

January 21, 2007 **Pastor resigns after diocese uncovers financial problems**

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GREENWICH - The pastor of St. Michael the Archangel Roman Catholic Church resigned after a preliminary financial audit uncovered more than \$500,000 in spending that the Bridgeport Diocese is trying to account for, officials said yesterday.

Bridgeport Bishop William Lori told St. Michael's parishioners yesterday that he had asked for and received the resignation of their pastor, the Rev. Michael Moynihan. Though the 54-year-old remains a "priest in good standing," Moynihan likely will never be the pastor of a diocese church again, Lori said.

"After a long and thorough process, I have reluctantly but firmly concluded that any new assignment cannot entail financial administration," Lori said. "To put it mildly, parish financial records were badly tangled and at points not yet well-explained, intertwined with Father Michael's personal finances."

Moynihan is accused of keeping at least two "off-the-books" bank accounts, which only he knew about and controlled, Lori said. About \$1.4 million in transactions passed through one account - half a million of which auditors cannot account for because checks were used to pay some of Moynihan's personal credit cards, various vendors and in some cases made out to cash. The diocese said that although the money may have been used for parish purposes, Moynihan had difficulty providing documentation proving that. Moynihan could not be reached for comment yesterday.

Parishioners at yesterday's Masses received a document detailing the preliminary audit results and Moynihan's resignation letter. In his letter, Moynihan said the audit "will illustrate my deficiencies as a financial administrator."

"I believe at the end of this process that there will be no findings of impropriety or wrongdoing on my part as your pastor," he said in the letter. "If the final report should indicate unresolved or questionable expenditures, I will, to the extent that I can, make an appropriate financial contribution back to the parish I love so much."

St. Michael's parishioners have been among the most generous donors in the diocese. In last year's annual bishop's appeal - a fundraising campaign to which every parish in the diocese must contribute - St. Michael's pledged \$1.4 million in donations, the highest of any parish and about 730 percent more than what the diocese expected.

The second-most generous was St. Thomas More in Darien, which pledged \$934,000. That parish also has undergone an audit and no financial improprieties were found, officials said.

Until a new pastor is appointed at St. Michael, the Rev. J. Peter Cullen, the diocese's vicar general, will serve in that role, officials said. Lori, who had been scheduled to celebrate a Mass yesterday to install the new pastor at St. Agnes Church in Greenwich, instead addressed parishioners at St. Michael Church and its affiliate, St. Timothy Chapel.

In an interview, Lori said questionable accounting practices were first raised with Moynihan during an internal review of St. Michael's books in 2004. Moynihan was told to implement changes, including hiring a parish accountant, and to stop making checks out to cash.

Lori, who said he had believed Moynihan had made those changes, had intended to follow up by conducting a more comprehensive review of the finances of every parish in the Bridgeport Diocese as part of a larger initiative to improve financial accountability, but other matters arose, including sexual abuse lawsuits.

"Between schools and parishes and other entities, I have 130 entities," Lori said. "I was vigilant. I had assurances that things were going well, that recommendations were being followed. The financials showed even, steady performance."

But last year, a scandal broke involving the Rev. Michael Jude Fay, former pastor of St. John Roman Catholic Church in Darien. Fay allegedly misspent \$1.4 million in parish funds

over six years, some of it to buy gifts for a man who was allegedly his lover. The Fay case is under the investigation of the U.S. attorney's office.

Diocese officials also said that through their attorney, they have been contacted by the U.S. attorney's office about Moynihan's case and have agreed to forward the final audit report.

The circumstances in Darien prompted diocese officials to set up a planned system of external audits and other financial controls of parishes sooner than expected. They initially targeted seven churches, including St. Michael.

"I expected this to be routine," Lori said, adding that it was during last summer's review that officials uncovered the first unauthorized bank account.

Lori told parishioners yesterday that in August, the diocese found out about the first bank account and stripped Moynihan of his authority to write checks or manage finances at the parish. Still, Moynihan remained a pastor and assisted accountants in tracking down documents proving that the spending was for the parish, Lori said.

"I wanted to give him every opportunity to provide the documents and explanations," Lori said. "He did provide additional information, documents, explanations and the gap of unexplained expenditures narrowed, somewhat. As that happened, I held out the hope that this nightmare might possibly have a happy ending, but that was not to be."

In December, the diocese discovered a second unauthorized bank account that Moynihan had never mentioned, Lori said.

"This second sad discovery led me to the inescapable conclusion that despite all his talents, priestly generosity, Father Michael was unable or unwilling to lead the parish to a new day of financial accountability and transparency, and it is the role of the pastor to provide just that kind of leadership."

Several parishioners were in tears as they listened to Lori, though many were critical of the decision to ask for Moynihan's resignation. One man stood up after Lori spoke to give his own opinion, drawing thunderous applause from other parishioners.

"I cannot help but believe that when the words you use - 'inappropriate' - did not speak of illegal, did not speak of immoral - that somehow the terrible experience the diocese has seen in Darien is a large part for what looks like an overreaction here," the man said. "Frankly, there's not a lot of Christianity in the behavior, and it doesn't seem right and it doesn't seem appropriate," he said of Moynihan's ouster.

Moynihan was ordained by Pope John Paul II in 1979 and served at St. John the Evangelist in Stamford 1990 to 1993. He was appointed pastor of St. Michael in 1993. He is a favorite among parishioners and the reason why Masses at the church are packed, several members said last night.

"It's all because of him," said Eileen Rooney, 41, of Greenwich, who was among parishioners who said they did not believe Moynihan did the things Lori said. "I know he wouldn't do it. He's too smart."

Sue Stone, who sits on the board of the Greenwich Catholic School, where Moynihan served as president, said: "Father Michael is the most honorable man, priest, I've ever worked with."

Stone said she did not know about any hidden accounts Moynihan may have had, but that she knew there were parishioners who wanted to donate to the church's needs but didn't want that money to go to the diocese, out of fear it would be used to settle sexual abuse lawsuits. "People had given money to Father Michael and asked that the funds not be passed to the diocese," she said.

Several other parishioners left the church crying and upset, saying the diocese had mistreated Moynihan. Among them was Greenwich Selectwoman Penny Monahan.

"He was so kind to everyone here," she said. "I'm heartbroken."