

# Archdiocese to pay victims \$25.7 million for sex abuse

**Louisville settlement 2nd largest in U.S.**

By *PETER SMITH*  
*The Courier-Journal*

The Roman Catholic Archdiocese of Louisville agreed yesterday to pay \$25.7 million to settle child sexual-abuse allegations made in 240 lawsuits naming 34 priests and other church workers.

The settlement total represents the second-largest payout in an abuse case for the Roman Catholic Church in the United States. It caps an intense, 14-month legal case that made Louisville one of the most embattled dioceses in the nation since the crisis over clergy sexual abuse began in January 2002.

The settlement, which is not covered by insurance, deals a massive financial blow to the largest religious organization in Louisville, which has already planned 34 job cuts and a \$2 million budget cut in the fiscal year beginning in July in anticipation of an agreement. The archdiocese had \$61.8 million in investments in June 2002, according to its most recent financial report, although church officials said that figure is considerably lower because of stock market declines.

"The payment of \$25.7 million will be very painful for the archdiocese," William McMurry, lead attorney representing the plaintiffs in the settlement negotiations, said. "The church has recognized through this agreement that they have an obligation to these victims."

At a press conference last night, Archbishop Thomas C. Kelly, had a message for the victims: "No child should ever have had to experience what happened to you. I promise that we are doing everything we can to prevent child abuse in the Church. I apologize for what we did or what we failed to do that led to your abuse. I hope that today's settlement is seen as a sign of our willingness to support you in your healing."

The money is to be paid in 30 days into an escrow account under the terms of the agreement, which still requires approval by Jefferson Circuit Judge James M. Shake, who is overseeing the cases, according to McMurry and the archdiocese.

The payments "will not be divided equally but will be apportioned based upon many factors that the court will determine," McMurry said. Court-appointed commissioners would make those decisions, he said.

Factors will likely include the number of times a plaintiff claims to have been abused, the victim's age at the time of the abuse, whether the archdiocese was notified of the abuse but kept the alleged abuser in ministry, and whether the abuse happened before or after the passage of a 1964 state law requiring the reporting of suspected child abuse to authorities, he said.

"The court will determine the methodology for apportioning the money to the victims," McMurry said. "It is unknown at this time what the precise methodology will be."

McMurry said last night he agreed in advance with his clients that he and his fellow attorneys would receive 40 percent of the payment, which he said is standard in a complex case.

He worked on the case with two associates and with the firm Oldfather & Morris, and he also negotiated on behalf of clients of other attorneys. He added that Shake would make the final decision on attorneys' fees.

McMurry and Brian Reynolds, chancellor and chief administrative officer for the archdiocese, both looked fatigued as they shook hands at the conclusion of negotiations yesterday afternoon at the Jefferson Club, on the 29th floor of the downtown PNC Plaza.

"It has been an extremely demanding five days, with emotions running extremely high on both sides," McMurry said after wrapping up talks that began last week. The settlement was mediated in five days over the past two weeks by Nicholas Politan, a former federal judge from New Jersey.

"We are relieved for our clients that this tragedy can be put behind them, that they can begin the process of healing and move on with their lives," McMurry said. "This settlement speaks loudly to the credibility of each of these victims, and the victims can now hold their heads high."

The settlement was "in everybody's best interest," said Reynolds, who acted as lead negotiator for the archdiocese.

"While it's good to have a settlement, it is not good news the abuse happened in the first place, it is not good news it will take this amount of finances to respond to it, but the injuries need to be responded to," Reynolds said.

- Catholic Archdiocese of Louisville and an order of Franciscans will pay \$25.7 million to 243 plaintiffs who alleged child sexual abuse in 240 suits.
- Total payout is the second largest involving sex abuse for the Roman Catholic Church in the United States.
- Insurance will not pay any of the archdiocese's portion.
- The money will be divided by commissioners appointed by the court.

Click [here](#) to read Kelly's statement.

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"The church has been asked to be accountable," he added. "I believe we've done so."

The legal battle also brought criticism of Kelly, who has faced calls for his resignation for putting known abusers in ministry. He has said he never knowingly put children at risk.

Kelly said last night he has no plans to retire before reaching his mandatory retirement age of 75 in about three years, saying it is his responsibility to deal with the crisis. Settling these cases is just the first big milestone, he said.

"It will take about three years to get things straightened out," he said. "I'm afraid we have a long way to go."

Sharing in paying the \$25.7 million is the Province of Our Lady of Consolation, a Southern Indiana-based province of Conventual Franciscan priests and friars. The order was named as a co-defendant in 19 lawsuits accusing its members who worked in the Archdiocese of Louisville.

Reynolds said the archdiocese and the province are not divulging how much each is paying toward the total.

The settlement will resolve the vast majority of the 254 lawsuits filed since April 2002. The suits allege sexual abuse over the past five decades by 35 priests, two religious brothers, three parochial school teachers and a volunteer coach.

Six suits were settled previously, while one plaintiff opted out of the settlement negotiations to pursue the case in court. A handful of suits were filed after the late April deadline for becoming part of the class-action settlement talks. Both sides expressed hope they could settle those soon.

None of the settlement money will come from church insurance, Reynolds said. He said that for various reasons, the church has not been able to collect on the policies, some of which were decades-old and did not cover sexual abuse. Some insurance money was available to pay the archdiocese's own lawyers only, he said.

That means that the Louisville archdiocese is paying out of its own pockets even more than the Diocese of Dallas did in 1998 in its record \$30.9 million settlement with 12 victims of the Rev. Rudolph Kos. That settlement, made during an appeal of a jury award that was four times that amount, was partly covered by \$19.6 million in insurance.

Reynolds said it is "premature" to speculate on the financial impact on the archdiocese -- such as whether it will sell property, borrow money or resort to other measures that dioceses around the country have used to fund large payouts.

"We have been working hard to see if we could come to this" settlement, Reynolds said. "We did not spend a great deal of time working out all of the implications. That is some of the work we have to do next."

Reynolds said archdiocesan parishes and schools have separate finances from the archdiocese and should not be seriously hurt by the settlement, and he said he did not think the church would need to sell any parish property.

"We have a lot of confidence that our parishes will remain strong and vibrant," he said. "The impact on the organization of the archdiocese, however, will be significant" and its ability to provide some care and services will be affected.

The cuts do affect Catholic Charities, church administration and other offices. And the archdiocese has had to reduce grants and scholarships that go toward some struggling schools.

Kelly told the archdiocese's 200,000 Catholics that the past 14 months have been "terribly difficult and painful for all us. However, I believe that with this settlement, we have begun to respond to the painful experiences that these men and women had as children and to seek forgiveness for the mistakes we have made."

The settlement does not contain an explicit admission of responsibility by the archdiocese for covering up the abuse, as the 243 plaintiffs had charged. The archdiocese had denied that claim in court documents.

But Reynolds said church officials "accept that the people who filed civil suits against the archdiocese deserve a response from the church and we have made our decision accordingly. It is absolutely clear & ellipse; that many children were abused over the decades that have brought us this litigation, and it is imperative that we address that in every reasonable way. To spend the next five to 10 years doing in-depth discovery and analysis of people's lives and experience would only bring more pain on them and on the church."

The lawsuits began after The Courier-Journal reported on April 14, 2002, that the Rev. Louis E. Miller had been named in two sexual-abuse lawsuits in the 1990s and had just retired amid allegations of abuse.

An avalanche of accusations followed that report, which was cited as evidence in the lawsuits that followed. More than 90 people accused Miller in lawsuits of abuse between the 1950s and 1990, and Miller is serving a 20-year prison sentence after pleading guilty to 50 counts of molesting children in Jefferson County, and he awaits sentencing on 14 counts of molestation in Oldham County.

Three other current or former priests were also arrested, as were two former parochial school teachers.

In addition to Miller, a raft of other current, former and deceased priests were accused publicly since April 2002. Kelly permanently barred eight priests from public ministry after Catholic bishops voted in June 2002 to bar any priest from ministry for even a single case of abuse.

One of them, the Rev. Daniel Clark, awaits trial in Bullitt County on criminal charges and has been accused in 19 lawsuits. He is accused by more plaintiffs than any priest except Miller and the late Rev. Arthur L. Wood, accused by 39 plaintiffs of abuse in the 1960s and 1970s.

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