

## By Corky Siemaszko

The Boy Scouts of America is considering filing for bankruptcy in part because insurance companies are balking at paying settlements to almost a dozen men who claim they were sexually abused as boys by a notorious scoutmaster.

Since August, the venerable organization has been battling insurers INA, which is now part of Chubb, and National Surety, which is an Allianz company, and the Hartford Accident and Indemnity Co., court records show.

“We remain in disputes with some carriers and look forward to a resolution that benefits victims and helps them on their journey towards healing,” BSA spokeswoman Effie Delimarkos said in a statement to NBC News.

The BSA said filing for chapter 11 bankruptcy is only one option under consideration as it responds to growing legal costs and other financial pressures.

"We are working with experts to explore all options available to ensure that the local and national programming of the Boy Scouts of America continues uninterrupted," BSA Chief Scout Executive Mike Surbaugh said in a letter this week to employees.

Christopher Hurley, the lawyer for 11 former scouts who accused disgraced scoutmaster Thomas Hacker of sexually abusing them and sued the BSA for damages, said that if the organization does seek chapter 11 protection, it won't be the fault of the victims.

“We know how much coverage they have and we know their insurers are refusing to pay,” he told NBC News.

The insurance companies declined to comment on the ongoing legal battle.

“As a matter of policy, we do not discuss who is or isn't a client, nor do we discuss litigation matters,” Eric Samansky, a spokesman for Chubb, wrote in response to an inquiry from NBC News.

Hurley said the BSA's insurers are arguing “the doctrine of intended consequences” to avoid paying settlements.

Asked to explain, Hurley said “that means if you, the insured, took actions that made an event take place, like arson, the insurance companies don't have to pay.”



A former Boy Scout said Thomas Hacker molested him in 1985. Illinois Department of Corrections via AP

In the case of Hacker, Hurley said, the doctrine of intended consequence should not apply because the BSA actually banned him from scouting in the 1970s when they learned he was molesting children.

“But they were grossly negligent in enforcing that ban,” Hurley added. “So the guy easily got back into scouting multiple times. He was a two-time convicted pedophile and he molested another 35 boys.”

Hacker was the leader of Troop 1600 based at the St. Louis de Montfort Church in suburban Chicago. He was convicted in 1989 of five counts of aggravated criminal assault against three scouts, who were between 11 and 13-years-old, and sentenced to two concurrent 50-year prison terms.

Dubbed “the most prolific molester in Scouting” in the 1995 book “Scout’s Honor: Sexual Abuse in America’s Most Trusted Institution,” Hacker, who was in his 80s, died behind bars on June 21, said Lindsey Hess of the Illinois Department of Corrections.

In their lawsuit against the BSA, the victims Hurley represents allege the Boy Scouts were aware of Hacker’s arrest for sexual assault in Indiana back in February 1970. But because of inadequate screening by the BSA, Hacker was able to resurface as a scoutmaster in a Chicago area parish, where he continued to molest boys for two more decades.

The BSA said in a statement that it now runs criminal background checks on scoutmasters and maintains a database “to prevent individuals from re-registering in Scouting who were removed because they do not meet the Boy Scouts of America’s standards because of known or suspected abuse or other misconduct either inside or outside the organization.”

“It is an ongoing tool the BSA uses to keep kids safe from potential perpetrators,” the statement said.

The developments come two days after the [Wall Street Journal](#) reported that the 108-year-old organization has hired the Sidley Austin LLP law firm, which specializes in bankruptcy, to represent them.

If the BSA does file for bankruptcy, it would be [adopting the strategy](#) of another revered institution that has been accused of turning a blind eye to sexual predators — the Roman Catholic Church. Some 20 dioceses and religious groups have sought Chapter 11 protection while they negotiate settlements with thousands of victims.

Two of the scouts Hurley represents also claimed they were molested by a St. Louis de Montfort priest named Norbert Maday between 1967 and 1973. In published reports, Hurley dubbed Maday and Hacker a “[tag team](#)” of abusers.

Maday [was defrocked](#) in 2007 after he did time for molesting two altar boys while on an outing in Wisconsin.

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