



The Presidents And Anonymous Donors

It is disquieting, at the least, to again read of unwise practices by Adventist leadership, even if they are under duress ("The Presidents and Anonymous Donors," *Spectrum*, Vol. 21, No. 4). Wisdom is seldom as badly needed, of course, as under duress. However, one must sympathize with the dilemmas of those called in recent years to serve at Washington headquarters. One might, if given a choice, prefer to live and serve in another area with somewhat more primitive "headhunters."

Actually the financial stress and the logistical problems of moving into the Washington, D.C., area only point up again the strained reasoning that has kept us there. In our technological age, headquarters can operate from any site in the United States or Canada. It would have been nice if leadership had given that option more serious thought before building at great expense, and ensuring many future headaches, in Silver Spring. We really need nothing more in Washington than a liaison office. The hard questions for leadership will now expand over time. What will be the eventual expense and diversion of resources to recognize Washington as a "hardship post" for everyone? Where was Neal Wilson when the groundwork for such problems was being laid and cemented in place?

Retrospective critics Wilson and

Tyner are right. On the face of it, any solutions that require pussyfooting around (e.g., anonymity and secrecy) have to be wrong, not to mention dangerous. This "deal" is the more stupefying, however, as one reads that apparently no one among Columbia Union's officers, executive committee, or constituency raised a warning flag about the appearance of impropriety or the potential for a tax-status disaster. It looks as though they were all out to lunch. That is grim!

In some ways the interplay in the affair, as reported by Roy Branson, is amusing for several reasons. I have to assume that secret pay for invisible work has long been known in the right circles. Surely it did not all begin just a year ago with Folkenberg. Union president Wisbey alluded to "courtesy payroll(s)" which "also exist elsewhere in the denomination." Do tell? If we cannot put the whole play on top of the table, why wonder about the decline in North American "church channel" giving (e.g., the *Adventist Review*, Oct. 3, 1991) that has been startling in the past 10 years or so? Perhaps we need another "presidential commission" looking into all of the special arrangements currently operating or contemplated.

Tyner surely provides a light moment to his criticism of leadership when he suggests that the

The article on the presidents and their anonymous donors generated thoughtful responses from our readers.

“potential conflicts of interest raised by these arrangements would *never pass the ethical standards required of the United States judiciary or Congress*” (my emphasis). The Congress? Come on! Things would be professionally buried deeper and more permanently in their hands—regardless of “requirements.” I do hope that the General Conference never sinks to the ethical level of the United States Congress. I don’t think it has so far come even remotely close to their standards.

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The article by Roy Branson, “The Presidents and Anonymous Donors” (*Spectrum*, Vol. 21, No. 4), has placed me in a unique position. For a record 16 continuous years (1973-1989) I served as a national officer of the Association of Adventist Forums. As treasurer of Forum for 12 of those years, I made decisions about contributions made to Forum similar to the decision I made as one of 60 members of the Columbia Union who voted in favor of allowing Anita Folkenberg and Frances McClure to be placed on our union’s courtesy payroll.

Given this background, how could I conscientiously vote the way I did? First, the spouses of church employees moving into a high cost area like Washington, D.C. often need special assistance. Second, any organization or individual receiving either anonymous or nonanonymous donations have to make judgment calls.

The tone of the *Spectrum* article focused on “anonymous donors” and “private sources” who could then peddle their influence on the husbands. Another focus of the article could have been the near impossibility of church workers to survive on one salary in a high-cost area. In normal economic times, the spouse

would be able to find a job easily, but with the economic downturn in the Washington area and at the General Conference and other church organizations in particular, such provisions for the spouse of a high church official at a time when others are being fired would have presented a serious problem. Most employees moving into such an area have time to make their demands before they accept a position, and they usually do. Most often this involves a guaranteed job for the spouse, which has resulted in bypassing normal interview processes and passing over other qualified candidates or even changing job descriptions for employees already in place to accommodate the spouse. Sometimes it might mean special housing help from wealthy interested laypeople. I have never felt this was wrong unless it resulted in compromises made by the employee in meeting the needs or demands of the employer or donor.

In a time of two-career families and the need for two salaries in a family, special accommodations have to be made in order to get quality pastors, teachers, and administrators to move into high cost areas. When serving as principal of Takoma Academy I put aside any possible feelings of jealousy when I paid a Bible teacher more than I received as his administrator in order to match the pay and benefits he had been receiving as a pastor, because I wanted the best I could find.

My wife and I know from personal experience what it is like to live on a single income in the Washington area. While she stayed home with our children for several years, we barely subsisted but survived thanks to low house payments and the generosity of parents who felt we needed an “advance” on a will rather than much later in life when we would not need it.

At a General Conference Ses-

sion we give a prospective employee a few hours to accept a position and hope all of these concerns fall into place. In the case of Robert Folkenberg, he had a few minutes on a Friday afternoon in a totally surprising development to decide. Individuals on the nominating committee such as Ron Wisbey and Susan Sickler, a member of Forum’s board, have described their intense feelings of God’s leading in the surprise developments. In that context, would it not seem providential that funding might become available to enable the General Conference president’s wife to accompany him as a fellow ambassador on the many ceremonial visits now considered important for major world leaders?

After becoming so familiar in watching the wives of James Baker, George Bush, and Mikhail Gorbachev accompany their husbands on foreign travels, the growing role of spouses in international diplomacy has become evident. The article could have addressed the need for the president’s wife to receive a regular salary from the church for such a role.

The spouses of Adventist college presidents in North America already are allowed to earn a percentage of the president’s salary to help cover entertainment costs and other ceremonial duties such as travel to important meetings. I know of at least one conference executive committee that has afforded the same privilege to the conference president’s wife. But given the cutbacks in staff at the General Conference, how could a similar privilege be extended to the Folkenbergs without heavy criticism being leveled against them? The American political scene has solved this problem by electing officials who are independently wealthy, but is this the model we want to adopt?

Another factor is the need for the families of Adventist administra-

tors to have more time together. We have frequently focused on the children as sole victims of such extensive travel schedules. I know from experience when my division treasurer father in the 1950s would be gone on two-and three-month itineraries. On one of those lengthy trips to a General Conference Session, we even had a civil war erupt in Lebanon in 1958.

In my current job, I average between 90 and 100 nights per year in hotel rooms away from my family. Have we also thought about the heavy toll such travel places on the wife? Ron Wisbey, president of the Columbia Union, is probably gone from his home two-thirds of the nights in a given year. When his wife, who is a secretary and editor in the Ellen G. White Estate, takes off from her hour-time job, they lose income in their effort to have a little more time together as a married couple with grown children. One can understand that he would have great sympathy for the provision made by these donors. After getting positive signals from the General Conference's regional auditing office and from legal counsel that the details could be worked out appropriately, he gave initial approval and ultimately followed through on asking for the appropriate committee approvals.

After the original offer was made just for the General Conference president, how could Ron Wisbey turn around a few days later and refuse to consider a similar offer for Al McClure, newly elected president of the North American Division, who had just defeated him for that position—a position that many in our union hoped Wisbey would get because of our great respect for his leadership talents? Such a refusal could have been seen as “sour grapes.” But more importantly, he viewed this as a very generous gift that helped solve a real dilemma.

How ironic that in helping the man who had won he would get criticized in the process.

When Ron Wisbey asked for the support of the Columbia Union executive committee, I believe the vote of this very vocal and independent-minded committee was unanimous. Some probably wished the donation could have been handled through the General Conference in a less charged atmosphere. Most felt the arrangement was proper. Many felt sympathy for the plight of spouses of all denominational leaders. Without getting jealous, they felt that for once two women were being treated right and praised God for the generosity of the donors. Others voted support out of respect for our union president who has earned the committee's trust and confidence.

On the matter of the interest-free house loan for McClure, this does not sound like a very good financial investment for him. When most of us take out a loan we expect to pay off the loan and receive money back when we sell, plus appreciation. In this case, the entire \$140,000 comes back to the Columbia Union, thankfully for Christian education. But all McClure benefits from will be any appreciation on his home, which is very flat today and tax benefits through the parsonage exclusion and deductions.

If *Spectrum* wants to enter the arena of helping establish the ethical ramifications of donations, it may want to begin with other possible examples. I am proud to say that on several occasions major donors have gotten upset that Forum did not take a more proactive stance during certain church disputes and quit making donations, thus showing Forum's independence. But one might ask if donations made from certain employment segments of the church have resulted in less coverage of certain issues in *Spectrum*, which could also prove embarrassing to

the contributors.

One might ask about other church employees or organizations similar to Forum who have received nonanonymous donations for salaries that ultimately impacted on their ability to function ethically and independently. In such cases, are anonymous or nonanonymous donations more dangerous? Of course, the presumption by most readers is that everybody “really” knows who the donors were for the spouse salaries. Our union officers have not revealed the names of the donors to either the Columbia Union executive committee or the recipients. If they are truly anonymous donors, then I feel more comfortable than with some of the nonanonymous donations received by Forum. If they are not anonymous, I would hope that the recipients would not be open to being unduly influenced in running the church by donors any more than Forum or similar organizations might be compromised by nonanonymous donors.

I hope that *Spectrum* will address this issue in a broader context and begin to provide constructive suggestions on the ethical dilemmas faced by all nonprofit organizations when receiving donations. It is unfortunate that only one example has been cited where others closer to home could have proven of value in this discussion.

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Your straightforward and factual report on the curious financial dealings of Robert Folkenberg and Al McClure (“The Presidents and Anonymous Donors,” *Spectrum*, Vol. 21, No. 4) was appreciated by many people. While I doubt anyone is happy about what occurred, at least concerned church members feel confident that they have received a sub-

stantial and unbiased report of the relevant details.

If Folkenberg and McClure consider the facts for a moment, they should also appreciate the wisdom of *Spectrum* publishing a full chronology of the events. The unsubstantiated and often wildly inaccurate stories that began circulating widely and rapidly through the Adventist grapevine have largely disappeared since the *Spectrum* article. While no one likes to be caught in embarrassing circumstances, *Spectrum* was the only independent vehicle with enough credibility to report the facts and lay the rumors to rest. Even if the *Adventist Review* had attempted to address the issue, many would undoubtedly question the objectiveness of its report.

The matter, as it unfolded, raises some additional troubling questions beyond the important points listed by Mitchell Tyner at the General Conference Committee meeting. Tyner listed the following difficult problems that were created because of the presidents' actions: (1) the many potential conflicts of interest with several different levels of the church organization; (2) the fiduciary responsibilities inherent with the office of president, that is, always putting the church's interests first; (3) the obvious effort to keep the matter secret, as if there was something to hide; and (4) the difficult issue of self-dealing, and the vital need to submit one's actions to review by others.

There are at least two additional questions that are raised by their actions: (1) Delegates to the 1990 General Conference Session were sufficiently impressed with Folkenberg's and McClure's capabilities and judgment to vote them into office. Even if the intent of the two presidents was honorable (and I'm confident that it was), the lack of judgment shown is appalling. While Folkenberg said he only spent about

10 minutes at the General Conference Session studying the matter, he certainly had plenty of subsequent opportunity to reconsider the issue. In addition to the aforementioned aspects, did they not even stop to consider that many others might be facing similar financial difficulties, without the benefit of "anonymous donors"? This leads to the second question: (2) Why do most church leaders continue to refuse to adequately address the reality that pastors and teachers in high cost-of-living areas are drastically underpaid, and many have already been forced to leave their life's calling simply because of a lack of finances?

Notwithstanding the way they went about it, I believe that even with the additional funds Folkenberg and McClure were receiving, they weren't being overpaid. No, the shame is that so many other workers continue to be severely underpaid. Pastors and teachers who are located in high cost-of-living areas (primarily on the East and West coasts) do not come even close to receiving the "living wage" that the denomination has always promised them.

Three years ago, in response to efforts in Southeastern California Conference to address and correct the pay shortfall, the General Conference pulled together a group called the North American Division Church Finance and Employee Remuneration Taskforce, which was composed of almost 80 North American Division, union, and local presidents and treasurers, and only nine laypeople (see *Adventist Review*, Sept. 20, 1988). After considerable time spent getting to the real issues, the group made a few potentially significant decisions and agreed to meet again in one year. Unfortunately, the few actions voted largely disappeared at Autumn Council that year, and the group was never recalled.

My dream is that something

positive can be learned from the unfortunate incident with our current presidents, and that significant and lasting changes to the church's pay structure can be made. The presidents were right when they realized that their pay was totally inadequate; unfortunately, they failed to address the cause of the problem. The message that their actions sent to other struggling workers cannot be seen as positive; if I were a church worker I couldn't help but be disillusioned with their responses to what is a crisis situation.

The church can get serious and start to address the issue by asking a group of committed and knowledgeable laypeople to address the problem of remuneration. It is vital that laypeople be placed in charge of any effort. That would avoid any appearance of conflict of interest. Also, many talented and dedicated laypeople with extensive practical business experience and better qualifications than an ordination certificate would love to serve the church in a significant way.

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Until the subject of remuneration for all denominational workers is resolved properly, the church will continue to face difficult and uncomfortable circumstances like the current one. Even more seriously, the church will perpetuate the neglect of those “lower level” workers who are the vital link with the laypeople to fulfill the mission of the church.

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I was not totally surprised by “The Presidents and Anonymous Donors” (*Spectrum*, Vol. 21, No. 4), which reported how secret gifts were seen as “an answer to prayer.” Adventist history has many stories of church need and divine supply. When needs of the church or church leaders (sometimes seen as inseparable) are being met, to some it seems sacrilegious to scrutinize what appears to be a miracle. Thus, to some of us, your report—even-handed journalism at its best—hit a raw religious nerve. Nevertheless, if the trust of our increasingly educated membership is to be retained, leadership behavior must be guided by more than individual feelings of divine leading. Confidence in the church must be based on knowledge that sound policies are in place, and leadership behavior must be open to scrutiny.

The issue of remuneration of top denominational leadership deserves open discussion and appropriate church action. However, I here briefly comment on our history and the interrelated notions of sound policy and free reporting. Our history is the story of great pioneers: Bates, the Whites, Loughborough,

Andrews, Prescott, Daniels, and the list goes on. Contemporary Adventism calls for equally great leaders, but the challenges today are different. Our early leaders often met challenges by inventive, ad hoc means; the survival of a fledgling group of believers demanded it. However, today the survival of our multimillion-member denomination demands thoughtful policies, including checks and balances, and accountability to an informed church membership.

Only as a church organization rests on widely accepted policies of fairness and equity is it really Christian, from a Calvinist perspective. For John Calvin, law served three functions. First there was the accusative and second the civil function, but his primary emphasis was on the law (in our context, “policy”) as a guide for the converted Christian. As “The Presidents and Anonymous Donors” demonstrates, even our finest leaders and committees need fair and equitable policies to guide in church affairs.

I am baffled how modern American church leaders and laypersons on a union executive committee would not have been sensitive to the blatant conflict of interest inherent in largely secret funds going to leaders from anonymous members. If a policy does not exist in the Columbia Union prohibiting such transactions, why did not the request for clandestine channeling of funds raise the demand for a conflict-of-interest policy?

The maturing Adventist Church is shifting from a leadership-driven to a policy-based management style, and such an evolution is essential for our corporate well-being and survival. It is interesting that evidently the “Adventist underground press,” as

Spectrum reports Ron Wisbey putting it, played some role in this current growth-producing incident. As the world becomes increasingly democratic, our church must not flout our long-held claim to be “representative” in church government. And representative or democratic governance is based on an informed citizenry or membership that reads news, both good and bad.

The *Adventist Review* has stated its intention that readers get their news first from the general church paper and it has taken large strides in that direction. But the church is also admirably served by journals such as *Spectrum*, which print so many articles of news and views, essential for the reading of informed Adventists. I personally do not read many independent Adventist magazines, but view such publications as indications of a thriving, thinking church body. Denominational efforts to thwart independent endeavors could be more profitably directed toward making the official institutions and publications so robust that the need for members to seek independent channels is lessened.

By now, one thing should be clear: in this communication age, for confidence in our church to remain high, members must be informed of success and failure. A rose-tinted portrayal of the church is not biblical, it is not in keeping with Adventism’s theology of Laodicea, and it is not true to life in our fallen world.

The story of top leaders and anonymous donors need not be a millstone around our denominational neck; it can be a stepping stone to a more mature organization.

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