

12-3-07 - Diocese of Davenport reaches bankruptcy agreement; \$37 million to go to victims

By Ann McGlynn, Quad-City Times (IA)

A \$37 million settlement reached between the Diocese of Davenport, its insurance companies and clergy sex abuse victims will pave the way for the diocese to emerge from bankruptcy, officials with the creditors committee and diocese announced today.

The settlement ensures that payment will be made to the 156 people whose claims of sex abuse, dating from the 1930s through 2003, are found valid. It sets aside money for victims who come forward later and lays out specific non-monetary agreements to be followed by the diocese in the years to come. Attorney fees also will be paid from the settlement.

Payments to victims are expected in July 2008.

The money will come from insurance companies and the diocese, including the sale of the St. Vincent Center in Davenport, officials said.

The diocese's parishes and schools will be released from liability once the plan is approved, although some of the entities are considering contributions toward the settlement, diocesan officials said.

The committee representing the victims said it "recognizes that no amount of money would ever be adequate in providing a vehicle to compensate the claimants for their lifetime of pain, anguish, guilt and suffering. As most of the survivors have stated repeatedly, 'This was never about the money. This was and still is about justice, prevention and accountability.'"

The settlement was reached at 1 a.m. Thursday, after four days of mediation in Chicago. Amos participated in the negotiations.

Amos, in a statement, said: "The settlement provides the best opportunity for healing and for the just and fair compensation of those who have suffered sexual abuse by priests in our diocese. The settlement also provides the best way to continue the Church's mission in the Diocese of Davenport. While this settlement will not end the suffering by some victims of abuse, I pray that the healing process for them might begin."

The Survivors Network of those Abused by Priests, or SNAP, called the settlement "a real achievement for the dozens of brave, wounded men and women who are showing courage, exposing predators, and protecting kids."

While the group applauded victims for being "strong, wise and compassionate enough to come forward," it took diocesan officials to task for filing for bankruptcy in advance of court cases going to trial.

"... No amount of 'spin' by the bishop's PR professionals can obscure the fact that brave victims dragged recalcitrant, complicit church officials, kicking and screaming, to justice."

The diocese is one of five in the country that have filed for bankruptcy because of mounting sex abuse claims. The others are Tucson, Ariz.; Spokane, Wash.; Portland, Ore.; and San Diego.

For comparison, the Diocese of Spokane settled 175 claims for \$48 million in its bankruptcy, with \$10 million coming from individual parishes, according to The Associated Press. The Archdiocese of Portland settled its case with 175 claims for \$52 million, with an additional \$20 million set aside for future sex abuse claims and \$3.8 million for claims not settled in bankruptcy. Tucson settled 77 claims for \$22 million, \$2 million of which came from parishes. San Diego settled 144 cases for \$198.1 million.

The diocese has acknowledged in past filings that it hoped to follow the examples of Portland, Ore., and Spokane, Wash., each of which submitted plans of reorganization with their claimants and insurance carriers.

As part of the monetary settlement, the St. Vincent Center will be deeded over to the settlement trustee, “as the diocese does not have the funds necessary to purchase the property,” the release from the diocese said. The diocesan staff and resident priests may have to move.

The money from the sale of the bishop’s house, a cemetery caretaker’s house and a farm in Davenport, totalling \$564,500, will be a part of the settlement. Investments and all other assets owned by the diocese will be as well, except gifts donated for specific purposes and donations to the diocese’s Annual Diocesan Appeal, which pays for operating expenses.

The non-monetary claims in the Davenport settlement include:

- The diocese will provide mental health counseling for all victims.
- The diocese will give survivors a chance to address the parish in which their abuse occurred. They also will be allowed to print their stories in the Catholic Messenger, the diocesan newspaper.
- The diocese will publish the names of all known abusers.
- Bishop Martin Amos will visit parishes where abuse occurred and issue a letter of apology to the victims who wish him to do so.

The Diocese of Davenport paid and its insurance company settled approximately 45 claims for more than \$10 million before it filed for bankruptcy. It filed in October 2006, after a Scott County jury awarded a \$1.5 million verdict to Michl Uhde of Davenport for abuse he suffered at the hands of the now-deceased Monsignor Thomas Feeney.

A case filed by Michael Gould against the diocese and retired Bishop Lawrence Soens was set to go to trial shortly after the diocese filed. That, and the other pending court cases against the diocese, has been delayed pending the outcome of the bankruptcy.

The reorganization plan, which will detail how payments will be made to the claimants, is expected soon. The diocese was supposed to file the plan on Nov. 16 but did not do so. At the time, officials said it would allow the diocese and its creditors more time for mediation.

The delay came even though the diocese said no further delays were expected when it asked for an extension in September. The first deadline for the reorganization plan was in August.

Officials anticipate that the reorganization plan will be approved around April 1.

“The committee members thank the men and women who have come forward to reveal the truth about childhood sexual abuse in the Diocese of Davenport,” the statement from the creditor committee said. “They have demonstrated true courage in their effort to prevent another child from suffering the abuse that they have lived with for so many years.”

Amos added: “I apologize for the pain caused by the actions of some priests in the past 50 years. The priests who abused children betrayed the people who trusted them and they betrayed the Church. This has been a sad and difficult time for all of us as we attempt to offer healing to all victims of abuse. We are committed to ensuring that the Diocesan safe environment program will prevent this type of abuse from happening again.”