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**TESTIMONY OF  
ATTORNEY GENERAL RICHARD BLUMENTHAL  
BEFORE THE JUDICIARY COMMITTEE  
MARCH 12, 2007**

I appreciate the opportunity to support Senate Bill 1397, An Act Concerning Cemetery Associations with a minor amendment.

This proposal prohibits any officer, director or trustee of a cemetery association from serving as an officer, director or trustee of an affiliate of the management company used by such association.

In 2005, the General Assembly -- in response to my office's investigation of a conflict of interest between the board of directors of a cemetery association and its management company -- passed legislation prohibiting the officer, director or trustee of a cemetery association from serving in one of those capacities for the management company doing business with the cemetery association. In such situations, the conflict of interest is clear.

Unfortunately, my office has uncovered several attempts to circumvent the law and its protection for the prudent management of the cemetery association's assets. For example, a member of the cemetery board of directors is hired by the management company, or an affiliate of such company, as either an employee or as a director. While outside the narrow prohibition in current law, the conflict of interest is very apparent. Senate Bill 1397 prohibits this type of arrangement.

I urge the committee to favorably consider a small amendment to further tighten the prohibition by extending the scope of the prohibition to include ex officio board members and employees of the management company or its affiliate.

Specifically, on line 20, delete "or" and insert a comma after "director"; also insert "or ex officio director" after "trustee";

On line 21, delete "or" and insert a comma after "director"; also insert "or employee" after "trustee".

Thank you.