The high point — make that the low point — of "The American Way of Death" is Jessica Mitford's account of a friend's "empti-bury" a relative without spending a fortune. When the friend asked for an inexpensive redwood coffin, the funeral home agreed at first. But the salesman called back to say the deceased was too tall, and she had to buy a coffin that cost $100 more. When Ms. Mitford's friend balked, the salesman responded, "Oh, all right, we'll use the redwood one, but we'll have to cut off his feet."

This summer it feels as if big business is letting us down as never before. But corporate scandals have been a part of American history since the Yazoo land fraud of 1795. Thirty-nine years ago Ms. Mitford exposed one of the most jaw-dropping of all: the great funeral industry scandal of 1963. Her findings, acerbically set forth in her surprise best seller, hold some important lessons for today's reformers.

This unlikely scandal was set off by an unlikely crusader. One of six daughters of the Baron of Rodesdale, Ms. Mitford left the British aristocracy behind and married Bob Treuhaft, an Oakland trade union lawyer. From him she learned that when working men died, their hard-won death benefits — intended to support their widows and children — invariably ended up in the pockets of unscrupulous undertakers.

On the trail of injustice, Ms. Mitford made undercover visits to funeral parlors and poured over back issues of Casket & Sunnyside — and the rest is muckraking history. "The American Way of Death" soared to the top of the New York Times best-seller list, and ignited a firestorm. CBS turned it into a 13-hour documentary, and newspapers from New York to San Francisco investigated local funeral practices. Ms. Mitford's encounters with shady undertakers and cemetery plot salesmen led her to some conclusions that apply to today's corporate scandals, or most likely soon will:

1. Never underestimate corporate greed. Before her book came out, funeral directors presented themselves as humble comforters of the bereaved. But Ms. Mitford showed that they charged more to bury 1.7 million Americans a year than universities charged to educate 3.6 million.

Many observers of today's scandals have been shocked by how rich people will go to become richer. Bernard Ebbers, who took in more than $46 million at WorldCom, still grabbed nearly a million shares of hot I.P.O. stock, possibly illegally.

2. Corporate crooks often tell us exactly what they're doing. Much of "The American Way of Death" is simply excerpts from the funeral industry's own publications. (The book "Successful Funeral Management" warned undertakers not to line up coffins by price, since it made it too easy for the grieving family to comparison shop.) So it is with the current scandal, where the most damning evidence is in many cases the wrongdoers' own words. Wall Street analysts issued "buy" recommendations while yucking it up in internal e-mails that the stocks were junk. C.E.O.'s made bullish pronouncements, duping their shareholders and employees, while filling out forms to sell their own stock. When their words are quoted back to them in legal indictments, it will be akin to what Ms. Mitford retorted to funeral directors who complained about her book: She could not see why they were unhappy, since it was "almost entirely given over to expounding their point of view."

3. Sometimes it isn't just the bad apples. President Bush has tried to argue that the misdeeds of Enron, WorldCom and the rest are ethical lapses of a few bad actors, and that the solution is criminal prosecutions. But the point of "The American Way of Death" is that the funeral industry as a whole was corrupt. "This would normally be the place to say... I am not, of course, speaking of the vast majority of ethical undertakers," Ms. Mitford wrote in the foreword. "But the vast majority of unethical undertakers is precisely the subject of this book." The only solution, she insisted — as reformers today must

— was sweeping reform.

4. Reform comes slowly. For those hoping for meaningful reform now, the funeral experience is sobering. When "The American Way of Death" came out in 1963, the public was outraged. But despite a flood of angry letters, it took the Federal Trade Commission until 1972 to begin an investigation. It was 12 more years before it adopted — over strenuous industry lobbying — a rule instituting some of the reforms Ms. Mitford had recommended.

The new rule required funeral homes, but not cemeteries, to itemize services and costs in advance so consumers could decide which they wanted. Still, when Ms. Mitford died in 1996, much of her agenda had been blocked. The Senate held hearings this summer on a bill, to be introduced later this month, that would, among other things, require cemeteries to itemize costs — just in time for the 40th anniversary of Ms. Mitford's explosive little book.
funeral prices on the Internet

After a home and a car, the most expensive purchase most people make is a funeral. And while it is not unusual for consumers to spend weeks or months shopping for the best deal on a house or automobile, few compare prices when shopping for a funeral.

But thanks to Fr. Henry Wasilewski, a semiretired parish priest at St. Margaret Mary Church in Tempe, Ariz., anyone with access to the Internet can now get pricing information on common funeral merchandise. Since last fall, Wasilewski has been publishing a variety of funeral information on the World Wide Web. His Web site is the only one that provides wholesale prices for caskets, which are usually one of the most expensive elements in a funeral.

He also offers advice on shopping for a funeral, the type of casket to buy and information about prepaid funeral plans.

Active in funeral-related issues since 1980, Wasilewski, 66, has become one of America's most outspoken crusaders against an industry that he believes abuses the public. "Most people don't have the time or inclination to do any checking on the funeral industry. And people always say of their funeral director, 'He was so nice.' If I was taking $3,000 out of your pocket, I'd be exceedingly nice, too."

Wasilewski, who has appeared on numerous television shows and has been quoted in many newspaper and magazine articles, said his interest in the industry was piqued while working at parishes in the Phoenix area. "I began to notice that people were having a hard time with the costs of funerals. In one case, I found a lady going up and down the street begging for money to bury her husband. When she told me the price of a funeral, $1,000, I called the mortician and asked why the price was so high. He said it was because of the casket she picked. Later I found out it was the cheapest casket there is."

After the funeral, Wasilewski confronted the funeral director and demanded that he reduce the price of the funeral. The funeral director quickly agreed to cut the cost by 50 percent. "If he cut the price in half, he knew he had cheated her," said Wasilewski, "and cheated her by that much."

Since that first "mortician with a guilty conscience," Wasilewski has developed trusting relationships with morticians in states as far away as New York, who send him information, including wholesale price lists for caskets. In exchange for the information, Wasilewski promises not to disclose their identities.

"When I saw (the wholesale prices) I just about choked," he says.

The National Funeral Directors Association is a taped response to a question, said a 1995 survey of its members found that the average funeral home made a before-tax profit of 10.8 percent, an acceptable-to-modest profit by U.S. corporate standards.

Laura Glawe, spokeswoman for the funeral directors' association, said consumers are getting more price-conscious when it comes to funerals. "We've seen an increase in the number of people calling around and talking to more than one funeral director, especially among people who are preplanning funerals," she said.

In 1982, Wasilewski, along with a rabbi, a Presbyterian minister and several social workers, founded the Interfaith Funeral Information Committee to provide consumer information.

Over the past year, Wasilewski has worked with television stations in Denver, Phoenix and Houston on segments that expose the high cost of dying. And he has been a vocal critic of the consolation in the funeral industry. One of his targets has been Houston-based Service Corporation International, the world's largest funeral provider. The company, which operates some 2,800 funeral homes worldwide, controls 10 percent of the American funeral industry, according to previously published figures.

A comparison of the figures on Wasilewski's Web page to price lists from several of SCI's Houston-area funeral homes shows that the company often charges its customers five times the wholesale cost of their caskets.

Based on the volume of business does, Wasilewski says the company charges one-half to one-third what other funeral homes charge and still makes a profit. "But they don't," he said. "I keep their prices at the highest level.

William Barrett, a spokesman for SCI, said the company's after-tax profit margin is 11 percent, which, he adds, "is not unreasonable." As for the company's prices, Barrett said, "It's not fair to single out one item like that. What you need to do is look at the whole package. The whole lot more that goes into a funeral besides the casket."

When a member of the Interfaith Funeral Information Committee, or IFIC, suggested they start publishing the information on the Web, Wasilewski said, "I had no idea what the Web was. But after reading several books, I put it on at the computer. Wasilewski has been a savvy Web presence and now spends several hours a day adding new and more detailed information to the site.

Wasilewski's Web site contains picture caskets, model numbers and suggested prices, also contains such consumer information as a list of media exposés on the funeral industry, guidelines on choosing a casket, price lists for vaults, phone numbers for companies that sell low-cost caskets directly to the public and a list of resources for consumers who think they have been mistreated by the industry. The site is set to launch its own Web page simulating the next few months to help consumers become better informed.

The Interfaith Funeral Information Committee's page can be found at http://www.xrnads.com/~funerals on the World Wide Web.

Regardless of where people go for their funeral services, Wasilewski said, "The essential element is knowledge. People don't get ripped off because they are grieving," he explains. "They get rip off because they are ignorant. If you know how much tomatoes cost, nobody's going to sell you a $10 tomato."
By Samson Mulugeta

INDEPENDENT funeral directors
Douglas and Kenneth Chapey have seen the writing on the wall about their tradition-steeped profession, and they're trying to fight back.

"There's nothing like family," reads the advertisement that the co-owners of Frederick J. Chapey & Sons Funeral Homes Inc. placed recently in a local weekly newspaper. "In this day and age of large corporate takeovers in the funeral industry, we still hold strong to the tradition of family ownership."

The ad was a not-so-implicit reference to Service Corporation International Inc. (SCI), the world's largest funeral services company, which owns 31,127 funeral homes and cemeteries around the world, and now wants to buy a funeral home in East Farmingdale, its 10th facility in Suffolk County and its first on Long Island. The plan is pending before the Babylon Planning Board. By some measures of America and a boom in the "death care" industry, the battle between America's independent funeral directors and their corporate counterparts is intensifying.

So far, national chains such as SCI and Loewen Group own just slightly more than 17 percent of the 212 funeral homes on Long Island. For now, the Chapeys conclude, the prices charged at those facilities remain competitive with those of the traditionally locally owned funeral homes. But, the Chapeys and industry analysts say, as the national chains increase their market share in the area, they will begin raising prices. And in the end, they say, that will hurt consumers since they rarely shop around for the best prices for funeral services.

The Chapeys, who are members of local business and civic groups and sponsors of a nonprofit "after-care" counseling service to assist grieving families after burials, said their business is different from national chains because they feel they have a stake in their community and it's more than just a financial one.

"Corny as it may sound, I see our service as a ministry, not just a profit-making business," said Kenneth Chapey. "We feel we provide a valuable service to the community with no having to answer to stockholders, bother with the bottom line or sales quotas."

SCI, with 1997 revenues of $2.5 billion, has made no secret that it expects the next few decades to be boom years. Under the headline, "Why Our Future Looks So Bright," its Web site points out the U.S. Census Bureau's projection that the nation's annual death rate will increase by more than 61 percent by 2050.

"Through an aggressive expansion program, SCI is preparing for this increase," SCI informs potential investors. "The company continues to grow by acquiring established funeral service businesses and building new branches in cities where increasing funeral needs are indicated."

Long Island, with a projected growth rate of 18 percent in the age 65-and-over population by 2050, is a booming potential market for SCI, said Terry Hemeyer, a spokesman for the publicly-owned corporation based in Houston, Texas.

"Long Island is a growing market, and SCI looks to do more business there," Hemeyer said. SCI is the biggest of the three big corporations that handle nearly a quarter of all the funerals in the United States.

State regulators also see the trend.

"They (SCI) are making a major effort to buy funeral homes, not only in New York, but nationwide," said Francis Tarlton, spokeswoman for the state Department of Health, which licenses funeral homes.

Corporate-owned funeral homes have lower overhead because they purchase supplies and services from SCI's own facilities, which are tied to SCI's own funeral homes. They also benefit from what's known as clustering, the practice of consolidating services for several funeral homes in a particular area. However, those savings may not necessarily be passed on to the consumer, said Lisa Carlson, executive director of Funeral and Memorial Societies of America, a nonprofit group based in Hinesburg, Vt., that monitors the funeral service industry.

"Our (nationwide) surveys show the corporate-owned funeral homes charge 30 to 90 percent higher prices," said Carlson, who estimated the cost of the average funeral home fees to be about $4,700. She said she could not say whether the same holds true for Long Island. "They know that 90 percent of the people who arrange for services do not shop around." Carlson added that independent funeral homes can be expensive but that their prices tend to be less than those owned by corporate chains.

The Chapey's funeral home in West Islip is surrounded by SCI properties, including the Claude R. Boyd-Caratozzo Funeral Home in Deer Park, the Claude R. Boyd-Spencer Funeral Home in the village of Babylon, and the Community Heritage Funeral Home in the village of Babylon. The Chapey's place across the street every day to call out, "Hey Fred, don't you have a customer yet? When are you going to close up?"

"That was old-style competition," Douglas Chapey said. It was nine months before Chapey did his first funeral, but his business grew to thrive. Eventually, two of his seven children, Douglas and Kenneth, joined the family business.

Most chains making forays into new territory usually do not enter a market with a lot of fanfare. They approach funeral directors with attractive offers and in many cases, retain the former owners as supervisors and liaisons to the community, taking care not to tamper with the traditional name of the funeral home. Usually, there is nothing to indicate that a local funeral home is owned by a conglomerate. While some criticize the practice as misleading, SCI's spokesman, Hemeyer, said there is nothing wrong with it.

When Boyd, the Chapey's business rival, died more than two decades ago, his two funeral homes in the village of Babylon and Deer Park were bought by SCI.

The Chapeys and other funeral directors took note as SCI's move but hardly anyone else in the community noticed the transition, especially since SCI added local resident Charles Spencer to the funeral home's name in the village of Babylon, although he is manager of the business, not its owner.

"I know Spencer, and he's a good man. And this is nothing against him, but the name gives the wrong impression," said Douglas Chapey.

SCI defended the renaming of the business. "Any type of big business would go with what has worked in the past," said Hemeyer, referring to the practice of retaining local names. "But we don't hide the fact that we own a property."

In the years since, SCI has bought seven funeral homes in Nassau, nine in Suffolk and 61 in New York City. Loewen, the second-largest funeral services corporation in the nation, owns six funeral homes in Nassau and two in Suffolk. There are 212 funeral homes on Long Island and 607 in New York City. The biggest and most well-established ones in Manhattan — Riverside, Walter R. Cooke and Frank E. Campbell — are owned by SCI.

Surrounded by SCI- and Loewen-owned funeral homes, Douglas Chapey acknowledges that his circumstance is different from most other funeral directors on Long Island, who do not yet face such intense challenge from the national chains owners.

"We're in a unique situation on Long Island, but we're not going to be unique for too long," said Chapey. "We're afraid what happened in Texas and Florida will happen here and the big guys will take over most of the business."

Homes in Babylon. Industry observers say SCI tends to cluster its funeral homes in a small area, at least at the beginning. In Nassau County, four of its homes are grouped in Hewlett and two in Great Neck, with the other in Hempstead.

The Chapeys, who own a second funeral home in East Islip, fear the eventual demise of the mom-and-pop nature of the funeral business — personalized service by funeral directors rooted in the community for generations, like their late father, Frederick.

In 1996, during Frederick Chapey's first few months in business, Claude R. Boyd, who owned the nearby Boyd Funeral Home in the village of Babylon, drove by Chapey's place almost every day to call out, "Hey Fred, don't you have a customer yet? When are you going to close up?"

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The New Look of the Funeral Business

By EDWARD WONG

WEST WINDSOR, N.J. — Annette York’s first body was heavier than she had ever imagined. She and a co-worker had just taken it, zipped it up in white plastic, from the refrigerator of a Trenton hospital morgue. It was cold and felt like a sack of rocks.

Having spent most of her life working as a hairdresser, she was used to handling curlers, not cadavers. What would she say if the family was there, she thought. What if he smelled?

But Mrs. York, 42, a student in the funeral service program at Mercer County Community College, cracked a smile as she drove the body to the funeral home in a black station wagon. She liked working with her hands. She liked dealing with people. And maybe, just maybe, one day she would run her own funeral home.

"I really enjoyed doing it," she recalled of that first corpse removal, in 1996. "I don’t know how to explain it. I just liked it. It gave me a feeling of satisfaction, much more so than I ever got from dealing with hair."

A few years ago, Mrs. York’s dream of owning a funeral home might have seemed quaint, even quixotic. Sure, business was supposed to rise as the baby-boom generation aged. But the future of the industry seemed to belong to big corporations.

The Service Corporation International, the Loewen Group and others were buying up family-run funeral homes and consolidating them into chains that could benefit from economies of scale in everything from buying coffins to paying for advertisements.

But even as the corporations captured a fifth of the American market, earnings in the "death-care industry" failed to live up to expectations. Stock values plummeted. Service Corporation International’s stock, which peaked at $47.13 in July 1998, closed on Nov. 9 at $2.56, a fall of 94 percent. Loewen’s shares, which traded for as much as $43 before the company filed for bankruptcy protection in June 1999, closed at 27 cents.

"Competition for acquisitions led to overpayment," said Jennifer Childs, an equities analyst with Bear, Stearns. "That combined with negative publicity, an inability to raise prices and weakened death rates led to a deterioration of earnings."

All this has brightened the outlook for individually owned funeral homes. These days, students from widely varying backgrounds are enrolling in mortuary schools, which in turn have revamped curriculums to focus more on business-management skills.

Although the number of students entering the country’s 52 accredited mortuary schools each year has remained at about 2,500 since the mid-1970’s, their demographics are changing, said George Connick, executive director of the American Board of Funeral Service Education.

Less than a fifth come from families in the funeral business, he said, in contrast to half the students in the 1970’s. Almost half the enrolled students last year were women, as opposed to 5 percent in 1971. And the average age is 25.

"The business has opened up," Mr. Connick said. "It’s brought people into the field who have stronger academic backgrounds and stronger backgrounds in working with people. I think the quality of service will improve over time."

This new breed of student is choosing the profession at a time when jobs are abundant. Many people in the industry say that the 35,000 licensed directors now working will not be enough to meet the growing market. The number of deaths in the United States surpassed two million a year in 1983 and rose to 2.3 million in 1998, according to federal statistics. By 2020, the government forecasts the number of deaths will exceed three million, and peak at four million a year by 2040.

The growing demand for directors is reflected in recent salary surveys done by the National Funeral Directors Association. In 1996, a funeral director-embalmer’s average annual salary was $32,000 to $33,500. Last year, the upper range increased to $37,000. Owner-managers of funeral homes made an average $48,000 to $57,000 in 1996. Last year, that was reported to be $53,000 to $72,000.

The Mercer County Community College program, founded in 1973, is a microcosm of what is happening in the industry. Only about half the full-time students come from families in the funeral business, said Robert Smith, director of the program. About a third are women. And many of them want to run their own home.

Qualifications for a funeral director’s license vary from state to state. New Jersey has relatively tough requirements. An applicant has to have an associate’s degree in funeral service (meaning two years of college classes and a third year of funeral service classroom training), do a two-year internship and pass national and state exams. Most students start their internship while in their second or third year of classes.

Training for the profession has become more complex. Mortuary schools are emphasizing more on the fundamentals of funeral home management partly because knowledge of the business is no longer necessarily being passed on within families.

"Curriculums have changed now so the programs are much more focused on the psychology of grief and on management skills," said John Horan, a funeral director who serves on the advisory board of the funeral service program at Arapaho Community College in Littleton, Colo. "I remember taking an accounting class when I was in mortuary science school where I felt better qualified to teach the class than the instructor."

From the beginning, Mrs. York knew it would be tough. Her husband and three children "were not too thrilled" with her career choice at first. It had been decades since she had cracked a textbook. She began taking preparatory courses in the summer of 1996. At that stage, science classes like anatomy and chemistry often weed out students.