



ROMAN CATHOLIC DIOCESE OF BURLINGTON
Office of the Bishop

October 1, 2024

Memorial of St. Theresa of the Child Jesus

My dear family in Christ:

It is with a heavy heart that I write to announce that following an extensive period of prayer and consultation, the Roman Catholic Diocese of Burlington has filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code. This decision was made in consideration of the present financial status of the Diocese and the significant number of lawsuits filed by victims of past sexual abuse by members of the clergy presently pending in civil courts.

Like many dioceses in the United States the Diocese of Burlington has been dealing for many years with the moral, pastoral, financial and legal ramifications from the past abusive actions of priests and the response of diocesan leaders to these heinous acts. The Diocese has spent tens of millions of dollars in settlement and legal fees to meet the obligations to survivors of this past abuse. Specifically, in the past fourteen years the Diocese of Burlington has responded to the financial claims of survivors in the following ways:

1. In 2010, the Diocese of Burlington settled 29 lawsuits for more than \$20,000,000. In order to meet this significant commitment, it was necessary for the Diocese to sell several diocesan properties, including the former Chancery Office property on North Avenue in Burlington, and Camp Holy Cross in Colchester. This settlement was aided by some insurance funds.
2. In 2013, the Diocese once again was facing multiple lawsuits and reached an agreement to settle 11 cases for \$6,750,000. In this instance, the Diocese committed to forfeit any claim of insurance coverage for allegations of sexual abuse by clergy which occurred in the 1970's.
3. Following a decision of the State of Vermont in 2019 to remove the statute of limitation in cases involving the sexual abuse of minors, the Diocese has settled 20 cases at a cost of \$4,502,500. These most recent settlements have been funded by using the unrestricted investments of the Diocese and its regular operating funds.

Through the faithful leadership of its last two bishops, the Diocese of Burlington met these significant responsibilities while maintaining diocesan ministries and without impacting parish properties or assets.

Because the statute of limitation in cases involving the sexual abuse of minors was removed by the State of Vermont, the Diocese is still facing more than 25 additional legal claims related to abuse which occurred between 40 to 60 years ago with very limited unrestricted diocesan funds, little diocesan

property to sell and likely no insurance coverage to help contribute towards settlements. Additionally, even if the Diocese could find a way to settle these present cases outside of bankruptcy, the lack of a statute of limitation means that the Diocese could face additional cases in the future with no way to fund settlements or pay jury awards from trials.

Therefore, after extensive consultation with the College of Consultors, Diocesan Finance Council and Administrative Board, the Presbyteral Council, senior diocesan leadership and legal counsel, it was decided that the only way to establish a process by which victims' claims are treated in an equitable way was to enter into the Chapter 11 process. Failure to file for reorganization at this time would likely result in civil actions continuing for many years with those victims who first filed lawsuits potentially receiving larger awards or settlements leaving little, if any, funds for any remaining victims. Through Chapter 11 reorganization, funds will be allocated among all those who have claims against the Diocese while hopefully allowing the Diocese to maintain its essential mission and ministries.

This decision involves only the Roman Catholic Diocese of Burlington and does not include our parishes and other associated agencies. It is my hope that the reorganization process will have little impact upon our parishes and ministries; however, I cannot guarantee that these separate entities will not have to contribute to the final reorganization plan.

While my heart is heavy with the decision to pursue Chapter 11 reorganization, such weight pales in comparison to the pain suffered by victims of abuse. I know that the decision to file for reorganization under Chapter 11 may be challenging and even triggering for some survivors of sexual abuse by clergy and their loved ones. For that and for every aspect of dealing with the crimes of these clergy, I sincerely apologize. This chapter in the church's history is terrible and the harm it has caused immeasurable. I encourage survivors to reach out to our Diocesan Victim Assistance coordinator (<https://www.vermontcatholic.org/ministries-programs/protecting-our-children/healing-and-support/>) who together with the Office of Safe Environment Programs works to support survivors and affected loved ones.

More information on this reorganization process will be available on a special page on our diocesan website, www.vermontcatholic.org. The page will have a number of resources, including a Frequently Asked Questions (FAQ) sheet. It will be updated regularly as the process unfolds in the coming months.

In closing, please join me in praying for all those who suffered sexual abuse by members of the clergy. We have done much to ensure safe environments for our children and vulnerable adults over the last twenty years and will continue to fulfill this commitment to assure such crimes never occur again.

Invoking the intercession of Mary, Patroness of our Diocese under the title of the Immaculate Conception, and St. Joseph her devoted spouse, I remain

Sincerely yours in Christ,

A handwritten signature in black ink, appearing to read "John J. McDermott", with a long horizontal flourish extending to the right.

The Most Reverend John J. McDermott

Bishop of Burlington