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Undercover Inspections of Funeral Homes in Nine States and Washington, D.C. Press Funeral Homes to Comply with Consumer Protection Law

Investigators working undercover in nine states and the District of Columbia found significant violations of Federal Trade Commission consumer protection rules at 52 of 175 funeral homes they visited during 2009.

The FTC conducts undercover inspections every year to make sure that funeral homes are complying with the agency's Funeral Rule. The Rule, enacted in 1984, gives consumers important rights when making funeral arrangements. Key provisions of the Rule require funeral homes to provide consumers with an itemized price list at the start of an in-person discussion of funeral arrangements, as well as a casket price list before consumers view any caskets. The Rule also prohibits funeral homes from requiring consumers to buy any item, such as a casket, as a condition of obtaining any other funeral good or service. By requiring itemized prices, the Rule enables consumers to compare prices and buy only the goods and services they want.

Funeral homes found to have significant violations can enter a training program designed to increase compliance with the Funeral Rule. The three-year program is known as the Funeral Rule Offenders Program, and is an alternative to a possible FTC lawsuit that could lead to a court order and civil penalties of up to \$16,000 per violation. It is run by the National Funeral Directors Association and provides participants with a legal review of the price disclosures required by the Funeral Rule, and on-going training, testing and monitoring for compliance with the Rule. In addition, funeral homes that participate in the program make a voluntary payment to the U.S. Treasury in place of a civil penalty, and pay annual administrative fees to the Association.

FTC inspections during 2009 revealed a mixed compliance record:

- In Chicago, Illinois, one of 12 funeral homes inspected had significant violations;
- In Metro Washington, D.C., including parts of Maryland and Virginia, 19 of 59 funeral homes inspected had significant violations;
- In Cincinnati, Ohio, three significant violations were found among 19 funeral homes inspected;
- In Chattanooga, Nashville and Memphis, Tennessee, six of 25 funeral homes inspected had significant violations;
- In Missoula, Helena, Bozeman and Townsend, Montana, three of 12 funeral homes inspected had significant violations;
- In El Paso, Texas, six of 12 funeral homes inspected had significant violations;
- In New Orleans and New Iberia, Louisiana, five of 22 funeral homes inspected had significant violations; and
- In Nassau County, New York, seven of 14 funeral homes inspected had significant violations.

In addition, the FTC identified several funeral homes with only minor compliance problems. In this type of situation, the FTC contacts the funeral home and requires it to provide evidence that it has corrected the problems.

Since the Funeral Rule Offenders Program began in 1996, the FTC has inspected more than 2,300 funeral homes and found that 362 were substantially out of compliance with the Rule.

In conducting these enforcement sweeps, the agency receives assistance from several state attorneys general and the AARP. This year, the FTC wishes to thank Louisiana Attorney General James D. Caldwell and Tennessee Attorney General Robert E. Cooper, Jr. and their staffs for their invaluable assistance.

In addition to its law enforcement efforts, the FTC educates consumers in English and Spanish about their rights under the Funeral Rule, and provides guidance to businesses in how to comply. During 2009, more than 150,000 consumers and businesses ordered copies of these publications – “Paying Final Respects: Your Rights When Buying Funeral Goods & Services,” “Funerals: A Consumer Guide,” and “Complying with the Funeral Rule” – or viewed them on the FTC’s Web site, www.ftc.gov.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC’s online [Complaint Assistant](#) or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 1,700 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC’s Web site provides free information on a variety of [consumer topics](#).

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