



THE DIOCESE
OF COLORADO

The Right Reverend
Robert J. O'Neill

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27 March 2007

Dear Grace Church and St. Stephen's Parishioner,

I understand that you are a member of Grace Church and St. Stephen's, a parish of the Episcopal Church within the Diocese of Colorado. I write to you as your Bishop. I do so with sadness because I have received news that the Grace Church vestry voted yesterday to "leave" the Episcopal Church and affiliate with an Anglican bishop in Nigeria.

This decision has pastoral, personal, canonical, legal, and financial ramifications for those who joined in this vote and for you. The situation is complicated by the fact that the vestry's vote was taken on the day that our Standing Committee, acting as the Diocesan Review Committee, voted unanimously to issue a presentment in response to the Church Attorney's investigation regarding allegations of Father Armstrong's financial wrongdoing. The Church Attorney is outside legal counsel hired by the Diocesan Review Committee. I am writing to clarify misstatements regarding this process and also to give you information about the future of Grace Church and St. Stephen's as an Episcopal parish.

Contrary to statements made by the vestry, I and my representatives have provided it with substantial detail and documentation regarding the allegations against Father Armstrong consistent with the canonical confidentiality restrictions that applied until the Diocesan Review Committee acted yesterday. The vestry has not been kept in the dark as it has claimed.

That the vestry has chosen to "leave" The Episcopal Church on the day that the Diocesan Review Committee issued its presentment calls into question the motivation for making such a decision. That the vestry decided to restore Father Armstrong to a position of leadership—particularly in light of the allegations against him—and has justified that decision on the basis of safeguarding the Church's moral integrity defies comprehension.

The vestry's unilateral action, taken in consultation with Father Armstrong, has neither canonical nor constitutional grounding nor effect. While people may leave the Episcopal Church, parishes cannot. Grace Church and Saint Stephen's remains a congregation of The Episcopal Diocese of Colorado and will continue to be so for any and all who desire to be members.

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To that end, and effective immediately, I have removed the members of the vestry and all parish officers from office under the provision of our canons—not the least of which is (Title I, Canon 17.8) which states that “any person accepting any office in this Church shall well and faithfully perform the duties of that office in accordance with the Constitution and Canons of this Church and of the Diocese in which the office is being exercised.” As such, the vestry is declared vacant. Taking this step will afford me the opportunity to provide appropriate pastoral care to those remaining loyal to Grace and Saint Stephen’s while, at the same time, protecting the assets for the parish in light of my serious concerns about the parish’s financial mismanagement under Father Armstrong’s leadership.

My primary pastoral concern is for those of you remaining loyal to Grace and Saint Stephen’s—those who do not want to be part of a Nigerian Church; those for whom Grace and Saint Stephen’s is a spiritual home; those who have marked significant life events there; those who have forged deep relationships in the parish community; and those who have given generously for the mission and ministry of the parish. You can expect to hear from me this week regarding the next steps that will be taken to provide for worship this Sunday and for new pastoral leadership for the parish in the short-term and until such time as the parish is restored to its property.

In the meantime, I want to share with you information about the most recent events related to the investigation into the allegations against Father Armstrong.

First, I understand fully that the canonical process by which the Church conducts such investigations and brings them to a conclusion is not easily understood by the faithful. The disciplinary canons of the Episcopal Church include provisions to protect the interests of the accused, including the right to legal representation, the presumption of innocence, and various courses of appeal. This process has been faithfully followed, and Father Armstrong has been given opportunity to respond to the allegations against him.

Second, the Church Attorney delivered the report of his investigation to our Diocesan Review Committee yesterday. The Church Attorney’s investigation included reviewing six volumes of documents, evaluating the report of the forensic accounting firm, and conducting around forty-five interviews. Having received the Church Attorney’s Report, the Diocesan Review Committee (comprised under our Canons of the elected members of the diocesan Standing Committee) voted unanimously to issue a Presentment against Father Armstrong. A Presentment, simply put, is the canonical equivalent of an indictment in the civil court—a formal written communication made by the Diocesan Review Committee to the Ecclesiastical Court of the Diocese that states “that there are reasonable grounds to believe (i) that an Offense has been committed which is triable, and (ii) [that] the person named therein has committed it.” (Canon IV.3.21(c))

In the case of the allegations made against Father Armstrong, the Presentment identifies the following canonical offenses: crime, immorality, violation of the Constitution or Canons of the General Convention, violation of the Constitution or Canons of the Diocese, violation of ordination vows, and conduct unbecoming a member of the clergy. The most pertinent details of the offenses alleged to have been committed over an approximate ten-year period and documented in the Church Attorney's report include:

- Theft from Grace Church of \$392,409.93 in unauthorized payments for educational and personal expenses for Father Armstrong's family
- Tax Fraud involving \$548,097.27 in non-salary income and benefits not reported to the Internal Revenue Service and the Colorado Department of Revenue
- The unlawful extension and receipt of loans to Father Armstrong totaling \$122,479.16
- The improper use of Clergy Discretionary Funds in the amount of \$136,354.78
- The unauthorized encumbrance and alienation of the parish's real property
- The failure to maintain proper books of accounts by causing Grace Church to record false or fraudulent entries in its books and records.

These are serious allegations. That the former vestry has made a decision to "leave" the Episcopal Church and restore Father Armstrong to a position of leadership in light of this is an irresponsible breach of the confidence you entrusted it.

Be assured that I will keep you informed about the next steps that will be taken to reorganize Grace and Saint Stephen's. Know of my continued prayers for you, Father Armstrong, his family, and all who have been so negatively affected by these events.

God's peace and blessing be with you.

Faithfully,

A handwritten signature in black ink, appearing to read "R. O'Neill", with a small cross symbol to its left.

The Right Reverend Robert O'Neill
Bishop