



July 30, 2012

**Dear Subscriber:**

The owners of a Washington, D.C., funeral home will pay a \$25,000 civil penalty to resolve charges that they violated the Federal Trade Commission's Funeral Rule, according to a news release from the Federal Trade Commission.

In May 2011, at the FTC's request, the U.S. Department of Justice charged B.K. Henry Funeral Chapel Inc., Brian K. Henry, and Lisa Henry with failing to provide consumers with a casket price list, as required by law. The Funeral Rule requires funeral homes to show consumers a casket price list before they view any caskets.

The FTC's complaint was based on inspections by FTC staff posing as consumers seeking to make funeral arrangements. The FTC conducts undercover inspections every year to ensure that funeral homes are complying with the Funeral Rule.

In addition to the civil penalty, the proposed settlement permanently prohibits the defendants from failing to show consumers their casket price list and from violating other rule requirements.

The latest action comes just a few weeks after the FTC announced that a Brooklyn funeral home agreed to pay \$32,000 to settle allegations that it also violated the Funeral Rule. In that case, the FTC alleged that the Andrew Torregrossa & Sons Funeral Home, and its owners, Andrew L. Torregrossa and John L. Torregrossa, informed consumers on at least two occasions that they would not conduct funeral services for them unless the consumers purchased a casket from the funeral home.

---

## **Stewart Enterprises, Others Seek to Improve Document Management**

### **Funeral Directors on the Go Find that Being Able to Access Information Anytime, Anywhere is Important**

Stewart Enterprises, based in New Orleans, had a huge problem on its hands after Hurricane Katrina struck in 2005.

While the company didn't store records at its corporate headquarters, it did have three funeral homes in the area: Lake Lawn Metairie, St. Bernerd Memorial and Greenwood Funeral Home. It also had several cemeteries in the area, and the records at these locations were unreadable. As a result, the company invested \$175,000 in a digital document management technology offered by Laserfiche.

"We learned in Katrina that not only was there physical damage to the records, but there was a disruption to business continuity," says Brian Pellegrin, director of information systems business support

at Stewart Enterprises. “Even when staff came back and had a plan to deliver services with alternative facilities, if we didn’t have customer records, we could not provide those services. We really didn’t even have information about our own customers.”

Records are so important because preneed papers often need to be available for decades, Pellegrin says. “And on the cemetery side, as long as that customer is buried on our property, then we need to have copies of that contract available,” he says. “Records have to be kept for decades at a minimum – if not perpetually.”

As a result of Katrina, the company decided to make a change, and it did it right away. “Our No. 1 goal was to protect records so we can serve our customers on a timely basis regardless of disaster,” Pellegrin says.

## Making the Choice

While Stewart Enterprises decided to go paperless to ensure that records could be accessed at anytime, it wasn’t an easy decision.

Just before Katrina hit, Laserfiche had tried convincing Stewart Enterprises to become a paying customer without success. At that time, the company didn’t think it needed to change how it managed documents. “We felt we were prepared,” Pellegrin says. “We had withstood hurricanes and gone through several events both here and in Florida without significant loss. So we looked at it and thought that we were prepared for hurricanes – but we were *not* prepared for the total destruction or disaster recovery scenario that Katrina presented with the flood.”

Ultimately, that is what caused Stewart’s area funeral homes and cemeteries so many problems – not the hurricane itself but the flooding caused by the breach of New Orleans’ levee system. “We’d been through hurricanes before, but we were not prepared for the flooding when the levees broke,” Pellegrin admits.

Aside from not realizing how much the company needed a document management system, there were other things holding Stewart back from making a change.

“It was really two factors – one being the cost,” Pellegrin says. “The other factor is that in our industry, there are manual processes that are involved with a piece of paper or manila folder moving from desk to desk, which is a normal part of operations in our industry and for us. We had to make the decision of whether we take a leap of faith and a step away from that and transition to an electronic format where paper files are no longer at a physical location.”

## SUBSCRIBER SERVICES

### EXECUTIVE DIRECTOR:

Thomas A. Parmalee  
Phone: 732-730-2586  
tparmalee@katesboylston.com

### EDITOR:

Tanya Kenevich  
Phone: 732-730-2540  
tkenevich@katesboylston.com

### EDITOR:

Patti Martin Bartsche  
Phone: 732-730-2583  
pbartsche@katesboylston.com

### CUSTOMER SERVICE AND SUBSCRIPTIONS:

1-800-500-4585 | customerservice@katesboylston.com

**SITE LICENSES AND REPRINTS:** It is against the law to forward this to another person. If you would like to purchase multiple subscriptions for your firm, you can do so at a reduced rate. For information, call Thomas Parmalee at 732-730-2586 or email tparmalee@katesboylston.com

**COPYRIGHT WARNING:** Copyright violations will be prosecuted. FSI shares 10 percent of the net proceeds of settlements or jury awards with individuals who provide essential evidence of illegal photocopying or electronic redistribution. To report violations, contact attorney Steve McVeary at 301-287-2266 or e-mail at smcveary@ucg.com.

Funeral Service Insider is published weekly 48 times a year by Kates-Boylston Publications  
Two Washingtonian Center  
9737 Washingtonian Blvd., Suite 200  
Gaithersburg, MD 20878-7364

**PRICE:** \$295/year