We have recently been informed by the State Department of Health (which regulates funeral directors) that they have been involved in several licensure disciplinary hearings against funeral directors which involve fraudulent and misleading submissions to local departments of social services (ldss). One of the issues involves contributions from friends or relatives of the deceased to a funeral director who bills the ldss for an indigent burial, without reporting the contribution. This may bring the actual burial cost above the local limit established for an indigent burial and/or may result in payment for a burial for which funds were already available. Another issue involves the substitution of cheaper merchandise by the funeral director than the ldss contracted for.

State Department of Health regulations (10 NYCRR 77.12) require funeral directors to prepare itemized statements for all New York State funerals and cremations. Attached is a copy of the form designated by the State Department of Health for this purpose. It can readily be seen from this form if the funeral director has provided additional services for which a contribution has been made to the funeral director. Without this form, it is difficult for a ldss to know if additional services requiring a contribution have been performed.
We strongly recommend that each ldss require a funeral director to submit to the ldss a copy of this completed and signed form for each indigent burial performed. If ldss's require the itemization form and retain it in their records, it would be easier for the State Department of Health to prosecute cases against funeral directors who commit fraud. To conceal contributions, the funeral director would have to prepare two different forms, one for the ldss for the indigent burial and a second for the contributing customer. This would constitute fraud. Should a complaint be made to the State Department of Health about any aspect of the funeral and a required form is produced which contains different information than one held by the ldss, proof of fraud would exist. Currently, ldss itemization forms differ by county and may be ambiguous as to the exact services provided and whether a contribution has been received. If you or your staff have any questions on this matter, please contact Pat O'Shea at 1-800-342-4100, extension 4-9349.

Oscar R. Best, Jr.
Deputy Commissioner
Division of Income Maintenance