

February 15, 2007 - Pilfering Priests

By Tim Padgett, Time Magazine

Delray Beach - Until two years ago, the Roman Catholic diocese of Palm Beach, Fla., ran audits of its parishes only when they changed pastors. It was a risky, even foolhardy policy when you consider that a parish like St. Vincent Ferrer Catholic Church, in Delray Beach, hadn't changed pastors in 40 years. In September 2003, upon the retirement of St. Vincent's pastor, the Rev. John Skehan, diocesan accountant Denis Hamel dutifully showed up to inspect the books and the procedures for counting Sunday collections. The new pastor, the Rev. Francis Guinan--a close buddy of Skehan's--told him to beat it. But the new bishop, Gerald Barbarito, eventually ordered Guinan to comply--and by Easter 2005, after parish staff had come forward with what they knew about St. Vincent's slippery bookkeeping, Hamel was left dumbfounded. "I called the bishop," says Hamel, now the diocese's financial administrator, "and I told him we had a tiger by the tail."

It was an especially ravenous beast if the allegations are true. Forensic auditors estimate that Skehan and later Guinan misappropriated \$8.6 million over 42 years. They allegedly diverted St. Vincent collection money to secret slush-fund accounts while living as hedonistically as Renaissance Popes. The police report says Skehan, 79, gave a "girlfriend" \$134,000, made a rare-coins purchase for \$275,000 and owned an oceanfront condominium worth \$455,000. It says Guinan, 63, whom Barbarito removed as St. Vincent's pastor in 2005, spent his take on expensive vacations to Las Vegas and the Bahamas; a \$220,000 renovation of his parish residence; and payments to his own "paramour," the bookkeeper of his former parish, whom he gave \$47,000 for credit-card bills and her child's tuition. Both priests were arrested by Delray Beach police last September--after Guinan returned from a South Pacific cruise--and were charged with grand theft. (They pleaded not guilty.)

St. Vincent's may be the worst known case of embezzlement to hit U.S. Catholicism, but Skehan and Guinan are joined by a gallery of other recent alleged klepto-clerics. Last month a Virginia priest was indicted for allegedly embezzling \$600,000 from two Catholic churches--in part to help support the woman and three children he had been secretly living with. Last year a Connecticut priest was accused of pilfering up to \$1.4 million to pay for his Audi cars, luxury-hotel stays, jewelry for his boyfriend and a Fort Lauderdale condo. And last June another priest was sentenced to five years in prison after the misappropriation of \$2 million from the Church of the Holy Cross in Rumson, N.J.

Just when the Catholic Church in the U.S. was beginning to recover from the sordid sexual-abuse scandal of 2002, it may be staring at a new crisis. "This is the last thing the church needs when you think how low its moral credibility already is" in the wake of the child-molestation tragedy, says Chuck Zech, director of the Center for the Study of Church Management at Villanova University in Pennsylvania. "But I'm appalled at the lack of internal [financial] controls at Catholic parishes." In a recent study co-authored by Zech and Villanova accountancy professor Robert West, 85% of the 78 U.S. Catholic dioceses responding to their survey (out of a total of 174 queried) reported embezzlement cases--and 11% had scandals of \$500,000 or more. Some cases involve laypeople and not priests; and the study's one silver lining is its finding that priests are often the whistle-blowers.

Still, the increasing number of clergy getting caught with their hands in the offertory is once again prompting questions about the Catholic priesthood. Not that clerical enrichment is by any means an exclusively Catholic scourge: it's hard to forget that Protestant TV evangelist Jim Bakker once defrauded his followers of \$158 million. But scholars like Zech argue that the financial apparatus at Protestant churches is often "more transparent and encouraging of lay participation" than it is at Catholic parishes--where, says Hamel, some pastors still carry "an Old World attitude that what's in the collection basket is theirs personally to do with as they wish."

Priestly arrogance may not be the only factor. Unlike monks, parish priests do not take a vow of poverty; but they promise to be celibate, which many assume blunts greed since they don't have families to support. Ironically, says one South Florida priest, many priests see the sacrifice of sex and family as a source of "entitlement--a reason parishioners should provide extra pin money for Father." What's more, priests can resent

seeing how comparatively well their Episcopal or Jewish counterparts live--and the fact that Catholics in the U.S. give half the share of their income to their churches that Protestants do, according to the Center for Applied Research in the Apostolate at Georgetown University.

That's no excuse for pick-pocketing parishioners. But the issue underscores a changing social dynamic between priests and their flocks. In past generations, U.S. Catholics tended to be working-class, and priests often had comparatively cozy lifestyles. "Today," says Terry McKiernan, co-director of the watchdog site BishopAccountability.org "there's been a strange flip-flop." Parishioners are often middle or upper-middle class, while priests--whose median salary is about \$35,000, including their free room and board--can be left with a nagging sense of diminished stature in our money-conscious society. Palm Beach is home to some of the nation's most affluent Catholics; but Skehan and Guinan were born in Ireland when it was still dirt poor. By most accounts, Skehan was a beloved pastor, yet one of his most telling remarks to police was that he felt he was "never properly paid."

Embezzlement is a plague of all nonprofit organizations, given their threadbare accounting systems. But the nation's 19,000 Catholic parishes, which gather about \$6 billion a year from congregations, "are still often medieval in the way they secure or don't secure Sunday collections," says Michael Ryan, a Massachusetts Catholic and former U.S. postal inspector who runs another watchdog site, Churchsecurity.info. At St. Vincent, for example, Skehan and Guinan had immediate access to offertory cash--and according to the police report had staff hide purloined stacks of bills in parish-office ceilings. Ryan and other experts emphasize that church ushers should put that money into tamperproof bags with numbered seals; that rotating teams should count it; and that separation-of-duties standards, such as ensuring that bookkeepers logging the funds aren't the ones counting and depositing it, should be adhered to. Professor West says that parish-finance councils--which are required by canon law but are too often as ornamental as stained glass--"have to stop acting like rubber stamps for priests."

But as in the sex-abuse crisis, many are asking, Where are the bishops? Barbarito was sent to Palm Beach in 2003 to fix a diocese already reeling from the departure of two of his predecessors under sexual-abuse accusations--one of whom had also dismissed reports of financial misconduct against Guinan at another parish in the 1990s. Following the St. Vincent discovery in 2005, Barbarito decreed biennial audits for every Palm Beach parish. But only a handful of other U.S. dioceses are cracking down. Chicago recently set up a hotline to report malfeasance, and St. Louis is creating a centralized bookkeeping system. But the U.S. Conference of Catholic Bishops insists that canon law does not allow the Vatican or the Conference to impose such reforms on dioceses.

So the job may be left to Catholic laity. The sex-abuse litigation "forced church documents like parish audits into the open for the first time ever," says McKiernan, emboldening more lay scrutiny. After Barbarito began a probe into the St. Vincent mess, an anonymous parishioner sent a letter to the Palm Beach County state attorney. That made it harder for witnesses to keep the case "a secret within the church," as the letter said--despite the efforts of Skehan, who had allegedly sent Christmas cards to church secretaries with \$1,500 each and an oily thank-you for not cooperating with diocese investigators. The secretaries refused the supposed bribe and are now prosecutor's witnesses. That's the kind of lay resolve that Hamel believes will give the church "a better chance of dealing more effectively with this crisis" than it did with the one that so badly tarnished it five years ago.