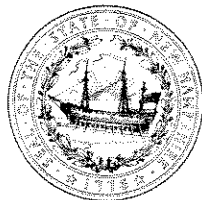


**ATTORNEY GENERAL
DEPARTMENT OF JUSTICE**

33 CAPITOL STREET
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KELLY A. AYOTTE
ATTORNEY GENERAL



ORVILLE B. "BUD" FITCH II
DEPUTY ATTORNEY GENERAL

March 28, 2008

Bishop John McCormack
c/o Brian Quirk, Esq.
Preti, Flaherty, Beliveau, Pachios & Haley
57 North Main Street
P.O. Box 1318
Concord, New Hampshire 03302-1318

Re: 2007 KPMG Audit

Dear Bishop McCormack:

Attached is a copy of the report generated by KPMG based on its assessment of the Diocese of Manchester's compliance program (the "2007 Audit"). Similar to the 2006 audit report released on May 4, 2007, the 2007 Audit is based on a comprehensive review of documentation, interviews with a number of Diocesan personnel, and sample testing of the compliance program at the Diocese, parishes, a school, and a camp. The findings are fully documented in the report.

As an initial matter, I would like to acknowledge and commend the Diocese for the significant progress which has been made with the overall compliance program. These include the revision of strategic policies including *Serving Christ, Serving Others – Code of Ministerial Conduct* and the *Screening and Training Protocol*, the emphasis on a risk based approach to the Program and the development and implementation of a new web-based safe environment database.

I was also especially pleased to learn of the positive changes with respect to the tone at the top and oversight of the Compliance Program, two areas that the 2006 Audit identified as needing improvement. The Executive Summary of the 2007 Audit noted that "the Diocese and its Senior leadership demonstrated an openness and willingness to cooperate during the assessment. They appeared receptive to recommendations and feedback and acknowledged in several instances the potential value such enhancements could provide the Program." This support from the Diocesan leadership demonstrates an encouraging development. That change in the tone at the top manifested itself in particular in the fact that the Diocese agreed to the final audit in 2008 without having to litigate the issue. In addition, I believe it is important that Bishop McCormack and Father Arsenault both articulated to KPMG that they recognized the importance of

institutionalizing a strong Program in order to make it sustainable beyond the tenure of those currently responsible for its oversight.

Despite these significant additions and enhancements, however, the 2007 Audit has identified a number of gaps, as well as some opportunities for further enhancements, that need to be adopted and implemented in order for the Diocese to have a fully effective and sustainable compliance program.

The 2007 Audit Report contains detailed findings and recommendations. It is expected that the Diocese will review these findings and recommendations and take appropriate action to correct the shortcomings identified by the report.

In this letter I am only specifically addressing those issues which I believe require the most immediate attention.

1. Response to Allegations

- a. Removal of Diocesan Personnel Upon Receipt Of An Allegation

Despite repeated requests from this office, including an explicit directive in my 2006 Audit letter, the *Promise to Protect, Pledge to Heal*, Policy for the Protection of Children and Young People (the "Policy") still does not comport with the original December 2002 Court Agreement (the "Agreement"). Although I note that the language of the Policy was revised after last year's audit, it is still not sufficient. Currently, the revised Policy states that, "When the Bishop of Manchester deems an allegation of sexual abuse of a minor to have a semblance of truth, the accused will be placed on precautionary leave pending the outcome of the investigation." I must reiterate my position that the Agreement unambiguously requires an alleged abuser to be removed from any position in which there is contact with minors until the matter is fully and appropriately investigated. It does not permit the Bishop to make a preliminary determination of whether the allegation appears truthful. The Agreement requires that removal must take place "upon receipt" of an allegation of sexual abuse.

In addition to revising the Policy to reflect the 2002 Settlement language, KPMG also recommends and I concur with, including the word "immediately" with respect to the removal.

b. Investigations

Current investigation protocols do not include a timetable for the commencement of an investigation. Because it is important to initiate all investigations as soon as practicable, your investigative protocol should be

revised to include a specific timetable for the initiation of investigations following receipt of an allegation, case prioritization and potential goals for the various aspects of the investigation.

2. Safe Environment Disciplinary Procedures

Although the Safe Environment Disciplinary Procedure does create greater accountability, a timetable for the escalation of disciplinary issues and enforcement of the Programs mandates must be established. This will permit the setting of measurable thresholds and enhance consistent application.

3. Safe Environment Coordinators

The 2007 site revisits, documented in the Safe Environment Reports, reveal that not all Diocesan entities, including some schools and parishes, have a named Safe Environment Coordinator. Unfortunately, this is a repeat Audit finding that must be addressed. In order for the Program to function effectively SE Coordinators need to be identified for each entity. In the alternative, I concur with KPMG's recommendation that when an SE Coordinator position remains vacant, the Diocese should assume responsibility for compliance of the entity.

4. Record Keeping and Safe Environment Database

While the creation of the Safe Environment database is a positive event, improvement and refinement is still necessary. Of great importance is that a data testing procedure be developed and implemented to validate and/or verify the accuracy of data contained in the database. KPMG has detailed its findings and recommendations on page 25 of the 2007 Audit Report. The Diocese must address these issues in order to ensure an effective compliance program.

5. Survey of Parishioners and Personnel

As you are aware, the University of New Hampshire survey center completed a survey of approximately 500 Diocesan parishioners and personnel regarding their understanding of the Diocese's policies and practices relating to

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the prevention of child sexual abuse. That survey is attached as Exhibit D to the 2007 audit report. The survey certainly contains several encouraging statistics regarding the way in which Diocesan personnel and parishioners would handle allegations of child sexual abuse. For example, more than 95% of the respondents would contact law enforcement if they learned of an allegation of child sexual abuse. A number of the questions indicate that the vast majority of those surveyed believe that allegations of child sexual abuse would be handled appropriately by the Diocesan personnel. On the other hand, 39% of the respondents indicated that they never received communications from the Diocese about child abuse policies. Similarly, 40% also indicated that they were slightly or not at all familiar with the Diocesan policies. These numbers indicate a need for the Diocese to better communicate its policies and procedures to its parishioners – a recommendation and finding made during earlier KPMG audits. More importantly, this survey instrument provides a benchmark against which the Diocese can gauge progress in the future.

Similar to the process following the 2006 Audit, within 30 days from today's date, the Diocese must develop and present to the Attorney General's Office a comprehensive written plan for resolving issues identified in KPMG's report and outlined above, including the goals and objectives related to the gaps identified, the identification of responsible parties, realistic and appropriate, but prompt, timelines for plan implementation, and mechanisms for ongoing oversight.

The Office of the New Hampshire Attorney General, or its designated representative will review the submitted plan to assess its completeness, reasonableness, and ability to further assist the Diocese in complying with the Agreement. Thereafter, the Diocese will be responsible for implementing the agreed-upon plan within the timeframes designated, subject to audit by the New Hampshire Attorney General.

In addition, the Diocese shall address any deficiencies and/or findings outlined in KPMG's audit report but not covered in this letter prior to the next annual audit. Though not expected, failure to take appropriate and timely steps to address deficiencies identified by the audit may result in court action for contempt or other appropriate legal remedies to enforce the Agreement.

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I am greatly encouraged by the progress exhibited by the Diocese over the last year and I commend you for your improved efforts and achievements. I look forward to the results of the last audit and am hopeful that it too will reflect further progress. I remain optimistic that the Diocese will continue with these efforts to accomplish our shared goal of protecting children from sexual abuse.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Ayotte".

Kelly A. Ayotte
Attorney General

KAA/
Enc.

#255295