

News

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A Roman Catholic diocese in upstate New York filed for bankruptcy protection Thursday amid a wave of lawsuits over alleged sexual abuse of children.

The Diocese of Rochester became the first of the state's eight dioceses to do so and the 20th nationwide.

New York passed a law this year giving victims of childhood sexual abuse one year to file lawsuits that had previously been barred because the allegations were too old. Hundreds of lawsuits have been filed against churches and other institutions since the law took effect last month.

Attorneys for numerous victims said the bankruptcy filing would not prevent those with claims from pursuing compensation.

The state court system reported that as of Monday, 639 cases had been filed statewide under the Child Victims Act. The Survivors Network of those Abused by Priests said 59 cases had been filed against the Rochester diocese.

An attorney for a New York City law firm that has filed more than 30 claims on behalf of survivors against the diocese said the bankruptcy filing was not surprising. He and others accused the diocese of moving to hide sensitive church documents.

"This legal tactic by the bishop is both disgusting at this point and disappointing because it's an attempt to take away the survivors' rights to a jury trial and also delay getting to the secrets that only the bishop and his top officials know about," said Mike Finnegan, of Jeff Anderson & Associates.

"What it does is moves that back and makes it a lot harder to get to their secret documents that show what the bishops knew, when they knew it and what they've done with child sex abuse," he said.

The diocese, which encompasses 12 counties, wrote in an email that it had no immediate comment but would release material later Thursday.

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The petition for Chapter 11 reorganization would help the diocese sort out its finances, marshal funds to pay compensation to accusers and create a plan for the diocese to continue operating. It estimates the diocese's assets at between \$50 and \$100 million and its financial liabilities at between \$100 and \$500 million.

The filing estimates the number of creditors at between 200 and 999 and lists "various sex abuse claimants" among them.

Insurers have provided a large portion of the funds used in other diocesan bankruptcy settlements.

A Penn State study of 14 dioceses and other religious organizations that had emerged from bankruptcy protection by September 2018 found that victims received an average settlement of \$371,500.

"Now that the Diocese of Rochester has filed for bankruptcy, we fear that other New York dioceses will follow suit," SNAP wrote in a statement. "We hope that New York Attorney General Letitia James is watching these moves closely and will use the power of her office to ensure that information related to clergy abuse and cover-ups are not able to be kept hidden by the bankruptcy process."

James is one of more than a dozen attorneys general around the country who have confirmed [investigations](#) or reviews of clergy abuse in the wake of a shocking Pennsylvania grand jury report last year.

Boston attorney Mitchell Garabedian, who has represented victims around the country, said the bankruptcy filing would not prevent victims from pursuing action against the diocese or "relevant parish corporate entities" that have not filed for protection.

The study by Penn State Professor Marie Reilly said the use of bankruptcy proceedings by Catholic organizations to resolve clergy sexual abuse liability has been "remarkably successful."

"For the Catholic debtors," the report said, "the price of bankruptcy relief has been an intense public scrutiny of previously private matters, including the external consequences of inter-hierarchical relationships prescribed in canon law."