

Where's the Money?

*What do United Church members/leaders experience
when they become victims of financial irregularities?*

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2.0 Introduction

During my theological studies I knew of two congregations that experienced events of misappropriation of funds. I was not involved with these discussions, and things were hushed and dealt with by the designated committees and authorities. I was told that the police were quietly dealing with it and that it was out of the hands of the church. This made me wonder: How would I deal with the situation if I was in a paid ministry position and someone committed a theft under my watch? How would I cope? What would I say in worship? How would I pastor through all the hurt? Would I be competent enough with finances to help prevent something like that from happening to one of my churches? Someday I might be called to a church still reeling from such an incident, and I was very uncomfortable with my inability to answer these questions clearly. My gut was telling me that I had to learn more. I started to look into this subject, which led to this research project in my final year of a Masters of Divinity degree.

As a United Church graduate student going into ordained ministry, I am called to ministry of sacrament, word, and pastoral care. Most of our curriculum is dedicated to preparing us to be competent in these areas of practice. Many people, however, joke that you also need to be called into administration, because administrative tasks take up a substantial amount of ministry time. What happens if ministers are not trained and skilled in administration of the church? What happens if we lack the competency to deal with the mundane matters before us, especially in the area of finance? We have a manual that outlines our policies and we have finance and trustee handbooks to guide our practices, but a finance course is not offered in graduate school. The extent to which I was taught how to chair a trustee committee or oversee a finance committee meeting was negligible. My learning has been self-directed, as I have volunteered to participate in church committees in my home congregation and presbytery to gain this knowledge. Most

ministers get training on the job once they are in the field or, if they have time, attend some of the web-based learning or workshops our church offers each year. In the business of learning a new vocation, learning about finances can fall off the radar. Instead, we rely on the financial gifts of the church volunteers around us.

I have heard people reject the assumption that ministers are like mini-CEOs of a church corporation. I don't like this saying either, but - despite the assurance that a church is not a business but something very different - there is some truth to this analogy. Jesus called us to be stewards of his treasure. Jesus calls us to act in the world in a way that creates a heavenly life here on earth. Ministers help oversee the management of daily finances, fundraising, and trust accounts of our churches. What happens if someone violates his or her Christian fiduciary duties? In our world, how do we act in a manner that holds up a Christian perspective? Can we gain wisdom from those who have experienced and lived through such instances? This research seeks to investigate some of these questions. Included in this research paper are sections that explore the research purpose, a literature review, description of research methods, descriptive data and analysis, result evaluation, and implications for pastoral theology and ministry.

3.0 Purpose and Research Question

The research study question is *what do United Church members/leaders experience when they become victims of financial irregularities?* This study is especially interested in the theological significance of financial irregularity events on faith. Theology in this research context is understood as how the Divine is expressed in our tradition by responses and interpretation of experiences. Theological issues such as forgiveness, betrayal, anger, collusion, transparency, trust, resentment, and reconciliation are rich in this study. Although broad in scope, the study is interested in how participants self-identify and evaluate these events. The church is

called to deal with worldly wealth differently than regular society, and often approaches to forgiveness are confusing. I am wondering if, in these 'mundane/money' events, we might see theology in action. How do the unique cultural life and practices of the United Church play into responses to theft? Is there commonality between congregations that have experienced these events, and does theology arise from them? Is there a common story with a semi-predicted storyline that can be derived from comparing ethnographies?

The questions in this study investigate what factors come into play in this phenomenon for the United Church, and intend to develop a general picture of the lived experience of these events. Questions in my study will focus on members' and leaders' abilities to provide the human and spiritual resources to effectively address this issue.

This study will assist in developing the researcher's ministry skills for future vocational work by improving her competencies in the area of financial practices. It could assist congregations and ministers who may have ethical residue, or may help with closure for the participants of the study and provide a model for resolution of these issues. It could spark further curriculum improvements in financial literacy for candidates in the United Church. A report for conference will be available for staff and provide information for further United Church resources. It will aid the prevention of future misuse of church funds. It may highlight issues of financial competency that could be addressed by the church.

At stake here are more than just temporal or administrative mistakes that can be corrected or prosecuted for recovery of funds. At stake is the potential loss of confidence in the faithful members' of Christ body; the church. If not dealt with well by the church, the repercussions are wide and will reoccur. Issues of faith often are divorced from issues of finance. They are often seen as separate: one being of the Holy and the other being of the mundane. The gospel,

however, repeatedly uses metaphor and allegory in parables to tie money matters to spiritual concerns. A healthy approach would be a holistic one that ties ethics and theology to decision making and finance application. We have been entrusted with a great responsibility as stewards of God's assets. We want to follow the highest standards in taking care of God's church. This research paper seeks to understand the impacts after such stewardship errors, and find a learned pastoral and theological response when we fall short of our ideals.

4.0 Review of Literature

This section of the paper is a literature review intended to examine what has been written about this topic in recent years. It is meant as background research. It will also outline justification for research in this area of study. It is hoped this literature review will define the problem, summarize previous investigations, identify any gaps or inconsistencies, and make recommendations for next steps in the research process.

4.1 The Problem Examined

Articles about this topic seem to centre around four main themes or content: occurrence rates; causes/things to look out for to identify theft; prevention measures; and investigation procedures. Very few articles take a theological approach to the problem.

4.2 Occurrences

Unfortunately, fraud sometimes happens in churches. Most cases go unreported and unprosecuted, and this contributes to the problem. Trends show embezzlement and theft increasing in nonprofit and religious organizations.¹ This topic merits consideration as and beyond simple crime of an individual against a legal code. When breach of trust is uncovered publically, it is paid attention to in the news. These instances of financial irregularities are

¹ "Embezzlement in the Church Even when they mean well, it's wrong," Accessed October 9, 2012, <http://www.adventistworld.org/article/1279/resources/english/issue-2012-1007/embezzlement-in-the-church>.

considered, ironically, white-collar crimes (distinctive of the clerical collar used to identify ministers in the world). These acts are classified as being committed, for their own interests, by those in professional roles. Economic crime by religious leaders is a variant on what Shupe calls “clergy malfeasance”. It is an exploitation of trust and a violation of fiduciary responsibilities.² In crime studies, the focus has shifted from the individual as agent, to organizational nature.³ Some estimate that, in the United States, embezzlement could amount to between \$27 million and \$27 billion. Religious organizations are the third most common victimized sector for fraud (after banks and government offices). Of 21 cases of church fraud studies in US in 2011, 19 (90.5%) involve an alleged perpetrator who held a bookkeeping, finance, or other fiduciary position. Four of the 21 cases (19%) involve an alleged perpetrator with a prior history of fraud. The average duration of these cases was seven years (rather than the average three years in other sectors).⁴ When it comes to clergy malfeasance, Shupe says it is not a case of a few bad apples in religious leadership: it is something systemic, resulting from power inequities...embedded in cultures and communities.⁵

Moll, in his article, says that Christians are easy targets and are increasingly favourites of perpetrators.⁶ He goes on to describe affinity frauds that target close-knit groups - an epidemic that is becoming one of the most common scams for con artists. Quoting the NASSA, Moll states that, between 1998 and 2001, at least 80,000 people lost \$2 billion in religious scams. He says, “the nature of affinity fraud makes investigation difficult. In some Christian circles, mistrust of

² Anson Shupe, “Economic Fraud and Christian Leaders,” in *Wolves Within the Fold*, ed. Anson Shupe (NJ: Rutgers University Press, 1998), 50.

³ Peter Iadicola, “Criminology and the Study of Religious Crime”, in *Wolves Within the Fold*, ed. Anson Shupe (NJ: Rutgers University Press, 1998), 215.

⁴ Christopher Marguet, “Vanquishing the Scourge of Church Embezzlement” accessed October 11, 2012, http://www.marquetinginternational.com/pdf/vanquishing_the_scourge_of_church_emebezzlement.pdf.

⁵ Anson Shupe, William Stacey and Susan Darnell. “Recognizing Clergy Malfeasance and Abrogation of Religious Authority,” in *Bad Pastors*. (NY: New York University Press, 2000), 4.

⁶ Rob Moll, “The Fraudbuster.” *Christianity Today* 49, no. 1 (January 1, 2005): 28.

the government is greater than mistrust of the perpetrator, even after victims learn they've been ripped off.”⁷

In general, the United Church is a microcosm of regular Canadian society. The church also attracts many elderly and other vulnerable people. “Financial fraud is a large and growing problem. An estimated 1.1 million Canadians have been victims of financial frauds; 25% are repeat victims. Too many of these cases target the most vulnerable segments of society, particularly the elderly. Even in the few cases where the regulators, the police and the courts manage to apprehend and convict the criminal, the lost funds are almost never recovered. There is no compensation fund to help the victims of fraud.”⁸ If fraud is a growing problem in Canada, we will see it increase in the United Church. If the target is vulnerable people and we care for that segment of our society, the church is a very likely target for perpetrators.

In their survey of 132 houses of worship, Cornell et al showed that 13.4% of leaders acknowledged they had experienced a fraud within the previous five years.⁹ This is high, and there are no research studies asking the occurrence within the United Church of Canada.

From a risk management approach, Thomann writes that financial irregularities can be seen to increase in times of high debt and/or a tight economic environment; when there are not proper reserves; with negative trends in giving and revenue; with improper handling of gifts; with unsound investment practices; and when there is insufficient insurance.¹⁰

4.3 Causes

The literature shows that the people in the field look to internal controls first for causes of financial irregularities. “A report last year by the Association of Certified Fraud Examiners

⁷ Ibid., 31.

⁸ “Financial Literacy Matters,” Canadian Foundation for Advancement of Investor Rights (FAIR), accessed November 5, 2012, <http://faircanada.ca/retail-investors/financial-literacy/financial-literacy-matters/>.

⁹ Robert Cornell et al, “Fraud In Houses of Worship; What Believers Do Not Want to Believe.” *Fraud Magazine* (Austin, TX: January/ February 2012): 20.

¹⁰ Randy Thomann. ‘Fraud Happens; Reducing the risks,’ *In Trust* (Delaware: Autumn 2012): 22.

showed that 39 religious, charitable, or social-service organizations were victimized in 2006 and 2007, with a median loss of \$106,000. Problems with internal controls were responsible for three of every four cases.”¹¹

The researcher questions if general financial literacy is also an originator of this problem, especially from within our leadership. In a Lutheran newsletter, ministers are encouraged to “never handle cash under any circumstances...to protect the pastor’s reputation.”¹² This sets a tone for how ministers manage finances. They only guide or oversee committees on financial matters. The two quotes from United Church ministers below are regarding financial ministerial literacy and the ability to oversee. “So, having admitted to myself, to my people and to God that there are things I do not understand, the financial world being one of them, I call together the Elders and the Session. Their business experiences have taught them what we need to know.”¹³ Another minister writes, “On a purely pragmatic level, an accounting executive deals with assets beyond this minister’s humble imagination. The accounts of our congregation could hardly be tempting, being chicken feed in comparison.”¹⁴ Ministry does not tend to attract math-savvy people to the role. There is very little training, if any, in this competency when learning to become a minister in the United Church. It is expected that, if ministers think they need it, they will pick up a web-based course or take a workshop in continuing education after ordination, or read the financial and trustee handbooks. The researcher was not able to find any literature that measured ministerial financial competence, and wonders if we can assume that the responses

¹¹ Ken Walker, “Popping the Fraud Bubble: More churches seek protection as scams continue to unfold,” *Christianity Today* 53, no. 6 (June 1, 2009): 14-318.

¹² Eastern Washington-Idaho Synod of the Evangelical Lutheran Church in America, “Preventing Church Fraud” *The Parish Paper*, (October 2012) - Volume 20, Number 10 accessed November 2012.

¹³ Bob Giuliano, “A Question of Ethics,” *United Church Observer* (Toronto: accessed November 2, 2012), <http://www.ucobserver.org/ethics/everyday/2008/07/charges>.

¹⁴ Connie denBok, “A Question of Ethics,” *United Church Observer* (Toronto: accessed November 2, 2012), <http://www.ucobserver.org/ethics/everyday/2008/07/charges>.

above might be typical responses to questions relating to money competency in ministry leadership.

Cornell et al¹⁵ say that churches are vulnerable because of pressures (long hours with pauper's wages while mingling with the wealthy). This, they say, leads to resentments, desperation and rationalization. Theft in this situation is a non-shareable problem that cannot be discussed or confessed easily. They also say opportunity plays a role, in that churches are small and not willing or able to hire professionals. Church cultures, they say, foster the belief that 'trust' is an adequate financial control. Because of the tight-knit culture of churches, collusion opportunities exist. Churches, they say, also do not create the perception of consequences and, when collusion does occur, it is often hidden so as not to upset members or potential donors. Churches are also vulnerable, they go on to say, because members perceive the church to be invincible. They also commented that cases are under-reported because ministers and elders are used to "holding the "sins" of their flocks close to the chest, and this emphasis on confidentiality may prevail."¹⁶ Admitting to scams creates embarrassment and reveals vulnerabilities. They reported that, even in those churches where fraud had happened, there was an overconfident belief that it could not happen to them. (Overconfident because they can't see the likelihood of fraud and the lack of safeguard skills.) Christians also tend to be overly optimistic in their assessment that it will not happen to them. They also say that excessively high revenues are a much bigger red flag for fraud than low ones.

Shupe, in his books *Wolves Within the Fold* and *Bad Pastors*¹⁷, says clergy malfeasance (leadership theft) is most likely to occur in religious organizations that have hierarchical internal

¹⁵ Cornell et al, "Fraud in Houses of Worship" 18-21.

¹⁶ Ibid., 21.

¹⁷ Anson Shupe and Peter Iadicola, "Issues in Conceptualizing Clergy Malfeasance," in *Bad Pastors*. (NY: New York University Press, 2000), 15-17.

and external structures, charismatic leadership, and highly unstable doctrines which permit leaders to change dogma and rituals at will.¹⁸

4.4 What to Look For / Characteristics

“We want to avoid any criticism of the way we administer this liberal gift. For we are taking pains to do what is right, not only in the eyes of the Lord but also in the eyes of man.”¹⁹
(2 Cor 8:21-21 New International Version)

Good prevention measures help protect the integrity of those who handle church money.²⁰

Members should welcome such measures: if they don't, this might be a red flag. Those who raise the issue might be labeled as conspiracy theorists, and it is important to combat this assessment.

There are things to look for that might raise a red flag for theft, such as financial need (a bad economy or personal financial difficulties), employee dissatisfaction (feelings of under appreciation or of being overworked), close relationships with vendors and service providers, odd behavior (reluctance to review work or unwillingness to take vacations), and the appearance of living beyond one's means.²¹ Nearly 20 percent of the alleged perpetrators in religious institutions had a prior criminal history - a much greater percentage than in all industries combined, where it is less than five percent.²²

According to Marquet International, the most common types of embezzlement involve the following types of schemes, in order:

- Forging checks payable to cash, oneself and/or to personal vendors
- Pocketing cash receipts meant for deposit into institutional accounts
- Issuing extra paychecks and/or bonus checks through payroll to oneself
- Submitting fraudulent expense reports for reimbursement
- Submitting fraudulent invoices from phony or legitimate vendors
- Abusing institutional credit card accounts for personal use

¹⁸ Iadicola, "Criminology and the Study of Religious Crime," 227.

¹⁹ 2 Corinthians 8:20-21.

²⁰ John W. Helfrich, "Tithes and Temptations: Churches can forestall the "temptation to take" by adopting some wise financial policies," *Christianity Today* 29, no. 8 (May 17, 1985): 83-318.

²¹ Robert Lemon, "Embezzlement in the Church Even when they mean well, it's wrong," *Adventist World* (MD: accessed October 9, 2012), <http://www.adventistworld.org/article/1279/resources/english/issue-2012-1007/embezzlement-in-the-church>.

²² Marquet, "*Vanquishing the Scourge of Church Embezzlement*."

- Electronic transfers of institutional funds to personal accounts and/or vendors
- Pilfering institutional equipment and/or inventory²³

4.5 Prevention

People believe that church members would never steal. Many take comfort knowing experts are on committees, and relinquish responsibilities. Fiduciary oversight is required of all board members and we shouldn't delegate it solely to colleagues trained in financial matters.²⁴ Preventing theft requires active policies that discourage it, backed up by proactive auditing procedures to reinforce the policies and to detect irregularities. Many churches are small and have limited resources and controls in place, or rely on a single bookkeeper.

In the article, *Fraud Houses*, they suggest using expertise, separating duties, and using independent checks. They suggest thinking of cheques as cash, combating overconfidence, being open about problems and consequences, questioning good news, conducting background checks, and sharing example stories so it hits home.²⁵ Prevention measures should include never allowing one person to control church finances, and awareness that using computer spreadsheet software increases the odds of manipulation. Monthly written reports, information on all investments including drawdown, gains and losses, and stating rules for restricted funds and gifts should also be part of preventative measures.²⁶

Financial illiteracy is a problem in Canada in general, and it translates to our church's ability to find skilled volunteers to sit on finance committees. Seven in ten (72%) Canadians are not fully confident their math and money management skills will help them plan for a secure

²³ Marquet, "Vanquishing the Scourge of Church Embezzlement."

²⁴ Thomann, "Fraud Happens," 21-22.

²⁵ Cornell et al, "Fraud in Houses of Worship," 22.

²⁶ Eastern Washington-Idaho Synod of the Evangelical Lutheran Church in America, "Preventing Church Fraud."

financial future.²⁷ ABC Life Literacy Canada says that the lack of numeracy skills combined with lack of financial literacy skills compound the difficulty in pursuing a better life. Higher literacy and numeracy levels affect social, economic, and physical well-being opportunities for social and family interaction, participation in community activities, employability, and corporate efficiency. Financial literacy is an essential skill that needs ongoing attention: if left unchecked, the low numeracy skills in Canada could affect Canada's ability to compete in the global economy.²⁸ It is the researcher's belief that this also impacts our church's ability to thrive, to grow, and to protect itself against theft. A prevention option this researcher suggests is to increase literacy levels in church members. There are a number of online training sessions that the United Church offers, along with a financial handbook. How much these resources have penetrated the membership is not clear as, to this researcher's knowledge, no studies of literacy or competency or knowledge of UC financial skills have been done in the church. This is a possible area for further study.

4.6 Investigations

Response to the revelation of theft is as important as prevention and detection, says Christopher Marquet: "In general, the better the internal investigation and "packaging" of the evidence, the swifter the prosecutorial response."²⁹ He goes on to describe how to do an investigation, including swiftness, containment, interviews, forensic accounting review, immediate termination, and removal of access rights and privileges. He says it is important to follow procedures in order to minimize further losses, as well as to preserve crucial potential evidence.

²⁷ IPSOS Reid Research, *Seven in Ten (72%) Canadians Not Fully Confident Their Math and Money Management Skills Will Help them Plan for a Secure Financial Future* (TO: 2011), accessed October 11, 2012, http://abclifeliteracy.ca/files/Financial_Literacy_Research-2011.

²⁸ ABC Life Literacy Canada, *Money Matters: Life Literacy Facts* (TO: 2013), accessed January 19, 2013, <http://abclifeliteracy.ca/mm/financial-literacy-facts>.

²⁹ Marquet, "Vanquishing the Scourge of Church Embezzlement."

“Many perpetrators use more than one scheme – sometimes several – to steal from their employer. Further, their thefts will have invariably spanned duration longer than originally thought. Any chance at recovery or restitution may also depend upon your “external” investigation. While it is true that many embezzlers spend their ill-gotten gains in such a way as to make restitution difficult – such as gambling, luxury travel, gifts to others and purchases of consumables, many other types of assets can be identified and attached or seized. I strongly recommend that embezzlement cases ultimately be referred to authorities for prosecution. Failure to do so 1) does not adequately punish the perpetrator; 2) provides no discouragement for potential future embezzlers; 3) arguably hurts institutional morale and goodwill; and 4) puts future employers of the perpetrator at risk for the same type of theft.”³⁰

Failure to report these thefts contributes to an increase in frequency of the deviant behavior.

When clergy are involved, asking them to leave a call to seek one somewhere else rather than reporting them removes any chance of sanctions for their offence: they move on and become, literally, beyond reproach.³¹ It is important for us to take note so to end reoccurrence and growth of this problem. “This is the curse that is going out over the whole land; for according to what it says on one side, every thief will be banished, and according to what it says on the other, everyone who swears falsely will be banished.” (Zechariah 5:3).

In the book, *Legal Guide for Canadian Churches*, Blaikie and Ginn³² look at how these church issues dovetail with the law. Religious organizations, they state, are not above the law. If a church does not know how to deal with legal issues, they suggest seeking legal advice before they become legal problems. Churches still need to deal with issues of duty of care (performing duties with care, skill and diligence in a reasonably competent manner) and duty of loyalty (acting honestly and in good faith for the interests of the church). Any breach of care or loyalty that creates harm brings up the liability of directors and failure of the organization. Litigation might ensue in cases of fraud or theft, but there are also other choices of alternative dispute

³⁰ Ibid.

³¹ Philip Jenkins, “Creating a Culture of Clergy Deviance,” in *Wolves Within the Fold*, ed. Anson Shupe (NJ: Rutgers University Press, 1998), 131.

³² David Blaikie, and Diana Ginn, *The Legal Guide for Canadian Churches*. (Toronto, Novalis Publishing Inc. 2006).

resolution (ADR) that the church tries to use. It is of interest to the researcher whether or not churches that experience these events use the ADR model and, if so, how (as negotiation, arbitration, mediation, and/or restorative justice).

Although beyond the scope of this research topic, the researcher wonders if some secrecy and under reporting occurs because of the fear that those who donate to a church might hold the leaders or directors responsible for loss of intended funds, and seek restitution for negligence (for not being diligent with employee or volunteer oversight). This would further compound the issue for churches that have already experienced the loss of income.

4.7 Gaps

There were no United Church of Canada fraud or embezzlement cases easily found online in news sources or by library research by this researcher. There are many articles by journalists and moralizers, but there is a call for more extended theorizing on this issue.³³ One article found conclusive evidence that local media reports of clergy malfeasance significantly influence laity's service to the church, attitudes on religious instruction, and financial giving, but the relationship between it and attendance was not statistically significant.³⁴

This issue is difficult, as not many people wish to tell their story publically. I did find one detailed story written by a minister who would not identify himself in his work.³⁵

The United Church has handbooks for trustees³⁶ and finance³⁷ committees to follow, which include guidelines for financial protection. However, the church might benefit from a

³³ Shupe and Iadicola, "Issues in Conceptualizing Clergy Malfeasance," 36.

³⁴ William Stacey, Anson Shupe and Susan E. Darnell, "Clergy Malfeasance, Victimization, and National/Local Awareness," in *Bad Pastors*; (NY: New York University Press, 2000), 214-238.

³⁵ Anonymous, "The Judastouch : Struck by embezzlement, one church's story of blending forgiveness and restitution." *Leadership* 20, no. 1 (December 1, 1999): 108-114.

³⁶ United Church of Canada, *Congregational Board of Trustees Handbook* (Canada: United Church Publishing House, 2004).

³⁷ United Church of Canada, *Financial Handbook for Congregations* (Canada: United Church Publishing House, 2010).

piece in these handbooks that suggests how to deal with theft when it happens, and outlines procedures the national church expects local pastoral charges to follow.

The United Church would benefit from sharing some of these stories in their public publications, to combat overconfidence and vulnerability. Although not seen as hierarchical in organization structure, small congregations with council or elder models that are less congregational might have a greater chance of neutralizing or “squelching the deviance once revealed in order to protect an organizations reputation and defuse scandal.”³⁸ This, unfortunately, does not help the church deal with this issue.

Due to the hidden nature of this white-collar crime, there is no way to quantify the exact financial impact of theft in the church. Nor is there a central recording location within the United Church polity to report this amount to, as churches are independent in their accounting practices and reporting.

4.8 Recommendations and Study Justification

Fraud can dramatically damage an organization’s reputation, credibility, and solvency. There seems to be much in the literature that focuses on the financial burden and steps to prevention: less is written about how to deal pastorally and theologically with congregational needs around these events. There is a need for reviews of mainline denominations (for more research beyond general surveys of case studies of fringe religious groups before the courts).³⁹ Shupe goes on to say that data on clergy malfeasance are anecdotal, qualitative, and cluster-based: we need victimization surveys and self-reports. He also encourages us to examine how

³⁸ Iadicola, “Criminology and the Study of Religious Crime,” 221.

³⁹ Anson Shupe, “Future Study of Clergy Malfeasance,” in *Wolves Within the Fold*, ed. Anson Shupe (NJ: Rutgers University Press, 1998), 235-236.

religious crime connects to organizations, economy, the state, positions of religious elites, and social stratification.⁴⁰

There seems to be quantitative research in this area, but less qualitative research other than the listing of journalistic reviews of legal cases. Case review is the type of story we most often see presented in the literature. The literature also has a tone of propping up a particular investigator, law practice, or accounting firm under disguise of an advertisement for their expertise. Much of the web literature is geared toward readers with financial, bookkeeping or audit interests, not ‘regular’ churchgoers or ministry personnel. In the book reviews, financial breach of trust is usually mixed in with other types of abuse or malfeasance. Articles in magazines and journals seem to deal mainly with occurrence statistics and prevention, hoping to encourage financial controls through tips for finance committee members. Most literature deals with abuse by ministers or priests rather than by church staff or volunteers.

5.0 Method

5.1 Qualitative Method: Phenomenology (Grounded Theory)

The study is grounded theory in scope in that, after studying the phenomena, the researcher develops a theory that will help explain descriptive statistics. This was done to provide a framework for further study. The methods used were a mix of phenomenological and grounded theory research. It is phenomenological in scope, as it deals with a lived common experience of practices of financial irregularities. The researcher reflected on essential themes, compared descriptions of this phenomenon, and interpreted meanings formed around these experiences.

5.2 Research Field Sites

⁴⁰ Ibid., 228.

This study includes members and leaders of the United Church of Canada from two Conferences. Subjects were emailed or phoned, asking for participation in the study. Advertisements on church websites were planned in case of the need for an increase in sample size.⁴¹ The goal was for a sample size of approximately 20 participants, but only eleven were identified and willing to participate. With a lower than expected sample size, the researcher solicited clergy and staff from Conference and General Council for knowledge of cases of theft. Direct phone calls inviting participation were made in these cases.

5.3 Benefits Identified Pre-Survey

This study will assist in developing the researcher's ministry skills for future vocational work by improving her competencies in the area of financial practices. It will contribute to the resources of congregations and ministers who may have ethical residue, and may help with closure for the participants of the study by providing a model for resolution of these issues. It may spark further curriculum improvements in the area of financial literacy/knowledge for candidates in the United Church. The paper will be available for United Church staff and provide information for future handbook revisions. It will aid the prevention of misuse of church funds, and could influence and highlight issues of financial competency to be addressed by the church.

5.4 Risks Identified Pre-Survey

Care must be taken with regards to settlements and confidentiality agreements, especially if cases included a contract of silence. These churches cannot be used in the study. This research requires that claims of financial irregularity cases be substantiated for validity of the research results. In order to attract proven incidences of theft, some subjects approached for this research will be known by Conference staff as having gone through such events.

⁴¹ See Appendix A.

Care must be taken not to re-injure or re-experience the event in the life of the congregant. Pastoral response during the initial and follow-up phone calls will be important. If discomfort results from the interviews or survey, the researcher will refer participants to appropriate professionals.

5.5 Methods for Gathering Field Data

An online survey method was used. The online survey questions⁴² focused on actions, interactions and social processes of the church around the event, studied over time. This method requires a comparison method defining themes, categories and coding. The definite value questions were analyzed electronically by survey statistics software. Questions focused on how individuals experienced the event and identified steps in processes that led to the event. In order to gather enough data and test a hypothesis, the researcher felt at least 10-20 respondents would suffice.

The initial systematic data analysis lends itself to a survey-style method. For the majority of participants, after an initial phone contact describing the study and a brief description of the research, an invitation letter⁴³ with a web link to a confidential online questionnaire was delivered by email. A copy of the consent form, which was required to be completed before survey launch, was included.

For those who wished, a paper option was provided and included a postage-paid envelope, study description, informed consent form, and questionnaire. Responses received on paper were entered into the online survey program by the researcher.

5.6 Informed Consent and Protecting Privacy and Confidentiality

⁴² See Appendix C.

⁴³ See Appendix B.

Informed consent was discussed during the initial phone call. For online surveys, respondents acknowledged consent online and copies of the completed consent form were provided to the participants for their records. Two consent forms were signed in instances of paper responses - one copy for the researcher and one for the respondent. If further contact for more in-depth interviews was required, informed consent was reviewed and received again.

1. Survey Select, a data analysis program, was used to collate data. The data was collected on a secure Nova Scotia server. The data will be deleted once the survey is closed and analyzed (by March 22, 2013).
2. Upon receiving a signed Informed Consent Form from research participants (by January 31, 2013), the researcher:
 - a) Provided the participants with one copy;
 - b) Kept one copy, which was placed in an envelope separate from all other materials and stored in a locked file cabinet; and
 - c) Provided the supervisor, Dr. Willhauck, with a copy, which she placed in a separate envelope and stored in a locked file cabinet in her office at AST.
3. Participants were given code names. Audiotapes of interviews were recorded on a digital recording device. These digital recording devices were kept in locked brief cases or safes and secured at all times during data collection, from receipt of Informed Consent to the public presentations of Grad Projects (March 6-7). Dr. Willhauck will confirm that all interviews have been permanently deleted.
4. Within two weeks of each interview, the researcher transcribed the interviews into a Word Document. The Word Document transcripts will be kept on a password-protected computer from the time of data collection until the final Grad Project paper is due on March 22, 2013.

5. When the final Graduate Research paper is submitted to the supervisor on March 22, 2013, the Word Document transcripts of interviews will also be submitted to her, either printed as hard copies or on disposable CDs, and deleted from the researcher's computer and trash bin.
6. Dr. Willhauck will store transcripts of interviews in a locked file cabinet in her office at AST for one year, and all data materials will be destroyed by shredding or crushing on April 27, 2014.

6.0 Data Collection Results and Initial Analysis

6.1 Demographics of Respondents and Churches

Six churches with proven incidents of theft responded to the survey. A total of eleven respondents completed the survey from these six churches. The average age of participants was 58 years (ranging from 43 to 74 years). One respondent left the age section blank. Six females and five males answered the survey. The time span of these occurrences ranged from one event currently under investigation, to one that happened 20 years ago (the average being nine years). Most of the respondents have had many years to understand and integrate the experiences. The amount of money stolen ranged from \$7,089 to \$120,000, with an average amount of \$69, 416.

The congregations were asked if they were rural, town or urban congregations. The table below shows that there were no rural churches represented in this study.

	Total	Percent
Rural	0	0%
Town	7	64%
Urban	4	36%

The size of the congregations represented in the project are noted below.

	Total	Percent
1-50 Family Size	0	0%
51-150 Pastoral Size	6	55%
151-350 Program Size	4	36%
351+ Corporation Size	1	9%

The eleven respondents' roles at the time of the events are listed below. Many of the participants noted having multiple volunteer and paid positions.

	Total	Percent
Trustee Committee Member	2	18%
Finance Committee Member	2	18%
Paid Accountable Minister	3	27%
Secretary	1	9%
Other, please specify	6	55%

'Other' answers noted included Chair of the Committee of Stewards, Treasurer, Stewards, Chair of Ministry and Personnel, Chair of the Official Board or Clerk of Session, and a member of the church.

Respondents who were involved with each instance of theft rated their financial knowledge level at the time of the event.




	Total	Percent
Low	4	36%
Medium	6	55%
High	1	9%

They were asked if the level of their financial knowledge increase after the event. 73% said that the event increased their level of financial knowledge.

	Total	Percent
Yes	8	73%
No	3	27%

When asked how they would rate their current financial knowledge level, none reported that they would consider their financial level low, compared to four who did prior to the event.

Three more people moved into the high financial level category.

		Total	Percent
Low		0	0%
Medium		6	55%
High		4	36%
Other, please specify		2	18%



One respondent noted that he/she was not sure what “financial knowledge” meant.

Another noted that his/her awareness of fraud and the need for controls increased greatly. One respondent noted that he/she considered “high level of financial knowledge” to be accountant level.

Most of the respondents had little or no financial training for the positions they held. Five said they brought no, or very limited, financial experience to the committees they served. One stated, “No one wanted the position.” Two reported they had general familiarity with accounting or had on-the-job training. Four of the eleven respondents identified themselves as: an economist; a tax accountant; having accounting CMA CA designation; and having an administration of financial controls background.

6.2 Information about the Theft

The general congregations were aware of the event. One respondent did not think the congregation was aware.

Yes		10	91%
No		1	9%
I do not know		0	0%

The kinds of financial irregularity that were committed or alleged are grouped as follows.

	Total	Percent
Forging checks payable to cash, oneself and/or to personal vendors	8	73%
Pocketing cash receipts meant for deposit into institutional accounts	8	73%
Issuing extra pay checks and/or bonus checks through payroll to oneself	3	27%
Submitting fraudulent expense reports for reimbursement	1	9%
Submitting fraudulent invoices from phony or legitimate vendors	2	18%
Abusing institutional credit card accounts for personal use	3	27%
Electronic transfers of institutional funds to personal accounts and/or vendors	0	0%
Pilfering institutional equipment and/or inventory	0	0%
Other, please specify	3	27%

Financial irregularities rarely happened one way, but rather in a variety of methods. The respondents noted other ways in which the theft took place: the submission of fraudulent reports of monies disbursed, skimming of funds, and writing checks using the Mission & Service Fund account.

Some of the procedural factors identified for these thefts included a few key church mistakes which led to opportunities for breach of trust. Three respondents noted that single signing authority contributed to the problem. Lax controls, audits not verified and with no external reviews, lack of bank reconciliations, lack of regular financial reports, and people unwilling to speak out with information of a history of dishonesty were issues highlighted in comments.

One interesting factor identified as contributing to the events was the inability of the churches to believe that someone raised in the church would steal.

About half of the churches had crime or property insurance to help cover any losses.

	Total	Percent
Yes	6	55%
No	3	27%
Do Not Know	2	18%

6.3 Perpetrator Information

The position held by the person who had perpetrated the financial irregular practices is noted in the table below.

	Total	Percent
Staff	6	55%
Church Member	6	55%

The survey allowed for the selection of multiple responses. In one event, the perpetrator was considered both a volunteer and a staff person: a treasurer who also received an honorarium.

All of the perpetrators held multiple financial positions. The table below outlines what kind of financial positions they held.

	Total	Percent
Bookkeeping	7	64%
Financial	5	45%
Fiduciary (trust) position	1	9%
Other, please specify	6	55%

The respondents noted that the perpetrators were a church secretary, a church treasurer, and a treasurer of United Church Women. Only one person felt that these perpetrators were in a fiduciary position.

In addition to church issues, many noted that the perpetrator as an individual had characteristics and issues that contributed to these events. Gambling addiction played into one or

two events; poor home financial problems, situations, or status also were factors. One respondent called the perpetrator dishonest, and another called him/her a desperate and capable liar.

The issues of isolation and rejection of the “sinner” came up through the responses. Only one of the six cases has the perpetrator presently attending as a member of the congregation. This was the case with the smallest dollar amount stolen, and reparation was paid in full. Five other individuals left the congregations (one with his family), and they have not returned. One perpetrator was ordered by the court not to have any contact with the members of the church again.

When asked what type of pastoral response was given to the perpetrator, counselling and pastoral visits were “offered”. The word “offered” was repeated five times in five different responses. In three of the six cases a retired minister was assigned to reach out. When they were staff cases, ministry and personal volunteers were also used to contact the perpetrators. This shows the churches’ desire for healing and restoration of the perpetrators. This approach was reiterated in one respondent’s final comments: “I feel for the family of this individual. They have left our congregation in embarrassment and shame. They are always welcome back.”

Most consequences for these thefts resulted in jail time. A few respondents noted specific jail information: a nine month prison term, one year house arrest, and an 18-month suspended sentence. Most noted the perpetrators now have police records that will impact future employment opportunities. Many respondents mentioned the loss of face, irreversibly damaged reputations, shame, and loss of creditability the perpetrator experienced. A number wrote that restitution payments were not paid. One other wrote, “The two-year sentence was served under house arrest. Her liberty was curtailed. She had betrayed the trust of her fellow communicants. That was more difficult to accept than the theft itself.”

When asked if, in the respondent's opinion, the consequences were just, nine of eleven respondents wrote "yes" and one wrote "probably". One respondent who is currently working through a theft (so consequences are ongoing) clearly believes that being saddled with charges and a criminal record should happen in order to prevent reoccurrence.

The one person who did not write that the consequences were just clearly wrote:

"The congregation did not ask for restitution; the money was long gone anyway. What we did ask for, in written submissions, was that he get counselling for addictions and other problems. He, however, never admitted to having this problem. To our knowledge, he has still not received help and sees himself as the victim. He has never apologized to me or to the congregation. What was 'just' in the eyes of the congregation and its staff was what would lead to restored health for the perpetrator and the community around him. Unfortunately, he had to be willing to seek this health and restoration."

This indicates a continued desire and openness (despite hurt feelings) for the perpetrator to be restored or healed, a hallmark of a Christ-centred approach. However, with regards to this church, another respondent noted: "the court did not go far enough, counselling should have been court ordered." This congregation, which did not seek restitution, actually offered financial supports to the perpetrator. Another congregation, which could not offer support to the perpetrator because of lawyers' advice, still met with the parents of the person and offered care there.




Significantly, in only one in six of the cases was repentance present. In this case, repentance was a large factor in forgiveness and restoration into the community, and it takes intentional effort to continue to maintain restoration. "I try to make sure that I always speak to the person who committed the offence. We live in a small town and I think it is important that this person, who grew up in the church, continues to feel welcome."

For the others, repeated mention of lack of repentance was evident. "We saw no evidence of remorse." "Repentance is still missing as far as I know." "No repentance was apparent." "The

perpetrator never apologized to me or to anyone in the congregation. She still believes that she was the victim.” “It took till the end of the trial for him to admit his guilt.” “To this day it seems like he is still denying any responsibility and has not taken much effort to repay or repair the damages.”

6.4 Church Coping Mechanisms

When asked if the theft was dealt with in worship, most said it was:

		Total	Percent
Directly		6	55%
Indirectly		4	36%
Not at all		1	9%

Interestingly, one person could not recall if it was addressed in worship; those who did said it was addressed mainly through announcements and reports in a matter-of-fact way. One person said, “because this was a police matter, we could only make specific announcements about the progress of the case.” This added to the complexity and difficulty of open communication. Providing information to keep people aware of the course to come was found to be helpful. Sermons were given with themes on responsibility, trust, repentance, balancing forgiveness and justice, and indirectly about theft, togetherness and cohesiveness of the congregation.

Public support was given to all of the congregational leaders who were dealing with this painful situation. Prayers were offered for all involved.

When asked what church resources were used to work through this event, the following responses were noted.

	Total	Percent
The Manual of the United Church of Canada	6	55%
Congregational Trustee Handbook	0	0%
Dispute Resolution Handbook	0	0%
United Church Financial Handbook	4	36%
Other, please specify	8	73%

Other answers to this question were: the assistance of the church's accountant, support of other treasurers in the church community, lawyers who were church members, a forensic accountant hired on a treasurer's recommendation, assistance from Conference level, a "?" mark, and a forensic audit arranged by an insurance agent.

When asked who was called for assistance to deal with this event, responses were:

	Total	Percent
Paid Accountable Minister	6	55%
Stewardship or Finance Committee	6	55%
Board of Trustees	5	45%
Church Board or Council	7	64%
Ministry and Personnel Committee	6	55%
Presbytery	0	0%
Dispute Resolution	0	0%
Conference staff	4	36%
Other, please specify	7	64%

Other responses were:

- Bank employees
- PricewaterhouseCoopers - forensic audit
- General Council Mission & Service Staff
- Members of the Council who were lawyers and a member of the Ministry & Personnel Committee who was a Human Resources consultant; staff from the banks involved; the local RCMP; an addictions counsellor
- As previously mentioned, forensic accountant, legal professionals, law enforcement officials
- Church member who is a chartered accountant and police
- Lawyer, police, bank representative



In all but the smallest theft, police authorities were called to conduct investigations. This might be due to legal requirements of theft amounts (one respondent mentioned police were called because the amount was greater than \$5,000). It seemed that some of the churches abdicated responsibilities to the courts once the police were called.

With regards to the paid accountable minister’s competence to help deal with these events, over 50% of the respondents did not confidently say “yes”. One respondent said that they had a new minister who was not strong enough to address the personalities involved. For those who said yes, they clarified that they saw the minister’s role as a trained counsellor for pastoral and ethical assistance, and one to participate in meetings. One respondent said that it was the minister who first noted the irregularities and began the process of notifying boards and committees.

When asked if there were biblical stories that were used to comfort the participants, surprisingly eight out of ten said “no” or that they could not recall. One respondent skipped this question. This may be significant and might be a place in which the church could assist in producing reflection material based on biblical sources, which might help others through this in the future. Of the three who answered “yes”, they used biblical passages, Psalm 23, the Prodigal Son (Luke 15:11-32), the Book of Amos, Matthew 26:41 (do not be tempted), the Widow’s Mite story from Mark 12:41-44, and Luke 21:1-4.

6.5 Congregational Impacts

Only one respondent said that there were no lasting impacts on the congregation.

		Total	Percent
Yes		10	91%
No		1	9%

One respondent noted positive impacts to their congregation: “the congregation became more closely knit and supportive of one another.” The majority, however, noted that financial instability persists along with reduced confidence in the church’s financial stability. They said that people are more cautious about giving money and wonder about the safety of their gifts (“once bitten twice shy” writes one respondent). When asked about the congregational impacts, some key emotions are shared: betrayal, very upset, anger, grief, surprise, shock, embarrassment and sadness. One respondent wrote, “This was a very difficult period. My mind and soul were focussed on solving a puzzle. It took me a week to open this survey.” Another respondent wrote, “You feel hurt when you find out what happened. You feel frustrated during the court trial and confused as to why someone would steal this much money.”

Unfortunately for one congregation surveyed, they had two incidents of theft occur against their congregation. In this church, one event went to court. In the other event (where the perpetrator repented, paid restitution and sought forgiveness), the perpetrator is still a member of their congregation. For the purposes of this research study, only the second event was input into the survey. “This being the second occurrence in a short period of time, both being handled differently, it had a major effect on our church.”

Respondents noted congregational conflicts with regards to the approach to take with the perpetrator. Some would have liked to deal with the matter quietly and privately with so-called Christian forgiveness. The majority, however, realized the seriousness of the offence and the unrepentant nature of the perpetrator and were relieved to have the whole matter out in the open - no cover up and ready to deal with the consequences.

Another noted a developing conflict over whether or not to press legal charges or allow the perpetrator to return to the church in the future. One respondent noted, “by offering



counselling to the secretary, we cared for her. By going to the police we cared for the community.” Another respondent wrote, “We were not the first charity to be defrauded by this man and if we had not reported the crime, we might not have been the last.”

Seven participants noted that the events did not impact their commitment to the church. One respondent left this question blank. Two said their commitment grew stronger or increased. This may be due to the actions of the church at the time of the event. “I saw concern and support for me and hurt over the situation from the congregation. I was supported and acknowledged or appreciated by members. I saw how members bonded together in stressful situations.” In addition, one member said that it was important for her to continue to make suggestions on how things can be improved. Two respondents sidestepped the question and moved their responses to confirming the need to be vigilant. One minister noted that “It challenged me to be more disciplined in the responsibility of my role as Minister to insure that the temporal affairs of the congregation were properly administered. Before this I tended to rely on the elected officers of the church to deal with financial matters.” Another minister wrote, “I was humbled by the lay leaders' response to this crisis. It has renewed my trust that every skill or gift we need is usually in the room with us. Honestly, it is the petty stupid little stuff that tests my commitment to church, not the way the church handles the large crises requiring compassionate responses and thoughtful action.”

One respondent noted that his “commitment to the church has been seriously shaken.” He further explains that he is “very frustrated with the lack of will to spend money on paid accountable and certified financial accounting and oversight. Meanwhile, the minister is viewed by some congregation members as the immediate threat for financial misconduct while "volunteers" are virtually unaccountable.” This indicates continued disagreement in the

congregation around practices and policies. One participant associated commitment with volunteer efforts, writing "...did not impact my overall commitment, but it greatly reduced my willingness to volunteer for any position again. In fact I have found myself automatically saying no." Loss of volunteers means a loss of financial knowledge about theft, and this is of concern for future prevention efforts.

There was membership loss in about a quarter of the events.

		Total	Percent
Yes		3	27%
No		8	73%

6.6 Lessons Learned

"It goes to show you cannot be too careful when it comes to church finances. Records must be precise and reviewed annually". Lessons learned by five respondents dealt with some administrative processes and procedural learning, but it is interesting that most also tied these educational events to the fallibility of humans and the reality of theft. "Our systems, based on the trust of an individual, were inadequate. We permitted the treasurer to hide his activities by not insisting on good-quality monthly accounts. We accepted that he was a good-faith incompetent rather than a thief." As another respondent noted, "it is important to always have a procedure in place so you have a starting point."

A number of lessons were learned about how to act as a committee member; the importance of accountability and transparency when revealing facts were stressed. One person learned to ask more uncomfortable questions of committee and council members, in order to raise red flags on possible future misconduct. Another learned to deal directly with a serious problem.

Interestingly, one respondent learned not put herself in a situation where there could be any question of improprieties in what she was doing.

One respondent noted that she learned about the importance of insurance, especially officer's liability. Considering that most of the churches were still suffering from financial instability after these events and that only half of the churches had insurance, this is wise council.

Communal responsibility learning was noted by two respondents who wrote, "we are responsible for the church", and "to consult with those involved and to trust in the wisdom and support of other members and in the leading of the Spirit."

"The congregation expects honesty, competences, integrity in decision-making, and care in managing its business from both employees and volunteers in elected positions."⁴⁴

Expectations such as these imply a high level of trust. Trust changed for three respondents as a result of these events. "I'm sorry to say that the biggest lesson I learnt was not to trust people at face value. When they offer up a willingness to learn about something I now ask what is their motivation. Our secretary had showed great interest in learning about the church finances and that is how the ability to forge cheques and bank statements was developed." Another quote highlights this, too: "my trust in others was sceptical after this. I tried to understand why this individual did this and then I learned to let it go." One person learned about the importance of police checks for those dealing with money and vulnerable persons.

6.7 Changes Made

The events resulted in changes being made in the participants' congregations. Modifications of practice were collected from the survey responses by the researcher and are listed below.

1. Having two signing officers has been made mandatory.
2. The books are reviewed annually by a chartered accountant (annual audit rather than just a review).

⁴⁴ United Church of Canada, *Financial Handbook*, 51.

3. Rules for cash receipts being left in the office are enforced.
4. Chequebooks are not available to the secretary, etc.
5. New systems to divide functions and responsibilities were formulated.
6. Regular financial reporting was instituted.
7. Two out of three authorized signatures on church cheques are required.
8. Offering monies are deposited in the bank on Sunday, by more than one person.
9. Night deposits are made.
10. Funds are always handled by two people.
11. Independent review of cashed cheques and bank statements are performed.
12. Better paper trails were instituted.
13. Fundraising events require an accounting of monies received, expenses paid, and final amount of monies raised. Monies are counted by two people and signed before remittance.
14. Fewer groups within the church have their own bank accounts.
15. More computerized checks have been put into place.
16. More people are involved, resulting in increased transparency.

One respondent wrote, “The church has already begun to do work towards repentance and taking responsibility for the previous lack of financial oversight and are trying to correct those bad practices.”

One respondent noted that no significant changes were made. “The treasurers (always have more than one) continued to follow protocols, only just a little tighter. Nothing in the handbooks could allow for the extent to which the perpetrator went to manufacture false bank statements - on bank stationary! Nothing the treasurers could do to foresee that the perpetrator would use his or her own mother's bank card to launder church cheques.”

One respondent's caution spoke about setting protocol for volunteer succession. “As we are distanced from the occurrence and newer people are in the church there seems to be a lessening of the importance of some of the changes made.”

6.8 Procedures Described

Respondents described procedures they followed during the events. These are collected and summarized by the researcher below. In the quest for finding meaning in this traumatic event,

one participant notes, “Now years after the event, maybe some of the procedures put in place by our church can benefit other churches with similar situations or concerns.”

- 1) Note when you feel wary or uneasy and ask questions early: don’t delay. It helps to frame questions “for the protection of the volunteers dealing with money issues so we will put them beyond reproach.”
- 2) Speak to the individual in question. (Only one respondent suggested to do this first, and some in the literature question this approach as a first step, as it might compromise an investigation.)
- 3) Secure computers and files.
- 4) Controlled information sharing, under the guidance of fraud experts, is important. Call in the experts in your congregation to help out. One respondent wrote, “It's only because we had some good people in good positions that we survived this. And we've moved on.”
- 5) Conduct separate interviews with the Treasurer, Envelope Secretary, Chair of Stewards, and Finance Committee Chair.
- 6) Bring together a full Committee of Stewards/Finance/Trustees to interview. In the meeting, make sure to express the need to be committed to working together and supporting each other throughout the process of investigation before all the information can be disclosed or discovered.
- 7) Some note that it is at this time you speak to the individual, asking for financial papers and bank records to be returned to church.
- 8) Use a lawyer to send a registered letter stating a time frame for returning items and, if the accused is a staff member, warning of possible dismissal.
- 9) Have meetings and conferences with bank representatives.
- 10) Make inquiries with known creditors (e.g., the oil company or food bank).
- 11) Report the issue to the Official Board/Council of the church.
- 12) One congregation mentioned that, until they had the forensic report completed, they did not release information to the congregation.
- 13) Offer counselling to the accused and their family, either by the minister or a retired or volunteer minister from the presbytery or conference.
- 14) Turn the perpetrator over to the police (Fraud Department).
- 15) Hold a congregational meeting, providing as much information as you legally can. (Don’t forget to do this with prayers.)
- 16) One congregation used an independent legal counsel and called in a chartered accountant.
- 17) Engage the Ministry and Personnel Committee to find replacement staff and/or send a call out for gifted volunteer assistance.
- 18) Give regular announcements and reports to the congregation in worship, asking the congregation to hold all involved in their prayers.
- 19) Repeat offers of pastoral counselling to the congregation and committees dealing with the event. If possible, use gifts and skills of retired and volunteer ministers from the area.
- 20) Some found the development of sermons with themes of responsibility, trust, repentance, balancing forgiveness and justice, and togetherness and cohesiveness helpful.
- 21) Set time aside for the committees to share feelings, debrief and say prayers. It is important to not only to deal with the nasty business of the theft. One committee member said these

meetings felt like a "shared misery" where they confirmed the necessity of what we were doing together.

- 22) With regards to pastoral responses, special care needs to be considered for the treasurers who are trying to piece through "a puzzle" and who might feel a high degree of judgement, whether real or not, about their past practices. Remember the importance of reiterating good communal responsibility for church policy/practices so that the treasurer does not feel the complete burden of responsibility.
- 23) Share with the congregation letters and phone calls of sympathy and support offered by any outside the church community.
- 24) Courts may require victim impact statements (ministers can help pastorally here).
- 25) A debriefing meeting after the trial to talk about the experience was noted as important.
- 26) Continue prayers though out the process.

6.9 Advice to the United Church

When asked what the United Church in general could take away from their experiences, six respondents talked about guidelines, financial controls, manuals, safeguards and checks. They asked for the United Church to provide, remind, follow, encourage and to give more direction and leadership, especially from conference staff. They want more support, quicker actions taken if suspicion is raised, and to refuse to cover up when a theft is detected. They mentioned reference checks on everyone hired, and to be aware of the gifts and skills within congregations.

Four people discussed trust as an issue. They felt the United Church should not be so trusting. One respondent noted, "the church that professes its doors are open to all...will indeed be open to all", including those who struggle with theft.

One person felt that external reviews should be mandatory for any congregation with revenue or giving over \$100,000. Another respondent had a clear direction for the church. She wrote, "Hold the perpetrator responsible for his/her action. After the consequences of the crime have been dealt with, depending on his or her remorse and willingness to make amends, extend to him/her the assurance of grace and forgiveness."

6.10 Questions on Faith

“This was the biggest blow I'd ever received in ministry and I'm sure my efficiency was diminished; however, I responded through what I said in worship and in making visits to others who'd been harmed.”

When asked if the event challenge their faith and if so, how, seven respondents said that the event did not challenge their faith in God. Two participants said the event strengthened faith or enhanced faith. “I felt the presence of the Holy Spirit, equipping and enabling me as I dealt with this situation and had to face the congregation with the news and present a very sorry financial statement.” One of these two said, “my faith in church members was enhanced by the character evidenced in so many who freely acknowledged evil done to us by one of us, but refused to allow this fact to undermine their faith and support.”

It is a positive that so few faith crises occurred in these events, but troubling in that they did seem to impact some respondents' faith in the people of the church. “It changed my faith by changing how I look at people and assess their motivations. It will take a long time to forget or get over this event.” Another wrote, “This event challenged my faith in people...not in God.” With regards to ‘faith in people’ one respondent wrote, “We're not asked to be perfect. We are asked to be loving and to figure out what loving looks like every day.”

The one person who wrote that their faith had definitely been challenged wrote that it was his belief in himself that was challenged. “I tried to help him – thought he was a friend – caused me to questioned my abilities when he challenged me and said it was my fault and tried to blame me for the problems. Had to question myself and my faith. Trusted in God and prayed often. He threatened the board members with legal action which was very scary. Turned out to be a bluff, but could have been difficult but not impossible to defend. Had to defend myself to many people and be questioned about my motives by a lawyer in court. Lawyer even stated that I was not

telling the truth in court after I had sworn on a Bible to tell the truth – this really rocked my belief in myself.”

6.11 What Would God Say?

6.11.1 Forgiveness and Judgement

Themes of forgiveness and judgement came through when respondents were asked what God would think about the event if He could talk to them from a burning bush. Surprisingly, it is only with this question that the topic of forgiveness came up for anyone: “**Forgiveness** but keep your eyes open”; “Learn to **forgive** and move on”; “That someone was led astray, held accountable, made restitution and that she should be **forgiven**”; “After the consequences of the crime have been dealt with, depending on his or her remorse and willingness to make amends, extend to him/her the assurance of grace and **forgiveness**.” None of the respondents actually stated that they had forgiven the perpetrator. Forgiveness is a process of ceasing to feel resentment or anger for an offense and ceasing to demand restitution. Forgiveness is about letting go and caring for oneself. It is very hard to move forward into peace and release. It is very hard to do, and often requires divine encouragement to accomplish. This is especially important in many of these cases where repentance and restitution are not forthcoming. This issue of “moving on” was expressed by two respondents and was tied to learning from the event.

Regarding issues of judgement, one respondent wrote God would say, “It's not your fault - you didn't steal. Try to learn and move on. Think of others, not just yourself - think I was feeling guilty and inwardly focussed.” This might be because these events cause people within the church to question their procedures, actions and competence. Another respondent wrote that God might say, “You dropped the ball on that one. Do better next time.”

6.11.2 Insight

Insight plays a role in the theological understanding of this theft problem. I think God would say "What took you so long to wake up to a con artist in your midst, a man so possessed by a gambling addiction that he held nothing sacred? What took you so long to name his demon and offer the help he desperately needed? For in order for My grace to abound, evil must be named and confronted." Or God might well say, "Let Me show you a better way!" At the time I believed we were taking the appropriate measures and we certainly did seek God's guidance and grace."

There was one participant who wrote no comment and another who wrote, "Not sure – His thoughts much higher than mine. Maybe things happen for a reason or He can create good out of a bad situation."

6.11.3 God's Presence

One person thought God would have been very saddened by the hurt caused to all involved, including the hurt caused to the perpetrator. Theft was described as a weakness and desperation of humanity that happens when people are convinced that they are alone. God would say, she commented, "Continue to go forward in the spirit of Christ to share the good news that you are not alone. I am with you, always." This theme of not being alone was brought forward by one respondent who did not really like the approach of this question. If the researcher were to repeat the study, this question might be adjusted to ask the underlined questions in the quote below.

"I don't picture God as a voice in any way 'other' or separate or 'from a burning bush'. I don't think in terms of 'what would God think'. The simplest way I can describe this is that for me God is mystery, light and love. God is the creative energy all around us, within us, working through us. God thinks and God talks through us and through all creation. Where was God in this situation? Certainly not separate from us. Rather, where was love present? Where was the creative energy to bring insight and to begin the process of healing? Love is never distant from human being, calling to us from distant shrubs. Love is the power of presence; the mystery that opens our eyes every day."

7.0 Data Analysis and Evaluation

What do United Church members/leaders experience when they become victims of financial irregularities?

The results are reasonable and dovetail with information discovered within the literature review on this topic. No two cases of church theft are exactly alike and experiences of the faithful do differ, but there are common elements that seem to rise to the surface when we look at what happened in most of the cases. From this data we can see a general story emerge, with shared patterns and behaviors. The data is organized by topics of demographics, information about the thefts, perpetrator information, church coping mechanisms, congregational impacts, lessons learned, changes made, procedures described, advice for the United Church, faith impacts, and what would God say? The last topic in this list is broken into themes of forgiveness, judgment, insight, and God's presence.

7.1 The Semi-Predicted Storyline – A Theory

The general congregations are aware of these events. Only about half have director's insurance to help congregations recover. In proven instances of theft that go to court, the amounts of money involved significantly impact the congregations' future financial stability. These cases, where dollar amounts are high, are usually identified publically. Although not conclusive, cases involving lesser amounts are usually dealt with quietly within a local church, and are not widely known. The smaller the dollar amount, the more the opportunity for repentance, community restoration, and repayment exists.

Events like these increase the financial knowledge and capacity of the participants. In the United Church, a mix of members from stewards, trustees, treasurers, ministry and personnel, finance, chairs of Council and/or Session, and paid staff all participate in the process. These

events affect the volunteer leadership of a congregation. Paid ministers receive reports from the investigators, and are relied upon for pastoral counseling, prayers, and liturgical responses.

Treasurers and paid secretaries seem to be the most common perpetrators in this sample. Although theft happens in a variety of ways, forging checks payable to cash, to oneself and/or to personal vendors, and pocketing cash receipts meant for deposit into institutional accounts are the most common theft activity. There are a number of mistakes congregations make that contribute to embezzlement, and churches learn from these errors. There are also some individual characteristics that each perpetrator has that, if identified, might signal alerts to potential problems. Individuals usually leave the congregations after these events. Initially, most congregations offer counseling to the perpetrator, but contact ruptures after conviction. People feel that the justice system deals out fair consequences for the criminal; in most cases, however, restitution and perceived repentance are lacking.

Updates are given during worship in direct ways, but release of information during investigation is controlled - often being dealt with indirectly in sermons and prayers.

Half of the respondents use the United Church Manual and about one quarter uses the financial handbook, but most look to outside or inside secular expertise for assistance. Rarely do congregations use the higher courts or dispute resolution in these matters.

Biblical assistance, for the most part, is sought. About half question the competence of the minister's ability to deal with these events. There are lasting impacts on congregational life. The question of whether to keep secrecy or to press legal charges is debated. There are mixed opinions as to whether or not participants' commitments to the church change, with some commitment growing stronger in adversity. There are membership losses in approximately one quarter of events. Administrative processes and learning are evident, and a number of

procedures are changed. Many learn the procedures to deal with such events, and have advice to offer. Most do not feel these events impact their faith in God, but some feel faith in the church community is impacted. Most feel God would wish them to forgive and move on, while others cope with the guilt of errors and rely on the grace and presence of God to get them through. There is room for the United Church to learn from these events in areas that might impact polity.

7.2 The Outlier – \$7,000.00 Theft with Restitution

In order to make a hypothesis in research, we look for a common story and for themes that repeat themselves. Researchers are supposed to discard the outliers in the data. However, you are also supposed to note the extreme possibilities on a continuum.⁴⁵ This research project would not be complete without an analysis of the church within the study that has the prior perpetrator still attending their congregation after repentance, restitution, and renewal into congregation life.

What may happen in these events is that, internally, the churches work out a restitution or re-payment plan. Often these decisions are motivated out of sympathy and/or compassion for the perpetrator, especially when active repentance and the seeking of forgiveness accompany the sin. It may be that such love and forgiveness - hallmarks of the church - are what actually keep people coming and calling church 'home' during and after these episodes.

It is important, pastorally, to accept that some will find it very difficult to forgive and may consider breaking the Law of Moses, "thou shalt not steal", to be a serious and damning condition of the soul. These laws or moralities are an integral part of what it means to be within a Christian group. It is a violation of the moral codes to steal. It is considered wrong. It is an easy judgment, in theory, and for some it is clear-cut. But in practice it is not so flawless. One clergy (not involved in the research project) whom I talked to about this topic said that, early on in his

⁴⁵ John Creswell, *Qualitative Inquiry and Research Design* (CA: Sage Publications: 2013), 89.

career, he noticed that the treasurer of one of the congregations he served was pilfering funds. When he approached the Elders about it, they said yes, they knew, and that it was an unwritten, agreed-upon silence to let it continue. They felt the man - a single dad with minimal employment - did a lot for the church, and they considered it a Christian charity to give him a “stipend”. Christians are grounded in their own worldview, which might not completely make computable sense to mainstream society. These notions stem from Jesus, who called on us to assist the oppressed and marginalized. Even if held criminally responsible by secular law, morally a church may have different allegiance.⁴⁶ Although perhaps honourable, the process takes time and effort, and care should be exercised: we don’t want to see our churches tumble into a place where God’s presence is no longer felt because justice is not served. The researcher believes we have a lot to learn from churches that seem to have been successful at renewal and healing, and thinks more study should be made of these cases.

7.3 Biblical Analysis

Theft in the church is addressed very early on in our history. Many forms of stealing violated biblical law, and it is prohibited in scripture. Exodus 20:15 and Deut. 5:19 say “You shall not steal.” Leviticus 19:11 says, “Do not steal. Do not lie. Do not deceive one another.” Early in the Old Testament our people tied God’s love and justice to rewarding people for not stealing, “For I, the Lord, love justice; I hate robbery and wrongdoing. In my faithfulness I will reward my people and make an everlasting covenant with them.” (Isaiah 61:8). Promises are important to God. The prophets worried over breaking the law and promises, and the resulting consequences of our choices in life to commit theft. ““They do not know how to do right,” declares the Lord, “who store up in their fortresses what they have plundered and looted.”” (Amos 3:10). Prophets

⁴⁶ James Spickard, “Guide to Enlightenment of Strayed Shepherds,” in *Bad Pastors* (NY: New York University Press, 2000), 90-109.

warned not to “exploit the poor because they are poor and do not crush the needy in court.” (Proverbs 22:22).

In the gospel, Jesus teaches us “You shall not murder, you shall not commit adultery, **you shall not steal**, you shall not give false testimony.” (Matt 19:18). In the New Testament with a new church in Christ, we see that the early followers were also not immune to this issue and made it clear that “Theft is one of many acts that come from the heart and defile a man.” (Matt 15:19-20). They worried about the eschatological judgement, but also about right relations of the kingdom in that time and place: “Thieves will not enter the kingdom of God.” (1 Cor 6:9-10). The early followers were encouraged not to associate with those who were swindlers so as to prepare as disciples: they wanted to build up a house of believers, and were concerned with creating a group of Christians who would be beyond reproach to teach - morally - that which they understood God and Christ to command (1 Cor 5:9-10). In Ephesians 4:28, we see that the church was also concerned with restoration of those who sin. “Anyone who has been stealing must steal no longer, but must work, doing something useful with their own hands, that they may have something to share with those in need.”

One respondent noted that *The Lord is My Shepherd* (Psalm 23), the Howard Goodall version from the theme from the BBC TV series *The Vicar of Dibley*, went through her head every night when she could not sleep. This scripture passage affirms a guiding, comforting God who is present in tough times. It deals with fear and crisis, and it also talks about want, leading a life of right paths, and protection from enemies. It finishes with assurances of goodness and mercy, close to God.

One respondent, whose church recently discovered the theft and is currently deep in the process, chose two scripture references: He was working with the passages of Prodigal Son and

the Prophet of Amos. These reflect the struggle and conflict congregations go through to balance radical forgiveness and proclaimed justice. They also juxtapose seeking restitution and repentance with compassion of acceptance. He was reflecting that his church is grappling with ways of dealing with this sin. He might be considering what kind of response they will have, and what kind of stand they will make. In the Prodigal Son (Lk 15:11-32), we see a youngest son who, after wasting his fortune, repents and returns home. The father reminds the oldest son that everything the father has is the older son's, but that they should still celebrate the return of the younger son who has come back to them. It is the third and final part of a cycle on redemption, following the Parable of the Lost Sheep and the Parable of the Lost Coin. Passages from the book of Amos have major themes of social justice, God's authority, and judgment. It was written during a very low point in Israel's commitment to God. Amos teaches that prayers and sacrifices do not make up for bad deeds. He says that just behaviour is more valuable than ceremony. He gets angry about the greed of the wealthy, and speaks for common farmers who are becoming poorer at the expense of the rich.

One other respondent wrote that a scriptural reference she used was "Be careful not to be tempted." This might refer to Matthew 26:41: "Watch and pray that you may not enter into temptation. The spirit indeed is willing, but the flesh is weak." She also chose the reading, "God knows when the elderly lady gave two pennies, so he knows the money we gave – so not really lost." The stories of the Widow's mite in Mark 12:41-44 and Luke 21:1-4 are often interpreted as meaning the small sacrifices of the poor mean more to God than the extravagant - but proportionately lesser - donations of the rich, but we have a different understanding here. The participant interpreted it to mean that God knows our intentions and gifts we share, and that someone taking and using them badly does not diminish or negate this offering. She, in her

reflection, addressed a balance between process with virtue and the omnipresence of God. This approach may demonstrate an eschatological perspective: that one day we may be held accountable for what we have done with the resources God has placed in our care. “Many are the plans in a person’s heart, but it is the Lord’s purpose that prevails.” (Proverbs 19:21). If we have given money to God, it is God’s; therefore, if church money goes missing, it is not ‘ours’, but stolen from God. The author of an article cited that this statement had a profound effect on his church family. The statement offered perspective, lifted the burden, and assured that God was in control.⁴⁷

7.4 Our Heritage

Early on in the reformation tradition there was conflict about how to spend alms-giving money. This was one of the main ingredients for the start of Martin Luther’s disputation on indulgences (the purchase of absolution). He was part of the first institutions for social welfare in Germany using the institution of the new Protestant church. The ‘common chest’ was used for this purpose. In Wittenberg, they had a heavy iron strongbox made. It was fitted with three independent locks, and with one handle removed to prevent its being carried off. It was kept in the church to be used as a depository for welfare funds. There was an election of ten directors, or trustees, every year: two from nobility, two from city council, three from the common citizens, and three from rural peasantry, and keys were assigned accordingly.⁴⁸ All these precautions would not have been necessary if theft was not a possibility or problem for the early Protestant churches, as it is now.

Early Protestants, such as Luther and Calvin, taught us about Grace that is eternally extended by God: it is a fundamental Christian value. We ask in prayer “to forgive us our sins as

⁴⁷ Anonymous. “The Judastouch,” 108-114.

⁴⁸ Carter Lindberg, *The European Reformations*. (MA, Blackwell Pub. 2008), 118-121.

we forgive those who sin against us.” In the United Church articles of faith we see a belief that we can be regenerated and made new creatures in Christ Jesus by the Spirit of God. With God’s power, we are able to see the truths of God’s word and the ordinances of divine appointment in ways agreeable to the nature of man. On faith and repentance, the UC believes that faith in Christ is a saving grace whereby we receive Him, trust in Him, and rest upon Him alone for salvation as He is offered to us in the Gospel. This saving faith is always accompanied by repentance, wherein we confess and forsake our sins with full purpose of, and endeavor after, a new obedience to God. For justification, our articles state that we believe that God, on the sole ground of the perfect obedience and sacrifice of Christ: pardons those who, by faith, receive Him as their Saviour and Lord; accepts them as righteous; and bestows upon them adoption. For sanctification, we believe that those who are regenerated and justified grow in the likeness of Christ through fellowship with Him and with Spirit, and this makes a holy life is possible.⁴⁹

This speaks to character and virtue development. The question of Christian piety is also at stake in these issues. We in the church wish to be seen as pursuing saintly ways, but we are all susceptible to sin. In one story read for this research, a secretary was quoted as saying, “...the theft is the least of my concerns. It was God’s money and he will settle that score. What bothers me most is the betrayal of trust. I have seen you leading in public prayers, speaking in meetings, and giving testimonies in worship... I feel like your life for the past few years has been a terrible lie.”⁵⁰ Church credibility is at stake here. Ethical consequences are real-life stuff and trust, once broken, is really difficult to rebuild. We should be cautious against becoming so suspicious of people that we further unravel the fabric of the society and church we are trying to protect.

7.5 Gaps and Suggested Research Improvements

⁴⁹ United Church of Canada, paraphrased from the Doctrine section of *The Manual*, United Church Publishing House, Canada 2010.

⁵⁰ Anonymous, "The Judastouch," 108-114.

This study ended up being more ethnographic in approach. There were not enough respondents to saturate the data (only 11 versus the 20 participants hoped for), but sufficient initial causal conditions and consequences were observed to write a semi-predicted story line. As a ground theory approach suggests, although context changes in each instance, a process has emerged that suggests a classic framework. More sample cases need to be collected to determine if this project's results can be generalized to more United Churches. Special effort needs to be made to recruit more urban-sized congregations for a truly represented sample. There were no rural- or family-sized congregations included in this study. These contexts need investigation, as there might be different cultural contexts that impact the accuracy of the United Church story noted in this project. It is suggested that further research be done on United Church instances of financial irregularities in the future and added to this research, then tested against other samples to determine if conclusions can be generalized to the United Church experience as a whole.

As mentioned within the perpetrator information section, this is a one-sided story: the absent voice is that of the perpetrator. Hearing the voices and experiences of those who commit this sin could provide valuable insight for assistance into repentance, restoration, and healing. Speaking to the perpetrators is beyond the scope of this project, and this is noted as a significant gap. It is a recommendation of this researcher that further theological research be done from this perspective. One respondent mentioned that a staff member was reprimanded for speaking to the perpetrator. Taking time to approach someone after consequences have been served and time has passed may offer opportunities for expression of remorse and repentances. It might work to build opportunities for healing and restoration in some way. Ironically, "faith-based organizations are essential in forming partnerships necessary to provide the human and spiritual capital to effectively address crime, offender rehabilitation, and the substantial aftercare problems facing

former prisoners.”⁵¹ This is harder to achieve when the church becomes the victim of crime, but maybe we can learn a bit from our own practices of forgiveness and restoration.

The results of financial knowledge gain were limited by the absence of a clear definition of what ‘financial knowledge’ means. In future study, there needs to be clarity of this term and how to measure it. This might have impacted the validity of the responses for the question of financial knowledge.

Interestingly, perpetrators were not seen as being in a fiduciary position that breached trust, but more in a theft role or as persons who broke friendships or sidelined procedures. This might be due to their role being seen less as one of leadership and more administrative in function. Despite this response, trust broken in these instances does considerably impact on the church. The researcher wonders what results would have been found if the paid accountable minister had been the perpetrator, and if the congregation might have been traumatized differently with this fiduciary breach. More research specializing in reviewing cases of ministry theft are required to answer this question.

8.0 Implications or Recommendations for Pastoral Theology and Ministry

8.1 Best Practices

What implications do the results have for identifying how the United Church can improve to prevent and/or deal with instances of financial irregularities? As outlined in the list of changes in the procedures section, there is extensive knowledge that could be developed into a best-practice model and added to current manuals and handbooks to provide churches with guideline to follow. The researcher believes more education on prevention, about forging cheques payable to cash, oneself and/or to personal vendors, and pocketing cash receipts meant for deposit into institutional accounts would be helpful. Curriculum improvements in the area of financial

⁵¹ Byron Johnson, *More God, Less Crime Why Faith Matters and How It Could Matter More* (Radnor: Templeton Press, 2011).

practices for candidates for ministry in the United Church would benefit congregations so that one does not have to wade through the manual's model trust deed material to figure out how to deal with conflict resolution.⁵²

It highlights issues of financial competency within the United Church that could be addressed by better training for staff and volunteers. It highlights that many of our congregations' steward, finance and trustee committees are made of up volunteers with low to mid-range financial knowledge, and this is of concern for the future security of church financial property. More than 50% of the respondents did not confidently say "yes" to ministry competence to deal with these events. The church and seminary preparation might consider some sort of curriculum adjustments to help ministers acquire better financial competence. It would be good for the United Church to clarify the role of ministers in these events as assisting in the management of the temporal and financial affairs of the Pastoral Charge or congregation.⁵³ Ministers are an entrusted Committee of Stewards member and member of the trustees (and also have the right to preside as Chairperson at all meetings of the Board of Trustees).⁵⁴ Clergy competency to deal with these events is not clear from this study. The researcher feels that the United Church must clarify what it means for a minister to be included, by virtue of office, as an ex-officio member of trustees and stewards/finance,⁵⁵ and educate ministers on how to exercise this oversight role.

8.2 Name it

Only one person felt that the secretaries or treasurers were in a fiduciary position. This is significant. A fiduciary is a legal or ethical relationship of trust between two or more parties. In these positions, they prudently take care of money for the church. It is expected that they would

⁵² United Church of Canada, *The Manual 2010*, Appendix II.

⁵³ Ibid., 110.

⁵⁴ Ibid., 127.

⁵⁵ Ibid., 102.

act at all times for the sole benefit and interest of the one who trusts. It gives rise to a relationship of trust, confidence, and loyalty. This seems, to the researcher, a natural term to apply to any staff person or treasurer volunteering for the church. The respondents might not have understood the term, or maybe they were hesitant to assign it due to its legal nature. They may not have seen these people in a role of leadership, but rather in one of administration. Assigning the term also requires one to admit a place of vulnerability, reliance, and trust in another whose aid, advice, or protection is sought in some way. They might not wish to assign this to a proven perpetrator. This lack of acknowledgement could impact the perspective of the seriousness of the crimes. There is a place here for the church to name these incidents as breaches of trust, and to raise their importance as a case of abuse. There is no mandatory reporting policy in place for theft in the United Church, and the researcher recommends this practice. Naming the crime and severity will also move to expose these events and remove the veil of secrecy associated with them. It is only by exposing this that we can move towards healing, practices of safety, and reconciliation.

The researcher did not have issue with regards to legal settlements and confidentiality agreements, but was surprised at the hesitance of many staff people and church members to speak openly about events or refer respondents. Open discussion or focus on these phenomena can damage the church's reputation, parishioner relations, future growth, and fundraising. It is the researcher's opinion that this might be why people are hesitant to speak about their experiences. It was necessary for the researcher to take a pastoral approach over the phone, as participants are clearly still impacted by theft - even twenty years later. None of the respondents pulled out of the survey due to discomfort, and no participants had to be referred to appropriate professionals.

It was hoped to attract twenty respondents, but only eleven participated. Secrecy is evident; worry over breach of trust by discussing events is present. If the church had a mandatory reporting process in place, as it does with other abuse/breach of trust cases, General Council might have a better understanding of prevalence rates and could gear prevention initiatives strategically. This would also open the cloak of troubling secrecy around these events, and help congregations feel less alone and able to move towards a larger church healing process.

8.3 Resources for Help

It was a surprise to the researcher how many professionals outside the church's resources were called upon for help. Many of the gifts of the congregation were pulled in to help during the event. The events were mainly dealt with at a congregational level: the upper courts were not used often for their expertise. The researcher finds it significant that Presbytery was not contacted in any of the cases, and Conference was contacted in only four cases. None of the participants used the United Church dispute resolution processes or resources. It would be useful for the church to document processes for access to secular resources, and to make clear the legal requirements of these situations. The United Church also needs to communicate widely if internal expertise exists within the higher courts to assist congregations. It might be helpful to look towards examples from other mainline Canadian denominations for procedural and practice resources. It might also meet a need for a support network for congregations going through, or who have gone through, embezzlement.

There is a place for the church to help identify biblical stories that might be used to comfort United Church members during events such as these. Since the majority of respondents could not identify verses to comfort themselves, some focused biblical education is needed. This is a significant finding, and could be an area where the church may help others through such crises in

the future by identifying reflection material based on biblical sources. The Bible also gives guidance for Christian character and virtue formation. Without a solid grounding in biblical exegesis, the way through these events may be like a journey followed without a compass.

8.4 Restorative Justice

Denial of guilt and refusal to repent is out of the control of the church. The church can only offer opportunities for this to occur. The researcher wonders if giving the process over to the courts to handle has stunted the long process of redemption at which the church is supposed to be expert. In order to identify or 'see' repentance, one needs to be in contact with the perpetrators, to engage them in care, and give opportunities for restitution and renewal. The fact that they are isolated and rejected from the community, either by their own or the congregation's wishes, stops this process in its tracks. Prosecution can be delayed, in the hope of making restitution. Religious organizations wish to forgive and seek redemption for a thief. They may refine crime based on a collective set of values different from that of mainstream secular society.⁵⁶ Although admirable, failure to prosecute puts future employers at risk. If handled with faith, prayer, patience and perseverance, sometimes - when finally repaid - this remarkable adventure can provide first-hand witness to God doing the extraordinary.⁵⁷ With financial crime we often get the legal authorities in for a forensic audit, which often gets the issue into the justice system. It is interesting to see if attempts at restorative justice start following the case. The United Church is leading the way in Canada with restorative justice on First Nations issues. The researcher wonders how this focus on responding to the wrongdoing in a way that reflects accountability and healing rather than retribution and punishment might heal relationships and repairing crime damage. It is of interest to the researcher to see if this type of theology, which

⁵⁶ Iadicola, "Criminology and the Study of Religious Crime," 213.

⁵⁷ Anonymous, "The Judastouch," 108-114.

seems to reflect the Gospel Way, is used in such cases. This approach requires recognition that a wrong has been done both to an individual and the whole community, and requires an acknowledgement and responsibility by the wrongdoer.⁵⁸

Restorative justice is not apparent in five out of six of these cases. One insightful respondent wrote, “Desperation, addictions, pain exist because we have not yet built a truly health-giving kingdom in earth. Sin results when we turn a blind eye to the needs of the person standing next to us or when their desperation drives them to do things out of sight.” Further study of the use of church restorative justice practices in cases of theft (and in post-conviction cases) are needed to determine if higher rates of restoration, repentance, and atonement might be achieved.

9.0 Conclusion

Pre-survey, there were a number of goals listed as potential benefits. This study did meet some of these goals. The researcher did learn a lot about financial practices, which will help her financial competency in future vocational work. The study did not measure if it assisted participants, congregations, and ministers with ethical residue or closure, but it does provide a model for resolution of future events. The research report will be available at the Atlantic School of Theology Library in Halifax, for United Church staff at all levels of the courts and volunteers who wish to learn from the stories and experiences within. If the Mission through Finance division reviews the study, it will aid the prevention of future misuse of church funds by guiding future training topics. “A Congregation should have the satisfaction of knowing that their gifts are being safely managed and accounted for. The system in place must be worthy of trust.”⁵⁹

⁵⁸ Blaikie and Ginn, *The Legal Guide for Canadian Churches*, 115-116.

⁵⁹ United Church of Canada, *Congregational Board of Trustees Handbook*, 84.

Instances of theft are hard on congregations, and knowing they are not alone when they do occur could help with healing and pastoral care. In his article, John Helfrich writes, “the shock and sadness of discovering church theft is never easy to bear. It is small consolation that religious embezzlement is at least as old as Judas Iscariot.”⁶⁰ We hear in John 12:6, that Judas did not care about the poor, but because he was a thief; as keeper of the moneybag, he used to help himself to what was put into it. He makes the point that we are not, and never were, immune to this problem of temptation in the church.

Helfrich writes that God will provide a way out of temptation using 1 Corinthians 10:13⁶¹: “No temptation has overtaken you except what is common to mankind. And God is faithful; he will not let you be tempted beyond what you can bear. But when you are tempted, he will also provide a way out so that you can endure it.” This might be comforting for those in the midst of the crisis.

It is mature of parishioners to realize there is no perfect church. We all sin, and church is a place where the sinner can find redemption. However, if we only think in terms of individual sin, we miss the fact that this issue is also about organizational and structural folly or systematic sin, which may put into play a crisis of faith in the church.

Theft cases are most often handled by the secular justice system. The church is a different organism and, although the courts may deal justice and consequence, life as a Christian community continues with hope of Christ’s ever-present compassion apparent in our actions. These events happen, hurt, and people struggle to move on, but it is clear that people do not forget. Then what? As we see with residential school abuses, people need time and space to tell their stories of pain and violation of trust. Invitations for reconciliation through the United

⁶⁰ Helfrich, “Tithes and Temptations,” 83-318.

⁶¹ Ibid.

Church's alternative dispute processes may be a process by which the church can engage perpetrators and victims so that ultimate restoration, healing, and possible atonement may occur. Further investigation into successful events such as these should be explored and modeled because, as we see from this project, there are unresolved stories lingering in our church. The church has an opportunity to seize here. If, as a respondent wrote, we are truly open to all, those with illness and who feel alone are included. That means bringing the sinner into the circle of Christ's ever-unfolding love and finding places where God's love and insight shine through. The researcher hopes new learning will emerge from the responses in this research project, and aid in understanding this issue as it occurs in the United Church.

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Appendixes

Appendix 'A'

Advertisement / Announcement

Has your United Church experienced proven financial theft or instances of financial irregularities? If so as student at Atlantic School of Theology invites you to participate in a Graduate research study on the impact of such events on faith. Your involvement will be kept confidential and answers anonymous. The study will involve approximately 1-3 hours of your time during the 2 months of December 2012 or January 2013. If interested in participating please contact: Krista Anderson at rnr@ns.sympatico.ca or 902 670-4777

Invitation to Participate

Dear Potential Survey Respondents,

My name is Krista Anderson. I am a final year Masters of Divinity student at the Atlantic School of Theology. As I finish my ministry training and prepare to serve a United Church (UC) congregation, I wish to investigate how UC members and leaders experience instances of financial theft in their churches.

Has your church experienced proven financial theft or instances of financial irregularities? If so you are invited to participate in a graduate research study on the impact of such events on faith. Your involvement will be kept confidential and answers anonymous. The study will involve approximately 1-3 hours of your time during January 2013. If interested in participating please contact: Krista Anderson at rmr@ns.sympatico.ca or 902 670-4777

It is estimated that approximately twenty people will be completing this survey anonymously. You will be assigned a random number relating to your church. Information shared will be in a general way and will use fictitious names and locations. Individual participant information will be maintained with a strict commitment to anonymity and confidentiality (details are outlined in the consent form). Names are asked in order that the researcher might contact you by phone after submission for clarification or further interview. If this happens you will be asked again for your informed consent.

You have a choice of online participation or response by paper with a complimentary mail-in option. If identified for further interview after survey submission, the additional in person or phone audio recorded interview will take approximately an hour to complete. At this time you will be asked again for consent.

All data will be stored in secure locations and will be destroyed after one year. The results of this study will be written up in a Graduate study paper for AST and presented at a public event on March 6th or 7th 2013.

I invite you to consider giving permission to be a volunteer participant in this study. If agreeable to participating, I will be in touch with you on or before February 1, 2013. In the meantime, please feel free to contact me at rmr@ns.sympatico.ca or (902) 678-6127 if you have any questions.

With Thanks,

Krista Anderson, BSc
Final Year Student, Atlantic School of Theology
M. Div Program for the United Church of Canada

Appendix 'C'

Where is the Money? Survey Questions

- 1) Have you completed the informed consent to participate in this survey? Yes No
- 2) Has your church experienced an event of financial irregularities that created a formal or informal investigation? Yes No *If not please stop here. Thank you for your time, the following questions are meant to study events of financial irregularities.*
- 3) Name: _____
- 4) Phone Number: _____
- 5) Email: _____
- 6) Age: _____
- 7) Gender: _____
- 8) Congregation Name: _____
- 9) Is your congregation considered a rural, town or urban congregation?
 Rural Town Urban
- 10) What is the size of your congregation?
 1-50 Family Size
 51-150 Pastoral Size
 151-350 Program Size
 351+ Corporation Size
- 11) When did the event of financial irregularities happen?
(Approximate date(s)) _____
- 12) Was the event ever proven, or was it alleged to have occurred? Proven / Alleged
- 13) What was the position held by the person who was accused of financial irregular practices?
 Staff
 Volunteer
 Church Member
 Community person outside the church
- 14) Did that person hold a
 bookkeeping financial fiduciary position or other position: _____?
- 15) What kind of financial irregularity was committed or alleged? Check all that apply.
 Forging checks payable to cash, oneself and/or to personal vendors
 Pocketing cash receipts meant for deposit into institutional accounts

- Issuing extra pay checks and/or bonus checks through payroll to oneself
 - Submitting fraudulent expense reports for reimbursement
 - Submitting fraudulent invoices from phony or legitimate vendors
 - Abusing institutional credit card accounts for personal use
 - Electronic transfers of institutional funds to personal accounts and/or vendors
 - Pilfering institutional equipment and/or inventory
 - Other: _____
- 16) From your opinion or from audits, what was the assessed or estimated amount of the irregularity(ies)? \$_____
- 17) What factors might have contributed to this event?
- 18) Did the church have crime or property insurance to help cover any losses?
Yes ___ No ___ Do Not Know ___
- 19) What was your role at the time of the event?
- Trustee Committee Member
 - Paid Accountable Minister
 - Finance Committee Member
 - Secretary
 - Other: _____
- 20) What financial training did you receive or bring to this position?
- 21) How would you rate your financial knowledge level at the time of the event?
___ Low ___ Medium ___ High
- 22) Did your level of financial knowledge increase after the event? ___ Y ___ N
- 23) How would you rate your current financial knowledge level?
___ Low ___ Medium ___ High
- 24) What church resources did you use to work through this event?
- The Manual of the United Church of Canada
 - Congregational Trustee Handbook
 - Dispute Resolution Handbook
 - United Church Financial Handbook
 - Other: _____
- 25) Who did you call for assistance to deal with this event? Check all that apply.

- Paid accountable minister
- Stewardship or Finance Committee
- Board of Trustees
- Church Board or Council
- Ministry and Personnel Committee
- Presbytery
- Dispute Resolution
- Conference staff
- Other: _____

- 26) What other strategies were used to deal with this issue?
- 27) If the paid accountable minister was not the subject of the event, in your opinion was he or she competent to help deal with this event?
- 28) Was the general congregation aware of this event? Yes No I do not know
- 29) Where there lasting impacts on the congregation? Yes No
- 30) If you answered yes to question 28, what were the impacts? If you answered no, why do you think this is?
- 31) In your opinion, did the church experience membership loss because of this event?
Yes No
- 32) What type of pastoral response was given to:
 - a) The congregation:
 - b) The committee dealing with the event:
 - c) The alleged or proven perpetrator:
- 33) Were there biblical stories that you used to comfort you?
- 34) What role do you think sin and repentance played in this event?
- 35) Was this issue addressed in worship? directly indirectly not at all
- 36) If it was addressed in worship, how was it addressed?
- 37) How did this event impact your commitment to the church?
- 38) What key lessons did you learn?
- 39) What changes were made, if any?
- 40) What, in your opinion, were the consequences for the alleged or proven perpetrator?
- 41) In your opinion, were the consequences just?

- 42) What should the United Church in general take away from your experience?
- 43) Did this event challenge your faith? If so, how?
- 44) What would God think about the event if God could talk to you from a burning bush?
- 45) Are there any other comments you wish to add?

Appendix 'D'

Letter of Appreciation

Thank you for participating in this graduate research project, which strives to investigate how United Church members and leaders experience instances of financial theft in their churches and the impact of such events on faith. Your involvement is much appreciated and your gift of time valued.

You might be contacted by phone after submission for clarification or further interview. If you have not heard from me before March your part in the survey is complete.

The results of this study will be written up in a Graduate study paper for Atlantic School of Theology and presented at a public event on March 6th or 7th 2013.

Again, thank you for willing to be a volunteer participant in this study.

Regards,

Krista Anderson, BSc.

Final Year Student

Atlantic School of Theology

M. Div Program for the United Church of Canada

(902) 670-4777

rnr@ns.sympatico.ca

Informed Consent

Church Leaders' and Members' Experiences of Theft
Krista Anderson, BSc. (902) 678-6127 rmr@ns.sympatico.ca
Atlantic School of Theology
660 Francklyn Street
Halifax, NS B3H 3B5

I am a student enrolled in the Master of Divinity Degree Program at Atlantic School of Theology. As part of my course work under the supervision of the Dr. Susan Willhauck, I am conducting a study on the experience of United Church members and leaders who have suffered instances of financial theft. I hope to interview people who have been impacted by an event like this in some way. I am inviting you to participate in my study.

The purpose of the work is to examine what ideas and experiences you may offer, and to explore issues of theology in relation to experiencing theft. Specifically, I am interested in the significance of such an event on a person's faith. I hope to come out with a suggested process or to identify what factors play in this phenomenon, especially for the United Church. Another purpose of this work is to increase the body of knowledge that we have on the topic of financial practices in the church and the prevention of further risk of theft.

Your participation in this project is appreciated. The questions are designed to explore your experience with church theft. The researcher will take notes and/or record the conversation. The voice data and transcripts will be held in a secure environment until the completion of this course of study, at which time they will be destroyed. This project will be completed by the end of April 2013.

If you are willing to participate in this project, please read the following and indicate your willingness to be involved by signing the bottom of this page. All information obtained in this study will be kept strictly **confidential and anonymous**. Names and revealing facts will be changed, thus affording you anonymity. To further protect individual identities, this consent form will be sealed in an envelope and stored separately. Data will be reported as group findings, and no individual participants will be identified. The results of this research will be presented as a graduate project, and a copy will be kept in the library of Atlantic School of Theology.

This research has been reviewed and approved by the Research Ethics Board of Atlantic School of Theology. If you have any questions or concerns about the study, you may contact Dr. Alyda Faber at afaber@astheology.ns.ca, Chair, Research Ethics Board. **By clicking yes (or signing below), you are indicating that you fully understand the above information and agree to participate in this study.**

If you have any questions, please contact the student researcher, Krista Anderson (902) 678-6127 rmr@ns.sympatico.ca.

I acknowledge that the research procedures, of which I have a copy, have been outlined to me. I know that if I have any questions they will be answered to my satisfaction. I know that I can contact the researcher at any time should I have further questions. I am aware that my participation in this study is purely voluntary and I am free to withdraw from this study at any time.

Participant's Signature: _____ Date: _____

Please keep one copy of this form for your own records.