

Bishop Soto; announces the Diocese of Sacramento has filed Chapter 11 Bankruptcy

MEDIA RELEASE

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Jaime Soto, Bishop of Sacramento, has filed for reorganization of the Diocese of Sacramento's debts in U.S. Bankruptcy Court. He had announced in December the diocese's plan to file bankruptcy.

The diocese's filing comes as it faces more than 250 lawsuits alleging sexual abuse of minors by clergy and other employees reaching back to the 1950's. This wave of new claims followed a 2019 law allowing victim-survivors to file lawsuits regardless of when the abuse occurred. The likely cost of the lawsuits far outstrips the diocese's funds available for litigation or settlement.

Bishop Soto described the bankruptcy filing as the best way left to him to provide some compensation to victim-survivors of abuse.

"There are many victim-survivors who have long suffered from the reprehensible sins committed against them," Bishop Soto said. "This reorganization process will allow me to respond to them as equitably as possible."

Under Chapter 11 of the Bankruptcy Code, a court will oversee the distribution of available assets to satisfy claims against the diocese. Victim-survivors of clergy sexual abuse will be represented in the court-supervised proceeding. A fund will be established to be distributed to victim-survivors as equitably as possible. Without this process, it is likely that diocesan funds would be exhausted by the first cases to proceed to trial, leaving nothing for the many other victim-survivors still waiting for their day in court.

Bishop Soto emphasized again that blame for the diocese's current situation lies with those who committed sins against innocent victims and the failure of church leadership to appropriately address them.

"It is the sickening sin of sexual abuse – and the failure of church leadership to address it appropriately -- that brought us to this place. I must atone for these sins." Bishop Soto said, "Join me in praying for the healing of victim-survivors. The pain inflicted on them lasts a lifetime, and so our atonement must be a lifetime commitment."

The Diocese has created a page on its website with detailed information about the bankruptcy proceedings. This page will include past and future statements and releases by the diocese, a list of frequently asked questions, as well as links to court filings and documentation. The page can be found at:

<https://www.scd.org/chapter-11-bankruptcy>

More information about the ongoing efforts of the Diocese of Sacramento to protect the young and vulnerable, can be found in the March/April 2024 edition of the Catholic Herald Magazine:

<https://catholicmagazines.org/magazine-archive/catholic-herald/sac0324>