

Duluth Catholic diocese latest to go bankrupt over abuse payouts

by [David Gibson](#) in the [January 6, 2016](#) issue

The Roman Catholic Diocese of Duluth, Minnesota, filed for bankruptcy protection in December following a jury verdict that held the diocese responsible for more than half of an \$8.1 million judgment on behalf of a survivor of sexual abuse by a priest.

The Chapter 11 filing December 7 made Duluth the 13th of nearly 200 U.S. Catholic dioceses to file for bankruptcy since 2004 because of the clergy sexual abuse scandals. Regional organizations of two religious orders have also sought bankruptcy protection.

The Duluth award was one of the highest single monetary compensations for a survivor of clergy abuse, experts said. It was made possible by a Minnesota law that lifted the statute of limitations on civil claims for sexual abuse.

The plaintiff is a 52-year-old man who was a 15-year-old altar boy when the abuse happened in 1978.

The diocese has an annual operating budget of about \$3 million, and church officials said that even with insurance and savings it could not cover its \$4.9 million share of the overall award.

The abuser was James Vincent Fitzgerald, a priest with the Oblates of Mary Immaculate religious order. Jurors, who deliberated for just a day following a trial last month, said the diocese failed to supervise the priest, who worked in one of its parishes, and said that it should have known that he was dangerous.

Fitzgerald, who is deceased, took the boy on a trip across the state in 1978 and sexually assaulted him for two weeks.

James Bissonette, vicar general of the diocese, said in a statement that negotiations on a settlement had failed and the diocese had to file for bankruptcy to keep the diocese operating and to be able to provide payments to other abuse victims.

“There is sadness in having to proceed in this fashion,” Bissonette said. “The decision to file today safeguards the limited assets of the diocese and will ensure

that the resources of the diocese can be shared justly with all victims, while allowing the day-to-day operation of the work of the church to continue.

“This decision is in keeping with our approach since the enactment of the Child Victims Act, which has been to put abuse victims first, to pursue the truth with transparency, and to do the right thing in the right way.”

Recent research estimates that the Catholic Church in the United States has paid out between \$3 billion and \$4 billion in awards, settlements, and abuse-related costs over the past 65 years.

Experts say most payouts to victims are in the \$1 million range and are usually agreed to in negotiated settlements outside court because the statute of limitations on criminal and civil claims expired years earlier. — Religion News Service

This article was edited on December 23, 2015.