

January 18, 2007 - **Lawyer: Priests Can Open Accounts**, Kiran Krishnamurthy, Times-ispatch, Richmond Times, FREDERICKSBURG (VA)

Experts: Diocesan way of banking is unlike that of most entities

FREDERICKSBURG -- Banking experts say documentation from a church's trustees or governing body -- not just the signature of a clergyman -- typically is required to open an account in a church's name.

But in the Catholic Diocese of Richmond -- where a retired pastor is charged with embezzling priests are empowered to open accounts in their church's name, a diocesan lawyer says.

"A Catholic pastor can do that. He's very much his own thing," said diocesan attorney William Etherington, adding that a parish's pastoral and financial councils serve only advisory roles.

"He will routinely get a letter from the diocese saying he is the bishop's agent for fiscal matters for the parish," Etherington said yesterday. "When he needs it, he takes it out of the file cabinet and shows it to the bank."

The Rev. Rodney L. Rodis, 50, is scheduled to appear in Louisa County Circuit Court today on a charge of felony embezzlement in connection with allegedly stealing more than \$600,000 from two Catholic parishes he led in the diocese.

State police say Rodis may have taken as much as \$1 million from the churches by opening a third account in a church's name at Virginia Heartland Bank in Spotsylvania County.

Etherington and banking experts agree the diocesan way of banking is different from that of most Protestant churches or businesses.

Richard F. DeMong, a banking and finance professor at the University of Virginia's McIntire School of Business and Commerce, said a church typically would be considered a business in such a situation and, therefore, written documentation such as a resolution from church trustees or officers, or multiple signatures on the account, would usually be required.

"Even the sororities and fraternities here at the university have to have documentation," DeMong said yesterday.

"That's it, huh?" responded John W. Burdiss, an attorney and fraud expert in Cape Charles, when told how Catholic priests are empowered in financial matters. Burdiss said the onus is on churches, businesses and nonprofits to have accounting and auditing practices in place that might catch irregularities.

E. Joseph Face, commissioner of financial institutions for the Virginia State Corporation Commission, said he is always surprised to see such oversight lacking in cases where, for instance, a youth-league official has embezzled.

"You're giving someone the keys to the store," Face said.

Ronald E. Davis, president/chief executive of Virginia Heartland Bank, has not returned at least a half-dozen telephone messages left at his office and on his cell phone over two days seeking comment about the institution's practices for opening and maintaining accounts.