



NEWS RELEASE

DIOCESE OF ERIE

www.ErieRCD.org

12-14-18

Diocese of Erie to launch Survivors' Reparation Fund in February 2019

New details regarding the independently administered compensation fund for victims of abuse in the Diocese of Erie have been announced by The Most Rev. Lawrence T. Persico, Bishop of Erie. An independent administrator has been named, a timeframe has been set, and a plan for how the funds will be secured is now in place.

The primary purpose of the Survivors' Reparation Fund for the Diocese of Erie, which will launch in mid-February 2019, is to offer time-barred survivors of sexual abuse a straightforward, non-contentious pathway to obtain monetary compensation for the harm that sexual predators within the Diocese of Erie inflicted.

"It is my sincere hope that the establishment of the Diocese of Erie's Survivors' Reparation Fund will provide some measure of justice, closure and validation for the terrible acts that victims endured," Bishop Persico said.

In expressing his sorrow and remorse over the past several months, Bishop Persico has promised to take action in support of his words. The establishment of the Survivors' Reparation Fund is another important aspect of his comprehensive response.



ANNE-MARIE WELSH
DIRECTOR, OFFICE OF COMMUNICATIONS
Office 814.824.1167
Cell 814.746.6889
amwelsh@ErieRCD.org

MARY SOLBERG
ASSOCIATE DIRECTOR, OFFICE OF COMMUNICATIONS
Office 814.824.1171
Cell 814.969.1844
Home 814.734.1332
msolberg@ErieRCD.org

“Although money will never fully heal the deep wounds felt by survivors, this fund is a crucial step in the diocese’s ongoing reconciliation and reform efforts,” he said.

The Diocese of Erie has retained Kenneth Feinberg, one of the nation’s leading experts in mediation, to independently administer the fund. Feinberg has served as special master for a multitude of compensation funds over the years, including the September 11th Victims Compensation Fund, New York diocesan abuse funds and Penn State University’s fund established to compensate victims of the sex abuse scandal involving Jerry Sandusky. Feinberg and his team will conduct an independent assessment of each submitted claim, making compensation offers in a victim-centered and transparent distribution process designed for prompt payouts without the need for costly private lawyers or years-long litigation.

“It is important to me that victims can access the fund in a timely and efficient manner,” Bishop Persico said.

Feinberg’s assessments will take place outside of any influence by church leadership. Feinberg’s organization will retain total discretion over all final eligibility and compensation determinations. The Diocese of Erie will have no involvement in the assessment of claims or in the allocation of funds, and has committed to accepting Feinberg’s independent conclusions.

Victims known to the Diocese of Erie will receive details about how to participate in the process; the information also will be available on a public website run by the independent administrators.

Unlike other diocesan compensation programs in Pennsylvania and elsewhere in the United States, Phase I will compensate not only victims of clergy abuse but also victims of lay employees and volunteers within the diocese. Additionally, both minors and vulnerable adults will be eligible for compensation.

Benefits of the Compensation Fund

The Survivors’ Reparation Fund offers several benefits that traditional litigation does not afford.

- The fund provides an option to avoid the uncertainty surrounding the Pennsylvania legislature’s potential amendment of the statute of limitations for claims of sexual abuse. Even if the Pennsylvania legislature passes a relevant law, the constitutionality of such a law remains in question. These issues or a possible constitutional amendment may take years to

resolve, with considerable risk of inaction or failed action. The Survivors' Reparation Fund allows qualified survivors to receive guaranteed compensation.

- Should the statute of limitations be amended, it is possible that the initial victims who file suits could receive significant judgments against the Diocese of Erie, leaving little funding for the majority of other victims. The fund guarantees a more equitable distribution of compensation for all victims without provoking a race among victims to reduce their claims to a judgment in the fastest manner.
- The fund avoids the inherent delay of legislative reform and protracted litigation. The fund's mechanics are streamlined and its payout is expedient.
- Survivors who enter the fund will have the option of avoiding the payment of contingency fees to attorneys, particularly because the fund will provide third-party legal counsel free of charge. Privately retained lawyers in similar cases often receive 30 to 40 percent of a victim's overall compensation. Survivors who nonetheless prefer to approach the fund with their own lawyer will be free to do so.
- Although many victims have expressed their desire to confront abusers in court, other victims have conveyed that they prefer the privacy that a fund provides. Recognizing the fact that many perpetrators are now deceased, the Survivors' Reparation Fund will have a mechanism for victims to receive the historical data regarding their reports, their abusers and the diocese's failings in promptly reporting and suspending abusers (where such failings occurred as determined by either the Statewide Grand Jury or the independent investigators retained by the diocese).

Bishop Persico has previously stated his support for the abolishment of the criminal statute of limitations for sexual abuse claims. He also supports the 40th Statewide Pennsylvania Grand Jury's proposed amendment of the civil statute of limitations, so long as that amendment applies equally to all entities.

"Given the uncertainty of any future legislation, the Diocese of Erie is taking swift action to offer an alternative path toward restitution for the survivors," Bishop Persico said. "Our fund is voluntary and seeks to provide victims with truth, transparency, expediency and personal privacy, if they so choose. In addition, even if they accept the fund's offer, I want to make it clear

that there will never be an obligation for a victim to refrain from public comment or public disclosure of abuse.”

Operation of the Compensation Fund

Under Phase I, the following criteria must be met for an individual to be eligible for compensation:

- Claimant was abused by a cleric (excluding members of religious orders) or a lay employee or lay volunteer while the abuser was employed by or volunteering with the diocese or an affiliated diocesan organization;
- Claimant credibly alleges a minimum of either physical contact or in-person exposure to genitalia;
- Claimant’s report(s) of abuse was not previously settled via a formal written agreement and was not adjudicated on the merits in secular court.

The mechanics of the fund are simple. Known victims will be contacted via letter inviting them to participate in the fund. Victims who have not previously come forward will be able to participate by accessing the form through a website provided by the independent administrators. The Diocese of Erie will have a link to that site on its homepage as well. Claimants will be asked to complete a claim form and provide any documents in support of the victim’s report. Diocesan archives and the reports of the independent investigators are already in the possession of the independent administrators, so many claims previously known to the diocese will be quickly accepted and result in a monetary offer by the independent administrators. The claims period will be open for six months from the date the fund launches, during which time victims are free to decide whether or not they want to participate in the process.

Once a claim is submitted, the victim has the option of meeting face-to-face with Feinberg and his team. The administrators will consider a variety of factors in determining the appropriate level of compensation, including without limitation:

- the severity of abuse suffered including the physical, mental, social, emotional and spiritual harm inflicted;
- the duration of abuse suffered;
- the age of the victim at the time of the abuse;

- whether the diocese failed to act on prior knowledge of the accused's tendencies;
- when the abuse was reported;
- verifiable documentation of medical, counseling or prescription expenses incurred as a result of the abuse; and
- the credibility of the claim based upon a consideration of all of the facts and circumstances.

Once a claim is filed and deemed to be eligible, it will be processed and paid within approximately 90 days. To promote maximum transparency, neither participation in the fund nor the acceptance of an offer creates any confidentiality or non-disclosure obligation upon any survivors. Those entering the fund are free to discuss the operation of the fund, the facts of their individual case and any resulting award determination made by the fund administrators.

Should a victim choose to accept the offer of compensation, he or she will be required to sign a release which waives any rights the victim or his or her heirs or beneficiaries may have against the Diocese of Erie or any potentially responsible party to assert any claims relating to allegations of sexual abuse. Before signing such a release, the victim must consult either with his or her private counsel or with a third-party *pro bono* attorney from the volunteer list regarding the language and binding nature of the release.

Money for Phase I of the Survivors' Reparation Fund will be provided through a new line of credit obtained by the Diocese of Erie and secured by historic investments. No money donated by the faithful to any parish, school or charitable cause within the diocese will be used in the fund. The feasibility of launching Phase II of the fund, which would potentially compensate estates of deceased victims and victims of non-diocesan personnel (such as religious order priests), depends in large part on any future contributions by insurance companies and religious orders. To date, none of the following insurance companies that currently or historically received payments from the diocese to insure, audit, indemnify or defend the diocese have agreed to contribute any money to Phase II, apparently relying on the existing statute of limitations and the unconstitutionality of amending it:

- American Employers' Insurance Company
- Excess Insurance Company Limited
- Federal Insurance Company

- First State Insurance Company
- Hallmark Insurance Company
- Interstate Fire & Casualty Company
- National Surety Insurance Company
- Northfield Insurance Company
- Starstone National Insurance Company
- The National Catholic Risk Retention Group
- Underwriters at Lloyd's London
- International Insurance Company of Hannover SE
- United National Insurance Company
- United National Specialty Insurance Company

Diocesan resources remain available to victim-survivors during operation of fund

During and after the administration of the fund, the diocese's independent investigators will continue to receive and investigate reports involving the abuse of minors and vulnerable adults, and will make referrals to secular law enforcement as appropriate. Additionally, the diocese will continue to compensate victims and their families for counseling costs, with these amounts not factoring into fund awards.

The full fund protocol is forthcoming. Until that time, fund-related questions should be directed to ErieRCD@klgates.com.

Additional actions that have been taken by the Diocese of Erie

At the direction of Bishop Persico, the Diocese of Erie completed a significant revision of its *Policy for the Protection of Children* in April 2018, which included the publication of names of both clergy and lay people credibly accused of actions that, in the diocese's judgment, disqualify them from working with children.

Bishop Persico has continued to meet with victims, updating the diocese's Public Disclosure List four times as new information has come to light. In addition, he has kept parishioners and the public informed about his position on numerous initiatives regarding sexual abuse in the church, responded to invitations to meet with parishioners and invited people to partake in several prayer initiatives.

