



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

February 8, 2011

## Catholic Diocese Finances Exposed in Bankruptcy Filing

The Catholic Archdiocese of Milwaukee filed for Chapter 11 bankruptcy protection in January after failing to come to agreements with two dozen claimants who are seeking legal redress for sex abuse suffered at the hands of clergy decades ago. In line with the bankruptcy procedures, the Archdiocese filed its financial statements in US Bankruptcy Court last Monday. According to the filing, the Archdiocese owns \$40.7 million in assets and has \$24 million in liabilities.

But the attorney representing the victims, Jeff Anderson said the financial statements were incomplete without giving any elaboration.

Anderson went on to liken the Milwaukee Archdiocese with the Diocese of San Diego that was rapped by its bankruptcy judge in 2007 because of misrepresentation in its assets.

<http://tampabankruptcy.pro/blog/>

However, Archdiocese spokesman Jerry Topczewski disagreed with the similarity. Topczewski, who is also the chief of staff for Milwaukee Archbishop Jerome Listeski, declared that the Archdiocese's finances are open for scrutiny by all concerned.

The bankruptcy court will decide what assets can be used to compensate creditors and victims and oversee a reorganization plan that enables the Archdiocese to continue functioning. Most of the church's assets are not able to be used for settlement as they are in restricted accounts.

According to Topczewski and Listecky, the church has about \$7.1 million in cash and assets available for compensating victims.

The \$40.7 million declared in the financial statements is less than half of \$98 million, the amount according to the church's audited accounts in 2010. This difference is attributed to \$48 million in cemetery accounts and funds in accounts for other entities.

Here are some details of the Archdiocese's financial dealings according to the financial statement that was filed in bankruptcy court:

1. In 2010, the archdiocese earned \$25.9 million in income. This was less than the \$26.7 million earned in 2009. Its income so far for fiscal year 2011 was \$13.2 million.
2. The Archdiocese owns 25 properties worth \$7.7 million in total. These are all cemeteries or schools and one youth home. About half of them are listed as having no value. Others range in value from \$4.5 million for

an undeveloped cemetery in Franklin to \$120,000 for the Newman Center at UW-Whitewater.

3. The archdiocese has bank and investment accounts worth about \$19.7 million.

4. The Archdiocese's liabilities include \$13.7 million for the retired priests' health plan, \$1.2 million for the pension plan for cemetery workers, \$3.4 million for Messmer High School and \$702,000 for payments to sex abuse victims who went through the archdiocese's mediation process.

5. The values of numerous items are listed as "unknown" in the financial statement, including those of liturgical vestments and jewelry, and numerous insurance policies.

If you are interested in filing for bankruptcy protection, call us at (813) 200 4133 for a free consultation.