Who’s Buying Up All the Black Funeral Homes?

Lorenzo Kom’boa Ervin

I was talking to a funeral home director in Georgia recently who told me something that shocked me, and I am sure, will shock you too.

Think you know who owns your local Black community funeral home? Think again. It’s probably owned by a large multinational corporation, instead of a Black family like in the past. A shadowy group of billionaire white businessmen from British Columbia called the Loewen Group owns 30-60% of all the Black funeral homes in America (and over 1,500 funeral homes and cemeteries in all). The Loewen Group is the #2 largest mortuary company in the world, with assets in the billions of dollars, made eating the flesh of our dead. Along with SCI Inc. and the Stewart Group, (who are nos. 1 and 3 in mortuary company profits and holdings), the Loewen Group is the harbinger of the covert seizure of all Black funeral homes in the USA. They have funeral homes in Canada, the USA, and the United Kingdom, Europe, and some say, are even moving into Southern and Western Africa.

Since they have taken over our local funeral homes, the costs of burying a loved one has risen 30-50%. If a family cannot pay these costs, then the body is kept "on ice" until they obtain the money. Many critics refer to this as keeping a body "hostage". In fact, in too many cases, once the white big business takes over a funeral home, prepaid funeral arrangements are routinely ignored or unilaterally violated, and then additional money is demanded for burial.

These white business people are also perpetrating a fraud on the Black community by "rehiring" the former Black owners as "managers", leading the average person to think the business is still Black-owned. The scam works this way: using gangster tactics, these white businessmen buy out bankrupt Black businesses, but also viable businesses by virtual bribes, threats, and even setting one funeral home against another in the same community to drive the reluctant owner out of business and then taking over the entire market. This is obscene, but it is the kind of hardball tactics they favor, if any owners resist selling out to them. It doesn’t always work, and in fact the Black funeral home directors have formed their own trade group to protect them, but it still has allowed them to keep the pressure on, and the pressure has caused some to sellout.

This is really buzzards feeding on the Black dead. Yet another example of white capitalist forays into the Black community to dominate Black culture and business, whether it is the beauty home business, the hip hop music industry or funeral homes. Have they no shame? Have we no sanctity,
even in death? The truth is that we must fight the Loewen Group buzzards off the bodies of our ancestors and loved ones. This is the worst exploitation possible.

They are so bad that even the federal government sued the Loewen Group over its corrupt business practices, but because of all the money they had already made, they were able to hold off both the Department of Justice and the Federal Trade Commission. In fact, they sued the government, and tried to make the the U.S. government re-pay hundreds of millions of dollars in a private lawsuit that they lost against a local funeral home company in Mississippi, whose director sued them for trying to drive him out of business.

This company is so corrupt that their own stockholders have successfully sued them for hundreds of millions in a number of lawsuits over the last few years, accusing them of fraud, mismanagement and racketeering. But unlike Al Capone, they don't rob you with a gun, they use an ink pen, computer, or fax machine, and bring an army of lawyers when the going gets tough.

Even though they were also sued by the families of many people bilked out of their prepaid funeral arrangements and forced to pay thousands more to bury their loved ones, they have not changed their crooked way of doing business. They also are every bit as arrogant, hiding their ownership or control of many local funeral homes now, with shell companies, and putting millions in offshore banks. It is something not even the Mafia could succeed in doing in hiding illegal profits.

WHAT CAN YOU DO? Myself and other activists are calling for a worldwide boycott of Loewen Group funeral parlors, and a letter writing campaign to demand that they cease taking over Black funeral homes, stop using high-pressure sales tactics to take advantage of families in grief, and honor their prearranged funeral contracts. we are also asking for concerned persons to write letters of complaint to the Federal Trade Commission,[ 950 Pennsylvania Avenue, N.W. 20530 or go to www.ftc.gov and file an online complaint] demanding that they begin an anti-trust investigation of the Loewen Group and begin to protect Black and poor consumers. There are federal laws already on the books regulating funeral homes, but because of racism and bureaucratic inaction, they have never been used to protect our interests. Now we must complain to protect our loved ones, and see that our dead are treated with respect, not eaten alive by jackals only interested in money!

You also need to find out if your local funeral home is owned by Loewen Group or another white multinational corporation. Call and find out, and if they won't tell you, do a little research at the Hall of Records, your public library, or the Secretary of State's office.

NOT OVER MY DEAD BODY! It is demeaning, humiliating, insulting and cruel. It's the worst way to exploit someone, rob, or attack someone when they are truly defenseless. It's an unbelievably cowardly act. What am I talking about? How funeral parlors wait until your loved ones have died and then shake your family down for money. Let me tell you what happened to me recently.

A few weeks ago, my dearly beloved mother, Minnie Lou Ervin, died in a local nursing home in Chattanooga, Tennessee. Franklin-Strickland Funeral Home, a local Black funeral parlor which has been in business for over 70 years, came to claim her body. For over 40 years, my family had dealt with the company and been generally satisfied. My aunt, uncle, and other family members have been buried by the company.

But things change, even in the death business. In May 1998 when my father died and the company conducted a cremation of his body without even advising me of his death, I became very alarmed, if not outright angry. Hey, I lived only about three blocks from the funeral parlor!
When I asked about it, they told me since his Sister (my Aunt Louise), who lived in Indianapolis, was paying for the funeral, I had no say in the matter. Around this time I was arrested at City Hall by Chattanooga police during a series of events which became the Chattanooga 3 case, [a landmark civil rights prosecution in Tennessee], and my aunt used the occasion of my absence to press ahead with her plans without my input or opposition. My father’s corpse was burned up and the ashes were back in Indianapolis before I knew anything.

So I really didn’t want Franklin-Strickland to handle my mother’s funeral, but my mother herself apparently did. In 1985 she and Reuben Strickland, co-owner of the business, prepared a prearranged funeral agreement for her entire funeral and burial (although she later opted for a cremation). She even had me co-sign it, and promise that I would see that everything went according to plan.

Well, it turns out she told the wrong party. Almost immediately after her death, the funeral home officials called to tell me that the prearranged agreement was "worthless" and that I would have to pay thousands of dollars more if I wanted to bury my mother.

Naturally, I was devastated over this. I had no personal resources for a funeral and was caught totally short-handed. I was confused and angry, and did not understand why the funeral company would not honor this agreement. The funeral home blamed the insurance company, CONSECO, and the insurance company in turn blamed my mother, saying she had not paid them since 1996, when she had a stroke and entered a local nursing home.

Frankly, neither I nor any other family member even knew that neither the insurance company or funeral home had accounted for the 11 years of payments she had made without fail. They made it seem that she never made a payment, or that whatever she did pay was now "forfeit", as if it had fallen down a black hole or something. The policy was only for $2,000, so it was paid off in advance, and if . Meanwhile, a white multinational company took over Franklin-Strickland Funeral Home and was driving up the price of funerals there, and CONSECO had taken over the company which had sold my mother the policy.

They did not want to honor the old agreement(s) for mostly elderly Black people like my mother, and when I asked why, company officials told me that they did not feel that $2,000 was enough for a funeral today, and so they just abrogated the agreement and demanded thousands more. As for the insurance company, they just said it was all "my problem." Yet, the law on the books in Tennessee says that if a funeral home or insurance company collects money for a prepaid burial plan, and does not carry out the agreement, they must return the money to the surviving relatives.

I complained to the State Board of Funeral Directors and Embalmers, [500 James Robertson Parkway, Nashville, TN. 37243-1144], about all this but they have yet to do one thing. This may be because they are top heavy with directors of funeral homes, and cannot be counted on to impartially hear any matter against one of their colleagues. When I called and spoke to Art Giles, Executive Director, in Nashville some weeks ago, he told me it would be over two weeks before they even recorded receiving my letter! Now this might be because they take so long to do an investigation, but is more likely because they drag their feet on all the cases they receive. If you want to help me light a fire under the feet, please write to: agiles@mail.state.tn.us

Like most people, I did not know that white businessmen had taken over my local funeral home, and that what they were doing to me and my family had been (and was being) done to countless others. The Loewen Group, Stewart Enterprises, and Service Corporation International were getting rich by such fraudulent schemes, and had already bought up 30-60% of the Black
funeral homes in the U.S., and was bidding for the rest. Just like they did with Franklin-Strickland, Blacks just managed things, they didn’t own anything. Everyone was led to believe that it was just like it had always been. Although Loewen Group concentrated on taking over Black funeral homes, in fact, most of the local family-owned funeral homes in the USA are owned by these three multinationals.

After recovering from my momentary shock and depression, I decided to fight back, and switched my mother’s body to another funeral home, one I knew for a fact was Black-owned. They agreed to conduct the funeral for the original $2,000, after I agreed to pay them back their out-of-pocket expenses of $650 that Franklin-Strickland charged them to just pick up the body and for an unauthorized embalming.

In fact, the other funeral home, the House of Overstreet of Dalton, Georgia, saved the family even more grief in what was already a terrible situation, and I am extremely grateful. Rev. C Eugene Overstreet, the owner, said he was doing this partly because he was embarrassed over the way we were treated. He said it reflected badly on the entire mortuary industry, although it was those “cunning rich white folks” at SCI, the Loewen Group, and other multinational corporations who was behind all this. He made it clear that he considered them nothing but “money grubbing thieves.” Certainly, he let me know that I was not the first one this had happened to and would not be the last, as long as they controlled Black funeral homes.

You can bet that I intend to sue the owners and managers of Franklin-Strickland Funeral Home, and their white parent company. But since I am an activist and writer, I am also working with others to build an international boycott of the multinational funeral homes and asking folks to file complaints against them with the Federal Trade Commission demanding that they be fined or be forced to divest the Black funeral home companies. This would cost them hundereds of millions of dollars, and may deter their illegal conduct. One thing for sure: hitting them in the pocket is the only thing they understand. They are indifferent to our pain and suffering over the mistreatment of our loved ones, and don’t care about anything about our financial sacrifice to have them buried, just their bottom line.

I have since figured out that one of the reasons this happened to me is because some years ago I led a group of Black civil rights organizations into a legal case, where we sued the city government, including the only Black member of the City Commission John Franklin, then co-owner of the Franklin-Strickland funeral company. The voting rights lawsuit drove him off the City Commission (as it was then known) and ended his political career, and now his son, who now runs the funeral home and sits on the new City Council apparently still harbors a grudge towards me for that. So it’s not strictly a business decision, but a political attack! Either way it’s a disgrace, I would not treat my own worst enemy in such a fashion.

If you want to complain to the funeral home owner about how my family was treated in this matter, then please send an e-mail or letter to: John ‘Duke’ Franklin, Office of City Council, City Hall, 100 11th Street, Chattanooga, TN. 37404 e-mail: franklin_j@chattanooga.gov

If you want to make a complaint about how big white companies are taking over local Black funeral homes, then please write to: Federal Trade Commission, Antitrust Division-New Case unit, 601 D Street, NW, Ste. #10107, Washington,D.C. 20530. If you go to their website at http://ww.ftc.gov/, you can make an online complaint.

THE PROFIT OF DEATH (part 3 of 4)

Capitalism exploits us from cradle to gave. It costs so much now to bury our loved ones that it almost means hocking our future to pay to bury our past. Multinational Corporations like the
Loewen Group of Canada, Houston-based Service Corporation International, and New Orleans-based Stewart Enterprises, Incorporated have made it very expensive to bury our people. They have done this by driving up the costs of funeral, and taking over the ownership of the family-owned funeral company.

These companies are fighting over their share of a $10 billion funeral service business. They have already made hundreds of millions in profits, but want more, in fact, in the typical greedy fashion of capitalists, want it all! Service Corporation International is the world’s largest provider of funeral, crematoria, and cemetery services; they own over 4,500 in all. Their global network spans 20 countries and 5 continents. Their 1999 annual report listed over $3.32 billion in revenues. Next comes the Loewen group, with ownership of almost 1,800 funeral homes and cemeteries, 90% of which are in the United States. The Loewen Group recently went into bankruptcy [with $1.6 billion dollars in liabilities] after being successfully sued for $500,000 in Mississippi, and yet was still able to fend off a recent takeover bid by SCI. They are most active in buying up Black, Jewish and Catholic funeral homes. Last, but not least, is the Stewart Enterprises, which has assets of almost 900 funeral homes, and $734.08 million dollars in revenues.

These people are getting rich in the game because they shy away from nothing to make money, including fraud, according to their media critics, shareholder lawsuits, and independent funeral companies. These sharks use a variety of fraudulent methods, but one of their best scams is to refuse to honor prepaid funeral plans, and force thousands of additional dollars out of a family on the spot. Many are forced to liquidate insurance policies, take out personal loans or new mortgages, and maybe even sell cars and other personal items to bury a family member. The sharks know that families will pay more out of desperation, if they are given sales pressure in their time of grief. The sharks make more from selling these preneed burial policies, [but they also lose hundreds of millions if forced to honor the policies]. Some years ago, a group of families in Louisiana filed a class action lawsuit against the Loewen Group for refusing to honor preneed policies. Similarly, a group of families in Chattanooga sued the Chattanooga Funeral Homes and SCI for refusing to honor such prepaid burial policies. But they know that most Black families won’t sue them, deferring the price of the funeral to the mortician.

They also know they can make us pay more by “piecemealing” us to death. Here’s what I mean: they charge you outrageous individual prices just for a casket ($2,800-$5,000), cemetery plot ($3,500), grave digging and clothing for deceased ($300), embalming ($400-650), funeral service and hearse ($1,500), and other add-ons, until we are at $10,000-$12,000 for a funeral. It’s enough to make you cry over the bill, not just the loss of your loved one.

You ask what is the government doing about all this? Well, not a whole lot. The reality is that there is very weak regulation of funeral home practices, even though there have been federal regulations in place since 1972. They get away with price gouging, breach of contract, and other illegal acts because it is the states which are allowed to regulate, and most of their boards are stacked with funeral home owners themselves. It’s the proverbial fox guarding the hen house. Only if there is a shocking case to the funeral home industry as a whole will they do anything at all. They favor “self-policing,” and of course, it may have happened, but it generally is the exception rather than the rule.

So everything is already stacked against the consumer, and in favor of the funeral home owner. Then along comes the big white capitalist companies who swallow local funeral home companies to maximize profits. They make billions upon billions of dollars, and have now gotten so powerful that they threaten to do in the funeral home business what McDonald’s did in the hamburger
business: objectifying the product and the customer. In other words: it's no longer processing the body of your loved one at all which is the issue, the body is merely a commodity which demands a certain return for services rendered. Money rules: legal tender to cover a tender family moment.

I know you don't want to hear all this, it's a boring, theoretical approach to something as serious as life and death, but you need to know that your death or those of your loved ones are now not only the concern of your family alone, but also "bean-counters" as well: bankers, accountants, and businessmen. So, in effect they are saying that each death is just a profit center: "so let's bury them, [and if need be], dig them up and bury them again!"

How did we ever get to this situation, and what can we do to change it? I frankly don't know everything, like most people it was not something that I cared to reflect on, but it was forced upon me by the recent deaths of my parents. I do know that Black funeral homes started as African-style burial societies many years ago in the segregated South, where white folks would not handle Black bodies. The community then would take over that role, later Black entrepeneurs came along to start family-owned enterprises [mortuary and insurance companies], but still with the idea of servicing the Black community, not fleecing the community as today's white mega-corporations do, who have no regard for Black people except for our money.

We need to once again take over the Black funeral home business by creating funeral home cooperatives and mutual aid burial societies. It's easier to do now than before since you can buy a casket and funeral supplies yourself, conduct your own ceremony, and not once have to pay some smarmy, blood-sucking Loewen group "death-hustlers" their outrageously high prices.

I wish I had done this with my mother's death this year, and I highly recommend that you do it when the time comes. We must take the profit out of the deaths of our loved ones.
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