

HEARING PANEL - DIOCESE OF NEW JERSEY  
EPISCOPAL CHURCH

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Diocese of New Jersey

Vs.

TITLE IV INVESTIGATION

CANON IV.12.1

Case Number 2024-3

WRITTEN STATEMENT

January 29, 2025

The Rev. Michael Way,

Presbyter

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PROCEDURAL HISTORY

Fr. Way was ordained a Deacon on June 13, 2009, by The Rt. Rev. Thomas Breidenthal, Bishop of the Diocese Southern Ohio, and as a priest by Bishop Breidenthal on June 19, 2010. He became canonically resident in the Diocese of New Jersey on March 24, 2015, upon his relocation to New Jersey from the Diocese of Minnesota. He was called to Trinity Church, Asbury Park, where he remained until he was called to Christ Church, Middletown. He served there as the Priest in Charge in early 2019 for a term that was initially for three years, and he remained at Christ Church Middletown until his departure on August 1, 2023. He was called to St. Luke's Church, Metuchen, where he served until he was placed on Administrative Leave effective January 17, 2025.

Title IV proceedings were initiated against him on or about June 5 through 10, 2024, with [names redacted] as complainants. This matter was assigned Case 2024-3

The Reference Panel in the Title IV proceeding met initially on July 19, 2024 and again considered the matter on August 8, 2024, at which time it referred the matter for Investigation in

accordance with Canon IV.6.8.c. The matter was referred for investigation to the Rev. Dr. Cathy L. Deats, who conducted her investigation over the course of November and December, 2024, and provided her conclusions on December 23, 2024, after interviewing complainants, the respondent, and reviewing relevant financial documents. Upon the receipt of the investigation, the Reference Panel referred it to a Hearing Panel on or about December 23, 2024 pursuant to Canon IV.11.3.e.

The following Written Statement was prepared by the Church Attorney as required under Canon IV.13.1.

**I. COUNT ONE- failure to safeguard property and funds of the church, Canon IV.4.1.e**

**A. Improper use of Church funds**

The respondent had access to the rector's discretionary fund account during the years of his tenure at Christ Church Middletown. Over the course of his tenure at Christ Church, he used this account to write checks to his landlord for rent; these funds were later repaid to the account, but such use was both an inappropriate use of his rector's discretionary fund and was done without the knowledge or consent of the Vestry and Wardens. Use of those funds is, pursuant to Canon III 9.6(b)6, is to be "applied to such pious and charitable purposes" as of the Rector or priest in charge shall determine. Over a period of time from January 2020 to March 2023 the financial records of this account revealed that the respondent made improper charges or withdrawals in the amount of \$9925.92, in addition to placing a personal charge in the amount of \$247.08 on the church's operating account credit card, for a total amount of improper charges totaling \$10,173.00.

The improper charges made on the rector's discretionary account comprised ATM withdrawals of \$5145, fees charged in the amount of \$175 due to the mismanagement of the account, a \$400 charge to NPR, and point of sale purchases with no documentation totaling \$4206. The ATM withdrawals included multiple withdrawals up to \$500 when the respondent was on vacation, outside the Diocese of New Jersey, with no conceivable reason for such withdrawals for any purposed that was permitted by Canon. While not agreeing on the specific amount from this account that was used for personal reasons, respondent acknowledged that he used the account

for personal expenses, considering it additional compensation despite the fact that he was receiving all compensation that was provided by his Letter of Agreement. The \$10,173 was the property of the Church, to be used for Church purposes, and was not safeguarded by rather was used by respondent for his sole benefit and personal gain. While he has asserted that some funds were reimbursed after being used, this assertion is not corroborated by the financial records.

#### B. Willful and intentional destruction of Church property

Christ Church Middletown and respondent made an agreement to convert Church property into an apartment unit for his use, and the Church went to considerable expense in order to create this apartment for respondent. The Church and respondent had agreed that this apartment would be converted for his behalf in lieu of a retroactive cash salary increase that the Church agreed to provide. Although the apartment that was being built was not yet complete in August of 2022, respondent requested permission to move in early and was allowed to do so, with the Church making additional financial concessions since the renovation was not complete. The Wardens and Vestry of the Church were uncomfortable with this arrangement and the early entry into the unfinished apartment by respondent, but he nevertheless pressured them into agreeing to his request. Renovations were ultimately completed, with the respondent having use of the property as a residence. Upon his departure from the church, it was determined that the respondent had caused significant and inexplicable damage to the property, far exceeding any conceivable damage that could have been attributed to expected wear and tear; the damage caused evidenced an intent to destroy property owned by the Church and renovated at great cost for respondent's use. Respondent allowed his dogs to urinate on the floors to such a degree that the floors had to be replaced, and he vacated the property in an unsanitary condition, with dog urine and feces that had not been removed. The property required substantial and costly repairs as a result of this intentional conduct. This conduct amounted to a failure to safeguard church property, and in fact the intentional destruction of this property.

**COUNT II - Engaging in a pattern of conduct involving dishonesty, fraud, deceit, or misrepresentation, Canon IV 4.1.h.6**

Between January 2020 and March 2023, respondent used the rector's discretionary fund for purely personal purposes and did so without the knowledge, consent or permission of the Church or any ecclesiastical authority. The respondent misused funds totaling \$10,173 for reasons that were not an appropriate use of these funds, and while he maintains he did in fact reimburse the Church for these funds prior to his departure from Christ Church Middletown, the financial records do not show that any reimbursement was made by him. This conduct, if proven in a criminal context, would in fact amount to a crime and would subject respondent to stiff criminal penalties. This improper use of funds, in effect theft of Church funds for his own personal gain, was conduct evidencing dishonesty, fraud, deceit, and misrepresentation, in violation of this Canon.

### **COUNT III - Conduct unbecoming a member of the clergy, Canon IV 4.1.h.9**

Respondent's conduct while at Christ Church Middletown was on occasion improper and unbecoming his role as priest. During the course of one vestry meeting, he made a remark to a male parishioner in attendance about [name and details of remark redacted]; his actions so thoroughly humiliated the parishioner that the humiliated individual left the church as a result. Respondent's harsh and humiliating treatment of others amounted to conduct unbecoming a clergy person.

Upon his hiring by Christ Church Middletown, the Vestry agreed in its letter of agreement that it would provide respondent with a salary increase contingent on his increasing membership by 15%, a goal that if met would entitle him to a \$4000 per year raise if achieved in three years. While this goal was not attained, as Covid hindered church growth during the shutdown, the Vestry agreed to provide it to him anyway at the end of the three year term. The Vestry and respondent agreed that in lieu of a cash increase, the retroactively calculated raise (totaling \$12,000) would be allocated towards renovating the space to create an apartment and he would then be entitled to live there rent free for the first year, after which he would pay \$1,000 per month. The arrangement was contrary to the compensation policies of the Diocese, where the required compensation for a full time priest would either include church provided housing or a

housing allowance at a minimum rate as established by the Commission on Clerical Compensation; respondent knew or should have known of the irregular and improper nature of this arrangement as an experienced priest, but nevertheless pressured the Vestry into accepting this arrangement. This financial arrangement was never communicated to Diocesan Staff, nor was any exception to the normal compensation sought from the Commission on Clerical Compensation.

In August of 2022 he persuaded the Church to allow him to move in early even though the unit was not yet completed and he in fact moved in at the beginning of September, 2022. As the renovation of this unit cost the church far more than had been anticipated, the Church and respondent agreed that his rent would be \$1500 per month, and he would only be allowed to stay there rent free for 8 months in light of the increased rent. However, when the 8 month period expired, he refused to pay rent for the remaining 3 months that he occupied the apartment prior to his departure on August 1, 2023. During this time he continued to collect the housing allowance that was provided in lieu of church supplied housing. In so doing he improperly benefited from living in the apartment and not paying the agreed upon rent, while still receiving the mandatory housing allowance, thus taking a double benefit for these funds. When he vacated the property, respondent left it in such a condition that the only conclusion is that he intentionally destroyed the newly renovated property, necessitating costly repairs.

This course of conduct, negotiating with the Vestry for rent which he then refused to pay and then willfully destroying the property, amounted to a pattern of unbecoming conduct in violation of Canon IV 4.1.h.9.

Respectfully Submitted,

Talbot B. Kramer, Jr., Esq.

Church Attorney