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Legion of Christ controls $28 million estate in Rhode Island

Jason Berry | Oct. 23, 2012

The Legion of Christ drew $2.19 million last year from a $28 million charitable trust that it controls, thanks to Gabrielle Mee, a wealthy widow who spent her final years as a consecrated woman in Regnum Christi, the order's lay wing. An orthodox Catholic, she was unaware that Marcial Maciel Degollado, the founder of the Legion, had out-of-wedlock children or that the Vatican had banished him from ministry.

The Timothy J. Mee Charitable Trust -- established by the late husband of Gabrielle Mee, who died in 2008 -- paid the scandal-battered Legion $2.19 million in contributions, gifts and grants last year, according to the trust's 990 form, a public record that private foundations file with the IRS.

The Timothy Mee trust's $28.27 million net value is slightly less than half of the $60 million at issue in a lawsuit filed by Gabrielle Mee's niece against the Legion, Fr. Anthony Bannon and Bank of America, which manages the Timothy Mee trust with the Legion.

The niece, Mary Lou Dauray, sought to revoke the will and retrieve the assets, on grounds that her late aunt was deceived.

In a Sept. 7 summary judgment, Rhode Island Superior Court Judge Michael Silverstein ruled that Dauray did not have legal standing to sue because she had no direct material interest in the outcome. Her stated intent was to apply any recovered funds to charities consistent with her aunt's religious beliefs.

But Silverstein's decision showed striking sympathy to Dauray's argument. The "transfer of millions of dollars worth of assets," the judge wrote in a lengthy ruling, "from a steadfastly spiritual, elderly woman to her trusted but clandestinely dubious spiritual leaders raises a red flag to this Court." Silverstein cited extensive information from discovery documents unavailable to the public.

Dauray is prohibited from giving interviews under the protective order the Legion requested and the court previously approved.

Tuesday afternoon, *NCR* joined The Associated Press, *The New York Times* and *The Providence Journal* in a petition to the court [1]requesting that the protective order be lifted, which would allow the release of depositions and documents in the long-running dispute. A final decision on that could take weeks.

Dauray's Rhode Island attorney, Bernard Jackvony, told *NCR* last month that she was considering an appeal. None as yet has been filed.

The same court order prohibits Jackvony, a Republican and former lieutenant governor of the state, from discussing evidence under seal. That barrier does not exist for a public document like the 990.

"The Legion used Mrs. Mee's money and the trust of her late husband to fund ongoing operations of the order in North America," Jackvony told *NCR*. "On average those funds came to $2 million a year, which was a major

infusion to cover the cost of operations, from 1991 until her death in 2008."

Silverstein's order opens a window on the Legion's secretive finances. In November 1991, the widow joined the lay movement and gave $3 million to the Legion. "Father Maciel wrote to Mrs. Mee," writes the judge, "and encouraged her to submit a monthly budget to Fathers Bannon and Alonso in order to fulfill her promise of poverty as a consecrated woman in Regnum Christi."

"Mr. and Mrs. Mee never had any children, although Mrs. Mee had seen a Catholic doctor about pregnancy and fertility issues," the judge wrote, citing Gabrielle Mee's deposition from a legal proceeding in which Fleet Bank, of which Timothy Mee was a founder, resisted the Legion's attempt at seizing his charitable trust, which Fleet managed as a trustee. With Gabrielle Mee in its corner, the Legion's litigation caused the bank to settle, ceding revenues from the trust to the Legion.

Silverstein wrote: "When Mrs. Mee moved into the Regnum Christi facility and became a consecrated woman, in her own words, 'God's promise to the childless wife that she would be given a home and children to gladden her heart was fulfilled!' Mrs. Mee considered herself the grandmother [to] the young, consecrated women."

A 1999 amendment to the Gabrielle D. Mee Charitable Trust specified that the bank, as trustee, should invest only in companies and business whose products were "consistent with Catholic moral teaching and in accordance with the investment guidelines of the Legion of Christ, Inc." The amendment further provided that "no assets of the Trust be invested in companies in the liquor industry, health care or pharmaceutical companies that perform abortions or develop artificial contraceptives."

Several companies in the 31-page investment list of the Timothy Mee trust 990 form appear to conflict with Gabrielle Mee's specification:

- Bristol Myers Squibb, which paid the trust $5,171, sponsored a 2010 clinical trial for an oral contraceptive, according the National institutes of Health.
- Anheuser-Busch Inbev, which netted $496 to the trust, is a multinational beer and beverage company.
- Heineken NV, which also does beer brewing, paid $80.
- LMVH, for Louis Vuitton Moët Hennessy, includes fine wines and beverages among its products. The trust received $465 from the investment.
- A small stake in Molson Coors Brewing netted $211.

In his decision, Silverstein spotlights the role of Bannon, who held Gabrielle Mee's power of attorney "to represent her in any discussions with the Bank." Her 2000 will left all assets to the Legion with Bannon as executor of her estate.

Silverstein draws a bead on the May 2006 Vatican ruling that Maciel renounced ministry after the long-standing allegations of sexual abuse of minor seminarians. Gabrielle Mee knew nothing of that. "In December of 2006, Mrs. Mee made a $1,210,000 gift from her personal bank account to the Legion of Christ," writes the judge.

"In August of 2007, Mrs. Mee made a gift of $590,000 to the Legion of Christ from her personal bank account," the ruling states. "On May 12, 2008, just four days before Mrs. Mee's death, Father Bannon wrote to the Bank and requested a $400,000 gift be made to the Legion of Christ from Mrs. Mee's personal bank account. ... The Bank complied with Father Bannon's request and made the transfer on May 14, 2008. Mrs. Mee passed away two days later on May 16, 2008."

[Jason Berry is the author of *Render unto Rome: The Secret Life of Money in the Catholic Church*, which received the 2011 Book Award from Investigative Reporters and Editors.]

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