News



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A Dallas law firm and a Rhode Island parishioner alleged in a federal lawsuit that the U.S. Conference of Catholic Bishops misled donors nationwide regarding the purposes of the annual Peter's Pence collection.

Plaintiff David O'Connell, a member of Sacred Heart Parish in East Providence, Rhode Island, charged in the Jan. 22 filing seeking class action that the USCCB promotes the collection as assisting in the charitable works of the pope, but that recent media reports in Italy identified Peter's Pence funds as being invested in part in real estate and Hollywood films.

O'Connell referred questions to Marc Stanley of Dallas-based Stanley Law Group, who filed the lawsuit in the U.S. District Court in the District of Rhode Island.

O'Connell told Catholic News Service Jan. 23 he agreed to lend his name to the lawsuit after "I learned from a friend of a friend of a friend that they (the attorneys) were looking for somebody and I got in contact with them."

A USCCB spokesman cited conference policy in not commenting on pending litigation.

The USCCB website describes the Peter's Pence collection as providing "the Holy Father with the financial means to respond to those who are suffering as a result of war, oppression, natural disaster and disease."

The Vatican website elaborates that the offering enables the pope to "provide for the needs of the entire church" and the "whole of humanity, at whose service the structures of the church exist. For this reason, Peter’s Pence also contributes to the support of the Apostolic See and the activities of the Holy See."

Questions about the Vatican's handling of the collection, which is taken annually in parishes worldwide in June, emerged in recent reporting by two Italian news outlets following a raid by Vatican police of the offices of the Secretariat of State and its financial oversight office last October.

According to news reports, the investigation concerned the actions of now-Cardinal Angelo Becciu, prefect of the Congregation of Saints' Causes. Becciu oversaw the investment in real estate in London of some Peter's Pence funds when he was a top official in the Vatican Secretariat of State. The investments reportedly included a failed 200 million-euro investment in a luxury apartment building in London’s Chelsea District.

Part of the reporting by the Italian newspaper Corriere della Sera focused on other funds invested in Centurion Global Fund based in Malta, which in turn invested in the films "Rocketman," about singer Elton John, and "Men in Black: International."

Peter's Pence for years has been used for general church support, including the Roman Curia and Vatican embassies around the world. Since at least the 1980s, the fund also was used to cover administrative expenses during the pontificates of St. John Paul II and Pope Benedict XVI.

In the filing, the lawsuit cited an unsourced Wall Street Journal report that claimed 10% of the Peter's Pence collection was used for charitable purposes.

The Vatican itself argues that investing the money is both necessary and responsible. Francis has defended how the Vatican invests its money, including the millions of dollars that are raised in the Peter's Pence collection.

"The sum of Peter's Pence arrives and what do I do? Put it in a drawer? No. That's bad administration. I try to make an investment," the pope told reporters Nov. 26 on his return flight to Rome from Japan.

In an interview with the Italian news agency ANSA Oct. 29, Becciu reiterated that the Peter's Pence collection "is not only for the pope's charity but also for the sustenance of his pastoral ministry."

He also decried charges that he misused the fund for investments instead of direct aid to the poor, calling them "muddy accusations that I firmly and disdainfully reject."

The O'Connell-Stanley lawsuit accuses the USCCB of "knowing, active and ongoing fraudulent concealment" because it has failed to notify contributors that the "vast majority of donations to Peter's Pence are not spent for the purpose promised to donors."

"Although it knew or should have known that donations to Peter's Pence are diverted to noncharitable purposes, USCCB did not acknowledge the problem, and in fact actively concealed it," the lawsuit said.

O'Connell said, according to complaint, that he contributed to Peter's Pence at his parish "in order to help those in disaster stricken-parts of the world in immediate need of assistance."

"On behalf of himself and everyone else in Rhode Island and the United States, he now asks USCCB to come clean," the lawsuit said. "Having collected hundreds of millions of dollars from faithful and well-meaning donors for the poor in immediate need of assistance, USCCB must now account for itself and the money with which it was entrusted, and, in the interests of justice, it must disgorge the funds that were not spent as promised."

The lawsuit seeks an injunction to stop the USCCB from its practices related to the annual collection.

Stanley's law firm has established a website, peterspenceclassaction.com, inviting others to register their concerns.

"We anticipated there would be a lot of interest and that people would have a lot of questions. We set up a website for that purpose," Stanley told CNS.

Stanley declined to say how many people had reached out through the website other than to say "lots" had.

"I'm interested in seeing transparency. If you're going to collect money for a specific purpose," Stanley said, pausing, before continuing, "we just don't want to see a shell game."

However, two commentators in the University of Notre Dame’s Church Life Journal note the "strange situation of the Holy See with regard to its wealth." It has "global scope spiritually yet with minuscule territory." A sovereign state with virtually no tax base and no territory, it is necessary to invest in order to meet is financial needs and goals, said Gladden Pappin and Edoardo Bueri.

"Without significant territory in which to invest its assets for the good of residents, the Holy See has to engage in the normal investing operations that other sovereign states do," they concluded.

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