By Mike Dawson Aug. 27, 2012

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Jerry Sandusky's Second Mile charity seeks to delay transition plan

BELLEFONTE — The plight of some of Jerry Sandusky's victims has persuaded The Second Mile to stop plans to transfer millions of dollars to another organization as part of the charity's shutting down.

The transfer is off — until all current and future claims by Sandusky's victims are resolved, the charity's CEO said Monday. It also means the charity will have to run on cash reserves until it's out of money.

"Really, I feel the victims' voices got lost in everything, and we want to make sure we work with them for how these programs should move forward," Dave Woodle said. "It's a lot easier than to go to court."

It's an about-face for the charity that had sought court approval for the transfer it requested in May, when the charity's plan to shut down amid the Sandusky scandal began.

Charity officials concluded after a lengthy internal review that the charity could no longer survive. The association with Sandusky, the founder and longtime public face of the organization, was too much to overcome, and it had lost community and donor support.

The plan was to then transfer millions of dollars to Arrow Child and Family Ministries, a Texas-based organization.

But attorneys for three of the victims in the case objected to the transfer, saying the charity might not have enough money to pay out damages if it moved everything to Arrow. The victims were Nos. 3, 5 and 7, all of whom testified at trial. Objections also came from an accuser who was not part of the grand jury indictment involving victims 1 to 10.

"We felt that would be fundamentally unfair to the victims and wrong as a matter of law," said <u>Tom Kline</u>, an attorney for Victim 5. "The stay accomplishes the purpose of the objection we made on behalf of the victims: It preserves the assets for the victim claimants, and for all of (The Second Mile's) creditors, and retains the status quo. We view this as a victory for the victims."

The Second Mile filed the petition for a stay Monday in Centre County Court. It was signed by attorneys for the charity, victims and the Attorney General's Office, which reviews charitable issues and whose involvement is not related to the criminal prosecution. The petition needs to be approved by a judge.

Sandusky was convicted on 45 of 48 counts of child sex abuse, and prosecutors said he met the victims while they were boys participating in Second Mile activities. Eight young men testified at his trial, saying they were molested by Sandusky, some over several years.

Sandusky, a former defensive coordinator for Penn State, started The Second Mile in 1977 and built it up with its connection to Penn State football.

Now, questions remain about how much the charity's top leaders knew about allegations against Sandusky.

Former CEO Jack Raykovitz was told about the 2001 incident involving Sandusky and a young boy in a campus shower. That incident was seen by then-graduate assistant Mike McQueary and led to the firing of head football coach Joe Paterno in November.

In 2008, Raykovitz was notified about allegations of possible abuse involving Victim 1, who was then a high-schooler in Clinton County.

An internal review of the charity's operations and procedures did not end up releasing that information as some former board members had expected. The review was done by a former Philadelphia prosecutor and led to the decision to shut down.

The charity's board has been reduced to five members from as many as 32. It once included wealthy and philanthropic area residents.

Former board members have largely declined to comment since November. Some interviewed by the Centre Daily Times have said they knew nothing about the 2001 incident.

Woodle said the charity remains open now and will run its Friends program, which pairs college students with youth for mentoring, in October. Earlier this summer, more than 300 children from across the state participated in its camps.

It's not clear, though, how long it will be until the charity runs out of money. Woodle said it may depend on how much it spends on legal costs.

"I just don't know how much that's going to be," he said.

Its headquarters on South Atherton Street is for sale, and there's an agreement for the charity to sell property on Bernel Road in Patton Township where it had hoped to relocate before the Sandusky scandal obliterated its community standing.

Woodle has said the charity will live on as a legal entity until all lawsuits are resolved. Lawyers for the victims have indicated that they plan to file lawsuits, but so far, none of eight victims from the

grand jury indictment has sued.

Victim 1, from Clinton County, filed a suit in Philadelphia on Friday, but he named only Penn State as a defendant and not The Second Mile.