

Questions and Answers about Boy Scouts Bankruptcy and Sexual Abuse and misconduct Lawsuits

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Information compiled by Jeremy Campbell

Introduction

As you may know the Boy Scouts of America (BSA) declared bankruptcy in February 2019 facing an onslaught of sexual abuse and misconduct lawsuits which resulted from many states temporarily extending the statute of limitations on such suits. New Jersey extended its statute of limitations for a 2 year window which ended 11/30/2021. The good news is that we should know very soon if we have been named in any lawsuits, but this brings with it a number of questions. (Please note that this is a summary of my learnings, but I am not an attorney, nor should this be construed as legal advice... If your church has counsel you should consult them, and if you need help finding counsel we can share the contact info for the firm many of the presbyteries and the synod have been working with.)

What do we know about the proposed bankruptcy settlement agreement?

Under the agreement if it is adopted, “participating charter organizations,” which we understand to include churches, will receive release from claims for harm which occurred from 1/1/1976 onward until the bankruptcy was filed in 2019. This is because the BSA insurance policy underwritten by the Hartford included coverage for the charter organizations as additional insured beginning on that date.

There is a possibility of becoming what’s called a “Contributing Charter Organization” which would grant a complete release for all dates in exchange for a “substantial” contribution to the bankruptcy settlement fund pool. At the moment we believe this will be cost prohibitive, and if it were to occur it would likely need to be done at the denominational level. If the settlement is approved there will be an opportunity to negotiate with the trustee what it would cost to become a “Contributing Charter Organization” but at the moment they are waiting until the plan is approved before going through that work.

There is also a possibility that the local council had insurance coverage prior to 1976 which might cover charter organizations, but again this isn’t guaranteed, or even likely.

We received a Ballot for this settlement, what do we do?

As part of the bankruptcy many churches filed what’s called “Proof of Claim” as potential creditors in the bankruptcy. The deadline to file proof of claim was in November of 2020. If you did so, you would have received a ballot to vote for the settlement plan. We believe it is in your interest to vote in favor of the plan. You can vote online through a link in the ballot you received. What you DO NOT want to do is opt out of the releases contained in the plan, this is the part which benefits you so don’t opt out of it.

We didn't file Proof of Claim does this impact us?

As we understand it, if approved, the bankruptcy settlement includes a channeling injunction which will catch all the Boy Scout cases and channel them into the bankruptcy proceeding. This means that if the settlement is approved, churches and other charter organizations should still benefit from the release described above for harm which occurred post 1975.

We've been named in a suit, and the alleged harm occurred prior to 1976, what can we do?

You'll want to begin by finding your session and trustee minutes for the time period in question. Look through them for any information (or lack of information) about session approving the list of boy scout leaders. Also look for information about any insurance policies the church may have had at the time. Be in touch with your presbytery Stated Clerk, if you haven't already, and they can help you with next steps.

Should we renew our Troop's Charter next year?

As we understand it the Boy Scouts currently continue to include charter organizations as additional insured in their insurance coverage. You should verify this with your local council. You should also check with your own insurance company as to your coverage with them. You should consider requiring scout leaders in your Troop to complete the same background checks and training you require of other volunteers working with youth in your church. Read the charter carefully and make sure you're willing to be an actual partner with the troop, but we don't see a reason not to renew the charter if you're willing to uphold your end.

I have other questions who can I talk to?

You can contact

Rev. Carl Wilton – Stated Clerk – 908-910-5360 – statedclerk@highlandspresbytery-nj.org

Rev. Jeanne Radak – Presbytery Leader – 973-580-2278 – jbradak@highlandspresbytery-nj.org

Rev. Jeremy Campbell - Organizing Co-Leader and Stated Clerk of Presbytery of Northeast. Jeremy has been serving as the point person for the New Jersey Presbyteries in gathering this information. He can be reached at JTCampbell@pnenj.org or cell phone 732-887-2540.