

Diocese may try to reclaim \$1.4M in misspent funds from Darien church

By Donna Porstner, Staff Writer, The Stamford Advocate, December 5, 2006

STAMFORD - Officials from the Roman Catholic Diocese of Bridgeport said yesterday they are trying to recoup some of the \$1.4 million they say was misspent by the former pastor of a Darien church.

Norm Walker, chief financial officer for the diocese, said yesterday in an editorial board meeting with The Advocate and Greenwich Time that the diocese is seeking restitution from the sale of the Rev. Michael Jude Fay's luxury condominium in Fort Lauderdale, Fla. Whether the diocese would get any of the money if the property were sold is unclear because Fay owns it jointly with another man.

Broward County records show Fay and Clifford Fantini, a Philadelphia wedding planner who also goes by the name Cliff Martell, bought the condo for \$449,100 in April 2005.

Even if the diocese gets some of the proceeds from the sale, Walker said, "it's not going to cover what he took."

Units in the same complex - a pair of luxury high-rises called The Vue - have been selling for more than \$600,000.

An audit commissioned by the diocese earlier this year found that Fay, former pastor of St. John Roman Catholic Church, inappropriately used about \$1.4 million in church funds over six years. Fay, who told the auditors he thought nothing of hiring a limousine, spent more than \$124,000 on taxi and limousine rides for himself and his mother in those six years.

He also bought furniture for Fantini's Philadelphia residence, jewelry at Cartier, Giorgio Armani clothing, and airline and train tickets for Fantini with parish funds.

When the diocese was tipped off to Fay's spending by parish employees last spring, Bishop William Lori forced him to resign.

Fay remains under investigation by the FBI and U.S. attorney's office. Lori said yesterday he is not privy to the status of the investigation.

Walker said yesterday that the diocese knew St. John's was about nine months behind in its monthly payments to the diocese when the scandal broke but had not investigated its finances because of staffing shortages. Two of the three employees in the diocesan finance office were out of work because of health problems at the time, Walker said.

The first indication of real financial problems was in February, Walker said, when he got a from a bank saying the parish was behind on loan payments.

The parish finance council began asking Fay questions at the same time but did not get many answers, Walker said.

Fay had been at St. John for 15 years, and the parish had never had trouble meeting expenses before, Lori said.

When finance council members questioned increased spending, Fay told them he had not been attentive to parish finances because of his prostate cancer, according to the audit prepared by Deloitte Financial Advisory Services LLP. The audit found much of Fay's spending - about \$720,000 - came from a bank account known only to him.

If people within the parish who knew what was going on had come forward sooner, "we could have saved a lot of money," Lori said.

The scandal prompted the church to implement new financial rules, including internal control audits planned for all 87 parishes in the diocese next year.

"The difficult situation in Darien has led to a whole strengthening of finances," Lori said.

The diocese also has begun to recommend that parishes use tamper-proof bags to hold cash and checks from collection plates before they are deposited in the bank. Its financial policy and procedures manual have been rewritten to make it easier to understand.

The bishop said many of the ideas for safeguarding parish funds have come from priests who have fiduciary responsibility as treasurers of their parishes.

"The priests take very seriously the financial administration of their parishes," Lori said. "The priests themselves gave us many of the ideas we are using."

The next step, Walker said, is to revise the parish financial reports to make them easier to understand and to better articulate which types of parish expenses may be paid for using credit cards. Only essentials such as office supplies should be charged, he said.

Fay should not have been paying his personal bills with parish funds, Walker said.

Fay's purchases included an ad for Fantini's wedding planning business in Philadelphia Style magazine as well as merchandise from Tiffany, Cartier and Hermes, according to credit records obtained by The Advocate. In May 2005, Fay made one of his biggest purchases, buying \$23,329 worth of Ethan Allen furniture.

"Clearly, paying a priest's personal credit card bills out of the church's treasury is off the charts," Walker said.

Most men who enter the priesthood have little financial training and learn to manage finances on the job, Lori said.

"Our core business is redemption," the bishop said. "I think that's forgotten most of the time."