

North Carolina Board of Funeral Service

April – June 2021

Ensuring the Safety, Health & Welfare of NC Citizens Through Professional Funeral Service

Plans Projected for Preneed Portal on Website

Board Launches Review of Preneed Program and Services

North Carolina's Preneed Program is recognized as one of the most effective such programs in the country because of the comprehensive statutes and rules that govern its operations, procedures and policies. Additionally, the Preneed Recovery Trust Fund, currently with a balance of nearly \$418,000, is among the Board's most important tools in the protection of consumers and the funds they entrust to licensed funeral establishments for future at-need arrangements.

Under the leadership of Paul Richardson and his staff, Rebecca Williams and Phyllecia Townsend-Banks, the Board's Preneed Program processes thousands of preneed contracts filed with the Board each year. Ms. Williams has a critical role in the dissemination and review of the Preneed Annual Report, and Ms. Townsend-Banks assures the timely entry of contact data into the Board's licensing management system. This staff with support from Judy Burnette, the Board's receptionist, also review and manage Certificates of Performance that the Board receives when a preneed contract has been performed.

Together, the preneed staff have collective responsibility for assuring that preneed licensees and licensed establishments are fully compliant with the preneed statutes and rules. The Compliance Officer, Brett Lisenbee, and his staff are directly involved in the administration and integrity of this important program through their on-site inspections and audits of preneed records and documents.

In recent months, Board staff have been engaged in an extensive and detailed review of the preneed program procedures and policies to assess and then propose recommendations to the Board for amendments to existing statutes and administrative rules to streamline the program and improve its operational efficiency.

We recognize the critical importance of timely communication to licensees regarding preneed program requirements. That's one of the reasons you may have noticed that our newsletters have included extensive information about new procedures that Mr. Richardson has implemented to facilitate how we process the contracts and COP's that you send to us on a regular basis.

We have also included important information in Advisories to Licensees to assure that our communication to you is timely and focused.

We are currently planning to transition our preneed services from paper-based transactions to a digital platform which means that in the future you will be able to file preneed contracts online.

The implementation of this objective will depend upon adequate funding and the capacity of our licensing management system to accommodate such a significant change. Until then, we will expand our web-based information regarding preneed issues.

You are accustomed to the Preneed Annual Report portal that appears on the Board website, and we are making this portal a permanent feature of the homepage. We have rebranded the portal as "Preneed Program Services," and we will populate this new portal



l to r Rebecca Williams, Judy Burnett, Paul Richardson, and Phyllecia Townsend-Banks

with Frequently Asked Questions, current Continuing Education offerings for preneed, and information concerning the operation and administration of the preneed program. In the future, the Preneed Annual Report will also be found on the portal and will remain available to you throughout the year for updating fund balances and other information that is necessary for the submission of your preneed annual report.

In continuing to explore ways to support preneed licensees and establishments in their compliance with the Board's preneed statutes and rules, staff will also focus on late submissions and guidance on avoiding late fees where possible.

Another key area that we will be exploring involves the prevalence of non-compliance with preneed statutes and rules which often leads to both non-disciplinary and disciplinary actions by the Board. We are committed to identifying strategies that will hopefully

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reduce the disciplinary actions that the Board must impose for non-compliance. We believe that strengthening our efforts toward licensee education and communication through the online Preneed Portal will be key in achieving this important goal. Board staff

encourage you to visit the website frequently so that you are aware of important information regarding the preneed program and its range of services.

NC Crematory Authority Opens Election to Fill Vacant Seats

The NC Board of Funeral Service has announced that nominations are open for the election of two members to fill vacant seats on the NC Crematory Authority. The Board emailed an announcement letter to all licensed crematories in North Carolina on July 29, 2021. Only licensed crematory managers are eligible to vote in the election. As noted in the letter, election to the two vacant seats is for a three-year term beginning on January 1, 2022, and expiring on December 31, 2024. Those wishing to submit a nomination to the

Board must complete a Petition for Nomination which was included with the letter to licensed crematory managers.

The Board conveys thanks and appreciation to Mr. Robert A. Dodson of Elite Cremation & Funeral Service in Greensboro, NC, and Mr. Michael J. Fulwood of Fulwood Funeral and Cremation Service in Ocean Isle, NC, for their service and contributions to the NC Cremation Authority. Their terms are expiring December 31, 2021.

NC Funeral Directors Association to Convene in Durham, NC for Annual Convention and Exhibition

Mr. Chase Noble, NCFDA Executive Administrator, has announced plans for the Association's annual convention and exhibition which will be at the Washington & Duke Hotel in Durham, NC. Convention dates are Sunday, August 22, 2021, through Tuesday, August 24, 2021. The convention will include an exhibit hall, golf tournament, and a memorial service. The NCFDA also plans several continuing education opportunities including presentations from Steve Ertzberger of Centurion Enterprises regarding the impact of the

COVID pandemic on professional funeral service and Dr. Pauline Goza from the NC Department of Health & Human Services who will discuss the state's new Electronic Death Registration System. Zack Wood from Federated Insurance will also be speaking on insurance programs available to funeral homes



*Chase Noble, NCFDA
Exec Administrator*

Former Board President, Darryl J. Hart, Passes Away



*Mr. Darryl J. Hart
1961 –2021*

Hart Funeral Service of Asheville, NC, has announced the death of Mr. Darryl J. Hart, Funeral Service Licensee, and owner/manager of the funeral home that bears his family's name. Mr. Hart passed away on July 1, 2021, in Asheville. A former President of the NC Board of Funeral Service, Mr. Hart claims a distinguished legacy of community service as well as numerous awards and recognition in professional funeral service. A 1986 graduate of Gupton-Jones College of Funeral Service, he was a member of Pi Sigma Eta National Morticians Fraternity and was honored as the Professional of the Year from the Funeral Directors and Morticians Association of NC in 2000. A life member of the NAACP, Mr. Hart served as Chairman of the Board for the Asheville Chamber of Commerce, and he received the 2006 Community Humanitarian Award from the Martin Luther King, Jr. Association of Asheville and Buncombe County. He is survived by his wife Karen Green Hart; a son, William D. Hart; daughters, Whitney Williams, Jazmyn Williams, and Daryl Jayda Hart; brothers, Osborne Hart and Gregory Hart; sister, Donna H. Bennett; and grandchildren, Jaydon Hopkins, Xavier Hart, Jaylee Monteith, and Jordan Monteith.

“Our Aim Is To Be Deserving of Your Confidence”

--- Darryl Jay Hart

From The President's Desk . . .



*Mr. Don Brown,
NCBFS President*

I wonder how many among us thought that we would still be dealing with the Coronavirus more than a year and a half after it made its first appearance in the United States. Now that we are confronting the reality of more illness and death because of the Delta variant, I realize each day how vital those of us who practice professional funeral service are in our cities and communities across North Carolina.

The pandemic has brought into sharp, clear focus the essential nature of what we do in service to the families in our state who look to us for guidance, comfort, and direction when they have lost a family member.

Since the beginning of 2020, we have been challenged in countless ways to assure the highest professional standards under the most difficult circumstances. There's no doubt in my mind that we have succeeded. And I'm not the only one who understands the vital role of a funeral director in helping families during a time of death.

In a recent editorial in the *Raleigh News and Observer*, the writer lauded professional funeral service as an example for corporate America to follow. The editorial noted that funeral homes don't use automated voice attendants on their phone systems. They

don't allow a first call to go to voice mail. They don't force a family to navigate a complicated phone tree in hopes of finding someone to help them.

As the writer correctly noted, they speak with someone who gives clear answers to their questions. They speak with someone whose voice is steady and comforting. Families quickly sense that they are speaking with someone who understands their grief and who will guide them through a difficult time as they plan a funeral service. The editorial asked an obvious question. *If the nation's funeral service professionals can be so effective and responsive in their communication with families during a time of personal crisis, why can't corporate America do the same?*

The editorial closed with a compelling observation: those in Corporate America would do well to learn from the funeral profession's example and leadership in communicating with the public.

Our collective response to the pandemic since early 2020 while continuing our high standards of service to the families we serve illustrates an important point.

As funeral service professionals, we are focused on building and sustaining relationships with our communities and the families we serve. We console those who are grieving. We guide and support them through grief counseling and aftercare programs. We are providing our families a support system that helps them confront

the reality of death. We help them understand that death is not final nor an end – it's an inescapable part of life itself. We are sensitive to a family's needs, and we respect their ongoing expectations that we are there to help them even after the committal service.

I suspect that you share these observations about who we are and what we do. I've often heard as you have that the funeral profession is a calling. It's a form of ministry and personal outreach to those in need.

The role of a successful funeral director requires a range of skills. We must be effective and ethical in our financial and administrative duties. We must be humble yet firm and commanding when carrying out a family's plan for a funeral service. We must be efficient negotiators in working with clergy and others who participate in the family's service for their loved one. And we must be explicit and clear in our communication to assure that families understand what can and cannot be done.

These are demanding skills, and they are essential to the work we perform every day. So, thinking about where we've been since early 2020 in dealing with the pandemic has also made me realize how vital we are to our communities and those we serve. Serving as Board President during this challenging time is certainly a source of pride for me. But even more than that, I am sincerely grateful for recognition as your professional colleague in our commitment and dedication to the families we serve.

Certified Human Resources Professional

Assistant Director Amy Acord Receives HR Certification

Stephen Davis, Executive Director, is pleased to announce that Amy Acord, Assistant Director, has completed a rigorous examination requirement for certification as a Human Resource Professional by SHRM, the Society for Human Resource Management. This national organization is recognized as the highest standard for professional development among human resource practitioners.

In her role as Assistant Director, Ms. Acord also functions as the Board's Human Resources Officer with responsibility for employee relations, salary administration, organizational development, and recruitment. Her certification as a Certified Professional recognizes her role as an HR Specialist in the development and implementation

of HR policy and management of specialized HR functions. "Amy's certification recognizes her knowledge and ability in human resource administration which is one of the Board's most critical programs," said Davis. "Her certification strengthens the Board's human resource programs and services by enabling her to provide key support in such an important area," added Davis, a former State Personnel Commissioner and State Personnel Director.



*Amy Acord,
Assistant Director*

American Board of Funeral Service Education

ABFSE Taps Rodabaugh For Key Appointment

Shawna Rodabaugh, Program Coordinator of Anatomy and Embalming and Faculty Member at Fayetteville Technical Community College, has been appointed to an ABFSE Curriculum Review Committee for Embalming. This committee is tasked with reviewing curriculum standards, instructional materials, and course outlines for accredited programs in mortuary science in the United States.

The ABFSE serves as the national academic accreditation agency for college and university programs in Funeral Service and Mortuary Science Education. Although its roots go back to the 1940's, the ABFSE became an autonomous agency in 1962. The accrediting

function of ABFSE is recognized by the US Department of Education and the Council on Higher Education Accreditation.

Commenting on her appointment to the embalming curriculum review committee, Rodabaugh said, "I think that it is vitally important for the members of the state I represent to have the opportunity to voice any concerns or suggestions they have on the curriculum for the new classes of embalmers coming through the school."

If licensees, particularly embalmers, have thoughts or suggestions to share with Ms. Rodabaugh, please reach her at www.faytechcc.edu.

NCBFS Licensees Required to Pay Annual Fee

NC Department of Revenue Sends Privilege Tax Renewal Notices

[Following is an excerpt from a recent Advisory To Licensees that the NC Board of Funeral Service mailed to all licensees]

Each year, the NC Department of Revenue sends a renewal notice to all licensees of the NC Board of Funeral Service who paid in prior years for their privilege tax license. In accordance with applicable statutes, the renewal notice imposes the \$50 tax on licensees holding **one** of the following licenses:

- Funeral Service; Funeral Directing; **or** Embalming

Some licensees received renewal notices for more than one license for the current tax year. We learned recently that some Funeral Service licensees, for example, were billed for an Embalmer license as well as a Funeral Directing license. The NC Privilege Tax is paid on a single license as noted above. It appears that the multiple billings affected Funeral Service licensees only, and the confusion may have occurred because the Funeral Service license enables a licensee to engage in **both** the practice of embalming and funeral directing.

If you paid for more than one license or were otherwise billed incorrectly for your 2021-22 privilege tax, you must contact the NC Department of Revenue to explain that you hold a single license and are required to pay a single tax. Appropriate staff in the Department of Revenue have been informed that the Funeral Service license is a **single** license which allows the licensee to practice in two professional areas: embalming and funeral directing. If you were billed incorrectly or paid for

more than one license, please contact the Department of Revenue immediately by email at CustomerEducationTeam@ncdor.gov. Please explain your particular circumstances in your email.

Individuals Licensed After July 1, 2021

If the Board issued your license after July 1, 2021, you are required to complete Department of Revenue Form B-202A to obtain your privilege license. You will be paying the privilege tax for the Tax Year July 1, 2021 through June 30, 2022. In following years, the Department of Revenue will send you a renewal notice. So long as you have paid the privilege tax, you may engage in the practice of professional funeral service according to the type of license you hold: Funeral Service, Funeral Directing or Embalming.

Please remember that the Privilege Tax is under the jurisdiction of the NC Department of Revenue. We are providing this information regarding the Tax as a courtesy to licensees of the NC Board of Funeral Service to assure an accurate understanding of the tax owed for Tax Year 2021-2022. Questions concerning your responsibility for the NC Privilege Tax should be directed to the NC Department of Revenue, Excise Tax Division, at the email address provided above.

2022 License Renewal Opens November 1, 2021 - Be sure to check the Continuing Education listings at www.ncbfs.org if you need to meet the 5-hour requirement for license renewal!

Disciplinary Actions

Complete copies of the Disciplinary Actions taken by the Board are available on the Board's website here: <https://ncbfs.org/disciplinary-actions.php>

Board Case Number: M21-0001

Respondent: Rachels Family Funeral Home, LLC and Melissa Lenore Rachels

Summary: On or about March 1, 2021, a warrant for arrest was issued to Melissa Lenore Rachels by the Fuquay Varina Police Department, alleging that probably cause exists to believe that Ms. Rachels fraudulently, or knowingly and willfully, misapplied or converted preneed funeral funds for her own use.

Board Action: The Board accepted a Consent Order whereby the at-need establishment permit of Rachels Family Funeral Home, LLC (AN Permit 0987) and the funeral director license of Ms. Rachels (FD 4215) are permanently surrendered; Ms. Rachels agrees not to apply for licensure with the Board in the future; and Ms. Rachels agrees not to be involved in the operations, management, or ownership of an entity licensed by the Board in the future.

Effective Date: April 14, 2021.

Board Case Number: M21-0025

Respondent: Beach River Funeral Home, LLC

Summary: Beach River Funeral Home, LLC is a newly licensed establishment that has applied for a preneed establishment permit. Beach River Funeral Home, LLC has requested that the Board administratively transfer preneed contracts previously housed at Beach Rivers Funeral Home, LLC prior to the expiration of its licensure on December 31, 2020. At the time its preneed permit expired, Beach Rivers Funeral Home, LLC was under a Consent Order for certain statutes and rules governing the practice of preneed funeral service.

Board Action: The Board accepted a Consent Order whereby the Board shall issue a preneed establishment permit to Respondent Funeral Home and shall authorize the administrative transfer of preneed contracts previously housed at Beach Rivers Funeral Home, LLC, on the following conditions:

- The preneed establishment permit and all ancillary preneed sales licenses of Beach River Funeral Home, LLC shall be placed on a stayed suspension until at least November 24, 2023, provided that:
 - Respondent Funeral Home shall not apply for an ancillary preneed sales license on behalf of Edward Kirk Rivers (FD 3676) in the future;
 - Respondent Funeral Home shall not allow Edward Kirk Rivers (FD 3676) to serve as its licensed manager in the future;
 - The preneed establishment permit and the ancillary preneed sales licenses of Respondent Funeral Home shall remain on a probationary period until at least November 24, 2023, and until such time as Respondent Funeral Home submits to and passes without substantial deficiency a second preneed examination and an at-need inspection conducted by a Board Staff Inspector, which should be conducted on or before October 2023;
 - Respondent Funeral Home shall obtain a surety bond in an amount not less than Fifty Thousand Dollars (\$50,000.00) and shall maintain said bond for at least five (5) years following the date this Consent Order is executed;
 - During the period of probation, Respondent Funeral Home shall comply with all statutory and regulatory provisions governing the practice of funeral service.

Effective Date: April 14, 2021.

Board Case Number: C20-0064/M21-0014/R21-0025

Respondent: Carolina Cremation Services, LLC d/b/a Carolina Cremation Center (CR 0081)

Summary: Respondent Crematory engaged in the practice of funeral service and cremations in 2021, after failing to renew its crematory permit by February 1, 2021; failed to retain a licensed crematory manager in accordance with GS 90-21.121(13); failed to maintain a crematory retort in accordance with its maintenance service representative recommendations; failed to maintain a pollution monitoring system; cremated several decedents without first obtaining positive identification of human remains; and engaged in other recordkeeping violations governing the practice of cremation services. Thereafter, Respondent Crematory took steps to resolve the violations of statute and rule.

Board Action: The Board accepted a Consent Order whereby the crematory permit was renewed for 2021, but placed on a stayed suspension for two (2) years on the following terms and conditions:

- Respondent Crematory shall maintain a crematory manager for all times;
- Respondent Crematory shall pay a compromise penalty of \$2,500 to the Civil Penalty and Forfeiture Fund;
- All licensed employees and crematory technicians of Respondent Crematory shall complete a Board-sponsored continuing education course on cremation law on or before December 31, 2021;
- During the period of stayed suspension, Respondent Crematory shall comply with all statutory and regulatory provisions governing the practice of funeral service.

Effective Date: May 12, 2021.

Board Case Number: C20-0087/C20-0088

Respondent: Lori's Funeral Home & Cremation Services of Raleigh (FE 0218), Lori Chappell Green Washington (FD 3678), Cutchins Family Mortuary & Cremations (FE 0838/PN 0057), Joseph Benjamin Cutchins, Jr. (FD 2738)

Summary: Respondent Washington sold two preneed contracts on behalf of Respondent Cutchins Family Mortuary & Cremations. Thereafter, the consumers mailed preneed payments to Respondent Washington made payable to entities other than Respondent Cutchins Family Mortuary & Cremations. Respondent Washington failed to deposit said payments into trust on behalf of the consumers. At hearing, Respondent Washington demonstrated that the consumers' trust accounts have since been properly funded.

Board Action: The Board issued a Final Agency Decision whereby:

- The preneed sales license of Respondent Washington is placed on a one-year stayed suspension, contingent upon her payment of a \$2,500 compromise penalty to the Civil Penalty and Forfeiture Fund and completion of a Board-sponsored continuing education course on preneed laws and rules on or before December 31, 2021; and
- The preneed establishment permit of Respondent Cutchins Family Mortuary & Cremations shall be issued a non-disciplinary letter of caution, along with a recommendation that Respondent Cutchins take a Board-sponsored continuing education course on preneed laws and rules on or before December 31, 2021.

Effective Date: May 12, 2021

Board Case Number: C21-0010/M21-0026

Respondent: Phillips Funeral Service, Inc. (FE 0757) and Arnold Phillips (FSL 1227)

Summary: Respondents engaged in the practice of unlicensed preneed funeral service by directing consumers to an insurance agent for the purchase of insurance policies for which the Respondent Establishment would be beneficiary. Respondents did not file preneed contract with the Board on behalf of said consumers or retain physical files for said preneed contracts.

Board Action: The Board accepted a Consent Order whereby the Board issued preneed establishment permit to Respondent Establishment, but placed it and the existing funeral establishment permit on a stayed suspension for at least three years under the following terms and conditions:

- Respondent Establishment's permits shall remain on a probationary period for at least three (3) years, and until such time as Respondent Establishment submits to and passes without substantial deficiency a preneed examination and an at-need inspection conducted by a Board Staff Inspector, which should be conducted on or before February 2024;
- Respondents shall contact all consumers holding insurance policies for which Respondent Establishment is beneficiary in order to execute preneed contracts and shall file all said preneed contracts with the Board, along with payment of all owed filing fees and late fees;
- Respondent Establishment shall pay a compromise penalty of \$5,000 to the Civil Penalty and Forfeiture Fund;
- Respondent Establishment shall obtain a surety bond in an amount not less than Fifty Thousand Dollars (\$50,000.00) and shall maintain said bond for at least five (5) years following the date this Consent Order is executed;
- During the period of stayed suspension, Respondent Establishment shall comply with all statutory and regulatory provisions governing the practice of funeral service.

Effective Date: May 12, 2021

Board Case Number: M21-0034

Respondent: Blakely's Funeral & Cremation Service, LLC (FE 0909)

Summary: Prior to her death in March 2021, Respondent Establishment's licensed manager and co-owner sold preneed contract to various consumers on behalf of Respondent Establishment, which has never held a preneed establishment permit. Thereafter, Respondent Establishment's successor licensed manager and co-owner self-reported the unlicensed preneed contract sales to the Board.

Board Action: The Board accepted a Consent Order whereby the Board placed Respondent Establishment's at-need establishment permit on a stayed revocation, contingent upon the following terms and conditions:

- The at-need establishment permit is placed on a probationary period for three (3) years;
- Respondent Establishment shall pay a compromise penalty of \$5,000 to the Civil Penalty and Forfeiture Fund;
- Respondent Establishment shall submit a complete and preneed establishment permit to the Board within thirty (30) days;
- Respondent Establishment shall retain the services of a consultant with preneed contract experience to assist it comply with the Consent Order;
- Respondent Establishment shall execute preneed contracts on behalf of all consumers holding insurance policies for which Respondent Establishment is the beneficiary or owner and shall file all said preneed contracts with the Board, along with payment of all owed filing fees and late fees;
- Respondent Establishment shall execute preneed contracts on behalf of all living contract beneficiaries for whom it has received preneed payments since initial licensure and shall file all said preneed contracts with the Board, along with payment of all owed filing fees and late fees;
- Respondent Establishment shall obtain a surety bond in an amount not less than Fifty Thousand Dollars (\$50,000.00) and shall maintain said bond for at least five (5) years following the date this Consent Order is executed;
- All employees and owners of Respondent Establishment shall take a Board-sponsored continuing education course on preneed laws on or before June 30, 2021;
- Respondent Establishment shall submit to, and pass without substantial deficiency, an at-need inspection and preneed examination conducted by a Board staff inspector on or before May 31, 2026;

Effective Date: May 12, 2021

Board Case Number: M21-0009

Respondent: Stephen Carraway, III d/b/a Albritton-Carraway Funeral Home and Stephen Carraway, III

Summary: A Board staff inspector conducted a routine preneed examination and establishment inspection of Respondent Funeral Establishment and found violations of the statutes and rules governing the practice of funeral service. Specifically, minor, but multiple, FTC violations were found that were not rectified during the inspection; although it had not accepted preneed payments since its previous examination, Respondent did not maintain a preneed cash receipts book or journal (cited as a violation during the Respondent's 2018 preneed examination); one active preneed contract file was not available for review (same file cited as missing during the Respondent's 2018 preneed examination); and multiple certificates of performance were filed late during the period subject to exam.

Board Action: The Board accepted a Consent Order whereby the funeral service license of Mr. Carraway and the preneed establishment permit and all ancillary preneed sales licenses were placed on a stayed suspension for two (2) years on the following terms and conditions:

- Respondent Funeral Home shall pay a compromise penalty of \$1,000 to the Civil Penalty and Forfeiture Fund;
- Respondent Funeral Home shall submit to, and pass without substantial deficiency, a preneed examination and at-need inspection on or before June 30, 2023;
- All licensed employees of Respondent Funeral Home shall complete a Board-sponsored continuing education course on preneed law on or before December 31, 2021; and
- During the period of probation, Respondent Funeral Home shall comply with all statutory and regulatory provisions governing the practice of funeral service.

Effective Date: June 9, 2021

From The Past



Underwood Funeral Home, Smithfield, NC circa 1950's