

## THE NEED FOR FINANCIAL ACCOUNTABILITY IN THE CATHOLIC CHURCH

**A Statement by Voice of the Faithful in the Diocese of Bridgeport  
September 7, 2006**

The tragic events at St. John Parish in Darien are symptomatic of the grave problem of financial accountability in the Catholic Church on both the parish and diocesan levels. Church law entrusts the pastor with full authority to manage the contributions of the parishioners that sustain the life of the parish. A parish finance council may assist the pastor, but its function is purely advisory. News accounts suggest that Fr. Michael Jude Fay, St. John's pastor, disregarded his finance council, failed to convene it regularly, and did not consider himself accountable to it. As a consequence he reportedly expended at least \$1.4 million of parish money on personal matters in the past six years alone. Bishop William E. Lori has referred to this as 'extravagance,' while the secular press, less understanding of Canon law, has termed it 'embezzlement.'

Over the years the contributions of St. John's parishioners have maintained the church and other parish buildings, supported religious education and other programs, and paid the salaries of the priests and other staff members, and the *cathedraticum*, a tax on offertory collections payable to the bishop. However much the parishioners may decry the misuse of their money, they have no control over it once they put it in the collection basket. Nor do they have any place in the parish corporation that administers parish property and finances. According to the civil law of the State of Connecticut the parish corporation consists of five persons: the bishop, the vicar general, the pastor, and two lay trustees appointed by the pastor. None of them are elected by the people of the parish and thus cannot be said to represent the parish community. Nor are they accountable to that community in a systematic fashion. The injured party in this instance is not the people of the parish, but the bishop and the other members of the parish corporation. Just as they have power over parish finances, so also are they accountable for any wrongful use of parish funds.

The example of Fr. Fay is not unique. During the last year two priests in New Jersey and one in Pittsburgh have been charged with mismanagement of parish funds. In 1996 when Edward M. Egan, then bishop of Bridgeport, removed Charles Stubbs as pastor of St. Mary's in Greenwich financial improprieties were reported. The lesson is this: so long as the parish finance council is strictly an advisory body the pastor of any parish can manipulate parish funds as he pleases. The consent of the people of God in that parish is not required. So long as the parish corporation excludes the parishioners, they have no legal recourse if their pastor steals money from that community.

When the sexual abuse crisis gained national attention in 2002 parishioners were appalled by reports of predatory priests, but were even more distressed to learn that their bishops covered up these crimes. The same reflex action to conceal and cover up seems to be operative in this financial crisis. When Bishop Lori failed to act in a timely manner, Fr. Michael Madden, the parochial vicar at St. John, and Bethany D'Erario, the bookkeeper, hired a private investigator, who turned up evidence of wrongdoing. Bishop Lori responded by removing the pastor, Fr. Fay, and ordering an audit by Deloitte and Touche that provided evidence of financial misconduct over a period of six years. Rather than praise Fr. Madden, the bishop castigated him, compelled him to sign an abject letter of apology, and directed him to take a period of rest and reflection. Yet when the 'chronology' was published in the diocesan news, these elements of Fr. Madden's history were not mentioned. Fr. Madden's fault was that, by bringing the matter into the open, he laid bare the bishop's failure to provide adequate oversight of parish finances. Only when the people of St. John spoke up for Fr. Madden, did the bishop modify his order.

If Fr. Madden and Mrs. D'Erario had not hired a private investigator, the story of Fr. Fay's financial misconduct would likely never have been reported in the press. The bishop and his consultants would have kept the matter under wraps and dealt with it in house. The parishioners would have been told perhaps that there

were some financial improprieties, but they would never have been given a full accounting, and they would have been assured that the bishop would take care of the matter and they need not concern themselves further.

Voice of the Faithful in the Diocese of Bridgeport acclaims Fr. Madden as a priest of integrity who had the courage to stand up for what is right and to suffer the consequences. Would that there were more like him! At a time when our priests are aging and their number is steadily dwindling, it is sad to see the bishop treat a brother priest so harshly that he decided, after years of faithful pastoral service, to leave the priesthood. While the bishop and his consultants were ready to “cut some slack” for Fr. Fay, they were not willing to show compassion for the whistleblower, Fr. Madden. In the secular world, anyone misappropriating funds would not be “cut some slack,” but held accountable.

The problem of financial accountability is not limited to the parishes. Members of all parishes contribute to the support of the bishop and the diocesan administration through the *cathedraticum* or tax levied on every parish and through the Annual Bishop’s Appeal. Yet there is little or no accounting of the use of these funds. The Diocesan Finance Council is essentially an advisory body. The final responsibility in both parish and diocesan financial matters rests with the bishop, who, according to Canon law, has absolute legislative, executive, and judicial power over all the faithful of his diocese, clergy and people alike, without any real checks or balances.

During the coming year VOTF will focus its activities on financial accountability in the expectation of making recommendations for greater participation by the faithful in the administration and oversight of parish and diocesan finances. Anyone interested in taking part in this process is invited to contact John Marshall Lee, Chair, at 203-259-9642.