



## DIocese OF NEW ULM BANKRUPTCY SETTLEMENT

### TIMELINE

**2020** – On March 10, 2020, U.S. Bankruptcy Court Judge Robert Kressel gave final approval to the \$34 million settlement between the Diocese of New Ulm, parishes within it, and 93 claimants who have filed sexual abuse claims against the diocese and parishes.

**2019** – On June 26, 2019, the diocese, area parishes and survivors of clergy sexual abuse reach a \$34 million settlement in the bankruptcy case.

**2017** – On March 3, 2017, facing dozens of clergy sexual abuse lawsuits filed under the Minnesota Child Victims Act (MCVA), the diocese filed for financial reorganization under Chapter 11 of the U.S. Bankruptcy Code.

**2016** – On May 25, 2016, the temporary lifting of the civil statute of limitations on historical childhood sexual abuse claims ends, three years after it was lifted under the MCVA.

**2016** – On March 29, 2016, the diocese and Jeff Anderson & Associates disclosed the names of men they mutually identified as being credibly accused of sexual abuse of a minor while they were assigned as priests.

### FOR MORE INFORMATION:

Visit the Reorganization pages on the diocesan website, [dnu.org](http://dnu.org), and select Reorganization from the top menu bar.

If you have additional questions not answered by this fact sheet or the Reorganization pages on the website, please call the diocesan Office of Communications at 507-233-5332.

## WHERE SETTLEMENT FUNDS COME FROM

\$34 million settlement

- \$26 million in diocesan and parish insurance coverage
- \$7 million in cash contributions from the diocese, including cash from a \$2 million mortgage on the Pastoral Center
- \$1 million, total, contributed by all parishes within the diocese

## CHILD PROTECTION PROTOCOLS

In addition to financial compensation, the diocese agreed to 17 child protection protocols

- Designed to help protect children and young people from abuse and prevent sexual misconduct in ministry
- Protocols are listed at: <https://hopehealingandpeace-dnu.org/documents/protocols>
- The diocese has already enacted many of these protocols
- Diocesan and parish leaders are committed to fulfilling each of the protocols now and in the future

**Q: What is happening with the diocese's bankruptcy reorganization case?**

**A:** On March 10, 2020, U.S. Bankruptcy Court Judge Robert Kressel gave final approval to the \$34 million settlement between the Diocese of New Ulm, parishes within it, and 93 claimants who filed sexual abuse claims against the diocese and parishes. Claimants voted unanimously to approve the settlement. This clears the way for survivors of sexual abuse to begin to receive compensation under the settlement and marks the end of a three-year bankruptcy process for the Diocese of New Ulm.

**Q: When will claimants receive compensation and how much will they receive?**

**A:** A trustee and claims reviewer, working independently from the diocese, will determine the amount of compensation each survivor will receive and plan for distribution of funds to claimants as soon as possible.

**Q: Where did funds for the settlement come from?**

**A:** Insurance coverage, sale of diocesan property, other assets of the diocese, and contributions from all parishes within the geographic area the diocese serves, including those that don't have clergy sexual abuse claims made against them.

- \$26 million comes from insurance coverage.
- \$7 million comes from cash contributions from the diocese, including cash from a \$2 million mortgage on the Pastoral Center.
- \$1 million is the combined contribution from all parishes in the diocese. Of the \$1 million contributed by all the parishes combined, two parishes that were sued for clergy sexual abuse agreed to contribute approximately \$210,000 toward the settlement. The remaining 22 parishes that were sued agreed to pay a total of \$350,000 toward the settlement, with each parish contributing between \$10,000 and \$35,000 apiece. The parishes that were not sued each agreed to contribute \$10,000 toward the settlement to help survivors on their healing journey.

The confirmed plan of reorganization, posted on the Documents page of the Reorganization section of dnu.org, contains additional settlement funding source information.

**Q: What are the child protection protocols agreed to under the confirmed plan?**

**A:** The diocese has committed to 17 child protection protocols, designed to help protect children and young people from abuse and prevent sexual misconduct in ministry. The Diocese of New Ulm has already enacted many of these protocols, and diocesan and parish leaders continue to be committed to fulfilling each of them now and into the future. See the Protocols page of the Reorganization section of dnu.org for the full listing of protocols.

**Q: Did my donations to the Diocesan Ministries Appeal (DMA) go to settle claims?**

**A:** Donations to the DMA are restricted gifts to be used in support of the specifically designated ministries only. No donations to the DMA were used toward the settlement fund.

**Q: Now that the settlement is approved, how will it affect ministry in the Diocese of New Ulm?**

**A:** We do not expect that the settlement of our bankruptcy case will affect core diocesan ministry. Over the past several years, the diocese has implemented multiple cost-saving measures, including very difficult staff layoffs and hour and benefit reductions, a more limited publication schedule for The Prairie Catholic newspaper and restrictions on staff travel, in order to provide for fair compensation for survivors while providing for ongoing essential ministry.

**Q: If someone was sexually abused as a minor and has not yet come forward, what should he or she do?**

**A:** If someone was sexually abused as a minor by anyone involved in Church ministry in the Diocese of New Ulm, they should immediately report such abuse to local law enforcement, regardless of when the abuse occurred. Survivors of sexual abuse by clergy are also encouraged to contact the diocesan Victim Assistance Coordinator at 1421 6th Street North, New Ulm, MN 56073, or by phone at 507-233-5313, for counseling or other assistance in healing.

**Q: Has the diocese issued a public apology to survivors?**

**A:** Yes. On behalf of the Diocese of New Ulm, Bishop John LeVoir has apologized publicly to survivors and continues to do so both publicly and privately.

**Q: What if I have additional questions?**

**A:** Please call the diocesan Office of Communications at 507-233-5332.