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Let the sun shine in

"SUNLIGHT IS the best disinfectant" is a credo that has shaped public policy over the past century, primarily in the private sector and most recently with the passage of the Sarbanes-Oxley legislation. Following that trend, last year Congress held hearings to curb abuses in the charitable services sector. Ultimately, sunlight protects constituents of an organization from breaches of trust that will inevitably occur through human administration, from Enron to the Catholic Church. Legislation proposed by state Senator Marian Walsh of West Roxbury seeks to provide that sunlight, and, in the end, protection for donors of religious organizations.

The legislation would require tax-exempt religious organizations to meet the same reporting requirements, filed with the attorney general's office, as all other charitable organizations — from the American Cancer Society to your local Little League. This change to the existing law does not increase the regulatory authority the attorney general currently has in protecting the legitimate interests of donors to religious organizations, and is, in effect, neutral in its treatment of them. Additionally, it would require that all nonprofit tax-exempt organizations disclose their real estate holdings. The legislation does not, however, regulate in any way the religious freedom of religious organizations.

The need for financial transparency in religious organizations is becoming apparent — the financial crisis that the Catholic Church faces both in Massachusetts and nationwide is only the most recent example of questions connected to the temporal affairs of a religious institution. Over a decade ago, scandals connected to the misappropriation of funds brought down prominent tele-evangelists. More recently, the financial relationship between Islamic charities and terrorist networks were called into question.

As these examples demonstrate, the potential for financial mismanagement — or worse — within religions is inherent to all religious institutions since they are — after all — human institutions in the exercise of their administrative affairs.

The financial crisis confronting the Catholic Church demonstrates the negative consequences of the current exemption for religious organizations. The clergy sexual abuse crisis shined a light on the ruinous consequences of secrecy. Catholics in the Archdiocese of Boston have curtailed giving to the Church because they feel they can no longer trust the institutional management and hierarchy. Moreover, in the past year, we have witnessed a questionable downsizing of parishes for financial reasons never disclosed and against the intent of generations of donors, as well as legitimate questions

concerning the disposition of donations to the clergy retirement fund

For good reason, Americans have a healthy skepticism of cutting across the bright line between church and state established by the First Amendment. Because the state can wield tremendous power that might harm religious institutions and their practitioners (particularly religious minorities), Americans are wary of any legislation that might regulate religious practice.

Furthermore, there are those who may fear that opening the door to some measure of financial transparency will create a slippery slope for excessive entanglement between the State and Church. These concerns are understandable and legitimate. However, they are based on historical assumptions of trust that have shaped the custom and practice and discussion around church/state matters that cannot be taken for granted. They are also based on a fear that challenges our ability to discern the difference between the practice of the faith, the connections between the church and state, and the ways that they work

**Churches should
open their books
just like charitable
organizations do.**

together. Societal progress has always had to overcome these hurdles in moving toward a more just society.

Therefore, the intended purpose of this legislation makes it good public

policy in today's world because, as we have witnessed in modern society, secrecy creates an environment for the breach of public trust while transparency and sunlight provide an antidote for that. This is as true for religious organizations as it was for Enron or the savings and loan industry. In spite of the religious institutional objections, there is ironically more incentive to be as open and transparent with donors as possible — not only do they have the moral obligation to those who send in their hard-earned dollars but they also have a social responsibility.

Religious organizations are crucial to the delivery of the social services in communities across the United States, and that trend is only increasing. Thus, these institutions should willingly embrace the kind of financial management practices that will build up people's trust in them.

The passage of this legislation will not regulate religions, religious practices, ministries, or doctrines. It will, however, create the climate for a standard of financial transparency, the sunlight that people across all faiths want in order to bolster the opportunity for their faith to do good in society.

Thomas P. O'Neill III, a former lieutenant governor of Massachusetts, serves on the board of several Catholic educational and healthcare institutions. Steven Krueger was the founding executive director of Voice of the Faithful and a member of the Archdiocesan Pastoral Council.