Why GAO Did This Study

Media reports of desecration of graves and human remains and other types of mismanagement at cemeteries and crematories have inspired a debate regarding whether the federal government should take on a greater role in regulating the death care industry, primarily funeral homes, crematories, cemeteries, pre-need sales of funeral plans, and third party sales of funeral goods. The federal government has a limited role in regulating the death care industry, as most regulatory responsibilities are handled at the state level. Because of this, federal policymakers have expressed an interest in understanding the range of practices that are used by the states to regulate the various segments of the death care industry.

Based on surveys of state regulators covering the various segments of the death care industry; and visits to the states of California, Florida, Georgia, Hawaii, New York, and Texas; this report provides information on (1) the structures used by states for regulating the death care industry, and (2) the mechanisms used by states for enforcing their regulations covering the industry. The report also provides information on the resources available to help consumers make informed choices regarding death care transactions. Details on the results of GAO’s surveys of the states can be found at:

http://www.gao.gov/cgi-bin/getrpt?GAO-03-831SP.


To view the full product, including the scope and methodology, click on the link above. For more information, contact Laurie Ekstrand at (202) 512-8777 or ekstrandl@gao.gov.

What GAO Found

GAO’s research shows that states vary in their approach to regulating the various segments of the death care industry. A majority of states have more than one state organization that is responsible for regulating all or most of the industry segments, whereas fewer states rely on one state organization for regulating the entire death care industry.

States also vary in the mechanisms they have and use to enforce regulations covering the death care industry and protect consumers. These enforcement mechanisms include licensing or registering businesses and practitioners, inspecting facilities, and taking enforcement actions against those businesses or practitioners that violate state rules or regulations.

The majority of states regulate funeral homes, crematories, cemeteries, and pre-need sales of funeral plans, although the specific licensing requirements vary across the states. Fewer states regulate third party sales of funeral goods. Further, even in those states that regulate each industry segment, not all businesses or practitioners may be subject to licensing or regulation.

Most states also require inspections of funeral homes and crematories, but fewer states require inspections of cemeteries. In most of these states, the inspections are conducted annually. Information obtained from the six case study states show that these inspections tend to focus on such things as the proper posting of licenses, the availability of price lists, and the cleanliness and adequacy of equipment and the facilities.

Since January 1, 2000, a majority of states have taken enforcement actions against funeral homes, funeral directors, or embalmers for violations of a variety of state rules or regulations. Fewer states, however, have taken such actions against the other industry segments.

States’ Regulation of the Various Segments of the Death Care Industry

<table>
<thead>
<tr>
<th>Industry Segment</th>
<th>Total Number of States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funeral Homes</td>
<td>48</td>
</tr>
<tr>
<td>Pre-need Sales of Funeral Plans</td>
<td>42</td>
</tr>
<tr>
<td>Crematories</td>
<td>45</td>
</tr>
<tr>
<td>Cemeteries</td>
<td>34</td>
</tr>
<tr>
<td>Third party sales of funeral goods</td>
<td>16</td>
</tr>
</tbody>
</table>

Number of states responding to each of GAO’s Web based surveys.

Number of responding states that stated they regulate the death care industry segment.

Source: Results from GAO’s Web based surveys.

aGAO’s survey focused on sales of pre-need funeral plans funded through trusts, not those funded through insurance.

bNot all cemeteries are regulated in these states, though. For example, cemeteries operated by municipalities or religious organizations are exempt from regulation in many states.