

April 7, 2021

Dear Church of the Assumption Parish community,

Christ is Risen, Alleluia! We rejoice in His Resurrection, even as He suffered for our sins and knows our human weakness.

Today, April 7, the Alameda County District Attorney's office concluded its investigation regarding the parish's financial situation. After independently corroborating the Diocesan forensic examination findings, the District Attorney has filed grand theft embezzlement charges against Rhina Ruggiero, former office manager of Church of the Assumption Parish. The charges state that, between 2010 to 2019, Ruggiero embezzled \$590,377 by writing checks listing herself as the payee and requesting checks be written to "cash" and receiving the cash.

In late December 2020, after the Diocesan insurance carrier conducted its own forensic audit utilizing the Diocesan forensic examination report, the Church of the Assumption received insurance recovery proceeds of \$433,124, which are net of the costs of the investigation and the insurance policy deductible.

Church of the Assumption, with the guidance of the Diocesan financial staff, has taken significant steps to improve internal controls to prevent such an embezzlement from happening again. Core and specific measures taken to improve the overall internal controls environment and specific processes include:

- Parish leadership engaged Armanino LLP, a CPA firm, to perform outsourced accounting services in January 2020. There is now a clear segregation of duties. Key specific duties include:
 - Third party processing of disbursements
 - Minimal check writing in the parish office
 - Two-step parish approval process prior to disbursement:
 - Written approval prior to submission
 - Electronic approval prior to payment
 - Third party payroll processing, including parish-approved payroll master file changes
 - Technical review of journal entries
- Parish leadership developed and implemented new financial procedures for the following activities:
 - In-church plate collections
 - In-office deposits
 - Events and fundraisers
 - Payroll timekeeping

- Parish leadership engaged Armanino LLP's audit department (a separate operating unit from their outsourced accounting services) to perform an internal controls review. The resultant report provided recommendations for additional internal controls and process improvements. The status of implementation of the report recommendations follows:
 - Ensured all bank accounts using the parish federal tax identification number are recorded in the parish ledger. Dad's Club and CYO bank accounts were added as of December 31, 2020.
 - Implemented tracking of the numerical sequence of tamper-evident collection bags used in the in-church plate collection process.
 - Initiated parochial administrator's review and approval of deposit and collection count sheets, bank statements, and bank reconciliations.
 - Began outreach to recruit a second count team for weekly plate collections. (The rotation of count teams strengthens count procedure controls.)
 - Reconciled second collections balances and remitted past due amounts.
 - Updated all personnel files and initiated regular staff performance evaluations.
 - Currently researching old, minor outstanding bank reconciliation items to determine appropriate accounting treatment, as necessary.
 - A long-term budget will be developed in conjunction with the existing strategic plan.

- Initiated quarterly financial reporting to the community to improve financial transparency. This quarterly reporting will begin in April 2020.

Diocesan leadership, with my full approval, support, and commitment, has enhanced its accountability measures and protocols for the periodic internal controls reviews required of all parishes. Further, Diocesan financial staff will plan, schedule, and conduct a training for pastors/parochial administrators and their parish finance councils this summer. The training will be focused solely on the importance and key elements of an effective internal controls environment and the good stewardship embodied therein.

Your commitment to our faith deserves no less than the response I have outlined above. I believe these measures will ensure good stewardship of the gifts you bring every day to Assumption Parish and to our Diocese. I am grateful for your faith, your integrity, and your fidelity. May God grant each of us his healing mercy, that we may move confidently into the future as His people.

With the assurance of my continued prayers and blessing for a joyous Easter Season, I am

Yours sincerely in Christ,

The Most Reverend Michael C. Barber, S.J.
Bishop of Oakland