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## Vatican stops diocese in taking parish assets Millions at stake as O'Malley must get OK of pastors

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By Michael Paulson, Globe Staff | August 11, 2005

The Vatican, in a blow to the Catholic Archdiocese of Boston, has concluded that archdiocesan officials erred in claiming the financial assets of closing parishes and must now ask pastors to voluntarily turn over millions of dollars in bank accounts and real estate holdings that the archdiocese had planned to take.

The archdiocese said yesterday that it is working with the Vatican and with local priests and finance council members to limit the repercussions of the development and said the Vatican is otherwise supportive of the process of closings pursued by the archdiocese and of the individual closing decisions made by Archbishop Sean P. O'Malley. But the archdiocese acknowledged that the decision is unwelcome and poses a complication in O'Malley's effort to restore the troubled archdiocese to financial health.

Critics of the parish closing process said the development vindicates their argument, put forward in several lawsuits in civil courts, as well as in appeals to the Vatican, that the archdiocese has mishandled the overall closings process and is violating church and civil law by taking as much as several hundred million dollars in cash donated and real estate funded by faithful Catholics over many generations.

The archdiocese acknowledged the Vatican's decision in response to questions from reporters.

"We're glad that the Holy See seems to be supporting the parish closings and our goals, and now we need more conversations to clarify our differences on what is the best procedure to attain those goals," O'Malley said in an interview. "The Holy See understands our situation and needs and is trying to suggest to us ways that we can achieve those needs, yet being sensitive to their concerns. . . . When all is said and done, I feel confident that what we've set out to do will be achieved, regardless of what canons we have to invoke."

O'Malley said he is hopeful that pastors will agree voluntarily to cede the money of closed parishes.

"I think there's an understanding on the part of the pastors and the people of what the diocese is trying to achieve -- I think the expectation of everyone in the diocese is, if the closing of a parish is going to be upheld, that the assets will be used for the overall good of the church," he said. "I think the pastors and the finance councils have those same expectations as well, so I'm not expecting great difficulties."

The archdiocese said it believes the Vatican's position -- communicated verbally to archdiocesan officials at a series of meetings in Rome over the last several months -- affects only eight of the 62 parishes O'Malley has closed over the last year. Those eight -- in Belmont, Brookline, Natick, Quincy, Revere, Scituate, Sudbury, and Wellesley -- are parishes that have appealed their closings to the Vatican and that have geographically based, and not ethnically based, memberships.

Three American dioceses -- Portland, Ore., Spokane, Wash., and Tucson -- have filed for bankruptcy and have tried to limit the assets that can be claimed by creditors by arguing in court filings that the assets of parishes belong to parishioners and not to the dioceses. Several Boston-area parishes sent appeals to the Vatican, arguing that it was unreasonable for O'Malley to claim ownership of parish assets at the same time Western bishops were claiming they don't control parish assets.

It is not clear whether a desire to help protect the bankrupt dioceses prompted the Vatican to insist that the Archdiocese of Boston does not control the assets of its closed parishes, but Boston church officials and pastors said that, in the past, the archdiocese here has closed parishes and taken their assets without objection. They also said the Vatican has helped design the solution of asking pastors to sign money over to the archdiocese, which would comply with canon law but also allow the archdiocese the use of the funds.

Most of the parishes closed in Boston did not appeal the closings to the Vatican, and the archdiocese argued yesterday that, despite the new development, those closed parishes are now prevented from appealing because the time limits for doing so have expired. The archdiocese said it would have to consult with the Vatican about how to handle assets associated with future closings. There are still multiple parishes slated to close over the next several years.

The archdiocese said its in-house canon lawyer, the Rev. Mark O'Connell, has met with the pastors and the finance councils of the parishes that have absorbed the parishioners of seven of the closing parishes. O'Connell told the pastors they can seek a portion of the money for the expenses of absorbing the new parishioners, but requested they then sign over the remaining assets of the closed parishes to the archdiocese. In the case of the eighth parish, St. Anselm in Sudbury, the meeting has not yet taken place because the archdiocese has not determined where the parishioners of that parish should be assigned.

The archdiocesan officials said one of the pastors has already agreed, and they are optimistic that others will follow. They acknowledged the pastors are in a difficult situation and may face pressure from some parishioners to keep the money. But the pastors also have promised obedience to O'Malley, who controls their futures; several of the affected pastors also hold important positions in O'Malley's administration.

Throughout the reconfiguration process, the archdiocese has argued that the money from closed parishes should be pooled to help all parishes in the archdiocese and that it does not make sense for the assets of a wealthy parish in an affluent community to simply be transferred to the next wealthy parish in the same affluent community, when many parishes in the region's older cities are struggling financially. The archdiocese says that in one case, in North Dorchester, it has already recognized such imbalances by allowing a relatively low-income parish, Blessed Mother Teresa, to keep all of the assets of a closed parish, St. William, whose parishioners Blessed Mother Teresa absorbed.

"What the archbishop did was to use an overarching plan for the good of the diocese," said the Rev. J. Bryan Hehir, the president of Catholic Charities and a close adviser to O'Malley.

One of the affected pastors, the Rev. John J. Ahern of St. Mary of the Assumption in Brookline, said the priests have been talking among themselves about how to proceed. "All of us are fairly cautious, and we want to be deliberative, and getting our finance councils together during the summer isn't easy," he said.

Ahern said that, in his case, as much as \$4 million in cash is at stake. Ahern said his parish, a vibrant congregation in an affluent town, does not need the money; he also pointed out that a few years ago, when the parish did have financial problems, the archdiocese voluntarily gave it the assets of another parish that had closed in town, St. Aidan.

One finance council member reached last night said he was inclined to be supportive of the archdiocese's request.

"It was never contemplated by St. Luke's that the assets of Our Lady's would go anywhere but the archdiocese," said Kevin Mahony, a member of the finance council of St. Luke Church in Belmont, which has absorbed the parishioners of the closed Our Lady of Mercy. "It's that simple."

Critics of the parish closing process, however, said the development demonstrates the archdiocese's poor financial management.

"Many of our members have pointed out, in written briefs, their view of the illegality under canon law of the archdiocese taking for itself the assets of suppressed parishes," said Peter Borre, the cochairman of the Council of Parishes, a coalition of members of parishes closed by the archdiocese. "The impression within the council of parishes is that within this archdiocese, they are improvising in the area of canon law, and they are doing as poor a job under canon law as they have done under reconfiguration."

Steve Krueger, the former executive director of Voice of the Faithful and an adviser to some of the closed parishes, said the development raises broader questions about the archdiocese's handling of the money of closed parishes.

"You have generations of donors whose intention was to help support the parishes that they were in," he said.  
"What's going to happen to those hundreds of millions of dollars?"

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