



TAMPA BAY BANKRUPTCY CENTER, P.A.

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Roman Catholic Archdiocese files for Bankruptcy

Arising from unresolved lawsuits brought by victims of sexual abuse, the Milwaukee Roman Catholic Archdiocese has had to face immense financial challenges. In November last year, a court ruled that insurance companies are not liable to pay for lawsuits of this nature. Furthermore, most efforts at negotiating for a settlement have not been successful.

Thus the financial drain on its resources has compelled the Archdiocese to file for bankruptcy protection.

Archbishop Jerome ListECKI said in the archdiocese's official website that it would file for Chapter 11 reorganization bankruptcy. In his statement, the Archbishop said that the aim of the bankruptcy is to pay pending claims by victims of abuse and "to continue to meet the needs of parishes, parishioners, and others who rely upon the Church for assistance".

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The Milwaukee Archdiocese is not the only one filing for bankruptcy protection. Several other Catholic dioceses have done the same earlier. The diocese in Portland, Oregon went the route of bankruptcy in 2004 and others that also filed because of sexual abuse claims made against them were the dioceses in San Diego in California, Spokane in Washington, Davenport in Iowa and Wilmington in Delaware.

The 185-year old archdiocese in Milwaukee has already spent over \$29 million in settlement of claims against its priests for sexual abuse over the last two decades. According to the church official website, it has “sold property, liquidated savings and investments, eliminated ministries and services, cut archdiocesan staff by nearly 40 per cent, and put all available real estate on the market in order to free up resources” settling nearly 200 cases.

The priest sexual abuse scandals have cost the church dearly in two ways. Firstly, the cost of settling hundreds of claims and lawsuits over the decade has been astronomical. And secondly, many parishioners have cut down on their giving to the church because of their anger or disappointment at the scandals.

In March last year, Milwaukee’s archdiocese had to deal with stunning charges that a now-deceased priest, Rev. Lawrence Murphy molested some 200 boys at a school for the deaf for more than twenty years.

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Archbishop ListECKI apologized to the victims and admitted the church was at fault when it did not take appropriate action against Rev. Murphy. Some of the lawsuits also claim that Pope Benedict at that time also played a role in suppressing the church prosecution of Rev. Murphy.

If you wish to apply for bankruptcy protection, call us at (813) 200-4133 for a free consultation.