

Archdiocese of Hartford

January 2019

Financial Accountability Report

Regarding Clergy Sex Abuse

GENERAL INTRODUCTION

The Archdiocese of Hartford (“Archdiocese”) was established in 1953 as the Metropolitan Archdiocese for the Bridgeport, Norwich and Providence Dioceses. There are approximately 180,000 Catholic households in the Archdiocese which encompasses all the towns and municipalities in Hartford, New Haven and Litchfield Counties. The Archdiocese currently includes 129 parishes, 35 schools and several other related ministries.

There have been five Archbishops since the inception of the Archdiocese:

Archbishop Henry J. O’Brien	1953 - 1968
Archbishop John F. Whealon	1968 - 1991
Archbishop Daniel A. Cronin	1991 - 2003
Archbishop Henry J. Mansell	2003 - 2013
Archbishop Leonard P. Blair	2013 - present

Over 1,000 diocesan priests have served the people of the Archdiocese of Hartford since 1953. During its history, the Archdiocese has also hosted many priests for temporary assignments. These include priests from others dioceses (US and international) as well as priests of religious orders (ex.: Franciscan, Dominican, Vincentian, Legionnaires etc.)

The purpose of this financial report is twofold:

(1) to report on settlement amounts for past claims of clergy sexual abuse of minors from the establishment of the Archdiocese to date, including the sources from which the money was obtained to settle those claims; and

(2) to provide a verified account of the financial support currently provided by the Archdiocese, and the source of that support, to any priest who has been credibly accused of sexual abuse of a minor, all of whom are either on administrative leave or have been laicized. Information provided in this report concerns claims that resulted in financial payments.

While this report documents the significant financial impact of the clerical sexual abuse crisis on the Archdiocese of Hartford, it doesn’t begin to calculate the suffering and loss of victims and their families, the betrayal of innocent children, and the disillusionment that many have experienced toward Church leadership as a result of the crisis.

This document is offered in a spirit of transparency and accountability as part of a much larger plan of reparation that includes the many spiritual, pastoral and administrative responses to the crisis announced by Archbishop Leonard P. Blair in September and December of 2018.

A full accounting that addresses sexual abuse of minors by clergy in the Archdiocese of Hartford along with the response of Church leadership to that abuse will be released in 2019 at the conclusion of the Clerical Sexual Abuse Accountability Investigation, which is being led by retired Connecticut Superior Court Judge Antonio Robaina who is now with the law firm of McElroy, Deutsch, Mulvaney & Carpenter, LLP.

With the release of this Financial Accountability Report it is hoped that it will be received as another important measure in the overall reparation made by the Archdiocese and also a step forward in financial transparency that is required to restore trust.

The sexual abuse crisis has had a profound impact on the Archdiocese of Hartford. In the years following the adoption of the *Charter for the Protection of Children and Young People* in June 2002 (revised in 2005, 2011, 2018), which established policies and procedures for both dealing with allegations of abuse and ensuring the protection of children and young people in the Church, the Archdiocese has faced many claims related to historic sexual abuse of minors by clergy. This report presents the information related to all claims that have been settled, including those that were brought before the creation of the *Charter* as well as those that have come forward to the present day.

Part One: Financial Summary of Sexual Abuse Settlements

A. Background Information

The bulk of the settlements described in this section of the report were resolved in 2005 by engaging an experienced judicial mediator, in the amount of \$22 million. Insurers provided \$11 million and the Archdiocese the other \$11 million of this settlement. Prior to that, there were several settlements and thereafter, additional settlements that were the result of negotiated resolutions between the Archdiocese and victim survivors of abuse or their legal counsel. One claim was tried, resulting in a judicial decision on liability and damages, which, following appeal totaled \$1.6 million. While many of the cases came to the Archdiocese through their attorneys, some survivors or their families brought their claims directly to the Archdiocese. The type and amount of settlements contained in this report reflect known data since 1990.

In addition to the settlement payments, the Archdiocese also incurred legal fees and expenses for litigation, mediation and negotiation of claims, most of which were covered by insurance. The Archdiocese also incurred approximately \$4.0 million in connection with the recovery of insurance reimbursements due the Archdiocese. The Archdiocese has utilized consolidation

of cases, global settlements, magistrates as mediators, private mediation and cooperative settlement discussions outside of litigation in settling claims.

It is important to note that the Archdiocese did not, and will not, use any of the revenues derived from the *Archbishop's Annual Appeal*, the annual *cathedraticum* (i.e., the diocesan assessment on parish revenue), or other contributions and bequests that are designated for special purposes for the payment of settlements or expenses related to settlements. Nor has the Archdiocese ever looked to the recently created *Hartford Bishops' Foundation* for any such funding. These funds are designated to support the ministry of the Church and Diocesan programs, administration, communication and development.

As this report details, 100% of the settlement costs were paid by insurance recoveries and the use of a General Reserve Fund (which is the result of historical yearly surpluses, deficits, investment gains and losses, and is unrestricted).) For the financial report of the AOH for the year ending 2017, consult ArchdioceseofHartford.org/Finance) The Archdiocese acknowledges that, absent the need to satisfy these abuse claims, the revenue source used to pay these settlements would have been used to support the broader mission of the Church.

B: Methodology

In preparing this report, the Archdiocese has closely reviewed settlement agreements, related correspondence, legal files, insurance records and settlement history information to compile a comprehensive summary that includes:

- the date (or period) when the alleged abuse occurred
- the accused priest or transitional deacon
- the settlement amounts
- the date (or period) the settlement was paid
- insurance reimbursements

Once this summary was compiled, available financial information was reviewed including all available electronic and accounting general ledger records, as well as supporting documents from insurance companies. This report summarizes the sources from which settlements were paid over the history of the Archdiocese.

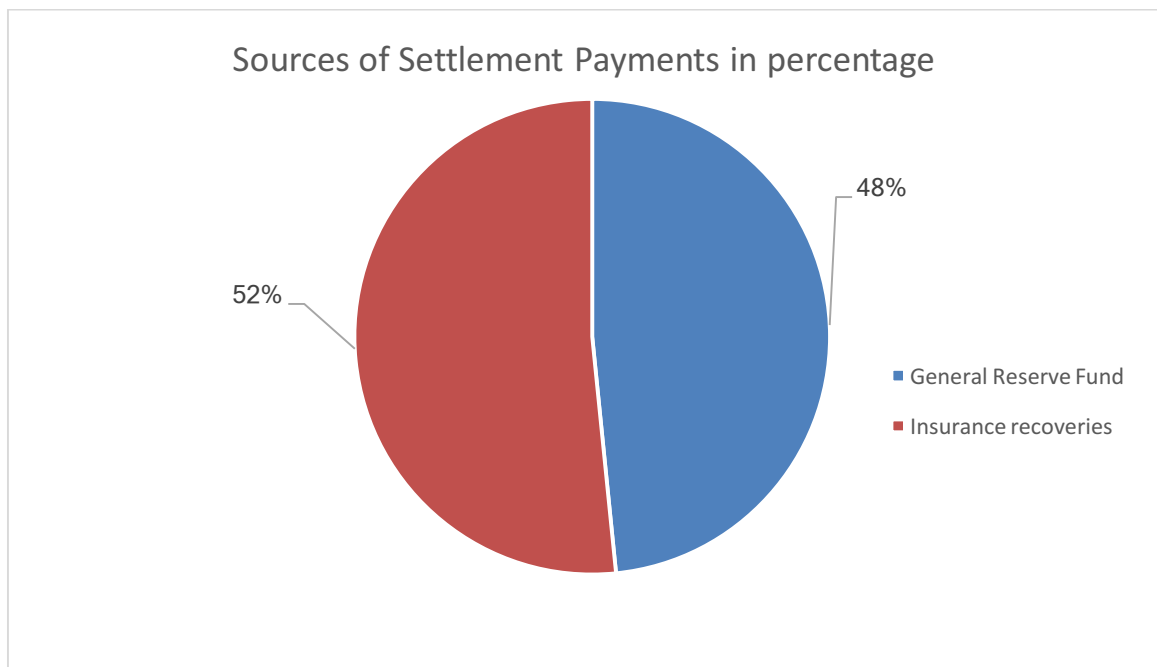
The review of the available financial data and legal and accounting records was undertaken for the sole purpose of providing full transparency regarding settlements. Information disclosed in this report is complete and accurate based on all available data since 1990. Documentation regarding accounting transactions prior to 1990 is not always available.

C: Settlements

i. General Summary

- To the date of this report, the Archdiocese has paid settlements totaling \$50.6 million for 142 allegations of clergy sexual abuse of a minor involving 29 archdiocesan clergy and three priests from other dioceses;
- Of the \$50.6 million paid, \$24.5 million came from the General Reserve Fund (described earlier) and \$26.1 million came from insurance recoveries;
- Of the 142 settled claims, the average settlement payment was \$356,338;
- 84% of the settlement amounts paid, and the majority of the 142 settled claims, were attributable to **nine** credibly accused priests, each of whom had multiple claims against him. One of those nine priests, who is now deceased, had 20 claims settled for a total of \$10.7 million
- Based upon a payment history review, the source of settlement payments are as follows:

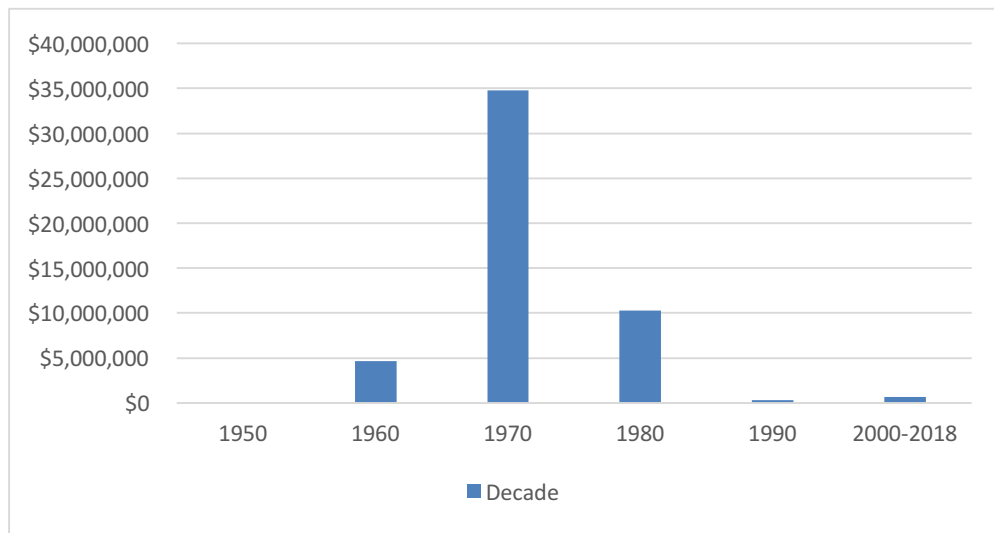
General Reserve Fund	\$ 24.5 million
Insurance recoveries	<u>\$ 26.1 million</u>
Total settlement payments	<u>\$ 50.6 million</u>



ii. Settlements Categorized According to the Date that the Abuse Occurred

- **98% (\$49.6 million) of the settlements were for allegations of clergy sexual abuse of a minor that occurred before 1990;**
- **98% of the settlements were paid in or after 2000.** Two settlements involved alleged clerical abuse of a minor that occurred after 1990 but before 2000. There was one settled claim of alleged abuse of a minor that occurred after 2000.

The following chart shows the settlement amounts based on **the decade in which the abuse occurred:**

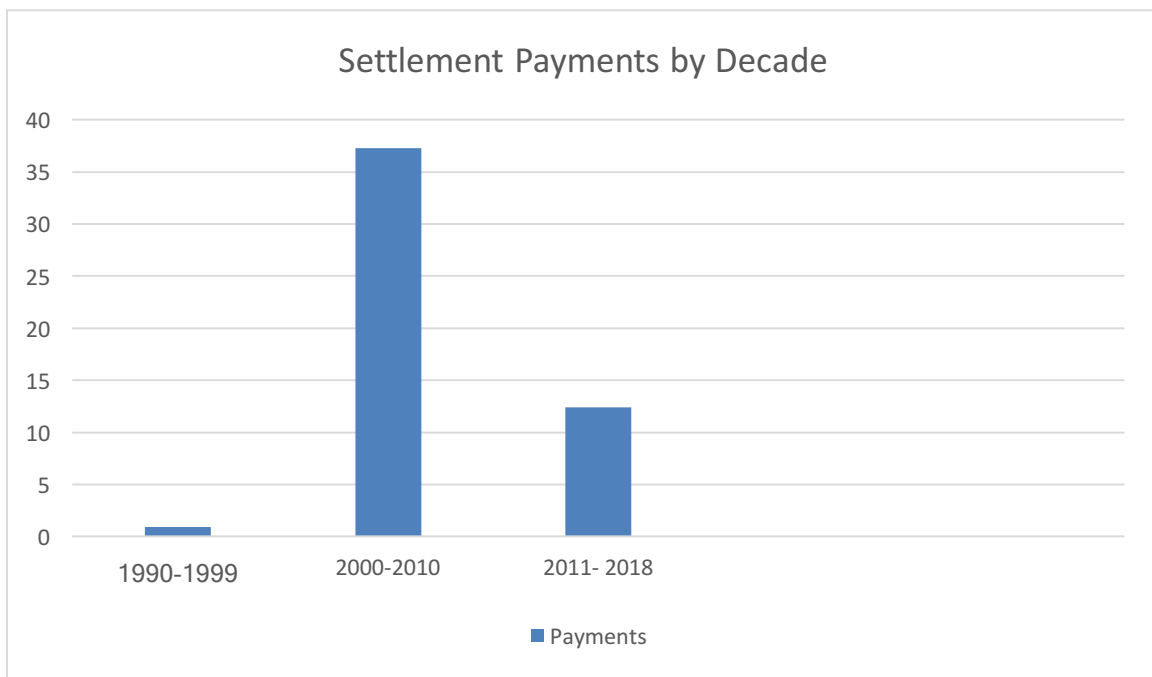


iii. Settlements Categorized by the Date the Settlements were Paid

Since the majority of claims of sexual abuse were not brought forward until the early 2000s, the claims concerning abuse alleged to have taken place many years earlier were settled mostly after 2004. Settlements for such claims were paid by the Archdiocese during the following periods:

- Before 2000 \$ 0.9 million
- 2000-2004 \$ 2.4 million
- 2005-2010 \$ 34.9 million
- 2011-2015 \$ 8.1 million
- 2016-2018 \$ 4.3 million

The following chart shows the settlement amounts based on the decade in which payments were made:



iv. Settlement Amounts Attributable to Clergy with Multiple Allegations

This analysis determined that 100% (\$50.6 Million) of settlements paid and the majority of the claims settled were for allegations of abuse that can be attributed to 29 archdiocesan clergy and 3 priests from other dioceses.

In particular, one priest had credible claims that resulted in payments of \$10.7 million. The names of all these accused priests appear on the Credibly-Accused List on the Safe Environment section of the Archdiocesan website (promise.archdioceseofhartford.org)

Of the 142 claims settled, individual settlement amounts paid range from \$3,000 to \$1.6 million. The average settlement payment was \$356,338.

It is important to note that the amounts paid for cases of past abuse depended in large part on three factors:

- The degree of the alleged abuse,
- The duration of time that the victim was subject to the abuse,
- And the prior history of claims against the individual accused.

Part Two: Current Financial Support for those Credibly Accused and on Administrative Leave or Laicized

A. Background

The Church has always been obliged to provide for the temporal needs of the clergy. According to the Church's *Code of Canon Law*, priests are entitled to reasonable material care to enable them to carry out their ministry in a manner suited to their circumstances (canon 281 §1). In the Archdiocese of Hartford, each priest in good standing receives a salary plus health and auto insurance coverage and a contribution toward his retirement benefit.

In the aftermath of the abuse crisis, some priest offenders have been "laicized" by the Pope. That is to say, they are to be considered as "former" priests, having lost any right to exercise the ministry. In this case they have lost any right or claim to church support. However, if they should fall into a state of verified, documented destitution, a bishop is required to show some minimal charitable consideration.

Other priest offenders for a number of reasons, including advanced age or infirmity, have not been laicized. Instead they have been sentenced by the Holy See in Rome to a life of "prayer and penance." The only thing that remains to their priestly identity is that they can pray the Divine Office and say Mass alone in a room with absolutely no one else present. For those on "prayer and penance" the *Code of Canon Law* requires that they still receive decent support and "social assistance" (e.g., health insurance),

It is expected that, in addition to their own personal savings, they seek every other possible form of support, including social security. Very significantly, retirement benefits for priests in the Archdiocese of Hartford require that they be in "good standing," thus disqualifying the priests who have been laicized or sentenced to a life of prayer and penance from receiving any retirement benefit, now or in the future.

B. Application

- Two credibly accused Archdiocese of Hartford priests who have been sentenced to a life of “prayer and penance” but not laicized by the Holy See in Rome receive approximately \$1,900 monthly plus medical insurance coverage from archdiocesan operating funds.
- Two other credibly accused priests who have been removed from ministry (one with a civil case pending and one with a canonical process underway) whose permanent status is awaiting resolution currently receive approximately \$1,900 monthly plus medical insurance coverage from archdiocesan operating funds until their status is resolved.
- Priests who have been laicized or sentenced to a life of prayer and penance are ineligible for any retirement benefit, now or in the future.

CONCLUSION

The data in this report presents the financial impact on the Archdiocese as a result of sexual abuse claims. The crime and sin of abuse has clearly had serious material consequences, as well as moral and spiritual consequences, for the Church’s future ability to invest in its mission, particularly with a view toward future needs.

This report also provides much needed perspective on the trajectory of the crisis; more than 98% of abuse occurred before 1990, and more than 98 % of the settlements were paid in or after the year 2000. Although most settlements relate to incidents that took place more than 30 years ago, this does not diminish the continued pain of the victims/survivors and all those affected by abuse. The hurt and pain of the survivors is still very present. It remains the work of the Church to support and help to heal all those affected by abuse and to move forward in the solidarity of faith, a spirit of transparency, a yearning for justice, and commitment to absolute accountability that will renew the Church.

The Archdiocese is committed to updating information on settlements and other related costs, as well as efforts and resources dedicated to Archdiocesan work with victims/survivors, as well as keeping children and vulnerable adults safe through our Safe Environments Program which, for over sixteen years, has been effective in raising awareness of sexual abuse, encouraging early reporting, and ensuring swift removal of alleged perpetrators.

Appendix A

Information on Safe Environment and Victim Assistance

Safe environment programs were established in U.S. Roman Catholic dioceses by the Catholic Bishops in 2002 in a landmark document, The *Charter for the Protection of Children and Young People* a.k.a. “the *Charter*.” The Archdiocese of Hartford has invested tremendous resources and energy into both its Safe Environment Program and its Victim Assistance outreach.

The Office of Safe Environment in the Archdiocese of Hartford has a full-time director, Kathleen D. Nowosadko; she is assisted by four staff members. The office oversees the implementation of Charter mandates, which includes criminal background checks, written Codes of Conduct, and child sexual abuse awareness and prevention training for priests, deacons, religious, employees, volunteers, those in leadership roles or those who through their ministry have contact with minors or vulnerable adults, as well as a training program for minors in our Catholic schools or parish religious education programs.

Since the Charter’s inception, 16 years ago, over 53,000 adults have been trained and over 34,000 students have participated in Safe Environment Awareness programs throughout the Archdiocese.

The programs offered are:

- (i) VIRTUS: Protecting God’s Children for Adults. This workshop educates adults to recognize early warning signs and grooming behaviors in predators of child sexual abuse, dispel myths surrounding child sexual abuse and instruct adults on appropriate conduct when working with minors and/or vulnerable adults. In addition, adults who are mandated reporters are reminded that they have a legal obligation to report any knowledge or suspicion of child sexual abuse and other forms of abuse, recent or in the past, within 12 hours of becoming aware of it, to the CT Department of Children and Families, or to the police. Non-mandated reporters are also encouraged to make a report based on moral obligation.
- (ii) Child/Teen Lures Prevention Program - Think First and Stay Safe, teaches children to recognize the lures and tricks most commonly used by predators in crimes against minors. Children as young as five years old are taught to recognize and report early warning signs of abuse to a trusted adult and they learn that any inappropriate touching of a minor by an adult or by another minor is also against the law.

In addition to overseeing the implementation of those two programs, the Office of Safe Environment collaborates with many of the other Archdiocesan Offices to host special trainings and present ongoing education for clergy, Virtus facilitators, parish and school safe environment site coordinators, parents, employees, educators, religious orders, and laity.

The Archdiocese of Hartford's Victim Assistance Coordinator, Kathleen D. Nowosadko, is available to help you or anyone who, as a minor, has been sexually abused by personnel of the Archdiocese of Hartford. The Victim Assistance Coordinator is able to (i) listen to your needs and give support; (ii) provide referrals for counseling; (iii) assist with making a formal complaint to civil authorities; (iv) arrange a personal meeting with the bishop or his delegate; and (v) facilitate participation in a support group or healing events.

The Victim Assistance Coordinator promptly reports allegations of abuse of a minor, whether they occurred recently or many decades in the past, to the proper civil authorities. This reporting is done so to protect children, to help bring healing to the victim and their families, and to reinforce the Archdiocese commitment for transparency.

A review board composed primarily of lay people is in place as a confidential consultative body to advise the Archbishop in his assessment of allegations of sexual abuse of minors and in his determination of a cleric's suitability for ministry, as well as to address issues regarding policies and procedures. This Review Board is made up of experts in areas of medicine, psychiatry, spirituality and juvenile justice.

Since 2003 the Archdiocese has annually participated in the USCCB's audit on Charter implementation within the Archdiocese of Hartford. Each year since its implementation, the Archdiocese has been found to be fully compliant.

State and Archdiocesan resource information for reporting abuse:

CT Child Abuse and Neglect Care-line (Mandated Reporters are required to report within 12-hours) | 1-800-842-2288

Kathleen D. Nowosadko, Victim Assistance Coordinator, 860-541-6475 or Kathleen.nowosadko@aohct.org

Appendix B

History of the Statute of Limitations

In 2002, the Connecticut statute of limitations for a civil claim of sexual abuse of a minor was substantially extended to 30 years past the age of a majority (18 years of age). In other words, a victim/survivor who experienced abuse as a minor has until their 48th birthday to initiate a civil action in regard to the abuse. The Archdiocese has realized in its work with victims and survivors of sexual abuse that it often takes many years for a survivor to come forward and disclose abuse they suffered. As a result, many claims have come forward long after the abuse occurred. Because of the time that has passed, it has often been difficult to investigate these claims to determine their credibility. Therefore, during the settlement negotiations, some claims were settled that could not be fully investigated. During these negotiations, it was determined that settling such claims was preferable over litigating those cases to conclusion.

It is difficult to quantify future financial liability of the Archdiocese for historical sexual abuse claims. The reasons for this include the fact that the statute of limitations creates an extended time frame during which victims and survivors of abuse can come forward and seek financial remuneration, and the fact that the Archdiocese has and will continue to support the needs of survivors, whether they have been compensated in a settlement or not, for counseling, outreach, and healing resources. The Safe Environment Program, described in Appendix A, continues to be an Archdiocesan priority, utilizing both financial and staff resources to keep children safe in our churches and schools. This outreach work will likely continue to grow in the future, and thus the cost is difficult to quantify.