

News **Litigation**

\$4.5M Settlement Reached in Foster Care Abuse Suit Despite Insurance Issues

Amid insurance coverage disputes and limited available policy proceeds, two Pennsylvania child welfare agencies agreed to the multimillion-dollar settlement of a case accusing them of failing to disclose a foster child's history of abusing younger children before placing him in a home where minors were later abused.

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Nadeem Bezar, left, and Kyle Nocho, right, with Kline & Specter. Courtesy photos

Two Pennsylvania child welfare agencies have agreed to pay \$4.5 million to settle claims that they failed to disclose a foster child's history of abusive behavior toward younger children before

placing him in a home where three minors were regularly present, resulting in sexual abuse and harassment.

Child welfare agencies Pradera Corp. and Asociación Puertorriqueños en Marcha (APM) agreed this week to a \$4.5 million settlement, despite insurance coverage disputes.

Kline & Specter attorneys Nadeem Bezar and Kyle Nocho represented the three minor children plaintiffs and alleged that the agencies knew about the teen's history of misconduct toward younger children, including prior removals from foster placements and an involuntary commitment. Despite this knowledge, they alleged that the agencies placed the teen in a foster home where younger children were regularly present without his history being disclosed to the foster father.

Bezar said the foster father, whom witnesses described during discovery as a "gold standard" caregiver, regularly had young children in the home and raised concerns about the teen's behavior, sought assistance, and ultimately requested the child's removal. Despite those warnings, Bezar claimed that the agencies failed to act for months, leaving the teen in the placement until a reported assault occurred in August 2023, roughly a year after he had been placed there.

He claimed that these failures resulted in a 10-year-old girl being sexually abused, her 6-year-old sister witnessing the abuse and experiencing physical abuse, and their 11-year-old brother being sexually harassed.

Bezar told The Legal it's a "straightforward case."

"You didn't tell the people receiving the child what the child's history was. You knew that they had young children coming around, and the history of this child was that he picked on and was violent and aggressive with young children," Bezar said. "And then what happens? He assaults them."

However, Bezar said the case became "tricky" because of insurance coverage issues, including limited coverage, delayed notice to insurers, and an eroding policy.

"We start with a limitation of insurance coverage to begin with for these agencies. And then there was a delay in notifying the carriers about the claims. That delay put us in a difficult position where we might not have any insurance coverage," Bezar said. "So we're battling now with what seems like a very obvious claim and children that deserve to be compensated, the risk of no coverage, and the risk of ... jeopardizing the viability of it, of a child welfare agency. And that meant that we were going to sit down and have a conversation."

Bezar noted that they were also dealing with an eroding insurance policy, where the cost of defense being paid was coming out of any available coverage.

These factors helped drive settlement discussions, Bezar said, sharing that he wanted to secure compensation for his clients without jeopardizing the viability of child welfare agencies.

"We're not dealing with multibillion-dollar companies that, if they put a bad drug out there and it causes harm, ... if they don't have insurance coverage, the companies are worth big assets," Bezar said. "We're not dealing with that when we handle claims with the child welfare system."

Bezar emphasized that his team continued pursuing the case despite the limited recovery prospects because the children had been harmed. He added that an arbitrator is still reviewing how the settlement funds will be allocated among the three children, with the process being based on each child's experiences and injuries.

Adam J. Fulginiti of Marshall Dennehey, in Philadelphia, represented APM.

Tracy A. Walsh of Weber Gallagher Simpson Stapleton Fires & Newby, in Philadelphia, represented Pradera.

Neither attorney immediately responded to requests for comment.

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