



Michigan Consumers Duped by Pre-Paid Funeral Scam

Posted by David Mittleman
 Sunday, December 06, 2009 10:00 AM EST

Florence Muto opted to pre-pay for her funeral so that when she dies her family won't be left with a hefty funeral bill while grieving her departure. While this was a thoughtful move on 92-year-old Muto's part, the pre-paid funeral company she purchased from wasn't as thoughtful. In fact, Muto is now out \$6,000 after being scammed by a Livonia, MI funeral home.

Muto was but one of 60 other individuals scammed by the owners of the now-closed Ziomek Funeral Home between 1998 and 2007. Luckily, the Ziomek's were charged at the end of last month with six charges, one of which carries a possible 15-year sentence if they are found guilty. Officials estimate that the Ziomek's stole approximately \$250,000 between the 60 people that purchased pre-paid funerals and cremations.

Unfortunately, the Michigan Department of Energy, Labor and Economic Growth stated that in the last fiscal year alone they received 53 complaints about pre-paid funeral scams run by 10 different funeral parlors. However, there are protections in place to keep consumers from falling into the same traps. For example, according to Phil Douma, the executive director of the Michigan Funeral Directors Association, there is a Michigan law that requires providers of pre-paid funerals to register with the state and to put the money that people pay into escrow so that it is available when the funeral occurs. Furthermore, Douma also offers the following tips to help keep you informed when purchasing a pre-paid funeral:

- Funeral homes that offer prepaid funeral plans must be registered with the state, and the Department of Energy, Labor and Economic Growth keeps a searchable online database of prepaid funeral service registration.
- Money accepted as part of a prepaid funeral plan must either be kept in trust or used to buy a life insurance policy that would cover future funeral expenses.
- Those who buy prepaid funeral plans should receive regular reports showing how their plan is faring.

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