of us sooner or later in our lives, funerals and burials, and I think in terms of not wanting to discuss this. Often my wife and I will go by a cemetery close to our hometown and she will say, that is where I want to be buried and I have never commented very much. I do not know whether I look forward to making that decision where I want to be buried or not and yet I know that is not very realistic and I know that that is something that somewhat in American society as opposed to other societies that we do not tend to talk about much, but anyway it happens to be a very big purchase. Sometimes maybe next to a house, a car or a college education it might be the biggest.

We have charts here that would show you based upon national statistics and I know that these are national, so they might be distorted as far as those of us in the middle west where we tend to live a little moderately and have costs that relate to that and I am reminded of Medicare costs. Because we practice a cheap medicine in Iowa it costs about \$3200 per year per beneficiary where as the national average is about 51 or 5200. We practice probably a moderate cost of medicine and it is probably the same way when it comes to burial, but we have the figures that you will see that would show funeral as well as burial costs at about \$7520 and that would be this chart over here and in some markets I presume the cost could be much more and some markets a lot less when you deal with averages.

Choosing a funeral is obviously different than buying a car or a house. At least at the time somebody has passed away people are grieving. They are in an emotional state. They do not always comparison shop for the best price the way that—as a consumer they

would do for other items of consumer need. I believe that many funeral and cemetery providers are very, very reputable and do not take advantage of people in a vulnerable state; however, the industry has the potential for bad apples just like any other industry. Of course, I want to believe that Iowa has no such instances of lack of concern about the consumer, but we did have this pre-need scandal here in Clinton as proof that our State is not free of these problems as well.

To protect consumers from bad apples the State and the Federal Government have enacted laws and enforced those laws sometimes maybe as an impetus for the Committee on Aging's interest in this. Maybe the lack of enforcement of those laws may be part of it.

The Federal Government has a regulation called the Funeral Rule. The Funeral Rule is meant to shield consumers from unscrupulous funeral providers. It requires funeral homes to provide an itemized list before customers buy anything. It prevents funeral homes from billing people for services that they do not receive or from charging them for services that are not required. Without the Funeral Rule any bad players in the funeral industry would have free reign over unsuspecting consumers.

On October 21, 1999, I issued a report from the General Accounting Office that raises serious questions about whether the Funeral Rule really works. The Federal Trade Commission is responsible for the enforcement of the Funeral Rule. The General Accounting Office in its report told us in Congress that the FTC cannot provide any reasonable assurance of high nationwide compliance with the Rule. That is not an indictment against the industry, that is an indictment against the Federal Trade Commission that has been recharged with responsibility of enforcing a law, that is not doing it in a way that they can give the consumers that they are charged to protect the assurance that this is being done, that the Rule is being complied with.

There is no structured process for measuring funeral homes' compliance. This is disturbing when you consider that there are 22,300 funeral homes in this country providing more than two million funerals a year. What's more, the General Accounting Office tells us that the Federal Trade Commission frequently does not take action when it does encounter violations of funeral rules.

What incentive is there for the bad actors then to comply with the Rule if they face no penalty for violating it? I have asked the Federal Trade Commission to explain what is going on here.

Our bottom line is that we want to know how the Federal Trade Commission can ensure consumers of fair treatment when they walk into a funeral home, so my Special Committee On Aging is investigating consumer concerns about this industry under our constitutional responsibility of oversight to see that the laws are faithfully executed.

It is important for me to hear then from Iowans on this subject and that is why I have planned these two meetings today; one in Clinton and one in Cedar Rapids. If you want to follow us over to Cedar Rapids to see if we tell the same story twice you are entitled to do that.

My Committee then will be looking at the FTC's oversight of the funeral industry, whether the Funeral Rule should be expanded to

include cemeteries and other vendors and whether pre-need arrangements deliver what they promise.

In addition, the Committee is examining what consumers have experienced with the funeral and cemetery industries across the country. States have different laws in these areas and different ways of enforcing those laws. We have learned that there is no central place where people can file complaints when they do have a problem with a funeral or burial. I am looking for protections against the bad actors and when consumers shell out thousands of dollars for a service they should get what they pay for.

I think it is fair for me to say at this point the implication of what I just said might imply that there is a preconceived notion that the Funeral Rule is not adequate or something more needs to be done. Quite frankly that is the purpose of our hearings here and the ones that we will have nationally into next year, to find out.

At this point I think we would have to conclude from the General Accounting Office report on the FTC that the General Accounting Office has not suggested more rules or more regulations or more law, but they have emphasized most importantly the enforcement of existing law.

Today I have asked as you can see before us panel members to join me and provide you with some helpful information about funeral planning. I would like to spend the first part of the program discussing these issues with the panel. I will serve as the moderator. Then I want to hear from you in the audience. Not only me as your U.S. Senator, but also the panel as well. Other people that are here from State Government as well as from national organizations are here to listen and to learn from you and I hope that you had an opportunity to pick up cards on your way to the meeting. I ask you to fill those out so that we can have your question or comment and if time allows we will allow you to do that from the audience. My staff would pick those cards up so that I can then call upon you. If you prefer to remain anonymous, but would like my staff to contact you please let my staff know how to reach you by providing some information, and I would at this point introduce Lauren of my staff so that you will know who she is and can identify with her, not only to discuss things face to face at this meeting and afterwards, but also so that you can feel comfortable talking to her on the phone or if you need to talk to me as well.

I would like to now introduce—first of all, and I am going to introduce all of you and then we will just go in the same direction I introduce you to make your presentation.

First we have Dennis Britson, Director of the Regulated Industries Unit of the Iowa Securities Bureau. His office oversees pre-need contracts among other things. The second is a friend of mine, Calvin Corson, Director of the Kaiser-Corson Funeral Home in Waverly. The third is Donna Gabriel representing the American Association of Retired Persons and I guess maybe they do not use the full spelling anymore, they just refer to themselves as the AARP. She is a volunteer in Iowa and a former member of the Iowa Funeral Directors Licensing Board and she resides here in Clinton and fourth on this panel we have Pat Bickford. Mrs. Bickford is a resident of Clinton and suffered financial losses after she and her husband purchased pre-need insurance with a local funeral home

and obviously I thank all of these panel members for taking time out of their busy schedules, whether it is personal or whether it is business, to be here to serve in two capacities, to help us look at what the GAO said about the Funeral Rule and also just for the purpose of general education of consumers about the consumer relationship with all aspects of funerals and burials and then when they are done making their presentations I will have some questions of them before we go to the audience.

So let's start with you, Mr. Britson, yeah, and if you want to come here you are welcome to come here if you need a podium.

Mr. Britson. OK.

The CHAIRMAN. Whatever you want to do.

**STATEMENT OF DENNIS BRITSON, DIRECTOR, REGULATED INDUSTRIES UNIT, IOWA SECURITIES BUREAU, DES MOINES, IA**

Mr. BRITSON. Good morning. I am Dennis Britson with the Iowa Insurance Division. I am Director of what we call our Regulated Industries Unit. We are responsible for six different program areas, six different statutes that are administered and those cover different areas. We are responsible for regulating prearranging, the subject we are here to discuss today. We are also responsible for the regulation of cemeteries, a very related area.

We have 471 licensed pre-need sellers in the State of Iowa. We have at the current time 457 licensed prearranged—excuse me, licensed perpetual care cemeteries in the State of Iowa. We have a very large number, hundreds of what are called non-perpetual care cemeteries in the State of Iowa.

We also at the Regulated Industries Unit regulate motor vehicle service contracts. We regulate the residential service contracts that you might buy with your home. We regulate the sale of business opportunities and we regulate continuing care in congregate living retirement facilities where people will pay for the right to occupy a unit at a retirement facility. We do that with a staff of six individuals.

In this area of arranging a funeral it is important to understand the information that you need to know. In fact, in one State, the State of California there is a requirement to give a brochure out to a potential, perspective customer. It is important for you to know a lot of information.

We have some brochures that were on the table out in the hallway. I hope you picked some of them up. They are different links. They are different styles. Some of the other associations have material out there as well. We have some small brochures. The brochures include some questions that you should ask. They include some things that you should do. We have a brochure with respect to cemetery merchandise. We have a brochure with respect to funeral merchandise.

One of the things that is important to understand, and Senator Grassley touched on it a little bit when he talked about the Funeral Rule, is that you have products which are being sold by different types of businesses. You have funeral homes. You have cemeteries. There are people other than funeral homes and cemeteries that sell this type of merchandise and these types of services.

You will even hear recently about casket stores, so you need to be thinking about who you might buy from, the different options of who you can buy those items from.

It is important to do planning and there is a distinction between planning your funeral and entering into a contract or prearranging and prepaying for your funeral. You need to know those distinctions.

If you go to a funeral home or to a cemetery they usually will have a type of booklet or brochure that they will offer to you for free. Usually it will be fancier than the ones that we print up with State dollars. This one doesn't have a fancy cover, but it does the planning. What do you want in terms of arranging your funeral? Feel free to take one of those with you if it will help you in the process.

You also—you should not be afraid of asking questions. One of the biggest advices—you know, in terms of the advice we can give one of the biggest things we can say is to ask questions. They will help you. If you sit down with a funeral director or a cemeterian and you ask them the questions they will take you through the process and you need to go through the process to understand what you need to do, what you might buy, why you would buy it or why you would not buy it and what the costs are. Go to different potential sellers of that merchandise or those services and one of the things that we put together and that you can get on the table is a form that we call the Cost Estimate Form and if you go to a funeral home or a cemetery or one of these types of sellers they will normally have something like this. As Senator Grassley said you have an FTC provision which says they have to give out price lists.

In my opinion I think it is important to actually specify the merchandise that you might want to purchase, the type of casket, for example, is it a cherry casket, is it a walnut casket? Is it a 20-gauge steel casket? Who makes it? What is the manufacturer? Get a price for what you want. Take it somewhere else and get a price and compare those prices and it is important to put all of that information together and to see what the total cost is going to be for what you want to purchase.

We have a list of some helpful tips that we put on a piece of paper for you and most of that is about the shopping process, getting information, making sure that you know the costs involved with what you are talking about and one of the things that I mentioned on that sheet is an important thing.

In our statute one of the things that we did is to actually specify that you can have a type of funding that does not require you to pay the funeral home, but which can have an arrangement, a contract, an agreement. It is not uncommon. In fact, it is very common for certificates of deposit to be made at a bank which are made payable upon death to the funeral home or to the cemetery. It is not uncommon for a prearranged funeral to be paid and funded with an insurance policy, that is very common.

You do have different options. Some of them have different protections that do not exist in other options. Some of them have risks which are different from the risks involved with other situations.

If you want more detailed information we did put together a booklet. It is a rather large booklet, but it is done in a way that



I think provides the information you need and is in a reasonably short and readable fashion.

If you have a complaint there are people that you can make complaints to. You can contact our office. If we are not the one to help you we can direct you to someone who can. The Department of Health through the Board of Mortuary Science Examiners regulates at-need funerals, where you do not arrange them in advance. We can provide you with that number or that address.

In terms of complaints in the State of Iowa many of the complaints that come in come to the Attorney General's Office and then they are referred to us. In some cases we can help and in some cases we cannot. We are very agreeable in terms of getting you to the right people who can help you and in terms of contacting us we are in Des Moines, IA. Our address, our phone number, our website information is on what we have distributed. We would encourage you to contact us and not knowing how much time you wanted us each to take that would be my introductory comments.

The CHAIRMAN. Thank you very much.

Mr. Corson.

**STATEMENT OF CALVIN CORSON, DIRECTOR, KAISER-CORSON FUNERAL HOME, WAVERLY, IA**

Mr. CORSON. Thank you, Senator Grassley. My name is Cal Corson. I am a fourth generation funeral Director from Waverly, IA, north of Waterloo. I was licensed in 1984. My father was licensed in 1995 and my great grandfather was licensed in 1902. We have always remained on the farm so to speak.

I really appreciate the opportunity to be here on this panel today. Excuse me if I seem a bit nervous, but these are very important issues and as a licensed funeral service professional and also as a fourth generation family owned and operated funeral home I take this job very seriously. This calling, this profession is a way of life and much more than it is a business or an industry, though we have to be very businesslike in conducting our business. The opportunity that we have in our community to serve those that have suffered a loss due to a death is a tremendous responsibility. It is also a great reward.

I appreciate the opportunity to answer any questions that might be asked of me pertaining to myself, my firm, my profession. It is very important that we educate each other. You know, we cannot make good decisions unless we have all of the information that is available and I believe very strongly in the facts and funeral service—the cost of funeral service 15 or 20 years ago was an extremely major expense. In this day and age where funeral service—the charges that we make and the costs for funeral service have really gone up really less than those of other types of day-to-day functions in our lives, weddings, braces. I have a 14 year old. I am just starting to find out some of these new costs. I thought I knew a lot and then understanding from talking to my friends that having a 14 year old I still do not know very much about the day-to-day costs of other things that enter into our lives and I just wanted to make that statement simply because for four generations the communities that we serve have continued to put their faith and trust in us. That is quite a stewardship and we appreciate that very much,

so we are concerned about—when we hear statements about that they affect us as a whole, that the funeral costs are one of the great expenses we will face in a lifetime. That is not true and I think we all realize that and can prove it.

I am concerned that we educate as hard as we can, share what we know with others to reinforce that statement. To make a good decision you have to have all of the information available. I am very proud to be a funeral director. It is my way of life and I am very proud that the majority of the funeral directors and most all of them that I know and am associated with are very honest, ethical, caring people.

Indeed we have those that take advantage of others and that is a great insult. It hurts our feelings to know that even within our profession we have criminals and so we are very concerned about individuals that take advantage and prey on others, but I just want you to know—every time you get an opportunity to speak to a group of people it is a wonderful opportunity and I want you to know from my mouth that I am very proud of the funeral directors that I am associated with and I have had the opportunity to meet funeral directors throughout the nation. I serve on—it's a national disaster team, simply because I wanted to give something back to my country, but because of that I was able to meet funeral directors from across the Nation and sometimes across the world that serve on this disaster team and I am very proud to be associated with them, very proud to be a funeral director. I have said that quite a few times now in my opening statements.

I do not have a lot of grandiose things to say except I am eager and willing to answer any questions that you might have of me. Thanks for the invitation.

The CHAIRMAN. You reminded me of something. When a political leader has to resign because they have done something wrong it hurts all of us in politics, so the statement you made about people in your profession—and there is no profession immune from that. Even the clergy from time to time has somebody who has done something wrong and it does hurt all of us.

Mrs. Gabriel.

**STATEMENT OF DONNA GABRIEL, AARP REPRESENTATIVE,  
FIRST CONSUMER REPRESENTATIVE ON AND FORMER SEC-  
RETARY OF THE STATE BOARD OF MORTUARY SCIENCE EX-  
AMINERS, CLINTON, IA**

Mrs. GABRIEL. I am here today representing AARP, American Association of Retired Persons, but as the Senator said the latest edict is we are now just known as AARP. We can drop the rest. It is much easier to say, but you might wonder what AARP's involvement in the funeral home industry is. I have two things—two reasons for that. One, they completed and—by providing the volunteers to do five studies in the last 2 years and these included the cemetery mystery shop, the findings from a national telephone survey, findings from a five-state telephone survey and a funeral and burial planners survey and as I said they just mainly provided the volunteers, but anything that we as an organization can do to help our senior citizens is what our purpose is.

I am sorry that there are not more of them here today because I think this is information that they need to hear. Very often problems arise, simply lack of communication and lack of understanding. When I served on the Board of Mortuary Science Examiners I was very proud to be the first nonprofessional public member on the Board, but we, as Dennis mentioned, acted as judge and jury if there was a complaint filed and this is my example of not understanding and poor communication.

A man died in the Ames area and he had two daughters, one lived in California and one in Washington. The one in Washington happened to be a reporter for the Des Moines Register, so she made a big deal out of this by the time it was finished. Anyway, I do not think they had much feeling for their father because they called the funeral director in the area and said, we do not want Dad—a lot of luxury there or anything, just bury him in an old pine box.

Now, I think many, many years ago there was such a thing as a plain, old pine box. Today if any of you are funeral directors or have had experience a pine or a wood or oak casket is a very beautiful piece of merchandise. Well, neither the funeral home director nor the daughters were communicating, so we had a trial and as I said, this was a good example of simply misunderstanding. They both were wrong and his license was suspended for a short period of time, so it is—you know, we do take care of those things.

August 11, 1999, AARP submitted formal comments to—along with five studies that I mentioned earlier an overview of the pre-need funeral and burial agreements. We want and they want at AARP the FTC rule to include not only funeral homes, but anyone who provides death care merchandise.

The CHAIRMAN. OK. Thank you.

Mrs. Bickford.

#### **STATEMENT OF PAT BICKFORD, CONSUMER WITH PRE-NEED FUNERAL ARRANGEMENT EXPERIENCE, CLINTON, IA**

Mrs. BICKFORD. I really do not have any formal opening prepared. Mostly I have some questions for Mr. Britson. Why wasn't this put a stop to sooner? This is the fifth or sixth scam that happened in Iowa and the Insurance Division was aware that it had been going on and let him continue to sell pre-need funeral plans.

The CHAIRMAN. Why don't we do that along the lines of—I do not want this to be a—

Mrs. BICKFORD. Confrontation.

The CHAIRMAN [continuing]. Confrontation. We are here to get information.

Mrs. BICKFORD. All right.

The CHAIRMAN. So I think though that he would have an opportunity to respond in the sense of maybe just some general comments. Obviously one of them is that there is—there is not a lot of staff that he has to work with.

Would you take maybe a couple of minutes just to respond? I think that would be the easiest way to do it.

Mr. BRITSON. Part of the response is that we were given a tough job and had limited staff and limited resources, but that is not just the response. To a certain degree I would say, do not shoot the

messenger. We did discover the problem. We did act on the problem. If we had not acted on the problem Mr. Galbraith would still be at Clinton Memorial. More money would probably have ended up being lost. If something had not been done at some point in time there would have been a collapse. It was just a question of when. This was a difficult and a complex case.

I would also point out that State regulation in this area did not begin until 1988. We first hired staff in 1988. We hired three people. A large part of what happened after we started regulating is that we discovered a large number of very large problems which had developed over decades. In fact, a number of the contracts in the Clinton Memorial case were actually sold when I was in high school or in college and we were trying to deal with that.

The other response is that when we first went into Clinton Memorial in terms of the case itself the violations that we discovered appeared to be non-intentional or might have been a misunderstanding of the legal requirements and I point out to you that if you talk about the legal requirements we do have laws in Iowa, we have quite a few and, in fact, there are about 50 pages, 50 pages of laws with respect to what that cemetery was or wasn't supposed to do.

A couple of the early problems that we found in 1990 and 1991 were with respect to the fact that they had taken trusted contracts and they had purchased insurance instead to fund those contracts. Insurance is permissible under our statute. The problem is that they took an existing trust account and used it to purchase insurance for people that had not given them the permission to do that and whose contracts did not say that they were going to be funded by insurance.

Also there were problems with products that were being purchased. They were actually making monthly payments to the manufacturer to buy those products. They were called chapel vaults. If the company, Clinton Memorial continued to make those payments eventually chapel vaults would have been there for each of these people. It wasn't that they were not trying to buy chapel vaults, it is that they had not placed 80 percent of the money into trusts the way that the law said that they should, so we responded based upon what we had at that point in time. Later additional violations did occur.

I think that part of your question—and I understand that I was told a couple of minutes, but it is very detailed here. We tried a work-out because when we went in the lion's share of the damage had already been done. There were going to be millions of dollars of losses regardless of what we did, so we tried a work-out because if the work-out had succeeded consumers would not have lost money, would have received what they should have received.

Now, the problem is that some additional losses, some violations occurred during the work-out and we admit that and we recognize the criticism for that and once that was discovered we ended the work-out and I would respond further, but I understand you do not want to take all of the time just for that.

The CHAIRMAN. Well, I was during my questioning of the panel going to ask a question along the lines that has just been discussed and I would ask Mrs. Bickford then at this point since this has

been brought up and we will not be going back to old stuff not to respond to what Mr. Britson said, but I think for the benefit of the consumers, both for our record for Washington as well as for the audience here if you would tell us a little bit about your experience with pre-planning your funeral as a way of just telling us about problems to be aware of.

Mrs. BICKFORD. Well, it wasn't an easy thing to do and I think everybody in the audience that got scammed would agree. Nobody likes to think about doing this. At the time it made sense. Had I had it to do over again I would have had an attorney read through those contracts, but Clinton Memorial was a trusted funeral home and many of us just assumed that would be all right and very wrongly. We lost over \$2500 in a span of about 9 years.

Clinton Memorial got their foot in the door with offering free plots for veterans and then I think \$49 for wives. Well, naturally this sounded good, so that was their foot in the door and then a few years later up comes this getting into the pre-need and the chapel vaults which that was something a lot of people did not look more into. I do not have the exact figures, but there was an article in the Clinton Herald. I think Clinton Memorial was selling them for over a thousand dollars. Retail was \$25.00 apiece on those. No other funeral home would have accepted those in lieu of buying the casket, so we were scammed in so many directions.

The CHAIRMAN. You told us about the feeling that you would have an attorney look at your stuff before you did anything in hindsight. Another question I had was along the same line. What information or assistance would have been helpful to you while going through the pre-planning process?

Mrs. BICKFORD. Well, I would have—and this has been covered up to a point. I think every funeral home in the United States should be prepared to be registered with State, Federal Government. Clearly print out what will be furnished, what will not be furnished, no hidden costs before they approach anyone with a pre-need plan and that it be governed, that they follow through on these promises.

The CHAIRMAN. OK. Now that we have had each of the panelists give opening comments and we have already had a start of the questions I am going to take a few minutes here for some prepared questions that I have before we go to the audience, but remember your participation in this by filling out your cards.

For all—this doesn't have to be all four of you, but it is for anybody on the panel that wants to respond. What do consumers need to know about funeral planning?

Mrs. GABRIEL. I will speak to it.

The CHAIRMAN. Maybe you.

Mrs. GABRIEL. I think most of us do comparison shopping if we are going to be buying a car or furniture or appliances and certainly planning a funeral is another big expense in our budget. We need to contact more than one funeral director or funeral home in our communities. We need to have written lists and I think there is a sample form out there of what is covered. It is itemized by various services that are provided. If at all possible, if you can, secure a picture of the type of casket or funeral merchandise that you want. This would be helpful to your family after you have died

and—but above all do not be afraid to ask questions and I think this is where a part of the problem comes. You know, we have always had a fear of doctors and some think they are God. I have a son, so I have to be careful when I say that, but—and I think some of us have had sort of a fear of funeral directors and we should not. We should go and do the comparison shopping and ask the questions and we all will be better off and happier.

The CHAIRMAN. Anybody else want to join in on that question? Mr. Britson.

Mr. BRITSON. A few comments. There are some terms of art that are used in this industry that you should be aware of. For example, there are contracts that are considered to be what are typically called guaranteed price contracts, so understand that there are some arrangements where you might provide some money or perhaps the amount of money that you think is needed, but it will depend upon the prices at the time of your funeral how much is billed.

There are other contracts where the prices are negotiated and agreed to at the time of the sale and they won't change. You pay money to the funeral home or to the cemetery and you lock those prices in.

A couple of other terms you should know is that there are some contracts that are irrevocable contracts. That means that one side of that agreement cannot get out of the contract unless the other side agrees. In other words, if you want to change your mind or if you want to go to a different funeral home or a cemetery you cannot do that with a irrevocable contract unless they agree to that. Even with a revocable contract it is possible that there will be some sort of a cancellation charge for expenses that they have incurred, so you need to be aware of that and in all things, I would emphasize the comment that Donna made, ask questions especially about what your choices and your options are.

The CHAIRMAN. OK. Mr. Corson.

Mr. CORSON. If I could just take just a second and echo some of these—the same remarks from both of these people. The greatest thing and the greatest suggestion that we can make to you as the consumer is be extremely insistent on getting all of the information. See, the interesting thing is that we live with this every single day. This is our way of life. You do not know exactly what all entails funeral service and the costs and the types of services. Find out as much as you can about the funeral home. Find out as much as you can about the options that are being presented to you and shop around. There is AARP, Iowa Funeral Directors Association, National Funeral Directors Association, Dennis Britson's office. There is all sorts of consumer tips that you should have with you before entering into any sort of conversation with a funeral home and I have to make—and I know you will probably ask a question about pre-financing later, but really when we talk about pre-planning, you know, that does not necessarily mean pre-financing. We have an awful lot of people in the world that—and I say the world because I think if you looked up pre-financing or pre-planning or prearrangement it is in Webster's Dictionary already, but pre-planning does not necessarily mean putting money away toward future funeral services. As a matter of fact, it really started as people

coming in, giving a list of their pallbearers perhaps or maybe a short obituary, information to be used at the time of death and that is another concern.

If you are concerned about visiting with a funeral director because you may be forced into pre-financing, no, do not be concerned about that. Go in, tell them that you just want information, that you would just like to write some things down, that you need some guidance in getting educated and if you are not satisfied by what you are hearing at that funeral home please go to another one. Please go to somebody else that may have more information that you are satisfied with. It is a very important decision that you are making, very, very important personal decisions and make sure that you are getting the answers that you are 100 percent satisfied with.

The CHAIRMAN. Thank you. Now, any of you on the panel tell us what consumers need to know about planning for a cemetery.

Mr. BRITSON. Actually a lot of it is the same answer and, in fact, the cemeteries will often sell some of the same products that a funeral home will sell. Sometimes there is an overlap on that. There are obviously some different things about the cemetery that you need to know, but a lot of it is ask questions about your different options. There are different products that you can have. You also have monuments and memorials that you could purchase. In addition to cemeteries some funeral homes will sell those. Monument dealers will sell those. In almost every case you have options.

Also there are certain options that in years past have not been as common, but cremation is becoming much more common now. You have different types of things other than just the traditional ground burial. You have the possibility at some places of mausoleum crypts, for example. Understand what your options are. Understand what your costs are and also understand that you need to ask, is there going to be anything more, what other costs might I have?

For example, if you purchase a cemetery space or a mausoleum crypt that does not take care of the cost of the service of the burial itself and of opening up the crypt, for example. Find out what the charges might be, ask that question. Is there anything else that I am going to need to buy or to purchase?

Also understand that cemeteries have certain rules or bylaws that they go by and ask them what those are. See if you can see a copy of those or ask them to receive a copy of those, but ask questions. They are there because they want to help you through the process, so as was said earlier there are hundreds of funeral homes and hundreds of cemeteries throughout the State and only a few have caused problems.

The CHAIRMAN. Do you want to—

Mrs. GABRIEL. Two comments. One is how do you choose a cemetery and I am only speaking for Clinton now. We have several church related cemeteries and if you belong to that parish that probably is where you would purchase your lot. We have a cemetery on the north end of town, one in the central part, another one in the south end and those would influence where you would purchase it. Also I think families tend to favor certain cemeteries for whatever reason, whether we all want to be together or what.

One thing that—a question that I think is important to answer or ask is some cemeteries today have what they call like a garden type setting and this means the flat stone, nothing above the ground. Well, if you really want a marble granite, whatever they are, large headstone that has your family name on it and so forth that might influence which cemetery that you went to, so those are just several things that you might want to check.

The CHAIRMAN. OK. Anybody on the panel have anything to add to that question? We have the issue already partly discussed about a pre-need agreement. Anybody have any sort of additions or summations of what consumers need to know about purchasing a pre-need agreement? Mr. Corson.

Mr. CORSON. Well, if I could I think the important thing about when you get into pre-financing of future funeral services, one, we have rules and regulations within our State that are governing how those funds are trusted, watched, monitored and as a licensed funeral director there are many times that we are asked because we are handling about 200 at-need funerals a year at our firm and almost a hundred pre-need arrangements a year, maybe only 40 or so or 50 of those are pre-funded, but I think that we need to make sure when you are pre-funding a funeral that it is appropriately—the monies are appropriately deposited and trusted, that they are appropriately monitored and safe, that they are growing at a good rate of return because it is still your money, right? It is a hundred percent transferable and assignable because we do not know what happens in our lives, we do not know what is going to happen tomorrow. Those monies should be able to follow you wherever you go.

I think those are some tremendous concerns that people have, but I am very proud of the State because we do have a good monitoring system, a good monitoring system of those funds and each year we have to report those funds to Dennis Britson's office, the transactions of the previous year and so I think it is very important that you all know as well that this is not just an arbitrary thing, that it is watched and governed very closely, but I think it is very important that the funds deposited are safe, held safe and also a hundred percent transferable and assignable. You might not like me anymore.

The CHAIRMAN. Any—Mr. Britson.

Mr. BRITSON. The main thing you need to know is that you are entering into a contract and like any other contracts there are consequences when you sign your name on the dotted line. Do it carefully. Read things and ask questions and to emphasize a point that Calvin made, we have laws and actually Iowa has a pretty good law in comparison to other States and that law has different options, different ways that protection can be provided in the hopes that you will receive what you have purchased. In our State it is possible for money to be placed in a trust and our requirement in terms of the statutory requirement is 80 percent of the funds that are paid. It is also possible to fund that arrangement with an insurance policy. It is also possible for that facility to purchase a surety bond to cover those obligations to make sure that performance occurs and in some cases it is possible that they can actually purchase the product itself and have it stored or delivered.



If that merchandise is going to be purchased it is important for you to make sure that there is a title of ownership document that is placed in your name, that it belongs to you and you should be asking for a copy of that document.

If that agreement is to be funded with an insurance policy it is important for you to know that there is an insurance policy and you should be asking for a copy of something that shows—a certificate or a copy of the policy that shows that you have that insurance coverage.

You should also be able to know whether or not it has been fully paid for or whether or not it is a situation where payments yet need to be made for that insurance policy.

The same type of things with respect to a trust agreement. If they say that your money is going into a trust, it is not unreasonable for you to ask them to show you something that it has been deposited into the trust so that they give you some security and keep in mind that you should check on that periodically because just as in the Clinton case some of the money was in a trust at one point in time and it was moved out and that is always a possibility, so you are not safe just to do it once. Keep in mind that you should check periodically.

The CHAIRMAN. I am going—we have got 7 minutes before I want to go to the audience participation, so one or two things. Either when we get to that point and I call on your name and you want to speak, speak and the extent to which you are too bashful or you want to remain anonymous make sure you have written your questions down.

I am going to ask two questions that kind of fit together here. One, I would ask Pat if she would tell us what she thinks is the best way to let people know what their rights are where funerals are concerned and then I would ask Mr. Corson if he could kind of go through a step-by-step process that he would go through in helping a person pre-plan a funeral, so Pat, would you—unless you do not have any more to say on that one—

Mrs. BICKFORD. I really do not.

The CHAIRMAN. OK.

Mrs. BICKFORD. Thank you.

The CHAIRMAN. Then we will go to Mr. Corson on his—

Mr. CORSON. Would you like me to talk about pre-financing or pre-planning—

The CHAIRMAN. Well, I think—

Mr. CORSON [continuing]. Or both?

The CHAIRMAN. I think—I think both would be appropriate, but I think that pre-planning—well, probably pre-financing is more important from the standpoint of consumer protection.

Mr. CORSON. I will try to do this as quickly as possible. When someone comes into a funeral home and starts to inquire about pre-planning—oh, you can't hear?

The CHAIRMAN. Cal, speak louder. There is no microphone here either.

Mr. CORSON. When someone comes into a funeral home and starts to inquire about pre-planning—

The CHAIRMAN. Or walk out in front.

Mr. CORSON. Can I do that?

The CHAIRMAN. Yes.

Mr. CORSON. Oh, my. The first thing we are going to do is visit with them, introduce ourselves, get comfortable with each other and then one of the very first things, a general price list is given to them. We may not start making references to it right away, but there it is. They have got it. I think it is very important.

We will then discuss a little bit about themselves and find out if they simply want to write some things down about themselves, express some desires or wishes they may have for themselves in the event of their death or someone they are pre-planning for and then the discussion usually leads into how are they going to budget for this? How might they pay for this? What circumstances brought them in to discuss about pre-planning in the first place, so we will talk about getting obituary information, talking about the types of services that they might be interested in and again this relates to the general price list. They might not know the options available and that is one of the reasons they came in to visit, was to find out what kind of options are available. There is no right or wrong way to do things and so once we have determined what they want to do we will visit about the obituary information if that be their desire, write some things down about themselves. For who knows more about you than you. We can learn all of that information and then if they wish to pre-finance then we will start to visit about the vehicles that we use.

At our funeral home we use a trusting vehicle. We have a hundred percent trust. We would explain the vehicle. We would find out if they are concerned about pre-financing for a person who is a Medicaid recipient who may be dying on—while receiving Medicaid or Title 19 or some public assistance which would then deem it necessary to have those funds irrevocably set aside meaning that they are no longer considered an asset of that individual, though it is still their money so that they can qualify for public assistance, enter into care centers, the most common problem or most common scenario when they are coming in to pre-finance, so we are visiting about these things.

You know, people have a great deal of dignity and they want to pay their own way and when they get to the point where they are out of funds and they are getting ready to enter a care center they are under a huge amount of duress and stress and concern, so the monies that they are entrusting to us they are not giving to us. Initially there has been no transaction. They have not received anything nor have we provided anything or have they paid for anything that they received. We want to set these funds aside. They need to be set aside very appropriately so that they are safe, that they are irrevocably assigned or irrevocably deposited if that be the concern of the individual. Ninety-nine percent of the people in our community that we are doing this with they are irrevocable.

We then visit about if they want to pick out merchandise, if they want to actually pick out the services that they would receive at the time of death or if they simply want to put money away toward future funeral services. We have to visit about these things.

The greatest interesting thing that we have found is that they come in and we visit and they expect to be there for maybe 15 minutes to a half an hour. Three hours later they are walking out.

They had no idea we were going to visit about so much, so that would be the normal routine at our funeral home.

The CHAIRMAN. OK.

Mr. CORSON. I hope that answered the question eloquently enough in the time that I had.

The CHAIRMAN. We may have some other people in the audience ask about that. Maybe in the last 2 minutes if I could ask Mrs. Gabriel, you, your organization, AARP is involved in some consumer protection or consumer policing and you call it shopping. Could you tell us a little bit about that and how it works in Iowa or what you found or anything that might be important for the consumers to be aware of?

Mrs. GABRIEL. I wasn't personally involved, but I think there were approximately eight communities in the State of Iowa where the volunteers had a list of questions to ask. In other words, it was comparison shopping again, but finding out answers and they found that about 10 percent of those contacted were not in full compliance with the FTC rules.

The CHAIRMAN. OK. Now, I think—can I have the cards please from my staff? Thank you.

Ms. Fuller. Sure.

The CHAIRMAN. OK. We'll call on—I think it is Debra Warnick; is that right? Would you stand? If I call on anybody and you are not comfortable in speaking I can read it, but go ahead.

Mrs. Warnick. OK. I want to know—the reason my husband and I bought ours is because they had a great big ad in the paper that said Vietnam veterans and why can't they be held responsible for some of this because they—you know, they backed it up.

The CHAIRMAN. I think this would be in your area, Mr. Britson.

Mr. BRITSON. Well, perhaps it is in no one's area. In any type of business they are not allowed legally to make false statements or misrepresentations. It is not uncommon in many cemeteries to have a section dedicated for veterans. It also is not uncommon that in some cemeteries as an offer or a sales promotion they will offer a free space for a veteran and often times that is the entry point of the discussion with them. I do not recall the ad that you are talking about, but as long as what they are saying they are going to do is a truthful statement, as long as there is no misrepresentation it would not be a violation of the law to make a special offer related to a Vietnam veteran.

Certainly that is an offer just from the cemetery. It certainly is not from any veterans group or anything of that sort.

Mrs. Warnick. Well, after all this was over we—you know, we just decided we are not going to make any arrangements, you know, if the State has to bury us fine. That is just the way we feel about it. All right. We got these two plots out there. Why can't we give them away to somebody that needs them? Why—you know, we were told that we could not do anything. They had to sit there, you know.

Mr. BRITSON. Actually that would be an incorrect statement.

Mrs. Warnick. That is what we were told.

Mr. BRITSON. If you have purchased burial rights normally you do not purchase what is called fee simple title. It is not the same as owning a house, but you have an interest in real estate or a con-

tractual right and you have the ability to transfer that and you should be able to go to the cemetery and have that transfer recorded so that that change of ownership can take place.

Mrs. Warnick. Well, they said we could sell the one, but not the one that we got through the Vietnam veterans. This is what we were told. We wanted to sign them over to a nursing home or if somebody in here, you know, needed them, you know, and they told us we could not do it. This is what I was told.

Mr. BRITSON. One question that wasn't asked is whether or not we as an agency, and I did not think to mention that in my opening comments, receive complaints. We do receive complaints and when we receive those complaints we have an investigator that seeks out information and we try to mediate or work those complaints out. Sometimes it is a matter of nothing specifically with the law, but we try and help consumers through that process. In some cases we tell the cemetery that what they are doing is wrong and they have to do the right thing or the funeral home, if it is a funeral home.

I would encourage you—on our materials we have a phone number. There is an e-mail address on the back of the small brochure if you have access to e-mail. Write in, give us that complaint and we will work you through the process. We will help you out.

Mrs. Warnick. OK. The other question I got is I want to know why he was let out of jail. I am sorry. This guy is dying of AIDS and cancer and everything else in jail. This guy should be in jail.

Mr. BRITSON. Actually Senator Grassley is probably more familiar with this than I am. [Laughter.]

The CHAIRMAN. I am not sure I can answer your question, but is it—do we know whether it is under sentencing guidelines and good behavior and all of that that he—

Mr. BRITSON. That would basically be why he was let out.

Mrs. Warnick. I was this far from him in the elevator at the courthouse and he looked healthy to me. I mean, I am sorry, I was this far from him.

The CHAIRMAN. Well, I cannot tell you why he got out, but if you want me to get you an answer I can get a written answer, but I cannot—

Mrs. Warnick. Yeah, I would like to know. I mean, there is a lot of people that have asked and could not come to—

Mrs. BICKFORD. Senator, may I interrupt?

The CHAIRMAN. Yes, please.

Mrs. BICKFORD. Part of the reasoning was his age which I do not recall, but I think it is darn near the same as mine and the fact that he had post polio syndrome. I had Type II paralytic polio when I was 30 years old with five kids at home.

Mrs. Warnick. That is what I am talking about.

Mrs. BICKFORD. Yeah. Why should he have gotten out for no good reason?

The CHAIRMAN. We will get you a—we can get you an answer. Unless it is covered by some privacy statute which I do not think it would be we can get you an answer.

Mrs. Warnick. Well, I would sure like to know.

The CHAIRMAN. Now, evidently even after you gave your—this is anonymous, so I won't give the name. You gave the steps for pre-

planning. This person asks the panel members to go through it again. Could you do it a little more quickly than we did the first time?

Mr. COLSON. Sure.

The CHAIRMAN. You did a very good job the first time.

Mr. COLSON. Well, thank you very much.

The CHAIRMAN. Maybe just the important steps.

Mr. COLSON. OK. Here it is and I wrote these down. Again, licensed funeral service professionals should be selected to discuss the actual and total cost of the services desired. That professional will need to have a sales permit issued by the State of Iowa and that professional's business will also need to have an establishment permit.

You need to determine if the agreement is to be guaranteed or non-guaranteed as to services and merchandise. The agreement should be funded by a vehicle that is a hundred percent trusted and FDIC should offer some way for insurance to be appropriately monitored and be kept safe, that it grows at a good rate of return for the recipient and is a hundred percent transferable and assignable, also that the contract or the agreement meets the human services requirements of the State, if the recipient is on Medicaid or Title 19 for our point of discussion.

The consumer also needs to know what is done with any excess funds when a pre-need agreement turns into an at-need no matter if the agreement is a guaranteed or a non-guaranteed agreement.

The consumer also needs to be made aware of the current State of Iowa Recovery Program concerning Medicaid and Title 19 recipients. The consumers should be made aware if there are any cancellation clauses within the revokable agreement in the event the contract is revoked and also they should make sure that—this is why we would be so concerned that all suppliers and sellers of funeral service merchandise be covered under the same laws as we are. Not so that we are on an even playing field as much as consumer protection, so that these types of things can be thwarted the way they are supposed to be. I hope that helped a little bit more. If not, I can visit with you afterwards or stop in.

The CHAIRMAN. A question just for my information.

Mr. CORSON. Yes, sir.

The CHAIRMAN. The point you made about cemeteries and other type planning that is not under the control of just the funeral director, is your national association working toward that, urging that on the FTC or have you not had a position on that yet?

Mr. CORSON. The National Funeral Directors Association does have a position that strongly supports the revisions and also the encompassing effect that the Federal Trade Commission is eyeing and looking at very, very closely to encompassing all suppliers of funeral service merchandise and related merchandise to fall under the same rule. Yes, the National Funeral Directors Association supports it and the Iowa Funeral Directors Association supports it and Cal Corson supports it.

The CHAIRMAN. OK. Now, the next person is Stacy Lewis and did not ask to remain anonymous, so do you want to stand up?

Mr. LEWIS. I think part of my question was just answered. I'm Stacy Lewis, a third generation funeral director, getting there, Cal,

and I own a funeral home in Columbus Junction, Stacy Lewis Funeral Home; also a funeral home in Muscatine, IA, Stacy Lewis Funeral Home; Memorial Park Cemetery in Muscatine and also just divested a granite company, so I feel like I know the business very well. I feel like I know the personalities in the business fairly well also and I think we all realize that 99 percent of the businesses in Iowa and probably across the Nation or especially in Iowa are all honest and there is a few that need Dennis' direction, but also in talking with—what Pat was talking about, the direction that some of the businesses take I think Dennis could answer a quick question yes or no. Was the gentleman that owned Clinton Memorial Park, was he a licensed funeral director?

Mr. BRITSON. Actually he wasn't, no.

Mr. LEWIS. Was the one at Merle Hay a licensed funeral director?

Mr. BRITSON. He wasn't.

Mr. LEWIS. I think the issue here is even though there is honest—99 percent honesty in funeral homes and cemeteries and monument dealers and third-party sellers out of the malls, I think one of the things that need to be directly addressed is the FTC and where that issue is going with compliance with the Funeral Rule, not only for funeral homes who seem to be actually complying, you know, in a large degree according to the GAO account from information that we got from your office, Senator, and AARP said about 10 percent were not complying. That is relatively low. What does the FTC know about others that they do not cover which would be cemeterians, monument dealers, third-party sellers which I am not all that anxious to have more Government regulation in my cemetery or my monument company, but it seems as though there has been a great lobby effort to keep the FTC out of the cemetery and out of the monument dealers and focus on the funeral homes when actually where is the problem? The problem is not normally with the licensed funeral director.

The CHAIRMAN. Thank you. Now, the next person does not want to be anonymous and that is Margaret Strehl; is that right? Did I pronounce it wrong?

Mrs. STREHL. Oh, you did very good.

The CHAIRMAN. OK.

Mrs. STREHL. One of the things—questions I wanted to ask is about a director, funeral director. Is a funeral director the same thing as a mortician?

Mr. CORSON. Yes, ma'am.

Mrs. STREHL. Is it?

Mr. CORSON. We wear a lot of hats. We run from undertaker to mortician to funeral director. I think really what we should be called is funeral service option provider. All of those are us. Generically the mortician was the one that actually prepared the body, but as it grew out of that it kind of encompassed the—all of the activities that a funeral director does in his day-to-day routine.

Mrs. STREHL. What I understand is Mr. Galbraith wasn't a mortician, was he? We were under the impression that he was.

The CHAIRMAN. Mr. Britson will have to answer that.

Mr. BRITSON. Actually Mr. Galbraith was the owner of the funeral home and the cemetery. There are certain things under the

State regulations that was mentioned earlier, the Board of Mortuary Science Examiners. There are certain things that only a licensed funeral director can do and any funeral home needs to have at least one funeral director to do those things, so he had hired funeral directors, one or two, that were employees that did those types of activities.

Mrs. STREHL. OK. Now, would these directors then be salesmen? The one that came to our house was a salesman. We should have asked for credentials on him which we did not.

Mr. BRITSON. It is possible that a funeral director would also do some of the sales activity and, in fact, that is part and parcel in some cases of what Calvin was talking about earlier. When you go in to pre-plan and as you start to enter into a purchase obviously the funeral director is most often the person that you are talking to about a number of these things when you're at a funeral home especially if it is a small funeral home with a rather large staff.

Mrs. STREHL. You know, we got a call from WQAD. In fact, we had a couple of phone calls in the last 3 weeks and the last call we got was from Senator Grassley's office. I was wondering what is going on here? WQAD then came to our house with my permission and my husband was on television on this segment from WQAD and Mr. Galbraith, I mean, I guess we can call him a gentleman, has ended up in Madison, WI, in under an alias. Like the lady asked, well, why was he—why did he serve no time in jail? Actually he was in a halfway house, so here he is in Madison, WI, under an alias apparently according to this program that my husband was on and, Mrs. Bickford, I think you too were in on it, weren't you?

Mrs. BICKFORD. Uh-huh.

Mrs. STREHL. But here is he up in Madison, WI, and he was living in this condo with four bathrooms and I do not know what else and then he ended up in a house somewhere. The WQAD reporter was knocking on the door and he was peaking through the window and so why was he out loose again and he will probably do more damage. Who knows.

Mr. BRITSON. Some of that is unfortunate. Some of that is a potential concern. All I can say is that at the Iowa Insurance Division we take enforcement steps—when it gets to the point where we believe that there is a need for criminal action of a court case we take that to the Attorney General or to the County Attorney in the applicable county. We provide them with information. We recommend prosecution. We will assist by being witnesses. We assist by putting together information for the County Attorney or the Attorney General. Whenever you have that type of a case obviously they go into the court system and from the minute that that starts we have no control over that, that is the court system.

Senator Grassley can look into why perhaps he was released. I don't know why he received probation if he did receive probation. I do not know why his length of his term in prison was the length that it was.

Mrs. STREHL. OK. One more thing. We had ours paid for, a pre-financed, pre-planned or pre whatever. We had ours paid and it was ridiculous. It was over a thousand dollars. We got some back.

Now, we are paying almost a hundred and ten dollars a month for insurance to be buried. You know, really is this fair?

Mr. BRITSON. One of the things that is unfortunate is that even if you have the best law that you can have, even if you have enforcement of that law—and Iowa actually has a pretty good law and we have been trying to enforce that law. Regardless of what you have on the books there is always the possibility that someone will engage in theft, that there will be violations and you cannot prevent that from happening. We do the best we can to detect it and to do enforcement when we find those, but in 1990 we did have a little discussion of that concern because these are large amounts of money. For people like yourself those are amounts that is hard to replenish or replace especially at that point in your life.

We did actually have a discussion in the 1990 legislature where there was a proposal for a victim restitution fund. That did not succeed. We may talk about it in the Iowa legislature again or perhaps they will talk about a Federal victim restitution fund. One of the problems is funding that fund, to make sure there is money there to pay those claims if you have claims especially when you have a case with millions of dollars of monies that have been lost by consumers.

We did assist people. For those who had insurance policies we assisted in the filing of insurance claims. Some of the local funeral homes and cemeteries made offers to consumers to buy a new contract with them, credits as they are called, but the sad thing is that, yes, the Clinton case is an example that there are losses at times and you do need to be cautious. That does not necessarily mean that you can prevent this from happening. Just try to be conscious.

The CHAIRMAN. Mr. Britson, from another person, are the Board of Directors of public cemeteries required to keep a record of perpetual care contracts issued to stockholders?

Mr. BRITSON. There is a provision in our State statute that requires a cemetery to keep records of each sale for which perpetual care applies. First of all, let me step back just a minute. There are some cemeteries where there is a charge for what is called in Iowa perpetual care which means that a certain amount of money, part of what you pay to the cemetery, is required to go to a trust fund and sit in that trust fund so that the income from that is there to take care of the care and the maintenance, mowing, taking care of the things that a cemetery needs to take care of. If they are a perpetual care cemetery they tell you they are a perpetual care cemetery. They have legal requirements and one of the things we look to see is whether or not those amounts are being deposited and to take steps if they are not being deposited, so there is something that they are required to have and it is something that we look at in our audit process as to which payments are involved for perpetual care.

The CHAIRMAN. Another question for you, three parts. How will the board of the cemetery pay the deficit? How can new members get on the board of the cemetery and do they have to abide by the open meetings law?

Mr. BRITSON. The good thing about three questions is I probably can't answer two of them.



The CHAIRMAN. OK.

Mr. BRITSON. Feel free to—

The CHAIRMAN. Then what I will do is I will give you the name of the person and then have you respond in writing.

Mr. BRITSON. Feel free to contact us. I am not familiar with the open records law just off the top of my head and as to whether or not it would apply to the Oakland Cemetery Association. For those who are not aware, the Oakland Cemetery Association is an association, a cemetery located here in Clinton, IA. In fact, we recently did a press release with respect to that fact situation.

We had received contact from the Clinton County Attorney, someone concerned about whether or not the cemetery was doing what they were supposed to do. We looked at the cemetery, found out that they did not have a license with us as they are supposed to, had not filed an annual report as they are supposed to. They have now. They do have a license now. They have started to file annual reports.

We also found out that they did not have a trust account the way they were supposed to. They now do. They have done that. They also now have a trustee to look over that trust account.

In the agreement one of the unfortunate things is that this happened because the cemetery did not have a lot of money for care and maintenance, they were struggling to get by. The agreement requires them to not use all of the income generated from the perpetual care trust account monies that are deposited into trusts and over the period of about 10 years to try and replenish what should have been there to begin with.

The CHAIRMAN. OK. Jay Jacobsen, I think I got your message if you want me to—but if you want to stand—

Mr. JACOBSEN. I would just like to share a concern that I feel and a lot of the statements that have come out of your office—you have continued to characterize the cost of a funeral as one of the highest expenses that most households will have in their lifetime. 15 years ago that would—I would agree with you. When I started in the funeral business in the early 1980's you could buy a Chevy Citation for around \$4200 and you could buy a funeral, a complete funeral for about the same cost. Now, nearly 20 years later the cost—the average cost of a funeral here according to our figures is around \$7500 and I would challenge you to find an American made car you can buy for \$7500.

Also in looking at some of the other household expenses that many of us have I just kind of went through some of the old things that I have experienced. Five years ago I had two children in day care to the tune of a hundred and twenty-five dollars per child per week. In one year's time that's more than a funeral.

The statistics we got yesterday indicate that the average household spends over \$10,000 a year in taxes, whether that be income tax, property tax, sales tax. That is more than the cost of an average funeral. The cost of braces, the cost of weddings, there are numerous items.

We sit and meet with lots of senior citizens that are spending \$200, \$300, \$400 a month in prescription medicines every year, so I would caution everyone to realize that although a funeral can be an expense, it is no longer one of the major expenses that most

households will find. In fact, it has not kept up with inflation in terms of increases in costs. The cost has actually been reduced over time in relation to other items.

The CHAIRMAN. For what it is worth Congressmen and political leaders are guilty of overuse of superlatives. I have already modified my original statement from the news conference quite a bit and I will continue to modify it. I doubt if I will be very precise though because I think it is impossible, but I think you have urged me to be a good caution for all political leaders and that is to be intellectually honest.

Let's see. I think this person wants me to read the question and it is for me. How will Federal regulation of the funeral industry prevent further scams like those that occurred in Clinton? I am not sure that I can answer that question, not knowing specifically all of the details of the Clinton situation, but I think in the perspective of what the Committee on Aging is doing today and what we did through the General Accounting Office report and what we will do at hearings in the future is to rely upon an admonition that has been given by funeral directors today as well as something I need to be reminded of myself all the time and that is that you can pass laws and you are still not going to find somebody that is not cagey enough for a short period of time to finally get around those laws and that is strictly in a fraudulent sense and I guess maybe as much fraud as there was involved in this instance we do not consider fraud the major problem that we are dealing with here. The major issue we are dealing with here is what the General Accounting Office report said, that there is a Funeral Rule and there tended to be evidence that the Federal Trade Commission wasn't doing its job.

A lot of times people see a hearing like we are having today as an indictment of the funeral home industry. There is—under our constitutional power to see that the laws are faithfully executed there is an intent on the part of Congress that if you are going to have laws on the books they ought to be enforced or they should not be on the books and to get the bureaucracy to do their job faithfully executing the laws.

Although let me say this, that I think part of our process here in this hearing would be to make some determination if things that come to our attention like the situation in Clinton—No. 1, if there is legislation that needs to be done should it be done at the Federal level or should it be something that State people on their own initiative should be looking at to see if there is and I think Mr. Britson has already indicated to you that they are looking to the legislature and having discussions of some things that they are thinking about.

To me I always look and maybe I do not do this often enough, but hopefully I look at the Federal Government as not our first resort, but as a last resort and most importantly Federal Government over State Government would have to be involved with a specific power given to Congress like maybe to this extent, the power to regulate interstate commerce, so I do not know—the person crossed their name out, so I cannot ask them if I gave a satisfactory answer, but I think I gave the best answer I could give you for now.

This question does not say for who it is. Well, Steve Lewis asks—can I ask the question or—

Mr. LEWIS. Actually I just want to make a comment if I could. The CHAIRMAN. Please go ahead.

Mr. LEWIS. I want to thank you for having this forum. I think it is excellent for everybody. My name is Steve Lewis. I've been a funeral director for 27 years and I am also third generation and I have funeral homes in Burlington and New London, IA. I think the success of any funeral home depends mainly on two things. One is the reputation that that funeral home has in the community and the other is the quality of service.

Most of us are small businessmen in small communities, 30,000 in Burlington and 2,000 in New London. Everybody knows who we are. They know what we do and they come to us because of who we are. It is because of the honesty and the ethics of our profession.

It concerns me, the shots basically that get taken at funeral service and I think it is important to remember that there are many entities of funeral service. You have funeral homes. You have cemeteries. You have third-party sellers, whether it be on the Internet now or whether it be a casket store and you have monument dealers. We in the funeral service I guess feel or in funeral homes feel we have rather broad shoulders and when there is a complaint or somebody has done something wrong then we always feel it centers on our shoulders as funeral homes as we seem to represent funeral service.

I believe that the Funeral—had the Funeral Rule been expanded to include all entities of funeral service as NFDA, IFDA and AARP wishes that the Clinton situation may not have happened or may have been caught much easier if all entities were subject to the same results and watched over by the FTC.

Funeral directors are ranked among the most honest and ethical professionals by thousands of consumers who participated in a Gallup poll. The Better Business Bureau reports that they receive far fewer complaints about funeral service professionals than they receive about barbers, beauty shops and automobile repair.

The General Accounting Office says that the research with the State agency indicates that there are relatively few complaints about funeral service and I think it has been alluded to earlier. These things are—get to be—the problems like Clinton are tragedies, no doubt and we feel—our heart goes out to those families and I think your local funeral directors have done the best they could in trying to soften that as much as possible, but we are concerned about that and we are very interested in seeing that that does not occur.

The CHAIRMAN. OK. I thank you all very much. I was able to get through all of the questions, at least all of the cards you gave me. Is that all of the questions?

Ms. FULLER. Yes, sir.

The CHAIRMAN. So we will now close on time and if I could say some things in closing that I think are very important because I want you to see Government as a process, not as one thing. In other words, this meeting is part of a process. This hearing is part of a process, so first of all, I owe it to a lot of people that took time

out of their busy schedule, either their business schedule or their work schedule or their citizen schedule that they have to be with us today because all of these folks are very much involved. We thank you for helping make the process of citizen participation involved in Government possible and making it work. You have done that being on the panel. All of you have done that by being here. I hope we strengthen the process of democracy by having open forums and talking about things and I have no hidden agenda here and if anybody wants to ask us what we are planning and what we are up to I will try to answer it as much as we can.

Beyond this meeting and the one in Cedar Rapids all I can say is that my Committee will have a hearing in Washington in our committee room sometime after the first of the year, but I do not think we have a date specifically set at this point, but we can—we can let you know about that. We can let you know after this. That could be the end of it or it could be an ongoing situation after that as well, but I think that from the standpoint of the process that you are involved in this is an ongoing process, not only for this hearing, but remember the process of Government generally is very much ongoing.

I think I can say that as a result of the General Accounting Office, as a result of what we are having here that our Committee's work is just beginning and you can be a part of it. Those of you who came here to tell us about your own personal experiences, very valuable. We do not see that as the entire picture, but those are things that if they can be addressed need to be addressed and it is always difficult for Government to—in other words, it does not do much good to lock the barn door after the horse has been stolen, that maybe you cannot help the people who have been immediately harmed, but you can use those experiences to make sure that it happens less in the future with an understanding that no law is going to be entirely abided by by everybody in a country as diverse as ours.

Also for those of you that asked questions or came here maybe too bashful to say something if you go home and think of something else I hope that you will contact me and not only on this subject, but other subjects unrelated to this. If you feel—I hope you feel a need to do that. You can write me on this issue at the Special Committee on Aging in room G31 of the Senate Dirksen Office Building, Washington, D.C., 20510. The phone number for that office, my Committee office is (202) 224-5364. The fax number is (202) 224-8660. My e-mail is mailbox@aging.senate.gov and I hope that you will pick up all of the literature that we have available and I hope that you will recall what Mr. Corson told you, what—well, you all had some suggestions on consumer protection and everything. That is very important.

We have a list here that I prepared for myself, maybe not as encompassing as some of the other things that have been said here, but I think all pretty good rules. Take the literature and make sure that you do like Mr. Corson said. You know, make sure that you feel comfortable with who you are dealing with. That you do, in fact, shop around and that you ask plenty of questions. I guess we all had suggestions on asking questions.

Thank you all very much for your time and attendance and thank you for your participation.

Mrs. BICKFORD. Thank you. [Applause.]

[Whereupon, at 11:33 a.m., the committee was adjourned.]

# FUNERALS, BURIALS AND CONSUMERS

TUESDAY, DECEMBER 14, 1999

UNITED STATE SENATE,  
SPECIAL COMMITTEE ON AGING,  
*Cedar Rapids, IA*

The committee convened, pursuant to notice, at 2:04 p.m., at the Heritage Area Agency on Aging, Kirkwood Community College, Cedar Rapids, IA, Hon. Charles Grassley, (Chairman of the Committee) presiding.

## OPENING STATEMENT OF SENATOR CHARLES GRASSLEY, CHAIRMAN

The CHAIRMAN. We are here to discuss a subject that is very important, one that affects all of us; funerals and burials. The purchase of a funeral with the accompanying cemetery and all of the other things that goes along with it is a very big purchase for a lot of families.

You can see from the chart here we have from the publications of the organizations involved in funerals, and cemeteries, et cetera, that on average, funeral and burial costs, national average, that is, would be about \$720. So, obviously, maybe in the Midwest it is a lot cheaper and maybe in some more higher priced metropolitan areas it might be a lot higher. As a national average it combines the funeral, burial, monument cost, and I think it is fair to say, at least in the circumstances in which it occurs, funerals are different purchases than people have for buying other things.

Usually, if they are not preplanned, it is a case of people making these decisions when they are in a grieving, emotional state. They obviously, maybe, in that particular instance, do not comparison shop for the best price the way they would if they were to buy a new car or a new house.

We all appreciate, even from the industry itself, the urging of people to make these decisions when it does not come at that particular time of a grieving, emotional state, but not everybody does that. I believe that in the process we need to promote that, or to take that into consideration to a greater extent than we have.

Obviously, the Federal Trade Commission has taken that into consideration with some of the things that they have already put on the books. I believe that many funeral and cemetery providers are reputable. In fact, I guess it would be wrong for me not to say the overwhelming number are very reputable and, consequently, do not take advantage of people in their vulnerable state; however, this industry has the potential for bad actors, just like any other industry. As I said at Clinton, when somebody who is a political

leader in this country goes to jail or asked to resign from office for doing something unethical, it hurts all of us who are political leaders, and it is the same for people of any profession. Of course, I want to believe that Iowa has no bad players.

We talked about the pre-need scandal in Clinton as an example of proof that our state is not entirely free of these problems to protect consumers. The States and Federal Government have enacted laws and enforced those laws. The Federal Government has a regulation called the Funeral Rules. The Funeral Rules is meant to shield consumers from unscrupulous funeral providers. It requires funeral homes to provide an itemized list before consumers buy anything. It prevents funeral homes from billing people for services they do not receive or for charging them for services that are not required.

Without the Funeral Rule, any bad apples in the funeral industry would have free reign over unsuspecting consumers, so on October the 21st I issued a report from the Government Accounting Office that raises questions by the General Accounting Office about whether the Federal rule really works.

The Federal Trade Commission is responsible for enforcing the Federal rules. The General Accounting Office tells us that the FTC cannot provide any reasonable assurance of high nation-wide compliance with the Rules. That is not an indictment of the funeral industry or the cemetery or related associations; that is an indictment of a Federal agency not doing its job. And the General Accounting Office said that one of the faults there is is that there was no structured process for measuring funeral homes' compliance. Obviously, this is disturbing, when you consider there are 22,300 funeral homes in our country that provide more than two million funerals a year.

Now, beyond that, the General Accounting Office report tells us that the FTC frequently does not take action when it does encounter violations of the Funeral Rules. What incentive, then, is there for bad actors to comply with the Rule if they face no penalty for violating?

As a follow-up of that study, I have asked the Federal Trade Commission to explain what is going on from the standpoint of each of the issues that the General Accounting Office has said that the Federal Trade Commission is not doing its work. Our bottom line is that the Committee on Aging wants to know how the Federal Trade Commission can ensure consumers of fair treatment when they walk into a funeral home. My Special Committee on Aging is investigating consumer concerns about this industry. It is important for me to hear from Iowans on this subject, and that is why we have these meetings today in Clinton and in Cedar Rapids.

My committee is looking at the FTC's oversight of the funeral industry, whether the Funeral Rules should be expanded to include cemeteries and other vendors, and whether pre-need arrangements deliver what they promise.

When I say we are looking at that, we have not drawn any conclusions. Obviously, it would be too soon to draw conclusions, but I think you need to know, I do not start out with the premise that more laws are needed or more regulations are needed, although

even the FTC, on their own initiative, is reviewing the Funeral Rules.

In addition, my committee will be examining what consumers have experienced with funeral and cemetery industries across the country. States have laws in these areas and different ways of enforcing those laws, and that is not meant to imply that the Federal Government ought to preempt what States are doing, because I do not ever start with that judgment, that the Federal Government ought to preempt.

In fact, a lot of times I think the Federal Government has preempted in a nonconstitutional way some things that States can do better and probably they, themselves, know of the need to do that.

One thing that the committee has learned is that there is no central place where people can file complaints when they do have a problem with a funeral or burial. And, obviously, we have to be looking for protection for the consumers against the bad actors, and when consumers shell out thousands of dollars for a service, obviously, they should get what they pay for.

Today I have asked a panel of members to join me and provide you with some helpful information about funeral planning, and I would like to spend the first part of the program discussing these issues with the panel after they make a presentation of their own.

I will serve as moderator, then after that I want to hear from you, because whether it is the industry which is present here, national organizations are present, we have people from State government present, we have other private sector people present that are interested that may be wanting to participate as well, but they are here to learn and listen from you. So we did pass out these cards that you can fill out with your indication to me that you want to ask a question or make a comment, and then when we get to that portion of it, if you want to remain anonymous, as the card says you can if you want to, I will read your question; or if you want me to call upon you, then I will call upon you and ask you to stand and speak there. My staff will pick the cards up so that we can do that.

I want to introduce the panel now, but before I do that, I just want to set in motion—or in your own mind—two things that are kind of unrelated: No. 1, remember that this meeting is not the end of everything. This is part of a process that started maybe a little less than a year ago when we asked the General Accounting Office to look at this. The General Accounting Office make their report. We have hearings in Iowa and Washington, and maybe elsewhere around the country. So whatever you say or do not say today, it can be modified, and we will be open to listening to you, maybe not as directly as we can today, face to face, in the future. So I will hope you will think of yourself as being part of a process and not just attendance at a meeting, because that ought to continue for a few months into the future. How long, I do not know, but at least some-time into the future.

The second thing is, is to think in terms—or to forget in terms of Congress just being a legislative body; that is what Congress is, for the most part but, also, once laws are passed, to review whether or not they need to be left on the books, to understand are they working well, do they need to be changed but, also, if everything



is just hunky-dory about the way the law was originally written, Congress has the Constitutional responsibility of oversight, and that is to see that the laws are faithfully executed.

In the work of the Special Committee on Aging, we probably spend more of our time on oversight than we do on legislation, and from that standpoint, what we are doing today through this hearing and through others that we will be doing is we are looking at what the FTC was meant to do and were they doing their job and are the laws being faithfully executed, no different than once I had hearings on predatory lending where senior citizens around the country were taken advantage of. We had hearings on that because was HUD and the SEC properly enforcing the laws at that instance, or in this particular instance, what the FTC is not doing in regard to the Funeral Rule.

So I want to now introduce Dennis Britson, who was with us in Clinton. He is Director of the Regulated Industries Unit of the Iowa Securities Bureau, and his office oversees pre-need contracts, among other things. He will give you a lot of consumer information today, as well as respond very well to your questions.

Our second person is Mr. Klinger, he was not on our program over in Cedar Rapids, but he is Director of the Cedar Memorial Funeral Homes here in Cedar Rapids, and he operates a funeral home, as well as a cemetery.

Third, we have a person who was on our program at Clinton, Donna Gabriel, representing the American Association of Retired Persons, which no longer goes by their name, they simply are remembered as the AARP officially, as well as unofficially. She is a volunteer in the organization in Iowa, and a former member of the Iowa Funeral Directors Licensing Board. She resides in Clinton.

And, fourth, a person that is new to the panel this morning, Gordon Strayer. He is President of the Memorial Society of the Iowa River Valley. He resides in Iowa City. His organization seeks to find alternative ways in which to lower the cost of funerals and track costs around the State.

So I thank our panel members, and we will turn immediately, just in the way I introduced you, just successively, go.

#### **STATEMENT OF DENNIS BRITSON, DIRECTOR, REGULATED INDUSTRIES UNIT OF THE IOWA SECURITIES BUREAU**

Mr. BRITSON. Good afternoon. As Senator Grassley said, we are the Regulated Industries Unit, which is part of the Iowa Insurance Division. Is the mike picking me up if I stand? OK.

We have six different program areas that we are responsible for administering and supervising. We have prearranged funerals, the main subject we are talking about here today. There are hundreds of sellers throughout the State; right now we have 471 licensed prearranged sellers.

We also administer the statutes with respect to cemeteries and we currently have 457 perpetual care cemeteries. We have hundreds of what are called nonperpetual care cemeteries that are in Iowa. If you do not know the distinction, a perpetual care cemetery is one which has a trust fund and money set aside so that the income can help take care of future needs for the care and the maintenance of the cemetery.

We also regulate motor vehicle service contracts, residential service contracts, business opportunities, which are like franchises, and we also have continuing care and congregate living retirement facilities, where people pay money in order to have a unit at a retirement facility and live in that unit.

We have a number of brochures which are designed to give you information to help you through the process of arranging a funeral or planning a funeral. We have a brochure that has been created, sort of a short informational brochure. We have a couple of small brochures or pamphlets, one deals with cemetery merchandise, markers and memorials. We also have one on most types of funeral merchandise. But as you get into this area, one of the important things to know is that there is a distinction between planning for your funeral and actually entering into a prearranged agreement with respect to that funeral.

If you go into a funeral home or cemetery, most of them will have some type of a document—and we have provided one in our materials today—that goes through the process of putting down some of your preferences and some information with respect to planning your funeral. As you do that, some of the things you are going to hear from the panel today, it is important to shop around, to get information, to ask questions, and it is important to ask questions about the prices that you will face. One of the things that we did was just to create a page that you can take from the materials that could be used as a shopping tool to go around and get prices.

You will also find when you go to a funeral home or cemetery that they will often have a form like this they will utilize in their process. But this, in part, is to emphasize that what you want to do is to get specific descriptions of what you are thinking about buying, not just that it is a casket, what type of casket, is it cherry, walnut, who is it made by, so when you go by another funeral home and start doing comparison, you know you are comparing like items.

It also helps in the sense of reminding you you have a lot of different items and you can purchase them from different sellers at different times, but you also need to look at the entire cost and make sure you are comparing everything you need to compare and looking at the cost involved.

Finally, for those of you who like to have detailed information and read through, we do have a larger booklet or pamphlet. It is, although it is larger in a readable style, and I think it will help you through the process.

We also did just a very short page with some tips, and one of the things we will be talking about this afternoon are the points or things you should be thinking about or asking about or doing. The first of which, and the most important of which, is to get information and to ask questions. And I think that I would emphasize that most of the funeral homes and most of the cemeteries will help you through this process. They are happy to do that.

The CHAIRMAN. Mr. Klinger.

**STATEMENT OF JAMES KLINGER, PRESIDENT, CEDAR MEMORIAL AND TURNER FUNERAL HOMES, CEDAR RAPIDS, IA**

Mr. KLINGER. Thank you. My name is Jim Klinger and I am President of Cedar Memorial and Turner Funeral Homes in Cedar Rapids. I would like to thank Senator Grassley and the entire committee for having us all here today, because I truly believe that only through education can we help everybody, whether it is AARP or anybody, and I think anything that is good for funeral service is going to be good for the consumer.

I just want to set the record straight on one thing, Senator, in the very beginning you made the comment that the average funeral service, you thought was around \$720 when, in fact, I think it was \$7020. Anyway, I want to set the record straight.

The CHAIRMAN. I am gun-shy.

Mr. KLINGER. I am a first generation funeral director in Cedar Rapids and very proud to be. I got into this profession many years ago. I left a family business because of one thing; that is because I truly believed in what I was going to do. I truly believed it is one of the highest ethical morale type of professions you are going to get into, and to this date, I have never been let down.

Funeral directors, as many of you know, are on call 7 days a week, 365 days a year. And a lot of the organizations, and I believe a third of the funeral homes that are members of the Iowa Funeral Directors Association, are kind of a husband-and-wife type operation where they have got to be there all of the time. That means they have got to be there to answer the phone, they have to be there to make the removals, they have got to be there to comfort the family, make the service. As far as members in the IFDA, a lot of them are, say, fifty calls are less, so they are in a situation where they cannot hire a lot of people because definitely their overhead would go up under that type of a circumstance. But we will get into those type of things.

I truly believe, I think IFDA, their stance on this too, is anything that is good for consumers, like I said, is good for funeral service. I invite questions, and I think the consumer research under the FTC program and everything else is excellent, and I think what you want to do is make this more of an informative meeting today, and I think it is wonderful. I thank you for that.

The CHAIRMAN. If you are done, Mr. Klinger, we will move to Donna Gabriel.

Mr. KLINGER. I am.

**STATEMENT OF DONNA GABRIEL, AMERICAN ASSOCIATION OF RETIRED PERSONS, AND FORMER MEMBER OF THE IOWA FUNERAL DIRECTORS LICENSING BOARD, CLINTON, IA**

Ms. GABRIEL. I am glad you remained seated, now I can too, like an old lady. I do represent AARP. As Senator Grassley said, we have now dropped the American Association of Retired Person's title after it. I want to say one more thing, that is I have been a volunteer for 12 years and the first thing they taught me was you do not say AARP; it is AARP. I said, "If I hear somebody said AARP today, it is like a fingernail on the chalkboard." Why is AARP involved in this hearing today? We really care about our members, our senior citizens, and we want to give them all of the

information, all of the help that we can. We are concerned about their well-being. We want to give them assistance where it can be of help to them.

AARP, the public policy division, recently completed five studies regarding the funeral industry, and these I believe included a cemetery, a mystery shopper, findings from a national telephone survey, from a five-state telephone survey, and funeral and burial planners survey. Then also—that was on the national basis—in the State of Iowa, AARP volunteers did a survey in about—I think it was eight communities in Iowa. They had a list of questions that they asked each funeral home and funeral director, and from that found that about 10 percent were not in compliance with the Funeral Rules. Now, that is quite low. I think the national average was near 30 percent, so we are not too far off in Iowa.

The Funeral Rule has been in place since 1982, and at one time there was an amendment to it, or several amendments, and now we feel that it needs some updating again. So in August 1999 AARP submitted formal written comments along with these five studies that they have done, and what we want and what other organizations as well want, is that not only the funeral homes are governed by this, but also the cemeteries, the vault companies, anyone who provides services or merchandise to individuals.

I had the privilege and the honor, I guess, of serving as the first public member of the State Licensing Board for funeral homes. I am not sure of the year, it was a few years ago, but it was a very interesting experience for me. Dennis mentioned what to do about complaints and so forth. You did then, and you still can, file a complaint against a funeral director or cemetery to this board. I only remember that we had two cases in the 7 years that I was on, but we acted as a judge and jury and had a hearing and so forth.

If you are as old as I am, you probably know the expression the "old pine box." Well, the pine boxes today are not an old piece of junk. They are a beautiful piece of wood and casket. What happened was this gentleman who lived in central Iowa had two daughters, one lived in California, one was a reporter for The Des Moines Register in Washington. Apparently, there was not a lot of love there, or they did not get along too well. But when he died, the daughter just said, "Oh, spare the cost," or whatever, "just put him in an old pine box." Well, the pine box was a little more expensive than she thought it should be. So this is what can happen with misunderstanding and lack of communication. The funeral director was at fault, and so were the daughters at fault, so we did have a hearing, suspended his license for 3 months. But this can happen. It was nothing anybody did deliberately but, again, it was a misunderstanding. So we want our members to be aware of things that can happen. We are not condemning funeral directors by any means, but this is why I am involved.

The CHAIRMAN. Mr. Strayer.

**STATEMENT OF GORDON STRAYER, PRESIDENT, MEMORIAL SOCIETY, IOWA RIVER VALLEY, IOWA CITY, IA**

Mr. STRAYER. I had suggested that I be able to be prepared to respond to questions in about four different areas, and I have written out the questions that I will try to—

Audience Member. Would you bring that microphone a little closer?

Mr. STRAYER. Is that better?

Audience Member. Thank you.

The CHAIRMAN. You can go ahead and answer your questions right now, if you want to.

Mr. STRAYER. Fine. The first question was what do consumers need to know about planning a funeral, and I think that has been pretty well answered already by Mr. Britson. The main thing is to try to know what you, as a future deceased or family member for whom you are planning the funeral, would want done. That gets the nature of the service and the music and who is to speak and so forth, especially the disposition of the body, whether it is to be burial or cremation, potential pallbearers, if appropriate, then a close estimate or quotation of cost. I think the future deceased is quite within his rights to insist that his family not spend a great deal of money on putting away the body.

A person should know in planning a funeral what restrictions might be imposed by the mortuary; for instance, must you buy a casket from that particular mortuary, that might enter into your thinking. What do consumers need to know about planning for the cemetery? Certainly, they would want to know the location, whether it is back in the old hometown, many States away, whether it is near the site of death; what sort of condition that cemetery is in. If it is one back in the old hometown that the person has not visited for a few years, they might be surprised as to the condition it is in, either very good or not very good condition.

The question of ownership enters into it. Is it a municipal, church-related, or church-owned or commercial cemetery. Is it a for-profit business. Restrictions on the use of—the cemetery's own restrictions on use, whether it insists on buying products that the cemetery happens to sell. I guess I would want to know about the financial condition of a cemetery. There are a dozen Iowa cemeteries now under ownership of a national group—international group, actually, headquartered in Canada, a firm that is now in bankruptcy. What is going to happen to those cemeteries?

What do consumers need to know about purchasing a pre-need agreement? I guess I would start with the thought it is potentially—it is not necessarily, by any means, but it is potentially risky, as I think everybody, including our friends in the funeral industry would know, inasmuch as nobody knows what the future is going to bring, you do not know where you are going to die, for instance, or how far away you are going to be. You do not know, by that time, who will be around to go to your funeral. You could have—make the arrangements. Your own friends and relatives may all be gone by that time, there would be nobody to come to the show; terrible thing to contemplate.

You need to know whether when arranging a pre-need agreement whether you are talking about immediate burial or cremation and

are the pre-need agreement charges better left to the charity—I mean, immediate burial or cremation and the cost of an expensive funeral might better be left to a charity or one of your family—some of your family.

You need to know about the funeral home that sold the agreement. It could change ownership, it could go bankrupt. The money could not be protected as it is supposed to be by law, you do not know about those things. Our Memorial Society and national group simply says advance planning is great, you must do it. But we say think hard about advance payment, save the money yourself, put it in a trust or a CD or whatever and make your plan known so the money—you know that money will be there.

I was asked to speak to the goals and philosophy of the Memorial Society of the Iowa River Valley. I would just say we are the only active society in the State and we are not very active, sorry to admit. I am very sorry, since I am the president. I know how inactive it is. I think the very first Memorial Society in the State was established by Mr. Ely over here in Cedar Rapids in connection with the Unitarian Church. But when I am asked about it, I say I have got to try to explain to them our purpose and functions by noting that we are all mortal, we have all got to go sometime. If you can accept that, then does not it make sense to prepare for that time to the extent you can, to reduce the pressure on the families, as we have talked about here. To recognize that they are going to be facing the need to make some disposition of your bodies and deal with financial matters, dispose of your personal property and so forth. If anyone can accept that, then they surely would know if they are willing to—they should believe if they are willing to become an informed consumer. You will not have to mortgage the old family farm to pay for these services. And a logical place to start is planning and placing the disposition of one's body to get the information you need to have an informed decision.

I am delighted to know of the publications that Dennis spoke about here. They were some I certainly had not known about. You can get the same kind of help from your funeral director. They will have those same questions. But these are the things that need to be thought about. Someone—how am I—

The CHAIRMAN. Go ahead.

Mr. STRAYER. In terms of becoming a member of our Memorial Society, there is an application to be filled out. We have—we do ask people pass an examination; we examine them to see if they have \$10 for a family membership—a lifetime family membership. We ask them to pay \$5 in dues each year for the mailing costs and so forth, but we do not go to court if we do not get it.

I mentioned we have very low profile here. It is a problem, I will readily admit, of leadership, getting people. For some people— young people do not get interested in this for some reason at all, and the older ones get older and older. So we badly need in our organization new leadership, starting with a new president, and we need a secretary and we need people dedicated with this cause, and then enough youthful energy to work at it.

You ask what we have done on our programs. In the past we have held annual meetings in topics of general interest, such as changes in the law requiring the greater share of pre-need pay-

ments to be held in trust, to body and organ donation, wills and trusts, so forth. We contacted high school teachers who teach consumer units, home ec teacher, whatever area it is in, and we have made presentations to their classes on request. We provide books to libraries, Hospice and so forth. We have talked in public meetings, I have published a little newsletter to promote our own activities and pass along national news.

Our main focus is information, that is really all we have to sell, all we have to talk about. We have a membership information packet that does much of the same things that have been mentioned here, but in addition to that, we have information in there on body and organ donation, for instance, and we do make an effort to do price comparison.

I have been doing a survey every year or so in our community and asking prices for very specific levels of service, because I have to say, while FTC requires a general price list, no two of those seem to be the same. People find it terribly hard to compare the cost of service one place to another. But we have also discovered that price is certainly is not even all, or even most important to a lot of people. To those to whom it is important, we think these comparisons can be helped. I provide worksheets for people, out-of-town members for whom I do not have price information, but they can use our worksheet and go to their local funeral directors who will help them develop a price that they can then compare with another one, if they want to.

I think that I have—we publish a series of little pamphlets that are useful, very much along the lines that Dennis has. We have some he does not. I even made a pass in the last year at getting appointed to the Iowa Board of Mortuary Examiners. I was not at all surprised that I did not make it, because I identified my interest very thoroughly because I knew it was unfair to do so. I identified my Memorial Society interest, so I was not too surprised not to become one of the—not to be appointed to the one public vacancy that came up. And I think that that is it.

The CHAIRMAN. What we will do now—and I want to ask the panelists some questions. I think some of these questions Mr. Strayer has already focused on, so to the extent to which Mr. Strayer has already answered these, I guess I would ask the other three if they have anything that they want to supplement. The first one would be what consumers need to know about funeral planning. Would you want to start with that, Mr. Britson?

Mr. BRITSON. OK.

The CHAIRMAN. Without being repetitive of what Mr. Strayer said.

Mr. BRITSON. I will try. First of all, one of the difficult things about doing two things on the same day in different places is remembering what you said and when. I thank Donna. I think she reminded me of something I did not say here, and that is with respect to the filing of complaints. There are several state agencies that work in this area. On the brochures that we distributed, which do have our address, our phone number, there is an E-mail address on the back of one of the brochures. If you have a complaint, if you have a concern, if you have a question, if you need help, you can contact us at the Iowa Insurance Division and we will try and help

you. Sometimes we mediate a complaint to try and get a resolution, sometimes there is an actual concern and we need to look at this concern.

We also, if a complaint comes in and we are not the one to handle that complaint, we will do a referral. Oftentimes that referral is the Board of Mortuary Science Examiners, which is part of the Department of Health. They work with at need funerals where there has been a death, as opposed to where you plan your funeral and purchase it in advance, the area we regulate.

We also, in many cases, work very closely with the Attorney General's Office, especially the cases where there might be something that would be considered to be a misrepresentation and we would be happy to get you in the right place.

In terms of things that you need to know, one of the biggest things you need to know is what you are buying, why you are buying it, or perhaps the question is why not? Why might I not need this? Understand there are a lot of different sellers out there, there are funeral homes, there are cemeteries, there are monument dealers, you even have things such as casket stores that have started to become a possibility. You have different people you can buy merchandise from in different places, and it does pay to shop, it does pay to compare and get information. Keep in mind you have lots of options, you have lots of different products, lots of different services and you can make the choice. You can decide what you want and what you do not want.

In terms of controlling your funds, some of the comments that have been made, you need to look at whether or not you are entering into a contract and prepaying for something, or whether or not you are just planning for something. If you are prepaying, you need to be cautious about that fact situation. You need to find out what will be done with your money.

Under our statute that we administer, you can place money in trust, that is one option, and the statute requires at least 80 percent of your money to be set aside. You can purchase insurance to fund that arrangement, that is an option you have. Some of the sellers will purchase a surety bond, which they file with our office, to guarantee they will have performance when the time of need arises.

With some types of situations you have merchandise and that sometimes can actually be purchased and delivered or set aside for the time that you need it. Now, there are things that you want to do to make sure that those things are happening, so if they tell you money is in trust, it does not hurt to ask them for something to confirm your money actually has arrived at the bank. It is not necessarily a bad idea to check up on that periodically to make sure the money did not disappear from the bank. If they say they are using insurance, or if you ask to use insurance, it makes sense to ask to see the insurance policy or certificate, that there actually has been insurance issued.

If you have merchandise, you should make sure that merchandise is in your name, that you have title to it. There should be some sort of certificate or document that shows that you own that merchandise, and you have a right to ask to receive that.



Under our statute you have options just like you have options when you go out to shop. You do not necessarily have to have a formal trust account. One of the most common ways of funding a funeral or burial is to use a certificate of deposit at a bank or another type of financial institution that is made payable on death. You actually retain your funds until the time of death and that is an option for you. If you have any questions, I would encourage you to sit down and ask them. Do not be timid. That is part of what they are there for. Make them earn their money. Ask them questions. Questions are the key.

The CHAIRMAN. It might be somewhat repetitive, Mr. Klinger, but maybe you practice this every day. It might be good to hear, even if it is somewhat the same thing from what Mr. Britson said, but also maybe you can add to that the planning for burial as well as pre-need arrangements.

Mr. KLINGER. Sure. I will go through a couple of your questions here. Is that OK?

The CHAIRMAN. Yes.

Mr. KLINGER. I concur totally with Dennis Britson. I think letting the buyer beware. I think the FTC set the rules for the general price list and that pretty much satisfies that to the average consumer.

In this day and age, funeral service is offering to the consumer more options than they have ever had before. They are talking about funeral service. We are actually taking people from grade schools around for tours, we are doing seminars, we do job shadowing. So as far as death education in the public, we are probably doing more of that than we ever had in the past.

What a family should know about planning a funeral service; First, I truly think it should be the total family involved in that. In this day and age where you might have broken families, it is good to go ahead and have as many people come in on that; if not, you can imagine the arguing with siblings, and the funeral directors here today, I am sure, you can concur with that. So we try and elicit as many family members as possible.

With regard to making the actual arrangements, I think it has been said that there is probably over 150 decisions that you actually have to make. Sometimes the bad thing, if a person dies today, you are asked to come in to the funeral home within 24 hours and make the arrangements and have a service conducted within 2 or 3 days, and I would agree, it can totally be very confusing for a lot of people.

The general price list can be confusing for a lot of people. If I bring a person in and try to go through all of these items one for one, kind of itemized type of thing, it is very hard for them to understand, and probably for the most part, a majority of people actually forget that. But the rule has been set up for the consumer, the consumer can take the general price list, compare prices and go to other funeral homes, and for that fact, I think it has probably succeeded.

Arrangements for cemeteries; Dennis Britson brought up quite a few things, but when we deal with a family that comes in for a cemetery lot, we ask them if they have other relatives there, if they have loved ones they would like to be buried next to. We try to

fully inform a family of what their options are. A lot of people think it is traditional, side-by-side burial when, in fact, today they have garden crypts, cremation options, and things have really changed over the last so many generations. We try to bring a family in and inform them as good as possible, inform them with all of the options with funeral service and burials.

The way we handle complaints is, No. 1, to go do it in an exact and orderly manner as soon as possible. We try to not let a complaint fester with a family and, hopefully, that complaint can go directly with the funeral director that handled the situation. Actually, I have to say, nine out of ten of those are resolved that way.

I know that complaints coming into the Iowa Funeral Directors Association, of which I believe there were only two in the last so many years, were handled just directly over to phone. I think all of us know this in our personal lives, if you just communicate better and deal with issues like that, they are probably resolved in an effective manner. If not, a person can go ahead and get in touch with the Iowa Funeral Directors Association or Board of Mortuary Science or Dennis Britson's office. So, yes, there is a channel for any major complaints or anything that can happen with funeral service.

As far as pre-need contracts, I totally agree with you. We have got to go ahead and let the buyer be aware of what they are buying. After they sign the contract, make sure this is what they want, they have a 3-day cancellation policy. Let people know about the cancellation policy.

For those of you who are getting into a funeral pre-need contract, make sure you know what will happen if you would pass away out of state, are there any provisions for that type of thing too. I totally agree with shopping around, take the general price list, but when you are shopping around make sure you are comparing apples to apples.

Some funeral homes, in their cremation charge, not have the actual cremation charge itself. It just has the cremation overhead charge. Some people use the actual cremation charge as a cash advance. When you are looking at the general price list, make sure the printing package is part of that. Some funeral homes go ahead and back that out of there; that can be acknowledgment cards, that can be service folders, or that can be a register book. So my only point is make sure you are comparing apples to apples.

Like Dennis said, if you have a description of the casket, make sure it is pretty much in detail; do you know if it is wood, do you know if it is metal, what gauge of metal, the same with vaults. I cannot stress death education enough and its part of the pre-need process.

The CHAIRMAN. Let me follow up with a question for you, a consumer person that was on the panel this morning, he—this is in regard to a special situation in Clinton. This was advice that he said, on retrospect, that he wished he had gone to a lawyer about the document itself. Is there a feeling in this group that this is a good thing, on a pre-need funeral maybe you ought to show it to a lawyer, or do you think it is that simple that that should not be necessary?

Mr. KLINGER. Senator, I think it is definitely fine. Definitely, if they are uncomfortable with the situation, I think they should go ahead and take that. A lot of the things are set forth by the guidelines with the Insurance Bureau anyway. If they are uncomfortable, no, they should not sign the contract Senator Grassley. Is that advice your state regulatory agency would give, or not? I am not trying to put you on the spot that you do not advise that, but I am wondering what thought you have given to it.

Mr. BRITSON. I think what we would say, whether you want to take it to an attorney, a counselor, a friend, a relative to get some advice, the thing to know is if you actually are prearranging your agreement, as opposed to just planning, if you are entering into a contract, like any other contract, you are bound by the terms of that contract. In fact, take a look; a couple of key words to look for are whether or not that contract is revocable or whether or not that is an irrevocable contract. If it is an irrevocable contract, that means that one side of the party cannot get out of it unless the other side of the party agrees to let them out of it. In other words, if you change your mind, you may not be able to change your mind. Even if it is a revocable contract, understand there might be some kind of a cancellation penalty attached to deciding to getting out of that contract. Understand it is a contract, read through it carefully. Anytime you sign your name on the dotted line on a contract, you should look and read that carefully. I know that is hard to do, in practice. We all do a lot of contracts, and you do not necessarily read every word, but it pays off. If you cannot do that, have a son or daughter or friend or relative that might be able to do that for you, take a look at it.

The CHAIRMAN. Yes, Donna.

Ms. GABRIEL. I have two quick things I want to say. One is, in preplanning a funeral, if you are planning out of town, you might want to check what the local customs are, because they can be very different from one state to another and one town to another. We have all been promoting our brochures, and particularly for the layperson, this is called "Product Report, Funerals and Burials, Goods and Services." It is very easy to read, there are not too many pages. It does price comparisons and so forth, and they are on the back table.

The CHAIRMAN. Mr. Klinger, in your experience, do you feel if consumers have a complaint, do they know where to file the complaint or where to go with the complaint?

Mr. KLINGER. Senator, I definitely feel so. No. 1, we establish a relationship with that family, I would certainly hope they take that complaint to the funeral director in charge. More than likely it is a very minor complaint, in our profession, if the hair is wrong or something like that, flowers are not placed correctly. So a majority of minor complaints we can handle by ourselves.

Very, very few—one thing we do, and I think a majority of funeral homes here send out surveys and we have found that 98 percent, if not even more, are completely satisfied with our services, satisfied with our prices. So a survey is one way we can measure the impact of the families that we have on them.

You have got to keep in mind one thing; that when we deal with a family, the one thing we can lose is our reputation, so we only

have one chance to do a good job with a family. As far as ethics is concerned, that is probably the primary response to all of us Senator Grassley. Mr. Britson, how many consumer complaints on this profession would you get a complaint about in the course of a year?

Mr. BRITSON. It varies from year to year. I would say in terms of—if you look at the number of contracts that we have in the State of Iowa, it tends to vary from year to year. But you are talking about 10,000 contracts in a year, in general, somewhere in that neighborhood. We probably get somewhere in the 30 to 60 range in terms of the number of complaints that we receive. Most of those are often just disputes. Oftentimes we just help to mediate those types of things.

In terms of whether or not people know how to get in contact with government if they have a problem, my observation is most people know that the Attorney General's Office is a place to go. And just like we will refer someone elsewhere if we are not the ones to help them, we get a large number of our complaints as a referral from our state Attorney General's Office.

The CHAIRMAN. Ms. Gabriel, have you—I assume in 12 years you have drawn some conclusions about this question: The extent to which you think consumers are getting a fair shake when it comes to funerals and the burials.

Ms. GABRIEL. I cannot get into percentages because they are never right, and without documentation—

The CHAIRMAN. Just your perspective.

Ms. GABRIEL. I feel, personally, my association in my own town of Clinton, that consumers—other than the cemetery problem that we did have—have been good, and I think they probably are most places.

The CHAIRMAN. Mr. Strayer, any thoughts. You did a thorough job of answering your questions. But any thoughts in general about the funeral industry that you would like to leave with consumers?

Mr. STRAYER. Yeah, I might have a couple, and I would like it understood that I certainly do not consider myself, and I would hate to have any of you consider me to be a funeral industry basher. But I do have to acknowledge that it is an industry, that it is a giant one, several of the corporations listed on the big board in Wall Street these days. But I recognize morticians perform a valuable service that very few of us are prepared to do for ourself. I do not think it will ever be popular to do your own funeral. There was a time when families did this for each other, neighbors did it, but the times are quite different now.

I consider my local funeral directors to be my personal friends, even though we are sort of in an arm's length relationship. As far as I know they are absolutely honest and there has never been a scandal concerning them in my town, as far as I can remember.

Having said that, I would like to say that I do consider it most unfortunate they apparently find it necessary to charge the prices that they do, that there seems to be no real price competition, no discounts available around here. I heard some very sad stories when I undertook—when I visited several funeral homes in this area and sought a discount, talked about a discount for members of the Memorial Society. I was assured, though, the FTC—it would not be right against FTC regulation; of course it is not. The funeral

home can give me, as a Memorial Society, a discount the same way my favorite hotel can as a member of AAA or AARP. It is legal. There was just no—it was like talking to a stone wall.

I do believe the Funeral and Memorial Societies of American analysis that the basic problem is—they are all part of it, basic problem is there are too many funeral homes in relation to the number of deaths in this country. Iowa has, what, are we around going on 600 funeral homes? Our death rate—we are pretty healthy around here—could nicely support about 116 of those a year, but we have got 600.

I guess I should say I resent the culture of body disposal that has pretty much been hoisted on the American consumers over the years. Visit some of these fancy caskets, the embalming, visitation and so forth have led a generation of people to come on and believe that is the only way to do things. I know it is important for some people, for many people, to have this one last big show, and for whatever the reason; but, actually, we are one of the very few so-called civilized countries that put our dead on display the way we do, the way it is done here, colored and propped up and so forth.

So I am, for that reason, and especially out of the consideration for the use and misuse and abuse of our resources and our environment—I am glad for a move toward more cremation and I have—because I get to read some of the trade journals, I have been amused in recent years to see the associations suggesting to more and more of their members, in effect, if you cannot lick them, join them. That is why we, for instance, have two crematories, we had none before. We had two established in the same year. It is a growing movement which I think is, relatively, a good thing.

I wish the memorial movement would grow—the Memorial Society movement would grow to the point where it could own or control mortuary services and make it possible to have—continue to have dignified but lower-cost cremation of our own bodies, and those of our loved ones, in a big market for such service.

Memorial Society folks tend to believe it is more important to celebrate a life well lived than a body well preserved. We are very big on memorial services without the body present; that is where we come from. I guess I would like to close with the incident of the woman—elderly lady on her death bed asked by one of her daughters, “Mama, you know, we are at the end. We have got to know what you want to do. Do you want to be buried, or do you want to be cremated?” And the mother said, “I do not know. I do not care. Surprise me.” Senator Grassley. Mr. Klinger is going to speak, but I am going to ask you to send your card information now because when he is done we should immediately go to responding to your questions. Remember, you can be anonymous. If you want to be anonymous—I read your questions and if you do not want to be anonymous, I will call for you to stand up and give your questions. Go ahead, Mr. Klinger.

Mr. KLINGER. Thank you, Mr. Senator. I want to answer, and I do not want to be redundant, and I know it has been brought up over in Clinton, and that is the issue of funeral home prices.

No. 1, I believe strongly in the celebration of a life, and I tell every family, if you want cremation or if you want a direct burial, that is fine with me. But I strongly believe in some kind of a fu-

neral service. I think there should be a service, as you do with a baptism, you do with a wedding. I just think it is a very important thing for an individual, and I think it is closure that all families should have the opportunity to go through. Donna was just talking to me here, we might have funerals in this society, but over in Europe they are much more elaborate than we have over here, in fact.

One thing the general price list has done is given you options. It has given you options, as Gordon mentioned, if you want to have direct burial or immediate cremation, you do not have to have a service. It is priced accordingly. I think FTC has done a good job in giving the general price list to the consumer.

A couple things I want to say, again, I do not want to be redundant, but as far as funeral costs go, that probably could have been true back in 1984, when the general price list was enacted, because prices back then, I would say, when you figure a home, when you figure a car, probably funeral home issues were directly in that line of pricing. Now, in 1999, I have—in fact my wife and I sat down the other night to come up with prices on things. I have got a list of 21 items that can be, as you all know, very, very expensive. So it is all kind of relative, but it relates with funeral services as part of that.

Some of those items in question would be, of course, the family home. The average car in 1994 was 15,000; 1999 it is—a used car is 12,500. College education for 4 years of a public college can be at least \$9,000 a year; private college can be in the means of around \$18,000 per year. That increases by 6 percent a year. For any of you who have gone through a divorce, god forbid, you know what divorce costs can be. An attorney can be very easily \$4500 each. Child care—this was brought to my attention yesterday. Child care for one year for one child could average close to \$8,000. Skilled care nursing home could be around \$73,000 a year. Weddings, \$15,000 to \$18,000, vacations, recreational, farm implement things—Senator, I am sure you are very well of those prices and fees. I have eight or nine different things.

I am saying in relationship to expense items, I do not think—funerals no longer—do not have to be that expensive an item. I have a list here, Senator Grassley, showing what our minimal service could be with a casket and a vault and it ranges a little over \$3,000. So my point is, from a very minimum to an average, it can be very reasonable, I think. I honestly think that you get value for the type of service that a funeral home is offering to the people. That is just a little bit about prices.

The CHAIRMAN. Thank you very much. Now, the first question—there is another question coming to any of the panelists: What is the current state law on who decides what happens at the funeral if a prepaid service is not done? I do not know if that means both prepaid and preplanned, or whether it specifically means prepaid, but could you answer that?

Mr. BRITSON. Actually, for the most part, that is something that we do not get involved with, and it is a difficult situation. There have actually been lawsuits litigated with respect to that issue. It is hard to give you a real quick answer. We do not have anything in our Iowa statutes that we administer that specifically addresses

that point. So it is just the body of what is called case law in terms of who has the right to do that.

Oftentimes that is why, in those types of fact situations, funeral homes and cemeteries will often go to multiple people that might be the ones entitled to do that and get multiple signatures and sign-offs on that issue.

The CHAIRMAN. If nobody else has anything to add, I will go on then. I now would call upon Steve Lewis.

Mr. LEWIS. Thank you, Senator, for the opportunity to discuss the General Accounting Report relating to my profession and business. My name is Steve Lewis. I have funeral homes in Burlington, IA, and New London. I have been a licensed funeral director for 27 years and I am a third generation funeral director, as well. My family has been raised and practiced in Iowa.

I would like just a few minutes to talk about funeral service ethics. I would like you to understand that the funeral home primarily depends on two factors; that is the funeral home's reputation in the community of honesty and integrity, and the quality of the funeral service that the funeral home or the cemetery gives to that community. Virtually every funeral service consumer survey says the reputation in the community and the family's previous experience with a funeral are two of the most important reasons why individuals select a particular funeral home.

Because of the importance of honesty and ethics in the funeral industry, it concerns me that when we discuss the abuses of funeral service, that I think it is important that we reiterate the fact that there are entities of funeral service. Funeral service encompasses funeral homes, cemeteries, monument dealers, vault dealers, all of those different entities, and I kind of feel, I suppose, the responsibility that comes back to us as funeral home owners, that when there is something that happens like at Clinton, that it shines poorly on all of us. We all feel bad for the families that are involved and we all wish to make a situation, in fact, that we will not allow that to happen.

I believe that had the Funeral Rule been expanded, as AARP and our national association, our state association, to include cemeteries and other entities that supply funeral merchandise, that the things that have happened to Clinton and some of the other funeral service providers in the State of Iowa could very well have been precluded and those tragedies not happened and they would have been discovered much earlier.

Funeral directors rank among the most honest and ethical professionals by thousands of consumers participating in a Gallup poll. The Better Business Bureau reports they receive far fewer complaints about funeral service professionals than they receive about barbers, beauty shops and automobile repair. As the folks in AARP mentioned, that 90 percent of the funeral homes have complied with the Federal price disclosure as the FTC has gone around and made those checks.

These organizations that contact the families usually use the services of funeral homes. Families are asked about the quality of service they receive, the ethical and professional conduct of funeral home staff that served them, and the cost of the funeral services they received. These are—As Jim reported, many different organi-

zations researched this, as well as the individual funeral homes. I believe that the vast majority of the funeral directors in Iowa and across the country are serving consumers with honesty, compassion and are complying with State and Federal consumer laws.

The CHAIRMAN. The next person did not say he wanted to be anonymous. I am going to call on Jim Barr. I can read the question, that is fine with me. Oh, this is for me? Maybe I should have read it before I said anything.

Do you think it is a good idea that all providers of funeral and cemetery goods and services be regulated under the same FTC rules? If not, please explain why.

I think I am in the process of making a determination on that, because I think that that will be one of the things—well, first of all, that is one of the things that is been fully brought to our attention by now. I know there is a lot of feeling of an on-level playing field out there for various aspects of the industry, and from that standpoint, the FTC is considering it.

Now, if they have the authority under existing law to do it, the only input we have got, positive or negative, is the extent to which we officially make a statement through letters or through talking to them personally in our office saying, "We do not think you ought to include them," or "We think you ought to include them." That is the only way we have a formal way to do it. We could legislate that they have to do it, or we could legislate they do not have to do it. I do not think we will probably be involved in that as a Congress. I think it will be in an indirect way.

But I would say for myself, to make my view known to the FTC, it will be several months as we go through this hearing process we are involved in now before I think it would be wise for me to draw a conclusion. Besides, even at this point I do not have a conclusion. Even if I had one, I could hide behind the hearing to save answering your question for another 4 or 5 months, but I do not even have a view at this point. But I have learned from the Iowa funeral home—or funeral directors profession of where they see a need for that. If you are of a contrary point of view, then you need to tell me that.

Now I have a question for Donna Gabriel: Does the AARP offer its members insurance products? Does the AARP intend to offer funeral and burial insurance to its members? Listen, you did not say anonymous. I should have asked you to stand. Please stand and let people know who you are.

Mr. LINGE. I am John Linge. I am a third generation cemeterian, and first-generation funeral director and a certified preplanning consultant, as well. We have been offering pre-need since 1929 in our cemetery because my grandfather believed people taking care of things ahead of time makes great sense. And our company has been successful because of prearrangement. My concern now, because prearrangement has become so popular, everybody and their brother is getting into the act. My concern is, Donna, because AARP does have a history of offering insurance products to its members, will AARP offer funeral and burial insurance to their members?

Ms. GABRIEL. Certainly, at this point, I would have to say no. I have heard nothing about it. We do have car insurance, health in-



urance, contracted out—it is not actually AARP. But as far as funeral insurance, no.

The CHAIRMAN. Mr. Britson, where are your brochures available at? And that is the way the question is written.

Mr. BRITSON. I think you had a request for follow-up.

The CHAIRMAN. I am sorry.

Mr. KRAMER. I am Jeff Kramer of AARP, Washington office. Donna is absolutely correct, right now we do not offer that kind of insurance product. We do not have any plans to do so in the future. Right now our policy in the funeral area is to recommend to our constituents that they preplan and not prepay, so it would be contrary to policy to come up with an insurance policy for people to prearrange their funerals at this point.

Mr. LINGE. Thank you.

Mr. BRITSON. Our brochures, hopefully there were enough to go around, we did bring quite a few with us today. If not, you can call our office—our number is area code (515) 281-4441—and ask for a brochure or a packet of brochures and we would be happy to make sure people receive them. If you are a group, if that was part of the question, you would like to be able to distribute some, contact our office about getting a group of brochures and information.

The CHAIRMAN. The next question is to Mr. Klinger and to Mr. Strayer: What are the laws concerning care and disposal of cremains? Can the urn be destroyed, lost? Can ashes be scattered, et cetera?

Mr. KLINGER. Let me start with your last question. It is my understanding in the State of Iowa scattering is not against the law. In fact, several years ago I went ahead and wrote a question to the State, and what came back was the State had no regulation on it. And it goes by county, and right now I do not know of any county that has a regulation in it. It might be an area, because we are finding more and more families want to scatter cremains on golf courses, rivers—Mississippi river, so far it is something that, I think, could be looked at.

The one thing, as far as the laws are concerned with cremation, when a person passes away, you have 48 hours to make a decision. You have 48 hours to decide if you want to have a burial of the person; you have 48 hours to decide if you want to cremate the person. After that, then if they have not made a decision, the body is going to be embalmed. There are some States that have a holding period, they have refrigeration, because we also are confronted with a lot of different health hazards and diseases, if you will. That was another thing I was going to bring up as far as our funeral directors. There is about three or four different diseases out there that funeral directors are subjected to every day and one of the worst ones is Jakob-Creutzfeldt disease. That is disease where the bacteria can incubate in a person for 15 to 20 years and come up after that. You have hepatitis, you have HIV situations, so I hope—I dearly hope you do not ever see the day where you do not need a funeral director. We not only need you, I think the consumer needs us too.

The CHAIRMAN. On the same question, do you have anything to add, Mr. Strayer?

Mr. STRAYER. No, nothing at all.

The CHAIRMAN. This question is to me from Mr. Jacobsen.

Mr. JACOBSEN. Senator, I just have a clarification.

The CHAIRMAN. OK. It is not for me.

Mr. JACOBSEN. It is a clarification for Mr. Strayer. He indicated there is only one Memorial Society in Iowa, and not very active. I am kind of in a unique position because I manage a not-for-profit funeral home, or Memorial Society, that in addition to offering direct disposal, immediate cremation, offers full service funerals, and we do it on a not-for-profit basis. There are three other funeral homes in the State of Iowa that operate the same way. We are thriving. The reason we are thriving is because people want full service; they do not want just immediate disposal. There are people out there that work that market, that that is their business, but there are consumer demands for full service funerals. We provide that. There are other organizations that provide that.

Also, Mr. Strayer, you had mentioned that there should be less funeral homes to help lower the cost of funerals. In any market, the more people that are in the market, the more competition, the lower the cost is going to be. In Iowa and across the country there are numerous funeral homes for various different reasons; there are different religious beliefs, there are different ethnic customs and market demands placed on individual funeral homes that can meet the need for consumers in that area; that is why in Iowa there are over 700 funeral homes. It is not because of cost, it is because consumers demand different levels of services.

The CHAIRMAN. Did you have something?

Mr. KLINGER. I am sorry. One thing I wanted to say was that I think one of the questions is is there a law restricting what can be done with an urn. It is my understanding there are no laws about that, that human remains are still considered a human body. A final disposition used to take place at the time of cremation. Now final disposition is at the time of burial or inurnment. People have this scattering of cremains and they still think a person is going to go ahead and be a little ash, or something like that. I do not know if you understand when a cremation takes place, but the larger bones are left and they have to be processed down to more of a fine granulated material that has to be put the 200 cubic inch urn, but that is still considered a human body Senator Grassley. I have run out of questions. If anybody wants to—we do not have to stay here the full hour and a half, but if anybody wants a question or point of view that is been missed I will give you a chance to do that now. I have a couple things I want to say in closing. Both of you; you first.

Mr. LINGE. I am also president of the Association of Iowa Cemeteries, and with regards to the Federal Trade Commission and the Funeral Rule, I think it is important to remember that cemeteries are really a mixed bag. We have not-for-profit, for profit, lot owner associations. We have religious exempt cemeteries, we have the majority of cemeteries which are not even active in any kind of pre-need funeral merchandise or service selling. To include all of these cemeteries under the Federal Trade Commission Rule I think would not really get at the heart of the issue.

My personal feeling is if you are selling funeral merchandise for funeral service, that maybe it should be included in the Federal Trade Commission Funeral Rule. That is all I have.

The CHAIRMAN. You are next.

Mr. BRANNON. Mike Brannon from Dubuque, IA. This year I am serving as president of the Monument Builders of North American. I am a retail memorialist from Dubuque. I wanted to encourage Senator Grassley toward the expansion of the Federal Trade Commission Funeral Rule. As a memorialist, we deal with cemeteries quite often, and as president this year of our national association, dealing with consumer advocates and such, we have heard of hundreds and thousands of complaints and concerns with, not only cemeteries and funeral homes and memorialists, everybody in this industry. So the things that AARP hears about in the state levels across the Nation with consumer advocates and such, we see the need for expansion of the Funeral Rule.

Locally, in Iowa, we are fairly lucky. There are few complaints. The vast majority of people in Iowa are honest and such, but at the national level, from my specific industry, as we work with cemeteries, we have concerns with things such as illegal tie-ins with regard to product and pricing, some of the common things that we sell with regard to markers, maybe burial vaults, punitive regulations at the cemetery level, possibly excessive fees to third-party providers of caskets, vaults, markers. So that is why we have encouraged the Federal Trade Commission, along with AARP, and many other organizations, to look at expansion of that and, possibly, to even broaden the Rule. As you talked about, once in a while all of the problems seem to fall with funeral directors, but maybe if the term was broadened to the funeral, cemeterian and memorialists.

The CHAIRMAN. We have shorthand on each of what the two of you last have said. If you want to put a paper together on your respective position, we would be glad to take that as part of your record, or you can have your national headquarters, if you have a national headquarters, do that as well.

Mr. BRANNON. We submitted comments to FTC. Would it be all right if I forwarded those to Lauren?

The CHAIRMAN. Yes. Is there anything here that has not been said that wants to be said? We still have 10 minutes.

Mr. BRITSON. One very quick comment. I have talked about asking questions. Probably the best question is when you get what you think is done, ask the question is there anything more that you are going to need to purchase, anything else you are going to need to buy. For example, just one example, when you buy your burial space or mausoleum crypt, that price almost always does not include the burial service that goes with your burial. So the last question, and the best question is, "Is there anything else?" Senator Grassley. Mr. Klinger.

Mr. KLINGER. You had two other questions on here, Senator. One was, "Can you walk a family through a pre-need consumer funeral arrangement?"

The CHAIRMAN. You have still got time to do that.

Mr. KLINGER. There is others that want to speak, I am sure of that. I want to just say a couple things. I think that FTC rules

should be expanded to include a third-party person, that could be a third-party casket seller, cemetery, whatever, which we are. The other thing I would like to bring up, and funeral home owners know what I am talking about, that is putting on a casket handling fee on your general price list. Are you all aware what that is? In other words, years ago—not years ago, but a third-party seller can come in and drop a casket off and that funeral home does not have the right to charge them a handling fee. I am saying if you get on the Internet or call a casket store in an area and order a casket, and bypass a funeral home, they do not have a right to put a casket handling fee on that, which I understand. But I also want people to understand the situation with a funeral home, because it has been documented in the United States, caskets—the wrong caskets that a family ordered comes to a funeral home for delivery. The casket comes to the funeral home with dings on it, the material on the inside, the linens are ruined on it. All of the sudden the casket manufacturer is sending to the funeral home, that, in a way, has to be responsible for it. The discord it can cause a family and emotional distress is fantastic, it is just horrible.

I think when—I mean, we have never gotten this, but I have heard of funeral homes, they are sent to different parts of the United States. All of a sudden we have to uncrate, inspect, we have to take that cardboard or the container away and deposit it in the garbage, something like that. It gives you something to think about, and it would be a problem with us too. I do not know if funeral homes have had that kind of situation.

The last thing I would like to say, being in the funeral service for over 30 years, I truly believe I have had the chance to make an impact on the families we serve. It is very vital. I feel 99 percent of the funeral homes in Iowa feel the same way. I have got some of our competitors here that are the most reputable firms around, too, and we all get along good. But I really believe their main concern is for the service they provide their families.

The CHAIRMAN. Either one of you two?

Ms. GABRIEL. I have nothing, but I have a question for Jim; that is the fact that some companies are buying up funeral homes, so forth, chains, whatever. Is that going to make any difference in the service provided or the costs?

Mr. KLINGER. Donna, that is a good question, and I am sure Dennis Britson here maybe knows more about this than myself. She is talking about the large conglomerates buying up the small independent funeral homes. One of the noted cases, of course is a group called Loewen. They are having very bad financial problems and they have just been spending time doing auditing.

I think as we said earlier, let the buyer beware. There might be funeral home owners here owned by SCI, Loewen or others, but be sure of what you are getting into. I cannot say enough for the independent contractor, but there is a lot of good viable businesses that are owned by the conglomerates, too. Dennis, you might talk about that for just a minute.

Mr. BRITSON. I think it is very similar. The question is seen in any industry you are talking about. Just within the last week there have been articles in The Des Moines Register about nursing

homes and the fact that they are being purchased by corporations. This industry is subject to that trend as well.

There are a number of large corporations, multinational corporations that own funeral homes and cemeteries in the State of Iowa. The one that is being mentioned the most today is called the Loewen group. They are a company headquartered in Vancouver, Canada. They did file, on June 1, 1999, a bankruptcy filing. They filed similar processes in both Canada and the United States. For those who are familiar with the bankruptcy process, this is a reorganization type of bankruptcy process where they expect to come out of the bankruptcy. And at the current time they have loan financing they have received from a lender group, and they appear to have the financing they need to keep operating at this current time.

Audience Member. I would like to hitchhike. What happens when a cemetery goes completely belly up? Who takes care of maintaining it and so on after that Mr. Britson. Actually, that is a variety of difficult and different questions. Actually, sometimes you have cemeteries which are old cemeteries. We do have some laws in the State of Iowa for cemeteries where there have not been any current burials. The primary responsibility for those kinds of situations, usually it is at the township or county level. Most of those are what are referred to in the statutes as pioneer cemeteries. You may hear those phrases mentioned. Sometimes you will have problems with an existing cemetery, it is not necessarily mature, they may have burials currently ongoing. We had a case in Dubuque a number of years back where we had embezzlement of the perpetual care trust fund where we started our process and when the owner realized that criminal charges were going to be filed, he disappeared. So we had the cemetery placed in receivership. We had to make sure it was being run, that burials were occurring for a period of time. It was eventually sold.

For the most part, if you are talking about an existing funeral home or cemetery, usually someone else will come in and purchase that and continue to run it and operate it, which is part of the reason why it is so important to make sure that your money—if you are talking about a situation that you prepaid, that the trust money is set aside so when the new owner comes in, if that money is there, they will be happy to take and service that contract. The only problems we have had in that regard is where the money was not placed into trust the way it was supposed to, or the merchandise was not purchased the way it was supposed to; that is part of the reason we have our audit program that Jim was mentioning just a moment ago. We do audits to try to make sure they are doing those things in case something happens Senator Grassley. Mr. Strayer, one last thing you want to say?

Mr. FISHMAN. I am a funeral director from Des Moines, IA, and I work for a family business—not my family, family owned. Now I work for corporate. The bottom line is, no matter who you work for, the excellent service for the customers, the consumers, families. So if you do not supply that—consumers are planning more for these things, so if you do not provide that, you will not be in business.

Actually, the independents—Mr. Linge and Jim—those folks have been around forever and are a very difficult competition. Obviously, it forces everyone to be much better. They have the independence, they can advertise that, and they have been around forever and people know them, whereas corporate has not been around. A lot of people have negative feelings about corporate businesses, but that makes me a better director, better service to the families because I have additional challenges to go along with that which ultimately helps the consumer, again.

The CHAIRMAN. Is it OK if I close? We do not have to—it is not like I have got to be to another meeting by 4, like a lot of times. Most meetings, when the end comes, I have got to run.

Mr. HASTINGS. I am an independent funeral director. I think for anyone that is not involved with this, I am going to mention a few things about the Loewen Company, in case there is some consumers that have anything to do with any of the Loewen things. None of their problems are directly related to funeral service. They were a Canadian outfit that got sued down in Louisiana, I think. The company that is suing them was an insurance situation. They were suing for like 50 million, and the jury awarded 275 million, which was about 40 or 50 percent of the company's net worth. So I think that Loewens probably are going to come out of this as reputable as they can, but I think that consumers should not be too leery, because I think they do have a viable company sitting there and it really was not their fault that the Canadians did not know that down south they had different rules and regulations as to what juries do. So their primary situation was a bad jury decision.

The CHAIRMAN. OK. Thank you for that information. Anything—well, I was going to say, anything contrary to that—or do we not want to get into that? Then I will call on you two.

Mr. BRITSON. You can take a lot of time, and people would have different opinions on the issue. They, as a corporation—most of the large corporations have both funeral home and cemetery operations. In the case of the Loewen group, they had separate divisions; they operated separately, so the funeral home kind of stood alone. They had separate trust departments, separate trust operations from the cemetery side of things. Most of the problems—and this has been reported in the press. Most of the problems that Loewen had from the operational standpoint were in the cemetery side of things, but a lot of their problems stemmed from things other than just isolated lawsuits. They did have a couple, and they took very big hits, but a lot of the corporate changes were trying to expand. They were trying to expand very rapidly, and the observation that most people have had is they were overpaying for a lot of the property that they purchased, that they paid too much, and also they were expending rapidly and the problems of administration and different things and the cost of overhead they were putting into place, and just growth that was way too fast, doing some things that did not make sense. But certainly we hope that they will succeed and come out of the bankruptcy; certainly we hope that.

The CHAIRMAN. If this is the case, it is very reminiscent of something, another issue that the Committee on Aging has been very involved with, and that is the bankruptcy of two or three big chains

of nursing homes. Their pleading was that Congress had changed Medicare reimbursement and so it was hurting them, but upon investigation of their financial statements, and also following along the lines of what you said, some investments in some non-nursing home—or too quick or too high of a price of purchase of nursing homes, but also some investment of retirement homes, as opposed to nursing homes, a lot of these companies have an equity problem and not necessarily a cash-flow problem, and some bad management decisions that now they were trying to blame on the Federal Government. Just to give you that background that is reminiscent of some other big changes. There were two people—

Ms. PARKS. My name is Judy Parks. I am the acting director of the Area Agency here, as such, in a seven county area we serve. We deal with a lot of elderly. I understand from a funeral home director's position that you are in the business to do a good job, and I think in many cases that is true. When you have an elderly person and/or their family, this is a one-shot deal, they are not going to do another funeral in 2 years, as they are buying a car from a reputable dealer. I hear the comment when you have 48 hours to make the decision, it is very important that they get the right information up front because it is one shot. You have got to do a good job. You do not have a chance to do it again. If there is bad funeral directors, there is still the issues out there, and the issues out there is they do not have a chance to go back over and do a good job the next time.

The CHAIRMAN. I think you have sensed here, even funeral people, people in the funeral profession have sensed the importance of empowering consumers with information. There is always somebody that is not going to be ethical, but for the most part, if I had to say for Iowa, the number of complaints I have had have been very few; but on the other hand, I am operating on a national basis, and I thought I ought to at least pay some attention to what we have here in Iowa, good or bad.

Ms. PARKS. Because of Iowa and where we sit, I think you could say that, I think that is true of many of the industries in Iowa. But what we are dealing with in Iowa is a very elderly population whose children are making arrangements that are out of town and they do not necessarily know our attitudes about the whole process, or your reputation, either.

Mr. KLINGER. I think that is another reason why Donna just said pre-need is so important for people—preplanning, at least.

The CHAIRMAN. Who else had their hand up?

Mr. KRAUSE. I am a government regulations compliance officer for Homestead Life Company. I have a question for the Senator about Federal compliance. Out of the GAO studies I saw conclusions drawn that the FTC was doing an inadequate level enforcement. What is considered adequate? Is there a rule for them? What does OSHA attain, as far as compliance levels? Are there any parallels that draw a rule of them? Do you think there is, is that fair—

The CHAIRMAN. I do not think there is. No, there is not. And I suppose you might, if you read various General Accounting Office reports on compliance with laws, you might find a different stand-

ard within GAO. And I do not know, from your standpoint, is that a shortcoming then?

Mr. KRAUSE. I wonder what the expectation is. If we were reporting out of the study there was 85 percent compliance, would that be reasonable, would that be acceptable, or are they looking for 95 or—do you have a sense of what you are expecting?

The CHAIRMAN. No, not yet, not yet. I have been in that situation, though, for instance, with nursing homes on our hearings over the last 2 or 3 years on nursing homes. According to the General Accounting Office, 30 percent of the nursing homes in California—that was the first state they looked at, then they looked at some other states—that residents were in life-threatening situations based upon very simple things of either dehydration, not getting enough water, malnutrition, not getting enough food into them—not that there was not enough food for them, but getting it into the person, or bedsores, which are pretty elementary-type care that you would expect almost 100 percent compliance with. Whereas there might be something else, whether or not you are filling out the forms right, that is strictly paperwork, that some bureaucrat should be 100 percent, but might be pretty unrelated to the quality of care. See? OK. Yes, sir.

Mr. REESE. I am Harold Reese, and I have been a funeral director a long time. My father was killed when I was sixteen. The man who had his funeral asked me to go to work for him, and I am 69-years old now.

A number of young people have worked for me, and I have enjoyed my profession over the years a great deal. Dan Fisher's grandfather, who is 97, now, I believe, worked for me. Out of all of those, ten young men have become licensed funeral directors who have worked for me. I have never failed to admire our profession as a whole. As has been mentioned many times, you always are going to have some bad apples, but as a whole, this is a good group.

The CHAIRMAN. Thank you very much. Now, as I had indicated to you once before earlier in my opening remarks, please do not see this as a meeting that begins and ends at 3:30—has begun and ends now at 3:30, but consider your part, if you want to. And I encourage you to be part of the process, not just those from the profession, but everybody that is involved, whether you are an individual or whether you speak for organizations. Even if there is something that you go home and you think about, I hope you will let me know. So I want to give you some ways of contacting me, and some of this—I will give you the Committee on Aging address and phone number, but if any of you want to get ahold of my personal office, do that, but I will not give you—well, why not give you that number, too. My personal number is (202) 224-3744.

For those of you in the Cedar Rapids area, also—particularly, if follow-up is not adequate, and I hope I have a good reputation of follow-up, call Jason or Mary in the Cedar Rapids office here and tell them that you had contacted the Washington office and you did not get a response, or you did not get an appropriate response, so we can follow up.

You know, if you take the time to write to me, you are entitled to an answer. I pride myself—I should not say I pride myself, I tell



my constituents that I answer every letter, and if I tell you I answer every letter, I should make sure I answer every letter. So if you do not get an answer, you should write me a nasty letter and tell me I did not answer your letter so I can check to see what happened.

Anyway, for this particular subject, the Special Committee on Aging is in room G31 Dirksen Senate Office Building—or just Dirksen Building would be OK—Washington, DC 20510. The phone number is area code (202) 224-5364, and the fax number is (202) 224-8660. Then we have e-mail, is mailbox@aging.senate.gov—that last dot is not there. Then also I did not introduce Lauren, who is working on this with the Aging Committee, so some of you talked to her on the phone; that is who you talked to. She is the person that is leading up this effort.

I would also, as I did at Clinton, thank, for the second time, the two people who have repeated, and for those of you that appeared just at Cedar Rapids, thank you very much for taking time away from your business, away from your leisure time, away from your responsibilities, whatever the case might be, and for a very large turnout. Obviously, I thank you for your participation as well.

Remember—if I could just say—I talk, maybe, too much, like a political scientist. Remember this way: The essence of representative government is dialog between our constituents and us. I think we had that dialog at this meeting, we are encouraging further dialog. But government is not when I come and tell you the way it ought to be, the way it is, or without listening to your point of views, and even your criticism. So I thank you very much for participating in the process of representative government, but remember, that it does not do any good for these people, or any of you, to come here and spend an hour and a half if that is all there is to it. So keep it up when you cannot see me face to face, and that is when it is important to use these addresses and e-mails and phone numbers. Thank you very much.

[Whereupon, at 3:47 p.m., the committee adjourned.]



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