

Catholic Church scandals reveal need for parish fiscal transparency

By Michelle Martin, Our Sunday Visitor, on the web page of, Catholic Online (CA), 12/19/06

HUNTINGTON, Ind. (Our Sunday Visitor) – The Catholic Church is, by definition, based on faith. But when it comes to handling its finances, faith is not enough, according to diocesan officials and those who study church finances and management.

The church is not immune to thievery and fraud, a fact that has become all too clear in recent months as financial scandals rocked parishes and dioceses all over the country:

- In Delray Beach, Fla., two priests were charged in September with skimming more than \$8.6 million from St. Vincent Ferrer Parish over decades.

- In Ohio, the former chief financial and legal officer of the Cleveland Diocese was charged in August with participating in a kickback scheme that brought him nearly \$785,000. Joseph F. Smith had left the Diocese of Cleveland and was working as the finance director of the Diocese of Columbus when the 23-count federal indictment, naming him and former Diocese of Cleveland employee Anton Zgorznic, was handed down.

- In Chicago, Father Mark Sorvillo was indicted Oct. 19 on charges of stealing more than \$190,000 from St. Margaret Mary Parish over eight years.

He used the money for food, liquor, overseas travel to Paris, London and Venice and to shop at retail stores such as Neiman Marcus and Saks Fifth Avenue, according to the Cook County State Attorney.

That indictment came three months after former priest Brian Lisowski was sentenced to four years in prison after pleading guilty to money laundering. He had been accused of stealing \$1.6 million from two Chicago parishes where he served, but the theft charge was dropped when he entered his guilty plea.

Opportunity to steal

Of course, the problem of people putting their hands in the cookie jar isn't confined to the church, said Charles Zech, an economics professor at Villanova University who co-authored Plain Talk About Churches and Money (Alban Institute, \$14).

"This is a real problem in society," Zech said. "Look at Enron and all of that."

The difference is that people in the church often aren't expecting it, so they aren't vigilant enough, he said.

"As a church, we assume our folks are honest," Zech said. "We give our priests the benefit of the doubt, and in the vast majority of the cases, rightly so. We give our laypeople the benefit of the doubt – so many of them are volunteers. ... We have opportunities for people to steal money or embezzle money."

To stop it, parishes and dioceses must be more transparent in the way they handle money, and more accountable for what happens to it. They need rigorous systems of internal controls – ways to make sure that everything is accounted for – just as businesses and not-for-profit organizations do," Zech said.

Be careful

For the most part, parishes and dioceses have gotten that message. In Chicago, archdiocesan officials reported suspicions about Sorvillo to civil authorities when his parish finance committee noticed irregularities with the tamper-proof bags in which they used to keep the collection money. In Florida, the pastor of St. Vincent Ferrer was replaced a year before charges were announced as officials from the Diocese of Palm Beach investigated.

Thomas Brennan, finance director for the Archdiocese of Chicago, said the archdiocese set up its procedures to make it possible to find out when something goes wrong.

"We don't want to say, 'Trust me,' " he said. "Trust, but verify."

Wayne Lenell, director of the department of financial and administrative services for the Diocese of Rockford, Ill., said that most dioceses have the systems they need in place. That's why the cases of church fraud and malfeasance that do happen often make the front pages, Lenell said.

"What's happening in these examples is the exception, not the rule," said Lenell, a certified public accountant who worked for a major firm and had a private practice before going to work for the church.

Poor management

What's not rare, said Thomas Groome, a professor of theology and religious education at Boston College, is church managers – often priests, sometimes volunteer laypeople – who just don't have the management expertise they need.

"We're marked by poor management of personnel and resources – not by any ill will, but by incompetence," Groome told Our Sunday Visitor. "Poor management has diminished the sacramentality of the church. The church has to be a credible witness to the gospel."

An example of how poor management hurt the church's credibility is the clergy sexual-abuse scandal. Better management of personnel and resources would have stopped the scandal much sooner, he said.

Groome directs Boston College's Pastoral Studies Institute, which is starting a graduate program in church management to attack the problem.

"I think we were never in a better position to move forward with this," said Groome, who acknowledged that some people question whether business management practices suit the church.

"But if the church is more than a business, shouldn't it be run at least as well as one?"

Training parishes

The Boston College program aims to help the well-meaning priests and laypeople who want to be good stewards of the church's resources, Groome said.

"It's true in every business. There are rogue cops, rogue firemen and rogue priests," he said. "But even the ones who are good aren't well-trained. We need people who have both the language of the church and the language of business management."

Zech agreed that the church is different when it comes to management.

"It's not like the for-profit sector," he said. "It's not even like the nonprofit sector."

For one thing, parishes tend to rely more heavily on volunteers in positions of responsibility more than even most nonprofits, and those volunteers are drawn from a relatively closed pool of people: the parishioners. Furthermore, those volunteers report to a priest – a spiritual father – not a boss.

"The CEO of a parish is the pastor, and nobody ever became a priest because he wanted to run a small business," Zech said. "They let a lot of things slide that wouldn't slide by in a not-for-profit or a for-profit business."

[And let's not forget the fiscal scandal at St. John's Church, Darien, CT]