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**REPORT ON AUDIT AND INVESTIGATION OF
THE SANITARIUM CO.
OPERATOR OF THE MORNINGSIDE HOSPITAL
UNDER CONTRACT NO. 14-04-001-81 WITH
THE DEPARTMENT OF THE INTERIOR**

FOR THE PERIOD JANUARY 1, 1936, THROUGH DECEMBER 31, 1954

**BY
THE COMPTROLLER GENERAL OF THE UNITED STATES**

INTERMENT OF DECEASED PATIENTS

Section 14(c) of the contract provides that the remains of deceased patients shall be interred decently by the Company in a cemetery or burial ground satisfactory to the Secretary of the Interior. This section provides also that the standard of decency to be observed shall be generally similar to that demanded by the United States Public Health Service and shall include such matters as transportation of the body to the mortuary and cemetery, embalming and clothing, a casket and an outer case of wood, a separate grave for each body, and a permanent grave marker. Section 14(e) authorizes reimbursement to the Company for each of these interments in an amount not to exceed \$75.

Under the provisions of section 14(a), deceased patients may be interred at the expense of parties other than the Government.

Contract No. I-Sec. 558 for the period July 1, 1948, to June 30, 1953, also specified that the remains of deceased patients should be interred decently by the Company in a cemetery or burial ground satisfactory to the Secretary of the Interior, but it did not refer to any standard of decency.

For several years deceased Morningside patients buried at Government expense have been interred in Greenwood Hill Cemetery, near Portland, Oregon. Since July 1953 the Miller and Tracey mortuary of Portland has taken care of interments and has been paid \$75 for each. Before July 1953 the Colonial Mortuary of Portland handled interments of deceased patients at \$75 each. The Company had an agreement with Colonial that included calling at Morningside for the remains, proper embalming and preparation of remains for burial, suitable clothing for burial of deceased, suitable casket for burial, suitable single grave in local cemetery, hearse or casket coach to deliver casketed remains to cemetery, grave marker, and permanent record of deceased's name and grave location. The Company has a similar agreement with Miller and Tracey.

On June 25, 1952, the Office of Territories Medical Officer reported to the Director, Office of Territories, on a visit he made to Greenwood Hill Cemetery. Part of his report follows:

**** I found an old neglected cemetery. The caretaker was taking a nap when I arrived. He was surprised and immediately began to apologize for the looks of things. He said he was behind in his work and that the grass and weeds grew faster than he could keep up with. He told me that it was a private cemetery and that he was a stockholder in the corporation. He told me that the Colonial Mortuary brought Morningside Hospital patients there for burial. When asked for the location of the patients' graves he told me that they were quite a distance from where we were, around over there on the

other side of a ravine behind some trees. He didn't think that I would care to go that far to see them. I prevailed on him and he reluctantly got into my car and directed me to them. When we got to a remote corner of the sixty acres to where the road turned to come back the graves were still about a block away along the edge of a ravine. He did not want to get out of the car and walk over there on account of the tall wet grass, but we did. There he showed me a row about a half block long and an adjacent shorter row into which one had to imagine graves. By examining the ground closely under the grass one could find slight depressions in the ground outlining what were supposed to be graves. This was the latest addition of Morningside patients. He pointed out the older addition for Morningside patients on the other side of the ravine which was overgrown with tall grass and weeds. He said that that used to be his potters field, but that he did not have a potters field any more. He complained that he got only \$15.00 for the lot and his services. He said that he had to pay his crew top wages, but I did not see any crew around. He said that the patients were brought out in a plain brown wooden coffin. He did not know if the coffin was lined or how the patients were dressed because he never looked inside. He said that one driver would bring them out and dump them and he would have to do the rest. (I forgot to ask if they were brought out in a hearse.) He said there were never any religious services or any mourners. He said that they used to save them up and bring them out four and five at a time. ****"

We were unable to find a record of any action taken by the Office of Territories on the Medical Officer's report or whether the Secretary of the Interior has specifically determined that the place where deceased Morningside patients are buried at Government expense is a satisfactory burial ground. The Medical Officer told us he did not report these findings to anyone at Morningside and that, as far as he knows, nothing has been done about his report.

Mr. Wayne W. Coe told us he has never visited Greenwood Hill Cemetery. He said also that representatives of the Hospital do not attend any burial services that may be held for deceased Morningside patients, either at the mortuary or at the cemetery.

We were informed by a representative of Miller and Tracey that the mortuary provides the services called for in the agreement with the Company. That agreement does not require the use of an outer case of wood or a grave liner, although the contract between the Secretary of the Interior and The Sanitarium Co. specifies

that an outer case of wood shall be used. The representative of Miller and Tracey said that a regular hearse is used for Morningside funerals. He said also that the Oregon Public Welfare Commission allows \$228 for a complete funeral.

We visited Greenwood Hill Cemetery on February 29 and March 2, 1956, and found that generally it is moderately well kept, with lawn grass growing in most of the areas where we saw gravestones. The place where deceased Morningside patients are buried at Government expense, however, looked about the same as the Medical Officer reported in 1952. Four graves of patients buried in 1955 were not marked. The ground occupied by graves of deceased Morningside patients buried in 1955 and 1956 had not been seeded to lawn nor did it resemble any typically well kept burial ground. See appendix B which shows those grounds at the time of our visit. This appendix also shows another part of Greenwood Hill Cemetery where a deceased Morningside patient was buried at a cost of \$290, paid from his trust account. Better areas, like the latter at Greenwood Hill, are also used for interments paid for by the County Welfare Commission.

The president of the cemetery told us that grave liners or outer cases for caskets are not used for Morningside burials and that he had not been requested to furnish them.

We also found some evidence of the burial of two bodies in one grave. The president of the cemetery explained that in those burials they dig a deeper grave and bury the second body above the first or dig a wide grave and bury the bodies side by side; but he added that the burial of two bodies in one grave is seldom done.

The grave markers we found were crudely made small concrete slabs poured in place, with impressed lettering of deceased's name and years of birth and death.

The contract that the United States Public Health Service at Portland, Oregon, has for interments requires about the same services as section 14(c) of contract No. 14-04-001-81, but it allows a total price of \$137.50 for each burial. The contract specifies that the graves shall be in a part of the cemetery not used for the burial of paupers. This contract is not with the mortuary used by The Sanitarium Co.

In our opinion, the remains of deceased patients are not "interred decently" as required by the contract because of the location of the graves, the absence of outer cases, and the quality of the grave markers.

Recommendations to the Director,
Office of Territories

To meet the provision of section 14(c) of the contract, we recommend that the Director, Office of Territories, make a specific determination whether the section of Greenwood Hill Cemetery where deceased Morningside patients are buried at Government expense is satisfactory.

We recommend also that the Director, Office of Territories, instruct the Company as to what is required by the United States Public Health Service as a minimum standard of decency and ascertain that those requirements are met.

CONTRACT RATE FOR CARE OF PATIENTS

Section 20 of the contract provides that the Company shall be paid a base rate of \$184 a month for the care of each patient. The contract also provides that the base rate shall be adjusted semiannually in accordance with changes in the Wholesale Price Index For All Commodities issued by the Bureau of Labor Statistics, Department of Labor. The adjusted rate for the period January through June 1956 is \$184.

In response to an invitation issued in March 1953 by the Office of Territories for bids to care for Alaska mental patients for a 5-year period beginning July 1, 1953, The Sanitarium Co. submitted a proposal which included a base rate of \$210 a month. According to Mr. Wayne W. Coe, the reduced base rate of \$184 a month was negotiated.

The Office of Territories has not been able to inform this Office how the negotiated base rate was determined. Precise and formal records of the negotiation are not available in the files of the Office of Territories, and the official who negotiated the rate is no longer with that Office.

Recommendation to the Director,
Office of Territories

We recommend that in any future contract negotiations for the care of Alaska insane, the Director, Office of Territories, require bidders to furnish detailed cost data and financial statements in support of their bids. The Office of Territories should carefully consider the nature and extent of (1) operating expenses, (2) capital improvements to be made, and (3) margin for profit and risk to be allowed under any new contract.