

Diocese offers \$95 million plan to settle sex abuse cases

SAN DIEGO – In a bankruptcy reorganization plan filed March 28, the San Diego Diocese proposed a \$95 million pool to compensate 143 people who claim childhood sexual abuse by priests.

Under the proposal 83 victims who say they were forced to have sexual intercourse could receive up to \$800,000 each. Forty-four who claim they were touched sexually or forced to masturbate could receive between \$176,000 and \$575,000. Payments to 16 victims of abuse not involving touch, such as being asked to look at pornography or posing for indecent pictures, could range from \$10,000 to \$175,000.

Besides the different levels of seriousness of the abuse, factors in determining the amount of each award would include such elements as the age of the victim and the duration and frequency of the abuse.

In addition, the diocese proposed to establish a \$3 million fund to settle any currently unknown claims that might be brought forward in coming years.

Lead plaintiff's attorney Ray Boucher called the diocesan proposal "outrageous" and predicted "a long and expensive battle." Plaintiffs' attorneys have indicated that they think the settlement should be about double what was offered.

Susan Boswell, an attorney from Tucson, Ariz., who previously represented the Tucson Diocese in its bankruptcy reorganization, is the bankruptcy attorney for the San Diego Diocese. She said she considered the \$95 million proposal realistic.

According to the proposal, about half of the money would come from diocesan funds and the other half from insurers.

The San Diego Diocese, which filed for bankruptcy protection Feb. 27, is the latest and largest of five U.S. dioceses that have sought to reorganize under Chapter 11 of the U.S. Bankruptcy Act since 2004 because of numerous sexual abuse claims against their clergy.

San Diego has nearly a million Catholics, more than double the size of the Archdiocese of Portland, Ore., the next largest of the five with 400,000 Catholics.

In its initial financial filing the San Diego Diocese claimed assets of \$156 million – a figure disputed by plaintiffs’ attorneys – and liabilities of about \$100 million.

Boswell told Catholic News Service April 2 that in a revised filing at the end of March the diocese increased its claimed assets to \$168 million and listed its liabilities at \$96 million.

Plaintiffs’ lawyers have questioned the failure to list the 14-acre site of a former Catholic high school, up for sale to a developer for \$65 million, which the diocese says is owned by Catholic Secondary Education, a separate corporate entity established by the diocese.

As in other dioceses facing bankruptcy proceedings, plaintiffs’ attorneys in San Diego have also been seeking to have the parish and school properties in the diocese included as part of diocesan assets. So far such efforts have not succeeded, but observers believe if the question ever gets fully tested in court it would be an expensive, drawn-out legal battle that could end up in the U.S. Supreme Court.

Boswell declined to comment on the status of the former high school property, saying she does not comment on issues pending in court. “I can tell you this: There has been no hiding of assets,” she said.

In a separate action the Diocese of Spokane, Wash., on March 27 released a similar payment plan, or matrix, for its \$48 million settlement with about 140 victims. Payments could range from \$15,000 for victims of visual indecency only to a range of \$750,000 to \$1.5 million for those forced to have sexual intercourse.

The Spokane settlement, tentatively reached Jan. 4, must still receive final confirmation by U.S. Bankruptcy Judge Patricia Williams. She has set April 13 as a voting deadline for parties to accept the settlement or raise objections to any part of the plan. She has scheduled a confirmation hearing on it for April 24.