News



Bishop Michael C. Barber of Oakland, Calif., gives the homily at the Basilica of St. Paul Outside the Walls in Rome Jan. 31, 2020. The Diocese of Oakland filed a plan for reorganization in bankruptcy court Nov. 8, 2024, to create and fund a trust for clerical sexual abuse survivors and allow the diocese to continue to operate financially. (OSV News/CNS file, Paul Haring)

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The Diocese of Oakland, California, filed a formal Chapter 11 reorganization plan Nov. 8 in an effort to settle some 345 claims of sexual abuse.

If approved by the court, the move — which follows the decision by the diocese in May 2023 to file for Chapter 11 bankruptcy — would create a survivors' trust totaling between "approximately $160 million and $198 million or more," the diocese said in a Nov. 8 news release.

In October, Bishop Michael C. Barber of Oakland had provided an update on the proceedings, noting in an Oct. 7 message that California's 2019 lookback law, which opened a three-year window in the statute of limitations, had left the diocese unable "to simultaneously defend the claims made against the Diocese for abuse which happened decades ago, and to provide adequate compensation to abuse survivors, as well as to continue to fulfill our mission to serve God and His people."

In that same message, Barber warned that the bankruptcy settlement — which he said had entailed a "tremendous amount of effort," as well as "extremely difficult" negotiations with both survivors' counsel and diocesan insurers — would "necessarily involve shared sacrifice -- there is no way around this."

In its Nov. 8 statement, the diocese said it remains "committed to continuing this mediation process while it seeks approval by the bankruptcy court for its reorganization."

As part of the diocese's corporate structure — known as a "corporation sole," which enables bishops to oversee diocesan property and finances, and smoothly transfer that authority to successors -- the diocese's 80 parishes are part of the filing, but their "services, regular programs, and charitable activities will continue uninterrupted," said the diocese.

Not included in the filing are the diocese's Catholic schools, as well as diocesan affiliates such as Catholic Charities East Bay and Catholic Funeral and Cemetery

Services, which are separate legal entities. The diocese said in November 2023 that "there are no plans to close schools as a result of the Chapter 11 filing."

Funding for the settlement will be provided through a blend of sources, with $103 million from the diocese, plus more than 122 acres of vacant land owned by the diocese that according to the filing is "worth between $43 million and up to approximately $81 million or more," if sold for residential development.

In addition, the Roman Catholic Welfare Corporation/Schools, the nonprofit associated with the diocesan Catholic schools, will contribute $14.25 million. The diocese said it will also rely on "possible contributions of cash from other entities."

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The diocese said it plans to assign to the survivors' trust "all its rights and interests in its insurance policies, which provides survivors with the right to pursue and receive insurance proceeds" from diocesan insurers.

However, insurance companies have increasingly pushed back on covering diocesan claims against abuse settlements, and Barber noted in his October message that it had been "regrettably" necessary to sue more than a dozen different insurers "so they will satisfy their moral and contractual responsibility to pay covered claims and assist contributing to a settlement."

“We recognize that no amount of money can fully and satisfactorily compensate survivors for the abuse they suffered," said Barber in his Nov. 8 message. "Bearing that in mind, we believe the plan compensates survivors in a fair and equitable way and allows the Diocese of Oakland to set a path forward to continue to spread the Gospel, serving the faithful and the poor."

Barber added, “I apologize without reservation for the terrible suffering survivors have endured. I and everyone in the Diocese of Oakland remain committed to the healing of survivors and their families, and to ensure no clergy, religious, employee or volunteer who would abuse a child can be in any ministry in our church.”

From 2004 to 2023, U.S. Catholic dioceses and eparchies paid or pledged to pay more than some $4.384 billion to settle claims, according to OSV News' recent analysis of annual data provided by the U.S. Conference of Catholic Bishops and the

Center for Applied Research in the Apostolate at Georgetown University.

Data for fiscal year 2024 is still pending; however, the Archdiocese of Los Angeles' $880 million settlement and a $323 million settlement announced Sept. 26 by the Diocese of Rockville Centre, New York, account for $1.2 billion within the span of less than a month.

Those two settlements, plus the USCCB total for 2004-2023, add up to $5.59 billion.