



BLUESTONE INC.

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Copied to Monsignor Edward Arsenault.

Dear fellow St. Lawrence Parishioners September 23, 2007

It is with a heavy heart that I'm writing this letter. I never thought that it would come to this.

My name is Gerard Beloin. I am a 15 year member of St. Lawrence Parish. I have been in the roofing industry for 25 years. I own a company that designs roofing systems for the commercial roofing market. The St. Lawrence Catholic Church re-roofing project is part of my market. The church was designed by the finest Architects and properly constructed of top notch materials. I have recommended ventilated roofs before. This structure is fine and requires no ventilation. Following are legitimate bids for re-roofing the St. Lawrence Church roof with the same 50 year shingles recommended by Mr. Ray Clement and Paul Nault, the property managers for the Diocese of Manchester and the price of the contract awarded to A.W. Therrien Roofing. These bid prices meet all of the building codes. The slate roof costs substantially less than the cheap 50 year shingles and is expected to last 350 years longer. **That is how you can tell that the bids are being rigged when the relatively cheap 50 year asphalt shingles cost substantially more than the 400 year slate roof.** Anyone with a computer can price a slate roof by googling [Vermont slate](#) and getting a price on 13,000 sq. ft. of slate. 2 men can install a slate roof on the St. Lawrence Church in 2 months. Anyone can do the math.

Bluestone, Inc. - 50 year Architectural shingles with <u>parish volunteer labour</u>	\$15,000.00
RJ Kellogg Construction - 50 year Architectural shingles	\$33,475.00
Bluestone, Inc. - 50 year Architectural shingles - Contract price	\$43,332.00
Moe Duhaime Roofing - 50 year Architectural shingles	\$52,000.00
Bluestone, Inc. - <u>Vermont Slate roof with parish volunteer labour</u>	\$70,000.00
Bluestone, Inc. - Western Red Cedar Shakes – Self ventilating	\$97,520.00
Bluestone, Inc. - <u>Vermont Slate roof</u> – Requires no ventilation - Contract price	\$122,000.00
A.W. Therrian Roofing - 50 year Architectural shingles	\$155,000.00

A few years ago I proposed to Father Don to re-roof the St. Lawrence Parish Church with 30 year Architectural shingles for only **\$13,000**. That offer still stands. I made that offer again in June of this year to Mr. Ray Clement and Paul Nault, property managers for the Diocese of Manchester. It was rejected out of hand. It had to be done by a contractor “for liability purposes.” I explained to them that the Parish could purchase an insurance rider to protect themselves for just a few hundred dollars. “No, no, no. We don’t do it that way.”

Two weeks ago Mr. Paul Nault announced to the St. Lawrence Parishioners that the re-roofing project would cost **\$155,000!** for a 13,000 sq. ft. asphalt shingle roof?! That is \$11.92 per sq. ft. Bluestone’s proposal with all of the bells and whistles that meet all of the building codes was for only **\$42,332 for the same roof!** That is almost **4 times** our bid price and **12 times** what I was willing to do it for as a loyal 15 year member of St. Lawrence Parish. The church has a legal fiduciary obligation to spend our donations wisely. In this case it is being abrogated.

To put this in perspective, at this price of \$12.00 per sq. ft., the average home in Goffstown would cost \$30,000 to re-roof. **The awarding of this contract is fraudulent.**

All of this should be an insult to the parishioners who are part of the construction industry. I am one of them. The contractor awarded the bid has known ties to organized crime. I have personally gotten A.W. Therrien Roofing removed from public bidding contracts in the Town of Raymond, Bedford, Manchester, and Goffstown by exposing their bid rigging schemes in conjunction with the Garland Company. Therrien Roofing was one of their Certified Installers.

The Garland Company was convicted in the Los Angeles District Court, Consumer Protection Division in the case People of the State of California vs. The Garland Company, Inc et al Case # BC 168132 1997 as being involved in the pattern and practice of

- (A) Bid rigging, (B) Vertical price fixing, (C) Horizontal price fixing, (D) Unlawful business practices
- (E) Unfair business practices, (F) Fraudulent business practices, (G) Unfair advertising, (H) Deceptive advertising,
- (I) Untrue advertising, (J) Misleading advertising and (K) Commercial bribery.

Because of my successes against ‘these guys’, in exposing the bid rigging scheme in the Goffstown High School construction and renovation project **“these guys”** sent a **“personal messenger”** to threaten to **shoot me**

dead at the hands of police gunfire if I did not stop blowing the whistle on their crimes. Send me your e-mail address and I will send you other links.

[12-13-2004 – “Worry about somebody shooting you some night”](#)

[2004-12-13 - “Bombs with gas in it”](#)

[12-13-2004 – “Extortion” - “Few precious moments left on Earth”](#)

[12-13-2004 – “Send GFD to burn you out. Finish the job they started”](#)

[03-14-2005 – “You are not going to go after KERRY \(Prosecutor Steckowych\) anymore”](#)

[06-09-2006 – Motion to Dismiss with prejudice “Granted”](#)

The recordings are very detailed and disturbing. I suggest that you not let your small children listen to them. These threats were being made against me because I caught them bypassing the legally required structural code, safety code and fire code upgrades on the Goffstown High school construction project. Retired fire chiefs Paul Nault and Ed Hunter were the building inspectors responsible for enforcing the building codes on the Goffstown High School construction project. Where is the Goffstown Taxpayer Association when you need them?

NH State Statutes - Permits for Public Buildings:

Construction or renovation of schools, halls, theaters or other public buildings requires a permit from the Board of Selectmen (if no building permit process has been adopted) or a building permit issued pursuant to the local process. The written recommendations (if any) of the fire chief must be considered prior to the issuance of the permit. [RSA 155-A:4] It is the fire chief's jurisdiction to enforce all building codes on school buildings.

They looked the other way and allowed these blatant and egregious structural and safety code violations to go on unabated on a school. Millions were paid and the work was never done. Deputy Chief Mark Hurley, with his permission, is on tape establishing this timeline.

On the recordings, “these guys” admit to extortion, arson and murder. The extortion is obvious; the fire was right behind the Church parking lot right next to my warehouse and was determined to be arson. My partner in blowing the whistle on “these guys”, Dr. Hieber, Chairman of the Goffstown School Board, died “unexpectedly and mysteriously” precisely at the time that we were going to go to law enforcement. His cause of death has never been determined. (**Hieber V. CMC HCSC NO. 03-C-104**) One of these recordings describes how they poisoned Dr. Hieber. One of “**these guys**” named on the tapes is our fellow parishioner, [Goffstown Prosecutor Kerry Steckowych](#), a “close personal friend” of Paul Nault. When I made the tapes public Kerry Steckowych sued me and lost. (**Steckowych V. Beloin HCSC 05-E-0111**) These recordings have been played in the Courts and have been adjudicated to be authentic. So much so that Attorney Steckowych's, prestigious Concord law firm, Shaheen and Gordon, offered me \$400,000 for these tapes and all of the copies. I declined the offer. Both US Senators Sununu and Gregg have listened to these recordings. They have both written letters on my behalf to the U.S. Department of Justice. I am undefeated in the Courts. They have resorted to death threats because they can't fight me legally. **I have made these claims in public and under oath and I have never been sued for slander or prosecuted for perjury.** The issue of credibility here is not with me but with the Church. Sad isn't it?

Bishop McCormack insists that everything is on the up and up. This is the same Bishop that said that there were no problem priests in the Archdiocese of Boston. Only after thousands of victims came forward and the proof became overwhelming did they admit to guilt and settle for over one billion dollars nationwide.

Now, in the face of overwhelming evidence that property managers for the Diocese of Manchester are awarding exorbitant contracts to companies with known ties to organized crime, Bishop McCormack is still saying that there is no problem and Father Bertin is asking all of us to dig deeper and give more. As for me, my wallet is closed and I suggest that you all do the same until the pending lawsuit is resolved.

In a meeting with Paul Nault, a “close personal friend” of prosecutor Kerry Steckowych, I played the recordings for him. He said that if true, those statements would be “inappropriate”. I would like to remind Paul Nault that if true, extortion, arson and murder are all crimes that require either long prison sentences or the death penalty, not a time out in the corner. Paul Nault refused to denounce his friend, Prosecutor Kerry Steckowych.

Gerard Beloin

President: Bluestone, Inc.

15 year member of St. Lawrence Parish-Send me your e-mail address and I will keep you updated on the court cases.

“All that is needed for evil to prevail is for a lot of good people to do nothing.”

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jmccormack@rcbm.org

stlawrenceoffice@verizon.net

The question on everyone's mind is: Why is the NH AG's office not doing anything about this? That is the same question that is on my mind.

CC: Bishop McCormack and all Southern NH newspapers.



CUSTOM DESIGN, MANUFACTURING AND DISTRIBUTION OF PERFORMANCE ORIENTED ROOFING SYSTEMS

Former NH diocese official under investigation

By HOLLY RAMER / Associated Press / May 6, 2013

CONCORD, N.H. (AP) — The leader of one of the nation's top clergy treatment centers resigned Monday over allegations involving an inappropriate adult relationship and misuse of church funds in New Hampshire, where he previously served in numerous leadership positions with the Diocese of Manchester.

Msgr. Edward Arsenault held several senior positions in New Hampshire from 1999 to 2009 before becoming president and CEO of Saint Luke Institute in Maryland in October 2009. In New Hampshire, Arsenault had been former Bishop John McCormack's top lieutenant, handling the clergy sexual abuse crisis and being responsible for the church's new child protection policies.

The Diocese said Monday that it received allegations earlier this year regarding a potentially inappropriate relationship involving Arsenault. During its investigation, the diocese found evidence of improper financial transactions, and reported the matter to the attorney general's office.

In a statement, Bishop Peter Libasci said the diocese will cooperate fully with the investigation.

"I am committed to reviewing our internal diocesan operations to ensure that any issues are identified and corrected, as necessary," he said. "We will do this in the light of day."

Arsenault could not immediately be reached for comment Monday.

Senior Assistant Attorney General Jane Young said investigators from her office met with both diocesan officials and representatives from Catholic Medical Center two weeks ago, and based on information they provided, decided to launch an investigation. The hospital sought an investigation because Arsenault did consulting work for the hospital in 2009 and 2010.

The investigation does not involve Saint Luke Institute, a prominent education and counseling center based in Silver Spring, Md., with sites in other parts of the U.S. and in Britain. The center treats priests with a range of mental illnesses and has played a key role in addressing the problem of sexually abusive clergy.

"This is very difficult news, and we are keeping this situation in prayer," said interim CEO Sheila Harron.

Associated Press Religion Writer Rachel Zoll contributed to this report.

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Cleric Arrested in \$26 Million Plot, Leaving New Blot on Vatican Bank

By RACHEL DONADIO and ELISABETTA POVOLEDO
Published: June 28, 2013

ROME — A Vatican official. A private plane. And 20 million euros in cash.

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Francesco Pecoraro/Associated Press
Prosecutors allege that a broker and a secret service agent had been plotting to help Monsignor Nunzio Scarano bring 20 million euros into Italy from Switzerland in a private jet.

Claiming to have foiled a caper worthy of Hollywood, or at least Cinecittà, the Italian police on Friday arrested a prelate and two others on corruption charges, saying that the priest plotted last summer to help wealthy friends sneak the money, the equivalent of about \$26 million, into Italy while evading financial controls.

Along with the prelate, a financial broker and a military police agent deployed to the Italian Secret Service were arrested after an investigation that developed out of a broader three-year inquiry into the Vatican Bank. The case is the latest black mark on the bank, which under Pope Francis and Pope Benedict XVI has been trying to shake its image as a secretive tax and money laundering haven and bring itself into compliance with European norms so it can use the euro.

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Rome prosecutors say the three men hired a private plane last July with the intention of bringing the cash into Italy from Locarno, Switzerland. The money was to be carried by the Secret Service agent, Giovanni Maria Zito, who would not be required to declare it at the border. But

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the scheme fell through, the prosecutors said, as the three began bickering and, eventually, lost their nerve. Cellphones used by the three in arranging the money transfer were later burned, prosecutors said.

The European Union and the United States have served notice in recent years that they will no longer tolerate the wall of secrecy in tax havens like Switzerland, Luxembourg and the Cayman Islands. As a result, major account holders have been growing increasingly nervous.

Nello Rossi, the Rome prosecutor who led the investigation, said that discussions picked up on wiretaps seemed to indicate that the 20 million euros in Switzerland was tied to the D'Amico family, Salerno shipping magnates.

Even before his arrest on Friday, the prelate, Msgr. Nunzio Scarano, was known to the authorities. An employee of Deutsche Bank before entering the priesthood, and until recently an accountant in a top Vatican financial office that oversees the Catholic Church's real estate holdings, Monsignor Scarano was under investigation by magistrates in Salerno on accusations that he illegally moved \$730,000 in cash from his account in the Vatican Bank to Italian banks, his lawyer said.

Monsignor Scarano's lawyer, Silverio Sica, said his client would contest the charges. "I am certain he will want to speak to prosecutors to clarify his position," Mr. Sica said. He added that Monsignor Scarano had had no previous dealings with the police or with judicial investigations.

In a statement on Friday, the Vatican spokesman, the Rev. Federico Lombardi, said that Monsignor Scarano had been suspended from his position at the Vatican "more than a month ago, ever since his superiors were informed that he was under investigation."

He added that the Holy See "has not yet received any requests from the competent Italian authorities, but confirms its willingness for full collaboration," and that the Vatican's internal financial watchdog was following the matter and would take, "if necessary, the appropriate measures in its competency."

Only priests, members of religious orders, Catholic institutions, employees of the State of Vatican City and diplomats accredited to the Holy See are allowed to keep accounts at the Vatican Bank, known as the Institute for Works of Religion. But rumors have long swirled that accounts were being used as fronts for other interests, including organized crime and Italian politicians.

In the Salerno case, prosecutors accuse Monsignor Scarano of having illegally moved 560,000 euros, equivalent to \$730,000, from his account in the Vatican Bank. Mr. Sica said that the monsignor had told prosecutors that the money came from a "generous donor" and was

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intended to finance a hospice for terminally ill patients in Salerno.

A version of this article appeared in print on June 29, 2013, on page A4 of the New York edition with the headline: Cleric Arrested in \$26 Million Plot, Leaving New Blot on Vatican Bank.

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Crime

[April 22, 2014 9:14PM](#)



Former Manchester diocese official gets 4 years, ordered to repay \$288,000

By MARK HAYWARD
New Hampshire Union Leader



Luke Parkin, from the cover of a musical album he created. Arsenault admitted he had a relationship with Parkin, identified on Internet websites as a gay composer and recording artist with nearly 70 albums to his credit.



Prosecutors said Arsenault lavished Parkin with expensive meals, trips and gifts. Monsignor Edward Arsenault reaches out with his handcuffed hand to shake hands with prosecutor Jane Young after pleading guilty to felony theft charges in Hillsborough County Superior court in Manchester on Wednesday. Arsenault could spend up to 20 years in prison for stealing at least \$104,000 from a hospital, a dead priest's estate and the state's Roman Catholic bishop. (JIM COLE/POOL PHOTO)

- [Handshake between prosecutor, defendant draws some attention](#)
- [Bishops' statements on sentencing of Rev. Msgr. Arsenault](#)
- [Diocese issues narrative regarding investigation of monsignor](#)
- [Arsenault boyfriend's expenses billed to diocese](#)

MANCHESTER — The one-time top-ranking priest in the Diocese of Manchester, the Rev. Msgr. Edward J. Arsenault III, was sentenced to four years in New Hampshire State Prison Wednesday by a judge who urged him to do good in prison.

Arsenault was also ordered to repay \$300,000 in restitution to the Diocese, Catholic Medical Center and the estate of fellow Monsignor John Molan.

"I'm truly and sincerely sorry for what I did," said Arsenault, 52, in Hillsborough County Superior Court-North. He paused to gain his composure as he offered apologies to "the priests and the faithful" of the Catholic church.

"I broke the law and I violated the trust of others," he said. The one-time pudgy priest was trim and dressed in a crisp dark suit and tie. He carried a Bible with him.

Several key facts came out before Arsenault admitted his guilt:

- He was engaged in a consensual adult relationship with Luke Parkin, who is identified on Internet websites as a gay composer and recording artist with nearly 70 albums to his credit.

Prosecutors said Arsenault lavished gifts on Parkin, including expensive meals, trips to San Francisco and New York, flowers, a cellphone, an extended-stay hotel in Massachusetts and even medications.

- The CMC theft is part of an on-going criminal investigation involving \$104,000 that Arsenault received in consulting fees from the hospital.

Assistant Attorney General Jane Young said Arsenault signed a \$200-an-hour consulting contract with then-hospital President Alyson Pitman Giles shortly after he left the hospital board in 2009.

Young said part of the investigation involves who had knowledge of the contract. "Was this a valid contract or a contract created for reasons that were other than valid reasons?" Young said.

Giles' LinkedIn account lists her as a corporate vice president with Steward Health Care in Massachusetts, but the human resources department of the company said she no longer works there.

- The actual thefts amounted to \$185,000.

Much of the difference between the theft and reimbursement amounts involves questionable reimbursements that Arsenault has agreed to repay, Young said.

For example, he pleaded guilty to stealing \$92,584 from the Diocese, but will repay \$185,000.

- Arsenault's sentence could be as long as 20 years, but most of the sentence is suspended or deferred. He could be eligible for a halfway house or home confinement, Young said.

Any money Arsenault earns writing or consulting while in prison must be used to pay the restitution, and Arsenault's retirement accounts, currently valued at \$130,000, can be tapped for restitution when he reaches retirement age.

- Arsenault created fraudulent invoices of \$15,000 from a Boston psychologist, Dr. Cristin Saffo, and submitted them to the Diocese for reimbursement. He was never a patient of Saffo's; Arsenault must repay the legal bills Saffo incurred as part of the investigation, Young said.

The Diocese on Wednesday released an unprecedented amount of material about Arsenault, including a five-page timeline that details the investigations by the Diocese and Attorney General.

Bishop Peter Libasci and former Bishop John McCormack also issued statements. In his victim impact statement, Libasci called it a sad day and noted that thousands of Catholics donate to the church and expect it to safeguard those donations.

"Many of the faithful and former co-workers inevitably will be left with a profound sense of betrayal and mistrust. They are very much the victims here," Libasci wrote.

Currently, Arsenault is on administrative leave and can't perform priestly functions in public, including state prison, said Diocesan spokesman Tom Bebbington. His future church status will be determined at a trial-like process that involves canon law.

Bebbington said nothing can be said about the process, which takes place at the Vatican, until it concludes.

For most of the 2000s, Arsenault was the right-hand man of then-Bishop John McCormack. He investigated fellow priests accused of sexual abuse of minors, and he often faced the media as the priest-child sex scandal unfolded.

"Monsignor Arsenault ended up covering a lot of the sexual abuse," said David Ouellette, a Rochester resident who said he was a survivor of priest sexual abuse and attended Wednesday's hearing. "He ended up blaming the media, blaming the victims."

Nearly two dozen people wrote in support of Arsenault, including nuns, New Hampshire Catholics and workers at the diocesan offices.

Superior Court **Judge Diane Nicolosi** asked Arsenault to do good in prison.

"It strikes me you are going to state prison, where there are many people who have suffered and done wrongs and are in need of good help," she said.

Crime

[April 23, 2014 12:40PM](#)



Diocese issues narrative regarding investigation of monsignor

- [Former Manchester diocese official gets 4 years, ordered to repay \\$288,000](#)
- [Arsenault boyfriend's expenses billed to diocese](#)

DIOCESE OF MANCHESTER

NARRATIVE REGARDING INVESTIGATION INVOLVING REV. MSGR. EDWARD J. ARSENAULT, III

The following narrative sets forth information regarding the events that led to an investigation and the conviction of Msgr. Edward J. Arsenault for misappropriation of diocesan funds. Much of the information contained in this narrative is or will be publicly available. The information is provided to the faithful because Msgr. Arsenault has been a public figure in the local Church, and his conduct has had a significant impact on the Church. Msgr. Arsenault has rights under civil and canon law that constrain the Diocese from further comment.

Rev. Msgr. Edward J. Arsenault, III

Edward J. Arsenault, III was ordained a priest for the Diocese of Manchester in 1991. He attended Mount Saint Mary Seminary in Emmitsburg, Maryland. He later received a Pontifical License in Sacred Theology from the Weston Jesuit School of Theology, and a Master of Science degree in Finance from Bentley University. Father Arsenault began working in the Diocese of Manchester Administration offices after obtaining his degree in Finance.

In 2000, Most Reverend John B. McCormack, Bishop of Manchester, appointed Father Arsenault to serve as a member of the College of Consultors, Chancellor, and Delegate for Ministerial Conduct. In 2003, he was appointed Cabinet Secretary for Administration. In light of the facts that Father Arsenault had a degree in Finance and demonstrated that he possessed the knowledge, talents, and leadership and management skills necessary to oversee an effective and efficient administration, Bishop McCormack delegated to Father Arsenault oversight of the diocesan administration, including finances.

In 2004, Bishop McCormack appointed Father Arsenault to serve as Moderator of the Curia in addition to his duties as Cabinet Secretary for Administration and Delegate for Ministerial Conduct. As Moderator of the Curia, in addition to oversight of the diocesan administration, Bishop McCormack delegated to Father Arsenault the responsibility to oversee the work of all of the other Cabinet Secretaries. During his tenure as Moderator of the Curia, Father Arsenault was involved in establishing a Parish Finance Manual to institute financial controls in all parishes of the Diocese.

In addition to the aforementioned duties, Father Arsenault served as the Bishop's Delegate for Healthcare on the Board of Directors for Catholic Medical Center ("CMC"). Father Arsenault also served as chair of the Board of

Governors of CMC Healthcare System, the parent company of CMC.

In February 2009, Father Arsenault asked Bishop McCormack for permission to take a sabbatical for a period of rest and discernment. Bishop McCormack authorized the sabbatical, and Father Arsenault resigned from his positions as Moderator of the Curia, Cabinet Secretary for Administration, Consultor, Delegate for Ministerial Conduct, and Delegate for Healthcare.

On September 1, 2009, at Father Arsenault's request, Bishop McCormack permitted him to accept a position as President and Chief Executive Officer of St. Luke Institute in Silver Spring, Maryland

In August 2010, Pope Benedict XVI named Father Arsenault a Chaplain of His Holiness with the title, "Reverend Monsignor."

Diocesan Investigation

In January 2013, a layperson reported to her pastor that she was told by someone whom she would not identify that while Msgr. Arsenault was in the Diocese of Manchester, he had a relationship that was inappropriate for a priest with an adult whom she identified by name. She also said that she was told that the adult had "blackmailed" Msgr. Arsenault and that CMC paid Msgr. Arsenault \$2,000.00 per month so that he could pay the adult. The pastor reported the matter to the Diocese, and Most Reverend Peter A. Libasci, who was installed as Bishop of Manchester in December 2011, directed that an investigation be initiated.

The Diocese retained an outside professional investigator to conduct the investigation, which included interviewing witnesses, conducting research, and reviewing documents. The outside investigator noted that in the fall of 2011, representatives of the Diocese became aware for the first time that CMC had made substantial payments to Msgr. Arsenault after February 2009 pursuant to a contractual relationship between Msgr. Arsenault and CMC, and that this contract and the payments were made without Bishop McCormack's knowledge or permission. He noted that CMC's outside auditors subsequently reviewed the transactions between CMC and Msgr. Arsenault and had no basis to conclude that there were any improprieties. The outside investigator also learned that in the fall of 2011, an allegation that Msgr. Arsenault was engaged in an inappropriate lifestyle was investigated, but it was determined at the time that there was insufficient evidence to support what was then a vague allegation, and the allegation appeared to be an unfounded rumor.

In February 2013, the outside investigator interviewed Msgr. Arsenault. During the interview, Msgr. Arsenault denied that there was anything inappropriate about the payments from CMC or his relationship with the adult. He told the investigator that he had not given the adult any money.

During the course of the investigation, however, the investigator obtained information that led him to conclude that Msgr. Arsenault had not been forthcoming about his relationship with the adult. The investigator also discovered that while Msgr. Arsenault was on sabbatical in 2009, he submitted to the Diocese for reimbursement fraudulent invoices for counseling services in the amount of \$15,705.00. When Msgr. Arsenault was asked about the invoices, he retained a civil attorney and asked that all requests be made through the civil attorney.

Because of the concern about the veracity of the counseling invoices, Bishop Libasci asked that the finance office conduct an extensive review of Msgr. Arsenault's submissions to the Diocese for reimbursement. The finance office conducted a meticulous review of records submitted by Msgr. Arsenault between 2005 and 2009 and concluded that Msgr. Arsenault likely had engaged in financial improprieties involving diocesan funds.

Because the Diocese suspected that a crime had been committed against the Diocese of Manchester, and in

accordance with diocesan practice and policy, Bishop Libasci asked that the findings be reported to the New Hampshire Attorney General's office. The leadership of CMC was also notified about the Diocese's concerns, and representatives of CMC accompanied diocesan representatives to the Attorney General's office when the matter was formally reported.

Effective May 1, 2013, Bishop Libasci required that Msgr. Arsenault refrain from all public ministry. Msgr. Arsenault subsequently resigned from his position as President and CEO of St. Luke Institute.

The Attorney General Investigation

From May 2013 to February 2014, the New Hampshire Attorney General's office conducted an extensive investigation. The Diocese cooperated in the investigation. The Attorney General's investigation established that from 2005 until as recently as March 2013, Msgr. Arsenault had misused Diocesan funds for personal purposes. In many instances, Msgr. Arsenault submitted documents to the Diocese supporting requests for reimbursement that misrepresented the true nature of the spending. In other instances (such as the purported counseling records described above), he submitted documents that were falsified. The following are some examples:

From August 7, 2008 through February 2009, Msgr. Arsenault sought and obtained reimbursement from the Diocese in the total amount of over \$2,500 for a cell phone (presumably for his use). The investigation revealed that the phone was in the name of the adult with whom he allegedly had a relationship that was inappropriate for a priest.

In August and September, 2008, Msgr. Arsenault sought and obtained reimbursement from the Diocese in the total amount of \$8,711.85 for electronic recording equipment. Msgr. Arsenault falsely claimed that this equipment was for an "oral history of the diocese" and submitted a memo with the forged initials of Bishop McCormack.

On November 17, 2008, Msgr. Arsenault sought and obtained reimbursement from the Diocese for a trip which included stops in Santa Fe, New Mexico, New York, New York, and San Francisco, California in the amount of \$3,191.48, falsely claiming that the trip was "to explore the development of safe environment training," and to explore a relationship for "insurance coverage." The trip included lavish meals; one breakfast alone, at the San Francisco Four Seasons, cost \$159.50. The trip had no business-related purpose and the expenses were for a personal trip Msgr. Arsenault took with the adult with whom he allegedly had a relationship that was inappropriate for a priest.

Between November 2008 and February 2009, Msgr. Arsenault sought and obtained reimbursement from the Diocese for a total of 48 nights for a stay at a hotel located in Amesbury, Massachusetts. Msgr. Arsenault falsely claimed that the hotel room was needed for a "homeless international priest," and was an "act of charity." The investigation revealed that the hotel stay was not for a "homeless international priest" and that the adult with whom he allegedly had an inappropriate relationship was living in Amesbury, Massachusetts.

The Attorney General's office concluded that from the period January 1, 2005 through March 15, 2013, Msgr. Arsenault had misappropriated funds of the Roman Catholic Bishop of Manchester in the amount of \$116,743.98. The office also concluded that from February 1, 2009 to June 30, 2010, Msgr. Arsenault had submitted invoices to CMC for consulting services that he did not perform in the amount of \$70,000.00. Finally, the office determined that between June 13, 2010 and February 8, 2012, he had misappropriated funds of the Estate of Msgr. John Molan in the amount of \$23,000. The Diocese has also incurred attorneys' fees and expenses related to the investigation into Msgr. Arsenault's conduct.

Conclusions and Diocesan Response

1. Msgr. Arsenault used his position, authority, knowledge of diocesan finances and controls, and the trust and confidence placed in him by Bishop McCormack to misuse diocesan funds for personal purposes.
2. Msgr. Arsenault used a variety of means to avoid detection, including the following: First, he described requests for reimbursements in a manner to appear legitimate. Second, he would often approve the requests for reimbursements himself or ask subordinate employees to do so. Third, the requests for reimbursements were dispersed over many different internal accounts over which Msgr. Arsenault had oversight. As a result, outside auditors did not detect the deceit.
3. The diocesan financial controls in place were insufficient to detect the theft. As soon as Msgr. Arsenault's actions came to light, the Diocese immediately established additional controls and strengthened existing procedures to prevent such misconduct from occurring in the future. Those enhanced controls include requiring a Cabinet Secretary to approve all requests for reimbursements for employees within that secretariat. Additionally, such requests for reimbursements must also be approved by either the Chancellor or the Finance Officer. For employees who serve at the Cabinet-level, the request for reimbursement must be approved by another Cabinet-level employee before its submission for final approval by either the Chancellor or the Finance Officer. In the absence of either the Chancellor or the Finance Officer, the Moderator of the Curia or a Vicar for Clergy may sign for final approval. In regards to expense reimbursement requests for either the Chancellor or Finance Officer, approval is required by his or her counterpart as well as by the final approval of the Moderator of the Curia, a Vicar for Clergy, or the Bishop.
4. Msgr. Arsenault misused diocesan funds for travel, meals, alcohol, cell phone, electronic equipment, and other expenses in the context of his relationship with another adult. The investigation yielded no evidence that Msgr. Arsenault was "blackmailed." The investigation suggested that his actions were of his own volition.
5. Msgr. Arsenault remains on administrative leave. While on administrative leave, he does not have faculties to minister publicly as a priest.
6. After due process and in accordance with the norms set by canon law, the status of Msgr. Arsenault in the Church will be determined.



OFFICE OF THE BISHOP
DIOCESE OF MANCHESTER

April 23, 2014

Dear Brothers and Sisters in Christ:

On today's date, the Reverend Monsignor Edward J. Arsenault, III, a Priest of the Diocese of Manchester who served in a number of positions of authority and trust in the Diocesan Administration, was sentenced to prison and ordered to pay \$300,000.00 in restitution, costs, and expenses for misappropriating funds from the Diocese of Manchester, Catholic Medical Center, and the Estate of Reverend Monsignor John Molan. I write to you today because I recognize that the information that we have learned about Monsignor Arsenault's conduct has affected not only those people who ministered with him and admired and respected him for his many accomplishments as a Church leader, but it has also potentially affected the faithful, who have the right to expect that the Church's pastoral ministers will live in a manner consistent with the Gospel values that they preach.

As Bishop of Manchester, I have a responsibility to protect the Church's assets, which have been provided through the generosity of the faithful to advance the mission of the Church. When my staff had reason to suspect that Monsignor Arsenault had engaged in improper financial transactions involving diocesan funds, we acted quickly to report the matter to law enforcement, to place Monsignor Arsenault on administrative leave, to establish additional financial controls, and to strengthen our existing procedures to prevent such misconduct from occurring in the future. Additional information about what we learned and how we responded can be found on our web site, catholicnh.org/arsenault. We will continue to evaluate our procedures and conduct audits to ensure that the contributions made to the Church are used to advance the Church's mission to continue the work of Jesus Christ.

Over the years, Monsignor Arsenault has accomplished much good for the Church. However, he also betrayed the authority entrusted to him, and his misconduct has caused harm to the Church, his Bishops, his brother Priests, and those who trusted and respected him. I ask that you pray for those who have been affected by the news of his misconduct, that they may find peace and understanding. I also ask that you pray for Monsignor Arsenault. He has made some terrible mistakes, and he will be held accountable for them, but our Lord calls us to forgive, and prayerfully, we must find it in our hearts to do this sincerely.

Please be assured of my continued prayers for you and for our Church, especially during this Easter season. May the joy, peace, and hope of the Risen Jesus strengthen us and live in our hearts forever.

Sincerely in Christ,

Most Reverend Peter A. Libasci
Bishop of Manchester



OFFICE OF THE BISHOP
DIOCESE OF MANCHESTER

April 23, 2014

Jane E. Young, Esq., Associate Attorney General
Office of the Attorney General
33 Capitol Street
Concord, New Hampshire 03301-6397

RE: State of New Hampshire v Rev. Msgr. Edward J. Arsenault, III

Dear Attorney Young:

As Bishop of the Roman Catholic Diocese of Manchester, I submit this Victim Impact Statement to describe the ways in which the actions of Monsignor Edward J. Arsenault have harmed the Catholic Church in New Hampshire.

This is indeed a sad day. Foremost on my mind are the more than 275,000 Catholic faithful in our State. Every week, parishioners freely give their funds to support the mission of the Church to worship, evangelize, and serve the poor and vulnerable. They place their trust and confidence in the Church that these contributions will be safeguarded and used for its good works.

Monsignor Arsenault's criminal actions profoundly betrayed this trust and confidence by diverting substantial amounts of diocesan funds for personal use. For a period of several years, Monsignor Arsenault was able to engage in this conduct and avoid detection because of his position as a high-ranking official within the Diocesan Administration. Even after the misconduct was discovered by the Diocese, Monsignor Arsenault initially was not forthcoming about what he had done. This compounded the harm.

As this matter unfolded, Monsignor Arsenault ultimately accepted responsibility for his conduct. Included in the agreement before the Court today is Monsignor Arsenault's commitment to restore the money he took. That, however, is not the full measure of the damage that has been done. Many of the faithful and former co-workers inevitably will be left with a profound sense of betrayal and mistrust. They are very much the victims here.

It is important to acknowledge another reason for feelings of sadness and betrayal. I know that many people benefitted from Monsignor Arsenault's ministry over the years. As a pastor, he served his parishioners as a source of spiritual guidance and support. As a leader in the Diocesan Administration, he was dedicated and hard-working, managing the establishment and implementation of diocesan policies and procedures that provided for greater efficiency,

accountability, and transparency. That Monsignor Arsenault would use his many skills and talents for improper and criminal purposes is tragic.

The Catholic Community in New Hampshire is grateful for the work of the Office of the Attorney General and the law enforcement agencies that assisted in this difficult, painful case. The Attorney General is recommending the sentence before this Court, and Monsignor Arsenault has agreed to it. We believe that it serves justice. We also hope and we pray that by taking responsibility for his actions and the harm he has caused, Monsignor Arsenault will achieve redemption and spiritual peace.

Sincerely in Christ,

A handwritten signature in black ink, appearing to read "P. Libasci", with a small cross symbol to its left.

Most Reverend Peter A. Libasci
Bishop of Manchester



DIOCESE OF MANCHESTER

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FOR IMMEDIATE RELEASE
April 23, 2014

FOR MORE INFORMATION:
THOMAS BEBBINGTON
OFFICE OF COMMUNICATION
603-669-3100, EXT. 185

BISHOPS LIBASCI AND MCCORMACK COMMENT ON SENTENCING OF REV. MSGR. EDWARD J. ARSENAULT

On being advised that the Reverend Monsignor Edward J. Arsenault pleaded guilty to misappropriating funds of the Roman Catholic Bishop of Manchester, Catholic Medical Center, and the Estate of Rev. Msgr. John Molan, the Most Reverend Peter A. Libasci, Bishop of Manchester, made the following statement:

“This is indeed a sad day. Foremost on my mind are the more than 275,000 Catholic faithful in our state. Every week, parishioners freely give their funds to support the mission of the Church to worship, evangelize, and serve the poor and vulnerable. They place their trust and confidence in the Church that these contributions will be safeguarded and used for its good works.

“Msgr. Arsenault’s criminal actions profoundly betrayed this trust and confidence by diverting substantial amounts of diocesan funds for personal use. While the sentence imposed by the court today includes restitution, the loss of diocesan funds is not the full measure of the damage that has been done. Many of the faithful and former co-workers inevitably will be left with a profound sense of betrayal and mistrust. They are very much the victims here.

“It is important to acknowledge another reason for feelings of sadness and betrayal. I know that many people benefitted from Msgr. Arsenault’s ministry over the years. As a pastor, he served his parishioners as a source of spiritual guidance and support. As a leader in the Diocesan Administration, he was dedicated and hard-working, managing the establishment and implementation of diocesan policies and procedures that provided for greater efficiency, accountability, and transparency. That Msgr. Arsenault would use his many skills and talents for improper purposes is tragic.

“The Catholic community in New Hampshire is grateful for the work of the Office of the Attorney General and the law enforcement agencies that assisted in this difficult, painful case. We believe that the sentence imposed by the Court serves justice.

“I ask that you keep in prayer those who have been affected by Msgr. Arsenault’s conduct, particularly his brother priests and those who worked closely with him. I also ask that you pray for Msgr. Arsenault. He has made some terrible mistakes, and he will be held accountable for them. We hope and we pray that by taking responsibility for his actions and the harm he has caused, Msgr. Arsenault will achieve redemption and spiritual peace.”

Bishop Emeritus John B. McCormack said:

“The revelation of these charges is disheartening to me and many people who know or benefitted from the service and ministry of Msgr. Arsenault these many years. For those who have been directly affected by the actions with which he is charged, I pray for them, that they may find peace. For Msgr. Arsenault, I pray for him too that he will find peace as he seeks to make recompense in a spirit of repentance.”

No other comment will be provided at this time. Additional information regarding this matter is available on the Diocese of Manchester website at www.catholicnh.org/arsenault.

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The Diocese of Manchester is the Roman Catholic Church of New Hampshire, serving the needs of more than 275,000 Catholics. For more information, please visit www.catholicnh.org.

Monsignor Edward Arsenault gets jail time for thefts



Monsignor Edward Arsenault reaches out with his handcuffed hand to shake hands with prosecutor Jane Young after pleading guilty to three felony theft charges in Hillsborough County Superior court in Manchester, N.H. on Wednesday April 23, 2014. Arsenault could spend up to 20 years in prison for stealing at least \$104,000 from a hospital, a dead priest's estate and the state's Roman Catholic bishop. (AP Photo/Jim Cole)

By LYNNE TUOHY

Associated Press

Thursday, April 24, 2014

A New Hampshire priest who was the former leader of one of the nation's top clergy treatment centers was sentenced yesterday to serve at least four years in prison for stealing \$300,000 from a hospital, a dead priest's estate and the state's Roman Catholic bishop.

Monsignor Edward Arsenault held several senior positions in the New Hampshire diocese from 1999 to 2009, when he became president and CEO of Saint Luke Institute in Maryland. He resigned in May after allegations arose involving an inappropriate adult relationship and misuse of church funds.

Details of the thefts revealed yesterday show a priest who billed the church for lavish meals and travel for himself and often a male partner. He was convicted of writing checks from the dead priest's estate to himself and his brother, and billing Catholic Medical Center \$250 an hour for consulting work he never did.

"It's criminal behavior. It's disturbing behavior," Senior Assistant Attorney General Jane Young said. "These are thefts from a charitable institution by someone very high up."

Arsenault pleaded guilty in Hillsborough County Superior Court yesterday to three felony theft charges. He stole \$104,000 from Catholic Medical Center in Manchester by submitting false invoices and working only a third of the hours called for in his consulting contract, which ran from March 2009 until June 2010.

Young said Arsenault stole \$184,000 from then-Bishop John McCormack and the Manchester diocese by billing for meals at some of Boston's finest restaurants. He also purchased cell phones and computer equipment, among other expenses. Young said he submitted fake invoices for about \$15,000 in psychological counseling he never received.

Young said Arsenault stole \$23,000 as executor of Monsignor John Molan's estate in 2010, including an \$8,000 check he made out to his brother.

The investigation did not involve Saint Luke Institute, a prominent education and counseling center based in Silver Spring, Md., with sites in other parts of the United States and in Britain. The center treats priests with a range of mental illnesses and has played a key role in addressing the problem of sexually abusive clergy.

Before he was sentenced, Arsenault apologized to "the many people I have harmed, including the priests and the faithful."

"Today is only the beginning of the consequences of my criminal behavior," Arsenault said.

Arsenault was sentenced to four to 20 years, including a deferred, two-year sentence that the judge has the option to tack on when Arsenault returns to court after the four years are up. He was also ordered to pay \$300,000 in restitution.

As he was escorted from the courtroom, his hands cuffed behind his back, he paused briefly in front of the prosecution table and awkwardly extended a handshake to Young.

His attorney, Cathy Green, told Hillsborough County Superior Court Judge Diane Nicolosi that Arsenault "was the person who held the diocese together" during the priest sex abuse scandals a decade ago. She called his prison sentence "significant."

Arsenault had been McCormack's top lieutenant, handling both the clergy sexual abuse crisis and orchestrating the church's new child protection policies. Bishop John Libasci, in a statement issued on behalf of himself and McCormack, said Arsenault stole more than money.

“Many of the faithful and former co-workers inevitably will be left with a profound sense of betrayal and mistrust,” Libasci said.

CMC President Joseph Pepe said the hospital is saddened by Arsenault’s criminal conduct, but relieved that Arsenault is being held accountable.

Young said the investigation began last year, after church officials and parishioners came to the attorney general’s office and said they suspected large sums of money had been misappropriated. She stressed that Arsenault cooperated fully and will continue to cooperate as investigators look into whether anyone else was involved.



John Grimes wrote:
04/24/2014

I have to agree with that it was inappropriate for the Asst AG to shake this guy's hand. Do the once high-and-mighty get a different brand of justice from the rest of us? Beyond that, I was not impressed with what I heard of Arsenault's statement in court. The acting was perhaps good, but definitely not Oscar-winning material. It might have been more effective had he delved into a few specifics with apologies directed toward good priests whom he helped destroy, and a full acknowledgment of the crimes committed at the chancery during his tenure there, not all of them his own. Those who have carefully watched this scandalous nightmare unfold over the years know Arsenault's role is only the tip of the iceberg.



almacrae wrote:
04/24/2014

I can't believe my eyes as I see Senior Assistant Attorney General Jane Young shaking hands with Arsenault. I'm not even sure God knows what other illegal activity he was involved in. Prison is exactly where he belongs. Young should resign and, if she doesn't, AG Foster should fire her. For Cathy Green to laud Arsenault as having "...held the diocese together..." is ridiculous.