

Special Report

FEMA hires subsidiary of funeral services company implicated in scandals in Texas and Florida to collect bodies of Katrina victims

By Jason Leopold

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September 15, 2005—Service Corporation International (SCI), the largest funeral services provider in North America, implicated in scandals in Texas and Florida, recently learned that one of its subsidiaries is negotiating a lucrative contract with the Federal Emergency Management Agency to remove dead bodies in areas ravaged by Hurricane Katrina.

SCI paid \$100 million to settle a class-action lawsuit several years ago alleging the company desecrated thousands of corpses, and dumped bodies into mass graves.

Moreover, the company paid \$200,000 to settle a whistleblower lawsuit that sought to expose that two members of the Texas funeral commission, the agency which regulates the funeral industry, were actually employees of the company they were supposed to monitor--an obvious conflict-of-interest.

In the civil matter, which took place at two Jewish cemeteries in Florida, the plaintiff's [attorney](#) said that Service Corporation International of Florida, Inc., a subsidiary of SCI, secretly broke into and opened burial vaults and dumped remains in a wooded area where the remains may have been consumed by wild animals.

Additionally, SCI of Florida buried "remains in locations other than those purchased by plaintiffs; crushing burial vaults in order to make room for other vaults; stacking remains rather than burying them side-by-side; secretly digging up and removing remains; secretly burying remains head-to-foot rather than side-by-side; secretly mixing body parts and remains from different individuals; secretly allowing plots owned by one party to be occupied by a different person; secretly selling plots in rows where there were more graves assigned than the rows could accommodate; secretly allowed graves to encroach on other plots; secretly sold plots so narrow that the plots could not accommodate standard burial vaults; secretly participated in the desecration of gravesites and markers and failed to exercise reasonable care in handling the plaintiff's loved ones remains."

Kenyon International, a unit of SCI, is presently in charge of the delicate task of collecting the hundreds, perhaps thousands, of dead bodies in the aftermath of the hurricane. The fact that a subsidiary of SCI is in talks with the federal government, largely due to its close ties to the White House, to remove bodies in New Orleans is ghastly.

The whistleblower suit dates back to 1999 and alleges that while he was governor of Texas, George W. Bush's office interfered with an aggressive state investigation into the embalming practices by Service Corporation International, a Houston-based funeral conglomerate headed by Robert Waltrip—a close friend of the Bush family who also contributed heavily to then Gov. Bush's gubernatorial campaigns, and donated \$100,000 to former President George H. W. Bush's presidential library.

An attorney for Eliza May, the whistleblower who served as executive director of the Texas Funeral Services Commission, the state agency that regulates the funeral business, claimed that she was fired from her state job because she raised questions about SCI's embalming practices and sought to expose

the company's misdeeds. She filed a whistleblower suit in 1999 alleging "she was the victim of "political" retaliation because she was threatening the interests of a well-connected political patron of the governor," [Newsweek](#) reported in an April 21, 2001, story.

May claimed that current White House Counsel Alberto Gonzales was also complicit in the matter and even helped SCI in a cover-up. Gonzales, who was also Bush's gubernatorial counsel, reportedly received a memo on April 22, 1996, suggesting possible improprieties by two funeral commissioners with ties to SCI.

"Bush and his top aides have heatedly denied the charges and suggested the entire matter was drummed up by Democratic lawyers with political motives, Newsweek reported.

The memo, written by Marc Allen Connelly, who was general counsel to the funeral services commission at the time, and sent to Dick McNeil, the Bush-appointed chairman of the funeral commission, stated that Connelly "received information" from Texas state officials that two of the funeral commissioners charged with regulating the state funeral business actually *worked for SCI*—the largest funeral firm in the state. Although one of the commissioners was openly an SCI officer (the one appointed by Bush), Connelly stated that state banking records he inspected showed that another of the commissioners [also worked for SCI]," Newsweek reported.

The revelation represented a "a possible statutory conflict." Texas law prohibited any two commissioners from having ties "directly or indirectly "to the same funeral company.

In the memo, Connelly told McNeil that he should "immediately inform the Governor of this apparent conflict and also recommend that the Governor take action to remove both (the two SCI-related commissioners) from the commission because both individuals knew or should have known of this conflict yet failed to notify the governor's office."

McNeil stated in a deposition that after he received the Connelly memo, he faxed it to Polly Sowell, who then served as Bush's appointments secretary. "When she was questioned, Sowell was asked what she did with the memo. "I sent it to the General Counsel's Office," she said. But Sowell said she did not remember what happened after that and, in his interview with Newsweek, Gonzales said such a memo was merely one of many that might have crossed his desk and was otherwise not memorable. In any case, Bush never acted on the memo's recommendations that the SCI affiliated commissioners be removed."

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Jason Leopold is the author of the explosive memoir, News Junkie, to be released in the spring of 2006 by Process/Feral House Books. Visit Leopold's website at www.jasonleopold.com for updates.

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