



THE CATHOLIC DIOCESE OF ROCKVILLE CENTRE

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FOR IMMEDIATE RELEASE

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Diocese of Rockville Centre Files for Chapter 11 to Manage Legal Expenses and Facilitate Settlements with Abuse Survivors

Parishes, Catholic Schools and Related Organizations and Ministries are Not Filing

ROCKVILLE CENTRE, NEW YORK, October 1, 2020 – The Diocese of Rockville Centre (“DRVC” and “The Diocese”) (www.drvc.org) announced today the filing of a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code. The filing is necessary to manage litigation expenses, address disputes with the Diocese’s insurers and facilitate settlements with abuse survivors who brought lawsuits under the Child Victims Act. A video message announcing this filing from The Most Reverend John O. Barres, Bishop of Rockville Centre, is posted on the diocesan website: www.drvc.org.

The Diocese believes its current and future liquidity will be sufficient to fund operations and ministries during the restructuring process and beyond. Vendors will be paid for all goods and services delivered after the filing, and transactions that occur in the ordinary course of business will continue as before. Employees will be paid their normal wages, and their benefit programs will continue uninterrupted.

“We believe that this process offers the only way to ensure a fair and equitable outcome for everyone involved, including abuse survivors whose compensation settlements will be resolved by the courts,” said Bishop Barres. “This decision was not made lightly, but, with the passage of the Child Victims Act, the failure of the Diocese’s insurers to honor their contractual obligations and the number of suits filed to date, it has become clear the Diocese would not be able to continue its spiritual, charitable and educational missions while shouldering the increasingly heavy burden of litigation expenses associated with these cases.”

The parishes and the Catholic schools of the Diocese of Rockville Centre are separate legal entities and therefore not included in the filing. Operations of the parishes and schools are expected to continue as normal. Some of the parishes are named in Child Victims Act lawsuits along with the Diocese. The Diocese intends to petition the Bankruptcy Court to stay (stop) any separate civil actions against these parishes and bring these cases under the umbrella of the settlement process in the Diocese’s Chapter 11 case.



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In 2003, the DRVC created the Office for the Protection of Children and Young People to oversee implementation and compliance with the United States Conference of Catholic Bishops Charter for Protection of Children and Young People and the Essential Norms promulgated by the U.S. Bishops in June 2002. The Office also ensures the protection and safety of children by enforcing protocols for reporting and investigating alleged incidents of abuse. Additionally, in 2017, the DRVC instituted its Independent Reconciliation and Compensation Program (the “IRCP”) to provide abuse survivors a confidential avenue for being heard and the hope of some measure of reconciliation and compensation based on an independent review by nationally recognized fund administrators. The IRCP continued up until the filing. During that time, the IRCP compensated approximately 350 survivors in amounts totaling more than \$62 million. Participation in the IRCP had been completely voluntary.

“We carefully and prayerfully considered other alternatives, but Chapter 11 was the only way to provide fair settlements to survivors while continuing to be of service to the 1.4 million Catholics in the geographical boundaries of the Diocese of Rockville Centre,” said Bishop Barres.

In an effort to further streamline operations and reduce expenses, the DRVC undertook a strategic review beginning in early 2019. In October 2019, the Diocese began implementing cost-saving initiatives that will result in annual savings of approximately \$3.5 million.

Like many other institutions, the Diocese has suffered a strain on its finances as a result of the COVID-19 pandemic. Approximately 40 percent of its annual revenue comes from offertory collections, which have dropped precipitously with attendance at Sunday Mass.

In August 2020, the Diocese undertook deeper budget cuts inclusive of a staff reduction of approximately 10 percent of the employees in the Rockville Centre-based pastoral center that is expected to yield annual savings of approximately \$5 million.

“We will work diligently with all survivors, creditors and ministries to maintain open communication while we work toward our goal of completing a settlement and finalizing a restructuring plan that includes a comprehensive and final resolution for suffering survivors,” said Bishop Barres.

The Diocese of Rockville Centre Chapter 11 case has been filed in the U.S. Bankruptcy Court for the Southern District of New York. Additional general information can be found on the Diocese of Rockville Centre website at www.drvc.org and court related information can be found at <https://dm.epiq11.com/drvc>.