
DIOCESE OF PITTSBURGH

PREVENTING
DETECTING AND DEALING
WITH

PARISH FRAUD AND FINANCIAL MISCONDUCT



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FOREWORD

The purpose of this pamphlet is to relate the importance of having effective financial controls in place at the parish and its programs (school, cemetery, organizations) and seeing that they are properly followed. A comprehensive understanding of the information in this pamphlet and following the procedures and guidelines on internal control outlined in the Parish, School and Cemetery Financial Administration Manual will significantly reduce the possibility of fraud and financial misconduct. It is important that the leadership in the parish (pastor and business manager) emphasize to staff the importance of following the established controls. It is also crucial that the finance council assist in implementing the internal controls and perform periodic reviews to ascertain that they are being followed.

This document provides a practical guide regarding fraud and financial abuse that could occur in any parish. The information is based on both actual and hypothetical cases of fraud and includes practical steps to be taken to prevent and detect fraud as well as what to do when there is an allegation or concern regarding potential fraud or financial misconduct.

Fraud and financial misconduct encompasses activities involving dishonesty, theft and/or deception on the part of an employee or volunteer to deprive the parish of its assets or gain personal benefit from their actions. For the most part our employees and volunteers are honest dedicated people who want to serve the church in one way or another. However, for those few who are weak and see an opportunity to enrich themselves at the expense of the church, the implementation of this document will serve to reduce such temptation.

UNDERSTANDING THE FRAUD ISSUE

Gaining an awareness of the scope of the issue and the major areas relative to addressing the issue is one of the first steps necessary to

prevent and detect fraud and financial misconduct. This awareness may be best gained by reviewing the answers to the following questions which can be found in the succeeding pages of this document.

- How often does fraud occur in parishes and related organizations?
- How much is lost through fraud and financial misconduct?
- Where do the losses occur?
- What types of assets are taken?
- Who perpetrates fraud?
- How are frauds discovered?
- How are frauds investigated and resolved?
- What are some examples of fraud and how it could have been prevented?

WAYS TO PREVENT AND DETECT FRAUD

Once there is an understanding of the issue, the next step is to determine the most cost effective ways to prevent and detect fraud and financial misconduct. The answers to the following questions provide insight into what controls (checks and balances) should be in place and can be found in the succeeding pages of this document.

- How should duties of paid and volunteer staff be assigned or delegated to provide proper oversight and segregation?
- What are the simplest and most effective controls that all parishes should have in place?
- What are some of the common warning signs of fraud?
- What can the finance council do to assist in detecting and preventing fraud?

STEPS TO BE TAKEN WHEN FRAUD IS SUSPECTED

What steps should be taken when there is suspected fraud or financial misconduct in the parish? Common questions that may be raised are listed below, the answers to which can be found in the succeeding pages of this document.

- What is the first step that should be taken when there is an allegation, concern or indication of potential fraud?
- Who should be notified when there is suspected fraud or financial abuse?
- What will happen once fraud is reported?

- What should parish personnel do after fraud has been reported?

Upon reflection of the answers to the questions posed in this document you should be better prepared to prevent, detect and deal with fraud in your parish.

THE ISSUE

No organization is ever free from the possibility of theft unless it is an organization owned and operated by the owner who is the only employee. After all, who would steal from themselves? Parish employees and volunteers are often entrusted with handling parish funds as part of their routine duties. There are various sources of parish receipts that need to be deposited and many types of operating and capital expenses that need to be paid in order for the parish to meet its financial obligations and fulfill its mission. Unfortunately some individuals, when entrusted with the funds of others, become tempted to use them for their own purposes rather than that of the parish. The following questions and related answers serve to highlight the various aspects of the issue:

How often does fraud occur in parishes and related organizations?

A number of articles have appeared in the national media in recent years to lead one to believe that fraud and financial misconduct is rampant in the Catholic Church, including parishes. The articles have addressed the more serious and unusual cases that occurred. In our own diocese there have been a number of cases of theft reported over the years. Despite negative publicity, only 10% of our 214 parishes have experienced a known fraud in the past 15 years.

How much is lost through fraud and financial misconduct?

On a national level there have been allegations of some serious losses pertaining to fraud. Locally, losses have ranged from a few thousand dollars to over half a million dollars. Most of these were recovered by insurance or restitution made by the individual. Overall the known losses are less than 1% of the combined receipts of all parishes, schools, cemeteries and organizations. However, individual parishes that experience a fraud lose an average of 10% of their annual receipts during the fraud period. Experts around the country believe that many frauds go undetected and the actual losses could be significantly higher.

Where do the losses occur?

- 80% of local fraud occurred in parishes and parish elementary schools.
- 20% occurred in parish programs, parish cemeteries and other parish entities.

What types of assets are taken?

- 55% of funds taken have been from cash receipts that were never deposited into the parish or school bank accounts, primarily from offertory, votive and fundraising receipts.
- 28% of funds taken are via check from operating, fundraising and organization bank accounts by forged signatures, fake vendors, or payments direct to treasurers for personal use.
- 17% of thefts are in the form of equipment and supplies or inventory such as theft of merchandise discount certificates, gift cards or other assets of the parish or school.

Who perpetrates fraud?

- 60% of the frauds are committed by employees. They account for 90% of the loss.
- 23% of the frauds are committed by organization treasurers. They account for 4% of the loss.
- 17% of the frauds are committed by volunteers or others. They account for 6% of the loss.

How are the frauds discovered?

- 40% of the frauds are discovered by routine audits.
- 40% of the frauds are discovered through the existence of internal parish controls.
- 20% of the frauds are discovered through complaints from parishioners and accidental discovery.

How are frauds investigated and resolved?

Diocesan audit personnel should be contacted when there is suspicion of fraud or financial misconduct. The diocesan auditors will conduct an investigation and determine if there is any evidence of theft and advise the pastor and appropriate diocesan officials accordingly. 47% of the cases involving 75% of the lost funds were turned over to appropriate civil authorities (federal, state or local) for further investigation. Almost all of the cases turned over to civil authorities resulted in guilty pleas by

the individuals involved. The remaining 53% of the cases involved smaller amounts of money and were resolved through insurance or restitution without the need to involve civil authorities. Approximately 20% of the known losses are not recovered. The ultimate cost of fraud is not only the loss to the parish but also the costs to investigate and recover the funds, increases in insurance deductibles and premiums, and the negative publicity that may result.

What are some examples of fraud and how it could have been prevented?

The following examples are taken from both actual and hypothetical cases. These are meant to facilitate awareness of how fraud or financial misconduct occurs.

Case 1. The new business manager, bookkeeper, or volunteer joined the parish last year to handle the recordkeeping and assist the pastor with the operation of the parish. The pastor noted a decrease in parish income despite an increase in attendance. Theft of parish receipts was eventually discovered.

How could this be prevented?

Prior to hiring the new employee or volunteer, the parish should have verified the personal references and previous job references provided by the applicant and completed a financial background check with the assistance of the Diocesan Insurance Office. The background check may have indicated that the individual was having financial problems with the IRS or credit problems that could seriously affect the reliability of the individual. See Section 2.05 B of the Financial Administration Manual.

Case 2. Two people in the office conspired to embezzle parish funds by taking cash receipts from the offertory before it was counted, and in some cases after the collection was counted but before it was deposited by altering the money counter reports or ignoring shortages reported by the bank.

How could this be prevented?

Theft through collusion of two or more people is difficult to prevent and uncover. The use of tamper-evident bags to secure the offertory collections would have helped prevent this theft. Someone (such as a Finance Council member) not involved in the offertory counting,

posting, depositing and recording receipts should be responsible for reconciling the money counter report to the receipted deposit slip. The parishioner contribution posting reports should be verified quarterly by the Finance Council to the deposits made during the quarter. See Appendix M of the Financial Administration Manual.

Case 3. Votive candle cash was used for personal purposes rather than being deposited. A drop in votive candle income was noted in comparison to previous years. The financial statement reflected losses in the net votive candle money without an adequate reason.

How could this be prevented?

Parishioners should place votive offerings in a secure container. Two people should jointly empty the cash box and prepare the deposit slip. The candles purchased/used should be compared on a periodic basis to the votive receipts. See Appendix N of the Financial Administration Manual.

Case 4. The bookkeeper participated in counting the offertory, posted the offertory records, and made out the deposit slip. By doing any or all of these activities, the bookkeeper was able to withhold cash by changing the deposit slip since no one verified the amount deposited nor the amount posted to the parishioner giving records.

How could this be prevented?

The bookkeeper should not be performing all these functions and is not to be a money counter. The Finance Council should assist the pastor, particularly in a small parish, with reviewing and performing some of the oversight duties. Someone not involved in the offertory counting, posting, depositing and recording receipts is to reconcile the money counter report to the receipted deposit slip. The parishioner contribution posting reports should be verified quarterly. See Appendix M of the Financial Administration Manual.

Case 5. Checks were written to "Cash", then cashed. Other checks were made out to a phony company. In some cases the pastor either pre-signed the checks or failed to ask for supporting documentation.

How this could be prevented?

Checks are never to be written to cash. Checks are never to be pre-signed, even if two signatures are required. Original supporting

documentation is to accompany the check for signature. See Section 2.07 J of the Financial Administration Manual.

Case 6. Bookkeeper wrote checks to herself and forged the pastor's name.

How could this have been prevented?

Someone other than the bookkeeper is to receive the unopened bank statements. That person (pastor, business manager, financial council member) should open and review the bank statement and cancelled checks before giving to the bookkeeper for reconciliation. Where possible, request that the bank return original cancelled checks or, if originals are not available, request the largest copy possible of both sides of the checks. The bank reconciliation is also to be reviewed and initialed and any unreconciled differences investigated. Refer to the various sections of the Financial Administration Manual regarding the above.

Case 7. The maintenance manager performed various renovation and small building projects for the parish, allegedly purchased the material and submitted invoices for reimbursement. The employee was also the primary person who verified that the renovations were properly done and payment should be made. This created a conflict of interest. The maintenance person charged the parish for materials that were never purchased or used, services that were never performed and took parish maintenance equipment for his own personal or business use. The fraud was only discovered when an unreasonable bill for insulation was submitted for reimbursement that purported to be from a local building supply vendor. The pastor questioned the expense and it was eventually determined that the invoice was a fake along with many prior documents submitted for reimbursement.

How this could be prevented:

Avoid conflicts of interest. Anyone verifying the receipt of goods or services should not have a direct financial interest in the transaction. Reimbursements to individuals should be kept to the minimum amount necessary. Large expenses should be billed directly to the parish and paid by the parish directly to the vendor. The pastor, business manager or a member of the finance council should verify that the work was adequately completed. See Section 2.07 M & N of the Financial Administration Manual.

Case 8. The housekeeper began work in the office daily at 5:00 a.m. and secretly accessed the parish safe on Monday mornings. The housekeeper took the loose offertory cash and cash in the envelopes for her own personal use. The housekeeper assisted with the contribution posting. The majority of the theft was concealed by posting the stolen envelope cash and offsetting it with loose check donations that were deposited but not posted to individual contribution records.

How this could be prevented?

Limit the number of individuals who have access to safe combinations and keep the written combinations secure. Un-deposited receipts are to be secured in tamper-evident bags. The bag numbers are to be tracked and verified to ensure the bags have not been switched. Someone (finance council member) not involved in the offertory counting, posting, depositing and recording of receipts is to reconcile/compare the money counter report to the deposit slip, deposit advice and parishioner contribution posting reports on a periodic (weekly/monthly) basis. See Appendix M of the Financial Administration Manual.

Case 9. Parish used tamper proof pre-numbered bags to secure the offertory but failed to track the bag numbers. An employee simply opened one bag, took out some of the cash, discarded the bag, and moved the funds into another bag.

How this could be prevented?

The tamper-evident bag numbers are to be tracked. A Bag Control List is to be maintained in the parish office indicating the bags released for each mass. The head usher is to retain the tear-off numbered bag tag. The money counters are to verify the bag tag number with the list and periodically verify the bag by calling the head usher with the tear-off tag. See Appendix M of the Financial Administration Manual.

Case 10. An employee took scrip cash receipts and gift cards. The scrip shortages were noted by other parish personnel. Procedure changes were made in an attempt to fix the problem. When the new procedures failed to prevent the shortages, the pastor resorted to the use of video cameras and recorded the individual accessing and taking receipts from the safe.

How this could be prevented?

The scrip gift card inventory should be kept secure. Make periodic

counts of the inventory. Reconcile inventory, charges and purchases with the sales and deposits. There should be two people at all times handling cash. See Appendix Q of the Financial Administration Manual.

Case 11. An individual not known by the seller purchased script gift cards by personal check. The check bounced and the individual could not be located.

How could this be prevented?

The seller should always ask for identification from the purchaser if not known or recognized. Receiving a bad check is not an insurable event and will take a lot of sales to make up for one bad check. In effect, you are giving cash (scrip card) for a check. The seller should also ask for the parishioner's envelope number and note it on the script record of the sale.

Case 12. A school or parish organization performed various fundraisers such as the sale of entertainment books, candy drives, dances, fashion shows, etc. Although the volunteers worked very hard at each of the fundraisers, they did not appear to make as much money as was expected. Also, there didn't appear to be much cash deposited. Theft of cash receipts was eventually discovered because not all of the money from the fundraisers was turned in to the treasurer for deposit.

How could this be prevented?

A reconciliation of receipts deposited is to be compared to items sold or admissions sold (and inventory on hand, if applicable) by the organization treasurer or person in charge of the fundraiser. Any shortages are to be immediately investigated. A daily deposit report indicating items/admission sold and receipts collected is to be prepared by the individual collecting receipts. See Sections 2.07 and 2.09 B. of the Financial Administration Manual.

Case 13. A school parent pays their child's tuition in cash. The school bookkeeper pocketed the cash and records a tuition credit on the student's tuition record. The tuition credit was not independently verified against an approval list of aid given students.

How could this be prevented?

If the size of the school's staff allows it, the duties of cash receipts and recording tuition payments are to be segregated. In a smaller school,

with only one school office employee, a written authorization of the initial credits as well as any changes that occur during the year is to be maintained. This list is then be reconciled to the total credits awarded during the school year by the pastor, principal, or finance council member. See Section 2.07.1 of the Financial Administration Manual for more information on controls over receipts.

Case 14. The school bookkeeper is responsible for billing and collecting past due tuition unpaid for prior years. Since no one verified the status of the past due tuition records, the bookkeeper pocketed past due tuition payments received in cash and destroyed the tuition record.

How could this be prevented?

A member of the parish administration or the finance council should periodically verify that the outstanding prior year tuition records agree to the Prior Year Tuition Receivable Manual Control Account and that payment was actually received and deposited. Payments posted to the prior year tuition receivable control accounts can be compared to the prior year tuition payments per the financial statement. Prior year tuition "write-offs" from year to year should be reviewed for authorization.

Case 15. The bingo supervisor stole cash from the bingo and falsified bingo reports to cover up the thefts.

How could this be prevented?

Cash should be collected regularly from floor workers and from the door. Collections should be counted and recorded promptly and locked in a safe until deposited. Floor workers, in particular, should not keep large amounts of cash. Removing cash from the bingo playing area will help prevent loss due to careless record keeping or theft. See Appendix Q of the Finance Administration Manual.

Case 16. The business manager, who is responsible for submitting the payroll electronically, adds an amount to his normal rate of pay and submits the increased amount for payment.

How could this be prevented?

Parishes and schools are required to submit an annual operating budget to the diocesan Financial Services Office by May 1 for the fiscal year beginning the following July 1. The budget is an important management

tool. It is a financial plan that serves as the control framework that allows for comparison of budgeted goals with actual results. Adherence to the budget is the responsibility of the pastor. The finance council is to review the financial statements on a monthly basis and any variances such as in the salary category should be investigated.

PREVENTING AND DETECTING FRAUD AND FINANCIAL ABUSE

Parishes and their organizations are particularly vulnerable to fraud and financial abuse mainly because the recommended internal controls can seem cumbersome, expensive or an imposition and therefore, are not always implemented or followed. Internal control is a process designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws and regulations. The answers to the following questions may provide some insight into what internal controls should be in place to prevent and detect fraud and financial abuse in a cost effective manner.

How should duties of paid and volunteer staff be assigned or delegated to provide proper oversight and segregation?

Listed below are the most common duties that should be in place. Refer to the Financial Administration Manual for more detail.

1. There should always be two or more individuals (never one person alone) involved with the handling of receipts until secured or counted. This includes handling the offertory collection, emptying the votive candle box, handling raffle receipts, scrip monies, etc.
2. Someone (preferably a member of the finance council) not involved in the offertory counting, posting, depositing and recording of receipts is to compare the money counter report to the deposit slip, deposit advice and parishioner contribution posting reports on a periodic (weekly/monthly) basis.
3. At least two individuals should be involved in all check disbursements. One person signs the checks and another person does the bookkeeping and reconciles the bank account. The pastor, parochial vicar, dean and Parish Life Collaborator are the only signers for the parish operating account.
4. Bank statements for all parish accounts, including organizations, are to be mailed to the parish. Someone other than the bookkeeper (pastor, business manager or finance council member) is to be the

first person to open, review and initial the bank statement before it is given to the bookkeeper to reconcile. It should be reviewed for anything unusual (checks to cash, unauthorized payments to the bookkeeper/treasurer, invalid/forged signatures, unknown payees or endorsements).

5. The completed bank reconciliation is to be reviewed and initialed by someone (pastor, business manager or finance council member) other than the bookkeeper or person preparing the reconciliation, on a monthly basis.
6. The bookkeeper is not to be a money counter or a check signer.

What are the simplest and most effective controls that all parishes should have in place?

Listed below are some of the controls that should be in place. Refer to the Financial Administration Manual for more detail.

1. Financial background checks should be conducted for new hires and volunteers involved in handling funds. Employment application data should be verified and an organizational (financial) code of conduct must be a high priority. See Section 2.05. B, part 5 and Appendix's H and Z of the Financial Administration Manual.
2. Cash receipts not immediately counted and deposited should be secured in pre-numbered tamper-evident bags. The tamper-evident bags are to be secured in a properly functioning safe or secured cabinet.
3. Safe combinations should be changed periodically to ensure that only authorized personnel know the combination.
4. Procedures must be in place to verify that the tamper-evident bag numbers agrees with the bags assigned to the Sunday collection before they are opened. A number of parishes use the bags but fail to control the numbers, which makes the tamper proof bags useless.
5. Require reports for all major fundraising events summarizing the income, expense and net proceeds for comparison to amounts deposited and reported.
6. Expenses are not to be paid without an original invoice/contract and verification that the goods or services have been received.
7. The employee responsible for verifying that work has been done should not be allowed to perform work as an independent contractor without oversight by someone else.
8. Reimbursements to employees should be kept to a minimum with the majority of expenses billed by and paid directly to vendors.

9. Checks should never be pre-signed even if two signatures are required.
10. Original or legible copies of cancelled checks should be returned by the bank, if possible.
11. Merchandise discount program (scrip) inventory should be kept secure and counted periodically (weekly, if not daily) and reconciled with purchases and sales.
12. Votive candle donations should be placed in a secure container by the donor and candle inventory counted and compared to purchases and sales on a semi-annual basis for reasonableness.

What are some of the common warning signs of fraud?

Listed below are some of the common irregularities to look for that could indicate the existence of fraud.

1. Continued checkbook imbalances may be a sign that some checks or transfers are not being reported or deposits not made and these may be funds diverted for personal use.
2. Delayed deposit or transfer of routine receipts or unexplained declines in the amount of receipts deposited may be signs that funds are being misused.
3. Missing financial records or documents may be due to someone attempting to hide evidence of diverted funds.
4. A decline in cash receipts when check receipts are constant or increasing may mean that cash is being diverted for personal use.
5. A lack of support or the use of photo copies of documents rather than the original documents may indicate that expenses are not legitimate.
6. Past due fundraising bills such as scrip gift card invoices may be a sign that receipts are not sufficient to pay the expense due to the theft of receipts or gift cards.

What can the finance council do to assist in detecting and preventing fraud?

The pastor should make use of the expertise of the finance council members. The members should participate in periodic reviews of the internal control structure of the parish and its organizations noting weaknesses and offering to the pastor reasonable safeguards that can be enacted.

As a finance council member you probably do most of the following:

- Help prepare or review the annual parish budget.
- Review monthly/quarterly financial reports.
- Read the weekly parish bulletin.
- Attend parish fundraising events and activities.
- Talk to and interact with other parishioners.

Being familiar with the parish budget means you know the major sources of income to the parish and what expenses are expected. If the monthly financial reports show income or expense that is significantly different from the expected or budgeted amount, you should determine why. Reading the weekly bulletins, attending parish events and talking with other parishioners gives you a sense of what is going on in the parish and whether all activities are being reflected in the parish financial statements. If you know the festival normally makes \$60,000 but only \$30,000 is reported, you should ask why. It could be that some festival funds weren't transferred yet, were miscoded, bad weather caused a decline in receipts or maybe the funds were misused.

To better prepare yourself, be familiar with the Parish, School and Cemetery Financial Administration Manual. The pastor can have the finance council form an audit sub-committee to review parish financial records during the years between diocesan audits. When you are not satisfied with the answers to your financial questions, contact the diocese with your concerns.

WHAT TO DO ABOUT SUSPECTED FRAUD OR FINANCIAL ABUSE

Common questions that may be raised when determining what to do about suspected fraud are listed below:

What is the first step that should be taken when there is an allegation, concern or indication of potential fraud?

An initial investigation should be performed by the pastor and the chairperson of the finance council to determine if there is any evidence to support the allegation or concern. This might involve talking to the person making the allegation and finding out what led to their concern, obtaining a copy of any documentation the person might have regarding the concern or gathering what information you can regarding the matter. Specific questions to ask are as follows:

- Indicate for reference whether the person raising the concern is a parishioner, council member or employee?
- Who is the concern about?
- What has the person allegedly done?
- How was the problem discovered?
- What records are there related to the concern and who has custody of them?
- Who else may have information about the concern?
- Who else have they discussed the concern with?
- Does the person raising the concern wish to keep their identity confidential?

If the initial investigation results in a conclusion that the complaint or suspicion was unfounded, notify those who reported the concern of the result, as well as any person who was advised that they were under suspicion. If those who reported the concern are not satisfied with the explanation provided, the matter should be reported to the diocese.

Who should be notified when there is suspected fraud or financial abuse?

If the evidence available is inconclusive or there is evidence the allegation of fraud is potentially true, the matter should be brought to the attention of the Diocesan Auditors. In situations where the parish administration fails to act on the matter or the allegation involves the highest levels of the administration, it should be reported to the Diocesan Contact Person on Matters of Financial Misconduct. See the Financial Administration Manual, Section 2.07.S.

What will happen once fraud is reported?

The parish should perform the initial investigation and contact the diocese whenever there is a credible allegation of financial misconduct in order to determine how best to proceed. When a financial allegation is reported to the diocese, an investigation based on the elements of the complaint is performed. This may involve a review of parish financial data, previous audit reports and consulting with various diocesan offices that may have pertinent information. If warranted, a focused diocesan audit or investigation of the allegation will be conducted which may take several days to several months. The investigation may lead to an admission by and/or dismissal of the responsible person.

If the diocesan investigation leads to confirmation of a significant fraud or financial abuse, diocesan personnel, in consultation with the parish administration, will determine if civil authorities should be contacted. The diocesan auditor will prepare a Proof of Loss, when needed, to assist the parish in recovering the lost funds. Investigations by civil authorities may take from several months to over a year. The insurance claim may not be fully settled until the civil investigation is completed. When the person responsible and the loss amount is determined, the information is reported to the IRS as illegal income and is taxable to the individual. In no case should the parish accept a promissory note from the individual without approval of the diocese.

Most cases result in a plea bargain or guilty plea without the need for a hearing or court trial, however, the possibility always exists that key individuals may have to testify.

What should parish personnel do after fraud has been reported?

The following are some general recommendations:

- Any allegation over \$1,000 must be reported immediately to the Diocesan Insurance Office or coverage can be denied.
- Don't confront the suspected individual(s) directly. Once alerted, they may alter or destroy important evidence or information and become uncooperative.
- Where possible, do take steps to minimize further losses in such a way that it does not alert the suspected individual(s). Attribute any change in procedures to implementing diocesan policy or prior audit recommendations.
- Secure important documents related to the fraud or theft to ensure they are not intentionally or inadvertently discarded or destroyed.
- Avoid dismissing personnel not involved in the fraud but who may have important information regarding the loss or related events.
- Cooperate fully with any investigation by the parish, diocese or civil authorities.
- Keep all information related to the fraud confidential and only discuss it with authorized personnel or on a need to know basis.
- No information should be released publicly or to the media without consulting the diocesan Communications Office.
- Don't agree to an amount or obtain a promissory note from the responsible party until a full investigation is completed. Often the

amount taken is much higher than the initial admission or the initial investigation may indicate.

Hopefully this pamphlet will better prepare you to prevent, detect and deal with fraud and financial abuse in your parish. Unfortunately, individuals who commit fraud are constantly changing and adapting their methods. Thus it is important to always be alert for potential new types of fraud and financial abuse not specifically discussed here. Other types of fraud and financial abuse as well as a more thorough discussion of internal controls are contained in the Parish, School and Cemetery Financial Administration Manual.

