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## Parishioners in Boston Plan Suit Over Priests' Pensions

By [MARY WILLIAMS WALSH](#)

Parishioners in the Roman Catholic Archdiocese of Boston say they plan to file a complaint of public fraud with the Massachusetts attorney general because they believe that millions of dollars collected over many years through special appeals for the priests' pension fund was used for other purposes.

The parishioners, members of a group called the Council of Parishes, said they intended to file the complaint in the next few weeks as part of a package of legal actions involving the handling of money and other assets by the archdiocese. Some actions are civil lawsuits that have either already been filed or are to be filed soon, council members said.

A spokeswoman for Attorney General Tom Reilly said his office was "aware of the issue and is reviewing the facts," but declined to elaborate.

The parishioners said they were stunned to learn recently that the archdiocese had made no contributions to its priests' pension fund from 1986 to 2002, and that it said the collections taken every year at Christmas and Easter for priests' pensions were used instead to pay for health care for active and retired priests. The Christmas and Easter collections are the largest of the year, bringing in approximately \$4 million or \$5 million a year, according to church documents and interviews with archdiocesan officials.

Mary Beth Carmody, a member of St. Jeremiah's Parish in Framingham, said she was particularly concerned about priests' retirements because her brother and her cousin are priests: "If they solicited funds for that purpose, then the funds should have been used for that purpose."

Terry Donilon, a spokesman for the archdiocese, said, "I am not going to respond to something that has not even been submitted and which no one has seen."

Federal law makes it difficult or impossible for companies to divert pension assets to any other purpose; even when a company finds it has more money than necessary in its pension fund and wants to use the surplus to provide other benefits, like health insurance for retirees, the process is tightly regulated.

But churches and other religion-based employers, like religious schools and hospitals, can opt out of the federal pension law. Thus, most do not have to comply with requirements on the financing of pensions or the disclosure of information to participants and regulators.

The Council of Parishes consists of 15 parishes, from a total of 83 that the archdiocese has said it will shut to save money. Peter Borre, the group's co-chairman, said it was gathering signatures from parishioners willing to affirm that they had made contributions with the understanding that the money

would go into the priests' pension fund.

"I'm a businessman and I am sympathetic to the notion of some downsizing," Mr. Borre said. "But the manner that this archdiocese has gone about this in is very suspect. There is no transparency. It is a top-down, dictated process, and that's the reason for resisting. If they were capable of being open, forthright and putting their finances on the table, so that we could understand how much money they need to raise, we might be able to cooperate with them."

Cynthia Deysher, a certified public accountant and chairwoman of the church finance council at St. Anselm's Parish in Sudbury, said that for years she collected the various regular and special contributions, recorded them on software according to what they were earmarked for, and sent the money to the archdiocese. Financial officials of the more than 350 other parishes in the archdiocese did the same, she said.

"We all got receipts back from the archdiocese," said Ms. Deysher, who has served as a chief financial officer for three publicly traded companies. "It would state, 'thank you for your collection of x number of dollars for the priests' pension fund.' I bet you every church could get 100 parishioners to attest to that. I don't think it's going to be very hard to make a case that there's been fraud here."

Questions about the contributions arose this month as archdiocese officials began to meet with priests to tell them that the pension fund had a large shortfall, and that their benefits would have to be reduced.

A document explaining the cuts, provided to The New York Times by a priest who would be affected, stated that the archdiocese had made no contributions to the pension fund from 1986 to 2002.

Archdiocese officials have said that in those years, actuarial calculations indicated that the pension fund did not need contributions.

Richard C. Allen, a former chief of the division of public charities in the state attorney general's office, said that Massachusetts - as do other states - requires charities that raise money for a specific purpose to use the money for that purpose. "It is, happily, a very important and straightforward rule," he said.

Told of the collections for the priests' retirement, Mr. Allen said, "It kind of takes one's breath away that this was done for all those years and not devoted to that purpose. It's not surprising that the donors would be upset."