

How Pre-need Records Saved Californians from a Criminal

by Wendy Russell Wiener, Esq.

IN CASE YOU HAVEN'T HEARD OF OR WATCHED "THE MORTICIAN," I want to draw your attention to HBO Max's most-watched documentary in the last five years. If you're not caught up: The Mortician details the illegal activities engaged in by David Sconce and the Lamb Funeral Home located in Pasadena, CA.

David Sconce, and his family, were the worst of fraudsters and criminals, promising families compassionate cremations and the return of each loved one's cremated remains. Yet, what really happened were mass cremations following mutilations, illegal organ and tissue collections and sales, pre-need fraud, and even alleged murder.

The series shines its brightest light on Sconce's cremation practices, which included dismembering and damaging remains to place more into the retort, thus delivering "unknown" cremated remains to more than 20,000 families.

against Mr. Sconce. The pre-need records provided the evidence needed to start the formal case that ultimately brought Mr. Sconce to prison and brought needed regulation to deathcare across the country. The result of the Lamb Funeral Home/Sconce scandal was a web of new state regulations relating to cremation, which was a burgeoning method of final disposition.

Pre-Need in Your Life

So, what can your pre-need records save you from or subject you to?

First, pre-need records put you in either

for the pre-need seller that often spills over into regulation of non-pre-need areas such as care and maintenance or funeral establishment operations generally.

Second, same is true for pre-need contract purchasers. If a family inquires of their balance due or whether their pre-need contract covers a specific item and you are unable to *quickly* provide the response, the family feels a certain type of way—and you know that's not a good way.

We live in the age of technology. Your pre-need records should be at your fingertips 24/7, even when the death call comes in at 2:37 am. Putting the family's mind at ease because you can confirm a paid in full pre-need arrangement goes a long way toward a great Google® review.

Third, pre-need is a significant asset *if* you know what you have. If you have even an inkling of a thought of succession planning (a nice way to say "selling your business"), your pre-need book can be an asset or a liability, and it's often your pre-need related records that tip the scale.

A pre-need book supported by item-by-item level recordkeeping and effective trust investment is a real asset that will be valued by a prospective acquiror of your business. Conversely, a pre-need book unsupported by those things can be viewed as a liability because the buyer doesn't know what liability might be taken on at closing.

And, despite what some say, not all pre-need is an asset. Though some old thinking was that a pre-need contract, funded or not/known or not, was an asset because it would give the buyer the chance to connect with another family, that does not turn out to be valid in today's funeral consumer market. Buyers and families value efficiency and consistency—the hallmarks of thorough and detailed pre-need recordkeeping.

Knowing that your pre-need records are in order will give you the peace of mind you need to know that you'll comfort families, avoid regulatory problems, and always know what you "have."

Despite myriad disturbing actions, however, California authorities were unable to pin a felony on Mr. Sconce until the California Cemetery and Funeral Bureau conducted an audit of the Lamb Funeral Home's pre-need activities.

It was during the audit that the irregularities of the pre-need records revealed that the funeral home failed to deposit nearly \$100,000 collected from unsuspecting families into trust.

Only then did the authorities have a felony charge (or many felony charges) to levy

the "good graces" of the regulator or on the regulator's "watch list." Pre-need records must be tailored to your state's standards.

All pre-need records are not created equal. I have seen many funeral establishments submit reports (annual, semiannual and quarterly) that fail the statutory test. That means that the information provided by the cemetery or funeral establishment does not contain what is required by law.

The outcome of such submissions is usually a fine or probationary period, but more concerning is heightened scrutiny

MAKING IDEAS REAL



Rest vs. Sleepless Nights

Finally, pre-need records are death-care's melatonin or its coffee!

Knowing that your pre-need records are in order will give you the peace of mind you need to know that you'll comfort families, avoid regulatory problems, and always know what you "have".

Alternatively, not knowing what you have will ensure endless anxiety about what liabilities you may confront. The key is to ensure that your pre-need recordkeeper provides you with:

- accurate records, 24/7, that detail the purchaser and beneficiary information;
- the amount paid toward each item contracted for;
- the amount deposited to trust for those items; and
- the market value of the amount in trust for each item.

With that information top of mind . . . sleep well. ☑



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