

# **Collision Course**

**by Vance Ferrell**

**The David Dennis Disclosures**

# Preface

***This book is written to help solve a problem. Gradually our beloved church has been slipping away from its historic beliefs and standards. So much so, that some people are turning their backs on it and departing. We can understand their concerns.***

***But there are those of us who are determined, by every appeal possible, that our denomination be saved. That is why this book has been written.***

Not only are historic doctrines and personal standards being sacrificed, but a movement has been on foot for several years, on several levels of the church, for a few men to gather as much authority and control as possible within their

own hands. Yet such actions transform the church into a series of oligarchies.

Some of the most rapid changes in this direction have occurred within our world headquarters—the General Conference itself.

In this book, you will learn of some of these problems. However, its purpose is to provide you with solutions: what you and others like you—laymen, workers, and church officers—can use to turn the ship back into its proper course.

It is our earnest prayer that this volume will be successful in helping to do that. Earnest prayer and earnest effort are needed. There is work for our people to do. We have reached a crisis point in our church.

— *The Author*

## The Eye of the Lord is upon all the Work

“While engaged in earnest prayer, I was lost to everything around me; the room was filled with light, and I was bearing a message to an assembly that seemed to be the General Conference. I was moved by the Spirit of God to make a most earnest appeal; for I was impressed that great danger was before us at the heart of the work . . .

“I said to them, ‘You cannot do this. The control of these large interests cannot be vested wholly in those who make it manifest that they have little experience in the things of God, and have not spiritual discernment. The people of God throughout our ranks must not, because of mismanagement on the part of erring men, have their confidence shaken in the important interests at the great heart of the work, which have a decided influence upon our churches in the United States and in foreign lands . . .

“The eye of the Lord is upon all the work, all the plans, all the imaginings of every mind; He sees beneath the surface of the heart . . . I was shown that the follies of Israel in the days of Samuel will be repeated among the people of God today unless there is greater humility, less confidence in self, and more trust in the Lord God of Israel, the Ruler of the people . . .

“Again and again I have been shown that the people of God in these last days could not be safe in trusting in men, and making flesh their arm . . .

“Since 1845 the dangers of the people of God have from time to time been laid open before me, and I have been shown the perils that would thicken about the remnant in the last days.”

—*Danger of Adopting Worldly Policy, Testimonies to Ministers, 461-464.*

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# Getting Rid of the Watchdogs

**David Dennis is a hard-working certified public accountant who has given his life to the church. Initially employed by the denomination in 1960, he gradually rose in our church to the position of head auditor of the General Conference of Seventh-day Adventists, a position he held from 1976 to late 1994. During all those years he was closely involved with the church and, during the last eighteen years, on its highest levels.**

**Dennis' life story is interwoven with the discovery of the problems, as well as insights into many of the solutions, discussed in this book.**

David was born on August 19, 1938, in Macon, Missouri. While very young, his family moved to Kansas. Graduating, in 1956, from the high school in Hutchinson, he went to Union College, in Nebraska, and began studies which led to a joint degree in Business Administration and Religion in 1960.

On June 20, 1960, Dennis began his work as a denominational employee. His first assignment was in the Iowa Conference. In September of that year, he married Charlotte Morris, to whom he would be happily married through all the years that followed. In 1962, they were called to the South American Division, where he served as a financial instructor and administrator.

In 1966, David enrolled at the University of Kansas, and the next year obtained a master's degree in Business Administration (MBA). In 1967 he was elected treasurer of the West Indonesian Union, headquartered in Jakarta, and served in that capacity until 1971, when he was called to head up the auditing department of the Far Eastern Division, with offices in Singapore.

In September 1975, Dennis was called to the General Conference, as associate director of the auditing department. (Its proper title is "auditing service"; but, in this book, we shall refer to it as the auditing department, since it is a General Conference department.)

In November 1976, on the retirement of

Elder Ralph Davidson, David Dennis was appointed head auditor of the General Conference. He held that position until December 29, 1994.

For a short period, while the Dennis family was living in Singapore, a young girl, Elizabeth, lived in their home. In spite of emotional problems, Elizabeth L. Adels maintained a strong friendship with the Dennis family after she left their home. About the year 1992, she, with her husband and children, visited the Dennis family, and it was a happy visit for all present.

But, because of family problems and her emotional depression, Elizabeth thought the psychologists could help her. In 1994, she underwent counseling sessions under a therapist, who had the required training in hypnosis and similar techniques.

During such visits, the typical formula, regularly taught to practicing psychologists and licensed counselors, today, for memory implantation, was apparently used. Suggestions were made to Elizabeth that the problem must lie, not with herself or her family, but with problems in her childhood. She was not led to God for healing, but to mind control. According to the formula, in a soft, almost monotonous tone, she was told to relax and shut her eyes. Then she was instructed to let her mind go into neutral—and see if any "memories" appeared.

They did. The story is a well-repeated one in America today; so much so that the *False Memories Syndrome Foundation, Inc.* (FMSF), of Philadelphia, Pennsylvania, has become a leading help to victims, accused of sexual crimes by those with implanted memories, in winning court battle after court battle.

And they are doing just that. The rash of false memory syndrome lawsuits, occurring across the nation, is now turning in favor of the innocent victims who have been accused of heinous crimes.

FMSF, in less than three years, has a record of over 17,000 cases of families destroyed by this mind-control takeover and false memory implantation technique! The hypnotic technique, practiced by various types of licensed counselors, is producing an epidemic of despair.

The person with the implanted “memory” is generally a woman in her mid-thirties. The one accused is generally the father or a schoolteacher.

A later chapter will overview this problem in greater detail.

David Dennis is the latest victim. He has an unimpeachable character, a lifetime of service to the denomination, a loving wife of 35 years, and two loyal children who deeply respect him.

But, compounding this situation, David Dennis was not liked by church leadership. For 19 years he had been one of the few men in the General Conference who would dare to speak up and protest wrong actions.

There were others who fully concurred, but he stood nearly alone, in our world headquarters, in openly declaring, to our leaders, that wrongs were being done. This book discusses some of the pressing problems, in our beloved church, which demand correction.

Upon learning that a possible excuse was available for releasing Dennis from his position, it was quickly done by the very men in the General Conference whom David had especially irritated—without giving him an opportunity to

even speak in his own defense.

This book contains a discussion of only a few aspects of the overall problem. But it is vital that they be discussed.

Looking back over his years of service, it is clear to David that the situation developing in the General Conference demands addressing, or it will eventually destroy the church. It is his duty to disclose the problems and major trends which have developed within the General Conference within the past 20 years.

You will want to give this book thoughtful study; for where the General Conference is headed will deeply affect you in the years to come, unless something is done to change that trend.

David was one of the last watchdogs to go. But this only adds to the urgency of the situation. General Conference leadership will henceforth feel more free than ever to waste and misappropriate funds, and carry out vindictive measures against both workers and laymen who speak up.

# 1981: The Davenport Bankruptcy

***Conference and union leaders found Donald J. Davenport to be a fascinating personality. He would offer them special high interest on loans (15 to 18 percent), which no other lenders received, when the nationwide loan rate was much lower. And, he would add, “I will give you a finder’s fee, if you will tell Adventist laymen to invest their life savings with me.”***

***Money from fees and interest flowed in to workers—money to buy new cars, remodel their homes, and take expensive vacations. And all the while far larger amounts of money in loans were pouring into Davenport’s coffers, from conference and union reserve funds and from the personal savings of thousands of trusting church members.***

***But, before the crash came in 1981,***

***warnings were issued by David Dennis’ office in the General Conference Auditing Department, as well as the treasurer’s office. But those warnings were ignored by leadership.***

***The Davenport crisis was the first of a series of tragedies; others would follow in later years.***

Born in Bakersfield, California, in 1913, Donald J. Davenport was the son of an Adventist pioneer missionary physician to China. In 1940, he completed medical studies at the College of Medical Evangelists (now Loma Linda University), and then entered general practice in Long Beach, California.

In 1946, Davenport began building post-offices. The idea was to bid on a contract to build the structure and then provide it on a long-term

lease to the federal government for a post office. This is fine, if somebody wants to do it—but there would not be much money to be made from post office building construction and leasing, as any inquiring financial expert would recognize. This is because the government, of course, would only accept the bid of the one offering the lowest yearly lease amount.

On such a basis, how could anyone have the meteoric financial rise that Donald Davenport did? Many people were astounded by his success, but the plan underlying it was remarkably simple: (1) Ask for loans to build more post offices, (2) always write them up as personal loans, (3) never show anyone any financial records, (4) use money from new loans which come in to cover monthly payments, interest, and the latest bids, (5) personally enjoy the extra.

Three key aspects consisted of the facts that (1) Davenport offered a little higher interest to regular lenders than was obtainable elsewhere, (2) gave special kickbacks and especially high interest to church officials, and (3) specialized in the construction and leasing of something which appeared like a solid investment: post offices (and, in later years, telephone buildings).

The whole thing seemed very stable, especially to Adventists—since Davenport was a church member, the son of a pioneer missionary, and highly recommended to believers by pastors, and conference and union workers. Besides, were not the loans for post offices? Many imagined that, somehow, the solid backing of the federal government stood behind the repayment of those loans.

But it was the fresh money, which came in from the latest loans, which covered current payments and interest. The whole thing was something of a pyramid scheme; it would continue as long as new money kept flowing in. Eventually there must be a crash.

When David Dennis arrived at the General Conference Auditing Department, in September 1975, as associate auditor, he knew nothing about Davenport. Ralph Davidson, the department head, while acquainting Dennis with facts he needed to know to carry on his work, told him about the Davenport situation. Davidson said those loans were “outside of church policy.”

By this he meant they were not properly made, and so could not be classified as accept-

able under church financial rules. Why was that? First, they were made as personal loans to Davenport (instead of to a business firm or corporation), and so would be much harder to recover in court if problems occurred. Second, usurious (excessively high) interest would also be difficult to litigate. The interest was strangely high, and the rates offered key church officers was astounding. Third, the post office buildings were said to be collateral, yet mortgages were not clear, and there was the possibility that a given building might be collateral for too many loans!

In spite of all these obvious dangers, Davidson explained, church leaders, pastors, and workers throughout the United States were urging the members to give their savings to Dr. Davenport. A number of conferences and unions were even investing their reserve funds with Davenport!

It would later be learned that certain association secretaries (in charge of conference and union trust funds), when approached by members who wanted to invest their savings in trust with the church,—were told to take their money to Davenport instead! The reason was that those urging that the money be sent to Davenport—would then phone the doctor. If the money came in, a finder’s fee would promptly be mailed to him. This, of course, was a “conflict of interest” which should not have been permitted. Yet conference and union presidents would not stop it, because they were also receiving perks.

Donald Davenport began getting Adventists to provide loans to help him build post offices in the 1950s. In 1960, the first denominational funds were placed in his hands when officials in the Southern California Conference loaned him money from reserves. More money kept flowing in, but why worry? The loans were being repaid. The exciting part was the remarkably high rates of interest offered to those officers which controlled church funds or trust departments. The doctor offered to double their investment within five years—and that was high interest! In five years time, for example, \$5,000 loaned by a key church official would become \$10,000; \$50,000 would become \$100,000.

Early on, a variety of cozy arrangements were made. It was after the president of the southern California Conference received phenomenal interest returns on his personal loans

to Davenport, that he arranged, in 1960, for conference funds to also be turned over to him. The next year Davenport was appointed to the Southern California Conference Executive Committee, so that, until 1965, he could personally help vote conference loans to himself!

By 1968, the doctor could report his realty holdings at “around 70” U.S. post offices and the value of his estate, “conservatively,” at \$6 to \$7 million. Joking with friends, he would say, “Some people collect stamps; I collect post offices.”

By the late 1960s, Davenport was paying interest rates as high as 15 percent, when bank savings accounts were only paying 4.5 percent. The marvelous way that the doctor could get money into his investment empire caused the *Wall Street Journal*, in a 1968 feature article, to call him “the post office king.”

Davenport was a shrewd man who knew how to win loyal followers with money, and capitalize on one of mankind’s oldest weaknesses: the desire for unearned gain.

“‘I was tired of standing in line for a package,’ Davenport explained to a *Wall Street Journal* reporter in 1968. ‘So I asked the fellow why they didn’t build a bigger building. He said, ‘Why don’t you’ and I said ‘I couldn’t, it was the government’s.’ He said, ‘I could.’ So I did.’—*Press-Telegram*, August 2, 1981.

Thirteen years before the crash, auditors’ flags were already up at the General Conference. They, as well as the treasurer’s office, were warning church officials on all levels in the states to not make loans to Davenport, or recommend that our people lend to him.

Looking through his records, David Dennis has found the equivalent of a ream—500 sheets—of official warning statements which his, and the treasurer’s, office issued—all warning church entities in the United States that they should not lend funds to Doctor Davenport, since such loans violated the safety of church lending requirements.

Fortunately, the General Conference never loaned any of its own funds to Davenport (although *Christian Record*, a General Conference entity, did). Yet individuals in the General Conference did, and many conferences, unions, and church workers did as well.

Correspondence and phone calls between Davenport’s supporters, in leadership positions,

was extensive. They were deeply upset that the General Conference auditor and treasurer were opposing their efforts. It was as if a war was being carried forward to keep the funds flowing to the doctor, while parrying the complaints from Takoma Park. For example, on May 31, 1978, Wayne Massengill, association director of the North Pacific Union, wrote a letter to E.S. Reile, president of the Central Union Conference, in which he discussed the opposition of the General Conference auditor and treasurer, and urged Reile to keep pressing forward in urging loans by church money managers and laymen to Davenport. Both of those church officers were heavy recipients of special perks from Davenport. Millions were lost because of the activities of such men. Leaders in special positions in the church, during those years, were able to make a lot of money by collaborating with Davenport.

By 1976, little pockets of opposition to the Davenport loans had sprung up in several places in the church. It was beginning to be perceived that Davenport would fall behind in payments and then, as fresh money came in, would catch up again.

In 1979, the situation was becoming tense for the doctor. General interest rates were rising throughout the nation, and threatened to stop the money flowing to Davenport. Ultimately, that fact was to finish him off. Without new loan money, he could not meet payment deadlines.

By March of that year, an increasing number of people were writing to Davenport to recall their loans. Several individuals began openly discussing the matter. Some were sued by Davenport, in an effort to hold the lid on the facts.

Three years earlier (1976), Jerry Wiley, an Adventist attorney, had been one of the first to begin investigating. After the collapse, *Forbes* described Wiley’s discoveries this way:

“Adventist law professor Jerry Wiley, dean of the University of Southern California’s law center, says that, when three unconnected Adventist clients contacted him in 1976, he did a little digging. ‘What my clients called “investments” were really loans secured by promises. They thought they had security in a piece of property, but it wasn’t a traditional promissory note. It was probably usurious money [lent at an excessive or illegal rate of interest] and

wouldn't hold up in court,' Wiley says. Wiley suspected a pyramid scheme and went to church officials. 'I was told that I was crying wolf,' he recalls . . . 'On the basis of what I saw, church leaders got a better rate of interest than [secular] institutions and church institutions,' says Wiley."—*Forbes*, October 12, 1981.

Can you imagine a financial expert, of the caliber of Wiley, being scoffed at by church leaders? Incredible. Yet who were nearly all those church leaders? They were men who had taken theology and Greek in college,—but not one day of accounting!

The church members, sent to Davenport by finder's fee church officers, were merely given a scrap of paper as collateral. Signed by "Donald and Patricia," his second wife. It constituted nothing more than a personal loan! In contrast, money handed over from church funds received "a first mortgage paper." Another researcher, Sidney Allen, wrote this about such papers:

"We have further learned that . . . some of the security documents supplied to Adventist institutional creditors turned out to be second, third, and fourth mortgages on various holdings of Donald J. Davenport."—*1979 statement*.

There were even instances in which mortgages were given on properties not owned by Davenport, or previously sold by him! Yet church officers never bothered to check, when a simple phone call would have supplied the information. John Adams, of Memphis, a layman, did check. When he reported his shocking findings about buildings which church entities supposedly held mortgages on, Davenport slapped him with a lawsuit to silence him. (But the doctor quickly dropped it, when he learned it would give the delighted Adams the right to investigate his financial papers.)

The situation continued worsening, and some church members became disheartened when they learned that Davenport had divorced his faithful wife in 1972 without Biblical grounds and then remarried, all the while retaining his membership in the Loma Linda University church as an honored, wealthy member.

On August 19, 1979, the General Conference treasury department sent out a detailed 17-part questionnaire about Davenport loans to every church entity in America. But, to our knowledge, the results of that survey were never

made public.

By 1980, still larger numbers were requesting that their loan money be returned. But, by that time, they were generally locked in—and usually never got any principal back at all. Interest payments were sporadic by then. It was an ominous portent.

Because interest rates had increased throughout the nation, by this time Davenport was having to borrow money at 18 percent, in order to pay interest on his 15 percent loans. The end was drawing near.

In 1980, David Dennis arrived at the Denver Airport. As he sat in the airport, waiting to be bused to the conference youth camp for a convention of church leaders, Dwight Hilderbrandt, treasurer of the Minnesota Conference, walked up. He was concerned about outstanding conference loans to the doctor, and wanted to inquire as to Dennis' position on the matter.

As he had with many others, Dennis explained the serious dangers inherent in those loans. Hilderbrandt explained that his conference only had a small portion invested—not over \$50,000.

Dennis' counsel was that Davenport was on shaky ground, yet it would not be best to make a run on him—by requesting all the money back at once. Instead, Dennis counseled, month after month, try to get it out in bits and pieces—but begin immediately.

Suddenly, another man sitting behind Dennis jumped to his feet and stood in front of them. Pointing his finger at Dennis, Ron Wisbey, Montana Conference president (later, Columbia Union Conference president and, at the time this is written, liaison between the Columbia Union and Adventist Health System), angrily said that it was such talk that was spoiling a good thing. Davenport, he said, was greatly helping the church.

Such friendships were always well rewarded. And they had kept Davenport in new cars, several exclusive homes, and his second wife in furs and jewelry.

It was a Wednesday afternoon. I had phoned a church worker in an Adventist conference office. Startled, the present writer was told this:

"Things have been ominous here for a week. Rumors are flying everywhere. The leaders seem to be waiting for something big to happen. Meet-



ings were held earlier in the week in D.C. The tension is terrific.”

Not long before, Donald Davenport had contacted the General Conference and told them to advance him a large amount of money—and threatened to declare bankruptcy if it was not done. The church decided to wait. The news traveled fast and, almost breathlessly, church leaders throughout the nation waited to see what would come next.

That same afternoon—July 22, 1981—Donald Davenport drove his new Mercedes-Benz 380SL to the Los Angeles federal courthouse, and filed for chapter 11 bankruptcy. Upon discovering it, panic prevailed among many church leaders, who feared, not for the fleeced widows, but for their jobs. Their responsibility in the terrible loss was immense. They had gained, while many had lost.

Conference and union officials later said that, for the next twelve months, most of their time was absorbed in replying to mail, phone calls, and personal visits from members who had lost their life savings. A significant amount of time was also spent in transferring or retiring workers who were too much in the limelight, or in denying personal involvement in what had taken place. Millions were spent in damage control. Even the General Conference, which had not been involved, spent an immense sum.

“The General Conference of the Adventist church, headquartered in Washington, has taken the unprecedented step of hiring Hill and Knowlton, a secular public relations firm, to help the church through the crisis.”—*Walla Walla Union Bulletin*, July 31, 1981.

According to the *Washington Post* (August 8, 1981), Davenport’s preliminary bankruptcy petition listed 27 Adventist institutions among his creditors. Part of this list included the following:

*Pacific Union Conference*, \$939,367.

*North Pacific Union*, \$8,400,000, plus: Montana Conference Association, \$186,750; Upper Columbia Conference Association, \$1,600,000; West Oregon Conference Association, \$475,434.

*Mid-America Union*, Central Union, \$213,974; Kansas Conference Association, \$661,335; Northern Union, \$679,118; South Dakota Conference, \$476,443.

*Southwestern Union*, Southwest Estate Ser-

vice, \$1,500,000.

*Southern Union*, Carolina Conference Association, \$608,503; Florida Conference Association, \$579,448; Georgia-Cumberland Conference Association, \$3,700,000; Kentucky-Tennessee Conference Association, \$173,505.

*General Conference*: Christian Record, \$108,335.

*Inter-American Division*, \$17,328.

*Total denominational entities*: \$20,715,866.

In addition to the above figures about invested denominational funds, we should keep in mind the church officers who had routed church funds and members’ savings to Davenport. A news clip from eastern Washington, described it well:

“His [Davenport’s] Chapter 11 petition lists 31 commercial savings institutions, eight insurance companies, 25 Adventist organizations and at least four dozen church officials. Parts of the list of creditors read like a ‘Who’s Who’ of Adventist circles. It includes seven officers of the church’s world headquarters in Washington, D.C., three regional [union] conference presidents, six local conference presidents, three treasurers, several noted educators, one university president, and a television personality.”—*Walla Walla Union Bulletin*, August 21, 1981.

The “feeders” (church officers channeling members’ funds) did not suffer much from financial insecurity. As Davenport neared the end, he was careful to pay back outstanding loans to those who had earlier been so helpful in getting the money to him.

The greatest sorrow and misery was not that of church workers, whose craven fear was the possible loss of their jobs,—but the pathetic church members who had been talked by their spiritual leaders into handing over their life savings to Davenport.

The amount lost to faithful church members totaled more than \$20 million.

Thus, from the Seventh-day Adventist Church and its members, over \$40 million was lost.

But where had the money gone?

“Davenport filed for bankruptcy in July, and last month pleaded the Fifth Amendment when the bankruptcy court asked the whereabouts

of the money he had received in loans and investments.”—*Forbes*, October 12, 1981.

It was later discovered that, in the fifteen months before the collapse, as Davenport saw that it was nearing, he cut back on paying out loans, except to old friends, only sporadically made interest payments—and instead started on a spending spree with his second wife, Patricia! They bought ancient Greek urns, the most expensive furnishings for a newly purchased condominium, the most costly clothing and jewelry, and the most expensive Mercedes-Benz then sold. Later, pleading the Fifth Amendment as a good reason, the doctor refused to tell where he had stashed the insured furs, valued at \$25,000; the jewelry, valued at \$425,000; and other hidable items.

The present writer was sent a copy of a magazine which featured an article on the furnishings in Patricia Davenport’s condominium. It was fabulous.

While the widows suffered, Davenport luxuriated, and his helpers feared for their jobs.

After the bankruptcy, at an auditors’ workshop in the northwest, attended by a group of Adventist certified public accountants, David Dennis was asked why the General Conference Audit Department had done nothing about the Davenport crisis as it mounted.

In reply, he mentioned the many warnings sent out, and then asked, “You are all trained to be auditors. When you do auditing, do you make management decisions when problems arise, or do you only report on them to management—so it can make the decisions?”

They understood. Management had ignored the warnings, and done nothing.

Neal C. Wilson later appointed a *President’s Review Commission* to spend a year investigating the entire matter. This provided a great relief to church officers, for it gave them a twelve-month respite from the accusations. Time has a way of causing people to forget. When the year had elapsed, the commission members presented their report. Neal carefully filed it away and did nothing about it. Not one officer was fired (one already retired man was “disciplined,” by mail, and two or three others “received letters of reprimand.”) We heard of not one of the commission’s recommendations which was adopted. This meant no changes were made in

church policy to ensure that such a crisis would not happen again. By this time, two years had elapsed, and a dull numbing had set in. Church members were as tired of Davenport, as, nearly a decade earlier, America had become of Watergate.

We will conclude with the heart burden of just one story:

In 1970, Gertrude Daniels, a church member living in Yamhill, Oregon, wanted to place her life savings (from the sale of her home, plus bank savings) with the church in a trust fund.

Taking the \$10,000, she drove to the North Pacific Union Conference (NPUC) office and spoke with Wayne Massengill, director of NPUC Trust Services.

To her surprise, he told her to give it to Davenport! Who was he? she wondered aloud. Oh, just the greatest man, she was told, who was building post offices in southern California, and he would protect her savings. Amid many assurances, Massengill took the widow’s money and sent it to Davenport. By return mail, he was sent a nice reward by the doctor.

You see, Massengill was working for the union,—and for Davenport at the same time! It was probably on company time, that he arranged all the paperwork and sent it on to the post office king. (Massengill was the one who would later author the letter, mentioned earlier, to a conference president, which declared that it was vital that church officers keep funneling money to Davenport, in spite of warnings by the General Conference auditor and treasurer.)

As a result, the widow’s \$10,000 went to Davenport, and the return slip (acknowledging the personal loan)—was placed by Massengill as a note payable to Gertrude Daniels or the North Pacific Union. That piece of paper was then placed by him in a safe, as being in trust with the Union.

It was a direct loan to a private individual in southern California, yet was arranged through the NPUC office, with the note payable to her or to the NPUC. The note was then placed “in trust” by her with the NPUC.

In 1978, Daniels’ interest payments began arriving late. But each time she called Massengill, he assured her that all was well and that she should not recall her loan to Davenport. If she had not listened to Massengill, her money could still have been recovered.

By the end of 1980, when more interest payments were tardy, she phoned the NPUC and told them to withdraw her loan to the post office builder, and return it to her.

By that time, the NPUC officers *knew* full-well that Davenport was in serious trouble. But they were more concerned with avoiding a run on Davenport's loans than in protecting trusting widows. So, in response, they told her that the money was perfectly safe, and there was no possibility of any difficulty.

In April 1981, she received from Davenport part of the delinquent interest payments. That was the last money she was to receive.

On July 22, Davenport filed bankruptcy, and the life savings of many believers were swept away—twenty million dollars worth in private savings.

“Persons close to the bankruptcy investigation have cautioned elderly investors who made unsecured loans that they may be the *last* re-

paid from the bankruptcy—a complex process that could take as long as 156 years to resolve claims. Said one, ‘Many of these little old ladies just won’t be around then.’ ”—*San Bernardino Sun, May 31, 1982.*

Mrs. Daniels was 85 in 1981. In the months that passed after the bankruptcy, she received no help from the NPUC, nor did they refund any of her invested money. Late that summer, an attorney representing the NPUC said he could not help her recover her funds, since that would be a conflict of interest.

It was considered no conflict of interest to take her money and send it off to Davenport, but it would be a conflict of interest to try to give it back to her.

On September 17, she wrote a lengthy note to the NPUC, asking for her money, so she could prepare for winter. They said they could not help her.

## 1987: The Elimination of Harris Pine Mills

***In November 1976, when David Dennis came on board as head auditor at the General Conference, he asked to see an audited report on Harris Pine Mills. It was understandable that he would, since, aside from our hospital systems, Harris Pines was the largest business operation owned by the Seventh-day Adventist Church. But he was met by an ominous No.***

Clyde Heath Harris (1890-1968) was an Oregonian raised in a Christian home. In 1913, he and his brother started a little box factory in Milton, Oregon, which they called the Milton Box Company. Shortly after this, Clyde and his wife, Mary, were baptized into the Seventh-day Adventist Church. By 1916, a sawmill had been added to the venture and, in 1924, it branched out still further. In 1939, when the company moved to Pendleton, Oregon, its name was changed to Harris Pine Mills. In 1942, Clyde and Mary bought out his brother's interest, thus becoming sole owners.

By the year 1951, Harris Pine had become

one of the nation's largest producers of unfinished furniture in America. But Clyde and Mary were nearing the age of retirement and, that year, they made a decision: They would give their multimillion-dollar business to the church.

In 1953, Harris Pine Mills was valued at \$8,500,000, and grossed \$5,475,000 in profits that year alone. The same year, 39 million board feet of lumber was processed, providing work for 450 people, of whom 50 were students at nearby Walla Walla College. Harris Pine already had two branch offices.

By 1964, it was grossing \$13 million a year, with over a thousand workers, nearly 600 of whom were students. By 1973, it had 23 plants, a gross volume of \$40 million, and, in addition to full-time workers, there were 2,700 part-time student laborers.

By the 1980s, Harris Pine was an outstanding business success story for our church. Or was it? No audits had been made.

From the beginning, Harris Pine Mills was the largest single business operation owned by

our denomination. By 1980, it had subsidiary branches, throughout North America, and thousands of workers. Was it being run properly? That was the job of the auditors.

David Dennis well-knew that the larger a business became, the more danger that, because of mismanagement, it might fold. Yet if Harris Pine Mills went down, it could very easily cost the church millions in the process.

With all this in mind, as soon as David Dennis became head auditor at the General Conference, he asked to see an audit of Harris Pine.

In response Kenneth H. Emmerson, the General Conference treasurer, had his secretary give Dennis a lengthy document. But, as soon as David saw it, he knew he had not been handed an audit.

At any given time, there is only one audit report on a business. It always begins with the phrase, "We have examined . . .", or "We have audited . . ." But the set of papers given him said instead, "We have compiled . . ."

Prepared by a small Pendleton, Oregon, public accounting firm, the papers before him on the desk consisted merely of a collection of facts and figures handed them by the managers of Harris Pine! But that is not an audit.

In Britain and its commonwealth nations, business operations are governed by the "*Companies Act*," which requires that every company be audited yearly. But, because of its manifold business operations, no such law was ever enacted in America. Audits are only required of certain business firms, such as insurance companies and stock corporations (business firms which trade stocks publicly).

Although failure to provide a yearly Harris Pine audit was not illegal, a church policy required it. The General Conference Working Policy mandated that each entity owned by the church be audited yearly.

Yet, year after year, no audits had been made of Harris Pine Mills.

Clyde Harris had managed Harris Pine with excellent results for decades before 1951, when ownership of the multimillion dollar business was handed over to the church.

After Clyde and Mary gave the firm to the denomination, he continued as general manager until his sudden death in 1968. We now know that, by the 1980s, Harris Pine was in deep trouble.

When David Dennis asked that an audit be taken of Harris Pines, Emmerson replied that denominational auditors were not qualified to do it.

Although the General Conference auditing department was, indeed, well-qualified to conduct the audit, it is true that, to do so, would have meant adding several auditing department staff members. Yet the auditors knew it was worth it.

But Emmerson, who had been General Conference treasurer for over ten years when this request was made, said an audit would be too expensive, and the church could not afford it. A full audit of Harris Pine would easily have cost \$300,000,—but compare that expense with the millions it would cost the church if the company went down—which eventually happened.

Even if only one audit were made every five years, that would be better than nothing! By 1976, Harris Pine had been a General Conference-owned business for 25 years—and it was time that an audit be taken. It could be on the verge of collapse, yet the unaudited books would not necessarily show it. Yet, if caught early enough, the problems could be solved.

In June 1980, Emmerson retired from his position as General Conference treasurer, and was appointed chief financial officer of Harris Pines. But still no audits were taken. Because the company was so large, and had so many assets, buildings, and workers scattered over a score of subsidiary plants across America, Harris Pines desperately needed an audit!

Emmerson, father-in-law of a young church officer by the name of Robert Folkenberg, was very upset at the continued calls by David Dennis for audits of Harris Pine. Those calls continued after Emmerson moved to its headquarters' plant in Pendleton, Oregon, as chairman and chief executive officer of Harris Pine Mills.

When Emmerson retired in 1980, Lance L. Butler took over as General Conference treasurer. Because Butler was from Australia (having served there as division treasurer for twelve years), he was accustomed to the British company audits requirement. So he united with Dennis in urging that a Harris Pines audit be taken.

Surely, with the heads of both the General Conference treasury and auditing department demanding that audit, it should have been made. But Emmerson, now ensconced at Har-

ris Pine headquarters, and N.C. Wilson, president of the General Conference, were both adamant: No Harris Pine audit was to be made.

In that northerly state, it was already dusk, and the Bible Sabbath was beginning. At 4:05 p.m. on Friday, December 5, 1986, bankruptcy proceedings were filed in a federal courthouse by church officers. Chapter 7 of the federal bankruptcy law was the section it was filed under. Instead of chapter 11, which would be a request for protection from creditors while the firm tried to get back on its feet, chapter 7 had been selected—which meant that church leaders wanted to close down Harris Pine entirely, sell it off, pay the creditors, and keep what profits were leftover. They had not the slightest interest in trying to save it.

An entire business empire was to be liquidated, presto, just like that! It included large uncut timber holdings on Harris Pine-owned land in the northwest, which Clyde's widow, Mary, after the bankruptcy, told the press were alone enough to save the firm from collapse. The immense headquarters' operations which, time revealed, alone contained a large amount of stacked lumber and a wide assortment of partially finished furniture. A sizeable amount of brand new machinery had been ordered and installed—just before the church decided to close the doors! One worker, Floyd Holbrook, reported to the press that one item of new equipment had only run three days before the plant was shut down.

Also included in the wipeout were over a score of subsidiary plants in other states.

Add to this the mills in the Harris Pine system which were owned by local conferences. For example, Michigan alone had three of them (at Adelpian Academy, Holly, Michigan; Cedar Lake Academy, Cedar Lake, Michigan; and Grand Ledge Academy, Grand Ledge, Michigan).

The non-Adventist certified public accountant, who was appointed by the court to oversee the bankruptcy proceedings, was quoted by the press as saying he had never seen a bankruptcy like this one: There were so many assets! more, much more, in his words, than the amount of indebtedness!

Assets were so abundant that, seven days after the bankruptcy filing by the General Conference, the court-appointed trustee had it changed to chapter 11, so he could process

some of those assets to help repay the debtors (which included U.S. National Bank of Portland, which alone would be out \$24 million, if not repaid).

The bankruptcy had been filed suddenly, without any advance notification to either the bank or the employees. The weekly paychecks issued that Friday, were found to be no good. The employees filed liens of \$262,000 against the mill. Fortunately, Oregon State chipped in \$500,000 to repay the Harris Pine employees their unpaid wages. (The money, ironically, came from the Oregon State Lottery Fund.)

The entire Northwest quickly learned that the Adventist Church filed bankruptcy to solve its problems, and quite willing to leave many people and firms in the lurch. The banks reported in the press that none of them had pressured Harris Pine for money; they were all satisfied with its operations.

Harris Pine was generating \$55 million in annual sales, before its bankruptcy. A December 22 news report declared that the year 1986 had been the best in wood product sales for the northwest since 1977. Perhaps no one will ever know the full story behind the Harris Pine debacle. It has been alleged by some (although not by Dennis) that the General Conference wanted to get rid of Harris Pine in the hope of using the extra money to shore up floundering Adventist Health Systems entities, which were close to bankruptcy themselves.

But it is clear that the Harris Pine bankruptcy cost the church to the tune of \$13 million; it did not save by declaring bankruptcy.

Yes, there were financial problems, serious ones. But the evidence indicated that certain General Conference officers wanted to get rid of the problem in a quick and expensive way, instead of trying to salvage Harris Pine. That would have taken some work, but it would have saved the church millions of dollars.

There are lessons to be learned from that bankruptcy, if we will learn them. But was anyone learning any lessons, any more than when Davenport folded.

For ten years to the very month of the crash, David Dennis had been asking that a Harris Pine audit be made by the General Conference auditors or by an outside firm. For five years (until his replacement by Donald F. Gilbert, as treasurer, in June 1985), Lance Butler had also re-

quested it.

But businessmen were not running the church; they never do! And those who were running it would not let anyone who was competent near the firm.

Keep in mind that that was back in the early 1980s. We will learn later in this book that, as the decade closed and the 1990s began, our General Conference entered the even more financially dangerous era of rule by a single man.

In December 1986, as soon as David Dennis learned about the bankruptcy filing, he pled with Gilbert and Wilson to let an experienced salvage expert come in and save Harris Pine. But Wilson said No, he did not want to bother with it. Harris Pine could not be saved, he declared. That was his decision, and no one was going to change it.

Yet a variety of facts (including some mentioned earlier) indicated that Harris Pine could have been saved. Dennis pled with Wilson. David knew a business professional who had spent a lifetime salvaging business firms ready for bankruptcy. He had the ability to get a company back on its feet and headed in the right direction within 30 to 60 days. This would be done by temporarily taking over its management, shutting down unprofitable aspects, cleaning up others, and improving operations in general.

Dennis felt certain that Harris Pine could be saved. He only asked for 30 to 60 days. —

What a tremendous loss would be avoided, if that had been done! But Neal Wilson would not consider it. Wilson had decreed that the whole thing must go.

The postscript was that enough assets were obtained by the Portland-based bankruptcy trustee to pay the creditors, but the quick-action General Conference expenses, required by the chapter 7 filing to wrap up the closure of the operation, cost the church \$13 million. That money was lost, and never repaid. In addition, two expensive studies were made which also were not reimbursed.

The amount that was lost to our people could have paid for 43 fifth-year audits, enough to have taken Harris Pine through more than two centuries of business operations.

Later, when the collapse came, the fact slipped into the *Adventist Review* that no audit had been taken. In addition, Don Gilbert, the General Conference treasurer at the time of the bankruptcy, personally told David Dennis that, if the audits had been made, Harris Pine Mills would never have collapsed. The problems would have been caught early on and resolved.

Later still, the non-Adventist firm which bought Harris Pine (when it was auctioned off by the bankruptcy trustee)—also went bankrupt. It had overextended in its eagerness for fast growth. The doors of Harris Pine Mills were permanently closed, never to reopen.

## 1989: Adding Immense Salaries to AHS Debts

***Subtract thrift, add waste, divide by lessened efficiency, and multiply by high wages. And what do you have? Adventist Health Systems, of course.***

***In a few short words, this is the story of what happened:***

In the mid-1970s, certain Adventist hospital executives asked the church to let them incorporate a number of hospitals in the southeastern states, under a single management. The reason given was that this would save the hos-

pitals money, reduce waste, increase economical use of resources, centralize accounting, and increase bulk purchasing power.

Adventist Health System/Sunbelt was the first to receive the go-ahead. Soon Adventist hospitals across the nation wanted to do the same.

Over the decades, church members had sacrificially contributed to the cause, and donated for the erection of those hospitals. Paid for by the believers, they were owned by the local con-

ferences. Then, in and around the 1960s, the ownership of many of them was transferred, by board action, to the unions but, in most cases, without conference constituency approval.

In the mid-1970s, generally by a single committee vote, ownership of the hospitals in these conferences and unions was handed over to the newly founded “health system” corporations, as subsidiaries of the General Conference. Not only was the management given away, the ownership was also.

In the late 1970s and early 1980s, the executives managing these health systems sought for ways to expand their kingdoms. The plan was simple enough: Throw financial caution to the winds, pile up debt as fast as possible—and construct additions to existing hospitals, build new ones, and buy already existing community hospitals. The objective was to obtain an “Adventist presence” in every city and town in the land (even though most of the workers in those institutions were non-Adventist).

By the early 1980s, Adventist Health System (AHS) debt had increased so rapidly that all our existing institutions were loaded with debt. Corporate jets had been purchased to whisk AHS executives from hospital to hospital.

So this is the story of Adventist Health Systems/USA, composed of a number of subsidiary systems (AHS/Sunbelt, AHS/West, etc.) It is a tragic story, caused by the cupidity of Adventist leaders in the unions and General Conference, who knew that if they did not oppose the spend-thrift waste, their own sons and daughters—and themselves when they retired—might be given high-paying jobs in one of the systems.

Read the “progress report” of AHS for yourself; it is astounding:

*Fall 1983 news item:* The *Adventist Review* reported, in the late summer of 1983, that AHS had passed the \$1 billion mark in debt pileup. Yet, in marked contrast, the entire rest of the church in North America—all its properties, buildings, and equipment—did not total half a million in debt.

*Spring 1984 news item:* The *Review* reported that, in response to protests from the membership, AHS leaders were trying to reduce the massive debt.

*Spring 1985 news item:* It was reported that the AHS debt had climbed to \$1.5 billion!

*August 1986 news item:* Like drunken sailors, AHS leaders had continued their spending

and borrowing spree. It was reported that they were now \$2 billion in debt!

*Summer 1987 news item:* AHS leaders were busy selling smaller Adventist hospitals, in a frantic effort to reduce the debt. Many of our best hospitals were on the chopping block.

*Fall 1987 news item:* AHS leaders had decided to drop many low-paid workers, in order to save money.

*Summer 1988:* AHS now had a debt ratio that is more than double the average of U.S. hospitals or hospital systems.

*August 1988 news item:* First bond default by a Seventh-day Adventist entity; this one by AHS/Nema [AHS/Northeast and Mid-America].

*June 1989 news item:* Heritage Nursing Homes, Inc., an AHS subsidiary in such bad financial shape that its bonds were reduced by Fitch from an A rating to double C.

*Summer 1989 news item:* The Arizona Conference of SDA sued AHS/West in an attempt to recover the \$11 million loss it received when AHS/West took and sold its hospital.

*August 1989 news report:* Imaging Systems, Inc., an AHS subsidiary, collapsed, producing a \$92 million loss to the church.

*August 1989 news report:* The total AHS debt was 2.24%. This meant that it had \$2.24 in debt for every dollar in assets.

When the bankruptcy of Adventist Health Systems eventually comes, it will come hard and take many assets in our church down with it.

*November 1990 news item:* Adventist Living Centers, an AHS subsidiary, was in monetary default because it had refused to pay its debt.

*Oh, yes, and we have one more news item—and it is unbelievable.* Unbelievable, because AHS leaders would dare to suggest it, unbelievable because General Conference leaders actually did accept it and passed it on to the Spring Council for approval, unbelievable because our world leaders then approved it in that council!

*May 1989 news item:* Our church voted to accept the recommendation of AHS officers—which gave those officers exorbitant wage increases!

Here is how it happened:

On Wednesday, April 5, 1989, AHS leaders stood before our worldwide leaders at the Spring Council and pled “with tear-filled voices” for immense salary increases for themselves.

To put it mildly, our leaders from overseas were shocked. Financial problems in the Adventist Health Systems had mounted to the crisis

point. News report after news report of fiscal sloth and financial mismanagement was known and had been reported worldwide in the pages of the *Review*. Several bond non-payments and bankruptcies were about to occur. —Yet now, the men responsible for it all, were asking for sky-high wage increases for themselves—and declaring that that was the answer to AHS's problems!

Very significantly, Neal Wilson stood solidly in defense of the gigantic pay raises. After an entire day of appeals and heated debate over the matter, it was tabled. That evening, intense pressure was placed on world leaders to come into line, or else. The next day, Thursday, April 6, wearied with fighting any longer, a 52-42 vote, favoring a major AHS salary increase, was cast.

Not only was that managerial increase approved, but, in addition, all wages in our hospitals were raised to competitive community rates!

Donald Welch, AHS/US president, said that AHS VPs were suffering, and that higher wages would provide solid solutions to the financial problems at AHS, for “we will now have a clear career path” all the way to the top (translated: “big wage increase”).

Ed Reifsnnyder, AHS vice president mentioned how terribly self-sacrificing it was to be an underpaid AHS executive.

*Adventist Review* put it this way: The base (starting) salary caps will be “four to five times greater than the \$20,000 to \$30,000 that other church employees receive” (April 20, 1989, p. 7). The article noted that, before the wage increase, AHS managers’ salaries were already immense: “receiving three to four times the remuneration of the General Conference president and ministers who chair the health-care divisions” (p. 8).

But that would only be “the base.” Add to it various percentages, which would bring salaries up to \$150,000 a year! That is a wage of \$12,500 a month! All levels of lower and higher managers and executives in AHS were henceforth, by this vote, to receive astoundingly high salary increases.

Compare this with 2SM 177-211, 7T 206-209, and the experience of Solomon: PK 64, 2BC 1027-1028, 2SM 175-176.

Would it be right or wrong to reprove this wickedness? Keep in mind that this vote was taken at the very time when our hospitals appeared about to go under,—because of financial mismanagement by the same leaders demanding the big salary increases!

*With this background, you can better under-*

*stand the powerful appeal made by David Dennis, in a letter, dated April 17, 1989, to Neal C. Wilson, president of the General Conference—which we have reprinted on pages 17-19.*

Read that letter carefully. Was it wrong for Dennis to write that letter? Should he not have sent it?

As we shall learn later, because he wrote that letter, General Conference leaders were determined to get rid of him.

*In the midst of such terrible AHS waste, and AHS debt,—AHS leaders got church leaders to vote them salary increases! And when one man—just one—in the General Conference pled that it not be done, he made himself a marked man.*

My friends, this is not as it ought to be!

How long would it take for our church to pay off even one billion dollars of the Adventist Health System debt - if there was no interest and we paid one million dollars a year?

It would take a thousand years!

Yet, after plunging our denomination into such massive debt, which only the most rigorous financial economy could extricate us from—our Adventist Health System and General Conference leaders declared, in 1989, that the solution to the problem at AHS—was to double managerial salaries from \$75,000 a year to \$150,000!

Today, it is reported that, at the present time, upper-level positions in AHS run about \$230,000 to \$250,000 a year! But that need come as no shock. It was planned for. There are men willing to destroy the church, if they can make some money in the process.

That 1988 vote of approval by our leaders in the unions and General Conference—gave the leaders in Adventist Health Systems the authority to henceforth vote themselves unlimited salary increases! And they are doing it. As payback for those in our church who voted that approval, a number of them and/or their sons and daughters, have been given good-paying jobs with Adventist Health Systems.

It used to be a church; now it is becoming a lucrative business operation. The Saviour needs to again return and drive the money changers out of the Temple.

***On the next three pages is a transcript of the complete six-page David Dennis letter, dated April 17, 1989, to Neal C. Wilson:***



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April 17, 1989  
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*General Conference Auditing Service*

WORLD HEADQUARTERS 6840 EASTERN AVENUE, N.W., WASHINGTON, D.C. 20012 TEL (202) 722-6435



April 17, 1989

Elder Neal C Wilson, President  
General Conference of  
Seventh-day Adventists  
1245 Eastern Avenue NW  
Washington DC 20012

RE: SPRING COUNCIL ACTION

Dear Neal

I do not write you today from my elected capacity as Director of the Auditing Service, nor do I come in the perceived callousness and calculating associated in some people's minds with the auditors of the denomination. This letter comes from a heart full of concern for the church and the message we love and for my fellow workers in the organized ministry of the church. These lines are addressed in Christian love and are sent with a prayer that God may give you special direction and guidance as you continue to direct the world church.

My concern in this letter is focused on the action voted last week regarding the pay scale for Adventist Hospital Administrators. Many of us were troubled by the day-long presentations of health-care leaders who with tear-filled voices appealed for understanding of the need to increase wages for top positions in denominational hospitals. We cannot fault their appeals for additional funds with which to meet the essential demands of life, for food, shelter, clothing, and education in a land where living costs continue to escalate.

To me, however, it did seem strange that, after admitting to serious financial failures and mounting debt far beyond accepted norms in the United States, these leaders should now ask for higher pay. Few businessmen could ever accept the assumption that if a manager is ineffective while earning an annual salary of \$75,000 he will somehow be successful if his salary is raised to \$140,000.

In the annals of the Adventist church history it is conceivable that Wednesday, April 5, 1989, and the day following, will mark another decision drawing us farther away from basic Seventh-day Adventist principles and from the spirit of democratic leadership. We heard the need to raise church pay (I use the word church because of litigation that has established the status of our health-care institutions as "the church" in the ministry of healing) to levels heretofore un-imagined by sacrificing church employees on grounds that we must be "market sensitive" compared with worldly standards. Personally, I find this argument repulsive in context to the church enterprise. Since this rationale has been introduced, however, I must say a word on behalf of the dedicated auditors with whom I work. Most of these men and women are CPA qualified. Several hold a Masters degree, and one, an attorney, is the only church-employed LLM in taxation. As with hospital administrators, the world competes for the services of these uniquely talented business people. I enclose an exhibit to show how the remuneration of these dedicated individuals compares with that of their peers in the worldly market place. Yet, in spite of arguments to the contrary by the AHS group, many CPA-qualified young people are willing to work in the church at sacrificial wages because of their love for the Master. It is not my intent or desire, however, to ask for additional compensation for church-employed auditors.

Perhaps even more troubling to me than the secular arguments advanced to obtain higher wages was the way the recommendation was advanced to a final vote. It seemed to me that the democratic process was not taken very seriously. I confess to political naivete, both congenitally and from my own personal conviction that politics has no place in the work of the Lord, thus I find it hard to understand why a vote was not taken at the conclusion of the day-long discussion on Wednesday. Instead, you recommended and moved that the motion be tabled. Then, late Thursday, the matter was brought back for consideration after much of the opposition had dispersed. I must tell you that this procedure on a subject as controversial and with such tremendous consequences to the church seemed ill-advised, to say the least. Some leaders who were present concluded that the only purpose for the overnight delay in taking the vote was to permit the political process to take its course. This procedure accomplished its purpose, but it failed to obtain general support for the recommendation. More important, it failed to produce unity.

This is not the first time that delays, tablings, straw votes, and similar strategies have been used in our convocations to push through an unpopular recommendation. While these procedures may bring the desired result, they do not enhance the credibility of church leaders. You will recall that a few

Elder Neal C Wilson, President  
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years ago at an Annual Council, we took action to chastise the publishers of Spectrum magazine. The action was taken primarily because of an article criticizing the leadership of the church for not carefully following democratic procedures. Could it be, that we censured the Adventist Forum primarily because they were so close to the truth? To me it seems our overriding desire should be to follow God's will, not to determine the wishes of human authorities. At such convocations it is difficult to hear the voice of the Holy Spirit above the sound of gossip and politics in the hallways.

You rightly pointed out early in the well-orchestrated presentation by the health-care workers that we have made mistakes in the past. Most of us are convinced that a significant step was taken in the wrong direction in 1978. Since two wrongs do not make a right, it would seem that now would have been the time to reverse the course that has produced disunity and divisiveness in the church organization. Instead, we have compounded the problem.

By church structure and practice, few top leaders in the church are trained in business concepts. And, since presidents generally are elected from the ranks of the clergy, it is safe to speculate that rarely have they taken even a single business course, inasmuch as this is not required of Theology majors in our academic program. This fact may help explain why business-trained professionals from the health-care system can persuade a majority of ministers to approve a selfish and worldly scheme that flies in the face of Adventist history and principles. Evidence of this lack of business background has led us into paths of folly, such as the Davenport investments of a few years ago.

But, perhaps the greatest objection to the action last week was that the General Conference in Spring Meeting session was called upon to cast a vote on an item not previously presented and without crucial background information that is available. Some leaders at the meeting objected to the use of the term "cover up", so I shall use the lesser understood term, "lack of disclosure." After the Harris Pine Mills disaster the General Conference appointed a Financial Review Commission (FRC) to study other areas of church activity. In spite of heavy resistance from MAD union presidents, influenced by the businessmen of the AHS, the FRC nonetheless proceeded with an extremely thorough investigation of the system. Since I was privileged to be a member of the FRC, I can testify that the commission probably was comprised of the most professional and dedicated people available. A report was prepared. It is direct, incisive, and makes positive recommendations for massive change in the AHS. I wonder if the attendees at the Spring Meeting would have voted for higher administrative salaries if the information contained in that report had been disclosed. Only a limited few were aware

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of the report which provides details of the dangers posed to the church because of the issues of ascending liability, inept management, blurred perception of mission and purpose, political disarray of the present AHS operations, and dangerously high debt.

Unfortunately, in the matter of Review Commissions, church history has not been kind to us. Many of us recall how the Davenport Commission made a report a few years ago. At the sacrifice of considerable time and money, mostly by lay people, decisive actions were recommended. The result at that time, again because of pressures by certain of our union leaders, was to scuttle the report, and the previous GC action was reversed.

Lack of disclosure also has prevailed with regard to the economic devastation created by the AHS North diversification bankruptcy. Even as Director of Auditing for the General Conference I have never been made aware of the facts involved in this debacle. Could it be that high level leaders of the church, outside the AHS, were personally involved in this scam? Without disclosure we cannot adequately answer such questions. In the business world (a term we seem to prefer when discussing the program of the AHS) a board chairman would immediately have been placed on administrative leave following such a disaster until the facts could be determined and the degree of his responsibility ascertained.

In your closing remarks late Wednesday, you indicated, Neal, that you had been tempted to allow the AHS to raise administrators wages without approval by the GC. In my opinion, you were wise to resist this temptation. However, the "case study" of the White Memorial Hospital provides a further example of why committee members often feel unnecessary except as "rubber stamps." I was unaware that church policies had been so blatantly flouted until the case was used persuasively by the proponents for the higher administrative salaries.

Clearly, great damage has been done by the action last week. It is not like rubbing salt in a wound or even reopening an old sore; it is more like making a new incision. We had the opportunity to begin change and a healing process. We failed in harmony with the rabbinical illustration, "How can you love me when you don't know where I hurt?" we must recognize there is hurting. Not many of my fellow workers will step forward and say so, but we're hurting! The hurt is not because we want equal pay with the health system people, we want fairness and unity! Why should one small group of church workers be singled out for unreasonably high compensation? Some may differ with me, but I must say I don't believe hospital administrators are in greater need financially than other church employees. I just happen to be

Elder Neal C Wilson, President  
 April 17, 1989  
 Addendum

COMPARATIVE REMUNERATION DATA  
 Public Accounting - General Conference Auditing Service  
 1988 Median Annual Salaries in Thousands

Public Accounting GCAS Scale	Washington	Boston	Michigan	Dallas/Ft	Atlanta	Midwest	Los Angeles	Northwest
	Entry (1 year)	24.0	26.0	21.0	21.0	25.0	21.0	24.8
Asst. Staff (1st yr)	21.0	21.5	20.8	20.9	22.3	19.8	21.5	21.5
Staff (1 - 3 years)	29.7	34.0	23.5	26.0	27.0	24.0	32.2	32.0
Asst. Staff (2nd yr)	22.5	22.8	22.1	22.2	22.6	21.5	22.8	22.5
Senior (3 - 6 years)	38.2	40.0	29.1	33.0	34.0	31.0	37.1	36.0
Staff	24.7	26.6	25.3	22.3	24.1	22.3	26.8	26.5
Manager 6 - 9 years)	48.0	61.0	39.0	45.0	45.0	39.0	51.3	50.0
District Director	29.4	30.3	27.6	27.8	28.6	27.8	29.5	26.5
Partner	85.0	102.0	85.0	75.0	115.0	80.0	108.6	98.0
Area Director	30.4			28.7			30.4	
Associate Director								
Managing Partner								
Director, GCAS	31.0							

Notes: Data for public accounting firms is taken from Source Finance Accounting and Financial Recruiting Specialists survey mid-1988. The survey description notes that "income figures for partners at national CPA firms . . . generally pay substantially over the median."

Public accounting data for Michigan based on Grand Rapids data, for Midwest based on Kansas City data, for Northwest based on San Francisco data.

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acquainted with some young church pastors, perhaps the most professional of us all, who today are having grave difficulties keeping the wolf from the door.

What can we do now? Many of our fellow workers and lay members are frustrated and disheartened. Little wonder that leadership credibility in the church, as in the world, is at an all time low. Little wonder that there is proliferation of independent ministries trying to call the church back to its deeply spiritual mission. At moments like this I can only rejoice that we have the message even when the messengers fail us. While it is impossible for me to defend the action the Spring Meeting took last week, I can at least appeal to your heart and mine that we turn to the Lord for forgiveness and seek the reformation we must have before the latter rain can be poured out on our church and our people.

Respectfully your friend



David D Dennis

Copies provided to: GC & MAD Officers  
 Other interested parties

Enclosure: Remuneration Comparisons

# 1990: The Session Nominating Committee

***On Friday afternoon, July 6, 1990, Neal C. Wilson was voted out of office and, in his place, Robert Folkenberg became the new General Conference president.***

***A wonderful new opportunity had been presented for a man of principle to turn the church around. Would this be done? Would Folkenberg be the man for the hour, or would he only continue the policies of his predecessor?***

***Would he call to his side the Nehemiahs of the denomination, the men most determined and able to help him bring urgently needed reforms into the church?***

***The answer would come within five days.***

For fourteen years, only one man in the General Conference had shown himself clearly willing to stand for the right, though the heavens fell. He had repeatedly urged men to maintain their integrity. That individual was David Dennis. Such was the type of men needed to help Folkenberg begin the needed reformation. It would not be easy, but with earnest prayer and an inflexible will to not compromise, it could be done. Indeed, the increasing crisis in regard to our standards and beliefs was accelerating so rapidly, that there were those who felt that the change in presidency—with such a young one having been selected that he might remain in office fifteen years—might well mark the last time the needed changes could be made!

Early the next week, Folkenberg approached David Dennis and spoke with him. He said he had heard that Dennis was in political difficulty, and would he wish to quietly turn in a resignation and leave the General Conference?

In reply, Dennis told him he did not wish to resign, and added that his only request was that he might receive a democratic vote. Folkenberg said he would make sure that was done.

But, on Wednesday evening, July 11, when it came time to deal with the nomination of the General Conference auditor, Folkenberg did not stand by his word. Instead of writing Dennis'

name on the board, he wrote someone else's name!

Then, turning to the group, Folkenberg told them that David Dennis had done an "ethical wrong," and that they should vote for someone else instead.

Not knowing the issues involved, a majority of the nominating committee voted for the man whom Folkenberg had written on the board.

That same evening, David was seated in the main auditorium listening to the presentation by the Far Eastern Division, when he was called out—and told that, because he had written that letter to Neal Wilson protesting the exorbitant \$70,000 to \$150,000 salaries, he had not been reelected!

Dumbfounded, to think that Folkenberg, only five days into his presidency, would do this, Dennis replied that writing that letter was the right thing to do and that, if he had to do it all over, he would have written it again.

The darkness of a terrible tragedy had fallen upon the church. It was business as usual among the leaders. The apostasy and cover-ups would continue. The men who dared to protest would be silenced.

Thursday morning dawned and, when the business meeting began on the main floor, the names of those approved by the nominating committee the night before were presented.

It was immediately obvious to many that David Dennis' name had been dropped, and another name inserted in his place. At this, when two delegates arose and asked that the name of the head auditor be referred back to the nominating committee, it was approved. The request was also approved that anyone, who might wish to do so, could appear before the nominating committee and speak to that body about this matter.

As you might imagine, a number of delegates had been utterly shocked at the situation. They well-knew that Dennis was the only whistleblower in the General Conference—and now an effort was being made to oust him! The election

of a new president had given them cause to hope for so much; and now this!

To make matters worse, Dennis was the only non-retiring person slated not to be reelected at this General Conference Session,—*yet he was the one who alone had been willing to speak up and protest a wrong course of action in the General Conference!*

One after another, 32 people filed into the room where the nominating committee was doing its work. The nominating committee agreed to give them one hour to speak. At its conclusion, they extended the time longer, since more among the 32 wanted to speak—and had so much to say.

They declared that it was unfair not to reelect David Dennis to the position of head auditor,—*since he had done exactly what an auditor should do!* He had protested a foolish, wasteful, extravagant outlay of money! What was he supposed to do? keep his mouth shut? *If those with the highest integrity and deepest concern for the welfare of the church were to be kicked*

*out, who would be left?*

One aging worker spoke up and said, “You’re the new president, and the auditor is your watchdog. Do you want it to go on record that you have shot your watchdog?” Another expressed the thought, “Are we going to do this again? I thought that all the political maneuvering was over, now that we had a new General Conference president?”

The nominating committee was warned that, if it did not send Dennis back to his post as head auditor, a chilling message would be sent to every worker in a responsible position in the church: *If you stand for the right, the leaders will get rid of you.*

Now, thoroughly aroused, the nominating committee canceled its previous vote—and reelected Dennis as head of the General Conference Auditing Department.

It was the summer of 1990, and the new presidency was only days old. What would happen next?

## 1990: The Governance Committee

***For the past fifteen years a trend has gradually tightened control from the top down. Frankly, the heart of the work—that is, our world headquarters—is becoming sick, as more and more power is placed in fewer and fewer hands.***

On January 3, 1979, Neal C. Wilson became the seventeenth president of the General Conference. For over a decade, he had been vice-president for North America, and immediately set to work to consolidate power. He could, and did, by a stern look, bore a man to the ground. Few dared withstand his hawk-like gaze.

When, on Friday, July 6, 1990, Robert Folkenberg was elected president, it was fully expected that this smiling, generous-appearing young man would effectively work to loosen the tight reins of control which Wilson had put in place.

But, to the surprise of everyone, Folkenberg felt that the best needs of the church could be

met by tightening the reins of control in the hands of a single individual instead of returning it to its historical beliefs and standards—as was desperately needed.

When N.C. Wilson was president, high-placed workers joked that the church was the “Wilson Memorial,” since no one, anywhere close to the General Conference, dared do anything without his blessing.

Yet there was still the Executive Advisory Committee, which on rare occasion took exception to his recommendations.

But when Robert Folkenberg became president, he used an intriguing method to place the controls still more firmly in his own hands.

He called together workers and lay friends whom he could trust to accede to his requests, and told them, “I want to delegate.” This was refreshing news! Wilson grasped authority and Folkenberg wanted to delegate it.

So, under Folkenberg’s direction, a new

governance committee was set up. It was called the Administrative Committee—*ADCOM*, for short—and it was assigned the task of running the General Conference. Total, complete, period.

Everything done had to be approved by *ADCOM*. As soon as it was formed, rather quickly Folkenberg arranged that *ADCOM* become a rubberstamp of his own desires. He alone decided what *ADCOM* would vote.

A single man was now running the top levels of the world church.

But not quite. There were still departmental workers at the world headquarters who were elected at General Conference Sessions. Although it was true that they knew better than to oppose Folkenberg's will, yet, technically, they were not fully under his control as long as they were elected by a different body.

Folkenberg was determined to complete the takeover of the church. Was it not for the best good of everyone that he wanted to do this, for, indeed, was not his mind the best one to make wise decisions for the people of God? Who else could do it better than he?

So, with a persistence worthy of better motives, the next step was to get the Annual Council

to approve a plan whereby all associate departmental leaders would not be elected at the quinquennial (five-year) Sessions,—but would instead be appointed by the president himself. Keep in mind that the people a man appoints, he can easily remove. And those people will know it every day.

In October 1994, the Annual Council dutifully approved Folkenberg's request. It is slated to be presented to the 1995 Session, at Utrecht, for final approval.

That approval will leave only a few men at the heart of our worldwide work, who are elected—the departmental heads. Folkenberg can then arrange that only those who have shown themselves to be contentedly subservient will be recommended for those positions.

As for the Auditing Department; forget it. Never again will it peep nor mutter, much less blow a whistle.

No longer will General Conference headquarters answer to the constituency of the church, but only to the president. *ADCOM*, with its approximately 15 members, will be in even firmer control of everything, and the president will be in control of it.

## 1990: ADRA Involvement

***ADRA is a source of very close involvement by our denomination with many national governments throughout the world. Because of its connections, we are indebted to maintain gracious relationships with each of them, and accede to their requests. These links would be difficult for our leaders to easily break when the Sunday Law crisis occurs.***

***A second problem is the flawed manner in which these funds are at times used.***

*Seventh-day Adventist World Service, Inc.* (SAWS) was established by our church, in 1956, as an international organization with an intended purpose of operating an inter-country disaster and famine relief program. By registering with U.S. AID of the United States Government, it became eligible to receive surplus

foods for distribution to needy people in developing countries. In addition, it also received reimbursement for ocean freight for shipment of food, clothing, bedding, medicines, and hospital and vocational equipment.

The annual Disaster and Famine Relief Offering (received in all our churches on the second Sabbath in May) provides funds for this work. But, with the passing of the years, immense amounts of money have been given to this agency by the governments of the Western world, primarily North America and Europe, for use in needy third-world nations.

In 1983, SAWS was reorganized under a new name, *Adventist Development and Relief Agency International (ADRA)*. The objective of the reorganization was to broaden the services from primarily food and clothing distribution, to development and rebuilding activities as well.

By so doing, a far larger amount of funds began flowing into ADRA from many national governments.

In addition to being closely connected with governments throughout the world, ADRA is also a voting and fully participating member of the Inter-Church Medical Assistance (IMA), the largest ecumenical agency in Christendom focusing on supplying medicinal drugs to Christian hospitals and clinics, of any and every denomination, throughout the world field. This makes our denomination a major purchaser and supplier of medicinal drugs. This involvement, along with our sending of voting members to the World Council of Churches headquarters, in Geneva, Switzerland, has brought our denomination into very close ties with mainline Sundaykeeping churches.

Although the board of directors has 54 members, for practical purposes, ADRA is run by Ralph S. Watts Jr.; and Kenneth J. Mittleider, a general vice-president of the General Conference, is chairman of the ADRA board, and works closely with Watts.

From 1965 to 1967, David Dennis and his wife served the church in Chile. About five years ago, he was invited back to the town of Los Angeles, Chile, for a seminar at the Los Angeles Adventist Academy (Centro Educacional Adventista de Los Angeles). It had been entirely built since the Dennis family worked in Chile.

As he was shown around the campus. He found it to be situated on about 200 acres, donated by a dedicated Chilean Adventist family.

Dennis was told that the German Government had provided funding to build the campus. So the college was essentially obtained cost-free.

As they walked, Dennis learned that the campus had never actually been finished. Only part of the faculty homes had been completed, and many faculty members did not have adequate housing. Dennis inquired why.

He was told that, when the German Government offered to donate the needed funds for buildings—as governments generally do—they specified exactly what they wanted. The faculty homes, for example, were required to be single family homes, as specified in the blueprints prepared back in Germany.

But, when the time came to build the faculty homes, one administrator at the school de-

cidated it would be better to make four-plexes, instead of single, faculty dwellings. In that way, he hoped to erect a larger number of units.

Several had been erected when, one day, agents from the German Government arrived to check on the progress. They walked around the campus, and carefully checked everything to see that it agreed with the German-made specifications.

But when they came to the partly-constructed faculty homes, they inquired what these buildings were.

When told what had been done, they said they would have to report back to the government leaders in Germany.

When the funding agency learned that their orders had not been followed to the letter, the funds were cut off and the campus was never completed.

When our leaders closely involve our church with government leaders throughout the world, there is a price to be paid. Because we are promised much money, we begin marching to a different drummer. If we do not carefully follow orders, there are penalties.

ADRA involvement directly impacts on all General Conference and world division decisions affecting church-state relations. We dare not offend the national governments, or the large amounts of money flowing through ADRA would be quenched.

Rather quickly, David Dennis became a thorn in the side of the leadership of ADRA—especially Ralph Watts and Kenneth Mittleider. Monetary contracts, by the various governments, require that audits be taken by his office, to ensure that governmentally stipulated specifications were met in the procurement, shipping, distribution of goods, and in the various development operations carried on overseas by ADRA.

But Dennis relates that only rarely did his office find that there were no infractions. Almost always, each overseas project was found to be not following specifications laid down by the contracting governments.

As noted earlier, Ralph Watts is ADRA's director. A hard-hitting, powerful personality, he is determined to push his projects through. But he prefers not to notify the contributing governments when funds have not been used in accordance with prearranged agreements.

Under David Dennis' management, the General Conference Auditing Department would carefully write up their on-site inspections in exact accordance with what they found. But this conflicted with Watts' "Don't upset the apple cart" approach.

Watts was enraged by the explicitness of the auditing reports, and repeatedly told Dennis so. He wanted the problems covered up.

One cannot help wondering how those accurate auditing reports could satisfy the governments they were sent on to. There is the possibility that the auditing reports, after being submitted to Watts' office, were doctored before being sent on to the various government agencies.

A fact which you probably did not know is that ADRA is the most powerful, single General Conference agency. It has an independent payroll, and rents its offices in the General Conference headquarters in Silver Spring, Maryland. ADRA has an excess of 200 employees.

(Adventist Health Systems, with more workers, was turned over to the U.S. union offices about three years ago. General Conference officers feared that when AHS eventually collapsed financially because of its top-heavy debt-to-asset ratio—about 2 to 1—the bankruptcy courts would reach into General Conference assets to obtain their money. Under the present system, union and conference assets are more likely to be seized first. A comforting thought: Your local church will be seized by the bankruptcy court before the General Conference headquarters is.)

ADRA lives in constant anxiety, lest it displease national governments throughout the world—both first world donor governments and third world recipient governments.

Because of the immensity of its bankrolled operations, General Conference leaders do everything they can to please leaders of governments on various continents, and make sure that local unions, conferences, and mission stations all over the world do nothing that will displease them. This includes efforts to prohibit the widespread distribution of *Great Controversy*. It also causes us to downplay the prophecies of Daniel 7 and Revelation 12-14, which point to the papacy as the antichrist power.

Sweden has already canceled its contracts with ADRA, and it is feared that other nations will also.

An increasing crescendo of anger had arisen in ADRA over the concern by the Auditing Department that audit investigations be honestly made, and truthfully reported, to the contributing agencies. Watts has repeatedly told Dennis that that is not the way that ADRA operations are to be conducted.

Unfortunately, ADRA likes to have it known that, for example, \$10 million is being given to a certain nation in Africa,—but it is far less concerned how the money will be spent.

In Zambia a new wing on the Mwami Hospital, provided through an ADRA project, sits empty and closed off. Inadequate studies were made to determine in advance the feasibility and need for such expansion.

Watts has made it very clear that he wants new management at the Auditing Department, yet that would not be for the best good of all concerned. It would only provide additional opportunity for the misappropriation of ADRA funds. Dennis was the only watchdog over ADRA.

There were so many problems at ADRA that, when one regional director flagrantly misused funds, he was able, by threat of disclosure of other activities within ADRA, to receive a handsome payoff, instead of severe penalties!

James Conran was the Adventist worker assigned to Rwanda, as ADRA director there. He was to oversee child survival programs, make sure the milk shipments were distributed in the villages to the right people, etc.

But, instead, he was flagrantly taking the goods, selling them, and using the money for his own benefit. This included a fine tennis court, and other things. When the U.S. Government learned of this, it was indignant. News of the scandal broke in the *Wall Street Journal*.

Recalled to America, Conran was confronted by Watts. Prosecution of Conran was imminent, and he was in serious trouble.

Strangely, at this point in such situations, the culprit is frequently transferred to a higher-paying AHS position or given some other reward. In Conran's case, instead of prosecution he was given a payoff and discharged!

Conran knew too much and, threatening to



disclose it, was apparently paid off instead of being punished.

ADRA is funded by skimming 15 percent off the top of the money received for administration purposes. But so much money flows in

that this is a sizeable amount.

For a variety of reasons, the leadership of the General Conference wanted David Dennis out. ADRA was one of the reasons.

## 1991: The Worthy Student Fund

***David Dennis' efforts to protect God's church from hurtful waste and improper activities had not been well received down through the years. But, this time, he really got into trouble. It marked the beginning of the end for him.***

The 1990 Indianapolis nominating committee episode, in which it was revealed that Robert Folkenberg had tried to oust David Dennis, because of Dennis' integrity, was gradually revealed by word of mouth to hundreds of our people. It was a shameful situation, and our new General Conference president had been in the center of it.

But, within a few months, another cause of, if possible, even deeper anguish to the new president, was thought to be caused by Dennis.

Yet, as usual, he was not the problem; he was merely again pleading for a proper solution to the *real problem*—which began immediately after the Indianapolis elections.

On Friday, July 6, 1990, Robert S. Folkenberg was elected to the presidency of the General Conference. A couple days later, Alfred C. McClure was elected to head up the North American Division.

As Ronald Wisbey, president of the Columbia Union, explained it, he was speaking with two individuals, and the matter came up about the possibility of funneling money through the church for the wives of Folkenberg and McClure. The objective was to provide the two ladies with an income, without their being employed by the church. This, of course, was neither legal nor prudent.

To add to the impropriety of the situation, the request was made at the very time when the General Conference was being forced to downsize its employees, due to a greatly reduced

budget. While General Conference workers were being stripped of their jobs, the two presidents' wives were to be paid for doing nothing.

Wisbey decided that a practical way to launder the money, was to do it directly through the General Conference. With this in mind, he went to Donald Gilbert, newly elected General Conference treasurer, and discussed the matter with him. It was clear to both men that the General Conference *Working Policy* would not permit such an infraction.

Would the General Conference do the laundering? Gilbert hesitated. He said it was not ethical, and he feared to become personally involved. It seemed best that some other church entity do the laundering.

Early on, Folkenberg was notified to see if he would accept the money,—and he liked the idea. If, somehow it could be worked out, he said he would gladly take it. Regardless of the ethical hazards and illegality, McClure also regarded the opportunity with favor.

So Ronald Wisbey did a big favor for the two church leaders, a favor for which, in a later chapter we will learn, he would be handsomely rewarded. Wisbey decided he would launder it through the Columbia Union.

When, because of Dennis' insistence, Gilbert later (on June 20, 1991) discussed the matter with the General Conference Committee, he said that, now that the matter was known, he wished he had "advised against its impropriety."

As a result, shortly after the General Conference Session ended, the two wives were placed on a "courtesy payroll." The money-laundering scheme worked this way:

The money was donated as tax-deductible contributions to "the Worthy Student Fund" of the Columbia Union Conference, from which were written monthly checks for this "courtesy

payroll” to the wives of both presidents.

What was this “courtesy payroll”? A total fabrication? No, it was a very real payroll account, managed by the Columbia Union treasurer’s office. At a later committee meeting, Wisbey explained that such “courtesy payroll” accounts actually exist throughout the denomination (!). This means, if he is correct, that other situations exist in which unknown persons are receiving salary checks from the church for not working!

By the end of 1990, each of the wives had received \$10,260. Assuming the first paycheck to have been for August, each wife was paid \$2,052 per month. Funds, which had been given as “charitable donations,” were used to provide personal benefits to the new presidents. This assistance was in the form of salaries to the spouses, who performed no work.

Shortly after the 1990 Session ended, secret donors phoned Wisbey. They wanted to know if he could work out channels, whereby a “gift” for Al McClure could be given, to help with his housing.

This time, Ron Wisbey felt he could transact this latest gift directly to the NAD president from the Columbia Union. McClure was told to go house hunting, and soon a \$140,000, interest-free loan was presented him. It came via a donation to Christian Education in the Columbia Union. This is the home in which Al McClure now lives.

Wisbey later told a General Conference Committee that the paperwork on the loan made McClure and the union co-owners of the house.

But there was more to this move from Georgia to Maryland. When a worker is transferred from one post to another, he must sell his house and then purchase a new one. McClure had been given a loan, with which to purchase the new one. As for the one he left behind in the Atlanta area,—that one was purchased by Adventist Health Systems/Sunbelt at “market value,” in order to speed him on his way. What relation had McClure sustained to AHS/Sunbelt? For many years, he had been chairman of the board of that corporation, and had approved a variety of transactions which the medical executives wanted.

Some readers will recall, in an earlier study on a General Conference yearly financial report and stock market investments, (prepared by the

present writer about ten years ago), that about ten homes of General Conference officers had been financed by outstanding General Conference loans. When Folkenberg moved from North Carolina to Maryland, he received such a loan. The General Conference loaned him the money with which to purchase the home, and the General Conference, and holds the mortgage on it.

At a later General Conference Committee meeting, Wisbey admitted that the “donation for Christian education” was channeled as a home loan, not through the conference, but through the super-secret Columbia Union Conference Association, in order to keep the news of it “within the financial group” and as quiet as possible. If there was nothing wrong with the transactions, why the efforts by all concerned to keep it secret?

At this point, David Dennis entered the picture, and, as might be expected, it was he who foundered the project on the rocks of public awareness.

In January 1991, when the General Conference Auditing Department made its annual audit of the Columbia Union books, the unusual transactions were discovered. The obvious thing to do was keep the matter hushed up, but Dennis demands integrity. Dennis, and his professional colleagues, repeatedly insisted that Wisbey inform and receive approval from a larger number of the brethren in the union.

In this case, that meant letting a far larger number of Columbia Union constituents know of the transactions. Dennis said that Wisbey should appear before the Columbia Union Executive Committee, tell them what had happened, and, if they wished to give it, obtain their official approval.

Why would Wisbey obey Dennis? The problem here was that, by church regulations, it was the responsibility of his office to audit the union books and prepare an audited report, which would be presented to the union office. But Dennis said he could not complete the report, unless proper procedures were completed. Disclosures to the proper constituencies, for their approval, was required.

So, over six months after the loan had been made and the wives’ salaries initiated, a meeting was convened in February 1991. Upon learning of it, the Columbia Union Executive Com-

mittee was astounded, but decided it had better give its approval to such an extended after-the-fact arrangement. (This committee was composed of sixty members, half of whom are lay persons.)

Yet the General Conference auditor's report still needed to be presented to the biennial session of the Columbia Union, which was to meet in May. A week before it was to meet, Wisbey was still trying to change the wording of the auditor's report. He wanted the items in question quietly buried, while Dennis maintained that a note should be appended to the written analysis—mentioning that the recipients of the money were the wife of a General Conference officer and the wife of a North American Division officer. Wisbey wanted that changed, simply, to “wives of employees.”

In desperation, with only a few days until the Columbia Union Constituency Meeting, at which 400 delegates would be present, a second meeting of the union executive committee was held in April.

At this meeting, David Dennis personally presented the position of the auditors and the need for the church to abide by the *Working Policy*.

Once again, Ron Wisbey discussed the incidents, and once again tacit reaffirmation of its February action was given by the committee.

In May, 1991, the Union Constituency Meeting convened, but the anonymous gifts were not commented on by anyone on the platform, and were not picked up by any of the delegates.

The next crisis came on June 1, when David Dennis' office mailed, to the entire Columbia Union Conference Executive Committee, a copy of a report which his auditor's department had earlier prepared and sent to the officers of the Columbia Union (which they had quietly filed).

That report said that the salaries for the wives and the interest-free mortgage loan to McClure did not conform to denominational policy. In addition, the report noted that, if the donors used it as tax deductions, there could be legal problems. The report even raised the possibility of the union having its tax-exempt status revoked. According to the report, that which had been done, through the connivance

of the treasurer and three presidents (union, North American, and General Conference), was a very serious breaching of church regulations, and could result in problems with the federal government.

The consternation, caused by that report, resulted in the decision, finally after nearly a full year after they had begun, to tell the General Conference Committee about the anonymous donations. The date of the meeting was June 20, 1991. But another meeting was first held the night before.

On the evening of the 19th, N.C. Wilson spent two hours talking with Folkenberg, to help him see that he was in an ethical crisis, and that he must immediately repudiate his wife's salary. Folkenberg finally relented and wrote a letter to that effect, which was read the following morning.

At the next day's meeting, Don Gilbert, General Conference treasurer, introduced the subject, and explained the historical background of the matter (as noted earlier in this chapter). He mentioned his wish that, if he could do it over, he would have done it differently.

Ron Wisbey also spoke, and noted how he had tried to keep everything quiet because it was a private matter of the two families. He mentioned the problem of obtaining the auditor's report, which resulted in opening the matter to the union executive committee, and including the item in the report to the union constituency.

Neal C. Wilson spoke. Like other former officers of his rank, he remains on the General Conference Committee for five years after his replacement. He said he had not been consulted at the time, and that, when he first heard about it, he replied, “I don't believe it!” Hearing about private funds being channeled through the Columbia Union to the presidents of the General Conference and the North American Division, he said, “My two fellow leaders are smart enough not to be drawn into that!”

Wilson then recounted the several times that special financial assistance, loans, and free stock (the latter from Worthington Foods) had been offered him—and he had turned it all down. The conflict of interest implications of accepting such offers were terrific, he said. Wilson also mentioned his two-hour talk, with Folkenberg, the previous evening.

The consistent defense had been that the only problem was that the auditors had let the cat out of the bag. But, during his remarks, Wilson looked down at Wisbey, seated directly in front of him, and said it was a mistake to believe that no one would have heard about the secret donors, if the auditors had not brought it out into the light.

As for Folkenberg's brief letter, it excused what had happened and gave the impression he would have done it again if he could have kept the matter quiet. The problem, he said, rested clearly with those who had opened the matter to a wider audience.

"You cannot imagine my surprise and dismay when some of our own staff seemed intent on painting with sinister hues that which was done in the light of day!"

Once again, the auditor's warning was treated as something sinister, which should not have been written. As for the secret transaction, Folkenberg claimed it had been done "in the light of day." That was a strange statement, and quite contrary to the facts about the source, purpose, and transmission of the donations. The source was kept hidden, the purpose was carefully falsified, and the transmission was remarkably devious.

Another individual who spoke at that meeting was Mitchell Tyner, an attorney who was an associate director of the General Conference Department of Public Affairs and Religious Liberty.

He said the potential conflicts of interest,

which occurred in these transactions, would never have passed the ethical standards required of the United States judiciary or Congress. He also commented on the problems of fiduciary duty, secretness, and "self-dealing" which was involved. He then made a concrete recommendation which, we understand, still has not been implemented: He asked that an ethics committee be convened to establish (at long last) a code of ethics, and review difficult questions brought by workers.

In defense of what was done, it has been said that the secret donors may not have taken a tax-deduction on the contributions. But, if that had been the case, they would have given the money directly to the Folkenberg and McClure families; they would not have channeled it through the Columbia Union. Think about it.

It has also been said that it was done this way so the donors could remain anonymous. But the identity of the donors is rather well-known to all concerned—including the Folkenbergs and McClures,—so that could not be the reason.

Both Robert Folkenberg and Al McClure may have had noble feelings about the matter, until the matter was publicly disclosed. But there is no doubt that they both saw David Dennis as the one who brought much grief to their families.

Whistle blowers have a way of becoming unpopular. Dennis was becoming very unpopular.

## 1992: The Atlantic Union Seminar

***By 1992, the situation at the General Conference was rapidly worsening. The Governance Committee was gradually tightening the reins of control, to keep workers in line.***

Prior to the era of Neal C. Wilson, our world headquarters had been operated by large committees, with the president as chairman.

But N.C. Wilson, when he became General Conference president in January 1979, worked

hard to make a reality of his firm belief that what the church needed most was control by a single person, a man of wisdom at the top of a denominational pyramid of workers.

It had been the earnest hope of many that the grotesque management which he had put in place—in which men in the highest levels of our work feared to act without Neal's express permission—would wither and die as soon as a successor was voted in.

But, instead, when Robert Folkenberg was

voted into office, he set to work to tighten the controls even more—through the establishment of a small committee (called the Administration Committee, or as it is best known, ADCOM), which would not peep nor mutter, without the express approval of the president who sat at the head of the table.

On Thursday, April 2, 1992, David Dennis arrived at Hyde Park, New York. From there he drove to Camp Victory Lake, the nearby campground of the Northeastern Regional Conference. It was planned that, from Friday the 3rd to Sunday the 5th, he would participate in a weekend seminar for church and conference board members.

On Sunday morning, as the session drew to a close, he began his presentation. He was supposed to explain the purpose of the auditor's report, which is affixed to a financial statement.

The meeting was attended by several influential lay people, who were aware of the efforts made by Elder Philip Follett, the Atlantic Union president, to have Dennis removed at the 1990 General Conference Session. Follett, himself, was in attendance at the weekend gathering and was present for the presentation on auditing.

During that meeting, Dennis made the statement that it was important for all administrators of the church to be open and disclose full details of all transactions in their financial report.

Seriously, now: Do you think that was a proper thing for Dennis to say? Was it honest?

Was it fair to membership who pay the bills? Would it be for the best good of church administrators, to have such openness of financial reporting?

David Dennis made that comment, because it is his strong belief that it is in accord, not only with professional ethics, but also with clear Spirit of Prophecy counsel to our people. We are told that all our transactions should be as transparent as the sunlight.

While Dennis spoke, Follett, without his permission, tape recorded the entire presentation. Then, following the meeting, Follett wrote a strong letter of complaint to Folkenberg, objecting to what Dennis had said.

Interestingly enough, in it he said that, what Dennis had said, sounded strongly like the "independent ministries" (a term of disdain among many of the church's leading officers).

Little more was said at the time, but it was obvious that several individuals, including Folkenberg, Follett, and McClure were deeply upset that Dennis would dare suggest to church workers that financial openness should govern their activities.

Why should leadership be so fearful to have their activities exposed? We can understand, when we learn about some of their wasteful practices, such as the Davenport escapade, the Harris Pine fiasco, the immense salaries to Adventist Health Systems' officers, the Worthy Student Fund, the North American Division Union study, the sidelines and rewards, and the Parsonage Exclusion Report.

## 1992: The NAD Union Study

*Once there was a man in India who wanted more than anything to own a white elephant. Finally he sold most of what he had and purchased one. Oh, how he prized his white elephant!*

*But the cost of feeding the creature, year after year, was a serious problem. The elephant had to be hand-fed, since, if it foraged for itself, it might get sick and die—and that must not happen because it was sacred!*

*So he decided to sell it, but no one would buy it. Because it was sacred, they did not want such a great responsibility.*

*Finally, in desperation, he considered turning it loose, but was told that this would be a terrible act, since it was sacred. The white elephant must be carefully fed and cared for forever.*

By the late 1980s, so much money had been spent by the General Conference on excesses,

such as higher salaries, special perks, and trademark lawsuits (just one lawsuit alone costing them \$700,000), that denominational leaders were having a hard time paying the bills.

In an effort to help his beloved church come up with more money, David Dennis did a sensible thing: He tried to find a way to cut expenses. His attention was turned toward one of the most obvious white elephants in the North American Division: the unions.

The original plan was that the North American unions (officially called “union conferences”) would help simplify organization and facilitate the work of God on earth, but it has not worked out that way.

The idea of dividing the United States and Canada into several districts was suggested at the 1888 General Conference Session, but was not well received. There were already state conferences; why have larger districts? But General Conference officers made the division on their own in November of that year. The continent was initially split into four large districts.

At the 1889 Session, it was agreed to divide the continental pie into six divisions (Atlantic, Southern, Lake, Northwest, Southwest, Pacific).

After this session, the duties of the general superintendent of each district were defined (on page 56 of the *1891 SDA Yearbook*):

He was to attend annual state conference constituency meetings and other meetings in his district. He was to “counsel, caution, and instruct” officers of the state conferences and associations, and was to show special care for weak conferences and mission fields and “bring to the attention of the General Conference Committee, the condition and wants of such fields.”

A little thought reveals that these district leaders were merely friendly visitors, without any authority, to conference and the division offices. They were not in charge of the conferences, and could only serve in advisory capacity. They had no teeth to enforce their suggestions. Their assigned task was simply to make suggestions.

To this day, that is about all they do!

Yet, back in those days, the “district offices” were not expensive to maintain, since each of the six district offices only contained two rooms; one for the superintendent and the other for a part-time office secretary.

But with the passing of years, those districts offices, renamed “union conferences,” grew and grew and grew. The North American Unions are now similar in structure and number of office workers to that of local conferences.

The president, secretary-treasurer, committees, and the departmental secretaries of a union conference are elected biennially by delegates appointed by the local conferences.

The union executive committee (which has administrative authority between sessions) consists of the union officers and departmental secretaries, local conference presidents, and heads of union conference institutions. The president of the union is a member of the General Conference Committee.

David Dennis had spent most of his adult life investigating organizational books, searching for problems, improprieties, and bottom lines. He was the ideal person to tackle the question of whether the existence of North American Division unions had any worthwhile validity.

But he was shocked to discover that millions of dollars were spent, annually, to keep them in existence, yet they accomplished very, very little.

Indeed, he found that, as he discussed his findings with others, that few tried to convince him of their usefulness.

In fact, he found that the North America union offices posed a severe financial bottleneck, as funds and resources were strangled from being useful in various types of soul winning.

Dennis noted that, at the 1994 Annual Council, a budget for the ensuing year was voted for the union offices which did not balance. Initially, it was out-of-balance by some \$20 million!

One of the reasons for this deficiency is that unions are siphoning off huge amounts of tithe and offering dollars.

Several years ago, David Dennis began urging church leaders to close down the union offices, in order to save money. He asked what value the huge outlay of money represented, and no one could adequately reply. But, to all his urgings, all he accomplished was angering a number of union conference presidents and their executive staff. Their sinecure was impor-

**TABLE III-a  
ANALYSIS of INCOME STATEMENT DATA  
TOTALS--NORTH AMERICAN DIVISION**

		1986	1987	1988	1989	1990
Line a = Amount (000 omitted)						
Line b = % of Total Income						
<b>Income:</b>						
Restricted	a	26918	31431	33176	34792	35258
	b	40.8%	44.8%	44.6%	44.3%	43.6%
Unrestricted						
Net Tithe	a	30710	32018	34268	35870	37159
	b	49.2%	45.6%	46.0%	45.7%	46.0%
Other	a	5929	6777	6973	7832	8388
	b	10.0%	9.7%	9.4%	10.0%	10.4%
Total Income	a	63556	70227	74418	78494	80806
	b	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Expense:</b>						
Ch. Ministries	a	7525	8015	8222	9976	9716
	b	11.8%	11.4%	11.0%	12.7%	12.0%
Education	a	24512	26431	26503	27826	30699
	b	38.6%	37.6%	35.6%	35.4%	38.0%
Publishing	a	1495	1586	1517	1543	1497
	b	2.4%	2.3%	2.0%	2.0%	1.9%
Other Functions	a	16755	21288	22215	23851	23847
	b	26.4%	30.3%	29.9%	30.4%	29.5%
Admin.-General	a	5927	5800	6030	6379	6409
	b	9.3%	8.3%	8.1%	8.1%	7.9%
Other Support	a	6910	6448	6814	6816	5871
	b	10.9%	9.2%	9.2%	8.7%	7.3%
Total Expense	a	63124	69566	71299	76392	78038
	b	99.3%	99.1%	95.7%	97.3%	96.6%
Net Excess Income	a	432	660	3119	2100	2768
	b	0.7%	0.9%	4.2%	2.7%	3.4%

tant, and they wanted to maintain it. As union conference leaders, they had the opportunity of traveling about several states, at church expense, and preaching in churches and camp-meetings. They were recognized everywhere as of special importance, since they were *union* conference officers. Indeed, it has long been an accepted fact that, aside from the General Conference president, a North American union president holds the single most powerful denominational position.

In the early 1990s, Dennis did a careful study which revealed the amounts of funding that were going into the union administration on the North American continent.

***On the preceding page is a table of what it cost to operate the North American unions for a five-year period, from 1986 to 1990, broken down by year.***

***To all amounts on that table, you must add three zeros; hence, the first amount would be \$26,918,000.***

Here are some facts from the *Analysis of Income Statement*, on page 31.

For the year 1986 (top left on the table), the three categories of income totaled 63,556,000. That was 100 percent of the total income.

Just five years later (top right on the table), total income was \$80,806,000; or \$17,250,000 more. With a growth rate of \$17 million every five years, or \$3,450,000 a year,—the union offices are really booming!

But the evidence indicates they accomplish almost nothing. No longer is it a district with a district superintendent and a single part-time office secretary. No longer is it the sole work of the superintendent to attend conference meetings and make suggestions.

Today, about all the union presidents still do is make suggestions and give orders—but the immense cost belies the value of maintaining their offices to make those suggestions!

On the accompanying table, expenses for 1986 totaled \$63,124,000. That was 99.3 percent of the total income, yielding a leftover amount (“profit”?) of \$432,000 at the end of the year.

In 1990, expenses were \$78,038,000, leav-

ing a plus balance of \$2,768,000 to start the new year with.

For practical purposes, each year it is obvious that nearly all the vast income is used up. The North American Unions are not a savings bank operation.

But please recall the figure cited earlier in this chapter: David Dennis discovered that, in October 1994 when the most recent Annual Council met, there were so little denominational funds available—that keeping the white elephant well-fed was becoming difficult. The 1995 world budget was \$20 million short! The elephant was eating a lot of hay. So the brethren had to go back to figuring, and finally managed to drain an additional \$20 million out of worthwhile and needy projects—to keep the pachyderm well-stuffed for the coming year.

David Dennis continued pleading with leaders to change this situation. Unfortunately, the whole matter has become a political issue. The jobs of important men would be lost, and, instead of sitting in an office chair, they would have to go back to preaching the Gospel.—And those important men are extremely influential. They have the power to significantly swing votes in every conference, union, division, or General Conference election.

Yet, freeing up this amount of money could have an enormous financial impact on the operation of the church in North America, even without addressing certain other obvious wastes.

Aside from a variety of special perks, Dennis points to other wastes, such as the redundancy of so many senior colleges and local conference offices. The closing down of the union offices would be the easiest to accomplish—if it were not so firmly embedded in politics. Who is so brave that he would vote himself out of such a nice job?

Recognizing that there are certain union departments which should perhaps remain open (such as the union education departments), he insists major changes still need to be effected. Great waste continues year after year, because men in high positions value their positions more than they do the worth of souls won to Christ.



# 1992-1994: Sidelines and Rewards

***This chapter could be titled, “Conflict of Interest.” According to the General Conference Working Policy, “all employees of denominational organizations have a duty to be free from the influence of any conflicting interest.” There have been problems of this kind in the past, but, since Robert Folkenberg became General Conference president, violations of this policy have been on the increase.***

According to the *General Conference Working Policy* (1993-1994 edition, section 50), among the specific acts which create such a conflict of interest is the “engaging in business with, or employment by, an employer that is in any way competitive or in conflict with any transaction, activity, or objective of the organization.”

Another paragraph states that it is, by definition, a conflict when, “making use of the fact of employment by the denominational organization to further outside business or employment, or associating the denominational organization or its prestige with an outside business or employment.”

Finally, the policy defines as a conflict the accepting of “any gratuity, favor, benefit, or gift of greater than nominal value beyond the common courtesies usually associated with accepted business practice, or of any commission or payment of any sort in connection with work for the denominational organization other than the compensation agreed upon between the denominational organization and the employee.”

The legal action, brought against the General Conference and several of its leaders by David Dennis, points to numerous instances in which church policy was violated. It was because Dennis objected to these violations, that leadership wanted him out. He reported on—and thwarted—attempts by church leaders to appropriate to themselves personal benefits of church assets. One example of this is to be found in the chapter in this book, *The Worthy Student Fund*.

Another example, to be found in the court

documents, concerns the operation of a business enterprise, sometimes known as *Galileo and Associates*.

In earlier years, the General Conference had purchased and set up a video production studio. This was done in order to save money. By having their own staff and equipment, they would pay less per video than if they contracted it out to an outside studio. This operation was carried on under the auspices of the General Conference Communications Department.

But a major equipment increase was made after Folkenberg became president in 1990. Our new, young president was computer and video oriented.

But then a strange development occurred. In 1992, under the guise of “budget cutting,” the General Conference signed papers to henceforth contract out their videos to a small studio. By this action, an outside businessman would be involved, who would reap a sizeable profit by preparing videos for the General Conference and North American Division.

But the “studio” turned out to be one of Robert Folkenberg’s closest friends: Ray Tetz.

His full name is Raymond D. Tetz, and, in addition to having received that contract, he receives a full 40-hour salary from the General Conference under the title, vice-president for public relations for ADRA. His primary duty in his capacity as PR man for ADRA—is operating the contract studio! This means he is receiving a double salary—and the contract wages are far greater than those he routinely receives as a General Conference employee.

All of the work done in that studio, is billed to the General Conference by Tetz. —And what is the “studio”? It is none other than the General Conference video studio! All the equipment there is owned by the General Conference. All of it is maintained, repaired, and replaced at full cost to the General Conference. Yet, using General Conference video equipment and rooms, operating on their utilities expense, and doing it on company time—Tetz receives a sizeable profit.

In addition to receiving his full salary as a

General Conference executive,—he bills the General Conference in excess of \$150,000 a year to produce videos for our world headquarters! This is “cost-saving”? It is money-wasting in the extreme.

It would be relatively easy for the General conference to hire an employee to manage video operations, as they used to—prior to Folkenberg's election. But now they do it the expen-

sive way: contracting it out to a middleman, to do the job with their equipment and facilities. In addition, he does it on company time; that is, during his regular work hours as a General Conference employee.

As noted earlier, Tetz does this work under the name, *Galileo and Associates*. But he also does business under a variety of other names, including *Media for Ministry*. So it is very pos-

15210640

**Media For Ministry**  
14321 Sturtevant Road  
Silver Spring, Maryland 20904  
(301) 384-1741

## INVOICE

Invoice # 926

DATE: October 10, 1994

NO.	PROJECT DESCRIPTION	AMOUNT DUE
NMR-116	Oct, 1994: "Community Relations/Bermuda" (Remaining payment on total of \$11,300.00)	\$7,300.00
NMR-117	Additional to Comm Relations/Bermuda: Travel	\$1,000.00
NMR-118	Nov, 1994: "One Room School/Canada" (Remaining payment on total of \$11,300.00)	\$7,300.00
NMR-119	Dec, 1994: "Kids Raising Kids" (Remaining payment on total of \$11,300.00)	\$7,300.00
<b>TOTAL DUE</b>		<b><u>\$22,900.00</u></b>

Due upon receipt

Thank you for the opportunity to serve you.

sible that some video work is done for non-church organizations as well.

This unusual situation raises several questions. During his pre-trial discovery, when the General Conference is unable to further stall the legal process, Dennis will ask for a complete accounting of this operation. Besides Tetz, who performs these services using church-owned facilities while drawing a full denominational salary and benefits,—who are the other beneficiaries of these funds? Is it possible that gratuities are paid to Folkenberg (who staunchly defends the operation), along with ADRA board chairman Kenneth Mittleider? Or are the benefits given to church leaders in the form of personal videos, travel or other favors? Why this clandestine approach to the operation, in violation of church policies regarding conflict of interest? It is well-known that Folkenberg and Mittleider prefer to keep the arrangement quiet. These and many other questions will be addressed during the lawsuit. Dennis alleges that, at this time, it is known that large sums of money are being paid to Tetz, who enjoys the full support of both Folkenberg and Mittleider, who are named defendants in Dennis' legal action.

During calendar year 1994 alone, Tetz billed the General Conference and the North American Division \$158,000. That does not include the amount he billed ADRA and other church entities that same year! Yet he does all this on office time, for which he receives a regular full-time General Conference salary.

Ray Tetz, in his marvelous multiple-pay job at the General Conference, is well-protected by Robert Folkenberg and Ralph Watts. He is pulling in his regular salary as a full-time General Conference worker (about \$28,000 a year), plus his net (approximately \$65,000 a year, after paying some assistants) from the contract work he does on company time. Why is one man at the General Conference making so much money? Is he splitting some of it with others? What kind of cost-cutting is this?

A full accounting has not yet been made public to determine the extent of personal benefits made available to President Folkenberg and Vice-president Mittleider, chairman of the ADRA board.

Tetz was recently assigned to direct communications and public relations at the forthcoming General Conference Session in Utrecht,

Holland. In his dual role as owner of *Galileo and Associates*, and related companies, he will reap sizeable profits from videoing the forthcoming Session.

It is rumored at world headquarters that Folkenberg is planning to promote Tetz to an even higher position; perhaps that of General Conference Vice-president for Communications.

As quoted earlier, the *Working Policy* forbids special gratuities, favors, benefits, or gifts to employees. Yet Folkenberg makes sure he himself receives preferential treatment. Since he became president in 1990, without any committee approval, Folkenberg has insisted on traveling only in first or business class: always first class in North America, and business class overseas. This costs the church precious tithe funds to the tune of tens of thousands of additional dollars annually.

Why should Folkenberg demand preferential treatment? On more than one occasion he has enjoyed travel by Concorde across the Atlantic. This is the most expensive form of air travel (first is Concorde, second is first class, third is business, and fourth is economy). Free travel has also been provided to other members of his family.

Another area of abuse has been Folkenberg's utilization of General Conference employees to provide free maintenance and construction at his home. If his house was owned by the church, that would be another story—but it is his private lawn and shrubbery which is regularly groomed by church employees; it is his private home which is repaired by church workers. He pays nothing for the services done to his private property; the entire tab is picked up by the General Conference. Dennis, who is involved in the audit of books, believes this to be an illicit use of church funds. We do not have here a parish, or a similar situation in which the dwelling is owned by the church corporation. This is Folkenberg's private home. All the maintenance, improvements, and repairs—adds to the value of real estate which Folkenberg will reap when he later sells it.

There can be little wonder that the one man at the General Conference who was regularly looking into such activities—was quickly fired, as soon as the slightest pretext came into view.

Any reader who works for an employer, well

knows the discouraging influence that such developments can have on the workers. Men must either speak up or become accomplices. Eventually, as it becomes clear that fawning adulation, flattery, and gifts wins the day, more and more workers—and even lay members—become demoralized.

This type of slavish demoralization eventually spreads to overseas stations. Men recognize when flattery and adulation can help them keep their jobs, and win special favors.

The *Adventist Review* of November 4, 1993, in a four-page report, told of the General Conference 1993 Annual Council, held in Bangalore, in the southern part of India. One of India's largest cities, it is located about 300 km (220 mi) west of Madras.

One of those present at that council provided a report of what happened next:

Upon arriving at the Bangalore airport, Folkenberg, smiling broadly, was directed to a decorated chariot-like vehicle, pulled by two horses. Then over 50 flower garlands were placed about his neck—one from each of the Southern Asia Division leaders, the South India Union, the Karnataka State Section, Bangalore Adventist Hospital, etc.

A jeweled turban, such as formerly worn by the ruling class, was then placed on his head and the leaders had him sit in the conveyance. Then, as a street band began playing and three village dancers began singing and dancing, the procession began moving along. (A brass band was supposed to also be present for the welcome, but, because the president's jet arrived late, that band had another appointment that afternoon so could not be present. The thousands of rupees paid to it were wasted.)

One of the dancers was a scantily dressed woman, another was a man dressed as a peacock, and the third was a man dancing the pagan horse dance. As the procession continued, fireworks were set off (small rockets and fire crackers). The dances, to invoke the blessing of the gods, and fire displays, to drive away evil spirits, generally accompany Hindu processions such as funerals. What must the onlookers have thought about Seventh-day Adventists?

The one writing the eye-witness report made this comment: "Some of our Indian brethren wonder if this dance was the dance celebrating the funeral of God's truth and standards in cer-

tain areas of our church."

At some point, early in the procession, Folkenberg was transferred to a limousine and some of the high-placed church officers were placed in several others behind him. Then automobiles, dancers, and fireworks continued on down the street. (The automobiles utilized were *Contessa Classics*, one of India's most prestigious cars.) These motorcars were driven slowly in single file convoy behind several motorcyclists.

Numerous arches were erected across the route of the procession, welcoming the General Conference president with flattering words about his greatness. In India, such arches are usually reserved for visiting heads of state or other grand dignitaries.

Gradually, the procession wound its way through the streets toward the Lowry Memorial Junior College. Folkenberg, who should have instantly refused such adulation and praise, appeared quite delighted by the whole extravaganza. Missionary work in that city probably sunk to a new low after the populace heard about the escapade. At one point on the route, the procession passed parents, who had just arrived to get their children attending Roman Catholic St. Joseph's School.

Just beyond St. Joseph's was the Bangalore Adventist school. Arriving at the gate, more parents stood open-mouthed. They had come for their children attending our school (over 95% of the attendees are children from non-Adventist homes). The gorgeous parade had arrived just as school let out for the day.

Throughout the Annual Council which followed (held from October 5 to 11), the entire assemblage of about 360 persons (the members of the General Conference Committee) stayed in five-star hotels. All about them were millions living in hovels.

As the glorification of men increases, we veer further and further from succeeding at our worldwide mission. We are not only to give the message of obedience to the law of God, by faith in Christ, to the world, we are also to individually develop characters such as Christ had.

But now, let us return to everyday life in Silver Spring, Maryland. Robert Folkenberg cares for his relatives. After he became president in 1990, he announced a new project: "*Global Mission*." This was a cliché for the outreach of

the church to enter new areas of the world. Without official approval, Robert's brother, Don, was given employment for approximately a year during 1991-1992 as a financial coordinator for ADRA. His travel was unlimited and unauthorized.

In 1992, Don Folkenberg, the president's brother, was appointed an "associate treasurer" of the General Conference, and given the responsibility of disbursing funds from Global Mission. Specifically, this meant that he had sole control of spending all funds allocated to Global Mission, spent outside the United States—which was nearly all those funds. (Annual funding for the Global Mission project runs in excess of \$13 million.)

Shortly before his firing, David Dennis began probing methods to verify the use of the funds disbursed by Don Folkenberg. He found that he could confirm the receipting of the funds and the accounting for them within the world headquarters. Dennis says there was "good control of them there." But, at that time the audit trail stopped. Don Folkenberg disbursed the money overseas and it is very difficult to determine how those funds were used.

For example, money presumably spent by Don Folkenberg in eastern Europe could not be traced. I asked specifically what this meant, and was told that the auditor's office had no idea how or for what that money was spent. I was told there were actual instances of, for example, a person having donated \$10,000 for a church building to be erected in a designated town in Russia. But, not only was there no record of that money having been spent on that church—or on anything else,—actual investigation disclosed that no church had been built there! No church leader or worker in that area had heard of any such project.

Dennis urges that an investigation should be made of Don Folkenberg's itineraries, with a special probe of his activities in Switzerland. In addition, an investigation needs to be made of his prior business deals, both for and outside the church. This would include his business operations in Florida. This could be very relevant to the investigation.

Then there is Ron Wisbey. As president of the Columbia Union, Wisbey had been the one who carefully laundered the money for the wives' salaries through the "Worthy Student Fund."

Everything had been done to hide the fact that the wives were receiving church salaries, without being church employees.

Later the favor was returned. Those who play along, receive their rewards by and by.

Wisbey had been receiving about \$28,000 a year as president of the Columbia Union, but, while still in his fifties, he was to be rewarded. A new job was manufactured for him.

The Columbia Union is located in Columbia, Maryland. The AHS unit serving that area is Adventist Healthcare Mid-Atlantic Corporation, under the direction of Bryan Breckenridge, and is headquartered in Rockville, Maryland. The two are not far apart, Wisbey has been given a new job. He is go-between between the two. His official title is *Liason between the Columbia Union and Adventist Health System*. For this kind service of helping Breckenridge keep in contact with the Columbia Union, Wisbey now draws a princely salary from AHS. It is our understanding that this is equivalent to that of a hospital administrator or junior AHS executive, which is currently reported to be about \$240,000 a year! Pretty good for a man who had been trained only in clerical and pastoral work; but Wisbey had done some favors, and that made all the difference. He may chair some meetings but, for practical purposes, he is in a position especially created for him. His official duties may be described as something of a consultant, or go-between, for the two entities. Where did the money come for his quarter-million yearly salary? It had to be siphoned from the hospitals; where else could it come from?

Yet this comes at a time when Adventist hospitals are having to cut back deeply in employees in order to keep in the black. Stringent reductions in personnel continue to occur. Articles regularly appear in the pages of the *Review*, discussing the financial hardships that our hospitals are undergoing because of tight budgets.

For example, there were four chaplains at Washington Adventist Hospital. But this was cut back to two, and their salaries were reduced by 40 percent. A number of nurses and physicians have been dropped at that hospital.

It might be added that Wisbey's wife, who formerly was employed as an office secretary for the General Conference, is now an office secretary for Adventist Health System—at twice the salary she previously earned.

# 1994: The Parsonage Exclusion Reports

**Church leaders are increasingly providing special perks to certain workers which are illegal. Yet the problem continues, unabated. Only David Dennis spoke up and warned the brethren that, to continue doing so, would lead to trouble.**

**But now his voice has been silenced.**

An example of what we are talking about would be the *Parsonage Exclusion* provided to ministers, in the earnings reports submitted yearly to the Internal Revenue Service (IRS). This is a deduction directly from gross wages.

According to this government regulation, the United States religious organizations are permitted to provide a rent-free, tax-free home (a *parsonage*) to each minister/priest/rabbi shepherding a local church in that area.

For many years, this parsonage exclusion clause, in the IRS regulations, was applied by our church to licensed and ordained ministers. It had been determined, by both legal counsel and IRS consultation, to be a proper procedure.

When women ministers began serving in the churches, it was thought that there might be the possibility that they, too, could receive the parsonage exclusion tax write-off. After appropriate investigation, it was determined that a legal opinion indicated they could also receive this benefit.

But, within the past decade or so, as our church leaders became more liberal in theology (“it is all right to sin till the Second Coming”), they began initiating more violations against government laws as well. Since it was all right to sin against God’s laws, it surely must be all right to sin against man’s as well.

But gradually, other individuals, who did not properly fit the ministers/priests/rabbis clause, began receiving this church exemption from our leaders. They were given cost-free homes to live in, which could be written off as tax free. The money paid for purchase, furnishings, appliances, fixtures, and maintenance did not have to be taxed.

Certain church entities in America began doing this more than others. One of the most

blatant was within the Pacific Union Conference.

In the process of conducting annual General Conference audits, David Dennis instructed his associates that proper auditing procedures required that they list and report every infraction. All illegalities must be noted on the report.

You might wonder why Dennis required this.

First, auditors are supposed to be ethical. If the auditor is not honest, who will be?

Second, Seventh-day Adventists, of any people in the world, should be the most obedient to law. They should not need an auditor to plead with them to stay on the legal side of every transaction.

Third, Dennis well-knew that, if he did not warn church leaders of these infractions, they could later face severe IRS penalties. The warning, heeded, could save the denomination millions of dollars in fines.

But, instead, of gratefully accepting the reports—and eliminating the illegalities immediately,—great pressures were applied to the auditors to withdraw their reports! The pressure was applied by Tom Mostert, president of the Pacific Union, and Al McClure, president of the North American Division.

But Dennis declined to become involved in any cover-up. He said that these were accurate audit reports, and he would neither change or withdraw them.

We had an honest man in the General Conference! And what a place to have an honest man—in the auditing department, which made annual financial reports on what was going on!

Finally, under pressure from Mostert, the auditors were locked out! They were not permitted to complete their audits! This, of course, is in direct defiance of the *Working Policy*. The doors were finally reopened, for fear that the laity would learn of this malfeasance and bring embarrassment to the church.

But immense bitterness against David Dennis and his auditing department was generated. Something had to be done—not to stop the illegalities, but to get rid of anyone honest enough to report it.

# 1994: Nearing the End

***How long were our leaders to continue putting up with, what was termed, “interference” by one man? Surely, it could not continue forever. Yet the director of the auditing department had been warning and pleading with leading officers in the General Conference for nearly two decades.***

***Our world headquarters had one man in it who could not be bought, and who refused to be silent in a crisis.***

For five years, before the crash of the Davenport scam in 1981, Dennis warned our leaders to get institutional funds out of it, and to stop encouraging our people to invest in it. But that was not done.

For ten years, before the Harris Pine Mills bankruptcy, Dennis pled with our leaders to periodically audit its books; they would know what condition it was in financially. He was told it was none of his business.

On April 6, 1989, David Dennis wrote an earnest plea to Neal C. Wilson against that exorbitant salary raise for Adventist Health System officers. When the contents of that letter were leaked by someone in the General Conference, Wilson felt humiliated. In addition, there were AHS leaders throughout America—every one of them powerful men—who wanted a change made at the auditing department.

Dennis had done that which was not forgivable: One man, in a key position at the very heart of our world headquarters, had maintained an outspoken integrity in the face of verbal threats to silence him.

History reveals that it had been agreed upon that he must be put out of office. At the Indianapolis General Conference Session, on Wednesday evening, July 7, 1990, Robert Folkenberg—who had only been General Conference president for five days,—tried a maneuver to keep Dennis from being reelected to the post of head auditor. Yet he was reelected anyway, and Folkenberg was embarrassed at the exposure of what he had tried to do. It was the first put-down of his presidency, and, by word of mouth, hundreds learned about what he had done.

Repeatedly, two of the most powerful men at our world headquarters (powerful because they controlled such vast amounts of money) were incensed by David Dennis’ refusal to stop issuing accurate audit reports. Ralph Watts, executive director, and Kenneth Mittleider, board chairman, were in charge of ADRA, and were deeply concerned that the leadership at the auditing department be changed.

David Dennis’ efforts to protect God’s church from hurtful waste and improper activities, had not been well received down through the years. But in 1990, just after the new General Conference and North American Division presidents had taken office, Dennis did that which brought immense humiliation over several months to both men and also to their wives: It was the “Worthy Student Fund” incident, in which donations had been secretly funneled through the Columbia Union to buy houses for the two new presidents, and provide over \$2,000 a month to each of their wives. The problem surfaced because of David Dennis’ demands for disclosure.

Then came the 1992 Atlantic Union Seminar, during which Dennis told the board members, in attendance, that it was important for all administrators of the church to be open and disclose full details of all transactions in their financial report. David Dennis made that comment, because it is in accord, not only with professional ethics, but also with clear Spirit of Prophecy counsel. Philip Follett, Atlantic Union president, in attendance at that meeting, wrote a strong letter to Folkenberg, objecting to what Dennis had said. It was perceived that having such a man, in upper leadership of the church, was a threat to the entire hierarchy and their misuse of funds.

Then there was the NAD Union Study, prepared by David Dennis that same year, which disclosed the yearly waste of more than \$35 million—as long as the nearly useless union offices remained open. The very suggestion that those offices be closed down—aroused the ire of some of the politically influential men in the church: the eight union conference leaders.

Three other problems, discussed here, were

the Global Mission Project, the Folkenberg business sideline, the Wisbey benefice, and the Parsonage Exclusion Report. Nepotism and pay-offs were deepening.

Additional problems could have been noted, but these were enough to make it crystal clear

that a few men could never bring the General Conference under tight control—until David Dennis was ousted.

Then, in late 1994, an excuse was found—if the firing could be done quickly enough.

## 1994: The Final Purge

***In the court of the king, no one objects. But David Dennis had been objecting ever since the mid-1970s,—and General Conference leaders were tired of it.***

***From the best we can tell, every other voice of open dissent within the General Conference building had gradually been silenced. Men either learned to be quiet or had been shipped out. But, because of his high position and obvious integrity, David Dennis had been reelected at every five-year Session.***

As we have seen, the highest leadership in the church had very nearly succeeded in ousting Dennis at Indianapolis in 1990, in a carefully planned maneuver in the nominating committee. But, when they failed, this only increased their determination to get him out.

It is significant that not one other name for reelection was contested by church leadership. Yes, there are dissenting minds, but few voices. There are many good men in higher positions in our church, but they know that they dare not live on the edge of the cliff as Dennis, by his speaking out, does.

Unswerving integrity, willing to speak up and demand that the right be done had repeatedly been blamed as the cause of friction. It was believed that peace could again be restored, if the last voice of dissent could be silenced.

The stakes were high. If David Dennis could somehow be eliminated, leadership would have free reign to waste money, divert funds, impose regulations, and cover up wrong actions.

But, by mid-1994, a time factor was closing in on them. Within a year the 1995 General Conference Session would convene in Utrecht, Holland, and overseas leaders, having been

alerted to the leadership enmities against Dennis in 1990, would surely reelect him to another five-year term.

Then came the opportunity.

For a short period, while the Dennis family was living in Singapore, a young girl, Elizabeth, lived in their home. In spite of emotional problems, Elizabeth L. Adels maintained a strong friendship with the Dennis family after she left their home. About the year 1992, she with her husband and children visited the Dennis family and it was a happy visit for all present.

But, because of family problems and her depression, Elizabeth thought the psychologists could help her. In 1994, she underwent counseling sessions under a therapist, with required training in hypnosis and similar techniques.

During such visits, the typical formula, regularly taught to practicing psychologists and licensed counselors, today, for memory implantation, was apparently used. Suggestions were made to Elizabeth that the problem must lie, not with herself, but with problems in her childhood. She was not led to God for healing, but to mind control. According to the formula, in a soft, almost monotonous tone, she was told to relax and shut her eyes. Then she was instructed to let her mind go into neutral—and see if any “memories” appeared.

They did. The story is a well-repeated one in America today; so much so that the *False Memories Syndrome Foundation, Inc.* (FMSF), of Philadelphia, Pennsylvania, has become a leading help to victims, accused of sexual crimes by those with implanted memories, in winning court battle after court battle.

And they are doing just that. The rash of false memory syndrome lawsuits, occurring across the nation, is now turning in favor of the



innocent victims who have been accused of heinous crimes.

FMSF, in less than three years, has a record of over 17,000 cases of families destroyed by this mind-control takeover and false memory implantation technique! At least 200 of the victims have been in our own church. The hypnotic technique, practiced by various types of licensed counselors, is producing an epidemic of despair. The person with the implanted "memory" is generally a woman in her mid-thirties. The one accused is generally the father or a schoolteacher.

The concluding chapter will overview this problem in greater detail.

It was September 1994. As soon as word of these allegations reached the General Conference, there were men who knew that this would be their opportunity to eliminate that lone dissenting voice in our world headquarters. But it would have to be done in such a way so as not to give David Dennis an opportunity to defend himself.

Without speaking with Dennis, Folkenberg sent one of his men (Walter Carson, a general counsel employed by the General Conference) to Ohio where he obtained an eight-page statement accusing Dennis of improper conduct with Adels two decades earlier.

On October 4, and with Mittleider, Dennis was called in to Carson's office. Dennis was presented with the affidavit which Carson got Adels to sign, and summarily told that he must resign his post.

Dennis refused. It is an interesting fact that, when church workers are framed by false memory syndrome charges, leadership generally sides with the defendant—not with the accuser. But Dennis was different.

The next day David was again called in for a second interrogation by Carson and Mittleider. This time a different approach was used. Dennis was accused of alleged improper financial dealings and other accusations! They were untrue, and he refused to resign. Every possible avenue of impeaching his character and frightening him into quitting was being attempted.

On October 9, Dennis was again ordered to meet with his persecutors. This time a third tactic was used. He was summarily told that the General Conference leaders could, and would, destroy his reputation if he did not re-

sign immediately! When he said the charges were untrue, he was called a liar. Once again, he was told that leadership intended to totally destroy his reputation and slander his character if he did not immediately resign.

Two days later, on October 11, in desperation a fourth tactic was employed. This time, Dennis had engaged an attorney with him, who listened, by conference call, while Dennis was told that he must resign immediately—because the General Conference now had documentary proof of each and every charge leveled against him. David knew this claim was as unfounded as all the others, and he challenged them to produce the documents. At this, in bursts of anger they demanded his immediate resignation.

In the months which have passed since then, none of that supposed evidence has ever been presented. This is because no such evidence exists. It was a lying report.

Documents and paperwork were fabricated, and slanders continue against Dennis and his family. No proof has been found to support these charges, and Dennis staunchly and consistently maintains his complete innocence.

On December 12, an Ad Hoc panel disciplinary board was convened, under the chairmanship of Charles Hirsch. Before going in, Dennis was told that, against established church guidelines, he would not be permitted to bring in his attorney. But he was assured that the meeting would only be a non-adversarial fact-finding ecclesiastical exercise.

Yet, upon entering the room, Dennis found that to be another untruth. Walter Carson, an attorney for the General Conference, made a presentation against Dennis, and then he joined with Mittleider in a concerted effort to destroy him.

In spite of his assurance that he himself would only be a neutral legal advisor at the meeting, when it began Carson presented a 75-minute opening statement, in which he categorically declared that Dennis was a child abuser and adulterer. Carson also said Dennis was a liar and had a long history of sexual misconduct.

Recognizing that it was planned that such unfounded and slanderous charges be made, the court reporter, who had been hired to be present to take a transcript of the proceedings,

was told not to come. Instead, Mittleider's private secretary took notes.

When Carson had finished, it was Mittleider's turn. Why Mittleider? He was the chairman of ADRA who, with Ralph Watts, had for years been deeply irritated by Dennis' honest audit reports.

Repeating the false charges, one by one, Mittleider declared them to be absolute facts, and, said Dennis, had probably committed adultery with many other women, and that he was a liar. Mittleider demanded that the General Conference fire him.

Then Adels spoke, under strong prompting by both Carson and Mittleider. In spite of their efforts to place the charges in as credible and evil a light as possible, her statements were incredible and could hardly be believed. This is a pattern of false memory syndrome. The most peculiar charges will be uttered.

To the chagrin of the leaders, it was noted that she had a long history of psychiatric problems, that there were two instances in which she claimed to have been raped, and that she had visited Dennis and his family, on the most friendly terms, less than three years before the accusations were formed in her mind.

The disciplinary panel (which consisted of friends of Mittleider) knew why it had been convened, and what it was supposed to do. It voted to recommend that David Dennis' employment with the General Conference be terminated.

On December 19, the General Conference Administrative Committee met. Once again, Mittleider led out in condemning Dennis, with Carson ever ready to lend a helping hand. They spoke with great urgency, using distorted and fabricated statements, and demanded that Dennis be fired. In response, a majority of the committee recommended "strong action" against Dennis.

The next day, by a vote of 39 to 16, the full executive committee voted to terminate Dennis' employment, to be effective on December 29, 1994. It is significant that nearly a third of those present had refused to add their rubber-stamped approval to the ordeal.

As soon as David Dennis was fired, an attempt was made to destroy his character in the minds of Seventh-day Adventists throughout the world. It was felt that only in this way could

leadership fully vindicate itself.

If Dennis' reputation could be destroyed thoroughly enough, then there would be less likelihood that what he might tell concerning what went on in the General Conference would be believed.

By means of a carefully orchestrated plan, the man was destroyed in the minds of leaders and workers throughout the world, as completely as could possibly be done.

First, a written message was sent to every department head in the General Conference. By personal direction of the vice-president, Philip Follett, the department heads were told to call together all the workers in their section, read them the message, and then send them back to their work—without allowing any discussion.

As soon as Folkenberg had become president, he set up a worldwide Compuserve computer network, so his directives could immediately be sent to workers and church members everywhere. An announcement was now sent over this network throughout Planet Earth, instructing Adventist workers, and other subscribers to the system, that David Dennis was an adulterer.

Then an announcement was sent out over the *Adventist News Network*, a two to four-page newsletter which the General Conference regularly sends to workers.

As if that was not total enough destruction of the former head auditor, men who could be trusted to conceal the facts were sent out, by automobile, train, and jetliner, to hold meetings with workers in various parts of the field, and tell them how terrible David Dennis was.

All this has had a chilling effect on the workers. Over the years, Dennis' willingness (or daringness) to speak up had become well-known by many workers, especially on the middle and upper levels. The violent manner in which he was disposed of was sure to excite fear in the hearts of many. They know it will only be by silence they will make it through to retirement—which David had lost by six years after working 34 years for the church.

But the stakes were high. In early 1992, under the guise of a new governance style, Robert Folkenberg imposed an "operating board" over auditing. This was part of a plan for the president and his vice-presidents to take over full operation of the General Conference.

Due to the corollative policy changes, the director of auditing became the only auditor in our world headquarters to serve by election of the church constituency. All other staff would henceforth serve by appointment. All that yet needed to be done was for the president to replace the director; then he could be in full control of all auditing activities.

It is believed that Dennis' current dismissal was part of this move to gain total control over all audit reports. As part of this takeover, Folkenberg appointed Robert J. Kloosterhuis to chair that operating board and exercise control over all auditing operations, other than the professional requirements of reporting.

With David Dennis' firing, there is rejoicing in the highest levels of the General Conference. The last whistle blower is gone. Henceforth, money can be wasted, illegal operations dabbled in, IRS regulations scorned, money-making sidelines indulged, and money laundering to Folkenberg's relatives carried out—without fear of disclosure. Not a word of censure will be uttered, not a sentence will be reported to the

Adventist people. Not a mouse will squeak anywhere in that large building. Henceforth, the kind of self-serving, odious, risky, and illegal activities described in this report will be on the increase. The last whistle blower will be gone.

The only one who can do anything to change this situation is you and the thousands of other faithful laymen, laywomen, and lower-level workers in our church. There is fear from top to bottom among the workforce in our denomination, lest jobs be lost. Yet, on all levels, nominating committees will meet, elections will be held—and leaders will be retained, elected, or discharged.

Only the faithful can turn the church around. Will they do it?

Who knows but what thou art come to the kingdom for such a time as this!

Cleaning up God's church on earth has had a long, time-honored position in God's work. Moses did it. Elijah did it. Christ did it. Paul did it. The heroes of the sixteenth century Reformation did it. Ellen White did it several times.

It needs to be done again.

## **The Men and Women God Can Use**

"There are many professed Christians who, if they should express their real feelings, would say, What need is there of speaking so plainly? . . . The forerunner of Christ lost his life by his plain speaking. Why could he not have moved along without incurring the displeasure of those who were living in sin?"

"So men who should be standing as faithful guardians of God's law have argued, till policy has taken the place of faithfulness, and sin is allowed to go unreprieved. When will the voice of faithful rebuke be heard once more in the church?"

"'Thou art the man,' 2 Samuel 12:7. Words as unmistakably plain as these spoken by Nathan to David are seldom heard in the pulpits of today, seldom seen in the public press. If they were not so rare, we should see more of the power of God revealed among men. The Lord's messengers should not complain that their efforts are without fruit until they repent of their own love of approbation and their desire to please men, which leads them to suppress truth.

"Those ministers who are men pleasers, who cry, Peace, peace, when God has not spoken peace, might well humble their hearts before God, asking pardon for their insincerity and their lack of

moral courage. It is not from love for their neighbor that they smooth down the message entrusted to them, but because they are self-indulgent and ease-loving.

"True love seeks first the honor of God and the salvation of souls. Those who have this love will not evade the truth to save themselves from the unpleasant results of plain speaking. When souls are in peril, God's ministers will not consider self, but will speak the word given them to speak, refusing to excuse or palliate evil.

"Would that every minister might realize the sacredness of his office and the holiness of his work, and show the courage that Elijah showed! . . . With them worldly policy is to have no weight . . .

"God calls for men like Elijah, Nathan, and John the Baptist—men who will bear His message with faithfulness, regardless of the consequences; men who will speak the truth bravely, though it call for the sacrifice of all they have.

"God cannot use men who, in time of peril, when the strength, courage, and influence of all are needed, are afraid to take a firm stand for the right. He calls for men who will do faithful battle against wrong."— *Prophets and Kings*, 140-142.

# Where the General Conference is Taking Us

***A pitiful sight. But it will happen because far too many of us consider it more important to please and obey men, than to please and obey God and His Word.***

***It is clear, from the David Dennis' disclosures, that the growing trend is for everyone in the church to increasingly obey high-level human authority.***

The trend will continue because:

- *The General Conference is urging the trend vigorously.*
- *Officials on lower levels fear to oppose the trend, lest they lose their jobs.*
- *Church members believe it is in their best interests to appease leadership demands, rather than take a stand on principle.*

What is the trend doing? It is gradually stripping the church members of their authority, their beliefs, their standards, their quiet worship services, and their Bible-Spirit of Prophecy principles.

Both members and workers are gradually being transformed into timid, placid time-servers.

And what good are people like that in the cause of God, at this time in history?

The solutions to the problem are given in the next two chapters. But, just now, let us consider the tragic steps downward that, as a people, we have entered upon.

Unless we do something to stop it, this is where we are headed

## ADMINISTRATION

Step 1 - Everyone in the General Conference must answer to ADCOM, which is directly under the president's dictation.

— Already done.

Step 2 - A drastic increase is to be made in the number of General Conference officers appointed by the president, instead of being elected.

— On the agenda, to be voted at the 1995 Utrecht Session.

Step 3 - Change the *Working Policy*, so conferences can directly disfellowship church members.

— Planned to be approved at the 1995 Session, but, because of widespread disapproval, tabled until a later time.

Step 4 - Change policies, so institutions, conferences, unions, and divisions will be more directly under General Conference control.

— Partially submitted to the 1994 Annual Council, but not approved; so tabled till later.

Step 5 - Most union and divisions officers to be appointed by the General Conference.

— Discussed at the 1994 Annual Council, and partially approved. Awaiting final acceptance at the Utrecht Session.

Step 6 - Greatly simplify the process for the expulsion of disobedient local churches, and the disciplining and disfellowshipping of individual church members—so it can be done by committees above the conference level.

— Coming.

Step 7 - Empower the General Conference to directly veto any action by a lower executive or legislative body of the church.

— Coming.

Step 8 - Empower the General Conference to require the enactment of any action or change by a lower church body.

— Coming.

## DOCTRINAL

Step 1 - The General Conference can develop and publish doctrinal books for the church, without Session approval.

— Done in 1957 (with the publication of *Questions on Doctrine*) and 1988 (*Seventh-day Adventists Believe*), both containing modern Protestant errors.

Step 2 - The General Conference can de-

velop and get Session approval for a new *Statement of Beliefs*, which is worded carefully enough to include both historic and Fordite teachings.

— Done in 1980 at the Dallas Session; now in our 27-point *Statement of Beliefs*.

Step 3 - The General Conference requires that Adventist college and university teachers not be reprimanded or discharged for doctrinal errors (with the excuse that it is “*Academic Freedom*.”)

— Done at the 1984 Annual Council.

Step 4 - The General Conference begins publishing doctrinal errors in their *Ministry* magazine, for our pastors.

— First done in December 1983, with the publication of a lengthy article declaring that Christ entered the second apartment in A.D. 31, and has been there ever since.

Step 5 - The General Conference publishes a new doctrinal book, containing advanced levels of theological error.

— The book is now being written. Norman Gulley of Southern College has been appointed to write it.

Step 6 - The church begins purging church members which do not agree with the changed teaching.

— Already being done by local conferences on a limited basis.

Step 7 - The General Conference issues directives that those not in accordance with the revised teachings—will be disfellowshipped.

— Coming.

Step 8 - The General Conference begins placing local churches, or other church entities, under interdict, then expulsion, and property takeover, when they do not conform to the new doctrinal views.

— Already being done occasionally.

### STANDARDS

God has committed to His people a number of standards vital to their Christian experience. These include the exclusion of drinking, gambling, dancing, theater attendance, abortion, immodest dress, cosmetics, rings, and jew-

elry.

Step 1 - The lowered standards are ignored.  
— Already done.

Step 2 - Lowered standards advocated in print in denominational books and magazine articles.

— Already being done.

Step 3 - Lowered standards officially recommended.

— Gradually being done (wedding ring ruling, abortion permission, television sets in our academies and colleges, etc.).

Step 4 - Workers who oppose the lowered standards are being dealt with, and discharged if intractable.

— Already being done. (Example: Workers have already been fired for not baptizing people with their rings on.)

Step 5 - Church members who oppose lowered standards are being removed from church office and disfellowshipped.

— Increasingly being done.

Step 6 - Lowered standards officially adopted.

— Already being done (wedding ring ruling, etc.).

### WORSHIP

Step 1 - The General Conference begins encouraging conferences to promote Pentecostal Celebration-type worship services.

— Began in 1989.

Step 2 - The General Conference sponsors Celebration worship seminars.

— Began in 1989.

Step 3 - The General Conference provides direct guidance for Celebration services.

— General Conference-sponsored videos are now being prepared.

Step 4 - The General Conference urges local churches to try out the new Celebration services in their church.

— Coming on the forthcoming videos and in written materials.

Step 5 - The General Conference requires the use of Celebration-type worship services.

— Coming.

Step 6 - The General Conference requires that, after efforts to reconcile them, that dis-

senters be eliminated.

— Coming.

### **SPIRIT OF PROPHECY**

Step 1 - Spirit of Prophecy books are hardly available outside of English, or only at very expensive prices.

— Already done.

Step 2 - Low-cost, paperback Spirit of Prophecy book distribution banned outside North America.

— Already being done on most other continents.

Step 3 - Spirit of Prophecy books declared to be not a binding administrative authority in the church, whereas committee actions are.

— Already done.

Step 4 - Spirit of Prophecy books and their principles are declared to be not a doctrinal authority in the church, whereas committee action is.

— Already done.

Step 5 - Spirit of Prophecy books quoted less in pulpits and publications, than are Protestant and Catholic writers.

— Gradually increasing.

Step 6 - Spirit of Prophecy books going out of print outside of North America.

— Already beginning.

Step 7 - Spirit of Prophecy books gradually going out of print in North America.

— Coming.

How much longer before God's faithful ones set to work to change things?

# Toward Solutions

***This book would not be complete if it merely discussed problems, in our denomination, which need addressing. What is needed are solutions.***

***The ultimate authority in the church are the individual members. In the strength of God and in obedience to His written Word, you and others like you have the authority to change things. For you are the people of the church. Leadership, buildings, and policies are not the church; it is the people.***

***Indeed, in view of the extent of the problems, action on your part is a requirement laid upon you by Heaven. God is looking to you to help in this time of crisis. A few men are placing the church within their iron grip. My brother, my sister, this should not be.***

***Our people, in their constituency meetings throughout the world field, must take action and cleanse the church.***

***Who knows but what thou art come to the kingdom for such a time as this.***

Surveying the entire scope of the Dennis disclosures, we find a number of common flaws which need correcting. We will list them under the first category, below (*Administrative and*

*Financial*”).

However, there are other aspects of our church which need reformatory action. We will also list several of them.

### **ADMINISTRATIVE AND FINANCIAL**

**Scope of coverage:** These principles will apply to every level of the church: General Conference Sessions, General Conference, divisions, unions, conferences, missions, local churches, missionary outposts, and every institutional entity: schools, colleges, universities, publishing houses, hospitals, clinics, nursing homes, etc. Also included would be Adventist Health Systems (AHS), Seventh-day Adventist World Service (ADRA), Adventist Media Center, etc.

**Basis of authority:** All decisions, made by individuals and committees, must be in accord with our Bible-Spirit of Prophecy standards and beliefs and, as far as we are able to determine, in agreement with the divinely given principles in those books.

**Corporate rule:** Neither a single man nor a small group is to control each region or entity in the church. Some of our most serious problems arise because one man, and a small committee in his grasp, generally has the deciding

voice on most levels and in most institutions of our church. The following suggestions tend to eliminate this problem. Management of the church should be of the people, by the people, and for the people. There should be rule by constituency, not by one person or a small group. The narrowed exclusiveness of the present governing system presents opportunities for graft, duplicity, and violation of Scriptural standards. There is a lack of adequate controls.

**Disclosure:** Conference, union, and other officials are at present, for the most part, not answerable to anyone. Openness will lay the groundwork for elimination of this problem: Open committee meetings should be held, answerable to a membership constituency. There should be no secret meetings. Special business and financial auditors should issue regular reports to constituency, not merely to officials. Monthly activity reports should be available, singly or on a yearly subscription basis, to any individual. Every local church group should automatically receive a copy for its lending library.

**Evaluation:** A General Accounting Office, similar to the one in the U.S. federal government, should be set up. It should conduct ongoing evaluations of organization, performance, actions, officers, and finances. Separate from all other departments, and answerable directly to the constituency, it is composed of qualified, successful business laypersons, on a rotating basis. A yearly evaluation of officers is to be made. Special care should be made that totalitarian control not raise its ugly head.

**Accountability:** Every worker and officer in the church must be accountable to someone, and that "someone" must include a body of assembling, voting believers. No one should live beyond the reach of the judgment seat of laymen and faithful lower-level workers.

**Disciplining:** Genuine disciplining should occur when it is needed. This includes far more than wrist slaps. Adulterous pastors, embezzling administrators, and new theology teachers are to be fired. The dishonest and immoral are to be separated from church work.

**Business meetings:** Committees and business meetings on all levels and in all entities are to include 51 percent laymen, to be selected by larger lay constituencies. Not over 20 percent of committee members are to be appointed by virtue of office. Church officers are needed

on the committees, but laymen are to fear God and not be overawed by officers into making wrong or hurried decisions. Agendas are to be discussed, prepared, and distributed in advance. No long talks are to be given at the beginning to consume time needed for deliberations. Never is a single person to be represented on the ballot for a position. All names are to be disclosed beforehand, along with a brief work record and names and telephone numbers of those to contact. Earnest prayer should mark the beginning and end of each gathering, and, frequently, during the proceedings, the members are to see a call to beseeching prayer and pause to have it. Only in the guidance of God, the enabling grace of Christ, and the presence of the Holy Spirit can any of our meetings succeed.

**Follow-up meeting reports:** Follow-up minutes and reports (along with charts and graphs when appropriate) are to be prepared and available to individuals willing to pay for them. A single copy is to be sent to each local church group circulating library. Every board meeting of every kind is to be answerable to a larger constituency of laymen, who are to be kept informed of its deliberations and actions.

**Local church operation:** The pattern of purity, openness, and accountability, found elsewhere, is also to reign in the local church: Pastors and leaders are to be clean-hearted, and their teachings and practice are to be in accordance with Bible-Spirit of Prophecy principles. Those in violation are to be removed by vote of a duly called quorum of members. All decisions are to be in accordance with the Bible and Spirit of Prophecy, or are automatically invalid. All principles, practices, and standards listed in the *Church Manual* are to be in accord with the Inspired Writings. Because the *Church Manual* cannot possibly contain all the principles outlined in the Bible and Spirit of Prophecy, it is to be regarded merely as an adjunct guide, secondary to the Word of God. The Church Board is always to be subservient to a meeting of the constituency, and reporting to it.

**Mediation:** Genuine mediation panels are to be set in place on all levels, and in every entity. These panels are not there merely to avoid secular litigation; they are there to genuinely, sincerely try to solve people's problems. Solutions reached are to be in harmony with Scriptural standards and beliefs. Neutral judges

should consider the matter, who will be fair and honest, neither fearful of, nor retaliatory to, officeholders.

**Finances:** The recommendations of the President's Executive Advisory Commission, made in the early 1980s, should be carefully considered. No more stock market investments should be made. (It was only the shrewd pull-out by Elder Watson, prior to October 1929, that saved our funds in the Great Depression. We are told that "national apostasy will be followed by national ruin," and it is to be expected that, at the time of the Sunday Law enactment, our markets will crash or it will be illegal for our people to sell their holdings.) The three-month reserve working fund should be lowered to one month, so we can trust more in God than in our reserves. The terrible practice of dipping into retirement funds for current needs (including denominational construction) should be stopped. Institutions which keep running in debt should have their management replaced. If the problem continues, they should be sold off or closed down.

#### INSTRUCTION AND BELIEFS

**Beliefs:** In accordance with consistently repeated counsel from God, we are to have doctrinal accuracy. Our doctrinal standard is the Bible and Spirit of Prophecy. It is not the Bible as interpreted by: theologians, an approved Statement of Beliefs, the *Church Manual*, or the General Conference *Working Policy*. It is the Bible as interpreted by the Spirit of Prophecy. Only in that complete collection of Scripture do we find accuracy of belief and correct norms for practice. Our Statement of Beliefs should be revised to reflect our belief in this equality of inspired Scripture.

**Obedience:** We are to give special attention, through the enabling grace of Christ, to obeying the Ten Commandments and all the Word of God. This includes putting away sin, properly observing the Bible Sabbath, not killing our infants, and a variety of other things clearly taught in the Inspired Books.

**Instruction:** All instruction at our schools, campmeetings, etc., and in our published books and periodicals is to be in accordance with the Bible and Spirit of Prophecy. We are never to present, as possible alternate positions, views which are not in agreement with the Inspired Writings. Those who teach error or recommend

lowered standards are to be corrected and, if they persist, are to be relieved of their positions.

**Degrees and accreditation:** Instructors are never to be accepted, in any spiritual teaching capacity, to serve in our work because they have obtained certain degrees or certificates. Our schools should formulate all curriculum on the basis of a Thus saith the Lord, not a thus saith the accreditation agency. We greatly erred in the early 1930s, when we voted approval of degrees and accreditation for our schools. That position needs to be reversed. It is best that our spiritual leaders not have degrees, lest we be led away from God's Word to theories imbibed in worldly universities. No Bible teacher, in our schools, or editorial worker, in our publishing houses, or periodicals is to be hired on the basis of degrees. Pastors, Bible teachers, and other spiritual leaders are to be hired because of depth of Christian experience, breadth of soul-winning experience, confidence in God's Word and humble obedience to it.

**Institutional standards:** All educational, medical, publishing, administrative, financial, pastoral, evangelistic, and local church standards are to be in harmony with the Bible and Spirit of Prophecy. Those who prefer the world will be happier in the world, and should be asked to leave.

**Medical facilities:** All our medical facilities and training schools are to be in complete accord with Bible-Spirit of Prophecy principles, beliefs, and standards. A remarkably complete overview of health and healing principles are outlined in those books. Those institutions which refuse to come into line with the Inspired Writings should, if they are beyond reform, be closed down or sold off.

**Natural healing:** Institutions which teach and practice preventive health and natural healing should be opened and encouraged. All teachings should be in harmony with our Inspired principles. Training seminars should be held to instruct our people in nutrition, the eight laws of health, and natural healing principles; so they can fulfill the work God has assigned them.

**Confederation and centralization:** We have been given abundant warnings in the Bible and Spirit of Prophecy against efforts to consolidate our institutions under unified control. Each hospital and publishing house is to stand alone. The statements on our publishing houses provide the pattern. Pacific Press and the Review,



for example, should not be under General Conference control, as they now are.

**Special gatherings:** Special gatherings each year should be held for heart searching and revival by our people. Principles needed for a genuine reformation should be taught. Earnest efforts to change our ways, return to the Lord, and obey His Word should be at the heart of our concerns. Our leaders should not use the time for private committee meetings but, as humble children of God, be present in the meetings. The emphasis should be on practical doctrinal soul winning, and medical missionary instruction, along with earnest prayer and re-dedication. Speakers should not be church officers, but men and women of spiritual depth, along with knowledgeable instructors.

**Meetings and retreats:** Our workers are not to go to Miami, Orlando, Los Vegas, and similar places for meetings. The worldliness and expense of such places should be avoided. Instead, they should go to our conference campgrounds or to a central campmeeting center. Far too frequently, our workers are sent on “retreats” where they play golf and are entertained with evening magic shows. This worldliness should stop. Our pioneers went out to preach, and then, for retreats, into the groves to pray.

**Personal standards:** Higher standards should be sought for. The wedding rings should be put away. Recreational standards should be in accordance with Scripture. Theater attendance, television, coffee, tea, meat eating, alcoholic beverages, and worldly music should be discarded. Sabbathkeeping should be improved. Our people should return to God.

#### **MISSIONARY WORK**

**Low-cost missionary materials:** Inexpensive missionary books, tracts, tabloids, and a weekly newsprint *Signs of the Times* should be made available to our people at the lowest cost. This would include Spirit of Prophecy books and sections, as well as foreign language editions. Low-cost colporteur books should be made available.

**Evangelistic instruction:** Carefully planned instruction of our people, in public and lay evangelism, should be carried on. They are to be taught how to preach, give Bible studies, give simple treatments, and pray with, and for, the people.

**Pastoral preparation:** No more than four

years of college training should be given to our pastors. It should consist of practical instruction based on a depth of Scriptural insight. Upon graduation, students should be sent out on two-year missionary tours. Their assignment: to win souls and raise up local churches. It would be well if, in college, more encouragement were placed on a minor in Education, so some could, when necessary, support themselves by teaching church school.

**Pastoral work:** In harmony with Scripture, the people are not to expect their pastors to hover over the local church. Instead, preachers are to spend much of their time in evangelistic work, while local lay elders labor with the congregation in preaching sermons and giving Bible studies.

#### **MISCELLANEOUS**

**Session location:** A country acreage, with a water spring, fields, and groves, could be purchased as a single large meeting ground for the largest gatherings in our church—especially the General Conference Sessions. The most recent one (Indianapolis) cost our church over \$12 million, plus an equal amount for visiting laymen. An immense amount is spent on hotels and restaurants. The cost of two Sessions would pay for the purchase and equipage of the central campground, with tents and central meeting buildings. Thereafter, General Conference Sessions, and other major meetings, would cost our denomination far less money.

**Session frequency:** With Sessions costing less, it would be well to hold them more frequently. (We used to hold them every year.) According to the Spirit of Prophecy, the General Conference Sessions are, when properly elected and conducted, to be the ultimate human authority in the church—not the leaders in Silver Spring, Maryland.

**Session members:** Voting members, in attendance at each Session, should consist of believers elected by their local church bodies throughout the world field. They are not to be appointed by division and General Conference leaders, as is now done. Layman should constitute 60 percent of the delegates, not 8 percent as at the present time.

**Session scheduling and content:** The ten-day Indianapolis Session cost the church \$1,200,000 a day in auditorium expenses, delegate transportation, and housing. Yet only a

very small amount of the time was allocated to actual business sessions on the floor: According to the *Review*, 4 hours on Thursday, 4.5 hours on Friday and Sunday through Thursday, and 5 hours on the final Friday. During those business meetings, a predetermined, previously undisclosed, agenda was unfolded—and, for the most part, it was rubberstamped by the delegates. Items protested too much were sent back to committee “for study,” and then brought back about the same. A majority of the Session time was devoted to parades, displays, musical renditions, division extravaganzas, and announcements about local attractions which the delegates might wish to skip out and go to. If topics, not on the agenda, were brought up, the plea was that there would be little time in the crowded agenda to give them proper attention. At a typical recent U.S. Session (they are far more expensive when held overseas), the church pays US\$12 million for the actual Session (aside from three-year preplanning costs, and visitor costs). That enables 1,853 delegates to deliberate only 36 hours on church business. With the exception of one or two items, every item on the agenda is rubberstamp-approved. In brief, the Session does almost nothing. Everything was decided earlier by a small committee in Silver Spring. It would be far less costly to mail small-print agendas to the delegates, with large print notations by each item: “Vote yes to this,” and “vote no on this one.”

**Union Conferences:** Research studies have shown that union offices accomplish nothing of any importance, yet consume more than \$36 million a year. They should be eliminated. However, because their elimination would strengthen

the already excessive power of conference presidents, the other recommendations outlined here should be followed, in order to bring them under the authority of the church, which is the believers themselves. Neither the organizational structure, the buildings, nor the leaders are the “church”; the Advent believers who keep the commandments of God are the church. Under God, when they speak together and in harmony with His Word, they are to manage the denomination.

All those serious about finishing the work in the world and in our lives should require of leadership changes, similar to those listed here. It is time to go home. Let us be about our Father’s business. It is too late, in history, to entrust the work of God to the control of one man or a few men. Yet this is exactly how our church is operated at the present time. That is the great lesson we learn from the David Dennis’ disclosures. And the situation is getting more heavy handed every year. It is time for a change. Those who have true loyalty to the church—which is the body of believers—will unite and demand that changes be made, which are in accordance with the Bible and Spirit of Prophecy writings.

Not to do so is neutrality in a terrible crisis in our church, and we are told such neutrality is treason to God.

It is not great men that we need, nor is it new theories. What is needed is obedience to God’s Written Word, by humble people who do not try to lord it over their brethren. Only then will the work of God on earth be finished.

## For Such a Time as This

Who knows but what thou art come to the kingdom for such a time as this? Your voice and efforts are important at this time in history. You can do that, in your sphere of influence, which no one else can do.

It is also urgent that we unite in praying earnestly for the needed changes which must be made in our church—to return it to its historic beliefs, standards, and integrity of leadership, which existed in earlier years.

This is no time for any of us to passively assume we have no duty, other than self-pro-

tecting silence.

This is our church, and God requires that each one do his part. We must work to right wrongs, and defend God’s honor. In every voting and non-voting meeting you attend, determine that your voice will count in defense of the truths and standards He has given in the Inspired Writings.

This is the will of God for you: to warn the world of the Final Crisis, and to seek to purify the church in preparation for it.

Will you stand true to Him in this crisis?

# How to Change Your Church

***What would it take to change the situation, in our denomination, and restore our historic patterns of authority, administration, beliefs, and standards?***

**The answer is simple enough. If you forget everything else in this book — remember this —**

***Individually, right where you are, determine in your own heart that God's Inspired Word—the Bible and Spirit of Prophecy—is the ULTIMATE AUTHORITY in your life and in the church.***

***Study God's Word for yourself. Share what you are learning. Encourage others about you to read and obey God's Books.***

***Stand for Bible-Spirit of Prophecy principles, and require that they be adhered to in your home, your local church, and throughout the denomination.***

By so doing, you will prepare yourself and your loved ones to meet the challenges of real life, and to be able to meet the National Sunday Law crisis when it suddenly comes upon us all.

In this way (whether or not your counsel is accepted), you will have done your part to reform your church, return it to our historic beliefs, and prepare it for what is ahead.

Who knows but what thou art come to the kingdom for such a time as this? Why were you created? Why are you here? Why were you placed in the church in this time in history?

Was it done that you might be loyal to God and obedient to His Word, or that you might serve your own interests and protect your own position in the church? Let us cease this incessant man worship!

Think about it. You have a soul to be saved or be lost. Your's will be the deciding vote in the matter. It won't be mine. I've done my part: I've warned you.

The next step is yours. Make it a good one.

Get on your knees alone before God, and rededicate your life to Him. Henceforth, let not a morning or an evening go by, without opening His Word, seeking His will, and doing your ut-

most to obey it.

Soon, none too soon, the Final Crisis will come. But let it come; you will have the satisfaction of knowing you have done your best to prepare yourself, your family, and your church to meet it. Is not that God's will for your life?

Cease to be a man pleaser, a slave to policy and the praise of men. Be a Daniel. Be more concerned about obeying God and warning others, than in keeping your church office.

Protest the wrong; stand for the right. When you see apostasy entering—be it in belief, standards, finances, or administration—take your stand to resist it. *Take your stand to resist it!* Defend the right, reprove the wrong, and encourage others who are trying to do what is right.

Be a one-man reformation. There is only one way you can do it: by pointing men to the Word of God and obedience to that Word. It is not strange, new theories that are needed. It is obedience to the truths we have already been given. It is practical religion, lived out in the home, church, and community. It is the commandments of God and the faith of Jesus.

When you see men, like David Dennis, standing for the right—come to their side and encourage them to press on. Help them do so. Do not cringe in a corner of the dark cave of self-caring, fearful that, if you speak up, someone will be upset with you! Be a person God can count on in a crisis! And we are in that crisis now. It will, indeed, grow worse in the future,—but we are already in it!

We are told that neutrality in a religious crisis is treason against God (*3T 281*). Where will you stand in the present crisis? You have read somewhat about it in this small book. Write us, if you would like to know more; we have the information available. But we do not ask that you stand for us or with us; *we ask that you stand for God and obedience to the Bible and Spirit of Prophecy!* That is all that will take you through to heaven. No man will.

May God help us, each one, to be faithful in the days ahead. There is only a little time left. Think not that you dare wait till a more favorable time to come out on God's side of the question. Now is the time for action.

# Appendix: False Memories Syndrome

***It can all start so innocently. All it takes is for one of your loved ones to visit a licensed counselor, registered psychologist, or psychiatrist.***

***And you may go to prison for twenty years.***

“If He [Satan] should make an open, bold attack upon Christianity, it would bring the Christian in distress and agony at the feet of his Redeemer, and his strong and mighty Deliverer would affright the bold adversary to flight. He [Satan] therefore transforms himself into an angel of light and works upon the mind to allure from the only safe and right path. The sciences of phrenology, psychology, and mesmerism [hypnosis] are the channel through which he [Satan] has come more directly to this generation, and works with that power which is to characterize his work near the close of probation.”—*1 Testimonies*, 290 (c. 1862).

It typically begins when a woman, in her mid-thirties, feels depressed and visits a trained counselor or therapist. The woman should have opened the Scriptures and gone to God in prayer. Then she would have received abundant help. But, instead, she went to a licensed therapist. (Often they are not licensed; it is not a fully controlled profession.)

What she did not know was that, in order to receive that license, the counselor was required to take special instructional classes, in which he (or she) was taught hypnosis and, as part of the course work, hypnotized fellow trainees, and was hypnotized in return.

By so doing, that counseling professional became a tool which Satan could henceforth use to penetrate other minds.

All it takes to be entrapped is to visit the therapist and follow his suggestions.

“Satan often finds a powerful agency for evil in the power which one human mind is capable of exerting on another human mind. This influence is so seductive that the person who is being molded by it is often unconscious of its power. God has bidden me [to] speak warning against this evil, . . . by his subtle workings in

these last days he is linking the human mind with his own, and imbuing it with his thoughts; and he is doing this work in so deceptive a manner that those who accept his guidance know not that they are being led by him at his will.”—*2 Selected Messages*, 352-353 (c. 1907).

When the woman enters the office of the counselor or psychologist, she tells him she is depressed and wonders if he might be able to help her. He asks her if she knows what might be the problem, and she says she is not really sure. Perhaps she is worried about her weight, and there might be family problems. Perhaps she is divorced and now living alone. There may be problems at work which press upon her. At any rate, she feels depressed and has gone, not to God or to a good friend, but to a person who has been trained in active and passive hypnosis.

Active hypnosis is the classical kind, in which the hypnotist puts the patient to sleep and then tells him what he is to believe or do.

But, for several decades now, passive hypnosis has been taught and practiced in a variety of psychological fields. Named after the man who systematized it, this method, called *Ericksonian hypnosis*, is carried out in a startlingly disarming manner.

The person who has gone to the trained therapist becomes a victim. He is not put to sleep, but only spoken to and given suggestions. As he accepts them, the hypnosis imperceptibly begins.

The therapist instructs the client to tell how he feels. Then instruction is given to relax and let his mind go into neutral,—and quietly think back and try to recall some incident in his childhood that is the real problem. It is suggested that someone, perhaps a parent, has molested the patient as a child. Is there any memory of this? No. Well, there must be; it is there somewhere. The counselor appears quite confident of it. The patient is firmly told that repressed childhood memories is where the difficulty lies, and that he will remember them if he now relaxes and waits for them to surface.

And they do!

Suddenly, a memory or set of memories floods into the consciousness. The thoughts were never there before, never before in that person's lifetime. But now, instantly, there they are! Terrifyingly real!

False memory implantation has occurred. The counselor was the medium, but the memory was placed there by Satan. So, although the therapist was expecting a memory to be recalled (for he has been taught that, with Ericksonian hypnosis, it will come into the consciousness of the patient), the exact memory which springs forth is as new to him as to the patient. This is important, for the medium believes it as much as does the subject.

"Satan has come unperceived through these sciences and has poisoned the minds of thousands and led them to infidelity. He is well pleased to have the knowledge of these sciences widespread. It is a plan that he himself has laid that he may gain access to minds and influence them as he pleases . . . The sciences of phrenology, psychology, and mesmerism [hypnotism] are the channel through which he [Satan] comes more directly to the people of this generation and works with that power which is to characterize his efforts near the close of probation."—*1 Testimonies, 291, 290 (c. 1907)*.

The therapist is self-deceived, and quite pleased with himself for being able to bring out, into the open, this problem which the patient never knew about, but which frequently is said to have occurred fifteen to twenty-five years before. (Keep in mind that the average client who receives the memory implant is a woman in her mid-thirties. But the same Ericksonian methods have been successfully used with men, women, and children of a wide age range.)

The counselor instructs the patient that the memory had been repressed in childhood, and that was why it had not been earlier recalled. The memory is so shockingly terrible, and so convincingly real, that the patient readily agrees that this must be so.

"Satan controls both the mind that is given up to be controlled by another and the mind that controls."—*2 Mind, Character, and Personality, 709*.

At this point, the life of the one who innocently yielded his mind to the hypnotist—is radically changed, and, for many, changed forever.

Night terrors, terrible dreams, ever-changing scenes will, from time to time, flood his

mind. It will go on and on. Following the ever-present whisperings of Satan, the hapless victim turns, not to God, but to the lawyers. Lawsuits will be started against those pictured in the embedded memories.

The most horrible scenes will come to mind. They will frequently include the most grotesque, distorted, and impossible scenarios. For example, a memory will come that the parents gave birth to a child they told no one about, and then secretly cooked and ate it. Anything and everything can erupt in this new volcanic world of satanic imaginings.

Deliverance from this devastating, living nightmare can only come by totally forsaking the therapist, and submitting to Jesus Christ. As long as the god of Ekron is honored, Satan will rule the soul.

"The true principles of psychology are to be found in the Holy Scriptures. Man knows not his own value. He acts according to his unconverted temperament of character, because he does not look to Jesus, the Author and Finisher of his faith. He who comes to Jesus, he who believes on Him and makes Him his Example, realizes the meaning of the words, 'To them gave He power to become the sons of God.'"—*My Life Today, 176*.

"In dealing with the science of mind cure, you have been eating of the tree of the knowledge of good and evil, which God has forbidden you to touch. It is now high time for you to begin to look to Jesus, and by beholding His character become changed into the divine likeness. Cut away from yourselves everything that savors of hypnotism, the science by which satanic agencies work."—*2 Selected Messages, 350*.

It was Sigmund Freud, a Jewish medical doctor in Vienna, Austria, who taught this lie that childhood memories, in the "subconscious," must be found and brought to mind.

"He taught that memories stored in the subconscious mind influenced a person's mental life. He believed that mental illness, resulting from such memories, could be cured by psychoanalysis, which brought the memories into consciousness."—*World Book, F-456 (1972 ed.)*.

Beware of licensed counselors,—and that includes pastors and their wives, *if they have received professional training in the counseling field*. Beware of professional therapists, li-

censed counselors, psychologists, and psychiatrists. Beware of those who teach or practice neuro-linguistic programming (NLP), or LAB I, II, and III—all of which teach receiving and applying Ericksonian hypnosis, on one level or another. Beware of those who advocate “*regression therapy*,” “*healing the child within*,” or “*healing the memories which bind*.” Do not attend their lectures, do not counsel with them. Flee; get out of there and take your loved ones with you! But warn others as you leave. (Write for a copy of our video, “*How to Avoid Being Hypnotized*.” Also order a copy of our collection of papers, now in “*The Hypnotism Tractbook*,” which warns about NLP, LAB, psychology, and Ericksonian hypnosis.)

By clinging to Christ, we are safe.

“There are thoughts and feelings suggested and aroused by Satan that annoy even the best of men; but if they are not cherished, if they are repulsed as hateful, the soul is not contaminated with guilt, and no other is defiled by their influence.”—2 *Mind, Character, and Personality*, 432.

But by going, instead, to the gods of Ekron for help, we give ourselves to the tender mercies of Satan. He will take advantage of the situation to destroy us.

“I have spoken distinctly regarding the dangerous science which says that one person shall give up his mind to the control of another. This science is the devil’s own.”—2 *Mind, Character, and Personality*, 704.

There is no neutral ground in this battle over the soul. Either we have given ourselves to God, or the devil works to take control.

“Either the evil angels or the angels of God are controlling the minds of men. Our minds are given to the control of God or to the control of the powers of darkness; and it would be well for us to inquire where we are standing today.”—6 *Bible Commentary*, 1120.

Fear to displease God. Fear to depart from His side. He is your only protection.

“When you decide that, as Christians, you are not required to restrain your thoughts and feelings, you are brought under the influence of evil angels and invite their presence and their control.”—5 *Testimonies*, 310.

You are God’s property; let no human being—even though he has a state license—have control of your mind.

“No individual should be permitted to take

control of another person’s mind, thinking that in so doing he is causing him to receive great benefit. The mind cure is one of the most dangerous deceptions which can be practiced upon any individual. Temporary relief may be felt, but the mind of the one thus controlled is never again so strong and reliable.”—2 *Mind, Character, and Personality*, 706.

The following six case histories are extracted from the book, *Psychological Seduction of Adventism*.

### CASE ONE

On the East Coast of the United States, a prominent Adventist physician and his wife had two lovely daughters. In the course of time, the girls grew up and married. One of the daughters went through a time of emotional distress. She sought relief in counseling. Regressive therapy was employed. In the course of the “therapy” she “recalled” being sexually abused by both her father and mother. When confronted, both parents vigorously denied such activity. Indeed the parents were totally innocent, but the daughter believed the lie (Jn 8:44).

What has been the result? The daughter is totally alienated from them. She hardly speaks to her sister because she is supportive of the parents. All Christmas and birthday presents she ever received over the years have been systematically returned. Even the presents given to her children have been returned. She left them in boxes on the parents’ front porch. This “therapy” has filled her with hate. It is obvious that this therapy is satanic in origin. Christ Jesus brings reconciliation and love—not alienation and hatred. A devoted Adventist family has been devastated. Has the time now come for the facts to be known before more damage is done?

### CASE TWO

The father is an Adventist church school-teacher. This couple have two grown children, a married son and a daughter, now 31. The girl attended our schools. After an interim of a few years, she went to one of our colleges and graduated. She is employed at one of our hospitals.

At this time in her life, and unmarried, she was deeply concerned about her future. She sought counseling. The counselor was an Adventist male. Regressive therapy was employed

during which a “memory” of being sexually molested by her mother was “recalled.” *The result is that she is now totally alienated from her mother—will not talk or speak with her.*

The mother denies even the thought of such acts. The mother was counseled (accused) by the girl’s therapist as living in “denial” and that she herself needed therapy. The parents were devastated. However, there is nothing that they can do. The daughter’s therapist effectively blocks efforts at communication, saying it is not in the daughter’s interest. They are praying people and are interceding for their daughter. Several years have gone by since our first contact with this family.

The truth about pseudo-memories was given to the parents. This information has been a source of comfort to them, but it has not restored their daughter. The alienation continues.

### **CASE THREE**

A Nazarene minister, his wife, and son operated two child day-care centers. All went to prison on charges of sexually abusing the children under their care. Her husband—an ordained minister served 2 1/2 years; the wife, 10 months; and the son, four years and seven months. All of these people were innocent.

Three children testified in this case. One boy openly admitted lying, yet his testimony was allowed to stand. Schools of this type often have a high percentage of emotionally disturbed children. This makes their testimony highly questionable.

Dr. Lee Coleman, a prominent California psychiatrist, testified in behalf of the accused family. He said that the methods used to question the children were not valid. Dolls were used to objectify the questions. In such cases, when private parts are pointed out, the children seek to please. With sympathetic private cross-questioning the children wavered in their testimony. Neither the defendants or their counselors were allowed to question the children.

Newspaper reports about the McMartin trial in California, which was then in process, may have caused the parents to interrogate their children. The children would normally try to please their parents. The parents heard what they wanted to hear. They employed lawyers and filed suit. These Nazarene Christian people lost their home, their livelihood, and their reputation.

On getting out of prison, these Nazarene folk were warned that, if they appealed their case, the parents would not rest until these innocent people were sent back to prison. To get out of harm’s way, this family has moved to another part of the country.

All too often, the devil is using the judicial system to destroy people. The original judge, in this case, would not allow any testimony in behalf of the accused to be presented.

The McMartin case, in southern California, cost that state millions of dollars. Because of the unstable testimony of the children, the jury exonerated the McMartins of all charges. The McMartins were indeed innocent, but nothing can replace the loss of years, money, and emotional damage that they endured. From their advanced years, they have to begin life anew. They have filed suit against the State of California.

### **CASE FOUR**

This Adventist minister has recently retired. A year or more before his retirement at the age of 64, his daughter was in therapy with a non-Adventist psychologist. “Regressive therapy” was used. During this “therapy” it was unearthed that, over a period of seven years, her father had sexually abused her. Her “memory” was that he would come to her room at night. This “memory” was so vivid that his daughter went directly to the local conference president with these allegations. When his conference president confronted him, the pastor denied all charges. His denial was accepted. Her psychologist said that the pastor himself should enter therapy. He was accused of brazenly lying. His wife, however, stands with him. She never, for a moment, doubted his innocence. Whether this information went public and hastened his early retirement is not clear. There is no doubt that these “memories” have done them and their daughter irreparable harm.

On the telephone, this ministerial couple were informed that they were not alone in being victimized by this same type of pseudo-memory. This was a source of great encouragement to them. They were told that thousands of families have been devastated by these false “memories.” It is always good to know that we are not alone. However, this has not restored their daughter.

At the present time, the daughter is 34, and

married. She will have nothing to do with either parent. She has put on much weight and has an unhappy countenance. This “therapy” is one of alienation, not reconciliation. It has all the earmarks of being one of the satanic traps that Ellen White warned about so strongly.

#### CASE FIVE

This is another case of an Adventist family—the story of a loving mother-father-daughter relationship being shattered. Just a few weeks before “therapy” began, an affectionate letter was written by this girl to her mother (available). A radical change quickly occurred. In regressive therapy, with a certified Adventist counselor, she “relived” being sexually molested by her father. The recall was more vivid than reality. Her alienation from him is total. Because her mother believes in her husband’s innocence, she will have nothing to do with the mother.

But the horror story gets worse: In therapy, she visualized her parents taking the body of a new-born child and sacrificing it—chopping it up—as an oblation to the devil on Christmas Eve. She is convinced that this actually happened. So does her Adventist therapist. Her parents want her to reason with them. Her therapist will allow them to have no contact. She tells the daughter that contact with them would intensify her problem. The daughter considers her parents to be evil. At this writing, the isolation is total.

This family have requested attorneys to take their case. The lawyers have refused and warned the parents to leave well-enough alone, lest the psychologist use the courts to send these parents to prison. Retired families, like this, have been known to exhaust their life-time savings; lose their homes; and find themselves in poverty. In such cases, there is no way for them to recover their loss. This is the stranglehold of psychology on this society. It is making consistent inroads within the church. The warnings of Ellen White are proving true.

Our society has almost universally accepted psychology as a helpful science. If we really believe that Ellen White is God’s messenger to the remnant, we have no option but to believe that psychology is satanic. Under the cloak of healing, the father of all lies is hiding. Psychology is a godless science, a satanic deception. The

counsels of Ellen White becomes even more urgent as days go by. The work of the Holy Spirit, through the gospel of the Lord Jesus Christ is still God’s way of changing habits and coping with life’s problems.

In March 1992, Secular mental health professionals, in several states, established a foundation, called FMS (False Memory Syndrome Foundation). Address: 160 Holland Drive, Philadelphia, PA. Phone: (800) 568-8882. This tax-free organization is dedicated to help both patient and therapist from the damage of pseudo-memories. As a church, we would do well to investigate just how far psychology has replaced the gospel in our pulpits and in our ministries. Have we, as a church, ignored the warnings of Ellen White? Has psychology subverted the family and the church? There is much evidence that this is true.

#### CASE SIX

A retired Seventh-day Adventist doctor (a graduate of Loma Linda University) and his wife have gone through the fire. He was accused, by one of his daughters of sexual molestation and rape, from the age of 6 to the age of 20. All of these “memories” were dredged out of her subconscious by a Seventh-day Adventist psychologist. This was done, under hypnosis, by his admission. The daughter is now in total confusion. Her story of what happened changes from day to day. Recently, the daughter declared that the mother was present while she was raped by her father. This reconstruction makes her story even more unbelievable. None of these events ever happened. Attempts to reason, by both father and mother, are ineffective. The parents are totally innocent, but this does not repair the estrangement and the damage done to the daughter. This in an ongoing tragedy.

Gradually, the people of God are coming under bondage to men and women who have been trained in devilish arts. Families are being separated or destroyed. When will we cast this monster out of our homes and churches? Let us not go to the gods of Ekron—in order to find the help which only the God of heaven can give us. Let us warn our loved ones and fellow church members of the dangers of this occult science. Let us have nothing to do with it.

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