

March 15, 2007 - After church scandal: Group advises changes

By Susan Shultz, The Darien times (CT)

Protection of whistle-blowers.

It is one short phrase within a larger group of recommendations from the Catholic Church's accounting practices committee in Washington. Those recommendations were made to the U.S. Conference of Catholic Bishops in late January. And protection of whistle-blowers is one among many that can possibly be applied to the issues that faced Darien's St. John Parish last May.

There are conflicting viewpoints as to whether the Rev. Michael Madden, the unofficial "whistle-blower," was penalized for going public with the financial misconduct of the church's former pastor, the Rev. Michael Jude Fay.

Madden, who left the priesthood in August of last year, said at the time that the resulting reaction from the Bridgeport Diocese from his hiring of the private investigator to look into Father Fay's financial misconduct caused "one of the darkest days of his life."

The diocese has maintained that it responded immediately to Madden's and former bookkeeper Bethany D'Erario's issues with Father Fay's financial practices. The diocese said it publicly denounced only the hiring of the private investigator, not that Madden raised awareness of Father Fay's misconduct.

Madden has disputed that immediate response to The Darien Times, saying he felt he had no choice but to hire the investigator as the response from the diocese was unacceptable.

So far, results of an independent audit reveal the loss to St. John's as a result of Father Fay's misconduct to be at least \$1.4 million; the findings of a federal criminal investigation are pending.

Many of the recommendations for tighter fiscal controls by the Washington-based committee seem to be prompted by not only what happened at St. John's, but other incidents of financial misconduct in churches around the country. Most recently in Greenwich, the Rev. Michael Moynihan, pastor of St. Michael the Archangel, resigned over questions of financial practices.

Other recommendations by the committee include an annual letter from each parish to the respective bishop, which would include specific details about the parish finance council members. The letter would outline the names and professional titles of each finance council member, the dates of meetings, and the dates when budgets and financial statements would be available to parishioners. The committee also recommended a statement signed by the parish priest and finance council that they have met and discussed the financial statements. Training for finance council members and a completion of an annual internal control questionnaire by each parish were also recommended.

Finally, the committee recommended that the diocese establish policies to cover conflict of interest, protection of whistle-blowers, and a fraud policy which would include prosecution of all diocese fraud cases.

Dr. Joseph McAleer, spokesman for the Diocese of Bridgeport, wrote in an e-mail to The Darien Times that in reviewing the committee's recommendations, the diocese's plan of enhanced financial controls and monitoring, called "Six Key Elements" is in line with the committee's recommendations.

"Our program — begun well before the USCCB recommendations were issued — is making excellent progress. For example, reviews of financial controls and procedures by external independent auditing firms of our 62 largest parishes have been scheduled, or have already begun," he wrote.

McAleer wrote that the remainder of parishes being reviewed internally will be completed by the end of 2007, and that the diocese is also seeking an annual review of each parish, which is not included with the committee's recommendations but is considered "essential" by the diocese.

McAleer also said that the diocese's revised accounting manual is due to be released this spring.

"Since our current parish finance initiative began in July 2006, we have brought together all of our pastors, members of their finance councils, parish accountants, bookkeepers, and others to share best practices and discern a way forward that meets all standards and provides every parishioner the assurance that their contributions are being spent properly to further the mission of the Church," he wrote.

With regard to the protection of whistle-blowers, McAleer wrote that the diocese encourages anyone to come forward to speak first to their pastor if they have an issue. If that is not appropriate, he suggested they contact Deacon William Koniers, director of parish financial services.

"All contacts are kept confidential, and are acted upon immediately, as the diocese demonstrated last year, as soon as it was notified of the financial irregularities at St. John Parish in Darien. The sooner people with concerns come forward and express these, the better for everyone," he wrote.

As this spring approaches, St. John's has a new pastor, the Rev. Frank McGrath, and a new outlook.

Parishioners at St. John's recently learned that the parish has received \$118,000 in assets and insurance for restitution for the losses they incurred while Father Fay was pastor. Father Fay's half of a Florida condominium he owned with Clifford Fantini has also been transferred to the parish.

This information was included in the financial update for the first half of the fiscal year (July through December 2006) prepared by pastor Father McGrath and the St. John's finance council.