February 19, 2020

Dear Brothers and Sisters in Christ:

By the time you are reading this letter, many of you will have already heard that our Diocese has been forced to make the difficult decision to file for bankruptcy under Chapter 11 of the United States Bankruptcy Code. Known as Reorganization Bankruptcy, this plan will allow us to continue the work of the Diocese and equitably compensate our creditors.

This decision was made after countless hours of prayer and careful deliberation with our financial experts, attorneys, and our Diocesan Consultative Bodies.

Over the past few years, our Diocese has been forced to confront our horrific past regarding clergy sexual abuse. Today, we are facing some difficult financial realities. Despite making every attempt to scale back operations and reduce overhead, we are currently unable to meet our financial obligations.

The overwhelming reality is that for a number of years prior to receiving the Grand Jury Subpoena in 2016, the Diocesan finances were in a very challenging condition. Responding to that investigation forced us to incur very heavy legal costs, which has had harsh financial consequences for the Diocese. Those costs were not something the Diocese was able to plan for in our budget, which greatly limited the options available to us to correct the preexisting financial trend. Our current financial situation, coupled with changes in the law both here and in New Jersey, where we are already named in one lawsuit and where we anticipate more to follow, left us with no other path forward to ensure the future of our Diocese. Despite the success of the Survivor Compensation Program, which helped 111 survivors of clergy child sexual abuse, or 96% of those who participated in the Program, we already are in receipt of half a dozen new lawsuits, any one of which severely cripple the Diocese.

As Bishop, I must ensure the Diocese’s core mission is upheld, which is to remain focused on Christ’s mandate to preach, teach, sanctify, and to serve those in need. We must work to bring the Chapter 11 process to a conclusion, as soon as is reasonably possible and in a way that allows us to be present to the community, as we have been for the past 152 years.
When I think about our current situation and the future, I cannot help but think about what it will take to rebuild and strengthen our Diocese as we move forward. You cannot build anything without a strong and solid foundation. As we read in Luke chapter six, verse 48, “He is like a man building a house, who dug deeply and laid the foundation on the rock; when the flood came, the rivers burst against that house and could not shake it, because it had been well built.” Our Diocese currently lacks that strong foundation; however, at the end of this difficult process, we will again have a solid foundation to build upon.

I understand that you may have additional questions. To help answer those questions, we have created a special page on our website about our path to a more vibrant and secure future as we look to lay A Foundation to Build Upon. This page has several resources, including some Frequently Asked Questions and court documents. Please visit www.hbgdiocese.org to learn more about this process, and please know that we will update this information throughout this process as we move forward.

I humbly ask for your prayers for our Diocese as we move forward in this process. May God grant us every grace needed during this difficult time. May Mary, Mother of the Church and our Mother, intercede with Her Son to be our strength and support as well.

Sincerely in Christ,

Most Reverend Ronald W. Gainer