

Six to be sentenced in \$512 million pre-arranged funeral scam



2 HOURS AGO • BY ROBERT PATRICK
RPATRICK@POST-DISPATCH.COM 314-621-5154

ST. LOUIS • Six officers and employees of a company that prosecutors say bilked more than 97,000 victims out of as much as \$512 million are scheduled to be sentenced today in federal court here.

James "Doug" Cassity, of Clayton, who bought National Prearranged Services Inc. in 1979, and his son, Brent Cassity, pleaded guilty to various federal charges this summer, as did former CFO Randall K. Sutton and former lawyer Howard A. Wittner, both of Chesterfield, and company official Sharon Nekol Province, of Ballwin.

Former investment adviser David R. Wulf, of St. Louis County, was convicted at trial in August on 18 counts, including bank fraud, wire fraud, wire fraud affecting a financial institution, and conspiracy.

The company sold funeral policies that promised consumers they could spare their heirs high funeral costs. The money was supposed to be held in trust or in an insurance policy, but prosecutors say National Prearranged Services actually used the money for the personal enrichment of company officers and others.

The company collapsed in 2008.

One recent court filing says officials will argue that the scheme affected 97,783 NPS customers and 44 state guarantee associations and resulted in a \$512 million loss, although at least one of the defendants claims the losses are overstated. Much of the recent court filings are sealed.

Although state insurance guaranty associations will cover the face value of the insurance that was supposed to pay the full cost, funeral directors have told the Post-Dispatch that they have to cover the rest, and lose money on each funeral that was supposed to have been paid for in full.

The Cassitys pleaded guilty to mail fraud, wire fraud, money laundering and other charges in July. Doug Cassity faces up to roughly nine and a half years in federal prison, and his son faces no more than five years.

Sutton pleaded guilty to charges of bank fraud, mail fraud, money laundering and insurance fraud in a deal that means he faces up to seven years in prison.

Wittner pleaded guilty to two counts of making false statements intended to deceive insurance regulators, and to willfully permitting a felon to engage in the insurance business and admitted lying to state regulators and concealing the source of money used to buy a medical malpractice insurer. He faces up to five years.

Province pleaded guilty to six counts of mail fraud, wire fraud and misappropriation of insurance premiums, risking three years or less in prison.

Wulf has appealed his conviction.