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State agency tells company it can't shut down cemeteries

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A state agency has told the company that had been operating the embattled Mount Hope and Valley View cemeteries that it cannot shut them down. Mid-America Growth and Development Corp. on Saturday decided to shutter Mount Hope in Belleville and Valley View in Edwardsville. An employee, Clyde Mager, who was told last weekend he and the six other employees no longer have jobs at the cemeteries.

In a letter sent Wednesday to Mid-America and its attorney, a representative from the office of Illinois Comptroller Daniel Hynes said the state will not issue new burial contracts. An order from the comptroller that was included with the letter barred Mid-America from issuing new ones.

Problem is, more than \$300,000 is missing from more than 450 prepaid burial accounts at the two cemeteries, the comptroller said. The money is available for the burials. If a consumer's prepaid dollars are gone, the funds could be recovered later from a design. Consumers would have to pay out-of-pocket for the funeral and be reimbursed later.

No one has been charged in connection with the missing funds. Illinois State Police have not confirmed whether there's an investigation.

The letter from the comptroller's office said family members of 85-year-old Hillman Crowell, the president of Mid-America who operated the cemeteries because they are actually owned by another company, Forever Illinois Inc. Mager said Carol Horton, Crowell's daughter, is the staff she couldn't afford to operate them.

But because Mid-America holds the licenses to sell burials, the letter says, the company can't just give up on the people who have prepaid. The state must terminate the license to escape that responsibility. Even then, Mid-America could still be held accountable for what happens.

Horton couldn't be reached for comment Thursday. But on Wednesday, before hanging up on a reporter, she said she was not sure if all employees were paid.

The order sent from the comptroller Wednesday also demanded financial statements, an explanation of Crowell's estate plan regarding the company's sales and entrustments.

The comptroller's office has started the process of revoking the Mid-America's license to sell prepaid services and putting the cemeteries under receivership. They were last placed in receivership in 1997 after previous owner Larry Esterlen took money from the cemeteries' trust.

Property tax records show Forever Illinois, which owned the cemeteries before Mid-America bought them in 2005, had purchased them in 2006. Crowell was required by law to notify the state of the sale, and he did not, according to Hynes spokeswoman Carol Knowles. She said he did not sell back the cemeteries.

Brent Cassity, the president of Forever Illinois, has not returned a reporter's calls.

Forever Illinois is affiliated with National Prearranged Services Inc., which is missing potentially millions of dollars in prepaid services under the control of a receiver in Texas.

"Regardless of whether or not they transferred ownership of the cemetery, they still have a responsibility to the consumers with Mid-America. Upon a consumer's death, it's Mid-America, not Forever, that has a duty to provide the goods and services detailed in the contract," she said.

Mid-America has seven days to respond to the letter from the comptroller's office. If the company doesn't respond, the comptroller will order prepaid burials.

In the meantime, Belleville and Edwardsville leaders are monitoring the cemeteries, and Edwardsville has said it may resume operations if a receiver is appointed.

Knowles warns consumers to not cease payment on their cemetery accounts, and she encourages those concerned about the situation to call the comptroller's cemetery care hotline at 312-814-3090 or 877-203-3401.

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