

# THE PAPAL FOUNDATION

January 19, 2018

Dear Stewards of the Papal Foundation,

Greetings in the New Year. Given the events of the last few weeks, the members of the Executive Committee (both lay and clerical) thought it would be fruitful to send a joint letter addressing the matters at hand. There has been a great deal of email traffic and phone calls among Stewards over the last few days. Many of us signing this email message to you have been party to many of those phone calls and emails. While some of what we have read in the emails is true, and some of what we have heard is true, we think it is helpful to put together a consolidation of what has happened, and how we might best proceed from here.

The Papal Foundation is very dear to all of us. There are a number of reasons for this affection. First, it has done a great amount of good for the poor all over the world. Secondly, it has served the Holy Father in loving loyalty. Third, it has been a faithful witness of the Church. Fourth, it is an organization through which many of us have formed lifelong friendships. And fifth, it is an organization that has manifested a remarkably fruitful and productive working relationship between lay leaders, bishops, cardinals, the Curia, and the Holy Father. We all agree that this last characteristic has been strained as of late.

We regret that there is currently a significant degree of discontent among the Stewards of the Papal Foundation. It is indeed important for us to enthusiastically guard the charism of the Papal Foundation; at the same time, we are reminded by St. Paul that however earnestly or eloquently we may speak, if we do not have love in our hearts toward one another, we are like clanging gongs or clashing cymbals, and that a failure to remember this admonishment does a disservice to all of us and the Church.

Accordingly, we do not believe it is in the best interest of Christ or his Church to presume bad faith or ill will of others within the Papal Foundation; rather, we believe we should assume good faith and good will unless proven otherwise. It is legitimate to have disagreements over prudential decisions, but such disagreements need not lead to rancor or bitterness, nor be taken as personal affronts.

The Papal Foundation has bylaws that put the ultimate control of the organization in the hands of the US-domiciled Cardinals. Those Cardinals are the Members of the organization, who approve the Trustees who serve on the Board. These same Cardinal Members are also Trustees who may vote at a board meeting. While donors might certainly and legitimately claim that they were unaware of the governance structure of the organization, this information has never been hidden from anyone. No one has ever represented that this organization is controlled by the laity.

150 Monument Road, Suite 609  
Bala Cynwyd, PA 19004 • 610-535-6340

[www.thepapalfoundation.com](http://www.thepapalfoundation.com)

It is true that over the last fifteen years, if not longer, most of our donations have gone to the poor, and most of those poor have been in the poorer countries of the world. It is also true that we have often given gifts to charities in the developed world, and have often given gifts to special projects of the Holy Father, many of which have been housed within the Holy See, or in Rome. Any Steward may have a list of these grants, and many Stewards have seen this listing within our annual reports.

Having said this, we also recognize that up until this point, hardly anyone was concerned with "who controls the Papal Foundation," for almost all of the decisions of the organization were made with near unanimity of the Board. There was no cause to have disharmony among Trustees, or Stewards.

We believe that those who sought or voted for approval for the large grant that is in question have acted in good faith at the behest of the Holy Father. However, there is a significant division regarding the prudence of that grant. While the vote taken at the December board meeting was secret, many have spoken to one another about how each voted. It suffices to say, there was significant disagreement. Most of us who voted against this grant did so because we did not think, in our prudential judgment, that giving money for this purpose was good for the Church, for the Holy Father, for the poor, or for the Papal Foundation. Those of us who voted for it thought it consistent with those purposes.

None of us believe that others were acting in bad faith, or violated any fiduciary duty to the organization. This grant did not violate our charter, bylaws, or mission.

However, it has divided us, and that is not good. We can all debate the merits or demerits of all kinds of grants that are made. If we did that for every grant, we would never get through all of them. But when it is proposed that a grant be made for over one hundred times the size of many of our other grants, there should be near unanimity in the vote, and that is not what happened.

Many of us believe that, had it been us, we would have told the Holy Father that the Papal Foundation would not be able to help on this project – but we weren't in the room with him. We can surmise what we would have done, had it been one of us, but we really don't know. In fact, we have been explicit throughout our history that this is the **Papal** Foundation. We have worked in conjunction with the Pope from the very beginning. We don't approve every request he makes, but he is the Pope, and we listen to him, and we listen intently.

There are two more points for the sake of clarity. First, we did not send money to a hospital. We sent money to the Holy See. Legally, our grantee is the Holy See, and there is little doubt of its charitable purposes. Additionally, there has been confusion about the matter of the grant instead being structured as a loan. It has been reported that the original request was for a loan. *However*, that request for a loan indicated that repayments of the loan would be subtracted from the amount that the

Papal Foundation would otherwise send to the Holy Father each succeeding year. The reality is that we already, as a Board, have the ability to subtract such amounts in future years. Essentially, the issue regarding the "loan" that was requested is a distinction without substance.

Going forward, none of us want to experience this kind of division or disharmony again. And so we want to report to you two significant actions, both of which we believe will help us regain our unity and promote our healing.

First, Cardinal Wuerl has written to the Secretary of State to request, given the circumstances surrounding this grant, that the Holy See decline to accept any further monies pursuant to the grant that was approved in December (as a review, roughly half of that grant has been funded, and the other half would now not be funded) . This process allows us to communicate to the Holy See the sentiments that have been expressed by our Stewards, and to have the Holy See be party to our efforts to come together.

Secondly, we (as the Executive Committee) will be recommending that the Board adopt a new grant policy wherein any grant of more than \$1 million must be approved by a majority of both lay and clerical Trustees on the Board. This is not a guaranteed answer for any problem in the future, but we do believe it will help prevent future scenarios like the one we have just experienced.

Lastly, some have suggested that the governance structure of the Papal Foundation should be revised, and we understand the impetus for such a suggestion. However, we also believe that we should all keep in mind that the current structure has served us well for 30 years. Maybe it should be amended, but we believe heading down that path should be done with cool heads and magnanimity.

As we move forward, it is important that we do so with charity toward one another. This is not easy stuff. We love our Church, and the Successor of Peter, and her priests, bishops, cardinals, and lay leaders. Let us all approach our dealings with one another, on this matter and all others, with a prayerful request for personal humility, kindness, generosity, and gratitude for our Church, the Papal Foundation, the friendships we have formed within the Papal Foundation, the love of Christ, and the blessing we have had to serve Him.

Thank you, and we ask for God's continued blessing on all of us.

s/ Cardinal Wuerl

Bishop Bransfield

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Cardinal Dolan

[Redacted]

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