

KYW Newsradio

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Former Phila. Catholic School Principal Charged with Embezzling

by KYW's Paul Kurtz

A former principal at a Catholic high school in Philadelphia -- previously accused of molesting male students -- has been indicted on charges of stealing thousands of dollars from the school.

Father Charles Newman (right), 57, a former religion teacher, principal, and president at Archbishop Ryan High School, is accused of stealing more than \$900,000 from the archdiocesan school while he was president, from July 2002 to November 2003.

Philadelphia district attorney Lynne Abraham says Father Newman led a life of debauchery and lechery, fueled by alcohol and drug abuse. She says that tens of thousands of dollars that Newman stole went to a young man that he sexually abused at Ryan in the mid 1990s.

That man, Arthur Baselice III, died of a drug overdose last November, at the age of 28. Abraham indicates that the payments from Newman to Baselice were probably Newman's way of atoning for the harm he had done to Baselice.

Newman is currently living in retirement in Wisconsin at a Franciscan friary. DA Abraham says if he doesn't surrender very soon and come back to Philadelphia, she will begin the extradition process.

On Thursday afternoon the Archdiocese of Philadelphia issued the following statement:

PRESENTMENT AGAINST REVEREND CHARLES NEWMAN, O.F.M.

The presentment against Reverend Charles Newman, a Franciscan Friar, issued on December 20, 2007, is the culmination of two independent investigative processes conducted by the Archdiocese of Philadelphia and the Philadelphia District Attorney's Office. The investigations began in late 2003 when the Archdiocese suspected that funds were being misappropriated at Archbishop Ryan High School in Northeast Philadelphia. The fraudulent use of funds was a betrayal of trust within the Archbishop Ryan Community; however, the greater tragedy was the sexual abuse of a minor which was discovered by the Archdiocese during the financial audits.

Knowing that child sexual abuse can affect all areas of victims' lives, the Archdiocese of Philadelphia offers to assist victims of sexual abuse by clergy with their present and future

needs. The Archdiocese also recognizes that reports like this can cause a reoccurrence of trauma for other victims of sexual assault. If you are the victim of sexual abuse by a cleric, staff or volunteer of the Archdiocese of Philadelphia and need assistance, please call the Victim Assistance coordinators at 1-888-800-8780. In light of this situation, we are particularly concerned at this time for our former students from Archbishop Ryan High School and invite them to contact us if they need assistance.

The following information is provided to outline Archdiocesan actions in this case:

- On November 18, 2003, the Archdiocese of Philadelphia received information about possible theft of funds from Archbishop Ryan High School in Northeast Philadelphia. This information identified former President of Archbishop Ryan High School, Father Charles Newman, O.F.M., as one of the alleged perpetrators of the fraud.*
- Upon receipt of this information the Archdiocese immediately scheduled an internal audit and notified Archbishop Ryan High School on November 19, 2003, of this decision but did not indicate the reason.*
- On November 20, 2003, representatives of the Archdiocese met with Father Charles Newman, O.F.M., and informed him that he was terminated from his position and that he was not to return to the school. Simultaneously, other representatives of the Archdiocese were sent to Archbishop Ryan High School to change the locks on the doors, cabinets and other items containing financial records and documents.*
- On November 21, 2003, Archdiocesan representatives returned to Archbishop Ryan High School to remove the name of Father Charles Newman from all bank accounts and to begin a more detailed investigation.*
- On November 24, 2003, the Archdiocesan external auditors, PricewaterhouseCoopers, LLC, were notified of the suspected fraud and asked to perform a forensic audit.*
- By early December 2003, PricewaterhouseCoopers had begun a forensic audit, a specialty practice of accounting which addresses fraud or other criminal investigations.*
- During this initial phase of the forensic audit, the Archdiocese learned of possible sexual abuse of a minor that was connected to the misappropriation of funds.*
- On December 12, 2003, the Archdiocese promptly reported to the Philadelphia District Attorney's Office regarding the suspected fraud and the possible sexual abuse of a minor.*
- On April 29, 2004, the Archdiocesan Victim Assistance staff took an in-person report by the victim of the allegation of sexual abuse by Father Newman.*
- On May 5, 2004, the Archdiocese once again reported this information to the Philadelphia District Attorney's Office.*

Father Charles Newman is a member of a Religious Order, not a priest of the Archdiocese of Philadelphia. He served within the Archdiocese of Philadelphia through an agreement with the Franciscan Friars Assumption BVM Province to staff Archbishop Ryan High School. When an allegation of sexual abuse is received by the Archdiocese against a member of a Religious Order working within the Archdiocese, the allegation is reported to civil authorities as well as to the Provincial of the Order.

If the allegation of abuse involves a member of clergy from a Religious Order, the Archdiocesan Victim Assistance Office will assess the victim's immediate need for assistance and services. If the Religious Order is unable to assist the victim through the crisis situation,

an Archdiocesan Victim Assistance Coordinator offers immediate aid and support. The Archdiocese of Philadelphia will facilitate arrangements with the Religious Order for long-term assistance as well.

Based upon a thorough financial review by independent, outside auditors, accounting procedures have been strengthened in all of our twenty high schools. Some of the key changes include establishing an Advisory Board with a Finance Committee at each school, hiring two senior accountants to supervise school personnel, replacing school bookkeepers with accountants and strengthening policies on disbursement of funds. The Archdiocese also entered into an agreement with the Franciscan Friars for the restoration of the funds that were missing from Archbishop Ryan High School as well as the cost of the audit.

For more information on the Victim Assistance Program provided by the Archdiocese of Philadelphia and for information on the Bishops Charter for the Protection of Children and Young People please visit www.archphila.org and click on Victim Assistance.

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(End of Archdiocese statement)