

Dioceses sell property, reduce staffs to pay settlements

WASHINGTON - The clergy sex abuse scandal continued to have a major financial impact on U.S. Catholic dioceses in 2007 as multimillion-dollar settlements were reached with abuse victims and dioceses funded their share by selling church property, reducing staff and, in at least one case, soliciting contributions from priests and lay Catholics.

In California alone, financial settlements from decades-old abuse cases exceeded \$1.8 billion after the statute of limitations was lifted for one year.

The Diocese of San Diego began bankruptcy proceedings early in 2007 just as the Diocese of Spokane, Wash., and the Archdiocese of Portland, Ore., emerged from bankruptcy brought on by costly abuse settlements.

In early December, the Diocese of Davenport, Iowa, agreed to an abuse settlement of \$37 million. The agreement, which required the approval of the bankruptcy judge to take effect, will allow the diocese to come out of bankruptcy, which it filed last year in anticipation of the sex abuse lawsuits. Two years before filing, the diocese had reached settlements with abuse victims totaling more than \$10.5 million.

This fall, the San Diego Diocese and the San Bernardino Diocese, which was split off from San Diego in 1978, agreed to pay \$198.1 million to settle lawsuits brought by 144 people who claimed they were abused by church personnel between 1938 and 1993.

To make its payment, the San Diego Diocese planned to sell church property and said it would no longer be able to assist parishes in need or with construction projects. The diocese also initiated a campaign soliciting donations from local Catholics, and parish priests were asked to give up a month's salary. The diocese also proposed to cut its operating budget by 25 percent to 30 percent.

Most of the San Diego cases came to light in 2003, after California lifted the statute of limitations for one year on civil suits for sexual abuse cases against private

entities.

San Diego Bishop Robert H. Brom said he expected “some damaging consequences for the mission of the church in this diocese for a number of years” as a result of the settlement costs.

The Neighboring Los Angeles Archdiocese agreed in July to pay more than 500 abuse claimants \$660 million – the largest church settlement of sexual abuse lawsuits to date.

The archdiocese will pay \$250 million and the balance will come from insurance carriers and religious orders whose members have been accused in the abuse cases.

Los Angeles Cardinal Roger M. Mahony said the settlement, along with a \$60 million abuse settlement last year, “will have very serious and painful consequences for the archdiocese” which will re-evaluate its ministries and services.

He also announced the archdiocese will sell “nonessential properties” and stressed that no parish properties or schools would be affected. Payments from the settlement were sent out Dec. 4.

That same day, the Los Angeles Daily News reported that Cardinal Mahony had told archdiocesan priests during an October meeting that he had been assaulted this summer by a man angry over the church’s sexual abuse scandal.

The Associated Press, Los Angeles Times and New York Times each quoted several priests who confirmed that the cardinal said he had been knocked down and beaten or kicked by a man who shouted obscenities and made angry statements about sexual abuse by priests.

AP quoted a priest who said the cardinal was hospitalized and that it took him weeks to recover. After news of the assault came out, the cardinal did speak to police but did not plan to file an attack report.

The year began with two diocesan abuse settlements in January. The Denver Archdiocese reached a settlement close to \$1.6 million with 15 victims of childhood clergy sex abuse Jan. 4, and the Diocese of Charleston, S.C., agreed later that month

to pay abuse victims sums ranging from \$10,000 to \$200,000 and spouses and parents of victims \$20,000.

Settlement funds were expected to come from insurance, interest on investments and if necessary, the sale of church property.

The year also brought a settlement of \$50 million between Alaskan abuse victims and the Society of Jesus for cases involving more than a dozen Jesuits ministering in the state between 1961 and 1987. The settlement was announced Nov. 18.

Also in November, the Scranton Diocese agreed to pay \$3 million to a man who said he was abused as a teenager by a priest. It was one of the largest amounts any diocese has paid to one victim.

The year 2007 also marked the fifth anniversary of the "Charter for the Protection of Children and Young People," which contains the sex abuse prevention policies of the U.S. Catholic Church approved by the bishops in Dallas during a June 2002 meeting.

The charter commissioned a study on the causes and context of the sex abuse scandal, which is targeted for completion in 2009. The study is being conducted by the John Jay College of Criminal Justice in New York.

Preliminary results of the study shared with the bishops during their annual fall meeting in Baltimore in November indicated that patterns of sexual abuse within the church are consistent with the experience of society as a whole.

Another study released in April by the Center for Applied Research in the Apostolate at Georgetown University showed that the number of people who said they were victims of clergy child sex abuse has dropped 34 percent since 2004. It was based on diocesan audits of sex abuse compliance.

The CARA report said almost \$400 million was spent in 2006 on settlements, legal fees and other costs related to clergy sex abuse of minors. When added to previously published costs, clergy sex abuse has cost the U.S. church more than \$1.7 billion since 1950.