



DEPARTMENT OF THE ATTORNEY GENERAL

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MORTUARY OWNER SENTENCED

HONOLULU – Attorney General Doug Chin announced today that Claus Z. Hansen, owner of Affordable Casket and Moanalua Mortuary, began serving his prison sentence this morning immediately following his sentencing hearing. Hansen earlier pleaded guilty to 7 counts of felony theft in State Circuit Court. Circuit Court Judge Dean Ochiai sentenced Hansen to 30 days in jail, ordered him to pay a \$50,000 contribution to the Crime Victim’s Compensation Fund, perform 300 hours of community service, and produce written apologies to each of the 161 individuals he defrauded. Hansen has already paid more than \$85,000 in restitution, including more than \$6,900 to the State of Hawaii Department of Human Services Funeral Assistance Program.

Attorney General Chin said, “Hansen cooperated with the State once he learned he was under investigation. His sentence should serve notice to white collar criminals that their activities will be scrutinized just like those of common thieves and they will be treated accordingly.” The State entered into a plea agreement with Hansen wherein he pleaded guilty to seven felony theft charges two months ago.

From 2009 to 2013 the State Medicaid program paid survivors as much as \$800 in death benefits to help defray the costs of funeral services. A former employee reported that Hansen directed management to identify potential eligible survivors through racial and socioeconomic profiling. Hansen had his staff help with the application process and directed his employees to offer the Medicaid money as an inducement to contract with his mortuary. Hansen then withheld payments that the State intended for him to pass through to the beneficiaries of the DHS Funeral Assistance Program.

The case came to the attention of the State when the former employee reported Hansen anonymously and provided supporting documentation for a handful of the cases. The case was investigated and prosecuted by the Department of the Attorney General’s Medicaid Fraud Control Unit, and the Unit encourages those who suspect fraud in the workplace to step forward and be heard.

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