

Bankruptcy Update 4/2/21

Well, we're making pretty fair progress in raising the funds needed for our bankruptcy settlement - a very important goal for us if it is to succeed and we're able to move forward and out, as well as give victims some healing for sexual abuses they suffered as children. If we don't meet certain goals soon, we risk losing the proposed settlement; that very well may lead to lawsuits against individual parishes we've been worried about—maybe hundreds of them since there are just under 400 claims filed. As said before, even the lawyer/legal fees may likely would be much more than what's needed to be contributed by the parish for the bankruptcy settlement. Most pastors understand the importance of providing funds for the bankruptcy so as to acquire their own parishes' protective channeling injunctions. But some pastors fear the reaction of parishioners at giving such a huge chunk of parish savings, unused and/or unessential property for sale, etc.

Our parishioners are very “savvy”, so assure your pastors that you understand the situation; that can go a long way in easing their hesitation. The flood is coming, and it is the settlement that is the “dam” that can prevent financial devastation to parishes. On the flip side, should the bankruptcy fail, nothing is safe from liquidations for legal costs and lawsuit settlements—churches, halls, schools. Nothing. What a tragedy it would be to lose hundreds-of-years old churches and property to legal fees and lawsuit settlements, not to mention much of New Mexico's cultural legacy built over centuries by donations of time, talent and treasure of your families and friends. And, perhaps worse, the loss of access in providing sacramental, spiritual and material nourishment to those in need, as well as teaching our young ones love of God, love of neighbor. One current example: ASF used to provide hundreds of thousands of dollars to charity, but those funds have recently had to go to lawyer and legal fees. The same may happen to individual parishes, which have already been contributing to their own defensive legal fees in this whole process. We remain very much aware that “the Archdiocese” and “the parishes” really mean the **people** of the Archdiocese and parishes having to bear this burden. “The Archdiocese” is not a faceless person responsible for all evil which has occurred in the past, but rather the Church is our family in which members come and go...are born and pass away.

We in your Church leadership, lament so *very* much those who have failed you so grievously in the past. Yet, all we can now do is move forward and look to a new day—hopefully with some healing for victims AND the people of the Christ's Church of northern New Mexico.

Very Reverend Glenn Jones.
Vicar General, Archdiocese of Santa Fe

Frequently-asked questions (FAQs):

Q: Can people contribute individually to the settlement?

A: Yes. Just send a check to, and made out to, the Archdiocese with “for bankruptcy settlement only” in the memo line. We’ll keep track and return the money if the deal falls through. You can also go to <https://archdiocesasantafegiving.org/chapter-11-settlement-contribution> You can also contribute to your parishes’ contribution in the same way, but ensure that your pastor has a setup to do that.

Q: How do we know that all the claims are legitimate.

A: There’s no way to ensure ALL are legitimate, but many/most of them—past and present—check out as very likely according to information given in the claims. Once settled, claimants in bankruptcies decide among themselves how to divide it, likely screened by seriousness of the specifics on their claim—what, when, who, etc.

Q: So, why isn’t each claim verified?

A: Almost all of the accused offenders are dead and can’t be questioned. But given past lawsuits and specifics in the claims, most, if not all, are very credible.

Q: What expenses do the Archdiocese have to pay in the bankruptcy?

A: ASF has to pay not only for our own attorneys along with our normal operating expenses, but also the UCC’s attorneys. So...hundreds of hours on both sides, at several hundred dollars per hour for each attorney (they have varying rates)—that goes through \$\$\$ really fast.

Q: Are the Archdiocese’s efforts to stop child sexual abuse by clergy working?

A: Very much so. As you can imagine, this has become top priority since this scourge against children has come to light. The last known incident of abuse was over 15 years ago; may God grant we never see another. But vigilance is key—not only for Church leadership, but by everyone.

Other comments heard:

C: The Archdiocese is rich! Use YOUR money!!

A: The Archdiocese is anything BUT rich, especially after paying lawsuit settlements for the last 20 years, and bankruptcy legal fees for the last two. ASF declared bankruptcy because of dwindling resources, not because it’s “rich”. Also, we wouldn’t have laid off 20% of our employees in December, sold the Archbishop’s much larger former house and have almost all ASF properties on the sale block if we were flush with cash.

C: The Vatican can help!

A: No; a diocese is responsible for its own finances. Anyway, the Vatican can barely pay its own bills these days, especially with COVID reducing contributions.

C: I don’t want any of MY money going to a bankruptcy!

A: Okay...but that won’t stop possibly crippling lawsuits from endangering your parish anyway.

C: Our parish will just refuse to respond to any lawsuits!

A: Not a good move, to say the least. It would likely result in some default judgement, and parish assets (savings, land, buildings) might be seized by authorities anyway to pay a settlement.