

Funeral embezzlement case spreading

Prosecutor: New York, New Jersey, Hawaii also inquiring

By Daniel Connolly

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A prosecutor in Indiana said people indicted there this week in a funeral embezzlement case with links to Memphis are also under investigation in Hawaii, New Jersey and New York.

"There are similar situations in those states that either some or all of the people that were indicted or have previously been charged are involved with," said Mary Hutchison, who is prosecuting the case for the state of Indiana.

Authorities have said there are strong ties between the trust fund theft case at the Forest Hill funeral businesses in Memphis and similar matters in Indiana and Michigan.

But it was unclear Wednesday if investigations in Hawaii, New York and New Jersey are related to the Memphis case.

The clearest link between the Indiana and Memphis cases is Mark Singer, a former Smith Barney investment adviser whom Indiana charged this week with helping steal \$24 million from trust funds for a funeral business, Memory Gardens Management Corp.

Last year, Tennessee charged Singer with making financial transactions that helped the former owners of the Forest Hill funeral businesses in Memphis, Clayton Smart and Stephen W. Smith, steal millions of dollars in trust fund money.

Indiana has also charged four other people in the case, including David Becher, whom court documents describe as an executive with Community Trust & Investment of Noblesville, Ind.

Tennessee authorities say Community Trust was involved in the transactions that made the Forest Hill theft possible.

Efforts to reach Becher this week were unsuccessful. Singer, Smart and Smith have pleaded not guilty to the Tennessee charges.

Tennessee prosecutor Michael Meyer has said he's following cases in Indiana and

Michigan, but said Wednesday that he doesn't know details about cases elsewhere.

Another prosecutor in the Tennessee case, Asst. Dist. Atty. Steve Crossnoe, said he wouldn't rule out the possibility of other states bringing charges against Smart. He said the various agencies interested in the case may meet soon to discuss plans.

Efforts to reach state authorities in Hawaii, New Jersey and New York were unsuccessful Wednesday.

Iowa authorities investigated Robert Nelms, who has been indicted in Indiana, but determined he didn't have business dealings in the state, said Tom Alger, spokesman for the Iowa Insurance Division. An Indiana prosecutor, Carl Brizzi, had said this week that an investigation in Iowa is related to the Indiana case, The Associated Press reported.

News articles provide some information about Nelms' links to New Jersey and New York. In 2004, Nelms told authorities about irregularities at a New York funeral home he bought in 2003, which led to a massive investigation related to unauthorized use of human cadaver tissue in medical implants, the Asbury Park Press reported.

Hawaii has seen irregularities in funeral businesses, too, though it's not clear that they're related to the Forest Hill or Indiana cases. The state government has sued managers of a funeral company called RightStar Hawaii Management Inc. over allegations they stole millions from funeral trust funds.

Hawaii also brought criminal charges against the former chief executive officer of the organization, John Dooley, the Honolulu Star-Bulletin has reported.

The Forest Hill case

Funeral homes have trust funds to cover cemetery maintenance and prepaid funerals.

In July 2006, the majority owner of the Forest Hill funeral businesses in Memphis, Clayton Smart, declared he wouldn't honor prepaid funeral home policies in full.

Tennessee later filed civil and criminal charges against Smart and two other men, accusing them of stealing \$22 million from trust funds, though defense attorneys have disputed that amount.

The state seized the funeral businesses and began honoring prepaid policies in full.

Indiana and Michigan have also filed criminal charges in related cases there.



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