

EXHIBIT C

LETTER

COPY

December 24, 2003

Mr. Jay Milano
2639 Wooster Road
Rocky River, OH 44116

Dear Mr. Milano,

It is with great concern for the future of the Catholic Church that I have decided to forward the attached information to you at this time. I understand that you are in the process of attempting to bring charges under the organized crime laws in regards to the cases relating to the molestation situation within the Diocese and hope that this information showing additional corruption will assist somewhat in that endeavor.

First of all, this information is in regards to "consulting" payments made by an extremely large vendor of the Diocese of Cleveland to the one in charge at the Diocese who authorizes the use of that vendor in the first place. The vendor I am discussing is Mr. Anton Zgoznic, the accountant/consultant who has been hired by the Diocese under various companies, including the following: ZJ & Associates (ZJA), Institutional Financial Advisors (IFA), Monastra & Associates, Inc. (MAI), Zgoznic & Associates, Inc. (ZAI), Alexander Systems Group (ASG), and the most recent, Institutional Business Solutions (IBS). Although Mr. Zgoznic was not a shareholder of ZJA, I understand that he was actually in control and the shareholder, Mr. Zrino Jukic, acted merely as a puppet for Mr. Zgoznic, who was, at the same time, serving as Assistant Treasurer at the Diocese through June 1999. This is evidenced by Mr. Zgoznic's signature on many of the attached checks. The person in charge who chooses to give the work to Mr. Zgoznic is Mr. Joseph Smith, who receives such payments under JHS Enterprises (\$451,596) or under Tee Sports (\$226,635) as indicated in the attached material. I understand that there has never been any written invoice, or documentation, supporting a calculation of these "consulting" fees paid to either Mr. Smith or the other person mentioned in a later paragraph.

The various above-listed firms have been paid a few million dollars each year for the last few years to perform services for the Diocese that some feel are either not needed in the fashion as prepared by the consulting firm(s), totally unnecessary at all, or somewhere in the middle. Some of the invoices were billed through ZJ & Associates, Inc. (see attached copies of listings of deposits for the year of 2000) while others were billed through Institutional Financial Advisors, Alexander Systems Group, and, most recently, through Institutional Business Systems. Please note attached copies of listings of deposits to IFA as well as the ZJA deposits mentioned above. I do not have the figures being charged by ASG or IBS.

Within the attached information, in addition to the summarized schedule of all questionable payments, you will see copies of checks of such payments, front and back, which were paid to JHS Enterprises and to Tee Sports for the year of 2000. Although the actual checks are not available for 1997, 1998, 1999, 2001, 2002, and 2003, the figures regarding such payments are taken from copies of ZJA's General Ledger and from a listing of payments made to the vendors of Institutional Financial Advisors (IFA) for those years as attached. I'm not positive as to exactly for which month the payments for 2003 have been made but am aware they do not include the new company in 2003, IBS.

Second of all, in addition to the payments made to Mr. Joseph Smith, additional payments of approximately \$7,500 per month, totaling more than \$331,786 from 1999 through 2003, have been made to Thomas Kelley, or to Kelley Management in later years. It is my understanding that Mr. Kelley is retired and, presumably, collecting a pension from the Diocese or has taken the lump sum distribution from the Pension Fund in addition to this "consulting" income.

These two sets of payments could be the reason the Diocese has been paying the millions per year in bookkeeping/accounting/computer/consulting fees when the Diocese could easily hire employees for a small fraction of that cost. In addition, this would probably explain why there were no raises for the dedicated employees of the Diocese this year, thus further explaining why this particular consultant is so disliked by those here at the Diocese office. I understand that the Diocese has been advised to make payments to Mr. Zgoznic's companies in small enough amounts as not to raise any red flags with the auditors. You will note that complete information is not available for 2003 as that is when such payments would probably have been paid through the new company, IBS.

I am sorry that I can not give my name at this time due to any possible ramifications with my revealing this example of greed, graft, and corruption. I will leave you with a code that I will use if I need to correspond with you after this letter. This code is "Dean."

I trust that you will be able to use this documentation to expose the guilty and cause changes in the system in order that this will never happen again. Ideally, it would be best if the ill-gotten funds were returned to the Diocese for the benefit of those for whom they were originally intended.

Thank you for whatever you can do to resolve this issue.

Dean
