

7/18/14

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

Case:2:14-cr-20239
Judge: Tarnow, Arthur J.
MJ: Grand, David R.
Filed: 04-17-2014 At 12:23 PM
INDI USA V. SEALED MATTER (DA)

D-1 EDWARD BELCZAK and
D-2 JANICE VERSCHUREN,

Defendants.

INDICTMENT

THE GRAND JURY CHARGES THAT:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

1. St. Thomas More Catholic Church (STM) was a parish in Troy, Michigan, within the Archdiocese of Detroit (the Archdiocese).
2. The Archdiocese appointed Edward BELCZAK to be the pastor at STM.
3. Janice VERSCHUREN was employed at STM as the parish administrator, facilities manager and travel group coordinator.

4. As the pastor of STM, BELCZAK was primarily responsible for the financial and administrative operations of the parish.

5. BELCZAK was obligated to comply with the Financial Policies and Procedures Manual (FPPM) as established by the Archdiocese.

6. According to the FPPM, STM was authorized to operate only one primary bank account, and was to conduct all significant financial transactions of the parish through that account. The FPPM also authorized STM to establish auxiliary accounts for expenses limited to bingo, payroll, cemetery, and parish organizations.

7. BELCZAK and VERSCHUREN were both signatories on STM's primary bank account which was maintained at Independent Bank in Troy, Michigan.

8. BELCZAK was required to verify the accuracy of the annual financial reports that were submitted to the Archdiocese on behalf of STM.

9. Each year, STM was required to pay the Archdiocese a Diocesan Assessment to support the operations of the Archdiocese. The formula used to calculate the yearly assessment was based upon STM's operating receipts, which were reported in the yearly financial reports that BELCZAK verified and submitted, or caused to be submitted, on behalf of STM. Operating receipts

included items such as donations and bequests from parishioners, fund raising income, and all other miscellaneous income received.

10. Each year, the Archdiocese mailed STM an assessment letter setting forth the calculation and the amount due for that year's assessment based on STM's financial reports that BELCZAK verified.

11. All dates in this indictment are alleged to have occurred "on or about" the dates stated.

12. All dollar amounts in this indictment are approximate.

COUNT ONE

(Conspiracy to Commit Mail and Wire Fraud—18 U.S.C. § 1349)

D-1 EDWARD BELCZAK
D-2 JANICE VERSCHUREN

13. From 2004 to 2012, in the Eastern District of Michigan, Southern Division, defendants EDWARD BELCZAK and JANICE VERSCHUREN, did knowingly and willfully combine, conspire, confederate and agree with each other to devise and execute a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, to wit: the defendants stole money and diverted funds from STM and the Archdiocese for their own use, then created and caused the creation of false financial reports that concealed their theft and diversion of the money. In order to

execute and attempt to execute their scheme, the defendants knowingly caused to be sent and delivered items by United States mail or by commercial carrier, and transmitted and caused to be transmitted by means of wire or radio communication in interstate or foreign commerce, writings, signs, signals, pictures or sounds.

The Purpose of the Conspiracy

14. It was the purpose of the conspiracy for BELCZAK and VERSCHUREN to defraud and obtain money that belonged to STM and the Archdiocese and divert it for their own personal benefit, use, and enrichment.

The Manner and Means of the Conspiracy

Purchase of Florida Condo

15. On March 28, 2005, BELCZAK purchased a condominium located at 2403 Windsor Way Court, Wellington, Florida, for \$500,000 from VERSCHUREN and her former husband. BELCZAK obtained a loan for \$400,000 and was required to pay \$112,145.80 at closing.

16. On March 24, 2005, BELCZAK purchased an official check drawn on STM's account at Independent Bank in the amount of \$109,570.80 payable to Sunbelt Title Agency. BELCZAK listed the remitter as "St. Thomas More Church." This check, along with a \$2,575 check BELCZAK drew from his personal bank account, was used to pay BELCZAK's closing costs for the condominium.

17. VERSCHUREN and her former husband received approximately \$494,676 from the sale of the condominium.

Money Bequeathed to STM from the E.M. Trust

18. In mid-April 2006, the trustee for the E.M. Trust informed BELCZAK that E.M.—a parishioner of STM who had recently passed away— had bequeathed a portion of her estate to STM, to be used “for the needs of the church.”

19. In mid-April 2006, the trustee for the E.M. Trust mailed a check payable to STM in the amount of \$350,000.

20. On April 26, 2006, in furtherance of the scheme to defraud and in order to conceal his illegal conduct, BELCZAK opened a business money market account at Private Bank in the name of “St. Thomas More c/o Edward Belczak” (Private Bank xxx846). BELCZAK endorsed the \$350,000 check from the E.M. Trust and used it to open the account. The Archdiocese was never informed of the existence of this account, and never authorized it to be established.

21. On May 31, 2006, the trustee for the E.M. Trust purchased an official check payable to STM in the amount of \$70,204.52, and mailed it to STM.

22. On June 5, 2006, BELCZAK, with intent to defraud, endorsed the second check from the E.M. Trust and caused it to be deposited into Private Bank xxx846.

23. BELCZAK used most of the money that was bequeathed to STM by the E.M. Trust for his own personal use, benefit, and enrichment.

Money Donated to STM from the M. Family Foundation

24. From May 2008 through May 2011, STM parishioner M.M. donated \$10,000 per year to STM from his family's foundation, and specified that the money was to be used "for the needs of the church."

25. In May 2012, M.M. donated \$3,000 to STM from his family's foundation for the needs of the church.

26. Each year, M.M. either dropped the check off at STM or handed it directly to BELCZAK. The checks were all made payable to STM.

27. Each year, BELCZAK, with intent to defraud, deposited the M. Family Foundation check payable to STM into Private Bank xxx846, the account he had established in the name of "St. Thomas More, c/o Edward Belczak."

28. BELCZAK used most of the money received from M.M. and the M. Family Foundation for his own personal use, benefit, and enrichment.

Unallocated Expenses from Budget

29. From 1999 through 2012, STM's budget allocated funds for BELCZAK's expenses including, for example, transportation, professional, hospitality, rectory cleaning, rectory, and stewardship.

30. At the end of each fiscal year, BELCZAK instructed STM's bookkeeper to issue a check to him (BELCZAK) personally for any unspent funds in these expense categories.

31. Each year, BELCZAK received a check from STM's primary bank account payable to himself in amounts ranging from approximately \$6,000 to \$14,000, which BELCZAK deposited into his personal bank account.

32. Each year, BELCZAK approved a budget report that he well knew falsely represented the money spent within these budget categories had been fully spent on parish-related expenses.

STM Travel Group Commissions

33. Beginning in 1994 and continuing through at least 2012, VERSCHUREN was the coordinator for STM Travel Group. In that capacity, VERSCHUREN worked with Collette Travel Services Inc. to plan and arrange vacation packages for STM parishioners and non-parishioners.

34. BELCZAK and VERSCHUREN attended each vacation arranged by STM Travel Group.

35. STM paid all of the administrative and operating costs associated with STM Travel Group.

36. From 2007 through 2012, Collette Travel paid STM Travel Group

commissions for selling vacation packages. These commissions were paid in two ways:

A. Collette Travel applied the earned commissions against BELCZAK and VERSCHUREN's travel fare, allowing them to travel for free.

B. In addition, Collette Travel issued eight (8) checks payable to STM Travel Group for the balance of commissions remaining after covering BELCZAK and VERSCHUREN's travel costs had been fully covered.

37. BELCZAK deposited and caused to be deposited the commission checks made payable to St. Thomas More Travel Group into his personal JP Morgan Chase bank account (on which VERSCHUREN was a co-signatory) or one of his Merrill Lynch investment accounts (of which VERSHUREN was a power of attorney and/or contingent beneficiary).

Diocesan Publications Rebate Checks

38. On March 23, 2001, acting on behalf of STM, VERSCHUREN entered into a contract with Diocesan Publications. Diocesan Publications agreed to print bulletins for STM free of charge, and in exchange Diocesan Publication would obtain any advertising revenues generated from the bulletins. As part of the contract, from 2001 through 2008, STM was to receive a \$3,400 rebate payment at the end of

each fiscal year. From 2009 through 2016, STM was to receive a \$5,000 rebate payment at the end of each fiscal year.

39. In 2003, Diocesan Publications issued the rebate check payable to St. Thomas More Church. VERSCHUREN, with intent to defraud, returned the check to Diocesan Publications and demanded that the yearly rebate checks be issued payable to BELCZAK instead of STM.

40. Following VERSCHUREN's directive, from 2003 to 2008, Diocesan Publications issued STM the yearly payment of \$3,400 in a check payable to "Rev. Edward Belczak." BELCZAK deposited and caused to be deposited the payment checks into his personal checking account at JP Morgan Chase Bank. BELCZAK and VERSCHUREN were both signatories of that account.

41. From 2009 to 2012, Diocesan Publications issued STM the yearly payment of \$5,000 in a check payable to "Rev. Edward Belczak." BELCZAK deposited and caused to be deposited the 2009, 2010, and 2012 rebate checks into his personal checking account at JP Morgan Chase Bank. In 2011, BELCZAK deposited and caused to be deposited the rebate check into his Merrill Lynch investment account.

Mother's Day/Father's Day Collections

42. STM conducts special offertory collections in honor of Mother's Day

and Father's Day. BELCZAK and VERSCHUREN both instructed STM's office staff that only VERSCHUREN was allowed to open the special collection envelopes which would contain cash, checks, or both.

43. From 2007 through 2012, VERSCHUREN opened the Mother's Day and Father's Day collection envelopes and gave the checks they contained to STM's bookkeeper to deposit into STM's bank account.

44. It was customary for the parishioners to note the total amount of their offering on the front of the envelope, to assist STM in accurately reporting their charitable contributions for tax purposes.

45. When the empty envelopes were turned over to the office staff for record keeping purposes, the total amount of money noted on the envelopes was always more than the total of the checks the parishioners had written; however, VERSCHUREN never turned over any cash from the Mother's Day and Father's Day envelopes.

Financial Reports and Diocesan Assessment Letters

46. BELCZAK approved and caused to be submitted yearly financial reports to the Archdiocese that were materially false, because they concealed his and VERSCHUREN's theft and diversion of funds from STM, including but not limited to the conduct set forth herein. The financial reports thereby underreported STM's

operating receipts.

47. Based on the materially false information contained in STM's financial reports, the Archdiocese mailed yearly assessment letters addressed to BELCZAK that incorrectly assessed the amount due to the Archdiocese from STM.

48. This was all in violation of Title 18, United States Code, Section 1349.

COUNTS TWO AND THREE

(Mail Fraud, Aiding and Abetting—18 U.S.C. §§ 1341, 2)

D-1 EDWARD BELCZAK
D-2 JANICE VERSCHUREN

49. The General Allegations and Paragraphs 15 through 47 are hereby incorporated into these counts by this reference as if fully set forth.

50. On each of the dates listed below, in the Eastern District of Michigan, defendants EDWARD BELCZAK, aided and abetted by JANICE VERSCHUREN, knowingly devised and executed a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, to wit: the defendants stole and diverted money from STM, then created and caused the creation of false financial reports that concealed their theft and diversion of the money. In order to execute and attempt to execute their scheme, BELCZAK and VERSCHUREN did knowingly cause items to be sent and delivered by United States mail or by commercial carrier.

51. Each of the following constitutes a separate count of this Indictment:

Count	Approximate Date of Mailing	Description of Mailing
2	December 30, 2009	Financial Report for Fiscal Year Ending June 30, 2009
3	November 1, 2010	Financial Report for Fiscal Year Ending June 30, 2010

52. This was all in violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS FOUR AND FIVE

(Wire Fraud, Aiding and Abetting—18 U.S.C. §§ 1343, 2)

D-1 EDWARD BELCZAK
D-2 JANICE VERSCHUREN

53. The General Allegations and Paragraphs 15 through 47 are hereby incorporated into these counts by this reference as if fully set forth.

54. On each of the dates listed below, in the Eastern District of Michigan, defendants EDWARD BELCZAK, aided and abetted by JANICE VERSCHUREN, knowingly devised and executed a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, to wit: the defendants stole and diverted money from STM, then created and caused the creation of false financial reports that concealed their theft and diversion of the money. In furtherance of and to execute

the scheme, the defendants transmitted and caused to be transmitted writings, signs, signals, pictures or sounds, by means of wire or radio communication in interstate or foreign commerce.

55. Each of the following constitutes a separate count of this Indictment:

Count	Approximate Date of Wiring	Description of Wiring
4	October 9, 2011	E-mail: Financial Report for Fiscal Year Ending June 30, 2011
5	August 12, 2012	E-mail: Financial Report for Fiscal Year Ending June 30, 2012

56. This was all in violation of Title 18, United States Code, Section 1343.

CRIMINAL FORFEITURE ALLEGATIONS

57. Upon conviction of Conspiracy to Commit Mail and Wire Fraud, Mail Fraud, and/or Wire Fraud, in violation of Title 18, United States Code, Sections 1341, 1343, 1349, as alleged in Counts One, Two, Three, Four, and Five of this Indictment, defendants EDWARD BELCZAK and JANICE VERSCHUREN shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) together with 28 U.S.C. § 2461(c), their right, title and interest in any property, real or personal, which constitutes or is derived from proceeds traceable to mail fraud or wire fraud, or a conspiracy to commit mail fraud or wire fraud, in violation of 18 U.S.C. §§ 1341, 1343, 1349.

58. Property subject to forfeiture to the United States includes, but is not

limited to, the following:

- A. Currency and Monetary Instruments
 - i. Merrill Lynch account 6ZT-57336;
 - ii. Merrill Lynch account 6ZT- 57550;
 - iii. TD Ameritrade account 861-314758;
 - iv. TD Ameritrade account 780-045803; and
 - v. TD Ameritrade account 757-509824;

- B. Real Property

The real property commonly known as 2403 Windsor Way Court, Wellington, FL 33414-7035, further described as:

All the following described land, situate, lying and being in Palm Beach County, Florida, to-wit: Lot 23, WINDSOR WAY, plat number 1 of PALM BEACH POLO AND COUNTRY CLUB-WELLINGTON, P.U.D., according to the plat therefor as recorded in Plat Book 52, Page(s) 99 and 100, of the Public Records of Palm Beach County, Florida.

Parcel I.D. 73-41-44-14-26-000-0230.

59. Substitute Assets: Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), Defendants EDWARD BELCZAK and JANICE VERSCHUREN shall forfeit substitute property, up to the value of the properties described in Paragraph 58 above, if, as a result of any act or omission of a defendant, the property described in Paragraph 58:

- A. cannot be located upon the exercise of due diligence;
- B. has been transferred or sold to, or deposited with, a third party;
- C. has been placed beyond the jurisdiction of the court;
- D. has been substantially diminished in value; or

E. has been commingled with other property which cannot be divided without difficulty.

60. All in accordance with 21 U.S.C. § 853(p), 18 U.S.C. § 982(b), and Rule 32.2, Federal Rules of Criminal Procedure.

CRIMINAL FORFEITURE MONEY JUDGMENT

61. Forfeiture Money Judgment: Upon conviction of one or more of the violations of Title 18, United States Code, Sections 1341, 1343, 1349, as alleged in Counts One, Two, Three, Four, and/or Five of this Indictment, defendants EDWARD BELCZAK and JANICE VERSCHUREN shall be ordered to pay a sum of money equal to Six Hundred Seventy Three Thousand Eight Hundred Twenty-One Dollars and Thirty-Seven Cents (\$673,821.37) in United States Currency Funds, for which defendants EDWARD BELCZAK and JANICE VERSCHUREN are jointly and severally liable, representing the amount of proceeds obtained as a result of their offenses.

THIS IS A TRUE BILL.

/s/Grand Jury Foreperson
Grand Jury Foreperson

BARBARA L. McQUADE
United States Attorney

/s/Cynthia Oberg
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