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Sandusky scandal fallout continues as Penn State sues insurer

Joe Paterno is dead and Jerry Sandusky is in prison, but litigation from the child sex-abuse scandal at Pennsylvania State University goes on.

This week, Penn State filed suit against its longtime insurance company, saying the firm failed to honor obligations regarding claims arising from the Sandusky case.

The latest suit shows how the impact of Sandusky's conviction continues to reverberate across Pennsylvania, from the pending criminal case against three former top administrators, to civil suits filed by the former assistant coach's victims, and lawsuits filed by Gov. Corbett and the NCAA against each other.

"I would predict years of litigation until all aspects of Sandusky-related litigation, including appeals, are over," said **Tom Kline**, of the Philadelphia firm Kline & Specter, who represents the man identified as Victim Five at Sandusky's trial.

Sandusky, 69, is serving a minimum 30-year prison term for the sexual abuse of 10 boys.

After Sandusky's conviction, the school undertook a private process to settle civil claims. In late January, Ken Feinberg, the university's negotiator, told the Associated Press that settlement discussions could soon produce results.

Kline said, though, that he did not expect a fast resolution, "given the complexities of the process, which includes interaction among 30 claimants, [and] PSU negotiators reporting to PSU trustees and insurers." Three former administrators - president Graham B. Spanier, athletic director Tim Curley, and vice president Gary Schultz - face criminal charges of conspiring to cover up allegations against Sandusky. It's unclear when they may go to trial.

An internal university inquiry, known as the Freeh report, said Paterno and the three other men conspired for more than a decade to keep quiet sex-abuse allegations against Sandusky.

The university also has been sued by former assistant coach Mike McQueary, a main witness against Sandusky. The school has denied defamation and wrongful-termination claims lodged by McQueary in a whistle-blower lawsuit.

In January, Corbett sued in federal court to throw out the Sandusky-related NCAA penalties against Penn State, including a \$60 million fine. And in February, the NCAA sued Corbett and other state officials to stop them from

keeping the \$60 million for use in Pennsylvania.

That suit was filed hours after Corbett signed legislation that would direct the funds solely to Pennsylvania organizations that fight and treat child abuse. The NCAA asserted it was unconstitutional for a state government to pass a law that interfered with a contract.

On Tuesday, the university filed an 18-page complaint saying that it had been sued or contacted by 29 claimants, but that Pennsylvania Manufacturers' Association Insurance Co. (PMA) has not provided coverage. The lawsuit, part of an ongoing dispute between Penn State and the insurer, said the firm failed to provide coverage for which the school had paid substantial premiums.

Penn State said it had been a client of PMA since the 1950s until the relationship ended last year.

University spokesperson David La Torre said, "Penn State will aggressively pursue the coverage for which it has paid over \$23 million since 1983" and believes its insurance policies would cover the defense of claims brought against the school and its officers.

No tuition, taxpayer funds, or donations will be used, he said.

The amount of Penn State's financial exposure is unclear, but is likely to range in the millions of dollars.