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Our Opinion: Hynes owes answers about pre-need fund

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THE ALLEGATIONS leveled at state Comptroller Dan Hynes over the loss of millions of dollars from a pre-need funeral trust fund cry out for answers regarding what his office was doing about the fund's growing deficit.

A group of funeral homes that have lost millions from the Illinois Funeral Directors Association's fund recently accused the comptroller's office of keeping the financial problems under wraps until it was too late to stop losses that might be in excess of \$100 million.

"Even state regulators who took on the responsibility for monitoring the pre-need trust failed to protect plaintiffs and other pre-need trust depositors," the funeral directors who are suing said in the court filing.

"Indeed, when questioned by funeral directors on why the issue was not addressed in 2001, when the (comptroller), but not the funeral directors, knew of a budding deficit, the (comptroller's) response was that the deficit was 'pennies on the dollar,' as if that excused (the comptroller) from doing anything about it."

THE FUND wrote down \$59 million to balance its books and has continued to lose money, the directors say. They also allege that Hynes failed to use laws that give government the ability to intervene when pre-need funeral funds go awry.

The directors who are suing say the state could have prevented the heavy losses from the beginning.

The directors allege they didn't find out about the audit until fall 2007 when the comptroller revoked IFDA's license to be the fund's trustee. The IFDA wanted to hide the information from the public and Illinois consumers, they say.

AFTER A STORY about the filing ran, Hynes spokeswoman Carol Knowles said the characterizations in the filing "are not accurate," that the deficit was only discovered after a 2005 audit of the fund and that no deficit was shown in the IFDA's annual reports..

It is time for Hynes and the Department of Financial and Professional Regulation, which is controlled by Gov. Pat Quinn, to release the full 2005 audit of the fund, which has been requested by The State Journal-Register under Illinois' Freedom of Information Act.

The comptroller's office also should outline any actions it took between 2001 and 2005 and release any audits it may have done during that period. Funeral home owners say the comptroller's office was vigilant in auditing their books. Was it vigilant enough in auditing those of the IFDA?

These are serious allegations. If Hynes truly has the public's interests at heart, as he so often has claimed, talking about these details should not be a problem.

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