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VIA E-MAIL

Special Investigative Committee
For the Rebuilding of the
Saint Nicholas Greek Orthodox Church and
National Shrine

*Re: PwC Report discussing the Rebuilding of Saint Nicholas Greek Orthodox Church
and National Shrine*

Dear Special Investigative Committee:

Attached please find the PricewaterhouseCoopers Advisory Services LLC (“PwC”) May 15, 2018 investigative report (“Report”) regarding the rebuilding of Saint Nicholas Greek Orthodox Church and National Shrine (“SNCNS”).

The Report concludes that as of December 31, 2017, the GOA owes the SNCNS an aggregate of \$3,504,550, excluding interest. This amount includes the amount of SNCNS-designated funds the GOA borrowed to pay its operating expenses. The Archdiocese did not allocate costs totaling \$575,000 to St. Nicholas that the GOA voluntarily assumed in instances where there was a reasonable basis to charge a portion of the expenses to the SNCNS. Specifically the GOA elected not to charge the SNCNS for fundraising costs totaling \$532,000, and GOA travel, transportation and other costs that the GOA charged to SNCNS totaling \$43,000. In addition, the GOA did not allocate the following costs totaling \$327,000: (i) 2004 to 2010 journal entries for which supporting documentation could not be located totaling \$245,000; (ii) duplicate cost entries totaling \$49,000; and (iii) GOA invoices paid with SNCNS funds totaling \$33,000.

The GOA has advised that it will repay \$3,504,550 due to the SNCNS with interest. On May 2, 2018, the GOA made a \$1,000,000 payment to the SNCNS thereby reducing the balance due from the GOA to the SNCNS to \$2,504,550. Further, the GOA advised us that it intends to contribute the investment returns earned on the SNCNS restricted gifts from 2001 through 2012,

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totaling approximately \$681,268, to the rebuilding project. While the GOA's generally accepted accounting policy is that investment income earned on restricted gifts to the GOA may be used for operational activities unless specifically restricted by the donor or law, the GOA advised that it would gift this investment income to the SNCNS rebuilding project.

While certain SNCNS funds were used for general GOA expenditures, the amounts due to related parties through 2015 were disclosed in the audited GOA financial statements, which are available on the GOA's website. The GOA continues to enhance its accounting processes and additional financial controls have been put in place.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Stamboulidis', with a long horizontal flourish extending to the right.

George A. Stamboulidis
Managing Partner