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Penn State board OKs up to \$60 million to settle claims by Sandusky victims

By Jeff Gammage

INQUIRER STAFF WRITER

PHILADELPHIA -- The governing board of Pennsylvania State University has authorized the payment of up to \$60 million to settle claims by the sexual-abuse victims of former assistant football coach Jerry Sandusky, a trustee said Thursday.

About 30 claims have been filed. It is not known if all would be covered by that sum.

"First and foremost, I hope this is closure for the victims," said Edward "Ted" Brown III, a trustee who is president and chief executive officer of KETCH Consulting in State College. Asked what it meant for the university, Brown said he did not have a good answer.

"It's a settlement, and a settlement means we have not admitted any guilt," he said. "A settlement means just what the word says."

The \$60 million figure was the suggestion of outside counsel, who believed that was the figure needed, he said.

University board chairman Keith Masser declined to comment, as

did university spokesman David La Torre.

Attorney Kenneth Feinberg, hired by Penn State in September to help settle the personal-injury claims, declined to comment when reached in Washington. Feinberg is known for having administered claims by families of victims of the Sept. 11 attacks.

News of the allocation came six days after university trustees announced at their regular meeting that they had reached tentative agreements with some victims. For several weeks, officials have said the university was nearing settlement with the bulk of those victimized by Sandusky, convicted last year of sexually abusing 10 boys over 15 years. Sandusky was sentenced to 30 to 60 years in prison.

"We have a tentative agreement in place for my client," said Philadelphia lawyer **Thomas Kline**, who represents the youth identified at Sandusky's trial as Victim 5.

Kline said he could not reveal the amount due to a confidentiality agreement with Penn State. "There are tentative agreements reached in many cases," he said. "PSU and the lawyers for the Sandusky victims have now moved from the stage of negotiating to the stage of

papering and documenting numerous previously achieved informal deals."

Victim 5 testified that he met Sandusky through the coach's Second Mile charity in the mid-1990s when he was age 7 or 8. The coach took him to more than a dozen Penn State football games. When he was 12 or 13, Sandusky exposed himself in a Penn State locker-room sauna, then sexually assaulted him in the shower, the youth testified.

Kline said his client's claim was key to any larger settlement at Penn State because of its timing.

At trial, former assistant coach Mike McQueary testified that he saw Sandusky assaulting a boy in the showers in February 2001, and the next day notified head coach Joe Paterno. A week later he talked about the incident with then-university athletic director Tim Curley and vice president for business and finance Gary Schultz.

Victim 5, Kline said, was assaulted in August 2001 -- six months after McQueary told the Penn State officials what he had seen.

"That is the key," Kline said. "It is the claim which PSU clearly should have and could have stopped."

... Curley, Schultz and former university president Graham B. Spanier face a preliminary hearing

this month on criminal charges of covering up sexual-abuse allegations against Sandusky.

At the board's meeting last week, the trustees released no amounts on possible settlements but noted that "a range of dollar values" had been shared in closed sessions. The school emphasized that no settlement agreements had been signed and gave no timetable for the process to be completed, but hoped that it would be in the next several weeks.

The school and its insurer, Pennsylvania Manufacturers' Association Insurance Co., are in a dispute over responsibility for paying claims related to the Sandusky case. In March, the university filed a lawsuit saying it had been sued or contacted by 29 claimants, but its insurer did not provide coverage for which the school had paid premiums.

(Susan Snyder contributed to this article.)