



# GREEK ORTHODOX METROPOLIS OF BOSTON

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## ΙΕΡΑ ΜΗΤΡΟΠΟΛΙΣ ΒΟΥΣΤΩΝΗΣ

February 8, 2017

The Rev. Nicholas Kastanas, *Presiding Priest*  
Constantine Ioakimidis, *President*  
Stefanos Bouboulis, *Treasurer*  
and the Members of the Parish Council  
**St. Athanasius the Great Church**  
4 Appleton Street  
Arlington, MA 02476

### **Ref: Parish 2012 - 2013 Metropolis Financial Review**

Dear Brothers and Sisters in the Lord,

In accordance with the Archdiocese Finance Committee rules, the Metropolis Finance Committee (MFC) is required to select parishes at random for a financial review. In 2014, St Athanasius was one of the parishes selected. During our examination, we discovered that there was an account called "St. Athanasius Greek Orthodox Church Homeless & Needy Fund", which did not appear on the annual St. Athanasius Parish audits. Once we realized that this account was not included in the records obtained from the parish, we requested that all related statements associated with this account be immediately provided to the MFC so that we could complete the review process. The completion of this financial review has been on hold for over two years due to the unnecessary delays and obstructions that prevented the MFC to complete its work

- Father Kastanas was provided with an authorization form to sign that would enable us to quickly access the records of this account, since he failed to furnish the complete information that had been requested on numerous occasions. When repeatedly reminded to sign and remit the authorization form, his responses included "I am praying on it ...I must have my attorney look at this first." It became evident that Father Kastanas did not want to cooperate in disclosing complete information about the account transactions citing many reasons including confidentiality as well as its contents were "confessional" in nature. This is in direct violation of the Uniform Parish Regulations of the Greek Orthodox Archdiocese (UPR), Article 34, Section 7A. Although our committee assured him that strict confidentiality would be maintained, we never received his full cooperation. After waiting for over a year, the MFC decided to have the

Metropolis attorney obtain the available bank records associated with this account.

- It should be noted that this account was **NEVER** under the control of the Parish Council, which is in direct violation of the (UPR), Article 34, Section 1, "*The Parish Council shall be the custodian of all Parish funds*". The audit review conducted by the MFC showed that numerous checks were made payable to the "St. Athanasius Greek Orthodox Church", but deposited into this "Homeless and Needy Fund", (instead of into the main operating fund of the parish). We have been in contact with and spoken to previous members of the Parish Council and learned that past Parish Councils had heated discussions about overseeing this account, which the Priest solely controlled since its inception. We spoke with some previous members of the Parish Council who resigned rather than continuously argue with Father Kastanas.

After our review of the "Homeless & Needy Fund", we highlight the following observations:

- As no individual, including the Treasurer of the Parish Council, was privy to the donations deposited directly into this account, it remains unclear whether some checks that were deposited into the account were donations for the "Homeless and Needy Account", or for another purpose, such as Stewardship, or donations to the Memorial Fund, etc.
- On June 24, 2013, a new account signature card was executed by Father Kastanas, bearing what we believe is Father Kastanas' personal Social Security Number. If this is the case, then, we clearly state that this **CANNOT** be done when receiving funds in the church's name. All such funds **MUST** be registered under the name and Tax Identification Number of the Community and **MUST** be under the control of the Parish Council and reviewed annually by the Audit Committee, elected by the Parish Assembly. Unfortunately, our review clearly identifies checks totaling over \$5,000 made payable directly to St. Athanasius which were deposited into the "Homeless and Needy Account".
- Numerous checks were made payable to various individuals including Fr. Kastanas, Deacon [REDACTED], [REDACTED] seminarians, sextons, and chanters. If these amounts were considered as income, then they should have been included on their W-2 Tax Forms (or issued a Form 1099 if over \$600 in total for one year). If it was the desire of the recipient to donate these funds to the "Homeless and Needy Account", a tax donation letter should have been issued with a copy filed at the parish.
  - **WHY WERE THESE CHECKS, WHICH WERE MADE PAYABLE TO SPECIFIC INDIVIDUALS, DEPOSITED INTO THE "HOMELESS AND NEEDY ACCOUNT"?**

- **WHAT HAPPENED TO THESE FUNDS FOLLOWING THESE DEPOSITS?**
- **WAS THIS COMMON PRACTICE?**
- Miscellaneous receipts of donations were identified as being deposited in the “Homeless and Needy Account”, including: Funds received for the purchase of an icon of Saint Nectarios; Funds received for Altar covering; Funds received from GOYA for iconography.
  - **WHY WERE THESE CHECKS DEPOSITED IN THIS ACCOUNT?**
  - **WHERE ARE THESE MONIES NOW?**
- Finally, the Metropolis Finance Committee was disappointed that the Community allowed this type of financial impropriety to occur. We were further disappointed in the Audit Committees, who, elected by the General Assemblies, failed to include this “Homeless and Needy Account” in their annual audits.

Because the MFC never received the requested complete records for this “Homeless and Needy Account”, the completion of the 2012-2013 St. Athanasius Financial Review was delayed for over two years. Subsequently, the MFC obtained the bank records for this account and noted the following:

- The record keeping and cash-in and cash-out activities of this account did not adhere to proper accounting procedures or conform to the Archdiocese Uniform Parish Regulations (UPR). In fact, the way in which this account was managed and utilized one could infer an appearance of impropriety and suspicion.
- The Archdiocese Uniform Parish Regulations outline the proper accounting practices for our Communities. In addition, the Metropolis is enclosing a detailed ***Discretionary Account Guidelines*** that **MUST** also be followed for all such accounts going forward—NO exceptions.
- Also, enclosed is the ***“Parish Council Procedures and Administrative Practices”*** booklet, which should be followed in order to avoid any further issues concerning financial process.

## **CONCLUSION:**

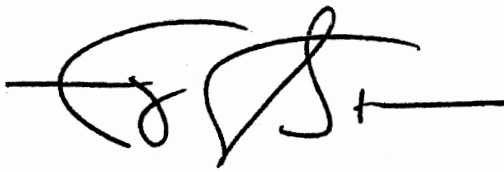
With the blessings of His Eminence Metropolitan Methodios, the MFC is issuing the following directives in regards to this matter:

1. The Parish Council President shall appoint a special audit committee (comprised of 6 people—3 members from the current Parish Council and 3 members who are not serving on the Parish Council) for the sole purpose of carefully reviewing this “St. Athanasius Greek Orthodox Church Homeless & Needy Fund”. We are

enclosing all the documents we received from the Citizens Bank for your audit review. The MFC is available to consult with the newly appointed Parish Audit Committee as necessary.

2. This special parish audit shall be completed by March 31, 2017, after which a full report must be presented to the Metropolis Finance Committee and to the St. Athanasius Parish Council.

With love in the Lord,

A handwritten signature in black ink, appearing to read 'A. Stamoulis', with a horizontal line extending to the right.

**Angelo A. Stamoulis**  
*Metropolis Finance Committee Chair*

enclosures: Discretionary Account Guidelines  
Parish Council Procedures and Administrative Practices booklet.  
Homeless & Needy Account documentation

CC: His Eminence Metropolitan Methodios  
Reverend Theodore J. Barbas, *Chancellor*