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Jesuits' Oregon province files for bankruptcy

Tom Roberts | Feb. 23, 2009

The Oregon Province of the Society of Jesus, facing hundreds of claims of sexual abuse by Jesuits over a 60-year period, has filed for bankruptcy. The move by the order to seek bankruptcy protection follows by a year a similar decision by the historically Jesuit Diocese of Fairbanks, Alaska, in which much of the alleged abuse occurred.

If successful, the province, by filing under Chapter 11 of the federal bankruptcy code, would be able ?to resolve pending claims, manage its financial situation and continue its various ministries,? said Jesuit Fr. Patrick J. Lee, provincial, in a statement posted on the province?s website. The Oregon province encompasses Oregon, Washington, Idaho, Montana and Alaska.

Unknown this early in the proceedings is whether Jesuit institutions such as schools and universities and other ministries will be affected.

Lee was not available to answer questions. Pat Walsh, spokesperson for the province, told NCR that neither the order?s lawyers nor officials of the province were commenting beyond Lee?s statement and a question-and-answer document regarding bankruptcy procedure that also is posted on the website.

Walsh, however, made special note of the claim contained on the website that most of the abuse alleged occurred ?40, 50, and even 60 years ago? and that of ?nearly 3,000 Jesuits who have served in the Oregon Province since 1950, less than one percent has credible allegations of misconduct made against them.? Most of those accused, according to the website, are either dead or elderly and ill.

?Our decision to file Chapter 11 was not an easy one,? said Lee in his statement, ?but with approximately 200 additional claims pending or threatened, it is the only way we believe that all claimants can be offered a fair financial settlement within the limited resources of the Province.?

Lee said the province had already settled more than 200 claims since 2001 and had paid in excess of $25 million from its own resources.

While the Jesuits assert that only a tiny minority of the priests who have worked in the province have been credibly accused of abuse, plaintiff?s lawyers charge that the order used the Northwest United States as a ?dumping ground? for priests with problems.

Kenneth S. Roosa, an Anchorage, Alaska, lawyer who has represented alleged victims in claims against both the Diocese of Fairbanks and the Jesuits, said in a Feb. 19 interview that the ?dumping ground? charge refers to the high concentration of accused priests who served in the Diocese of Fairbanks.

During the period in question, he said, there were at most 29 priests serving at any one time in the diocese. During those years, he said, at least 20 Jesuits were credibly accused, and there were times, he said, when as many as eight of the accused were serving simultaneously, mostly doing parish work in small, remote Eskimo villages strung out over the vast territory of the diocese. The abuse occurred in the villages and at two residential schools run by the Jesuits.

Patrick Wall, a former Benedictine priest and a canon lawyer who now works as a senior consultant for one of the firms representing plaintiffs in the region, said that the accused Jesuits in that region included priests from 11 different provinces and three foreign countries ? France, Spain and Hungary. In helping to investigate cases on behalf of nearly 300 clients in litigation with the Jesuits and the diocese, Wall said he has traveled to 17 villages in Western Alaska over the past five years.

Roosa said that when the Diocese of Fairbanks decided to petition for bankruptcy, the law required that the church provide the public in the region affected ?a due process opportunity,? that is, a chance to make their claims, before the diocese could receive a ?bar date? under the proceedings. A ?bar date? is a date after which no claims from the past can be advanced. The publicity, said Roosa, generated a new wave of plaintiffs seeking compensation. Fairbanks announced last February that it would file for bankruptcy when negotiations failed to arrive at a settlement with some 140 people who had filed claims against the diocese. According to press reports at the time, Fairbanks Bishop Donald Kettler said he was ?legally and morally bound to both fulfill our mission and to pursue healing for those injured.? The Fairbanks bankruptcy is still in process.

Roosa said the Jesuits are seeking a similar date, which effectively would absolve the order of any future liability for past abuse.

The Diocese of Fairbanks was founded in 1894 by Bishop Paschal Tosi, the first of seven Jesuits to head the see. In 2002, Kettler became the first non-Jesuit appointed to the position. Roosa said over that history Jesuit priests almost exclusively staffed the diocese and parishes.

The Oregon Jesuits expect the bankruptcy process to take between two and three years. Soon after the filing, attorneys for plaintiffs were complaining that the province, which in its filing said it has assets of $4.8 million and liabilities of $61.8 million, had seriously undervalued its assets.

Victims? attorneys claim that the Jesuits own the assets of such institutions as Gonzaga University, the University of Seattle and Seattle Preparatory School, all within the province. The order claims that the institutions are incorporated separately from the province and thus should not be part of bankruptcy proceedings.

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