

**Statement from the Diocese of Cleveland Concerning the**  
**Federal Sentencing of Joseph H. Smith**

The Diocese respects the court's judgment as to an appropriate sentence. It remains the Diocese's position that no one knew of or approved the payments to Smith by Anton Zgoznic's firm.

The Diocese and all those working with it are committed to ensuring the proper stewardship of the resources entrusted to the Diocese, firmly justifying the confidence of Catholics and all others who so generously support the spiritual and social work of the Church.

In the several years since Joseph Smith's conduct first came to light, the Diocese has implemented numerous policies and procedures to strengthen its financial controls. These include:

1. The reorganization of the Legal and Finance offices under separate leadership.
2. Improved internal controls with the hiring of additional finance personnel.
3. The use of well-recognized and well-respected professional firms when appropriate.

Through similarly focused efforts, the Diocese has been able to secure reimbursement for a large portion of the inappropriate payments made to Smith.

The Finance Council of the Diocese, the panel of lay persons prescribed by Church law, has been working and continues to work closely with the Diocesan finance team and the Bishop in a consistent effort to enhance the effectiveness of our financial administration.

*12/11/08*