



Catholic Mutual
Connection

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Thou Shall Not Steal.....

organizations reputation. If a parish employee is caught stealing from the offertory, for example, parish leadership will need to work to regain the trust of parishioners who may be reluctant to continue their contributions. While your coverage/insurance program may be available to provide some recovery for these various losses, taking proactive steps to prevent acts of employee dishonesty or any type of fraud is the best defense. Our members should implement safeguards designed to avoid situations that may tempt their employees.

Parishes and organizations that understand fraud risks and take proactive steps to reduce its occurrence are the most successful in preventing fraud, thereby reducing potential monetary and reputational damages that result from a breach of trust. A policy that clearly defines the steps that management, staff, and volunteers should take if fraud is suspected helps those responsible for the stewardship of these assets to fulfill their duties. A formal policy

also shows staff and volunteers that the organization is serious about employee dishonesty and fraud and will prosecute individuals who are caught. In addition, implementing and monitoring internal controls will keep the parish in compliance with anti-fraud recommendations and requirements that may be established and mandated by your Arch/diocese or Religious Order.

Most certainly, separating important accounting procedures and providing for employee accountability are essential elements to help prevent fraud. Fidelity exposure controls should be implemented in two impor-



tant areas: cash receipts and cash disbursements. Fund raising and special collections should be facilitated by following proper procedures. All assets should be safeguarded. Any recommended or mandated controls should apply equally to all employees whether salaried or volunteer. Esteem, confidence, and trust are valuable and are as much, or more, worthy of protection as money.

There are many ways to help prevent fidelity losses. Catholic Mutual has created several documents to help you develop policies and procedures to reduce the risk of fidelity losses.

Fidelity Control, Review of Parish Accounts and Financial Control Guidelines and Script Handling Guidelines are some of the guidelines that can be obtained on our website at www.catholicmutual.org under Risk Management CARES information. If you have any questions or concerns, please contact our Risk Management Department at 1-800-228-6108. We want to assist you in protecting your church resources.



Visit us on the web at
www.catholicmutual.org

CONNECTION

Inside this issue

Claim Story

Sleep Tight

Thou Shall Not Steal

INTERNET USAGE AND WHAT IT MEANS TO THE CHURCH



Computers are getting faster and faster and the internet is becoming so widely available, one can watch streaming movies from their phone. However, amidst this electronic network phenomenon lies potential risks. Catholic churches and schools are not immune to legal liability and system interruption stemming from the internet. To help mitigate system interruption and litigation, security and user rules should be implemented to reduce the likelihood of a claim.

For general use and ownership, anyone using your network or internet should be made aware that any data created on parish systems remains the property of the diocese, parish and/or school. Because of the need to protect the network, management cannot guarantee the confidentiality of

information stored on any network device and no rights of privacy exist. All users must exercise good judgment regarding the reasonableness of personal use and any outside commercial use should be prohibited.

Those who minister and work in pastoral settings must take great care to be consistent in representing their personal character online. Clear communication and respect for personal boundaries is needed at any level of contact. Emails, text messages, blog posting/comments and YouTube videos are all public forums from which a permanent record can be obtained. As representatives of the Church, users should be diligent in avoiding situations which might be the source of a scandal for themselves or others.

Email, Instant Messaging (IM) and Video Chatting allow flexibility and immediacy in communication. When combined with face-to-face communication, these electronic forms can significantly enhance how we minister to others. Keep in mind, the same boundary issues that are respected in oral communication must also be respected in writing. Parent/guardian consent needs to be authorized prior to communicating in this manner with younger people. More and more parishes are creating Ministry Web pages to use as a vehicle

for communication. These web pages should be regularly updated and there should be an intentional plan and set of goals on establishing and maintaining a web presence. Great care is necessary to protect people that are publicly accessible and personal information should never be made available.

Finally, if you haven't heard of Facebook by now, you are one of the rare few. There are many social networking communities of people who share the same interest and activities. These communities are primarily web based and provide a way for users to interact. (i.e. messaging, email, video /voice chat, file sharing, blogging, discussion groups, etc.) As with any social network site, personal opinions and discussions are often conducted. It is essential for users to remember that others may recognize them as representing the values of the Catholic Church.

Catholic Mutual has created a "Network Security Policy and Usage" document that can help in developing security procedures and educate our members on mitigating the potential electronic threats. This document can be obtained on our website at www.catholicmutual.org under Risk Management CARES

Thou Shall Not Steal.....

We would all really like to believe no one would take advantage of, or for that matter, actually steal from the Church. Sadly, the reality is, fidelity losses are becoming a more prevalent issue for Arch/Diocesan, parish, school and religious order locations. Employee thefts, also known as fidelity losses, can consist of employee dishonesty, embezzlement, forgery, robbery, safe burglary, computer fraud, wire transfer fraud, counterfeiting and other criminal acts. The statement "our employees would never steal from the Church" is one we have heard numerous times, and unfortunately, is a

misconception! Employees have been stealing from the Church for decades, and the frequency of occurrences is rising.

Statistically, United States accounting firms have reported that in the corporate workplace:

- 80% of workplace crime is carried out by employees
- 25% of employees have either committed or witnessed fraud or abuse in the workplace
- 33% of the employees who have witnessed a workplace crime do not bother to report it

Further, a survey of the United States Catholic Arch/Diocesan Chief Financial Officer's revealed that:

- 85% of U.S. Catholic Arch/Dioceses reported embezzlements within the past five years
- Only 39% of the Arch/Dioceses have a formal written fraud policy

In addition to the financial ramifications, acts of employee dishonesty and fraud can be damaging to an



Con't on page 4



Serving the Temporal Needs of the Church Since 1889
CATHOLIC MUTUAL GROUP

An informational newsletter provided to the members of
Catholic Mutual Relief Society + Spring/Summer 2011



CLAIM STORY

It was the first day of the 8th grade summer camp retreat. The kids were waking up a little groggy after arriving to the camp late the night before. Raul and Mike (two group leaders) were outside enjoying the cool, sunny morning with a cup of coffee before the kids woke up. They had already set up the rafts and oars along the bank of the river. While not one of their planned activities, they thought it might be fun to surprise the kids with a raft float down the river. They asked the camp director for permission to use the rafts and the director gave them enough life jackets for everyone and some coolers full of food and water. Raul and Mike were the only adult chaperones for the fourteen 8th graders. The rafts could only hold 4 people, which left two boats without any adult presence. They floated downriver all morning and decided to stop for lunch. While paddling back to shore, one of the youth members tried to stand up, causing the raft to capsize. While all the occupants were wearing life vests, one of them, Ryan, had unbuckled his vest earlier as a way to cool off. When Ryan fell into the water, his life vest came off and he could not swim. Raul swam desperately to reach Ryan and pull him to safety. Once they reached the shore, Raul immediately began administering CPR while Mike called the paramedics, but it was to no avail. The boy died at the hospital later that day.



Summer camps and retreats are common venues to provide a fun experience for youth while keeping them involved in Church ministry. However, as with any activity involving

youth, advance preparation is needed to ensure the safety of all participants. The following guidelines should be followed when planning a trip to a summer camp or retreat:

- Adequate supervision is a must!
- Chaperones should be at least 21 years of age or older. At a minimum, a ratio of 1 adult per 5 youth should be maintained. Keep in mind, there should always be at least 2 adults. Chaperones must complete (Arch) Diocesan Safe Environment requirements (i.e. background check, training, etc.) and should also complete an *Adult Hold Harmless/Indemnity Agreement*. Chaperones should be aware of what is expected of them and must possess the necessary skills to carry out those tasks.
- Parents should be notified of all details of the trip beforehand. Written acknowledgement should be obtained by parents to show they have been made aware of the destination, date(s), timeframe, means of transportation, activities, names of chaperones, etc. A signed *Parent/Guardian Consent Form and Liability Waiver*, which includes medical information, should also be obtained.
- If the camp has an agreement/contract that must be signed

prior to using their facility, Catholic Mutual or the Chancery Office should review **prior to signing** to ensure it doesn't contain unacceptable or unfavorable language on your behalf.

- For purposes of transportation, 11-15 passenger vans are not allowed! Commercial or contracted transportation is the preferred method of travel whenever possible. If transportation is contracted, signed contracts should include a hold harmless agreement protecting the parish/school and the (Arch)Diocese. If a private passenger vehicle is used, then the following information must be supplied:
 1. Driver must be 21 years of age or older and have a valid driver's license.
 2. Vehicle must have current registration and license plates.
 3. Vehicle must carry minimum liability limits of \$100,000 per person/\$300,000 per occurrence.

To access the forms mentioned above, please visit our website at www.catholicmutual.org. If you have additional questions, please contact the Risk Management Department.

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SLEEP TIGHT, CAUSE IF THE BED BUGS BITE.... A LAWSUIT CAN HATCH

Bedbugs have become an increasingly hot topic and a growing problem, not just for the hotel industry and homeowners, but for office buildings, churches, retreat facilities, camps, group homes and even assisted living and long term care facilities. Bottom line, the risk of encountering bed bugs increases in places with high occupancy turnover. They can be carried in by employees, vendors, and visitors. In a recent National Pest Management Association survey, nearly 1 in 5 exterminators reported finding bed bugs in non-residential or hotel type facilities.

Unfortunately, infestations can hatch lawsuits. Workers, residents, and visitors can be bitten or their new friends can hitch a ride and infest homes. There has been a steady stream of bed bug lawsuits in the U.S. over the past decade, and even the cost component to defending litigation where there is no negligence can be extremely expensive. Further, judgments where negligence is found are even more costly. Although insurance coverage may apply for liability suits, it should be noted that currently, most insurance policies exclude coverage for costs under property coverage forms and contain specific exclusionary language related to vermin, termites or other insects. This can result in high-dollar out-of-pocket costs for extermination, clean-up, and the replacement of furnishings, etc. An unfortunate infestation for one church shelter program resulted in out-of-pocket costs of approximately \$40,000 for extermination related and property replacement expenses. Our properties are not immune.



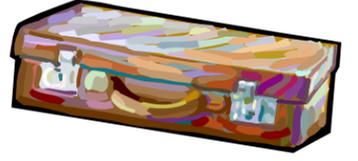
Although the exact cause remains a mystery, the Centers for Disease Control and Prevention and the U.S. Environmental Protection Agency chalk up the resurgence of these pests to "increased resistance of bed bugs to available pesticides, greater international and domestic travel, lack of knowledge regarding control of bed bugs due to their prolonged absence, and the continuing decline or elimination of effective pest control programs at state and local public health agencies".

Bed bugs are reddish brown, oval, flat, and about the size of an apple seed (no more than 1/4 inch in their adult state). They easily migrate and hitchhike from place to place, and breed rapidly. They simply need a warm, comfortable place to hide. They could care less if the environment is clean/dirty, and they certainly don't pick hosts based on social class. The critters or their eggs can be brought in by anyone, anywhere.

Eliminating bed bugs can be very difficult as they can live for more than a year without eating. The key is awareness, prevention, early detection and appropriate quick action. Knowledge is power, and education is most certainly the key to fighting these tiny terrors. Because identification techniques and treatment can vary based on facility type (i.e. office settings vs. residential/dwellings/camps, etc.), detailing specifics via an article is not feasible. The Centers for Disease Control and Prevention offers a guide to bedbugs at www.cdc.gov/nceh/ehs/Publications/Bed_Bugs_CDC-EPA_Statement.htm. We highly recommend you access this helpful information.

As for all you travelers...the Bed Bug Registry is a free, public database of user-submitted bed bug reports from across the United States and Canada. Founded in 2006, the site has collected about 20,000 reports covering 12,000 locations (www.bedbugregistry.com).

Don't let your church property (or the suitcase you take home) become a bedbug battleground! If you have additional questions, please contact the Risk Management Department.



ANNOUNCING NEW ONLINE TRAINING

**Preventing Slips, Trips & Falls
Fire Safety
Preventative Maintenance
And
Church Transportation—Is It Necessary and Ministry Based?**