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ORIGINAL

June 2, 1999

Honorable Myra Howard
 Chairman
 Funeral Service Marketing Practices
 Federal Trades Commission
 Washington, D. C. 20580



Dear Commissioner Howard

I have been a Licensed and Practicing Funeral Director in Florida since 1950 and I have operated my own business since 1955. I have served as President of The Florida Morticians Association and was responsible for bringing educators from our National Organization, holding four seminars in various cities, mainly to help our members adapt to itemization, back in 1971-72.

I served two terms, (Legal Limit), as a member of the State Regulatory Board, having been appointed by The Governor, Honorable Bob Graham..

I am writing to request input and possible personal appearance during the up-coming review of the Funeral Marketing practices. My area of concern is "Cash Advances and Refunds" as relating to Funeral Home operation.

I wish to call your attention to an "Inconsistency in application of these issues by the FTC, the IRS and the Accounting Profession.

I believe that refunds are self-explanatory, as being an adjustment or giving change back to a Client for money collected in excess of the established funeral bill. Our Board had no tolerance for Directors who came before us regarding excess money not returned to a Client. I was audited by IRS 18 years ago and it was deemed that I under-reported my income by (So they said) refund money without counting same as income. The was incomplete and done by an Auditor trainee, who acknowledged that he knew nothing of funeral home operation and upon his research, the only expense he discovered was "Caskets", so he demanded proof of purchase of a Casket to match my Body count.. He ignored five types of records available in my office and spent two days at the local Vital Statistics Office trying to find 188 death certificates registered by me. He became furious and irate when he could substantiate the the records at V>S. and accused me of hiding Bodies. He could not accept thge fact that Deaths are registered at the State and

County of death and only Deaths that occurred in Pinellas County Florida would be registered there. The audit lasted about 18 months, with about six months by the Criminal investigation Division. The CID notified me that I was no longer the subject of a criminal investigation, but they were not precluded from coming back and that I should hire a good tax Attorney to represent me.

The Auditor deemed that something was wrong and he was going to straighten it out. I secured the services of an Attorney, who was a retired IRS employee, who agreed to represent me. The Auditor Vowed that He was going to get 250,000. out of me, because I just could not be in the position that I was in, unless I was "Running a Boat or An Airplane". He Ignored Negotiated checks for refunds, claiming that the checks were not sufficient evidence that the Client actually received the funds and that I was getting the money back, under the table and depositing same in a bank account, which was funded by a recently acquired mortgage. He went wild over the refunds, claiming that I was handling too much money and that I should not make refunds. The Auditor proceeded to adjust my income, but refused to look at cash advance expense, claiming that cash advance was a normal business expense and was a cost of doing business; That I was entitled to a deduction when the advance account was paid; that I could take a double deduction. The day before a so-called hearing. I was told by the Attorney that I should stay home and not attend the hearing, or I should get someone else to represent me. At the hearing the assessment rose to 550,000 and the Attorney told me that he could do nothing to help me; that I had taken my money and built a Funeral Home, so now I must pay my taxes. The Attorney promised that He would fight the penalties vigorously; that when it was determined that a taxpayer used professional help, the penalties were waived; That he could make a better deal with the Hearing Officer, without me being there, especially, since He and the Hearing Officer had worked together for the IRS.

It was if the Attorney "Fed me to the Gestapo", as if the Attorney "Sold me into Slavery". I was "Robbed of my Success", My Freedom was Stolen", I was "Crucified and left to Die" There was never a determination that I actually under-reported my income; no research was done to substantiate or refute that I was getting the refunds back from the Clients, under the table. For 19 years I have been unable to get a review of the issues by IRS. I am guilty by Default" because of "Poor and Improper Representation". The Attorney told the Florida Bar Association that he did agree to represent me and that he did tell me to stay home, but he was protecting me from criminal prosecution, in that I had been investigated by the CID and that they were not precluded from re-entering the case.

I am still at a loss to understand, or accept the criminal defense, in that no criminal charges existed. I cannot understand why a closed investigation needs to be defended. The only legal advice I was given was "Sue the Taxpreparer".

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To this day, no one at IRS has asked me, "How do you operate your business and how do you generate funds. My records were returned to the North Florida Tax Advocate Office, with a promise that I would be allowed to discuss these matters, but, the Hearing Officer expounded on his 34 years as a Hearing Officer and would not be intimidated and that if he looked at my material and found his people to be wrong, the system would collapse..

Senator Roth referred my case to a Task Force, formed by the IRS., which deals with cases where there has been ineffective local resolution, or where there is a unique law involved. The task force offered to refer my case to the North Florida Tax Advocate Office, which I refused. We have been there three times with no results. I am getting dizzy on this "Merry Go Round" and I want to get off.

The Task Force stated that my records were in Florida, but nobody in IRS can find about 300 funeral purchase records which the CID confiscated and have refused to return. I think the CID investigation was a "Display of Power", which was designed to destroy my morale.

Another thing that shows impropriety is that the Bar Association said that they saw no "conflict of interest" in the fact that My taxpreparer was running for the Office of Mayor of St. Petersburg and My Attorney was a law partner to the incumbent Mayor. The Mayor publicly stated that He foresaw defeat and elected not to seek a third term, because with Black Candidate David Welch in the Race, He could not depend on the Black Vote and without the Black Vote, He could not win the election; That the Black Vote put Him in office in 1987 and 1989, so, when Mr. Welch, a two term City Councilman, stayed in the race, the Mayor dropped out. These incidents may be co-incidental, but if you look at the Mood and the tensions in St. Petersburg, it causes one to wonder, "Am I a Political Prisoner?"

I fully realize the Futility in confronting the system and constituted authority and I hope that I have not prejudiced your judgement and that the committee will thoroughly examine the issues of Cash Advance and Refunds as related to Funeral Marketing. and level the playing field so that "Mom and Pop" operators can compete.

I need somebody to tell me, "how does a Man earn an Honest Living in America?" President Clinton once stated that no problem is so great that you cannot find somebody, somewhere in America, who can and will solve it. President Bush spoke from Russia and stated that, "In America, a Man Profits From The Fruits Of His Labor".

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In Florida, we now have as part of our : That Funeral Directors may May maintain an Escrow Account for refunding funds in excess to the Funeral Bill and may maintain Escrow accounts for paying third party Vendors for the benefit of His Clients. I pray that the Committee will Augment the current laws so that a separation of funds can be maintained and Get rid of the "Math Magic" , which allows "Double and Quadruple: Taxation. while providing a "Lucretiv but UnFair" income for the Government.

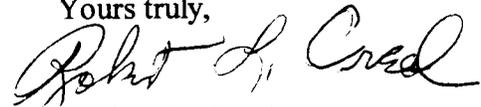
I am enclosing some of the correspondance I have received on the issues, including your guidelines in the 70's and also in the 90's, along with IRS guidelines in the 70's. I am still trying to obtain the latest IRS Guidelines

It may be too late to help me, but these issues need to be cleared up , so that no other IFuneral Director will go through my experiences. and that bereaved family members and their Funeral Director can be free to conduct their business within the laws, without fear and intimidatiOh.

Let the record show that I have been using the Democratic Process to try and resolve the issues;Let the record show that I have not destroyed and property: Let the record show that I have not taken any lives or caused harm to anyone: Let the record shon that I have server my Clients Dilligently and with the best of my ability; tThat I served my Country well and received mt training through government subsistance. It is ironic that the Government paid for my training; now I am marked for death and destruction for practicing the trade which they financed, without addressing the issues brought fo

If I am destroyed for giving Clients their own money, which was legally theirs, Ihe Image of America and that of St, Petersburg, will be :Tarnished with My. Blood:.

Yours truly,



Robert L. Creal
Funeral Director
Since 1950