



Sentinel photo by Bob Kerns

Archbishop John Vlazny addresses reporters and lawyers at a press conference last Wednesday that ended the archdiocesan bankruptcy.

## State law, prevailing opinion, exacerbated liability

By Ed Langlois  
OF THE SENTINEL

Lawyers defending the Archdiocese of Portland against allegations of child sexual abuse had to get through a thicket created by Oregon law and culture.

Few if any other states have such a combination of statutes and anti-establishment opinion making it so hard for employers with a worker accused of sexual misconduct.

Here are some of the factors:

- Employers can be held liable for acts of abuse by their employees more easily in Oregon than in any other state. A 1999 case in the Oregon Supreme Court, *Fearing vs. Bucher*, established automatic vicarious liability for Oregon employers. In most states, supervisors are liable only if they received prior notice that the worker had misbehaved in the past. It was no coinci-

dence that sex abuse suits against the archdiocese began coming in shortly after that ruling. Between 2000 and 2004, the archdiocese settled 140 claims.

- Oregon courts can award punitive damages even if the defendant was merely reckless, not intentional, in wrongdoing. That is not the case in Washington state, for example. Before the bankruptcy, two accusers sought a combined

\$155 million from the archdiocese, mostly in punitive damages, forcing the bankruptcy filing.

- Oregon has a liberal statute of limitations when it comes to taking legal action for sex abuse. It allows accusers to file claims when they become aware of the damage the abuse may have caused.

The state lawmaker who originally pushed through the extended statute in 1991, Kevin Mannix, says

employers were not the target of the law. But state courts have interpreted the law to include supervisors. That is why, for example, most of the cases against the archdiocese concern events that happened 30, 40 or even 50 years ago.

"When you are facing a case where the only person who is available to testify is the plaintiff and the person who is accused is dead, SEE STATE LAW, PAGE 2

## Child Protection/Victim Assistance office works closely with board

By Jon Reddy  
OF THE SENTINEL

Much of the secular media coverage of the clergy sex abuse crisis has been on the Catholic church's mishandling of the situation.

What often gets overlooked is the work being done, say officials at the Portland Archdiocesan Pastoral Center to make sure children are

the safe in parishes and schools.

Cathy Shannon heads the Archdiocesan Office of Child Protection/Victim Assistance, a full time position.

"Child abuse is a societal problem," said Shannon. "This is an opportunity for the church to not only learn from its mistakes, but also to take a lead in making a difference

in what continues to be a growing problem in this country."

As required by the U.S. Bishops "Charter for the Protection of Children and Young People," Shannon works with a lay-run review board consisting of one clergy member, judges, attorneys, physicians, parishioners, social workers, and psychologists.

Dr. Leila Keltner is on the review board. As medical director of CARES Northwest, one of the oldest and largest child abuse assessment centers in the nation, Dr. Keltner and her staff assess more than 1,400 children (primarily ages birth to 14) annually for concerns of abuse.

"It's been an eye-opening experience for me working with the

archdiocese in terms of seeing how the church works and witnessing an organization that really wants to do better," said Dr. Keltner, a member of St. Mary Cathedral Parish. "I'm not sure you hear that in the news media, but my impression is that there is a real goal to do better — a concentration on 'how do we keep

SEE SAFETY, PAGE 6

## People in pews, church leaders, react to ruling

An ordeal is over for victims of child sexual abuse and Catholics in the Archdiocese of Portland, says a Catholic military chaplain and leader in Oregon's ecumenical movement.

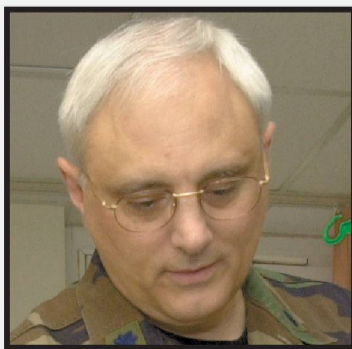
"No one of us in the archdiocese is so presumptuous as to think that this settlement will bring an end to the suffering of those injured," says Father Rick Sirianni, discussing last week's court approval of a plan to end the Archdiocese of Portland's 33-month bankruptcy. "It is more likely the case that the

settlement is merely the first step in bringing some closure and healing to the pain they have experienced over many years."

The pastor of St. Henry Parish in Gresham, Father Sirianni says he is grateful for the Catholic community itself.

"Their compassion for victims, their desire for just compensation, and their commitment to the mission of the church has been deeply moving to me," he says, adding that pastoral care, Catholic education

SEE REACTIONS, PAGE 3



FR. RICHARD SIRIANNI

## Archdiocesan Ember Days set

Archbishop Vlazny has proclaimed June 13, the Feast of St. Anthony of Padua, as "an extraordinary Ember Day of prayer and penance for the healing of all victims and their reconciliation with the church." A service of healing and reconciliation will be held at St. Mary Cathedral at 7:30 p.m.

In September of 2002 Archbishop Vlazny re-established the spiritual practice of Ember Days in the Archdiocese of Portland. Traditionally, an Ember Day is a day of prayer and fasting. It is a day on which the Church is to offer prayers for

its needs and to give public thanks. Archbishop Vlazny re-established Ember Days in the Archdiocese of Portland to pray for the healing with those who have been abused and to pray for their reconciliation with the Church.

Ember Days for the Archdiocese of Portland were established for Fall, Advent and Lent.

To fast means to eat one full meal; the other two meals should be less than the normal amount unless they are already at a minimum for good health. Eating between meals SEE EMBER DAYS, PAGE 4

# Priests from archdiocese answer bankruptcy, sex abuse questions

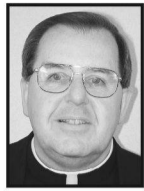
**Q: How does the Archdiocese respond to a report of child sexual abuse?**

**Fr. Dennis O'Donovan:** First of all, The Archdiocese wants to respond quickly to any allegation of child abuse by any of its personnel. The first response must always be immediate and direct reporting to the proper civil authorities if this has not already been done. In fact, we want to encourage anyone with knowledge of child abuse to directly contact civil authorities.

The next response must be healing and pastoral care for the victim wherever that is possible. Our Victim's Assistance Coordinator is especially designated to oversee and coordinate this assistance, which can include psychological counseling and / or pastoral care as appropriate.

**Q: What comes next?**

**Fr. O'Donovan:** The accused cleric, employee or volunteer ordinarily will be placed on administrative leave pending the outcome of the investigation. It is our policy to cooperate fully with civil authorities and do nothing that would hinder their investigation. When it is determined that an internal investigation will not hinder the civil process, that nor-



FR. DENNIS O'DONOVAN

mally will be initiated. For clerics and religious there are certain other procedures in Church law that must be followed. In any case, it is our intention to deal fairly with all concerned.

**Q: What is the Ministry Review Board?**

**Fr. O'Donovan:** The Bishops' Charter and Norms of 2002 required every diocese and archdiocese to form a review board to advise the bishop on various aspects of the protection of children and young people. Our Board was formed shortly after the adoption of the Charter in 2002.

It consists of one priest and eight lay men and women not employed by the Archdiocese. I currently serve as the priest representative on the Board; other members include a psychiatrist who specialized in child abuse issues, a clinical psychologist, a lawyer, a retired judge, a licensed social worker, an abuse survivor, a mother, a grandmother.

**Q: What does the Ministry Review Board do?**

**Fr. O'Donovan:** The Norms suggest that the Ministry Review Board's responsibilities may include:

- Advising the Archbishop in determining the suitability for ministry of a priest or deacon when there is an allegation of sexual abuse of a minor.

- Assist in reviewing the Archdiocesan policies dealing with child sexual abuse.

- Offering advice on programs or procedures that will ensure the safety of children in our parishes and schools.

We have a wonderful range of expertise on our Ministry Review Board. They are competent and caring people who want to help the Archdiocese keep kids safe from abuse. So we depend on them for advice on whether a priest should or should not be permanently removed or be returned to ministry. We have appreciated their guidance on our policies and procedures dealing with abuse and child safety. We continue to depend on their competence and expertise that have been so helpful in a number of related areas.

**Fr. O'Donovan** is Vicar General for the Archdiocese of Portland.



FR. PATRICK BRENNAN

**Q: What is the canonical process when a priest or deacon is accused of sexual abuse of a minor?**

**Fr. Pat Brennan:** The canonical process involves a preliminary investigation with a report to the bishop of the diocese. The bishop then expresses his opinion, based on the preliminary investigation, whether or not it is probable that a crime in canon law has been committed.

**Q: What is the purpose of the Preliminary Investigation?**

**Fr. Brennan:** The purpose of the investigation is for the bishop to inquire about the facts and circumstances of the alleged crime, as well as the imputability of the priest or deacon. The results should give the bishop a sense of the probability that a crime in canon law did or did not occur.

**Q: So is this a mini-trial?**

**Fr. Brennan:** No, it is an investigation, not a trial. And more importantly, the priest or deacon is presumed innocent until it is proven otherwise.

**Q: How does this Preliminary Investigation get started?**

**Fr. Brennan:** The bishop issues a decree to open the investigation, and in the decree the bishop appoints the person to lead the investigation.

**Q: What about the priest or deacon? Does he know about this investigation?**

**Fr. Brennan:** It is best to have the priest involved at every step of the process. Having said that, Latin Canon Law does not require that the bishop inform the accused cleric of the accusation or even the fact that a preliminary investigation is underway. Still, it is important to hear from the priest or the deacon, and it is advisable that the cleric retain both civil and canonical counsel.

**Q: What role does the Ministry Review Board have in this Preliminary Investigation?**

**Fr. Brennan:** The Review Board may offer advice to the bishop prior to the

Preliminary Investigation or after the investigation is completed. However, it is not the role of the Review Board to conduct the investigation. Ultimately, the bishop determines how best to involve the Review Board.

**Q: When does the canonical Preliminary Investigation conclude?**

**Fr. Brennan:** The preliminary investigation concludes when the bishop determines that sufficient evidence has been collected to reach a conclusion: whether or not it is probable that a crime in canon law has been committed as alleged.

**Q: Then what happens?**

**Fr. Brennan:** The bishop issues a decree closing the investigation. If the bishop determines that the allegation is false, or that no crime has been committed, the matter is closed.

If the bishop determines that it is probable that a crime has been committed, he forwards the documentation, along with his own opinion, to the Congregation for the Doctrine of the Faith in Rome. The Congregation determines how to proceed in the matter.

**Fr. Brennan** is Judicial Vicar for the Archdiocese of Portland.

## State Law

the bishops who supervised that person is dead, any fellow priests or parishioners who knew that person are dead and under Oregon law the testimony of one witness is sufficient to prove the case, it makes it difficult," says Tom Dulcich, the archdiocese's legal counsel since 1992.

• Because relatively few Oregonians are involved in local church life, it's more likely a larger section of the public is predisposed to believe allegations of clergy sex abuse. National publicity about scandals across the country could well bias Oregonians, because many do not know a priest.

In court, where lawyers and judges make decisions based on how they think a jury might value a claim, that puts churches at a disadvantage.

Other factors made the 33-month bankruptcy, the nation's first for a Catholic diocese, uncommonly complicated.

In 2004, when the bankruptcy was filed, Dulcich hoped it would be over in two years. It took three, but could have gone much longer, considering the groundbreaking parish property litigation that erupted early on.

From the first moments of the filing, and even before, Archbishop John Vlazny said church law forbade him from seizing parish holdings. Not long after, lawyers for abuse claimants tried to have parish and school property included in the tally of what is available to figure and pay claims against the archdiocese.

After months of legal arguments, U.S. Bankruptcy Judge Elizabeth Perris ruled in test cases involving the real property of nine parishes and a high school, that any interest those parishes and school had in their property would be



Sentinel photo by Gerry Lewin

**Archbishop John Vlazny heads into courthouse accompanied by lawyers, aides.**

voided under the Bankruptcy Code. They might still have claims to their properties under the Religious Freedom Restoration Act, a question on which the court did not rule. The archdiocese, the parishes and parishioners committee and the high school defendants all appealed the real property decision. The settlement halted the appeal before a resolution.

In part because of these challenges, Dulcich says filing for bankruptcy was simply an act of wise stewardship. About 160 claimants settled for around \$50 million, far less than the amounts sought in pre-bank-

ruptcy suits, which combined amounted to about \$500 million.

Had the archdiocese gone to trial in the large 2004 cases and lost, those big awards could have set a precedent that would have proven devastating to archdiocesan resources and mission. Already, no one would lend the archdiocese money and insurers refused to pay more claims.

If the bankruptcy seemed like a distraction, says Dulcich, imagine what scores of trials would be like. Archbishop Vlazny's evangelizing mission of the church would have been seriously

impeded.

"It's hard to make disciples when you're spending all day in court," Dulcich says.

Parish property could well have been in greater peril were it not for the bankruptcy. Lawyers in the scores of individual cases could have made claims on the hundreds of millions of dollars of parish and school property.

The average settlement in Portland — about \$300,000 — is comparable to claims paid in other dioceses for clergy sexual abuse. It's close to Spokane's average and less than averages in Los Angeles and Orange County.

Some accusers got more

than the average, depending on numerous factors. Many got less. Archdiocesan lawyers saw the veracity of many claims as questionable, but settled simply because the cases cost less to pay than to litigate.

In the end, claimants received fair settlements and the archdiocese was able to continue its ministry, which was the hope, says Dulcich, who grew up in Astoria's Catholic community and is now a member of Holy Family Parish in Portland.

During a press conference last week, two lawyers for accusers lauded archdiocesan attorneys Dulcich and Mar-

garet Hoffmann. Kelly Clark noted that they "fought hard but were fair and treated my clients with respect."

Dulcich never felt embarrassed to represent what some onlookers saw as the Goliath of the case.

"It was a privilege to represent the archdiocese, a privilege to represent the archbishop," he says. "I was proud every day."

Dulcich reports that a key to the settlement was the work done by Paulette Furness, Director of Business Affairs for the Archdiocese, and others at the Pastoral Center

**SEE STATE LAW, PAGE 4**

# Reactions

CONTINUED FROM PAGE 1

and construction and maintenance of churches is dependent on parishioners and school parents.

"Apart from their generosity our mission to proclaim the gospel, celebrate the sacraments, and to form minds and hearts in our schools would come to an abrupt end," he explains.

Father Sirianni thanks the archdiocesan staff who worked "tirelessly" to reach the settlement.

"Rarely do we acknowledge and properly thank the people who work on 28th and Burnside," says the priest. "In this matter and countless others, they make the archdiocese work."

He lauds Archbishop John Vlazny for "incredible leadership" during the crisis.

"He never lost sight of the fact that he was the shepherd of a flock that included those who sought justice as well as those seeking to continue the mission of the church," the priest says. "He was a bishop to us all. The mistakes made in our dealing with the sexual abuse of children in this Archdiocese were not made by him. The crimes committed did not occur on his watch. Regardless, he gave his all to bring healing to those injured, and a commitment to all that the protection of our children from sexual abuse would never again be compromised."



Sentinel photo by Gerry Lewin

**Cherrie Barnes talks with Kathy Reilly.**

"People around here have been following the cases and people have been prayerful," says Kathy Reilly, pastoral associate at St. Mary Parish in Albany for more than 20 years. "Everyone wanted there to be justice for the victims, but at the same time people were concerned about parish resources."

"Relief isn't the right word, but we can now start moving forward again. Our parish had talked about expanding our school and expanding our classrooms — the bankruptcy put that off for awhile. Now we can begin that discussion again."

"There is a tremendous sense of appreciation here for the leadership of Archbishop John Vlazny and other church leaders who guided us through this time."

Al Matecko, 55, has been a member of Christ the King Parish in Milwaukie since 1997. He's relatively new to Oregon, as a career in the military has taken him in many directions and places — Texas, Nebraska and Italy.

Matecko now serves as director of public and legal af-

fairs for the Forest Service in the Pacific Northwest.

"Like many people, I have a sense of relief now that the bankruptcy settlement has been reached," he says. "However, the next question we, as a community, need to find an answer for is where do we go from here? What do we do next?"

In light of what has come out, Matecko believes that the present time offers an opportunity to address issues concerning the future of the church based on where it has been and where it is now.

"There has been damage done to the church in light of the sexual abuse situation," he says. "We need to make sure that the victims get the help they need. We need to make sure that the clergy — the majority of whom are good people — gets the help it needs."

He added a third tier to the mix.

"There's a significant group we need to reach out to — those who fall into the 20-40 age bracket," he says, "a group that may not feel they can trust the church to get straight answers."

Matecko suspects this group may view the church differently than those in older demographics — they may be disillusioned by what they deem as a cover-up and about how the church, overall, has handled the situation. It's a relationship that's been damaged and is in need of repair.

"They represent the future of the church," says Matecko, "and many of them may feel let down. In order to bring them back into the fold, the church needs to prove that it's there for them. We, as a community, have a perfect opportunity to do just this. In this period of healing, we can reach out to disenfranchised groups to discuss the future of the church and its growth potential — so that they're a part of what we can become. What is a negative can be transformed into a positive."

Glenn and Sandra Walker, members of St. Anne Parish in Grants Pass, say completion of the bankruptcy prompts them to move on "in optimism" with renewed spirit toward Catholic goals and values.

"Through the offenses of a few, we've all experienced difficult times; their misdeeds have hurt each one of us and cost us time, accomplishments, energy, and vast amounts of money," the Walkers say. "However, the offenders are very few in light of the multitudes doing good works throughout the Church. We can continue to draw courage and inspiration from present and past accomplishments spirited by love and service."

The Walkers credit Archbishop Vlazny with giving an example of love and compassion. Like him, they are praying and will work for healing of victims through counseling, rehabilitation and fellowship.

"Many mistakes made by church, society, and our courts, were a product of the limited information existing at the time," the couple say. "With current knowledge, the Church has been working hard to correct and prevent a reoccurrence



AL MATECKO

of abuse."

The courage of faithful priests and religious inspires the Walkers.

"They remain dedicated to their mission and they demonstrate trust in God while bringing love, hope, and joy into the various situations of life during these stressful times," the couple explain.

Frank Bocci, a member of St. Mary Parish in Eugene and a retired federal judge, was concerned about how parishes might get involved. The work of mediators impresses him and he calls the settlement "balanced and fair."

"I know the archdiocese intended that the involved plaintiffs be justly compensated and also that church and school properties of various parishes be protected as well," Bocci says. "It's clear to me that Chief Bankruptcy Judge Perris' and District Court Judge Jones sought to have the matter determined in accordance with the law and with fairness to the parties on both sides, as well. There were four very well respected judges on this sad part of our history who did a great service in bringing this matter to an end."

The bankruptcy has been on the minds of contemplative Catholics.

Since 2001, the Carmelite Nuns of Eugene followed direction from Archbishop Vlazny and reserved specific days for fasting and prayer, in the name of the abused.

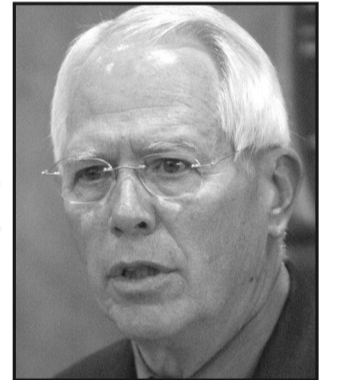
"For several years, we have been following the events concerning the sex abuse cases and proceedings," says Mother Elizabeth St. Onge, the order's prioress. "Through this time we have been offering our prayers and sacrifices for truth, justice and healing for all the people involved: the victims, abusers, court officials and especially the archbishop, clergy and staff who have carried such a heavy burden."

Prayer and meditation are the norm for the Carmelite women. But focusing the spiritual efforts, explains Mother Elizabeth, has been gratifying.

"By the grace of God we hope to continue this contemplative presence as a source of encouragement for everyone in the years to come," she says.

"I think parishioners are pleased that the bankruptcy has come to a conclusion and as we go forward and documents are released explaining some of the actions that took place, it will give everybody a better opportunity to start the healing process," says John Rickman, a retired banker and member of St. Pius X Parish. He served as chair of the Committee of Parishioners, which was formed to protect interests of parishes in the bankruptcy.

"We all know the whole process came about because some wrong decisions were made and some very bad things happened to some very young people," Rickman says. "The whole idea is to begin the healing process not only for survivors but for parishioners and the church as well," he said.

Sentinel photo by Gerry Lewin  
JOHN RICKMAN

## Archdiocese of Portland in Oregon

### All child sex abuse claims settled by the Archdiocese (before and during bankruptcy)



# Parishes, schools to be reorganized into separate legal entities

In recent articles in the secular press dealing with our Chapter 11 process, there has been a good deal written about “separate incorporation” of our parishes. That is misleading. Actually what we have proposed in the court-approved Joint Plan of Reorganization is the following: that within one year we will “restructure under civil law the Archdiocese, the Parishes, and the Schools into one or more charitable trusts, endowments, non-profit reli-

gious corporations, or other charitable entities that are, under Oregon law, legally separate and distinct from the Reorganized Debtor.” As a Catholic archdiocese, we are bound first by Church law (canon law). That canon law dictates world-wide how the Church, how archdioceses and dioceses, and how parishes are organized. As Catholics we are bound to follow that Church law. What we will be attempting to do over the next year is pro-

vide a way of structuring ourselves civilly that will better reflect the dictates of canon law, which sees every parish as a “separate juridic person.” Our task will be to accomplish that restructuring in such a way that we are true to Church law and at the same time separate and protect as far as possible the assets of parishes, schools, and other entities under civil law. So what will that be like? The short answer is that we

don’t know yet – there are various legal models for restructuring – but we’re working on it. The Archdiocese is presently structured as a “corporation sole,” where the Archbishop is the civil corporation. That is a civil structure that was common for Catholic dioceses when the Archdiocese of Portland incorporated back in the latter half of the 1800s. For the most part, it worked well for us for over a century. The Archbishop was always

bound under Church law to recognize the integrity of parishes and schools and other entities within the archdiocese. He couldn’t and didn’t just seize parish property or assets. However, these last six years have shown the vulnerability of those assets, and so a new civil structuring is called for. The Archbishop will be appointing people from among certain groups he needs to consult to advise him in this process. Chances

are that after the restructuring most of us won’t notice the difference. The day to day financial operations and governance of our parishes will be very similar to what they are at present. Remember, we do still have to follow canon law. But there will obviously be some changes, and those are what we will be working on during the next year.

— Fr. Dennis O’Donovan

## State Law

CONTINUED FROM PAGE 2

who worked with lawyers at the Miller Nash law firm to get insurers to come up with more than \$50 million to pay claims. It took multiple lawsuits, hours of negotiations and \$4 million in legal fees. In the end, 10 insurance companies agreed to buy back their policies, giving money in return for not having to cover the archdiocese any longer. “The insurance settlement was the financial base on which we were able to exit bankruptcy,” Furness says. “You can’t settle claims without money.”

A gag order, which blocked parties in the bankruptcy from commenting publicly on the deliberations, made some reporters bristle. But insiders say it helped catalyze a resolution because the focus was on the task, not public cat-and-mouse games.

Tom Stilley, a bankruptcy attorney for the archdiocese, told Judge Elizabeth Perris that the order was “the best thing that ever happened to this case.”

A release of archdiocesan personnel documents set for mid-May has been heralded by some claimants’ lawyers and by pundits as an act finally getting to the truth. Dulcich notes that many of these documents are already in the public domain. Furness warns that “releasing documents concerning priests and others long dead and events far in the past may show ‘transparency’ but will not get at the truth of what happened 30, 40 or 50 years ago. Documents alone, out of context and without explanation by those who created them or what actually happened at the time, give only a partial picture — surely not the full truth — of what occurred.”

She and Dulcich caution against judging church leaders of the past who lacked the knowledge and standards of today.

Archbishop Vlazny, who was not around Oregon when the cases of abuse happened, has maintained an open door policy with claimants, meeting with many.

But a fair number of lawyers delayed meetings between their clients and the archbishop until settlement numbers were in. That’s because once an accuser meets the amiable archbishop, the zeal for recompense tends to fade.

“If they meet him they will have a much harder time wanting to be angry at anonymous bishops because here’s a real life bishop who’s a wonderful person,” says Furness.

“It’s easy to demonize an amorphous defendant.”



Sentinel photo by Bob Kerns

U.S. District Court Judge Michael Hogan helped mediate clergy abuse settlements.

### Archdiocese of Portland in Oregon Child sex abuse claim settlements (during bankruptcy)

Settlement Amount	Number of Settlements
\$1 - \$25,000	48
\$25,001 - \$50,000	25
\$50,001 - \$100,000	11
\$100,001 - \$250,000	13
\$250,001 - \$500,000	22
\$500,001 - \$750,000	14
\$750,001 - \$1,000,000	7
\$1,000,001 - \$1,250,000	7
\$1,250,001 - \$1,500,000	3
\$1,500,001 - \$2,000,000	1
\$2,000,001 - \$2,500,000	2

Total 153

Note: Approximately 40 additional persons filed claims that were dismissed by the court with no payments made.

Safe environment training 2004-2007	
Parish children & youth:	10225
Catholic School students:	43902
Parents: parishes and schools:	6450
Employees:	2009
Volunteers:	14476
Total - Safe environment training:	60577

Background Checks 2002-2007	
Priests:	277
Testimonials about priests and deacons coming from outside this diocese:	873
Permanent Deacons:	54
Transitional Deacons - current:	4
Employees:	3609
Volunteers - active:	13978
Background checks:	18795

## Ember Days CONT. FROM PAGE 1

is not permitted; however, liquids including coffee, milk and fruit juices are allowed. Observance of an Ember Day is encouraged but not obligatory. Past Ember Days have been celebrated on the following dates with an Archdiocesan celebration: Sept. 27, 2002, St. Mary Cathedral, Mass; Dec. 4, 2002, Holy Redeemer, Portland, Healing Service; April 2, 2003, St. Joseph, Salem, Prayer Service; Sept. 17, 2003, St. Mary, Eugene, Mass; Dec. 3, 2003, St. Mary Cathedral, Evening Prayer; March 10, 2004, The Grotto, Portland, Mass; Oct. 6, 2004, Sacred Heart, Medford, Mass; Dec. 1, 2004, All Saints, Portland, Mass; March 9, 2005, St. Mary Cathedral, Mass; Sept. 28, 2005, Christ the King, Milwaukie, Prayer Service; Nov. 30, 2005, St. Mary Cathedral, Mass; March 22, 2006, Holy Trinity, Beaverton, Stations of the Cross; Sept. 27, 2006, St. James, McMinnville, School Mass; Dec. 6, 2006, St. Mary Cathedral, Mass; March 7, 2007, St. Mary Cathedral, Mass; June 13, 2007, Extraordinary, St. Mary Cathedral, Prayer Service.

Archbishop John G. Vlazny  
invites you to an  
Evening Prayer Service  
to pray for the healing  
of victims of sexual abuse  
and their reconciliation with  
the Church  
St. Mary's Cathedral  
Wednesday, June 13, 2007  
7:30 p.m.

# Answers to frequently asked questions about Portland bankruptcy

**1. What is the total cost of paying tort claims?**

Currently, \$51,008,455 is the total amount to be paid on settled tort claims (including child sex abuse and other tort claims) including interest to the effective date.

**2. Are any tort claims unresolved?**

Several tort claims that have been dismissed are on appeal. Funds have been set aside to pay these claims if the dismissals are reversed and the Archdiocese needs to pay at a later date.

**3. How much has been set aside for child sex abuse claims that may be brought in the future (“Future Claims”)?**

\$20 million will be financed to fund a Future Claims Trust. The trust will be operative until 2032. The

Future Claims Representative will be Trustee of the Future Claims Trust.

**4. How much money did the Archdiocese recover from the insurance companies?**

The Archdiocese recovered a total of \$52 million dollars from nine insurance companies.

**5. How much money will be borrowed or otherwise financed?**

The Archdiocese has negotiated financing totaling \$40 million: a \$25 million Line of Credit and a \$15 million Letter of Credit with Allied Irish Banks. Actual borrowing on the line of credit and letter of credit will depend on cash flow requirements in the future.

**6. What serves as collateral for the \$40 million?**

**7. What is the total amount spent on attorney fees?**

Securities in the Perpetual Endowment Fund have been pledged as collateral along with four real properties owned by the Archdiocese (the Pastoral Center and three properties near the Cathedral).

**8. How much was spent on other bankruptcy costs?**

Total fees and expenses for other bankruptcy costs total approximately \$1.5 million (expert and financial consultant fees, property appraisals, etc.) through March 2007.

**9. How will loans be repaid?**

In current and anticipated cash flows, it is projected that all debt will be repaid from budgeted debt service dollars with the General Operating Fund. The availability of these dollars is a result of substantial staffing cuts at the Pastoral Center over a four year period.

**10. How much have the parishes paid in attorney fees and costs during the bankruptcy?**

Participating parishes have paid approximately \$756,000 to the Perkins Coie law firm, attorneys for the Parishes and Parishioners Committee.

**11. Will parishes need to pay toward settlement of claims?**

No. Parishes are not paying toward settlement of claims. Insurance monies received and debt financing will fund the current plan of reorganization.

**12. Will parish assessments be increased to finance the bankruptcy plan of reorganization?**

No. Under the current feasibility cash flow plan and other anticipated cash flow analysis, parish assessments are not being increased.

**13. Will any parish property be sold to finance the bankruptcy plan of reorganization?**

No.

No. Archdiocesan property is being sold to repay debt. However, as indicated above, the Pastoral Center and three other Archdiocesan properties will serve as partial collateral for the \$40 million credit facility.

**14. What, if any, Archdiocesan property will be sold to repay the debt?**

No. Funds contributed to the Archbishop’s Annual Catholic Appeal are restricted funds and will be used only for the stated purposes for which these funds are raised.

**15. Will money from the Archbishop’s Annual Catholic Appeal be used to repay the debt?**

— Leonard Vuylsteke

## Archdiocese of Portland in Oregon

Accused against whom highest number of claims were filed (before and during bankruptcy)

Accused	Number of Claims
Maurice Grammond	54
Thomas Laughlin	34
Michael Sprauer*	19
John Goodrich	14
William McLeod	13
Rocco Perone, CSP	13
Aldo Orso-Manzonetta	11
Remy Rudin, OSF	9
Joseph Baccellieri	7
Donald Durand*	7
James Harris	7
Michael Raleigh	5
Edmund Boyle	5

\*Living priest who denies the allegations against him

Settlements made on claims against Maurice Grammond (\$33, 400,000) and Thomas Laughlin (\$20,700,000) totaled \$54,100,000 and accounted for more than half the total settlements made with child sex abuse claimants before and after bankruptcy.

The combined total of payments made on claims filed against the eleven other accused named above is \$34,275,000.

## Rebuilding the trust

The faithful throughout Western Oregon breathed a collective sigh of relief when they learned that the bankruptcy had come to an end. Nonetheless, they know that finances will be tight for decades and that money has not and will not heal the victims. For the most part, parishioners feel a keen sense of responsibility and even shame because they are part of the community in which the abuse occurred.

Throughout these years, Catholics in this archdiocese have come to a greater understanding of the tragedy of child sexual abuse and developed a strong commitment to protect the children entrusted to them. Their prayers for the victims have developed into a sense of compassion for those who have suffered. That sense will remain with them always. Through this long and painful process, the faithful in our parishes have never wavered in their support of the essential mission of the Church. The poor and vulnerable continue to be served even as the Gospel continues to be preached. Clearly, the long process has helped all of us understand the meaning of suffering for the sins of others.

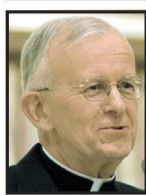
Until the sexual abuse scandal arose in the Catholic Church most thought that sexual abuse was confined to those who are poor and uneducated. That is not so. Sexual abuse occurs in rural, urban and suburban areas. It is found among all ethnic, racial and socioeconomic groups. We also know that most children are abused by someone

they know and trust. Boys are more likely than girls to be abused outside of the family. It is difficult to be precise about the rate of child sexual abuse rates for many reasons. Experts tell us that less than 10 percent of sex abuse is reported to the police. Many victims are afraid or ashamed to reveal what happened. Some even deny that what happened was "real abuse."

The human community is built on relationship and trust. Most of us do not fear taking public transportation or walking in downtown Portland. We trust the word of those who teach us and—ultimately we develop a community whose values and vision we trust. The greatest tragic outcome of child abuse is that it stunts that development of trust. Those who are abused as children seldom feel physically safe; rarely are intellectually secure; and, are frequently unable to form healthy intimate relationships. The sad fact is that the long term negative psychological and social well-being of sexual abuse survivors is not resolved in the courts.

The extensive educational process that has engaged the Church during these years has made all of us aware that the sexual abuse of minors is endemic in our society. We believe the procedures already in place within the Archdiocese will protect the children in our Church community. We need also reach out to other victims of abuse and work to make certain that this problem is addressed in the larger society.

## The news is both painful and sobering



By  
ARCHBISHOP  
JOHN VLAZNY

with as much information as possible about the numbers of claims, victims and offenders, the financial consequences for our church and a snapshot of our efforts to reach out to victims and protect our children. I want to thank all who have collaborated in making this information available.

The pursuit of justice is, sad to say, always multi-layered. Some try to work for justice through our legal system. Justice is the virtue which assures that people are in right relationships with God, with one another and all of creation. We have just gone through a very difficult and lengthy time of litigation. It probably hasn't ended yet, even after bankruptcy. But lawsuits eventually result in either punishment or exoneration of those accused. Lawsuits alone do not establish right relationships between the accuser and the accused.

As a church, before society and those who have been abused, we stand accused. As archbishop, I have tried my best to oversee the legal process, but this is an area not of my competence. I rely on the advice and services of those who are more expert in these matters as well as the wisdom of the community around me. I am especially sorry that some of my own words and actions only exacerbated the pain of the plaintiffs in these matters. I wish it could have

been otherwise. I tried. But there have been times when I failed.

The settlement of legal cases and the end of bankruptcy are mixed blessings. Relationships are still out of sync and there remains considerable need for healing on the part of all the victims, their families and friends, and even many of you. Hence our work is far from finished.

Healing requires patience. One victim assured me that healing can take place when we acknowledge the pain of the victims, when we pray for them out loud, when we let them know that we care. There is no magic cure but all of these things taken together, one by one, make it possible for peace and tranquility to return to the lives of victims.

We are a people of faith. When someone is sick in the community, we pray for them, we visit them, we comfort them. There are many who are still in need of healing, ill from the effects of the abuse they may have suffered years ago, still uncertain whether or not we believe them or care about them. I am relying on pastors and parishioners to join me in making efforts to work for healing and to make those who have been estranged as a result of the abuse feel welcome back in our communities.

It is true that many people insist on transparency about all we have experienced. It has been my intention to release whatever information is relevant and appropriate. This, I know, is your wish as well. We have a tremendous opportunity to promote healing and to overcome misunderstandings in the coming

years. It is in that spirit that we have made this special issue of the Catholic Sentinel available.

Reconciliation is probably the most challenging of all our goals, yet it remains the one that Jesus persistently places before us. At times victims have told me that they were not sure they could ever come back to church. Certainly it was difficult for them to even think about doing so, particularly since their abusers almost always had been priests, but they always seem relieved to know they are indeed welcome. But we priests and bishops need to make that invitation ingenious and heartfelt. I am hoping that you will take seriously my invitation to observe a special Ember Day of prayer and fasting on June 13 and then follow up with efforts to be reconciled with a victim, relative or friend who has been aggrieved because of these sins.

Perhaps some of you even need to be reconciled with those of us in church leadership, particularly with me as your archbishop. I pray for that grace and I ask you to join me in asking the Lord to bless our church with truly reconciled communities of believers.

Yes, the news we have before us is both painful and sobering. But we are an Easter people full of hope because the Lord's victory over sin, suffering and death is ours to share. His Easter gift is the Holy Spirit who surely walks with us more closely now, than at any time in the history of this local church. Throughout these Easter days, we pray, "Come, Holy Spirit, please come."

## Sideline view: Clergy, parishioners soldiered on despite anger, disbelief

Why should a non-Catholic with no clear stake in the national calamity of priests sexually abusing young parishioners write in a Catholic newspaper about the scandals?

"He shouldn't," my instincts shout. "It's as foolhardy as a stranger meddling in family strife."

The request, though, comes from Mary Jo Tully, the Portland Archdiocese's chancellor.

We have collaborated before. Her efforts to build civil, constructive relationships across religious lines in Oregon require more than a cowardly, "No thanks, no way."

So, reluctantly, here are several observations from the sidelines:



By ROBERT  
LANDAUER

• Catholics aren't alone in their shock and anger at betrayals of trust by clergy. Or in remorse and compassion for the victims of criminal acts. And also in sympathy for the many clergy unfairly tagged with suspicion and guilt by association. It is your tragedy, but ours, too. We all feel more vulnerable than before.

• Sooner or later, all institutions face wrenching problems. Those whose core goal is continuity of service

to a principled mission face up to those challenges as they occur. They don't ignore them. They don't drop-kick the issue or problem person to some other unsuspecting bailiwick. They don't replace tainted reality with tinted fantasies, a process that that political scientists call propaganda, that psychologists call dissociation, and that the rest of us call lying. The smart ones avoid uninformed denials and misleading evasions, no matter how hurtful the news. Candor, even amid trauma, helps these institutions to retain, reinforce or recover legitimacy, and thus ensure continuity.

• Survivor institutions ask: First, how do we stop the harm? Second, how do we fix this — and as quickly and as

fairly as possible to all who have been hurt? They search for and test the evidence. They digest the sticker-shock dollar cost of wrongdoing and of doing nothing to stop wrongs from being done — and, more important, the priceless cost of losing moral authority. As the best institutions ponder all these factors, their sense of responsibility and of concern for renewal weighs more heavily than the financial cost of bearing those burdens. They decide to be accountable, even to be compassionate in many cases where the evidence is not foolproof but where damage clearly has been done.

• Cover-ups enable more criminal acts.

• Not all accounts of sex abuse turn out to be true.

Yet defending oneself against such accusations can be agonizingly difficult as pressure increases on the accused to bring closure to alleged victims and to halt press coverage that pains the Church to which the accused has sworn loyalty and obedience.

I admire the grit of clergy and parishioners who refused to quit their faith-based practices in spite of anger at religious leaders they had trusted. These parishioners and clergy soldiered on (though not silently in many cases). They kept on supporting their parishes, their parochial schools, the Archbishop's Annual Appeal, the Catholic Campaign for Human Development and the gazillion other causes that give Earth-based expression

to religious beliefs.

• In economics, it is said that bad money drives out good. The opposite can be true in religious communities. Where clergy and parishioners develop eyes-open, trustworthy partnerships and share oversight, these gold-coin relationships can drive out the base and the depraved. A healthy faith-based community must also be reality-based.

• Emotional wounds are hard to treat and slow to heal. The best prescription for recovery is to take the best advice collected from all corners of the Catholic world and fix the problem; don't just redefine it.

The writer is a retired editor and columnist for The Oregonian.

## Safety

kids safe."

Shannon says that since 2002, her job has mostly been triage and referral services, helping those abused and their families find the help they need.

The archdiocese is determined to focus energies on the continuing improvement of the safety in schools and parishes for children, and training and assessment and background checks for those who work with children directly.

Shannon is working with the lay review board and

area agencies to compile a list of training options, seminars, retreats and continual works to make sure that the archdiocese complies with the U.S. Bishops Charter for the Protection of Children and Young People, as well as going beyond.

"Now that the bankruptcy is behind us, we can begin to offer other resources," says Shannon. "We want to offer not only safety training and opportunities for parents, teachers, clergy and volunteers, but counseling to reconnect victims with the

spiritual side of healing."

"Parishioners need to know that the structures in place are here to stay," said Shannon. "Our program will not end; we've made a commitment to this."

Shannon's office publishes a quarterly newsletter, which offers resources for parishes and schools and performs background checks on employees and volunteers involved with children.

She has worked with the Oregon's Department of Human Services in educating school and parish staff (and

parents) on the role of the mandatory reporter. The archdiocese helped translate into Spanish and dub a video on abuse prevention — something the state didn't offer before.

With current training and prevention programs, the Catholic church will most likely end up setting the bar on prevention education for other state and private agencies dealing with the issue of abuse, Dr. Keltner says.

"This demonstrates the commitment of the church to our children," she added.



Sentinel photo by Jon Reddy  
DR. LEILA KELTNER AND CATHY SHANNON