

January 23, 2007 - Diocese: FBI, U.S. attorney altered it to "hidden account"  
By Michael Dinan, Hartford Courant, GREENWICH (CT)

Diocese of Bridgeport, CT officials said yesterday the FBI and U.S. attorney's office first flagged a Greenwich pastor's "hidden" bank account, a discovery that led to the Rev. Michael Moynihan's resignation last week from St. Michael the Archangel Roman Catholic Church, Greenwich, CT.

"We were contacted in July by civil authorities, both the U.S. attorney's office and the FBI," said Joseph McAleer, a diocese spokesman.

"They came to us and asked if we were aware of the existence of an off-the-books account," he said. "It changed the dimension of what was going to be a routine but thorough review of St. Michael's into more of an investigation. You cannot receive information like that from federal authorities and not act on it."

It isn't clear how federal authorities learned of the pastor's financial dealings. Spokesmen from the FBI and U.S. attorney's office declined to comment, saying they couldn't confirm or deny whether there's an investigation.

Moynihan, 54, resigned Friday as evidence of poor bookkeeping and questionable management of parish funds emerged.

Moynihan is accused of keeping at least two accounts hidden from the diocese and St. Michael finance council.

One account includes \$500,000 in spending that Moynihan hasn't documented or fully explained. Diocese officials say they're trying to determine how much money was lodged in a second hidden account, and are investigating a third off-the-books account.

No one has accused Moynihan of a crime. He served as St. Michael's pastor for 14 years. Moynihan was a priest at St. John the Evangelist in Stamford from 1990 to 1993.

McAleer said the diocese has been in contact with the federal agencies since July 14.

"We're still communicating with them," he said. "They do have a copy of the preliminary report. We'll be keeping them informed."

Bishop William Lori, who oversees the Bridgeport Diocese's 87 parishes, informed the congregation of the situation over the weekend.

According to Lori, Moynihan's record of financial mismanagement goes back further than revelations of hidden accounts.

Despite Moynihan's promises, Lori said little changed at St. Michael after a 2004 review of parish finances that revealed a lack of basic accounting practices, such as preparing a budget and tracking expenses.

Last summer, St. Michael's became the first of seven parishes targeted by the diocese for external audits.

The diocese abandoned its plan to target just seven parishes, however, when the seriousness of the financial transgressions at St. Michael came to light.

This year, McAleer said, the diocese plans to conduct external audits of all 87 parishes. McAleer declined to identify the other six parishes initially targeted.

"I don't want people to assume that they were all wealthy parishes, like St. Michael," McAleer said. "That information may also make those other six unnecessary targets for media, and they really haven't got a role to play at this point."

Along with diocese officials, a private accounting firm and Moynihan, the church's two-member parish council has assisted with the investigation that was launched last summer, studying accounts and the pastor's explanations of how parish funds have been spent.

One member of that council, 62-year-old Martin Maloney, a Greenwich resident and St. Michael parishioner for 20 years, said he believes Moynihan will be able to show that he spent all of the \$1.4 million on the parish.

"I have to say, personally, that at this time I don't find any evidence of wrongdoing or impropriety on the part of Father Michael," Maloney said. "At the end of the day, I believe the father will be vindicated, not of following policy and so forth, but it will be found that everything went for the right reason."

McAleer said diocese officials couldn't stand by while the pastor failed to keep accurate records and managed at least two hidden accounts.

"We also hope that at end of this process, there are no findings of impropriety or wrongdoing," he said. "But I think every person, whether a member of the clergy or not, would understand that it's normal business practice, when an auditing firm comes in to do a financial review, to have documentation. It's not unreasonable to question why there are no receipts. This isn't just about dollars and cents, either. It's also about transparency and two off-the-books accounts."

Some St. Michael parishioners have said Lori should hold himself responsible for not helping Moynihan manage the church's finances after the initial review in 2004.

But plans to follow up on Moynihan's poor bookkeeping were derailed last year, Lori said, when a scandal broke involving the Rev. Michael Jude Fay, former pastor of St. John Roman Catholic Church in Darien.

Fay is accused of misspending \$1.4 million in parish funds over six years, some of it to buy gifts for a man, allegedly his lover. That case is under federal investigation.

The Stamford private investigator who took the Fay case to police, Vito Colucci, said yesterday that Moynihan's resignation and alleged financial transgressions didn't surprise him.

"I'd gotten a lot of anonymous calls over the last several months about different places in the area, and that (St. Michael) was one of them," said Colucci, who previously worked as an undercover Stamford police officer.

"His (Moynihan's) name, truthfully, has been on my radar screen for months. People asked if I could look into it, but I didn't because I wasn't hired to," he said. "I just passed the information along to higher authorities. I believe this is the tip of the iceberg. I think over the next several months you'll see other names from parishes across Connecticut."

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