

Nun, Former Iona College official, charged with embezzling \$800,000

WASHINGTON - A Sister of St. Joseph who was Iona College's chief financial officer has been charged by federal prosecutors with embezzling \$800,000 from the Christian Brothers-run school over a decade.

Sister Marie E. Thornton is accused of diverting money from the college in New Rochelle, N.Y., between 1999 and 2009 for personal use by submitting false vendor invoices and submitting credit card bills for payment by the school, according to the U.S. Attorney's Office for the Southern District of New York.

Sister Marie pleaded not guilty to a single charge in U.S. District Court in New York Dec. 9 and was released with no bond, according to her attorney, Sanford Talkin.

Sister Anne Myers, congregational president of the Sisters of St. Joseph, said in a statement Dec. 13 that the order was saddened by news of the charge being filed against a member of its community.

The college twice issued statements in connection with the case without referring to Sister Marie by name.

"Today we have a new CFO and staff in place; we have recovered the majority of the missing funds, and, from the college's perspective, the matter is considered closed," the college said in a Dec. 9 statement.

The college also said the amount of money involved as reported by the U.S. Attorney's Office "is significantly inaccurate."

Dawn Insanalli, director of public relations at Iona, confirmed to Catholic News Service Dec. 13 that the embezzled funds totaled \$800,000.

On Oct. 27, Iona's president, Brother James A. Ligouri, said in a statement that he became aware of the misappropriation of funds by a "senior school official" May 26, 2009. An employee, who was unidentified, was fired and the school opened an

investigation, the statement said.

Forensic accountants subsequently reviewed the college's financial records for evidence of waste, fraud and abuse, the statement said. The investigation lasted more than six months and led to new financial procedures to safeguard against future problems, the college said.

The college's statement also said the school complied with regulatory reporting requirements.

"Please rest assured that the college recovered a major amount of its loss," the statement said.

The Journal News daily reported that the college disclosed the theft to the Internal Revenue Service on its 2008 tax forms. The filing showed that an employee stole about \$80,000 a year in small amounts between by signing fraudulent checks and using a college credit card, the newspaper reported.

The college did not reveal the theft publicly nor did it report the crime to law enforcement authorities in Westchester County, N.Y., where the college is located.

U.S. Attorney Preet Bharara credited the work of the Department of Education's Office of Inspector General for investigating case.

As the investigation at the college emerged, Sister Anne said, the congregation "took immediate action, recalling Sister Marie and totally restricting her activities, access and responsibilities within our congregation," the statement said. "While we are providing emotional and spiritual support for Sister Marie, we have also required her complete cooperation with authorities investigating this matter."

The order was not involved in financial restitution to the college, Sister Anne said.