



GREAT PLAINS ANNUAL CONFERENCE of The United Methodist Church

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Dear Clergy of the Great Plains Conference,

You may have read that the Boy Scouts of America (BSA), after filing for bankruptcy relief in February 2020, recently announced that it reached an \$850 million settlement between the BSA, its local councils, and representatives of most of the victims. After the BSA filed for bankruptcy protection, more than 84,000 people filed claims alleging sexual abuse during scouting-related activities. BSA is overwhelmed with potential liability exposure from these allegations nationwide and seeks to resolve all victim abuse claims involving the BSA and its local councils through this settlement in the bankruptcy case.

However, this proposed settlement excludes Chartered Organizations — those local churches, schools, and civic groups that sponsor or host a Scout Troop, Pack, Crew, or other scouting unit — including our local United Methodist congregations. This places all of our United Methodist churches who have ever been involved in scouting in a difficult position.

I call on all of us to pray for the survivors and their families. This tragedy is a reminder to be vigilant, update your Safe Sanctuary Policy, and continue to review your policy to ensure the congregation is following the policy.

Brief History of Chartered Organizations

Historically, BSA contracted through its local councils with local churches and other Chartered Organizations to host and support scouting activities at the local level. The BSA developed charter or sponsor agreements that its local councils used to document the relationship with Chartered Organizations, including our local churches. These charter or sponsor agreements historically placed supervisory and other obligations on local churches, which have since been used in litigation across the country to expose local churches to significant liability for scouting abuse claims. To protect Chartered Organizations, since 1976, the BSA has named Chartered Organizations as “additional insureds” under insurance policies it purchased for the benefit of its local councils and Chartered Organizations. The additional insured rights ostensibly provided Chartered Organizations financial protection in the event of lawsuits seeking damages and provided defense costs for legal representation.

Despite the BSA’s consistent past assurances that the BSA carried sufficient insurance to cover their Chartered Organizations in the event of injured scouts, we now know that BSA did not have sufficient insurance to cover this volume of abuse claims. The proposed bankruptcy settlement would also deny the Chartered Organizations’ rights to that promised insurance coverage as additional insureds. Through

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the proposed settlement, the BSA's insurance carriers seek to extinguish all potential victim abuse claims under the policies they issued over the years, including claims against Chartered Organizations as additional insureds. However, under the present Plan, only the BSA and its local councils — but not the Chartered Organizations — would be released from liability to potential victims. Victims could then seek further compensation from individual local churches by filing lawsuits against them. This leaves local churches at risk of having to pay significant sums to compensate potential victims for the damages they may have suffered during scouting-related activities. In addition, the local churches may have to pay for the cost of their own attorneys to defend those claims in litigation, depending upon the church's applicable insurance. All of this is because the BSA now seeks — by the proposed settlement — to avoid their promise to have enough insurance to protect the local churches that supported scouting.

While the Boy Scouts have reached a tentative settlement with most of the victims, their lawyers said, "We will now negotiate with the insurers and sponsoring and chartering organizations who have billions of dollars in legal exposure, of which a substantial portion is necessary to fairly compensate the survivors." United Methodist congregations are the largest active collection of chartered organizations.

The following information is being shared with you so you can understand and interpret information that will most likely be made public in the coming months.

Current Status of the Bankruptcy Proceedings

BSA proposed a Plan of Reorganization and Disclosure Statement to the bankruptcy court earlier this year. The Disclosure Statement describes how the various stakeholders would be treated under the Plan. The Plan would be funded by insurance policies purchased over the years by the BSA intended for the benefit of the BSA, its local councils and, importantly, the Chartered Organizations as additional insureds. These additional insured rights have real value. BSA expects Chartered Organizations to contribute these rights and additional dollars in order to receive protection from victim abuse claims filed in the bankruptcy proceeding. The BSA's insurance carriers seek to extinguish all potential abuse claims under the policies they have issued over the years, including claims against Chartered Organizations as additional insureds, but without securing a release protecting Chartered Organizations. The victim abuse claimants expect Chartered Organizations to contribute cash above and beyond their additional insured rights in exchange for a release of the claims against them.

The Plan must also set forth a feasible business plan identifying how BSA would emerge from bankruptcy and continue to operate. United Methodist local churches currently support a substantial number of the scouting organizations across the United States. Thus, a feasible business plan for the BSA's future operations relies upon the cooperation of the United Methodists to continue to support scouting units. Without this continued support and involvement, the BSA's Plan for successfully emerging from bankruptcy and continuing to operate may not be feasible.

United Methodist Church entities have recognized their exposure and taken steps to protect our collective interests in the bankruptcy. To give United Methodists a presence in the bankruptcy process, GCFA organized a “UMC Ad Hoc Committee” comprised of several chancellors, GCFA’s general counsel, and other United Methodist representatives. The Committee retained outside bankruptcy counsel to represent it and to seek favorable collective treatment in the bankruptcy proceedings on behalf of the constituency of all United Methodist local churches and annual conferences.

Next Steps for All Churches with Active Charters and Our Future Relationship with the BSA

Our denomination continues to maintain a relationship with the BSA and churches may continue to support scout troops. However, the Ad Hoc Committee is concerned that the BSA did not include chartered organizations in the proposed Plan and agreement with the claimants. This could leave as many as 200 congregations in the Great Plains, or more than 20% of our churches, exposed to potential lawsuits without access to the insurance coverage the BSA promised to provide. **Until this situation is resolved in the pending bankruptcy proceeding, congregations should not re-charter with the Boy Scouts.** Also, the current version of BSA’s charter agreement continues to impose supervisory obligations on charter organizations, thus exposing them to future victim abuse claims.

Therefore, based on recommendations from the Ad Hoc Committee, the Great Plains Conference recommends that all churches that currently support scouting units should not extend or renew any expiring charter. Instead, tell the Local Council that the church will only agree to enter into the attached Facilities Use Agreement.

Attached to this email you will find a model Facilities Use Agreement. This has been endorsed by the General Commission on United Methodist Men (the denominational agency that resources our churches on all scouting ministries) and comes with the recommendation of our Great Plains Conference Chancellors.

Because of the positions the BSA has taken in the bankruptcy which are detrimental to The United Methodist Church, we simply cannot currently commit to the relationship with the BSA as we have in the past. Until we know how the BSA will be organized and operate in the future, we must make some changes. The situation is uncertain and the future treatment of chartering organizations is speculative due to the position the BSA has taken to eliminate the insurance protections it promised to provide to chartering organizations prior to the bankruptcy. We hope you recognize the risks involved with renewing your relationship with local councils and take these recommended and prudent steps to avoid that risk. We will try to answer any questions you may have, but please understand that we cannot predict what might happen as the next several months unfold. Our hope is to find an appropriate resolution so that we may continue scouting ministries.

If you have questions regarding these recommended actions, please contact Scott Brewer, our conference treasurer, at sbrewer@greatplainsumc.org.

Next Steps for Churches Named in Abuse Claims

The Great Plains Conference has also taken steps to prepare for the BSA bankruptcy's potential impact on some of our congregations. We are aware of 110 abuse claims filed in the BSA bankruptcy proceeding that are potentially connected to local churches within the Great Plains Conference. We will soon be contacting the churches that were identified. If you do not hear from us that means we did not receive information of a scouting abuse claim involving your church. Please note, however, that not all claims submitted in the bankruptcy can be tied to a specific chartered organization; additional claims not asserted in the bankruptcy may still exist and due to the present status of the bankruptcy, it is unclear at this time whether claims asserted in the future would be channeled through the bankruptcy.

Churches that have an identified claim, will need to sign a "non-disclosure agreement" so that we can provide them with limited confidential information regarding the claim and instruct them on the next steps we recommend they take. Due to court-imposed confidentiality restrictions to protect the identity of the victims, local church leaders cannot reveal that information to others. **We cannot overstate the importance of maintaining complete confidentiality of claim information.** Leaders who receive this information must not discuss it with anyone else, including other clergy colleagues.

For churches who are named in specific claims, the conference will take the following steps:

1. Notify the pastor of the allegation and the name of the accused, if known. All matters are treated as an allegation. Because most of the allegations go back 30-60 years, many of the accused individuals may be deceased or not known to the present congregation. When an individual is known, we will work with the pastor on the appropriate steps to take.
2. We have researched our insurance carriers at the conference level and will support local churches to research their insurance carriers at the time the abuse is alleged to have occurred, if known. We will provide further information to assist churches in identifying their insurance carriers and provide insurers notice of the potential claim in accordance with the insurance policy terms.
3. The Great Plains Conference is working with more than 50 annual conferences across the United States. Our chancellors, Treasurer, Trustees, and I have been engaged in this collective effort to ensure justice and that we faithfully steward the resources of the Great Plains Conference.

Please respect the court-imposed restrictions and do not ask colleagues in other churches if they have a claim. And if any person speaks to you regarding their church's claim, please remind them of their agreement to maintain confidentiality.

If a BSA representative contacts your church regarding the bankruptcy or insisting upon renewing your chartering agreement, advise them that with the still-active bankruptcy litigation, all communication regarding those issues should be directed to the legal counsel of both parties. You are free to communicate with BSA representatives regarding the execution of the Facilities Use Agreement.

Final Thoughts

This is a very sad and tragic matter that has occurred within our nation and the Church. We are committed to working towards repairing harm and reaching a fair and just resolution on these matters.

Thank you for your leadership during a season filled with challenges. You have led through the pandemic, stepped forward to initiate efforts to end racism, and faced local challenges with conviction and courage.

It is also a season of renewal and hope. God is unfolding opportunities to spread the Good News of Jesus Christ and offer faith, hope and healing to a hurting and anxious world. May the peace of God dwell within you as you lead the church forward.

A handwritten signature in blue ink, appearing to read "Ruben Saenz Jr.", with a stylized flourish at the end.

Bishop Ruben Saenz Jr.

Enclosure: Facilities Use Agreement Template