



DIOCESE OF METUCHEN

Office of the Chancellor

November 11, 2021

St. Matthias Church
168 John F. Kennedy Blvd
Somerset, NJ 08873

Dear Members of the Pastoral and Finance Councils and the Parishioners of Saint Matthias Parish:

The Bishop asked Fr. Abraham and I, before I was hospitalized, to prepare a letter with an update and status of where things stood after Fr. Haefner's sentencing. Unfortunately, before I was able to complete it, I became quite ill. Nevertheless, and as you well know, it has now been two months since Fr. Haefner, reported to the Somerset County Jailhouse, where he was remanded into the custody of the Department of Corrections to serve seven years in state prison for misappropriating \$516,984.56 of parish funds. I have been in close contact with your Pastor, Fr. Abraham, and have worked with him to prepare this letter.

We understand that this final figure, often cited by the Somerset County Prosecutor's Office and in our own communications, is a staggering number in and of itself. For many, even more shocking, was an amount cited by the Judge during Fr. Haefner's August sentencing hearing. The Judge referenced a global number that failed to consider any proper deductions or offsets, which is addressed in this letter. The prosecutor with the benefit of the diocesan review, the defense audit and ultimately its own forensic audit determined that \$516,984.56 was the appropriate figure and charged Fr. Haefner accordingly with a second-degree crime.

First, it is important to consider the context and background of all of this. This matter ultimately came to a culmination when the diocesan Parish Financial Services compelled Fr. Haefner to allow for its review of the St. Matthias parish financial records. There are mandatory reviews required by the diocese of each parish's financial records. The Parish Financial Services attempted repeatedly to perform the review of the St. Matthias financial records. Unfortunately, his refusal to permit the review was thwarted with his giving various reasons including his health and other related circumstances. It was finally the unyielding insistence of the diocese to accomplish the review. This appears to be what prompted him to go and see the Bishop. He told the bishop that he (Father Haefner) had inappropriately used approximately \$500,000 of parish funds. Again, as you know, Bishop Checchio immediately called for the reporting to the Somerset County Prosecutor's Office and notification to the parishioners of St. Matthias. The review quickly showed, through the level of payments identified as paid to American Express ("AMEX") that the AMEX transactions should be the focus of the investigation. As the parish did not have AMEX receipts and statements for the complete time under review, the

investigation relied on the subpoena power of the Prosecutor's Office to obtain them from AMEX.

The judge's reference to the \$1.5 million number was the amount the diocese determined to be the total amount of money considered as potentially subject to Fr. Haefner. The diocese then recognized certain funds as on their face parish related and reduced the number to \$478,487.86. The diocese did not consider any other offsets or delve any further into the purpose of the expenditures. Both numbers were provided to the prosecutor so it had the benefit of the overall numbers for full transparency. While the global number referenced in the Judgment of Conviction was over a million it did not account for the offsets.

Notably under the prosecutor's scrutiny, there were charges, which reasonably appeared to be for parish functions. Other charges appeared to be non-cash gifts to staff, volunteers, employees, retiring employees, and many parishioners. Some have confirmed receiving these non-cash gifts. The defense represented that the local hotel charges were for homeless persons' stays. Hearing aids for a parishioner, air fare for an employee to see their ailing mother in South America, business suits for out of work parishioners going on job interviews, staff retreats to Baltimore, to name a few. The defense team also represented that the Amazon charges were for worship aids. Some of this appears credible because the parish has a well-known history/reputation of compassion and generosity within the parish and local community. While the level of transactions seemed excessive and some even unnecessary, it could not be proven that the charges were for Fr.'s own benefit. Of further import, there was nothing about Father's lifestyle to indicate much in the realm of self-enrichment other than expensive trips. No expensive cars, real estate, etc... . The amount mentioned by the judge in the sentencing also did not include the reduction for the payments back to the parish that Father had made for years. After much back and forth between the Prosecutor and Fr.'s defense there was consensus on the number. It seems that Father might have known the number all along, as we see how very close the prosecutor's number is to the number Fr. Haefner originally told Bishop Checchio.

Specifically, the diocese notified the Somerset County Prosecutor's Office as soon as it became aware of the financial malfeasance. Subsequently, and with the Prosecutors authorization, the diocese conducted a review of St. Matthias's financials and then turned all of its findings over to the Somerset County Prosecutor's Office in a very open and transparent way. Next, the Prosecutor's office conducted its own independent forensic audit. As a former county prosecutor myself, I can tell you that the decision to prosecute is never taken lightly, and while driven by a number of different factors, the decision on whether or not to prosecute and what criminal charges to pursue, ultimately comes down to what can be proven beyond a reasonable doubt in a court of law. It was then Fr. Haefner's defense team's turn to conduct its own forensic audit allowing the prosecutor to consider all evidence and justifications offered by the defense. The Prosecutor, after weighing the evidence, evaluating the findings of the three audits, determined the theft of \$516,984.56 was the appropriate figure that could be proven beyond a reasonable amount in a court of law. When facts or circumstances appear obvious to many on the surface, they are not so obvious or clear when viewed under the lens of the rules of evidence, the constraints of the courtroom, and the requirement that these same facts must overcome the burden of proof beyond a reasonable doubt.

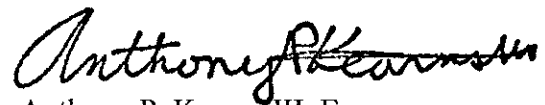
Some have asked to see the diocesan review and the audits of the prosecutor and defense. The parish annual reports for fiscal years 2019 and 2020 have been filed with the diocese. The diocese does not have any records of the parish, which would preclude the preparation of your financial statements. With regard to acts of charity by Fr. Haefner, whether appropriate/excessive or not, were made to people he deemed to be in need. These same people had the expectation of and should be given the highest degree of confidentiality. With regard to expensive and inordinate gifts made to people as well as expensive staff travels and workshops, these were not a fact hidden from the parish staff or others. No one brought any concerns or complaints forward about this practice. As a result, the Diocese has introduced the Navex anonymous reporting system to encourage people to bring forward concerns about financial matters in their parish.

The investigation is now completed and the prosecutor, charged with seeking justice, with specially trained detectives in financial crimes, determined that Fr. Haefner be charged with the theft of \$516,984.56 and not the raw \$1.5 million unadulterated number cited by the Judge. The records reviewed, by an impartial third party seeking justice, provides the best evidence of what the actual theft was. I cannot change the prosecutor's findings nor can anyone in the parish or diocese. Any review of the records considered by the prosecutor by individuals not trained or not investing the necessary time to review the records could lead to innuendo and false assumptions. The prosecutorial team took years to get to their final decision, as you well know. We can only rely on the findings of the prosecutor and take the investigation into this matter no further. The diocese has shared all of this information with the insurance company and we await its analysis. Once we have their information, we will share the same with you.

This undoubtedly has been a very heavy burden for the St. Matthias Parish community to bear. Please be assured that the parishioners of St. Matthias do not carry the weight of this outcome alone. You have the support and prayers of our entire diocesan community and certainly those of Bishop James F. Checchio. He has assured both Fr. Abraham and I of his prayers for you and the parish, especially during the previous month dedicated to the Most Holy Rosary and in this time when we remember the holy saints and souls in Heaven and ask for their intercession.

May we entrust all of our concerns and anxieties to Our Lady, Queen of the Most Holy Rosary, handing over to her and her Son Jesus Christ, all of our burdens, including those, which we have all carried because of the heartbreaking actions of Fr. Haefner.

Sincerely yours in Christ,



Anthony P. Kearns III, Esq.
Chancellor, Diocese of Metuchen

c. Rev. Abraham Orapankal