

## Diocese of Gallup, N.M., poised to file for bankruptcy protection

Joseph J. Kolb Catholic News Service | Sep. 4, 2013  
Gallup, N.M.

When Bishop James Wall was installed by the Vatican as bishop of the diocese of Gallup in 2009, he knew there were festering issues regarding allegations of priest sex abuse, but not to the extent that has brought the sprawling Southwestern diocese to the doors of U.S. Bankruptcy Court.

At Masses throughout the diocese over the weekend, parishioners were read a letter from Wall that said in the face of insurmountable lawsuits, the diocese intends to file for Chapter 11 bankruptcy protection.

Wall set no date for the court filing in his letter. He could not be reached for comment.

Seven other U.S. dioceses have filed for bankruptcy protection in the aftermath of sexual abuse lawsuits.

"While some of the claims relate to times when the diocese had some insurance, many relate to times when the diocese does not appear to have had insurance or the insurance is limited and not likely to cover the damages for which the diocese might be found liable," Wall wrote. "Given the financial circumstances of the diocese, I have come to the conclusion that the only fair, equitable and merciful way to balance these obligations is by filing a Chapter 11 reorganization."

Merritt Selleck, a parishioner at St. John Vianney Church in Gallup, told Catholic News Service he was disappointed by the announcement but said it might be the right step to take.

"I don't think the bishop had much of choice given the number of lawsuits the diocese is facing," Selleck said.

The diocese of Gallup in northwestern New Mexico is the poorest diocese in the United States, said Fr. Tim Farrell, diocesan spokesman, and includes the Navajo, Hopi, Zuni and parts of the Apache Reservations.

The strategy, Wall wrote in his letter, will give the diocese the opportunity to present a reorganization plan that provides for a fair and equitable way to compensate those who were sexually abused as children by church workers and ministers as well as anyone who has not yet come forward with allegations of abuse but may do so in the future.

"I firmly believe that the process of Chapter 11 is the best and only way that will allow us to work constructively with all those who suffered from the sexual abuse," Wall said.

---

**Source URL (retrieved on 01/29/2015 - 13:02):** <http://ncronline.org/news/faith-parish/diocese-gallup-nm-poised-file-bankruptcy-protection>