

**Special Investigative Committee
for the Rebuilding of the
St. Nicholas Greek Orthodox Church and National Shrine**

October 16, 2018

His Eminence Archbishop Demetrios, Geron of America
Mr. George Tsandikos, Esq., Vice President, Archdiocesan Council of
the Greek Orthodox Archdiocese of American

Your Eminence and Mr. Tsandikos:

As you know, our Committee was appointed as an independent body to investigate issues relating to the use of funds raised for purposes of rebuilding the St. Nicholas Greek Orthodox Church and National Shrine (“SNCNS”).

In connection with this effort, the Committee engaged George A. Stamboulidis of BakerHostetler LLP, who in turn retained PricewaterhouseCoopers Advisory Services LLC (“PwC”) under a *Kovel* letter to preserve attorney-client privilege. We are deeply indebted to both of them for their devotion to this task and for their assistance in completing our work.

The Committee’s investigation was comprised of two phases. On May 15, 2018, Mr. Stamboulidis sent us the PwC Phase I investigative report, which concluded that \$3,504,550 (excluding interest) of the amount raised for the SNCNS rebuilding effort was used to fund the Greek Orthodox Archdiocese of America (“GOA”) operating deficit. We understand that this amount has since been repaid by the GOA, with interest, plus some \$681,268 in investment returns earned on SNCNS restricted gifts from 2001 through 2012. We further understand that the GOA elected not to charge SNCNS some \$820,000 in expenses that either could not be supported by adequate documentation (\$245,000) or that related to SNCNS fundraising, travel and transportation activities (\$575,000). We welcome these steps by the GOA.

Enclosed is a copy of the Phase II report (the “Phase II Report”) from PwC. For purposes of fully disclosing, in a transparent and robust manner, to our Church leadership, clergy and laypeople the findings of our investigation, and fostering a positive and Christian atmosphere to help restore faith in our Church institutions and confidence in the effort to rebuild the only house of worship destroyed in the terrorist attacks of September 11th, we waive privilege in connection with this document and recommended that you publicly release it in its entirety.

As reflected in the Phase II Report, after extensive investigation, there is no evidence that SNCNS funds were improperly paid to any individuals employed by or associated with the Archdiocese. The Phase II investigation also revealed no evidence or allegation that fraud was committed in connection with the SNCNS construction project.

Rather, the SNCNS cost overruns appear to have been the result of change orders agreed to by GOA decision-makers to address architectural concerns or enhance the design of SNCNS. Although these modifications to the original design may have been made with the best of intentions, and may result in a structure befitting of a church and national shrine, the project will have a final cost that is significantly greater than that originally contemplated and publicized.

The increased cost caused the GOA to run out of funds for the project, resulting in a construction halt that continues today. Of course, this is a cause of frustration for clergy and laity alike. To avoid a similar situation from occurring in the future and to establish best-practices, we recommend that the rebuilding effort of SNCNS be spearheaded by a new legal entity that may be affiliated with, but is independent from, the GOA. This entity should have bank accounts that are separate from those of the GOA, and a board comprised of members who have the appropriate qualifications to oversee the project, including reviewing and approving any design modifications with the attendant cost considerations in a thoughtful and thorough manner.

It has been our honor to serve on this Committee and it is our fervent wish and prayer that these reports provide some finality to these matters and lead to the completion of the most important collective construction project in the history of our Church in America.

Very respectfully,

Nikiforos Mathews
John Pappajohn
George S. Canellos