

Lawmakers around the United States have tried to grant justice to victims of decades-old incidents of child sexual abuse by giving them extra time to file lawsuits. Now some of the defendants in these cases, including church and youth organizations, are finding a safe haven: America's bankruptcy courts.

In New York, nearly 11,000 cases flooded state courts, many seeking to hold Catholic dioceses responsible for sexual abuse by clergy, after a 2019 law suspended statutes of limitations that would have otherwise barred many of the lawsuits. In response, four New York dioceses that collectively faced more than 500 sexual-abuse claims filed for bankruptcy. That halted the cases — and blocked those from anyone who might sue later — and forced the plaintiffs to negotiate a one-time settlement for all abuse claims in bankruptcy court.

The pattern has taken hold across the United States, a Reuters review of bankruptcies precipitated by mass child sexual-abuse litigation found.

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