

Oregon diocese first to declare bankruptcy: Declaration in lieu of proceeding with sex-abuse trial

News in the [July 27, 2004](#) issue

In a first for U.S. Catholic dioceses, the Archdiocese of Portland, Oregon, announced its intent this month to file for Chapter 11 bankruptcy protection rather than proceed with a priest-abuse trial that was scheduled to begin the same day.

Archbishop John G. Vlazny said on July 6 that he attempted to seek a reasonable settlement in the case and another that was prepared to go to trial if the first one was settled. But Vlazny said he could not risk going to trial because the suit sought \$130 million in damages.

“This is not an effort to avoid responsibility. It is in fact the only way I can assure that other claimants can be offered fair compensation,” Vlazny said. The archdiocese and its insurers already have spent more than \$53 million to settle more than 100 claims of priest abuse, the second-highest settlement figure in the nation. “The pot of gold is pretty much empty,” Vlazny said.

Of the thousands of priest-abuse lawsuits filed against the Catholic Church in the past 20 years, only seven have gone through trial to a jury. The church also has an abysmal trial record: it has lost all seven cases that went to jury since the first one in 1986. Although the church has had some success on appeal, juries have returned verdicts ranging from \$1.1 million to nearly \$120 million.

After a Dallas jury returned a \$120 million verdict in 1997, church officials said they were considering bankruptcy. The plaintiffs later settled for \$23.4 million. Church officials in Tucson, Arizona, recently said they would decide in September whether to seek bankruptcy protection.

(While the lawsuits are expected to be hardest on small dioceses, the most populous archdiocese—Los Angeles—faces about 540 sexual-abuse claims that are under mediation in an effort to avoid trials, according to the *Los Angeles Times*. David

Slader, an attorney who represented a dozen victims in Portland, told the *Times* that Vlazny's remark about "a pot of gold" was "repugnant," adding that "the bishop hasn't begun to touch his pot." "We're dealing with an organization that tolerated the raping of children and covered it up, and now they are acting as if they are the victim," said Slader.) -*Religion News Service*