News

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A former assistant superintendent of Catholic schools for the Archdiocese of Washington was arrested Sept. 26 after federal law enforcement officials charged him with mail fraud in a scheme to embezzle money from the archdiocese.

Kenneth Gaughan was charged with three counts of mail fraud and accused of stealing nearly $45,000. State and federal law enforcement officials allege that from June 2010 through April 2018, Gaughan created vendors and generated invoices for anti-bullying and crisis intervention programs, as well as mass texting services.

"Gaughan allegedly opened virtual and private mailboxes in order to receive the checks that (the archdiocese) issued to pay for the fraudulent invoices that Gaughan manufactured and transmitted to ADW officials," according to a statement released by Robert Hur, the U.S. attorney for the District of Maryland, and Gordon Johnson, an FBI special agent.

The indictment alleges that Gaughan "incorporated two companies using names that were almost identical to those of real companies and opened bank accounts in the names of those companies." The indictment said that Gaughan submitted for

payment invoices from those companies and "deposited the checks issued by ADW into the bank accounts he controlled, and converted the money to his personal use."

If convicted, Gaughan faces a maximum sentence of 20 years in prison for each of the three counts.

Investigators were alerted to the scheme by the Archdiocese of Washington, which last April "became aware of financial irregularities that suggested possible mishandling of archdiocesan funds" by Gaughan, according to a statement released by the archdiocese.

After discovering the irregularities, "Gaughan was put on administrative leave and subsequently ceased employment with the archdiocese. The archdiocese conducted a comprehensive internal investigation and promptly contacted the Federal Bureau of Investigation, which undertook a thorough review of the financial issues," the statement said.

Gaughan made an initial appearance Sept. 26 in U.S. District Court in the Washington suburb of Greenbelt, Maryland, and was released under the supervision of U.S. Pretrial Services.

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While he was employed by the archdiocese, Gaughan was responsible for recruiting and submitting invoices for contractors who provided various services to Catholic schools, including anti-bullying, crisis intervention and professional development programs.

The Archdiocese of Washington, in its statement, said that while Gaughan was indicted on the three charges totaling almost $45,000 in misappropriated funds, "the archdiocese believes the actual amount of money Gaughan took for his own benefit to be significantly more."

The archdiocese also said in its statements that insurance would cover the losses.

"Responsible stewardship of the financial gifts generously entrusted to the church by the faithful is a responsibility that the archdiocese takes very seriously," the statement said. "The Archdiocese of Washington implements internal financial

controls to ensure that contributions by the faithful are used for their intended purposes in carrying forth its ministries."

The statement from the archdiocese also noted that "individuals who suspect financial or employee misconduct involving any parish, school, agency, archdiocesan office, and any archdiocesan employee are encouraged to report it to civil authorities and to the archdiocese."