

# Reviewing the Process

A SPECTRUM Interview with Niels-Erik Andreasen

February 11, 1999

## Editor's Note

**W**hen the General Conference officers were informed of the lawsuit by James E.

Moore against President Robert S. Folkenberg, the General Conference Corporation, the Inter-American Division, and legal counsel Walter Carson (among others), two actions were taken: outside legal counsel was retained and an ad hoc group was created. Niels-Erik Andreasen, president of Andrews University, was selected to chair the group. After the group completed its work, and Elder Folkenberg had resigned, Spectrum talked with Andreasen about the process in which his group had been involved. Note that the following interview refers to three different committees:

- **The Administrative Committee (ADCOM):** *The working committee of officers at the General Conference*
- **The Ad Hoc Group:** *The special committee created by ADCOM to review information about the lawsuit and make recommendations back to ADCOM on related issues*
- **The Executive Committee:** *The worldwide committee of the General Conference empowered to act for the General Conference between the five-year official sessions of the General Conference*

### Who brought this lawsuit against Folkenberg to the Administrative Committee's attention?

I don't know specifically. I heard it was some officers that first heard and took it to the rest of the officers, so groups of officers became aware.

### Why did ADCOM create the Ad Hoc Group?

Someone explained to me that they wanted to have a review done by a group that was not exclusively in the General Conference, that represented a broader segment of the church, including some international people to get a little distance between those writing the paper and receiving it.

### Who picked the group members?

ADCOM did it through a vote. That vote included a four-part assignment for the committee and the membership thereof, and the time frame in which it had to work. The assignment was to:

- receive and evaluate information relating to issues that have come to light as a result of allegations made against Robert S. Folkenberg by James Moore
- to identify pertinent issues that potentially affect the world church
- determine if the issues are of such a nature as to warrant further consideration and/or action
- prepare a report with any appropriate recommendations

### Given that the lawsuit deals with financial issues, why were not more CPAs included on the Ad Hoc Group?

I don't know. I did not have anything to do with the selection. I was told, though, that every member of the committee is also a member of the General Conference Executive Committee. They wanted that connection deliberately.

### Do you think Executive Committee members were used because that is the committee that actually has to take action?

It was made very clear in several statements that our

committee had no responsibility concerning the presidency, to determine what action should be taken. That is the prerogative of the General Conference Executive Committee. The committee I chaired was assigned only to look at issues and recommend on the seriousness of them. But I think that certain members felt that having General Conference Executive Committee members would create a connection between the committee making recommendations to ADCOM and the committee which might then be acting on the recommendation. But the link between the two would be ADCOM which had to turn the recommendation into an action vis-a-vis calling the General Conference Executive Committee.

The committee I chaired was to report to ADCOM, not on the office, but on the seriousness of the issues. And that recommendation would then be taken up by ADCOM to be dealt with it as it pleased. As it turned out, ADCOM turned the recommendation of our special committee into an action that led to the calling of the General Conference Executive Committee on March 1. Now I had to leave ADCOM before that happened because of the flight I had to take to California, so I left right during that process. But I was informed subsequently that this is exactly what happened later in the evening on the 27th of January.

#### **Who named you chair?**

I don't know. I was just asked after the nomination by ADCOM, and I didn't ask. I'm not a curious person.

#### **Did you argue? Did you say, "No, I don't want to do this?"**

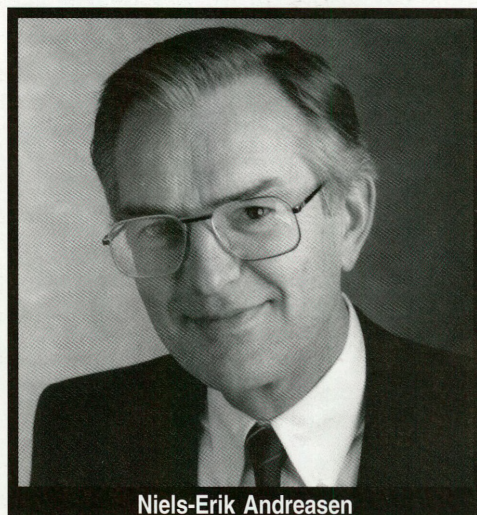
Well, the person with whom I have an actual relationship in Washington, the board chair of Andrews University, contacted me. Whenever I talk to people I always go through him, because that's protocol. He's the one who called me. I was surprised and very hesitant about it. But I saw that maybe that was the right thing to do, precisely because it might help ADCOM to have some group that was somewhat removed from the hot house of the General Conference look at the issues that are being discussed, I am sure, in the meetings and hallways for a number of days and perhaps even some weeks.

#### **It seemed that they moved pretty quickly.**

And I am pleased they did. I think the news has been that in least this case the General Conference did move quickly on solving a difficult problem. I would say the brethren are to be congratulated on not letting this simmer for a long time to the hurt of many people.

#### **What did that mean to you when they said you weren't supposed to look at the office, just the issues, did that make you set up the meeting differently?**

Well, that could have been. I never thought about how I would have set it up if they had said "look at the office." But it was clear to me from the very beginning what my policy should be given that our committee had no constitutional authority. Fact-finding was our responsibility to ADCOM. Knowing that, it was also clear to me that we should not focus our attention on the office of the president. It was simply not our assignment. We should stay clear of it to avoid any kind of misunderstanding by people about the policies of the General Conference and how they would work. Our committee is not anywhere



Niels-Erik Andreasen

Photo: Andrews University • University Relations

in the policy book. It was just set up to assist ADCOM in getting an assessment of the seriousness of these issues. And the committee truly did not ever talk about the office of the General Conference president. That language did not come up. Now I think that everyone knew that our assessment of the seriousness of the issues would, after two or three links in the process, of course, impact the presidency. It was in people's minds, I am sure, but it was never expressed. I think that helped the committee to focus precisely on the terms of reference it was given. It preserved a certain decorum. There was no conversation ever about the suitability of the General Conference president for office or whether he should be there or shouldn't be there or what should happen to him. It was not discussed. That helped to keep the committee focused and not get wandering all over the field making ad hoc editorials about things. I think it was the best way, as it turned out.

#### **What did you ask for?**

I asked that both written and verbal information be provided. I asked for the committee to be able to do

its work without any other people present. There were a lot of people who wanted to be there listening and to make speeches and so on. I asked for none of that to happen. I wanted only statements by the General Conference legal counsel and by Elder Folkenberg and his legal team to help hold us to the issues, and then the opportunity to call them back for clarification. Plus peace and quiet, and we got all of that. And a few technical tools to keep track of our thoughts.

**Such as?**

Nothing mechanical. Just things to write on for everyone to see—flip charts—because we were dealing with masses of material. And on the second day it was really difficult to try to pull all that together into something that we could work with. So we did work on that. And then broke into teams to try to get a handle on it.

**What record was made of the meeting?**

We had a secretary who recorded actions. But we did not take statements made by presenters and committee members. I was asked if I wanted a court reporter and I said, "No, I didn't think so." I don't know whether I was right or wrong about that. Somebody thought this meeting was so historic, we should record everything. I thought probably not. But I may have been wrong on that. I don't know. I had one day to think about it. I made a quick decision. It was very important to me to achieve two goals in a case like this where a church office was at stake:

1. Get at the facts and get an adjustment on those in an open and free-flowing session where nobody's opinion was dismissed.
2. As much as possible protect the individuals who were stuck in this mess. There was no need to stick something on them for the rest of their lives. The findings would stand by themselves.

**One of the reports from the General Conference mentioned that at the beginning of the meetings the process was discussed for two hours. What was the discussion?**

Well, the discussion was on how we would do the work. Who would speak to us and when. There was a bit of tension before the meeting began, because some people thought that they wanted speeches and so on. We finally, after some discussion, came down to a working solution and this was agreed to by all. That is, one hour of presentation by General Conference legal counsel and then three or four hours of discussion. Then a break,

followed by one and half-hours or so of presentation by Elder Folkenberg's legal team, followed by two or two and half-hours of clarification. So the total amount of time for each of these two sets of activities was approximately the same. That was all laid out in that initial discussion which, I don't think, was two hours. We had a devotion and certain preliminary proceedings and introductions and so on.

**How would you describe the atmosphere of the meeting? Was it like a committee or a court proceeding?**

It evolved like a committee. We needed to be very focused to make sure we fulfilled or went around the table asking for issues that had emerged. On one level, we were trying to understand specific events in a long-term relationship and the streams of relationships flowing out from the one. Two, we were analyzing specific relationships. Third, we needed to turn these observations into analyses of the issues that arose—such as conflict of interest and business involvement of the church with nonchurch entities. So we were there to distill issues, and there were relationship concerns. That was quite a lot. We made rubrics of the information. From these we isolated issues:

- conflict of interest
- misuse of office
- relationships with colleagues
- potential damage to the worldwide church

Under each one of these issues we noted a number of specifics. On some, there were just a couple of points and on others as many as four or five points. We talked about the potential impact on confidence in church leadership. Most of what we talked about was not in the lawsuit, but in evidence that showed up. As we went over the events it seemed like the missing ingredient was an intercollegial relationship with other leaders. You would expect that when questions about business dealings came up that counsel would be sought from others, but it was not. The big lesson from this is not to go it alone. The same is true of theologians who want to do theology alone.

**Did you listen to the tapes mentioned in some news reports that James Moore made of his conversations with Elder Folkenberg?**

No. I declined receiving or hearing the tapes, because their legality was under question. They were offered to me to be played for the committee and then destroyed. I declined.

**Was the legal presentation all about Folkenberg?  
What about Carson? What about the General Conference Corporation?**

There was no conversation about Carson. There was no General Conference involvement. Inter-American Division involvement—a little, but the General Conference had no involvement.

**Were Folkenberg and Carson present? Did they address the committee?**

Elder Folkenberg was present. He had two lawyers with him. He spoke freely and easily to the committee. He also agreed to the procedures. Carson was only there for the devotion.

**What materials were shared with the committee?  
Was there a written report?**

There were several very big volumes of documents that were summarized in a report by Phil Hiroshima, the counsel retained by the General Conference. It told who the main characters were, etc. Then Elder Folkenberg and his lawyers used an overhead projector and had handouts.

**Who drafted the committee's report to ADCOM?**

The committee broke up into groups to put together the report. It had four parts when it was presented to ADCOM:

- *Process*—I spoke to that topic
- *Orientation to the story*—that was handled by Bob Nixon from the General Conference's general counsel office
- *Issues that had arisen*—that was drafted by a subgroup
- *Recommendations*—another subgroup

The first two parts were not written. Nixon tried to pick key issues to present in forty-five minutes. The third part was very short—a list of issues with bullets and then the recommendation.

The issues came up as people looked at the materials and discussed them. We asked the question: how do we expect an officer of the church to conduct his office? People began talking about the necessity of collegial decision making, the dignity and confidence required by an office. It was similar to when we held a workshop on the Andrews University campus concerning conflict of interest. The group discovered things that they had not handled before. We discussed how common sense more than policy was used. We shared feelings of how things ought to be.

**How were votes taken?**

There were two votes taken. The first vote was the most important and it was done by secret ballot. The question was put to the committee: "Are these issues of such importance that they need to be given to ADCOM for consideration?" We knew we could not get the exact wording in that ballot. But we had to know. Did they think this was fluff or real? The vote was not unanimous, but it was an overwhelming "yes" to the question. On the final recommendation we took a voice vote and it was unanimous.

There was disagreement over how the church should respond to this. But that was not our job. There was never any doubt about our recommendation. The secret ballot was very clear.

**Was Elder Folkenberg there for the vote?**

No he was not.

**Who told him of the committee vote?**

Elder Humberto Rasi and I met with him.

**What are your reflections on the process?**

I would say that it was not a pleasant assignment. Everyone there had a personal relationship with Elder Folkenberg. Yet we went ahead and did what was asked of us. As for Elder Folkenberg, I would say that we need to love him more not less after all of this.

In conclusion, when I was a young theologian I thought the church really needed to learn some things—probably with good reason. Nowadays I see the church not as a powerful monolith, but as vulnerable. I see my role as being supportive. I try to build it up and not tear it down. It is not this big thing that we need to beat on it. I really care about the church. I don't want to be neutral about it. I want to help build up the community of faith.

**Special Ad Hoc Group Members**

Niels-Erik Andreasen, chairman, Maurice T. Battle, Matthew A. Bediako, Selma Chaij, Lowell C. Cooper, Laurie Evans, William G. Johnsson, Harold J. Lance, Ruben Matiko, Ruy Nagel, Ruth E. Parish, Jere Patzer, Juan R. Prestol, Humberto H. Rasi, Rick Remmers, Calvin B. Rock, Virginia Smith, Max Trevino, Bertil Wiklander, and Robert W. Nixon, legal counsel.

# Documenting the General Conference Process of Evaluation

The lawsuit by James E. Moore against Robert S. Folkenberg, Walter Carson, the General Conference Corporation, the Inter-American Division, and others prompted the General Conference Administrative Committee (ADCOM) to create an Ad Hoc Group to investigate the matter. The specific assignment was "(1) to receive and evaluate information relating to issues that have come to light as a result of allegations made against Robert S. Folkenberg by James Moore; (2) to identify pertinent issues that potentially affect the world church; (3) determine if the issues are of such a nature as to warrant further consideration and/or action; (4) prepare a report with any appropriate recommendations," according to *Adventist News Network*.

In a January 27, 1999 news release, ANN reported the vote by ADCOM to hold an Executive Committee meeting came after the Ad Hoc Group summarized the issues. "The group said that the matters that emerged reveal a pattern of widespread personal activities of the president which give rise to concerns. The ethical concerns included conflicts of interest, inappropriate business associations, and misuse of the office of the presidency for business advantages. The group also expressed concern about the potential impact on the world Church as well as the president's reluctance to accept the advice of colleagues."

The news release also contained the text of the Ad Hoc Group's Report:

## Text of the Report of the Special Ad Hoc Group

"The committee recognizes and affirms the visionary, energetic and mission-focused leadership which Elder Folkenberg has given to the world-wide Seventh-day Adventist Church since 1990. Many and varied aspects of church life and activity have received a new sense of inspiration and purpose through initiatives he has introduced. His infectious enthusiasm and tireless travel have endeared him to church members around the world.

"With deep regret the committee acknowledges that recent issues have surfaced and raise concerns in connection with Elder Folkenberg's personal business activities and the office of the presidency. The nature and gravity of these issues and their cumulative effect is such as to erode confidence in the functions of the president and to introduce doubts about leadership integrity.

"Whereas, the Seventh-day Adventist Church, from its earliest days, has been firmly committed to the highest standards of ethical conduct for its leaders and subscribes to leadership principles as set forth in Scripture, the Spirit of Prophecy, the Church Manual, the Ministers Manual and the General Conference Working Policy, and;

"Whereas, the Church is the object of God's supreme regard and its leaders at all levels are called to serve and protect the best interests of the church, and;

"Whereas, issues previously identified in this report seriously impact the good name of the church and diminish members confidence in the credibility and integrity of the office of the president, and;

"Whereas, in the view of this committee, the magnitude of these issues calls into question Elder Folkenberg's ability to provide continued effective leadership as General Conference president, and;

"Whereas, according to the General Conference Constitution and Bylaws, the General Conference Executive Committee is the only body which, between General Conference sessions, can deal with decisions affecting General Conference elected leadership, it is

"Recommended, that, at the earliest opportunity, the General Conference Executive Committee be convened to hear this matter and to express itself on a question of confidence concerning Elder Folkenberg's continued leadership."

## Summary Statement Sent to *Spectrum* Anonymously

In the preparation of its report, the Ad Hoc Group prepared a summary statement that listed the specific actions that prompted them to raise an issue. The Summary Statement of the Ad Hoc Group has not been released by the General Conference. When members of the Executive Committee requested more information about the lawsuit during their meetings on March 1 and 2, General Conference secretary Ralph Thompson said division presidents were free to release information.

On March 10, 1999, a copy of the Summary Statement was received by *Spectrum* in the mail. It was sent anonymously. After verifying the information within the statement, *Spectrum* has decided to print the document.

# Summary Statement of the Ad Hoc Group's Report on Issues Relating to the Presidency of Robert S. Folkenberg

## Introduction

The Group heard reports from the General Conference lawyers and from R. S. Folkenberg and his lawyers, but made no attempt to deal directly with the lawsuit brought against Elder Folkenberg, Attorney Carson, the General Conference and others. The specific assignment of the group was to review certain issues that surfaced in connection with the lawsuit and to ascertain their seriousness relative to the office of the General Conference president. The group made no attempt to consider these issues from a legal perspective. Its concern throughout were threats to the welfare of the world Church along with risks to the dignity, authority, and integrity of the president's office that were brought about by these issues. The group was aware of the high professional, ethical, and personal expectations Church members worldwide hold out for any Church officer, especially the president of the General Conference.

## The Issues

The issues were many and varied and accumulated over a period of more than twenty years during which Elder Folkenberg maintained personal and business relationships with Mr. Moore, a businessman in California. The available evidence documenting these relationships was accumulated by the lawyers for R. S. Folkenberg and for the General Conference while preparing a defense against the lawsuit. Additional testimony has been emerging. There is no indication in this material that the General Conference itself has been implicated or that the lawsuit presents a serious threat to the Church. Much of the detailed evidence is not complimentary of Elder Folkenberg. Consequently, it was not disclosed in the group's report to the General Conference Administrative Committee. Instead, the report identified three general areas of concern. Each area included issues which in the group's opinion rose to a level requiring attention by the General Conference Executive Committee. This means that the group felt strongly that these issues did raise serious questions about the ethical, professional, and personal integrity of the office of the President in the General Conference. The following are examples of these issues and concerns.

**1. Ethical Concerns.** These matters relate to certain activities in or directed from the president's office, that cast a cloud over the integrity of the office.

**A. Conflict of Interest.** Conflict of interest means that a person in leadership is making or attempting to make decisions that are also in his/her own

interest, or in the interest of family, friends, or associates. In such cases, a leader's interests are in conflict. It is always wrong to act out of a conflict of interests.

· Elder Folkenberg's ongoing involvement with Mr. Moore and (perhaps others), in various not-for-profit and for-profit corporations is a serious issue. Even if the ultimate objective of such involvement is some benefit to charitable or religious programs, this type of involvement stands in conflict with the General Conference president's exclusive responsibility for the welfare of the Church itself, and his attention to its mission.

· Evidence shows that Elder Folkenberg attempted to influence ADRA to adopt a telecommunications venture that would provide some financial support of ADRA's programs, without disclosing that a greater financial benefit would accrue to his friend and business associate, Mr. Moore. It appears further that Elder Folkenberg was being pressured by Mr. Moore to get ADRA to sign on to this venture. This represents a direct conflict of interests.

· Under pressure and/or threat from Mr. Moore, Elder Folkenberg secured financial support from generous supporters of the Church and its mission to help cover Mr. Moore's personal business expenses. A total of one-quarter million dollars of personal and raised funds appear to have been forwarded to Mr. Moore to help cover his business expenses. Additional attempts to settle Elder Folkenberg's and Mr. Moore's differences apparently were made with an effort by Elder Folkenberg to raise first six hundred thousand dollars, later increased to nine hundred thousand dollars. Such efforts, whatever their motive, are incompatible with the accepted activities of the office of president in the General Conference.

**B. Inappropriate Associations.** While a minister of the gospel is called to reach out with God's gift of salvation to everyone, a Church leader representing the Church through an appointed office, can maintain only such associations as are appropriate for the Church organization.

· Elder Folkenberg's association with Mr. Moore, a convicted felon, went beyond the type of relationship that exists between a minister of the gospel and a parishioner. It continued through Mr. Moore's prison term. It included financial planning, some on a purely personal nature, and business relationships of various types, some of which were noted above. This puts the integrity of the Church at risk.

· As a practicing Catholic believer, Mr. Moore appears to have had business associations with a high ranking Roman Catholic official, akin to the associations with the General Conference President. While that in itself may not be wrong, it appears unwise for a Seventh-day Adventist leader to get involved in this way. This is particularly true if, as appears to be the case, assets designated to benefit both Adventist and Catholic activities and individuals were held or planned to be held in single corporations and/or trusts. These types of associations and activities are inappropriate for the General Conference president.

**C. Misuse of Office.** This means that the office of the General Conference President established "to further the objectives of the Church and its mission" was used to advance other objectives that, at the very best, were merely tangentially related to the objectives of the Church.

· In order to assist Mr. Moore, Elder Folkenberg provided introductions to overseas Church and world leaders for the purpose of promoting private business ventures. Due to the high profile of the General Conference president, such efforts inevitably involve the prestige of the president's office, and the prestige of the Seventh-day Adventist Church, in what is essentially a secular business activity, and as it turned out, a misguided one. This represents an inappropriate use of the General Conference president's office.

· Certain Church donors were solicited for funds to help satisfy personal business needs, and it is said that they were informed about the purpose for these funds. Nevertheless, the underlying intention with this type of solicitation and the subsequent payments raise serious questions about the use of the president's office.

· A number of the activities referenced above were carried out with the assistance of General Conference legal counsel. Some of these activities were purely personal in nature, others represented a conflict between personal and official interests. In either case, serious questions are attached to such use of General Conference personnel.

**2. Relationship to Personal Advice.** This matter refers to the relationship between the General Conference president and his fellow officers and support staff. While the Seventh-day Adventist Church has a president at each denominational level, it also has a long-standing precedent of collegial decision making and management. It is here a serious issue has arisen. It does not relate to real or perceived support of, or lack of support of, the President by his fellow officers, it deals with very specific matters.

· Evidence reveals that Elder Folkenberg did not inform his associates in administration about his dealings with Mr. Moore until litigation caused its disclosure.

· Documents reveal that Elder Folkenberg was advised to terminate his long-term business relationships noted above. He failed to do so, nor did he seek wider counsel on the matter.

· Testimony reveals that Elder Folkenberg was advised directly that in his capacity as General Conference President he should stand back from questionable personal financial involvements, on the grounds that they were incompatible with Church activities. Nevertheless, he proceeded.

**3. Potential Impact on the World Church.** This issue refers to the fact that the General Conference President is a very public figure both in the Church and in the world, and that activities of the kind referenced above cannot be kept secret, and since they are in some cases highly inappropriate and in others unprofessional and unethical, they will have negative consequences for the Church, unless a quick and complete separation between these matters and the office of the General Conference president is brought about.

· There will be widespread misunderstanding on the part of members regarding such personal business activities which fall completely outside the expectations the members of the Church have of General Conference leadership.

· Many will experience a loss of confidence in Church leadership which may negatively impact their involvement in the mission of the Church. Such confidence, once lost, will be slow in returning, and will seriously hamper the mission of the Church.

· The Church is already exposed to unnecessary and costly litigation. The longer the process, the greater the cost.

· Lost confidence in Church leadership brings with it loss of personal credibility on the part of the leader, which is essential for a community of believers.

· The Church's failure to make clear decisions in such matters will lead to protracted negative publicity for the Church, and that in turn will hamper its mission.

· The office of president has always set the tone for the world Church since the beginning of our history. The recent call to total and undivided commitment, the call to accountability, the call for spiritual maturity, the call to purity of life, the call to faith and mission — all these are tied up with the credibility of the office of the president. As that office is tainted by doubt and controversy, erosion of credibility occurs, and the cause of God is set back.