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ARCHDIOCESE OF NEW ORLEANS FILES FOR CHAPTER 11 REORGANIZATION

NEW ORLEANS – (May 1, 2020) – In order to continue effectively ministering to the needs of the church community and victims and survivors of clergy abuse, the Administrative Offices of the Archdiocese of New Orleans announced today that it has filed for Chapter 11 reorganization. The move was necessitated by the growing financial strain caused by litigation stemming from decades-old incidents of clergy abuse as well as ongoing budget challenges. The unforeseen circumstances surrounding COVID-19 have added more financial hardships to an already difficult situation.

This filing only affects the Archdiocesan administrative offices. The Archdiocese's action will not affect individual church parishes, their schools, schools run by the various religious orders, or ministries of the church. The Archdiocese and other institutions will continue daily ministry as usual.

"Most importantly, I extend daily prayers to those who are victims and survivors. May God give you healing and renewed hope," wrote the Archbishop. In a letter to the clergy, religious, and laity of the Archdiocese released today, Archbishop Gregory M. Aymond, said the voluntary filing will allow the Archdiocese to implement a financial reorganization plan that prioritizes the continuance of the ministry of Christ. "I, along with a team of advisors, believe that reorganization will create an opportunity for us to renew our commitment to God's people and the New Orleans community by restructuring our financials and creating a path forward in hopes that we can continue and strengthen our core mission: bringing Christ to others."

The intention of the filing is to allow time to develop a reorganization plan detailing how available assets and insurance coverage will be used to settle outstanding claims and to negotiate reasonable settlements while enabling the administrative offices to continue and emerge better prepared for the future. This reorganization will also allow the Archdiocese to address remaining clergy abuse cases in a way that will allow funds to go directly to victims instead of funding prolonged, costly litigation.

"I strongly believe that this path will allow victims and survivors of clergy abuse to resolve their claims in a fair and timely manner," said Archbishop Aymond. "No parish funds will be used to settle claims. It is a pastor's responsibility to decide how parish funds should be used to support parish ministry and this process preserves that principle."

Again, this reorganization applies only to the archdiocesan administrative offices. There is no official timetable for the reorganization, but Archbishop Aymond said he hopes to conclude this process as soon as possible. “God is faithful, and he will guide us in this process. It is my prayer that through His grace, the Archdiocese of New Orleans will emerge from this experience stronger with a renewed commitment to our mission.”

For more information on the Archdiocese of New Orleans’ reorganization and a video message from Archbishop Aymond visit – www.nolacatholic.org/renew.

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