

FORMER OCA TREASURER BREAKS SILENCE:

Old Scandal Resurfaces Amid Fresh Allegations & New Details

Stunning new allegations of financial corruption and personal misconduct, as well as insider details of a cover-up have been leveled against the current administration of the Orthodox Church in America by its former Treasurer, Protodeacon Eric Wheeler. In a series of three letters dated October 15 to November 1 sent to Metropolitan Herman, Primate of the OCA, members of the OCA's Holy Synod, and finally, members of the OCA's Metropolitan Council, Wheeler demanded the Orthodox Church in America "clean house".

The Scandal

Many of Wheeler's allegations, including the existence of secret discretionary accounts totalling millions of dollars, first surfaced in 1999 when the former chairman of the OCA's Audit Committee, John Kozey, balked at signing the 1997-98 official audit. When Kozey revealed the problem of "Discretionary Accounts" to the OCA's Holy Synod, and later, Metropolitan Council, Kozey was summarily dismissed, at least one member of the Metropolitan Council was forced to resign and Wheeler was "reorganized" out of his position as Treasurer.

Now Wheeler, who had a stellar career in the administration of the OCA, first as an administrator at St. Vladimir's Seminary, then as Secretary to Metropolitan Theodosius from 1988-96 and finally as OCA Treasurer from 1996-1999, has broken his long silence about these matters in a confessional *mea culpa* that has the OCA administration in an uproar, the OCA hierarchy splintering, and the Orthodox cyberworld abuzz since major excerpts of the three letters were posted on Orthodox-Forum@Yahoogroups.com

Financial and Personal Misconduct

In his climatic third letter which details the origin, nature and scope of the corruption, as well as the ensuing cover-up, Wheeler explains: "*The prevailing financial climate at the (OCA) Chancery was always one of concealment. Everything pertaining to money had to be handled in a secretive manner since the bishops were not interested in the financial needs of the central church, the Metropolitan Council and church bodies lacked, or rather, could never be given real control over the money and the masses were not spiritually mature enough to handle the truth.*" Given this atmosphere, Wheeler writes, funds were needed "*to safeguard the church from scandal, to cover embarrassing credit card debts incurred by the Metropolitan, to provide family members who leached off their relatives with a steady stream of assistance, to pay blackmail requests and to provide the means to entertain with dinners, trips and gifts of cash the visiting foreign dignitaries and "friends of Syosset".*"

According to Wheeler, secret bank accounts were established in the Roslyn Savings Bank, funded by undisclosed donations to the OCA by the Archer Daniels Midland Foundation (as well as personal foundation of ADM's founder, the Dwayne Andreas Foundation) totalling almost \$5 million – as well as off-the-book sales of merchandise and liturgical items from Russia to OCA clergy and parishes. Wheeler details how Temporarily Restricted Funds – the OCA's Annual Mission, Seminary and Charity Appeals - were looted to cover operational expenses in an extensive shell game meant to cover financial irregularities. "*On a regular basis*", Wheeler writes, "*petty cash checks were cut from these accounts in the amounts of \$10,000 with the cash being given to Father Kondratich. A review of the financial records of the church during this period will show a deficit in the Charity Appeal Fund of close to \$275,000 dollars.*" Additional monies, according to Wheeler, were diverted from Church Planting Grants as well as the Department of Chaplain's *Bibles for Russia* campaign.

Wheeler's insider description of the financial chicanery at Syosset occasionally borders on the comic as he explains how a proposed visit to the OCA's Representation Church in Moscow, St. Catherine's by ADM's Dwayne Andreas threatened to bring down the house of cards. Having diverted Andreas' annual gifts for a conference and communication center in Moscow for years to secret accounts, Wheeler writes: "*The greatest fear was that Mr. Andreas would want to view the nonexistent conference center. A plan was put into place to*

present the offices of the law firm renting property within St. Catherine's complex as the "Andreas Conference Center" – the only thing to be changed were the signs on the outside of the building."

The Scandal Breaks

Wheeler's tone changes, however, as he begins to detail the events which led to his own dismissal in 1999. Wheeler writes: "*As the All-American Council neared in 1999 I felt it essential to present an audited financial report for the years 1996-1998. Not to mention the fact that the plenary session devoted to finances was to be four hours in total presentation, with 45 minutes of open questions for the Treasurer.*"

With neither Metropolitan Theodosius nor Fr, Kondratick willing to address the unethical behaviors or financial irregularities, Wheeler himself balked. "*On June 20, 1999,*" Wheeler writes, "*I finally broke down and explained the entire financial mess to Rob Taylor, a partner of the CPA Firm responsible for auditing the accounts of the Church.*" Taylor, however, only informed the Chairman of the OCA Auditing Committee, John Kozey, of the secret accounts. Kozey, in turn, informed all members of the Holy Synod and Metropolitan Council in early July, 1999 of the secret "discretionary accounts".

The Cover Up

"*It is telling,*" continues Wheeler, "*that within a week ... Metropolitan Theodosius retained the services of a private lawyer, Michael Kennedy, and Father Kondratick retained the services of David Chesnoff, a lawyer from Las Vegas provided through the connections of Richard Rock and William Tarbey.*" In order to contain any potential scandal before the Metropolitan Council's meeting, the Holy Synod met and voted to officially allow discretionary accounts, as well as to prohibit audits of them. Now Wheeler reveals that: "*The resolution signed by the Holy Synod during the All American Council in 1999 calling for the Metropolitan to deny any type of audit of the "Discretionary Account" was actually prepared by legal counsel for the Metropolitan.*"

Wheeler continues: "*This scandal would not be resolved, at least from the standpoint of Metropolitan Theodosius and Father Kondratick, until the Spring of 2000 with the Metropolitan's Report to the Holy Synod. Richard Rock, formerly of Martinez & Murphy, would run the "cover up" and worked with Father Kondratick to construct an entire paper trail for the "so-called" discretionary account from 1996 to 1999. The discretionary account would end up footing the bill for the personal attorneys for the Metropolitan and the Chancellor and the accounting fees for Heinz and Associates for their review (not an audit of financial statements) of the paperwork created "after the fact" by Richard Rock.*"

In the wake of the successful cover-up, Kozey was dismissed and several members of the Metropolitan Council who had passionately argued for greater financial accountability and transparency forced to resign, as neither the Bishops, nor clergy would confront Syosset. The affair seemed finished as Metropolitan Theodosius reported to the 2000 Spring Session of the Holy Synod that "*... an external audit is not a canonical requirement and is an expensive and unnecessary exercise which causes internal turmoil rather than good order.*" The cover-up was complete.

Charges Continue

Charges of financial irregularities, however, continued to be leveled against Syossett. Most recently, widespread questions arose regarding the dispersal (or rather, non-dispersal) of the more than \$275,000 collected specifically for the 9/11 Charity Fund. In response to these questions, and at the urging of his Diocesan Council, Archbishop Job of Chicago and the Midwest, representing the OCA's largest diocese, sent a letter in June 2005 asking for a "*broader explanation of church finances and accounts*" at the All-American Council in Toronto.

In a response dated June 30, 2005, the Chancellor of the OCA maintained that it would be "*inappropriate*" to release additional financial information to the All-American Council "*without the prior approval of the Metropolitan Council and the blessing of the Holy Synod*", claiming that the Metropolitan

Council “*is provided with all pertinent information concerning finances.*” This refusal caused one prominent Metropolitan Council member from the neighboring Diocese of Western Pennsylvania, US Attorney Greg Nescott, to resign in July 2005 citing the “*...continued lack of openness in the OCA’s chancery and central administration.*”

Wheeler Breaks His Silence

Wheeler offers no single or dramatic reason for breaking his silence at this time. He does acknowledge that writing these letters “has been cathartic”. His sole hope, he writes is “*by conveying my side of the story, and by attempting to explain the financial abuse that has taken place over the years, we can affect a change in the approach to financial stewardship and accountability in the Orthodox Church in America.*”

Responses Vary

Clearly, Wheeler’s letters have reopened the book on the many scandals that have plagued Syosset for the past six years. Publically, Syosset has been silent on the charges. Privately, Syosset supporters dismiss Wheeler’s allegations as the work of a “*malcontent*”, saying “*the issues have been resolved long ago*”.

Not surprisingly, other members of the Holy Synod, however, seem to have taken Wheeler’s charges to heart. Although rebuffed before the Council, Archbishop Job held a meeting of all his Deans on Thursday November 3rd in Chicago to discuss Wheeler’s revelations. No official announcement has yet been made but sources close the meeting indicate that unless significant actions are taken, the largest Diocese in the Orthodox Church in America may be contemplating withholding funds to Syosset until remedial actions are taken.