News



Newly ordained Bishop Edward B. Scharfenberger, left, is helped with his crosier by Cardinal Timothy Dolan, April 10, 2014, during his installation as 10th bishop of the Albany Diocese in New York. Scharfenberger announced the diocese declared bankruptcy March 15, as it faces lawsuits alleging sexual abuse by priests. (J.S. Carras/The Record via AP, Pool File)

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The embattled Roman Catholic Diocese of Albany became the latest diocese in New York to seek bankruptcy protection Wednesday as it faces hundreds of lawsuits alleging sexual abuse.

Bishop Edward Scharfenberger announced the Chapter 11 filing after months of negotiations between the New York diocese and lawyers representing plaintiffs over a potential settlement.

The Albany Diocese, like others in the state, is dealing with a deluge of lawsuits dating to when New York temporarily suspended the statute of limitations to give victims of childhood abuse the ability to pursue even decades-old allegations against clergy members, teachers, Boy Scout leaders and others.

"The decision to file was not arrived at easily and I know it may cause pain and suffering, but we, as a Church, can get through this and grow stronger together," Scharfenberger said in a release.

The bishop said that as cases brought under the state's Child Victims Act were settled, "our limited self-insurance funds which have been paying those settlements, have been depleted." He said the bankruptcy filing was the best way to ensure that all survivors with pending litigation receive some compensation.

The action halts legal actions against the diocese and will allow it to develop a reorganization plan that will determine available assets, Scharfenberger said.

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Dioceses across the nation have filed for bankruptcy protection in recent years. In New York, Albany is the fifth of eight dioceses to take the action, a list that includes those based in Buffalo, Rochester and Rockville Centre on Long Island.

Some attorneys representing plaintiffs against the Albany diocese accused it of using bankruptcy as a legal tactic.

"We urge everyone to see the Diocese's strategy for what it is: chicanery designed to perpetuate a $600 million corporation's pattern of decadence, deception, and denial," said attorney Jeff Anderson in a statement.

New York temporarily set aside its usual time limit on civil lawsuits for victims of childhood sexual abuse for a two-year period ending in August 2021. More than 9,000 lawsuits were filed against churches, hospitals, schools, camps, scout groups and other institutions.