



# FEDERAL TRADE COMMISSION

WORKING FOR CONSUMER PROTECTION  
AND A COMPETITIVE MARKETPLACE

## Funeral Rule Offenders Program

### The International Conference of Funeral Service Examining Boards

#### 104<sup>th</sup> Annual Conference

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Southwest Region

# Funeral Rule Compliance



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- **Funeral Rule became effective in 1984**
  - **Industry and consumer education**
  - **Investigations**
  - **FROP Sweeps began in 1996**



# FROP Sweeps

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- **Who: FTC, State officials, trained volunteers.**
- **Why: To increase compliance with the Funeral Rule.**



# **FROP Sweeps**

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- **What: Unannounced visits to funeral**

**homes to assess compliance**

- **When: Any time**

- **Where: Nationwide**



# FROP Analysis

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- **General Price List Key Elements:**
  - **General Price List provided timely**
  - **General Price List's required disclosures**



# **FROP Analysis**

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- **Required disclosures included:**
  - **Right of Selection**
  - **Embalming**
  - **Alternative Containers**
  - **Basic Services Fee**
  - **Casket Price List**
  - **Outer Burial Container Price List**



# **FROP Analysis**

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- **Other possible Rule violations**
  - **Oral misrepresentations**
  - **Burdensome requirements**
  - **Tying arrangements or requirements**



# FROP Sweep

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- **Continuum of Possibilities**
  - **Compliance letter**
  - **No violation**



# FROP Sweep

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- **Continuum of Possibilities (con't)**
  - **Violation – FROP offered**
    - Home may accept (pay fee, participate in 3 year training program offered by NFDA) or reject (subject to FTC legal action in Federal district court)



# FROP Sweep

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- **Results 1996-2007**
  - **2059 funeral homes surveyed**
  - **286 referred to the FROP program**



# FROP Sweep

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## ■ Results 2007

- 174 funeral homes visited in 9 states
  - 26 offered FROP
  - 66 compliance letters



# FROP Requirements

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- **Voluntary payment to U.S. Treasury**
  - **.8% of average gross annual sales revenue for preceding three fiscal years.**

# FROP

## Requirements

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### Example:

Year 1: Gross sales \$100,000

Year 2: Gross sales \$150,000

Year 3: Gross sales \$200,000

\$450,000

$\$450,000 / 3 = \$150,000$

$\$150,000 \times .008 = \$1,200$

# FROP

## Requirements

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- **FROP Participation fee to NFDA**
  - Lesser of the amount of voluntary payment or **\$1000** paid to NFDA for enrollment
  - Annual payments of **\$200** for each of the remaining 2 years of the program



# FROP Requirements

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- **Training**

- **Review of General Price List (GPL)**
- **Casket Price List (CPL)**
- **Outer Burial Container Price List (OBCPL)**
- **Statement of Funeral Goods & Services Selected (SFGSS)**



# FROP Requirements

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- **Training (con't)**
  - **Initial training**
  - **Follow-up testing**
  - **Distribution of training materials to staff**
  - **Annual certification of compliance**



# NFDA's Role

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- **Provide training and review of key documents**
- **Track FROP participation**
- **Report quarterly to the FTC**



# FTC Publications

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- **Paying Final Respects: Your Rights When Buying Funeral Goods & Services**
- **Funerals: A Consumer Guide  
Complying With the Funeral Rule**
- **Protecting Personal Information:  
A Guide for Business**



# HOW TO CONTACT FTC

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## FTC Web Site:

- [www.ftc.gov](http://www.ftc.gov)
- [http://www.ftc.gov/  
bcp/online/pubs/buspubs/funeral.htm](http://www.ftc.gov/bcp/online/pubs/buspubs/funeral.htm)
- **Toll free hotline: 1-877-FTC-HELP**
  - **Consumer publications**
  - **Business publications**

# THANK YOU!

