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The Roman Catholic Diocese of Buffalo faces near certain bankruptcy after posting a \$5 million loss in 2019, and with a barrage of lawsuits from the clergy misconduct scandal still pending, according to a financial report released Thursday.

"In response to the magnitude of the number of claims, lawsuits and alleged damages, the (Central Administrative Offices) has determined that a filing of a voluntary petition for reorganization under Chapter 11 of the Federal Bankruptcy Code is imminent," the diocese's 2019 financial report said.

The diocese would become the second of New York's eight dioceses to seek bankruptcy protection. The Rochester diocese filed for Chapter 11 protection in September. Nationwide, more than 20 dioceses have sought bankruptcy protection in a sexual misconduct reckoning that has spanned nearly two decades.

The report cited lower revenue from donations and investments as hundreds of alleged child victims of clergy abuse have come forward with claims.

It was the second consecutive yearly loss for the diocese of 163 parishes and missions across eight counties. It lost \$1.8 million in fiscal 2018.

The diocese already has paid out about \$18 million — including \$1.5 million from the sale of the bishop's mansion — to more than 100 victims under an independent

compensation program established in 2018. It faces more than 220 new lawsuits filed since August, when New York's Child Victims Act suspended the statute of limitations to give childhood victims one year to pursue even decades-old allegations of abuse.

Filing for bankruptcy protection, the report said, "best allows the CAO to manage the claims adjudication process in an orderly manner, as well as to ensure the equitable treatment of all claimants."

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