

5-1-08 - Judge approves compensation for church sex-abuse victims

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Davenport, Ia. — A federal bankruptcy judge on Wednesday approved a plan to give \$37 million plus non-monetary compensation to victims of sexual abuse by priests and other employees of the Catholic Diocese of Davenport.

Arbitrators will dole out most of the \$37 million to about 120 victims based on the severity of abuse under a plan developed through negotiations between the diocese and the plaintiffs and approved by Judge Lee Jackwig of the U.S. Bankruptcy Court for the Southern District of Iowa.

The additional 36 of the 156 total claimants will accept \$10,000 each and will not have to meet with arbitrators. More than \$2 million will be reserved for abuse victims who have yet to come forward.

Church officials must also comply with 18 non-monetary terms of the settlement. Among other stipulations, the diocese must post on its Web site for nine years the names of all known perpetrators; dispatch diocese officials to appear in parishes where sexual abuse occurred and publicly identify abusers; allow victims to speak in churches where they were abused; install plaques in diocese schools saying that abuse will not be tolerated; and have priests sign statements saying they have not abused and do not know of other abuse.

Both sides argued passionately for the judge to approve the plan. Mike Uhde, who had won a \$1.5 million settlement against the diocese but has declined to collect any of that sum in favor of being included among the 156 plaintiffs, testified about the importance of closure to the group.

"It's important that the diocese has admitted that this has done great harm to a great number of people," Uhde said. "I haven't met a survivor yet who hasn't engaged in some sort of self-destructive behavior — drugs, ruined marriages, sexual problems — because of the great shame and suffering they've felt."

Jackwig commented that the case and terms of agreement represented legal anomalies for bankruptcy court, whose creditors and debtors are typically corporate giants, not churches and parishioners. The judge expressed some concern that the diocese won't effectively enforce the monetary provisions, so she mandated that the diocese submit annual reports to her for three years.

"These non-monetary aspects are right on target. It's what should be done," Jackwig said. "It's my hope that the diocese can do everything it can, that the bishop can do everything he can, to really step up to the plate here. We can never forget about this — we need to continue to be aware of human nature."

Because the diocese's insurance did not adequately cover the sexual-abuse claims against it — many of which date back to the 1950s, years before the church had been issued coverage — \$17.5 million of the \$37 million settlement must be paid out of pocket. Some \$3.9 million will

come from the selling of diocesan real estate, while \$2 million will be paid with a loan from Quad City Bank & Trust, said Char Maaske, the diocese's chief financial officer. Another \$5.7 million will come from cash on hand.

The remaining amount, nearly \$6 million, will be split between a diocese-affiliated nonprofit group and four of the diocese's 83 parishes that have both large cash reserves and histories of sexual abuse: St. Mary's of Iowa City, Sacred Heart Cathedral and St. Anthony's of Davenport, and Our Lady of Lourdes in Bettendorf.

Bishop Martin Amos, the diocese's top official, released a statement of approval of the settlement and regret over its preceding events.

"Much has been learned from our past mistakes and from these heinous crimes against the most vulnerable and against the very teaching of the church," he said.