

The Auditor vs. Church Leaders

David Dennis, the GC head auditor, is dismissed; he files suit; he and church leaders exchange legal briefs and denials.

by Sharise D. Esb

ON FEBRUARY 22, 1995, DAVID D. DENNIS filed an unprecedented lawsuit against four high-ranking officials at the General Conference, including President Robert Folkenberg. Filed in the circuit court for Montgomery County, Maryland, this lawsuit also includes charges against a woman not employed by the General Conference, against the General Conference itself, and against the General Conference Corporation, a nonprofit religious corporation established to hold the assets of the General Conference.

The church defendants have filed a motion to dismiss on the basis of constitutional, free-exercise provisions. Dennis' attorney has since filed an opposition to the motion. The first court hearing to review this matter is scheduled for July 25, 1995.

The lawsuit was filed following Dennis' removal from his position as director of inter-

nal auditing for the General Conference. According to court papers filed by the General Conference, Dennis was released from his position due to sexual misconduct, effective December 29, 1994.

Dennis' lawsuit claims defamation, breach of contract, and wrongful discharge from employment. The suit seeks compensatory damages of \$1 million and punitive damages of \$3 million. Making this lawsuit more interesting is the series of allegations that accompany Dennis' complaint. In these court papers, Dennis claims he was never a party to the sexual misconduct described and that his removal from office and defamation of character took place because he was an obstacle to improper financial dealings by the officers of the General Conference.

Dennis' document alleges some 13 instances of wrongdoing and corruption by General Conference officers. At the time of this printing, Dennis had not provided the court supporting documents to substantiate these charges.

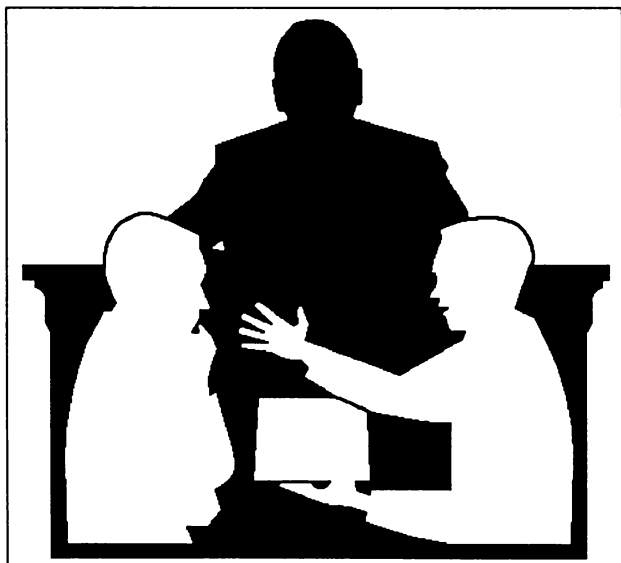
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On Friday, April 14, 1995, the church defendants filed a motion to dismiss the complaint on the ground that the church's action in disciplining an ordained minister and elected church leader is protected under the First Amendment of the U.S. Constitution, which allows churches to decide for themselves, free from state interference, matters of church discipline, policy, administration, faith, and doctrine. The motion does not respond to Dennis' series of allegations.

On Monday, May 15, 1995, Dennis' attorney filed an opposition to the motion to dismiss. Dennis' attorney argues that the First Amendment protects religious entities only in cases involving strictly ecclesiastical matters involving religious doctrine or dogma. He claims that Dennis' dismissal was for secular reasons, and therefore open to the court's consideration.

Allegations of Abuse

According to a press release prepared by staff at the General Conference, groundwork for the tensions between Dennis and the General Conference officials began in mid-1994, when allegations of sexual abuse, brought against Dennis by a woman in the church, came to the attention of officials at the General



Conference. Out of respect for her privacy, officials at the General Conference have chosen to call this woman E.A.

The release states that because Dennis was an ordained minister and elected leader of the church, Folkenberg asked attorney Walter E. Carson, from the office of general counsel, and Kenneth J. Mittleider, a vice president, to investigate the matter. As part of the investigation, Carson visited E.A. in Ohio, securing a sworn affidavit of her claims of sexual abuse and adultery.

E.A.'s eight-page sworn affidavit describes in significant detail the abuse she claims to have suffered at the hands of Dennis. The affidavit begins by describing her eighth-grade year, while she was a minor and a ward in Dennis' home in Singapore, when she claims Dennis fondled her.

The next year, Dennis was elected director of the accounting department for the General Conference, and moved to the United States. Although no longer keeping E.A. as a ward in his home, Dennis had contact with the girl through trips that he took to Singapore as part of his new position. E.A. states that over the next two years, Dennis undressed her on several occasions, fondled her extensively, and on one occasion, attempted to have sexual intercourse with her.

Later, in the United States, E.A. began what she calls a "miserable and doomed" marriage. "Several years later I was in great distress and desperation as I saw my marriage falling apart," E.A. said in her affidavit. "I needed to talk to someone who was not in relationship with my husband and myself as a couple. He was the only person outside of the community that I could think of to confide in." Correspondence ensued, and, after a separation from her husband, a meeting with Dennis took place. E.A.'s affidavit states that although Dennis was married, this meeting resulted in several instances of sexual intercourse and promises by Dennis that were never fulfilled.

"I have been left to attempt to survive in a sea of powerlessness, ambivalence, confusion, abandonment, betrayal, fractured trust in authority, confusion of identity, guilt feelings, anger & rage and physical symptoms of distress," E.A. stated. "It was when my second marriage had reached a critical place that I began treatment," E.A. continues later in the document. "I have been treated for depression by means of several different kinds of medication, all without complete success . . . because of this sexual abuse, I have also suffered immensely spiritually . . . I was blocked because I was sexually abused by a man who represented God and his church to me." Earlier in the affidavit, E.A. states, "I looked up to this man as a father figure . . . thus I term what took place as INCEST, because of David Dennis' fatherly role in my life."

E.A. goes on to describe extensive therapy, including up to four hours a week spent in sessions, along with two hours a week of group therapy in a sexual-abuse support group. After attending several retreats and programs dealing with sexual-abuse issues, she began an inpatient treatment program.

E.A. concludes the affidavit, "In view of the severe effects I have suffered as a result of being molested in an incestuous dynamic by David Dennis, I believe that this man needs to be brought to realization of his accountability for what he has done to me."

The Investigation

According to the press release prepared by the General Conference, the investigation that followed this affidavit revealed church business records which indicated that Dennis was indeed in the places that E.A. described at the times she says the events took place. Further investigation revealed letters allegedly sent by Dennis to E.A. and another woman, containing material inappropriate when com-

ing from a married, ordained minister.

Court papers filed by the General Conference defendants say that they next step in the investigation was to convene an ecclesiastical panel of inquiry. The General Conference appointed a five-member panel of church members, and a hearing was held on December 12, 1994 at the General Conference headquarters. According to the recorded minutes, the meeting began with prayer and then a presentation by Carson, discussing the results of the investigation. Carson left the meeting at this point and the panel heard from E.A., Dennis, Dennis' wife, and other witnesses. Dennis was in attendance throughout the meeting and was given the opportunity to ask questions of any of the witnesses against him, including E.A.

In the deliberations by the panel after the hearing, members of the panel found the allegations of E.A. to be true and concluded that Dennis had engaged in sexual misconduct inconsistent with church guidelines. The panel then forwarded its findings to the General Conference Administrative Committee, which met to review the matter on December 19, 1994. According to the minutes of the meeting, Dennis first requested, and then declined, to make a statement to the committee. The administrative committee recommended that Dennis be removed from denominational employment and that his ministerial credentials be withdrawn.

The next day, the General Conference Executive Committee met to review the administrative committee's recommendations. According to a General Conference press release, Dennis appeared at this meeting with a typed statement, which he read and distributed to committee members. The release also states that at no time during his statement did Dennis suggest that he was wrongly accused of sexual misconduct because of his efforts to expose corruption in the church. The minutes of the meeting did state that he requested an

additional 30 days to produce more evidence to support his position. It was voted to deny his request.

Following that action, it was voted to:

1. Remove David D. Dennis as director of the General Conference Auditing Service.
2. Terminate his denominational employment, effective immediately.
3. Make final settlement with David D. Dennis according to policy.
4. Withdraw David D. Dennis' ministerial credentials.
5. To record that by his conduct David D. Dennis has made void his ordination.

The action passed with a vote of 39 to 16.

The General Conference press release states that on December 22, 1994, Dennis requested the opportunity to present "significant information" and "new evidence" to the administrative committee. "Mr. Dennis was invited to submit any such evidence in writing no later than January 10, 1995. Although Mr. Dennis was offered the opportunity to present additional information or new evidence in writing, by a letter dated January 6, 1995, he declined to do so."

Dennis' Account of His Removal

In his court papers, Dennis paints a different account than that of the General Conference regarding his removal from the position of director of internal auditing for the General Conference. Among his many complaints, Dennis cites several instances of what he feels were attempts at intimidation by Carson and Mittleider to force him to resign prior to the December 12 meeting.

Dennis also states that despite church regulations to the contrary, he was not allowed to have his attorney present at the December 12 meeting of the ecclesiastical panel of inquiry. Dennis claims he was told by defendant

Carson, who was going to be in attendance at the meeting, that he (Carson) would be serving as a neutral legal advisor, and that the process was simply a non-adversarial, fact-finding exercise. Dennis says that Carson then presented a one hour and 15-minute opening statement against Dennis, stating that he was a liar and that he had a long history of sexual misconduct.

Dennis notes that although E.A. testified against him, her statements could not be believed without the assistance of Carson and Mittleider. He points to three areas he believes discredit her story: (1) It was determined that she had a long history of psychiatric problems, (2) it was determined that there were at least two other occasions when she had been raped, and (3) she and her family had visited Dennis and his family in a friendly environment less than three years before the accusations.

Dennis further explains that following his termination, defendants used written statements to the public and computer messages to spread the false allegations to virtually the entire worldwide membership of the Seventh-day Adventist Church.

Dennis concludes his complaint by citing seven other cases involving employees and moral issues. In his review, he points to what he feels are serious inconsistencies between the treatment of these cases, and the treatment he received.

Dennis Charges Corruption

On February 22, Dennis filed his complaint against the defendants. Dennis maintains that he was never involved in an inappropriate relationship with E.A., and that these actions to discredit him were taken to effect his removal from his position as director of internal auditing for the General Conference.

Dennis states that the defendants were

seeking his removal in retaliation for his past actions to resist corrupt financial practices and because he was an obstacle to future improper financial dealings. Dennis cites 13 instances where he says he "acted to resist and expose corruption in the General Conference of Seventh-day Adventists and its related entities."

Among Dennis' accusations, he alleges misuse of government funds given to the church for the operation of their Adventist Development and Relief Agency (ADRA) program. Dennis states that he has filed numerous written reports explaining that ADRA is not complying with guidelines to these government agencies. He claims that significant pressure has been put on him to either not write these reports, or to avoid audits where there is significant non-compliance. Dennis notes that defendant Mittleider is chairman of the ADRA board, and claims, without providing evidence, that Folkenberg receives several benefits from the organization.

Dennis states that further hostilities were invoked against him after he began investigating the use of funds allocated for the church's outreach program, "Global Mission." He notes that in 1992, Robert Folkenberg's brother was appointed an "associate treasurer" of the General Conference, with the specific responsibility of distributing disbursements from the Global Mission Fund. Dennis says that in his investigation, he was able to account for funds until they left the General Conference. In order to determine further how the funds were used, he sought an investigation of Folkenberg's itineraries and an accounting of how the money has been used in eastern Europe.

Neal Wilson, immediate past president of the General Conference, distributed a lengthy letter defending the current denominational leadership. At the General Conference Session, he expanded on his comments in a speech to world and North American leaders.

Dennis says that this action was resisted by Folkenberg.

Dennis also points to an action taken in 1992, when defendant Folkenberg set up an "operating board" over auditing. Dennis feels this was part of a plan for the president and vice presidents to take over full operation of the General Conference. The changes in policy made Dennis the only auditor to serve by election of the church constituency, with all other staff serving by appointment. Dennis feels the action to remove him from his position was part of an effort to control the operating board and therefore gain full control over all audit reports.

Still another incident brought out in Dennis' allegations is the appointment of Ronald Wisbey as liaison with the Adventist Health System. Dennis believes this position was a payoff for Wisbey's alleged earlier efforts to benefit Folkenberg and Alfred McClure, president of the North American Division. Dennis claims that Wisbey is now earning a salary at least six

times greater than he could from any other church employer. He also claims that Wisbey's wife, employed as his secretary, is earning approximately twice what she earned as a secretary at the General Conference.

Dennis concludes his allegations of wrongdoing by accusing Folkenberg of being involved in outside business dealings with an entity known as Versacare, as well as a computer sales operation. He claims Folkenberg is also associated with Ray Tetz, vice president for ADRA, in the Galileo and Associates business, and that ADRA has employed General Conference staff on a regular

basis to provide free lawn and garden care and maintenance of Folkenberg's home, as well as other unauthorized perks. Dennis says he sought to review these activities, not only to see if there were conflicts of interest, but to determine whether there were additional cases of misapplication of church funds, including issues related to the financing of Folkenberg's personal residence.

These are only some of the more serious allegations made by Dennis.

Replies to Dennis' Charges

The General Conference did not respond to any of Dennis' allegations in their motion to dismiss. However, a General Conference press release stated that Dennis' allegations are "completely without merit and irrelevant to the disciplinary actions taken against him."

More specific written denials have come to *Spectrum* from particular entities mentioned by Dennis in his lawsuit. The Adventist Development and Relief Agency (ADRA) points out that it is not itself a defendant in the Dennis lawsuit, and says flatly that "allegations of wrongdoing regarding ADRA contained in the Dennis lawsuit are false and without merit." It adds that as required by law, "ADRA is the subject of a detailed annual audit by an external auditing firm," and that "copies of the current audit by Coopers & Lybrand have been made available to all relevant donor agencies."

Ray Tetz, an ADRA vice president and head of the Galileo and Associates business mentioned in Dennis' lawsuit, declares that "Robert Folkenberg and I do not now have nor have we ever had a business relationship of any kind."

On March 9, 1995, Ralph Martin, president of the Columbia Union, gave his union executive committee a rather detailed denial of allegations by Dennis regarding Ronald

Wisbey's present salary arrangements.

"As chairman of the compensation committees at Adventist Healthcare MidAtlantic and Kettering Medical Center, I can tell you factually and positively that Ron Wisbey did not receive six times his union president's salary. That is a falsehood! He received the equivalent of his union salary, plus the General Conference secretarial salary for his wife, adjusted for non-clergy taxes. His wife receives no compensation from the health system. Sandra Jones, who served as his secretary when he was president, continues to serve as his secretary. The job description and salary were settled before either Robert Folkenberg or Al McClure knew anything about the move. They had no influence or motivation on either the change of positions or the setting of the salary."

Robert E. Coy, chairman and president of Versacare, responds to Dennis' references to Folkenberg being "involved in outside business dealings" with Versacare, Inc. with a description of the company and a chronology of Folkenberg's relationship to it. Coy says that the relationship ended in early 1991; Folkenberg had been elected president of the General Conference July 6, 1990.

Versacare, a nonprofit corporation, operates the 383-bed Hialeah Hospital in Hialeah, Florida, as well as a nursing home and senior citizens' housing in Corona, California. All the members of the board are members of the Seventh-day Adventist Church. In 1980, while on the staff of the Inter-American Division, Folkenberg began serving on the board of directors of Hialeah Hospital (where the local conference president and the president of the Inter-American Division have also served). In 1982, Folkenberg became a member of the board of directors of Versacare, the parent corporation. Coy says that Folkenberg was "instrumental in our establishment of Versafund," which now distributes a significant number of grants to church-owned or -related organizations, such as four Adventist

colleges and Andrews University.

After his election as president of the General Conference on July 6, 1990, Folkenberg in 1990 resigned from the board of Hialeah Hospital. He continued on the board of Versacare "until early 1991, at which time he resigned." For their participation in the three or four board meetings a year, board "members were reimbursed for their travel expenses and received a small fee, or per diem payment, for the days the meetings took place." Coy volunteers that "the allegations of Mr. Dennis appear difficult to understand."

Prior to the 1995 General Conference Session, delegates received a booklet from

Vance Ferrell and a letter cosigned by Richard Fredericks, pastor of the Damascus Seventh-day Adventist Church in Maryland, and Roscoe Bartlett (R-Md.), an Adventist member of the U.S. Congress. Both documents were supportive of Dennis. Richard Fredericks then sent a second letter apologizing for being precipitous in his judgment. Meanwhile, Neal Wilson, immediate past president of the General Conference, distributed a lengthy letter defending the current denominational leadership. He expanded on his letter in remarks to world and North American leaders in Utrecht just before the 1995 General Conference Session.