

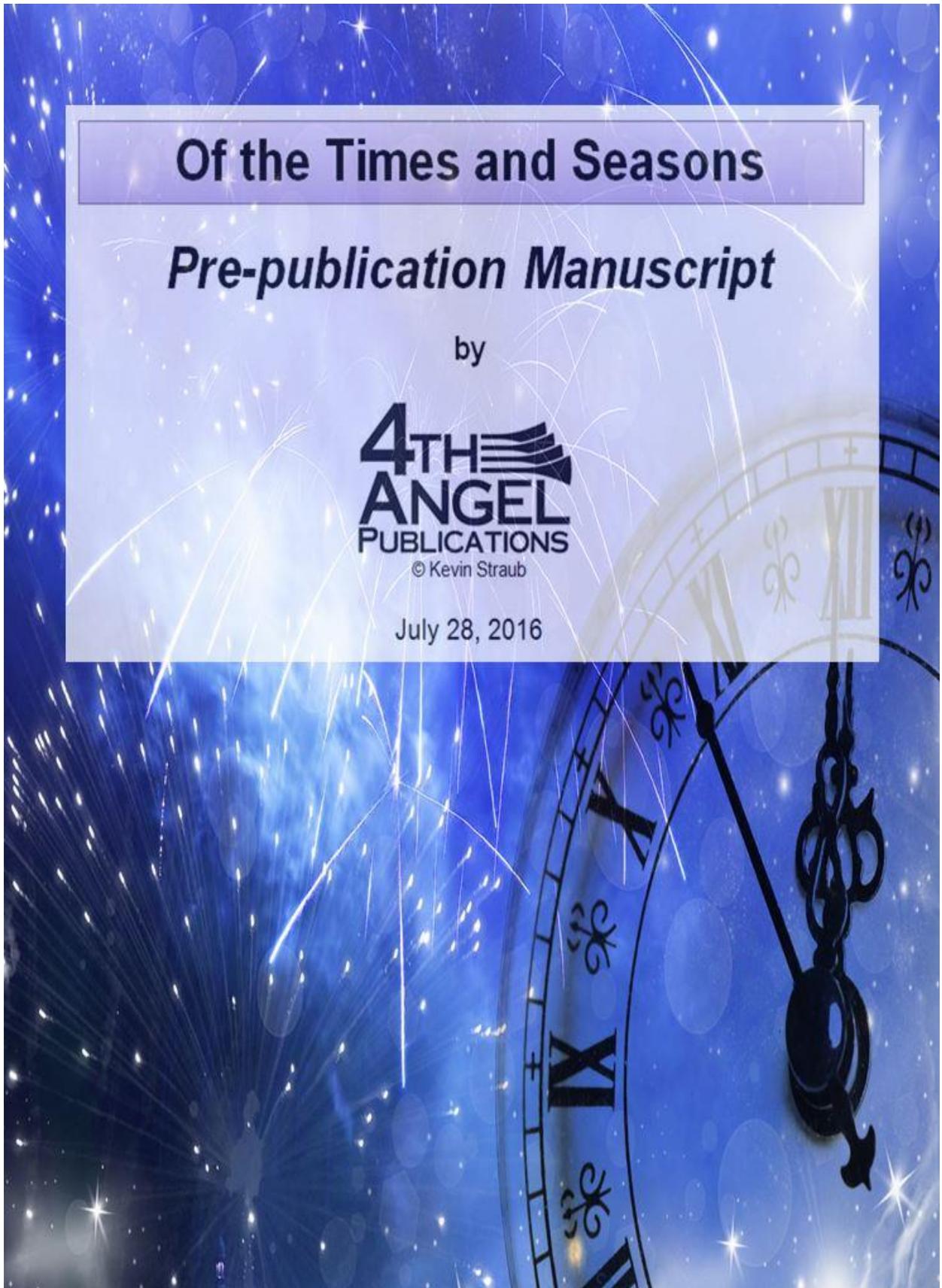
Of the Times and Seasons

Pre-publication Manuscript

by

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ANGEL
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July 28, 2016



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Of the Times and Seasons

by



July 28, 2016

Watchman, what of the night?
Watchman, what of the night?
The watchman said,
The morning cometh, and also the night:
if ye will inquire, inquire ye:
return, come.
(Isaiah 21:11, 12)

Arise,
cry out in the night:
in the beginning of the watches
pour out thine heart like water before the face of the Lord:
lift up thy hands toward him for the life of thy young children,
that faint for hunger in the top of every street
(Lamentations 2:19)

At this time in history, we are challenged to find in the churches the sounding of the trumpet in clear tones. Where are the three angels? It is now time to possess a deep understanding of our message and be in deep preparation for its proclamation. But many of us sleep, even as the organized church sleeps. Are there none to sound the cry?

It was not the scholarly theologians who had an understanding of this truth [of the everlasting gospel of Rev. 14], and engaged in its proclamation. Had these been faithful watchmen, diligently and prayerfully searching the Scriptures, **they would have known the time of night; the prophecies would have opened to them the events about to take place.** But they did not occupy this position, and the message was given by humbler men. Said Jesus: "Walk while ye have the light, lest darkness come upon you." John 12:35. Those who turn away from the light which God has given, or who neglect to seek it when it is within their reach, are left in darkness. But the Saviour declares: "He that followeth Me shall not walk in darkness, but shall have the light of life." John 8:12. Whoever is with singleness of purpose seeking to do God's will, earnestly heeding the light already given, will receive greater light; to that soul some star of heavenly radiance will be sent to guide him into all truth" (*The Great Controversy*, p. 312, par. 3).

Joel 2 calls for the sounding of an alarm in Zion. Herein we have our mandate to tell of the time of the emergence of people great and strong in the day of the Lord, who run as mighty horsemen, with a message of God's glory, for all peoples. This is the time of the creation and rise of the 144,000 remnant elect of God. This is *the generation of the restoration*, when in the time of the latter rain, God's people--His true church, the wheat, will rise up from the generations that have been devoured by the destroying pests.

The Section I study will detail the concept of forty-year generations, cycles of four, and dividing of generations into four periods called "watches." We begin with speaking of the restoration to surely take place in this "fifth" generation of Adventism (which is rather the "first" generation of a new time cycle as we'll discover in the study). Then, we spend the bulk of our time in Section II examining the first four generations, according to the mandate given in Joel 1:2-4.

Some might wonder why we start with the generation of the restoration before covering the previous four generations of the degradation. This is simply because of the principle that humans are much interested in themselves. Most people, in a conversation, love to talk about themselves. So, we begin with the generation in which we live. That is most interesting at this time because we are talking about ourselves as the final generation. Probation is about to close and Jesus is about to come, so there is this urgency that also drives our interest in the current generation.

We believe that we are in that time of history. We see the fulfilling signs all around and this study serves as one more piece of evidence that we are in the very last few minutes before midnight, when time runs out. After probation's closure, we will not make any other decision than the one in which we have fixed ourselves (Rev. 22:11). Therefore, this generation is the most important. If we never got to the rest of the story to find out how things got to where they are today, that would not be as critical to learn. It is vital to know where we find ourselves presently and to act accordingly, that we might decide that our most earnest determination will be to engage in full preparations of soul for the imminent Day of the Lord.

Such a delay and a wandering has been our history. But the Lord could not come without having a people to come for. His rhetorical question about that time was, "Will I find faith on the earth?" The answer is "Yes!" Praise the Lord, for it is written "Here is the patience of the saints: here [are] they that keep the commandments of God, and the faith of Jesus" (Rev. 14:12). This is the time when these people will at last manifest. It is the time of the creation of the 144,000 as their growth comes to the late stage of the "full corn in the ear" (Mark 4:28, 29).

The message of His coming was proclaimed over four Biblical generations ago, in the era leading up to 1844. He was to come to His temple, to prepare a people for the physical redemption in the literal Second Advent. It was to have happened speedily in that first generation and even early in that first generation. But four generations have passed. We are now in a new generation. What is the meaning of all of this? There came a falling away. The delay is not of God's design, but it is a natural consequence of how the professed Advent people have conducted themselves.

Financial Mismanagement and Malfeasance in the Church: the David Dennis Disclosures

In fact, that's what all good auditors are paid to do; we are like canaries in the mine shaft who try to catch fatal accounts before they permeate and affect everybody. I always took that responsibility to heart (David Dennis, *Fatal Accounts*, p. 108).

The corruptions of the world always make their way into religious establishments, and once they do, religious authorities lose their credibility. 'Shortcomings' and hypocrisies that would be bad enough in

secular politicians are even worse in clerics (Jon Maechem, "Newsweek," June 29, 2009).

What the Church did was fundamentally evil and taints us all (David Dennis, *Fatal Accounts*, p. 105).

I have been tracking Dennis for years So sad! Where do you think it will end, if ever? (Herbert E. Douglass to Kevin Straub, email, Mar. 15, 2013).

David Dennis was the Director of SDA General Conference Auditing from (1976-1994). He was a rare breed in that he would actually stand up and give warning to church officials when it was due, as any normal auditor is paid to do in a normal employment situation. This is a story which has not received yet enough circulation and we are going to give it considerable weight in this book, for the opening of many eyes. We are in this section going to follow some basic details of the flow of money and how business was done, from the standpoint of a principled number cruncher at the top, through the years of his tenure as Chief Auditor. We will also be telling the story of the despicable reactions of church leadership in their bid to keep the truth from seeing the light of day and further misconduct against the professional and the person of Elder Dennis.

Davenport. When David Dennis came to the GC as associate auditor in 1975 he was informed by Ralph Davidson, department head, about the Davenport situation. Davidson told him that there were these loans of conference funds taking place that were not in compliance with church policy.

Dr. Donald Davenport was a Seventh-day Adventist church member, son of an Adventist physician and missionary pioneer to China. He started a contracting business to build post offices and lease them to the government. He took private loans to fund his venture and promised an exorbitant rate of return of 15-18%. He could not pay the promised rate except by taking in new money and it quickly developed into a very crooked pyramid scheme. Eventually he was issuing security documents to Adventist institutions that were second, third and fourth mortgages on various personal holdings. Sometimes mortgages were made up on properties he did not own or which he had sold.

Elder Dennis sent about five hundred pages in total warnings to church officials at various levels in the USA to cease making any loans to Dr. Davenport or recommending to our people to make loans. Some folks would come to certain involved conference officials to put money in trust with the church and would instead be directed to make personal loans to the Davenport scheme. Then Davenport would pay a kickback to the officials, just as any good Ponzi scheme will do. This is how they grow. But the time comes when it all unravels and this was no different.

By 1976 it was beginning to be noticed that loan repayments were falling behind at times and then as new money would come in, the arrears would be caught up. That was the beginning of the end. By 1979 things got very bad for Dr. Davenport, as the general interest rates were rising in the mainstream

investment world causing the influx of new loans to his operation to dwindle. People began to recall their loans. An Adventist lawyer, Jerry Wiley, began to investigate. *Forbes* magazine published an article in October of 1981, citing Wiley's findings. Church leaders scoffed at Wiley, telling him that he was "crying wolf." Davenport filed for bankruptcy on July 22, 1981 and denominational funds went down the tubes. As reported in the *Washington Post*:

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 Service, \$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 these church funds were the funds that had been routed to Davenport via the services of church officials. The amount lost to faithful church members was also more than twenty million dollars, bringing the total damages to over forty million dollars.

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 fallout from this scandal was of crisis proportions. There are not many church members from that time who will not recall hearing something of the "Davenport affair" or the "Davenport scandal." The GC did something it had never before needed to do, in hiring a secular public relations firm, "Hill and Knowlton" to get the church through the storm.

After the bankruptcy, David was in attendance at an auditors' workshop for SdA CPA's and was there asked by others why the GC audit department failed to

act in the mounting crisis. He responded by advising them that many warnings had been sent, but that the auditors, as they all well knew, did not have any power to make management decisions. The management has to act on the information, which they did not. It is not an auditor problem. The auditor simply keeps an eye on the financial works and makes his reports. Then matters are out of his hands. They understood.

Harris Pine Mills. Harris Pine Mills was a large company that was gifted to the church. In 1953 it was worth 8.5 million dollars and took in almost 5.5 million in profits that year alone. When David Dennis took up his place as head auditor at the General Conference, he wanted to see an audit report on Harris Pine Mills, the largest business enterprise owned by the SdA church. But his requests were consistently denied. It continued to grow and amass assets, employing up to 2,700 student workers by 1973. It was thought to be a wonderful business success for the church, but that would not have been known for sure, because no audits had been made.

David was a professional and knew how to do his job. This is why he continually pressed to have an audit. He knew that the larger a company became the more danger there would be of getting into trouble through mismanagement. He was serving the best interests of the church in calling for an audit, which would find problems in time to increase the chances of correcting them. Church policy required a yearly audit. But, year after year, no audits were made. It is now known that by the 1980's, there was in fact significant trouble. In 1980 Lance L. Butler came from Australia, where he served as division treasurer, to take over as General Conference treasurer. He joined with Elder Dennis in calling for an audit. But Kenneth H. Emerson, previous GC treasurer, now the CFO of Harris Pine Mills, along with Neil C. Wilson, GC president, were both adamant that there be no audit of Harris Pine Mills.

At 4:05 p.m., Friday, December 05, 1986, as the Sabbath drew on, bankruptcy proceedings were filed by church officers at a federal courthouse. There were some strange elements to all of the proceedings and it is believed by some that the company could have been saved. Mrs. Harris, the widow of the couple that had given the company to the church originally, stated that there were enough uncut timber holdings alone to save the company from collapse. There were other significant assets. The CPA who was appointed by the court to supervise the bankruptcy declared that there were far more assets than indebtedness. The banks reported in the press that they had not been dissatisfied and had not been pressing the company for any reason. It is not known for sure to this day why this company that was generating \$55 million in annual sales was liquidated in this way. The bankruptcy route that was taken ended up costing the church \$13 million in the end. It has been alleged that the church wanted to gain by the process and use the funds to inject into failing Adventist Health Systems entities.

Don Gilbert, the General Conference treasurer at the time of the bankruptcy, told David Dennis personally that if there had been audits, the

problems would have been caught early and there would have been no danger of collapse.

Adventist Health System debt problem compounded with exorbitant salaries for executives. In and around the 1960's the ownership of many of the locally owned Adventist hospitals was shifted over to the unions. This was done by board action and usually without conference constituency approval. In the mid-1970's hospital executives asked to incorporate hospitals in the southeastern states and the Adventist Health System was born, as SdA hospitals across the nation wanted to follow the same path and formed a number of subsidiary systems under the "AHS" umbrella. Again, in the mid-1970's and generally by a single committee vote, the ownership and control of these hospitals in the conferences and unions were handed over to the newly founded corporations, which were made subsidiaries of the General Conference. So we see how that the healthcare system was pushed all the way to the top in a centralization process. (However, in the early 90's, AHS was turned back to the Unions as it was feared that a collapse would cause the bankruptcy courts to reach into the treasury of the GC for settlement. Pushing it back to the unions would mean that it would be more likely that union and conference assets would be first seized upon.)

In the late 1970's and early 80's the executives in charge of these systems "went for broke," literally. Throwing fiscal responsibility to the dogs, debt was piled up beyond recovery in order to expand the AHS empire, in a bid to establish an "Adventist presence" in every possible population center (in spite of the fact that most of the workers are not Adventists!).

As we track the progress of AHS we find a horrific buildup of debt.

- In late summer of 1983 it passed the 1 billion dollar mark. In contrast to this, ALL of the debt of the rest of the church in North America was less than half a million.
- By spring of 1985 the debt of AHS was up to 1.5 billion.
- August 1986, it was 2 billion.
- By summer of 1988, AHS had a debt ratio more than double that of the average US hospital or hospital system.
- August 1988 saw the first bond default (AHS/Nema).
- Summer of 1989, the Arizona Conference sued AHS/West to try to recoup 11 million in losses from the AHS/West takeover of their hospital.
- August 1989, Imaging Systems, Inc., an AHS subsidiary collapsed, costing the church 92 million dollars.
- August 1989, the total AHS debt load was \$2.24 for every dollar in assets.
- November 1990, Adventist Living Centers, an AHS subsidiary, goes into default.
- May 1989, the church voted to accept the recommendation of AHS executives to receive a large wage increase.

We need to look at that last point, because here is where it really goes off the rails. Wednesday, April 05, 1989, AHS leaders stood before the church officers and with "tear filled voices" explained how they needed all this extra money. This

was a shock to the overseas leaders, as one might well imagine. But these men were actually serious. The non-American leaders were well aware of the news reports of mismanagement and losses and burgeoning debt, of non-payment of bonds and pending bankruptcies, yet here were these poor executives asking for exorbitant wage increases and weaving a tale that somehow this was the answer to the troubles being experienced by AHS!

President Neil Wilson pushed hard in defense of the wage increases. There was heated discussion. Then there was a decision to table the matter. That evening, heavy pressure was exerted upon world leaders to give in to the demands. The next day the salary increase was passed by a vote of 52-42. Not only were executive wages increased but all wages in the hospitals were increased to come into line with competitive community rates.

These wage increases for executives were coming to a group of church employees who were already receiving a base rate of four to five times that of other church employees. With the added percentages, that would have brought salaries at that time up to \$150,000 per year. By the mid 90's, this figure ballooned to about \$230,000-\$250,000 annually, as that vote by church leaders to raise salaries also gave AHS leaders the authority to vote themselves pay raises. As of the 2012 tax year, as reported in the "Orlando Business Journal," Oct. 09, 2013, the top ten AHS executives received from \$1,062,010 to \$3,191,124 in remuneration.

Would it have been wrong to reprove all of this? David Dennis was astounded. He wrote a letter to President Neil Wilson to make a heart plea, dated April 17, 1989. We will show some excerpts from that letter:

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....

Perhaps even more trouble 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 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.... 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 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. (David D. Dennis to Elder Neal C. Wilson, President, April 17, 1989)

After writing further on some related issues to strengthen the points being made, David brings up the issue of "lack of disclosure," a euphemism for "cover-up." He talked about the lack of proper information being brought forward from a report on the AHS resulting from "an extremely thorough investigation" by the Financial Review Commission appointed by the GC itself, in which David Dennis himself was a member. That report was "direct, incisive" and made "positive recommendations for massive change in the AHS." He wondered what impact that report would have had upon the vote that took place at the Spring Meeting. David goes on in his letter:

Only a limited few were aware 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 the 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 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....

Clearly, great damage has been done by the action last week.... 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....

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.... 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 (*Ibid.*).

This letter was a turning point for the career of David Dennis as employee of the GC, as far as leadership was concerned, for it was now determined that he had to go.

When my letter circulated, Wilson demanded that I retract it. I told him that if he could identify any inaccuracies in the letter, I would happily do so. Since he seemed unable to identify any misinformation in my four-page manifesto, I declined to take back anything I had written....

...Folkenberg and Des Hills, the new chairman of the Nominating Committee, asked me to meet with them. They told me that because of the open letter I had written to Neal Wilson a year earlier, I had not been re-nominated. Folkenberg emphasized the importance of the letter and seemed to be asking me to bow in great tears of repentance. I responded with all honesty that if I had to do it over, I would again write the letter. (David Dennis, *Fatal Accounts*, p. 44, 45-46).

Fourteen years had he stood true to principle, urging leadership to do what was right. Would a change of leadership finally bring the denomination to its senses?

Shooting the watchdog. Neal C. Wilson was voted out and replaced by Robert Folkenberg as the GC president, July 06, 1990. Early in the following week, one of the first things Folkenberg did was to have a little talk with David Dennis and ask him if, in light of the political spot he was in, he would like to resign his position? Elder Dennis replied that this was not in his thinking at all and that his only wish was to stand for a fair democratic vote. Folkenberg assured him that this would be done just so. However, on Wednesday evening of July 11 it was time for the nomination and Folkenberg reneged on his promise. He left David's name off the board and wrote another name, while informing the group that David had committed some kind of "ethical wrong" and they should vote for someone else. So the nominating committee went along with that and voted for the other name. The same evening, David was in another meeting, when he was called out to be informed that because of his protest letter to Neal Wilson he was being shut out of the election process.

Thursday morning was the meeting when the names approved by the nominating committee were presented. The obvious fact that David Dennis' name was absent prompted delegates to rise from their seats and request that the name of the head auditor be referred back to the nominating committee. It was approved. A number of the delegates were not happy at this situation, as it was well-known that there was a political play in progress to get rid of the only whistle-blower in the General Conference. Time was given for the delegates to speak to the matter and speak, they did! They expressed how inappropriate it

was to side-line David Dennis when he was only doing what an auditor should rightly do. One elderly worker was quite outspoken saying, "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 one took the floor, saying, "Are we going to do this again? I thought all the political maneuvering was over, now that we had a new General Conference president?" The committee was warned by yet another that if they did not send David Dennis back to his post as head auditor it would be a dark message to the workers in responsible positions in the church: If you hold true to righteousness and principle, leadership will oust you.

Thoroughly indignant, the committee cancelled its prior vote and re-elected Dennis as head of the General Conference auditing department.

Consolidating power. For over ten years Neil Wilson worked to concentrate power upwards. When Robert Folkenberg was elected it was expected that he would work to set matters aright. Back when Wilson was president it was known that no one dared make a move without his blessing. But there was still the odd time that the Executive Advisory Committee would not go along with his recommendations. But Folkenberg had a way to fix this. He called his workers together and told them that he wished to delegate. That was a breath of fresh air! So, under his new direction, he set up ADCOM, the Administrative Committee, to carry out the work of running the General Conference. Everything done would have to go through ADCOM approval. However, no sooner was it formed than it was ensured that ADCOM would be a rubberstamp machine. It would vote according to Folkenberg's desires. But there were still departmental workers at headquarters who were elected at the GC Sessions. Folkenberg was determined to fix this, too. The next step was to get the Annual Council to approve a plan whereby the associate departmental leaders would not be elected at the Sessions but would be appointed by the president. In October 1994 the request was approved at the Annual council, to be presented at the 1995 session for final approval. This approval would leave only a few men at the head of the work who would be elected—the departmental heads. It could then be easily arranged by the president that only those who please the president would stand to be recommended for those positions.

As for the auditing department? Never again would there be any trouble with whistle blowers.

ADRA. The international service organization for disaster and famine relief established in 1956 was called *Seventh-day Adventist World Service, Inc.* (SAWS). It was registered with U.S. AID of the United States and was eligible to receive surplus foods for distribution to the needy, as well as reimbursements for ocean freight costs. In 1983 it was reorganized under the new name *Adventist Development and Relief Agency International* (ADRA). This would expand services to include development and rebuilding projects in addition to the supply of food and other materials. This would bring in much larger funding from government sources. ADRA went on to become the single most powerful General Conference agency.

It is well-known that church involvement with government funding is not innocent, for it invariably implies a two-way deal that relinquishes autonomy for money. The organization must necessarily march to an earthly drummer, not being free to follow the leading of God. Governments cannot be offended without risk of losing large sums of funding.

Not only would ADRA be closely linked to governments but would also become a full voting member of the largest ecumenical Christian agency, the *Inter-Church Medical Assistance (IMA)*, to supply pharmaceuticals to Christian medical establishments of all denominations. *This makes the SdA denomination a major customer and global distributor for the pharmaceutical companies.*

Being tied to the churches and to the governments means also that giving the distinctive prophetic messages such as Daniel 7 and Revelation 12-14, distributing *The Great Controversy* or proselytizing, would be strictly taboo. Nothing may be done to disturb the entities to which this huge church agency is tied.

Where this story intersects with David Dennis is that the monetary contracts with the various governmental agencies were subject to audits. These would ensure that the money was used exactly according to specifications. As one might imagine, it was a rare contract that was fulfilled without deviations. Ralph Watts, ADRA's director was not one to properly notify governments about these deviations and would therefore be infuriated by the accuracy of Dennis' audit reports. He repeatedly instructed the head auditor to keep the problems out of sight.

There were so many abuses in the ADRA system that sometimes, when malfeasance was discovered, instead of prosecution, the perpetrator would be paid off and quietly dismissed. Why? Because he knew too much! One such instance was a worker assigned to oversee the work in Rwanda, James Conran. He was taking goods for distribution to the needy and selling them to personally fund a high lifestyle. The U.S. government learned of it and the scandal was covered in the *Wall Street Journal*. He was brought back to America to be "dealt with." What was done? He was given a sum of money and discharged from service!

As anger over David's integrity in conducting his job as it should be performed increased, it was made clear that new management was required at the Auditing Department. Add ADRA to the list of reasons why the leadership of the GC wanted David Dennis *gone*.

The worthy student fund and Christian Education donation "irregularities." Again, in the course of simply doing his job properly, David Dennis was looking at some problems that arose with regard to some numbers on the books and their sources and their destinations. Later on, as it all came out, the problem was seen to be in the honest reporting instead of the unethical and illegal activities that took place with funds.

In the first case there were some "charitable donations" given through church channels that were used to set up a "courtesy payroll" for the wives of new GC president, Robert Folkenberg, and the new president of the North

American Division, Alfred C. McClure. Both men were pleased with the idea. President of the Columbia Union, Ronald Wisbey, who was working on behalf of the donors, thought that this money could be transmitted (laundered) through the General Conference. So he brought the idea to the new General Conference treasurer, Donald Gilbert. Both Wisbey and Gilbert understood that the GC working policy clearly disallowed any such thing. Gilbert was afraid of it, so Wisbey decided he would funnel the money through the Columbia Union, a favor for which he would be later rewarded richly. The money was donated as tax-deductible contributions to the "Worthy Student Fund" of the Columbia Union Conference and then checks for the wives were written from a payroll account managed by the Columbia Union's treasurer's office which, by the end of 1990 had accrued for the wives a sum of \$10,260 each.

In the second case Wisbey took calls from "secret donors" who wished to know if channels could be worked out to provide a gift to Alfred McClure to purchase a house. Again, it was worked out by Wisbey so that \$140,000 would enter in through a donation to "Christian Education" in the Columbia Union. The money was set up as an interest-free loan which McClure and the Union would use to purchase and co-own the home.

In January 1991, when the GC Auditing Department did its routine annual audit of the Columbia Union books, David Dennis discovered these transactions, of course and he had some issues with them. He, along with other staff, let the appropriate men involved know that this report could not be filed unless proper procedures were executed and this involved getting approval from the Columbia Union Executive Committee. Disclosures to the proper constituencies for their approval was a necessity.

A meeting was held in February of 1991 and disclosure was made to an astonished committee of sixty members, half of them lay members. They decided that for prudence' sake they have better give approval after-the-fact.

But it didn't end there.

The biennial session of the Columbia Union was coming up in May, where the GC auditor's report would be presented. Wisbey wanted to obscure the fact of the payroll accounts to the wives of Folkenberg and McClure, by changing the wording in an appended note on the auditor's report that read "wife of a General Conference officer" and "wife of a North American Division officer" to simply "wives of employees." Perhaps this would not be as likely to draw attention? One has to wonder how much money it cost the church in the time invested in the auditing department, in communications between involved parties, and in all of these meetings involving church executives? Time was surely wasted for reasons of selfish and illicit gain when it should have been spent upon the Lord's business.

An emergency meeting was called a few days before the Columbia Union Constituency Meeting which would be attended by 400 delegates. David Dennis stood before the leaders and stood firmly for the position that the church must abide by the *Working Policy*.

Wisbey tried to convince me to modify our audit report, and when this failed, he invited me to meet with a rather large delegation (Church employees, primarily) to hear their reasons why the report should be altered. **The group literally booed me** when I pointed out that this was not an auditors' problem, but a question of Church leaders' integrity, and I quoted Ellen White's statement that our " transactions should be as transparent as the sunlight" (David Dennis, *Fatal Accounts*, p. 49, emphasis added).

The Union Constituency Meeting convened in May 1991 and the anonymous donations were not mentioned from the front, nor were they noticed by any delegates. Here was a collective sigh of relief by leading men who had things to hide. A major hurdle was passed. Was this now going to go away?

Not that easily, no.

On June 01, David Dennis' office mailed a copy of that report to the members of the Columbia Union Conference Executive Committee. There was no surprise for them in it. However, while Dennis reminded them that those wives' salaries and the interest free mortgage loan for McClure, which were established by the connivance of the treasurer and three presidents (union, division and General Conference) were a breach of policy, he also made it clear that if these donors took tax deductions on these monies, there could very well be resulting legal problems and serious consequences such as a revocation of tax-exempt status. The implication here was that if this came to further scrutiny by the government, he would not lie to save their skin.

The result of this was that they had to tell the General Conference Committee all about it. That meeting was held on June 20, 1991. GC Treasurer, Don Gilbert, introduced the subject, while stating that he wished he could do this entire thing over and would do it differently if he could. Ron Wisbey spoke, putting a certain spin on events that tended to blame the situation on David Dennis, in that the problem obtaining the auditor's report had resulted in having to open up a private matter involving two families to the union executive committee and the union constituency. Neil Wilson, who was on the GC committee, informed the others that when he was informed about what was happening he had expressed incredulity that the two leaders involved in receiving such funding should have approved of such a blatant conflict of interest. Wilson was aware that there was a not-so-subtle line of defense being floated that the only problem here was that the auditing department felt it had to open the matter up to a wider audience. Looking directly at Wisbey, he iterated that it was ill-conceived to think that this matter of secret donors would not have come to light without the eye of the auditors picking it up.

David Dennis was becoming more of a marked man with each instance of honest execution of his duty.

The recommendation to axe the unions. Dennis undertook to study how to save money for the church. Spending most of his adult life in the investigation of organizational operations and troubleshooting, he was well qualified to make a

valid assessment. He was stunned to realize the cost of keeping the Union Conferences functioning. Between the years of 1986 and 1990 the cost of the Unions totalled more than 358 million dollars. In examining them, he found that they actually serve little purpose. It is a layer of governance that is redundant and unnecessary. As he discussed his findings with others there were not many who offered any kind of good rationale or reason for keeping them. As he began urging for the closing of the union offices he asked for others to submit an argument justifying the value returned for such an outlay of funds—tithe and offering funds, of course. (As with any government, money is obtained from the governed.) As one might imagine, this line of investigation and recommendation was arousing much anger as union officials saw in it the threat to their positions. Freeing up this money would have an enormous impact on the church and what could be accomplished with the funds, but it quickly becomes a “political” issue. Who is willing to vote himself out of a job?

David’s popularity account with leadership goes into the red even further.

Cronyism and rewards programs. Legal action was initiated by David Dennis against the General Conference and a number of its leaders for several violations of church policy in conflicts of interest. One of the matters that Dennis reported on, found in court documents, was the operation of a business venture known as *Galileo and Associates*. Another name used was *Media for Ministry*.

There was a small video production studio that had been set up by the GC in years past, in order to save money spent on outsourcing video production. When Folkenberg took office in 1990 there was a comprehensive equipment upgrade to the studio. Then in 1992, under the guise of “budget cutting,” it was decided to contract out video production. One of Folkenberg’s closest friends, Raymond D. Tetz, was to receive the contract for video production, which included a full salary. In addition to that, the studio he would use would be the GC Communications Department studio, newly upgraded. In addition to that again, Ray would bill the church for every production. The extra billing is reported to have been in excess of \$150,000 a year. In 1994 the GC and NAD were billed \$158,000 in addition to ADRA and other church entities.

Named defendants in the action included also ADRA board chairman, Kenneth Mittleider. During the discovery process, Dennis asked for a complete accounting of the operation. He wanted to know who all the beneficiaries were. He was looking for gratuities paid out. He was looking to answer why this operation existed as it did—in secrecy and in violation of church policies.

Continuing, Robert Folkenberg hired his brother, Don, outside of the channels of regular approval for employment, to be the financial coordinator for ADRA, 1991-1992. In 1992, Don was made “associate treasurer” of the GC where he had the responsibility of handling the funds for *Global Mission*, the new program for outreach which was unveiled shortly after Folkenberg took office. These funds were mainly allocated to projects outside of the USA. David Dennis wanted transparency on the paper trail of those funds, but it proved difficult, for once they left the USA the audit trail was nearly impossible to follow. For example, funds sent to eastern Europe were left unaccounted for. On one

occasion, there was a \$10,000 donation that was to build a church in a certain Russian town. But actual investigation proved that there was no record anywhere of such a church being built nor did any church leader or worker in that area know of any such project. Where did that money go? There would certainly have been a beneficiary, but nobody knows who.

Dennis continued relentlessly in his quest for proper accounting of funds. He urged that a complete investigation be made of Don Folkenberg's itineraries, especially concerning activities in Switzerland. He wanted to know about Don's prior business deals both for the church and outside of the church, including business operations in Florida.

Then there was Ron Wisbey, president of the Columbia Union. Recalling that Ron was the one who laundered the money for the money-for-nothing salaries for the wives of GC and NAD Presidents, Folkenberg and McClure, we find the favor now being returned. A lucrative position was fabricated for him, called *Liaison between the Columbia Union and Adventist Health System*. His salary was that of a hospital administrator or junior executive, reported in the mid-nineties to be around \$240,000 a year. This is obscene pay for a man trained only in clerical and pastoral work. Also, this position was created at a time when hospitals were cutting budgets, letting go of nurses, doctors and chaplains. Wisbey's wife also moved on up from office secretary at the GC to secretary in the AHS system, for twice the money.

The parsonage exclusion violations. Another area where Dennis would not work to cover up dishonesty had to do with a problem with the reports of "Parsonage Exclusions" on the tax returns of church workers. It was legal, per IRS regulations, for the church to obtain tax write-offs for the housing of licensed and ordained ministers in certain localities where they would have such accommodations. This later also applied when commissioned women ministers began serving. But gradually other individuals were claimed on the exclusions who did not qualify. Not only were the purchases of the homes written off, but the furnishings, appliances, fixtures and maintenance would be included. The Pacific Union was especially in violation on this matter.

David Dennis instructed his auditors that they had to flag all illegal activities such as this. Honesty demanded it. SdA's, of all people, should be completely above board. Also, a good auditor will keep an organization from losing millions of dollars in penalties, if infractions are discovered by the government authorities and brought to the law. But instead of being thanked for his good work, he was put under pressure to withdraw such reports by Tom Mostert, president of the Pacific Union and Al McClure of the NAD. Dennis would not have any part in such a cover-up. He informed these leaders that he would neither withdraw the reports, nor change them. Then, Mostert attempted a childish tactic and refused to show the books to the auditing department, preventing them from completing their audits. But it was feared that the laity would get wind of this nonsense so, wishing to avoid publicized scandal, the doors were reopened. But all of this generated great animosity against Dennis. Something had to be done to stop what was happening. Not stop the

malfeasance of church leaders, that is, but *stop the man honest enough to blow the whistle on it!*

The take-down. Now the story turns really ugly. The next best thing to actual murder for the elimination of someone in the way is character assassination.

The next GC session was coming up in Utrecht, Holland, by 1995. By the middle of 1994 there would have been considerable concern that Dennis would be re-elected for another five years. Somehow he must be got rid of. How could they take this man down?

The opportunity finally came out of a false allegation made in the office of a psychotherapist.

When the Dennis family was stationed in Singapore an emotionally fragile girl named Elizabeth L. Adels lived in their home, taken in during at a time when it was suspected she was having suicidal ideations. In spite of psychological problems, she kept up a strong relationship with the family after she was no longer in their home. Around the year 1992, she along with her husband and children had a happy visit with the Dennis family. However, ongoing family problems and depression plagued her, and she underwent counselling. In those sessions, she underwent “therapeutic” procedures where thoughts and memories she had never consciously experienced or mentioned before were said to have surfaced. This is done by “talking to the child” (i.e., utilizing the power of suggestion in hypnotic procedures to address the “inner child” of the adult person) in what is called “regressive therapy” and it is a false science which results in the implantation of false memories. In this “recovered memory” it was reported that there was an affair with Adels in a hotel in 1982. This would be at a time when David was travelling in company with his wife!

If one is not already aware of this phenomenon, it is readily available information. An education on it may be obtained by going to the *False Memory Syndrome Foundation, Inc.* (FMSF) of Philadelphia, PA, which is today a leading resource to assist those whose reputations and family relationships are being threatened with ruin due to lawsuits containing false allegations of sexual misconduct. Historically, the period between 1993-1999 was the time period when the most recovered memory cases involving families were brought to the courts. By about 1995, over a period of three years, FMSF had on record over 17,000 cases of families destroyed by false-memory implantation techniques. The typical pairing of alleged abuser/alleged victim are fathers or men in positions of authority and women in their mid-thirties. Hypnosis is inextricably tied to the false memory problem, *whether its use is formal or disguised*. “Recovered Memories” have proven over and over to be unreliable and the professional organizations agree that the only way to distinguish between true and false memories is by external corroboration, as in a fair trial in a court of law, with the presentation of incontrovertible evidence and not hearsay, much less hearsay obtained by the use of trance-state therapies.

Coming back to our story, as soon as word of these allegations came to the General Conference, it was recognized as the golden opportunity needed to

get rid of that lone voice of dissent in the auditing department at headquarters. But it had to be done in a way that would not allow Dennis to defend himself.

- Without going first to Dennis, Folkenberg sent lawyer Walter Carson to Ohio to obtain a statement accusing Dennis of a twenty year past sexual misconduct with Adels.
- October 04, 1994, Dennis was called in to Carson's office. Mittleider was present. (The chairman of ADRA who with Ralph Watts had been angered for years by Dennis' audit reports.) Dennis was shown the affidavit signed by Adels and told he must resign. He refused.
- October 05, David Dennis was called in for another interrogation by Carson and Mittleider. A different tack was taken. They now tried to accuse him of other things, including improper financial dealings!
- October 09, David was ordered in a third time and bullied around, with threats that the General Conference leaders would destroy him if he would not hand in his resignation.
- October 11, a desperate fourth attempt to force his resignation was made. He was told that the GC now had full documentary proof of all of the allegations. David told them to bring it on. In fits of anger, it was demanded by the leaders that Dennis resign immediately.

Months passed and none of the alleged evidence was brought to light because, of course, it did not exist. There were some false documents produced which could not prove anything, while Dennis resolutely and consistently maintained total innocence of all charges.

On December 12 an ad hoc disciplinary board was assembled. Before going before this board, Dennis was informed that he would not be allowed an attorney. This is against church guidelines. He was promised that it would be only a non-adversarial fact-finding ecclesiastical exercise. But that was a lie. Walter Carson proceeded to present a 75 minute opening report which sought to indict David of child abuse and adultery, of being a habitual liar with a long history of sexual misconduct. The court reporter who had originally been hired to take the transcript of the meeting was told not to come and Mittleider's private secretary took the notes instead. When Carson finished, Mittleider took over with more of the same, making the demand that Dennis be immediately relieved of his position.

In the proceedings of the day, it was noted that she had a long history of psychiatric problems and marital infidelities. She had made rape claims on two instances. Also it was reported that she had had a friendly visit to the Dennis home only three years earlier. Then Adels would speak. Under the strong lead of Carson and Mittleider, she made highly unbelievable statements. Right here in this her time of testimony, box of tissue and psychological counsellor at her side, she spoke contrary to what she had written in her affidavit and that "upon reflection, her allegation that...[David Dennis] had groped her in Singapore had been misconstrued in the affidavit." But she did not back away from another story

that involved an alleged motel encounter near her home in Tennessee 12 years earlier. She told those assembled in the room that she made these recollections in the process of undergoing psychological therapy. David's wife, Charlotte, was brought in to the room to speak. Charlotte told them that she had been with Dennis at the hotel in question during the very times when the alleged tryst was to have occurred (David Dennis, *Fatal Accounts*, pp. 3-4). This was a shock to the persecutors, for it was new information. In the words of Charlotte Dennis:

Then came the "Kangaroo Court," with its Gestapo-like proceedings and an ultimatum—that I could either defend David verbally, or sit beside him as a silent witness. The GC brethren would not permit me to do both.

Mittleider, meanwhile, recognized that contrary to plan, David was not going to resign under fire, and Mittleider's anger visibly seethed. I knew as well as David that the affair Beth Adels was describing could never have taken place. Though she said she had met illicitly with my husband in Portland, Tennessee, 12 years before, I distinctly remembered traveling, myself, with David during that time—something the GC officers did not know and Beth in her confused state of mind had forgotten to tell them. In fact, David and I had visited with Beth and her parents in the course of our travels together. I told Mittleider that we had traveled together in the family car, and that we were enjoying the time we had to spend together. David simply would not have had the time or opportunity to do anything like what Beth was describing through psychiatrically induced false memory syndrome.

But as I shared this information at the in-house hearing, Mittleider roughly interrupted me and shouted, "You're lying!" In turn, I told him that I recognized a rigged hearing when I saw one, but even so, I was pledged to tell the absolute truth, as I knew it (Charlotte Dennis, cited in David Dennis, *Fatal Accounts*, p. 130).

In spite of the obvious malicious and malignant dealing that was underway, amazingly, the disciplinary panel, friends of Mittleider, performed its job and voted a recommendation to terminate Dennis. On December 19 the GC Administrative Committee met. Again, Mittleider led out, with Carson at his side, repeating the allegations and urging strenuously for David's dismissal. The next day it was voted by the full executive committee, 39 to 16, to fire David Dennis. At age 56 David was left unemployed, with no health benefits, and the notoriety of alleged sexual misconduct on his name. Notably, one third of these members would not put their rubberstamp on this debacle. [Comment: Lucifer only got one third to his side in the church in heaven; in this story of the church on earth, he is seen to have been twice as successful.]

For years, powerful enemies had been seeking ways to remove me from my position as chief auditor of the worldwide Seventhday [sic] Adventist Church. At last, after many failures, those enemies had succeeded. But

paradoxically, I now felt very close to my Savior. I was bloodied, but unbowed (David Dennis, *Fatal Accounts*, p. 7).

With glee, the final assassination of the reputation and character of David Dennis was effected through a thorough communications campaign. This would serve to fully stamp out his credibility and cover up all of the truth he brought to the light over the years:

- A memo was sent to every department head in the GC.
- By personal instruction from the vice-president, Philip Follett, the department heads were to bring in all of their staff, read out the charges and actions against David Dennis, and send them back to work without any discussion.
- An announcement was sent over the CompuServe communication system to tell the world of SdA workers that Dennis was an adulterer.
- Another announcement was sent over *Adventist News Network*, the newsletter for SdA workers.
- Men were sent out in person to have meetings with workers in diverse parts of the world field to further destroy David Dennis.

It was a thorough campaign, which had a chilling effect on workers. This violent take-down was well calculated to put fear into the hearts of workers everywhere. It must be known that one's chances to reach the rewards of retirement are much more readily achieved through compliance and silence. This is how dictatorships function.

In early 1992, Folkenberg imposed an "operating board" over auditing. He appointed Robert J. Kloosterhuis to chair this board and keep control over all auditing operations other than the professional requirements of reporting. The director of auditing would be the only auditor at headquarters who would be elected. All others would serve by appointment. All that was needed was to get a director approved by the president and the control over finances would be complete.

Dennis litigates. When David Dennis was summarily rebuffed when he had earlier requested of the conference the right to appeal his case to a grievance committee, he at last filed a lawsuit against the conference and against Folkenberg, Mittleider, and Carson, on February 22, 1995. He was wanting to have his day in court to tell the story of his being wrongfully accused in order to be taken out of the way due to his dutiful exposure of conference leaders' crooked use of church funds. The conference asked the court to drop the case because of "religious privilege," as they did in the 1970's with the Merikay Silver case, claiming that the church can do whatever it pleases in employer-employee relationships. The conference then began promising church workers that, having all the evidence needed to prove that Dennis' charges against leadership were false, they would provide that evidence as soon as they could. But at the present, they informed the workers, they were constrained by the proceedings in the case

and not able to share such information as would exonerate the leaders. Of course, that evidence never did come. They also claimed to have documentation of letters that David had allegedly written to women revealing illicit relationships, as well as evidence of outside business activities. Elder Dennis had previously called for disclosure of this evidence but it was never produced. Yet, these defaming charges continued to be repeated to church workers by certain leaders over the internet and by public speaking.

On June 28, 1995 a letter was written to the GC auditing staff. Conference worker, Eric A. Korff, made light of Dennis' charges and informed the staff that they should ignore them. Korff sent copies of his letter to Folkenberg and Kloosterhuis and then went to the session at Utrecht, where he was elected head of the General Conference Auditing Service. It is obvious that this could easily be read as a resounding "Good-bye" to any further trouble with whistle-blowers in the auditing department.

The church spent large sums in defending this case, retaining two Washington, D. C. attorneys. On September 25 papers were filed to dismiss the case against the conference and against Folkenberg. In Folkenberg's paper, attempting to have his own name removed from the case, it was stated:

Dennis' defamation claim must be dismissed in order to avoid excessive government entanglement with a religious institution. Certainly, litigation of the instant case will subject church personnel and records to subpoenas, discovery, cross-examination, and the full panoply of legal process designed to probe the minds of Church officials in the decision to terminate Dennis' denominational employment." (Robert Folkenberg, "Memorandum of Points and Authorities," September 25, 1995, p. 6).

At the conclusion of his appeal, he re-emphasized his major concern:

Dismissal of the defamation claim must be granted in order to protect the Church from having its religious beliefs, concepts of acceptable moral conduct, and system of ecclesiastical government subjected to public scrutiny by a secular finder of fact.

For all of the reasons set forth above, this Court should decline to exercise jurisdiction over the defamation claim and grant this motion to dismiss (*Ibid.*, pp. 6-7).

Forbid that the world should have a view to what are the president's and the church's "concepts of acceptable" standards of moral conduct! He reveals that saving his skin is what matters:

Regardless of when the alleged defamation occurred, all of the allegations against Folkenberg must be dismissed because they strike at the heart of the Seventh-day Adventist Church's religious freedom (*Ibid.*, pp. 3, 4).

It has been said that if one substitutes “leadership freedom” for “religious freedom” in the above sentence, it then makes perfect sense.

In all, four motions were filed to have the case thrown out. On January 26, 1996, Judge Turner decided that the case would proceed. Unfortunately, no time limits were set and delays were the name of the game. By now, the conference had three law firms on the case, six attorneys and their staff, whose job was to keep writing petitions and postponing. One firm was employed for Folkenberg and the GC, another for Mittleider and Carson, and the third for Elizabeth Adels. All throughout, disinformation was being fed out that the case had been thrown out. This is all the grass roots knew at this time.

At that time it was calculated by expert opinion that it would have cost an estimated 1.5 million, *to that point*, in outside legal fees, not including the costs to church employees in time and travel. Kenneth Mittleider came out of retirement to be paid as a full time worker along with a number of other church employees, for the sole purpose of working on this case.

At last, after six months, the judge gathered together all these attorneys and told them they had until the end of the year and must proceed at that time with the depositions (where the lawyers examine, in turn, the plaintiff[s] and the defendant[s]). The time came and Dennis, at the insistence of the defendants, was deposed first, including his wife and children. Later, it would become apparent why, as they had no intent to undergo the process for themselves. It took ten days to conduct the deposition of Dennis and his family. The O. J. Simpson case took nine days! Church leaders had a professional video crew in attendance to record everything, in hope that they could find something to use against David. It is estimated that the cost of these ten days of deposition of Dennis and his family was \$130,000.

Costs continued to escalate, as further stonewalling tactics were employed. Depositions of the Conference and its leaders were to be conducted next and then would come the discoveries, which allow for cross examination of the records. However, before the depositions of the Conference and its leaders were to proceed, which were to be done in early- to mid-November, petitions were filed in a desperate attempt to stop everything. Again, the “religious freedom” arguments were employed to keep the investigation of conference activities or their treatment of workers. Also, they certainly did not want to come to discoveries and have the evidence examined. They also argued that everything in question was protected as privileged information under the First Amendment. Another problem that was being faced was that Adels would not likely do well in her deposition, which was scheduled for November 07. She was having remorse over charging Dennis with wrongdoing and did not want to testify. The church leaders knew this. Her deposition could be very damaging to their case.

Conference leaders had great fear of what David Dennis might uncover in court. Being the most knowledgeable man of the financial inner workings of the church, he would know what questions to ask. He would also know how to obtain the documents needed. And most importantly, he was willing to stand for the truth, no matter what kind of a crisis it might create for the world church leaders.

In the conference's request to the court to stop the proceedings, as a "motion for summary judgment," and a "motion for protective order to stay discovery" they outlined in a footnote of the second of these two sizeable legal papers totalling fifty pages, all of the documentation that David Dennis would be calling for and *it is apparent that this was going to lay bare a long and dirty laundry list of financial misconduct, which would go on record in the courts and be seen by church members the world over.* This could not be allowed at all costs! The churchmen were terrified at the thought of being so deposed, under oath, and handing over a wide range of incriminating documents. Interestingly, we can read as one of the many concerns of the church:

Moreover, the Court will then become entangled in doctrinal and Church policy issues such as **the proper use of tithe monies**; the propriety of cash management and investment decisions of the Church; the appropriate pay scale for Church health care workers.... (p. 7, emphasis added).

The *Church* is surely most concerned that it does not want the *Court* to become *entangled* in their financial information, concluding at last:

For the foregoing reasons, the Court should grant this motion and should issue a protective order staying all discovery directed at Church Defendants until after it has considered and resolved the Church Defendants' summary judgment motion (*Ibid.*).

The judge that had previously said no to the church's desire to stop the proceedings was no longer on the case. What would the new judge, James C. Chapin decide? To the chagrin of the church officials, he proved to be reasonable and would not accept the stall tactics, turning down the GC motions for summary judgment and protection against discovery. By March 11, 1997 he issued a court order of the schedule to be followed. The church filed a "Motion for Reconsideration" and on July 25, Chapin rejected that as well. The discovery phase was to be completed by September 15, 1997. The conference did not comply. They simply ignored the court order and made a bold move, an unprecedented move, filing papers on August 25, to get the case into an appeals court before it had even been heard. The appeal would essentially be to reverse Judge Chapin's denial of their Motion for Summary Judgment and his second denial to reconsider the motion. In this action they stood to gain another 12 to 18 months of time.

It was estimated by a legal authority at that time that the church had by then spent over \$2 million on their six outside lawyers, not to mention all the internal costs.

A special trials judge was assigned to the appeals court to deal with the Dennis lawsuit. After this and numerous other strange and mysterious proceedings, which we will not detail here, on December 17, 1999, almost exactly four years after the firing of David Dennis from his 18 year post as

Director of the General Conference Auditing Service, the presidential wing on the third floor of General Conference headquarters was rejoicing and perhaps even praising God. Over the head of lower court Judge Chapin, the Maryland Court of Special Appeals ruled in their favor! The reason, as stated by Judge Louis A. Becker:

The First Amendment religion clauses preclude a former minister from maintaining a defamation lawsuit against the church based on statements made by church officials regarding his moral fitness.

Indeed, the Constitution bars civil courts from reviewing ecclesiastical governance and disciplinary decisions (Reported by Vance Ferrell, Waymarks 850, "The Appeals Court Verdict," p. 1).

The reality was that Dennis was not serving in the capacity of an ordained minister, so this was a devious misrepresentation to the court and to the church by the conference.

...the GC attempted to demonstrate that the auditor was not really "independent," but was an elected official of the Church. We were stunned as they alleged that it was required that the chief auditor be ordained as a gospel minister! This was absolutely false—I was the first chief auditor in Church history to be ordained.... My ordination was entirely independent of my election as chief auditor. Indeed, my predecessor, Ralph Davidson, served with dignity as the chief auditor for a number of years, without the benefit of ordination. And as of this writing, the current chief auditor ... is not an ordained minister. The Church clearly was willing to risk a conviction of perjury to avoid having to answer my suit in court (David Dennis, *Fatal Accounts*, p. 87).

This ruling by the special appeals court was a chilling development, as it ran contrary to precedent. It would seem that the church, with impunity and legal immunity, could now brazenly conduct itself any way it saw fit in the protection of self-interests to the potential destruction of its workers.

Now with \$5 million dollars of church money spent on outside law firms, we remember how the December issue of the *Adventist Review* printed an article by Folkenberg in which he appealed to the church members to have forbearance and forgiveness toward church leaders and denominational entities when discovered guilty of "error, hypocrisy, incompetence, and mismanagement." He could have made that list of "indiscretions" quite a bit longer, actually.

February 25, 1999, Dennis' attorney, Richard L. Swick, filed a *Petition for a Writ of Certiorari* with the Maryland Supreme Court. The conference responded in kind, using the same lines of objection as previously had achieved the final victory. Dennis argued that defamation of character is outside the parameters of any immunity the church might obtain on the basis of its doctrines and that to permit this case to stand as it had been left, would be to send a message to all religious organizations that they could ruin their employees at will and not be held

accountable to the law. The judges in the Maryland Court agreed and May 14, 1999, overturned the decision of the Court of Special Appeals, effectively remanding the case back to the lower court for Montgomery County to hear.

Ferrell, in his classic style of bringing interesting background information to light, stated:

It is believed that the Supreme Court recognized that there may have been a political relationship between the Maryland governor and the judges of the Special Appeals Court who had ruled against Dennis. Last August, when the governor was running a close race for re-election, **Robert Folkenberg, a principal defendant in the Dennis case, invited the governor to world headquarters for a special feast in his honor. It is the governor who directly appoints the judges who are on the Special Appeals Court bench** (Waymarks 893, "Dennis Lawsuit Update June 1999: General Conference Stunned by Decision of Maryland Supreme Court," p. 2, emphasis added).

But this is not evidence of the corruption which David Dennis could prove from other documents, if only the court would compel the Conference to turn them over. We just find it compellingly curious.

Earlier, the conference had trumpeted far and wide that the case had been thrown out. In their report sent out Dec. 18, 1998, "Dennis Suit Dismissed," they gleefully stated that "The Church has absolute immunity." But they did not publish this reversal by the Supreme Court.

All of this was now taking place just as Folkenberg had left the presidency and Jan Paulsen was elected as the new president. Paulsen would not interfere with the lawsuits but let the lawyers carry on as they had been.

The crash landing of a career churchman. Without going into lengthy and complex details, it is noteworthy to insert right here a brief account of the terminus of Folkenberg's first-class, high-altitude flight as the president of the SdA church.

On Saturday, January 1999, it was reported in the *Los Angeles Times* that there was a lawsuit for fraud filed (received by the conference on Dec. 28, 1998) against Robert Folkenberg for "complicated business dealings" that he had with Sacramento businessman, James Moore, claiming that he had cheated him and a charitable foundation he represented out of eight million dollars involving a major land development project in El Dorado County.

(Among the many terrible revelations reported in this article were that "he and another top church official had accepted tens of thousands of dollars in the form of salaries for their wives for phantom jobs" and that "the anonymous donations from a wealthy donor were funneled through the church's Worthy Student Fund, intended to be used for charitable scholarships" as we have reported earlier in our coverage of the David Dennis story. The *Times* report, goes on to say of the money laundering scandal, "Folkenberg apologized to the church." The story also ran in the *Washington Post*, placed between news of US

President Bill Clinton's shenanigans with Monica Lewinsky and the illicit liaisons of an errant Baptist minister by the surname of Lyon.)

The Moore lawsuit was settled out of court on Friday, Feb. 26, 1999. Folkenberg gave his written resignation on January 31 and delivered his resignation speech to the General Conference Executive Committee on March 01, 1999. He stated that a General Conference Corporation insurance policy, which carries an "officers' errors and omissions" provision, played a role in the settlement of the lawsuit. The policy would pay 80% of Folkenberg's and defendant church attorney Carson's legal defence.

So, the fact of this case is that church funds are used to purchase an insurance policy which ends up being called upon to cover church leaders' outside business dealings, should they come into problems arising from "errors" or "omissions." The General Conference Corporation of the Seventh-day Adventists was also named as a defendant in this lawsuit. (This writer has a copy).

The new president, Jan Paulsen, while troubled at the unethical behaviour of Adventist leadership, would speak for change, but such was seen as a "less-than-resolute" bid for reformation. No real moves were made in that direction. "But the fact remains that without his nod, Folkenberg could not have stayed on the church payroll" and gone on to work his political connections to operate a "high profile evangelistic ministry that brings in huge amounts of Adventist dollars each year and disbursed them throughout the world" (David Dennis, *Fatal Accounts*, p. 133, 124). David would later write to Paulsen:

Folkenberg knows, and I know, and he knows that I know just why he wanted me out of his way! You, as his successor accomplice will never allow disclosure of the total costs of this long legal battle. Certainly, you will never allow a truly independent investigation, such as the earlier promised "blue ribbon group", to report on the facts presented in my original lawsuit. You and I both know that millions in tithes (and other church offerings) were expended just to keep full disclosure out of Court, and from the knowledge of honest church members (David Dennis to Jan Paulsen, "An Open Letter," Oct. 30, 2001).

The end of the road in the Dennis lawsuit. November 01, 1999, the judge met with eight lawyers. One was David's lawyer. The seven lawyers for the conference did their best to shock and awe the judge with overloading and confusing information on the history of the case and attempts to convince the court that their clients had separation of church and state immunity. The judge recognized what was going on and cutting through all of the nonsense, he asked where were the documents that the conference claimed it had that would incriminate David Dennis and which they were ordered to produce in a legal paper, *A Motion to Compel Production of Documents*. The lawyers tried to say that they had not seen that motion but Dennis' attorney produced a paper signed by a representative of this team of lawyers, showing that they were in possession of a copy of the *Motion*.

After legal filings brought to a hearing by Judge Chapin on September 18-20, 2001 a partial immunity decision was handed down, December 28, 2001, in a paper entitled *Opinion and Order*. The frail and elderly judge ruled that the defendants Mittleider, Carson, and the General Conference would be immune from the defamation claim because the defamatory statements were made in the context of Dennis' termination of employment. Folkenberg and Adels were not named in the *Order*. The latter, by then, had gone on from her second divorce into an openly lesbian lifestyle. Strangely, on the same date, the judge ordered another hearing to determine if the defamation exceeded the bounds of religious discipline.

So GC lawyers changed tactics and informed the District Court judge, James Chapin, that as internal auditor I served in the capacity of a "highly elected official" of the Church. At this point, the intimidating retinue of attorneys seemed to break the resolve of the frail Chapin, and he agreed to conduct a "trial within a trial" on the issue of whether or not ecclesiastical issues overrode civil law, in my case (David Dennis, *Fatal Accounts*, p. 86).

The judge passed away a few weeks later.

The glaring fact of this entire matter of the Dennis lawsuit is that had there been any real evidence against Elder David at all, the General Conference would have welcomed a full trial and saved itself a large sum of money and time, instead of robbing from the resources needed to conduct the mission of preaching the gospel. Costs to the GC in legal bills were now well in excess of \$7 million.

Tithe is supposedly used only to compensate those engaged in Gospel ministry and evangelistic outreach, but the Church also allows it to be used to pay for janitorial services of the various conference offices and to subsidize church school teachers' salaries. **And millions in unaccounted-for tithe dollars are invested in prolonged and unproductive lawsuits** (*Ibid.*, p. 92, emphasis added).

In spite of years in court, and a startling decision in our favor by the highest court in the State of Maryland, we were never able to proceed to a jury trial. **With the help of millions of tithe dollars** the GC repeatedly delayed the judicial process and blocked the discovery phase to keep from us documents we had requested showing to some degree the depth of corruption within the leadership of our church. ("An Open Letter," David Dennis to Jan Paulsen, Oct. 30, 2001, emphasis added).

How does it happen that **the expenditure of millions in tithe dollars for prolonged litigation** is approved? Actually, such approval comes from a very tight circle of administrators. Appropriate committees, such as the General Conference Executive Committee, are never consulted and there

is no recorded committee action authorizing massive outlays for litigation. Furthermore, nothing about these vast expenditures in tithe dollars is ever reported in denomination-controlled publications. Decisions of this nature are typically made by only two or three officers, in counsel with highly compensated GC-employed attorneys. They then engage prestigious law firms who, with *carte blanche*, charge unimaginably large sums (David Dennis, *Fatal Accounts*, p. 93, emphasis added).

While we are citing Elder Dennis on the use of the tithes for litigation, it would be well to examine further light from this authority on the use of tithes in the denomination. We must be wise about this. We should not be deceived in any way regarding the appropriation of the monies that are turned over for the Lord's work by members acting in good faith that Biblical specifications are followed:

But let's look again at the Church's policy on tithe—an area where as an auditor I have a great deal of experience. Policy specifically prohibits use of tithe for teachers' salaries and capital expenditures. But during the past 25 years, by implementing fund accounting principles, it was disclosed that the Church has been circumventing policy. For example, most funds used for everyday overseas mission work come from tithe, but are not restricted to direct support of the ministry. It poses an embarrassing conundrum, and the policy either needs to be changed or accounting transactions altered. Typically, these matters are ignored as long as possible. But eventually, perhaps, committees will be set up to study the situation and make recommendations (*Ibid.*, p. 94).

An additional citation is warranted at this point, not of David Dennis, but of a letter of response written by Robert W. Nixon, Associate General Counsel of the General Conference, used in a trademark lawsuit mediation by the "World Intellectual Property Organization Arbitration and Mediation Center, Case No. D2006-0642, between the General Conference and the "Creation 7th-Day-Adventist Church.org" to inform that:

In contradiction to Complainant church's [GC] stated purpose of "the tithing plan", Complainant's church allocated "sacred funds" for prosecuting trademark infringement cases as evidenced by Robert W. Nixon (Associate General Counsel of the General Conference) in his letter dated April 10, 1989: **"Second, you inquired whether tithe is used to pay church litigation. The treasury informs me that all litigation is paid from the annual appropriation made at the Annual Council, and that appropriation comes from tithe"** (WIPO Response, p. 9, www.faihofjesus.to/USTradeLawsuit/docs/WIPOResponse.doc, accessed March 16, 2016, emphasis added).

At last, David found himself all washed up and was forced to throw in the towel, withdraw the suit. Being told that the appeal could have languished yet for

years, he could not go on, as funds were depleted. Jan Paulsen refused a request by church members to have David's allegations investigated by an independent committee and reported back to the church, as had been promised to the church years earlier by Folkenberg when the Dennis suit was being initiated. Paulsen said that such a review would tend to be only a negative step in that it would consume resources of time and money to yield information that is already in the public domain. We should just move past it, forget about it and get on with the work, was the essence of the leader's response.

In 2009, Dennis would write a chilling summation, which provides a prophetic insight that has a direct bearing on what is coming to people in America and the world over, in the name of "ecclesiastical privilege":

It had been Charlotte's and my hope and prayer that the litigation we brought would help bring change in the Church. But the judicial system in America is also broken. I remember the rather personal words of Judge Turner, who first examined my case. He asked the Church attorneys point blank, "If the General Conference had castrated Mr. Dennis for his offenses, would you still try to hide behind First Amendment privilege to avoid paying him damages?"

They answered, "No." But I know that even if the Church had arranged to have me murdered, it still would have argued that it had a First Amendment privilege to do so, in the pursuit of its autonomous practice of religion.

I continue to ask, "How is it possible to commit crimes in the name of religious freedom, without being held accountable? How can an errant Church continue to enjoy tax-exempt status?" These questions apply to all churches.

As things stand today, virtually all [sic] Adventist Church employee receives some sort of credential, and by showing these to a court they can turn almost any complaint against them into an "ecclesiastical matter." Yet the Church has the liberty to bring legal actions at any time against anyone it chooses, including its own members (*Fatal Accounts*, p. 134).

Dave was guilty of no crime other than trying to preserve the fiscal integrity of the Church's accounts. As a faithful servant of the Church, he served it well for nearly 35 years. A great injustice was done him, and he deserves an apology from current Church leadership. Whether an apology comes or not, Dave soldiers on as a faithful servant, active in his local Adventist congregation and in lockstep with his Master, the Lord Jesus Christ (William H. Shea, M. D., Ph. D., Associate Director (retired), Biblical Research Institute, General Conference of SDA, *Forward*, p. v, in David Dennis' *Fatal Accounts*).

So we press on. Scars remain from the hurtfulness of those who still feel that they benefit the cause of Adventism by vilifying us. The Church will ultimately believe what it chooses, but the fact remains that no one

involved in my destruction has yet sought my forgiveness, though as far as possible I have forgiven them (David Dennis, *Fatal Accounts*, p.136).

Charlotte's life and mine revolve around our little Maryland church, between the shadows of the General Conference and the Review & Herald Publishing Association, where I serve as an elder and Charlotte is head deaconess and music coordinator. We give our tithes and offerings, **though not into coffers that could finance litigation or character assassination** (*Ibid.*, p. 128, emphasis added).

Kingly rule solidifies further: Utrecht Consolidation of Power 1995

The Adventist Church has grown large, using a hierarchical organizational style with considerable power at the top, consisting of the president, his underlings, and the influential union presidents. Neal Wilson perfected this system, and came to believe that he possessed the kind of administrative genius that deserved a strengthened presidential position. He left this legacy of power to his successor, Robert Folkenberg (David Dennis, *Fatal Accounts*, p. 67).

As it now is, administration is accountable to administration—a totally unacceptable situation.

It takes no prophetic gift to predict that increased persecution of and strictures upon faithful believers will be the order of the day (Colin Standish, *Another Journey to Utrecht*, p. 4)

William G. Johnsson, Editor of the Adventist Review, writes of GC President Robert S. Folkenberg and the changes he brought:

His efforts to reorganize the General Conference headquarters and the church worldwide brought the most far-reaching structural recommendations since 1901.... All change is difficult. The fact of change and the pace of change...have upset some Adventists (*Adventist Review*, July 02, 1995).

Vance Ferrell writes in a tract series, "The Utrecht Session," p. 8, regarding what was taking place: "massive changes were placed before the delegates to enact, which would dramatically change the way the church was governed! What would all these cumulative changes produce? Some kind of monster kingship?"

Deceptive maneuvering was employed to bring in far reaching changes that would shift power further upward and especially consolidate power in the hands of one man, the president. Susan Sickler, a member of a commission appointed by the General Conference in 1991 to examine ways of improving church government, reports that they had examined the proposed governing changes and rejected them. But those items were then falsely presented by Robert Folkenberg to the 1994 Annual Council for their approval, as having been “approved” by that commission. These were 50 Church Manual changes and 72 Constitution and Bylaws changes. One delegate, Alvin Kibble, commented, “I cannot imagine a constitutional revision of some 72 items being suggested to the Constitution of the United States of America! That would represent a rewriting of the Constitution!”

To open up the session, B. B. Beach introduced several non-Adventist dignitaries. One of them, a Catholic Bishop, stood to offer his blessing upon the congregation. Then Robert Folkenberg got up and gave a flashy multi-media presentation. Even as it was his intent to push through constitutional changes which would give him immense control at world headquarters, assured the people, “We come as more than 2,600 delegates. We have no king. We have no small group of men who rule over us.” The GC treasurer’s office was billed \$45,000 for that highly produced sermon.

The changes to come would include but were not limited to:

- Reduce the number of the GC committee by nearly one-third
- Executive committee quorum reduced to 15
- Decrease the number of participants in the decision making process at the Annual and Spring Councils, which govern the church between sessions
- Cap the number of delegates at 2,000 instead of 2650
- Reduce the number of personnel at the division level also
- GC departmental leaders no longer have a vote *on* the GC committee and barred from being on the committee
- All but GC auditors would no longer be elected but appointed by those being audited
- The GC President is now to be designated as “First Officer of the GC”
- The same power consolidated in the top three of the GC—the president, secretary and treasurer--would be given to the three heads of each division; thirty men would run the entire church with absolute authority
- The treasurer and secretary of the GC may not bring anything to the GC committee until they have first consulted with the President regarding the matter
- Division departmental leaders would be appointed not elected
- Number of laypersons allowed as members of the GC committee reduced from 50% to approximately 17%
- Conference/mission presidents will only have voting rights at the councils—when the councils are held within their territory. This skews the

vote in favor of North American conference presidents in eight of every ten council meetings

- Session delegates will be chosen by division leadership, instead of by unions. Division officers are closely obligated to the GC president for their positions
- Local church boards have greater power at local level, to block membership actions; may also be able to obtain a two-year term
- Local church members can be disciplined for a longer period of time

These are just some of the high points. Not listed are actions which did not make it to the GC session, which were approved at the 1994 Annual Council, such as these two:

- All officers of higher organizations are automatically *ex officio* members, with full voting rights, of the next lower organization
- Every lower level officer must be approved at the time of his appointment, by the leaders of the next higher level

There were also parliamentary rules changes. Why this is important is because by manipulating the rules that govern meetings a small group of professional committee men can control a large voting constituency, making a de facto oligarchy out of a democracy. The name of the game is the “rules of order.” These necessary procedural forms are relatively standardized in the corporate world. But there are exceptions. The Roman Catholic Church has its own devious set of rules, which it developed in the Dark Ages! Now the SdA church has also its own unique set of rules. Two key rule changes look like this:

- All nominations for office or membership on an executive committee—at any level in the church—must be made by a nominating committee. They cannot be made by the delegates, as a whole, or by the membership (constituency) of the church
- Only one name can be presented to the floor by a nominating committee for each position to be filled.

This is the way dictators are appointed to office. When only one name is submitted, it is no longer a democratic process; it is a rubberstamp action.

It is important to know how determined was the movement to get changes implemented without arousing equally determined opposition. In the 1995 Session, Delegate Alvin Kibble happened to be at the microphone at the right time to be able to legally bring a new item on the table, seeing as a previous agenda item had just closed. He was concerned about the overall implications of the many changes that were being proposed and voted in, so he moved “that legal counsel provide for this body [the delegates] a summation of the total effect of these actions upon the historical privileges and powers of the session when it is seated....” The General Conference in session is the highest authority in the church and this was a call to determine if the proposed changes would have any

corrosive effect on this power. Immediately Chairman K. J. Mittleider said, "I believe your motion would be out of order," when it was actually not. He said that they needed to continue taking things in little bites, "one piece at a time" and that they had not "prepared anyone to give a legal summation." The intent is clear: these men were studiously avoiding any such thing as legal counsel for the delegation! They did not want any "big picture" to be presented nor had they any intent of setting anyone, such as they had not "prepared," to perform such a task. The fact is, Athal Tolhurst was often present on the platform. He was the man who had "crafted" the language of the proposals and was introduced as a man who was "intimately acquainted with how all these policies interact," and that they "touch each other in many ways." So by saying that they had not prepared anyone for this task means one of three things; 1) he was not previously groomed to make such a presentation in a smart political fashion; 2) he was not the expert that he was presented to be; or 3) there was strong incentive for preventing any such overview to be presented.

Coming back to Chairman Mittleider's side-stepping, Kibble repeated his concern and emphasized, "I believe it would be fair to ask for a legal opinion." Mittleider resolutely responded, "Thank you very much. We're going to proceed..." and they carried on with other business. The next man at the microphone was Edward Reid and he made a similar motion but was cut short by Calvin Rock, the Chairman of the Constitution and Bylaws Committee, who started the process of presenting the other matters of the 72 proposed changes. The call for an analysis by legal counsel for the education of the delegates by two men, using proper legal procedure, was illegally sidestepped and flat-out refused. As one attendee later stated, "When the delegates attempted to find the bigger picture, they were told, by the various chairmen, to concentrate only on the issues at hand."

As we can see from all of this, in summary, the delegates attending the Utrecht Session were never presented with the full picture. If they had a wider view, they would have been able to more clearly see that a great shift in power and authority had been carefully planned in advance was being systematically carried out.

Among the mechanisms employed, we find that Session business meetings were adjourned early, new items of business were ignored, motions for clarification were ignored, and items sent back to committee for change were at times returned with almost no change.

The changes bestow more power to the higher organizations over the lower. Now also, the General Conference President will have immense power on all levels. Either directly or indirectly through subordinates, he will be able to exercise far more control over subsidiary workers and organizations than any president in the history of the denomination.

Because of the changes, the GC will henceforth control the selection of an astonishing 74 percent of the total number of delegates to each future session. The GC executive committee, which henceforth can meet with a quorum of as few as 15 members has authority to make drastic decisions and changes in the denomination, yet most of its members are obligated to please the GC president.

On the local conference/mission level, the changes not only add union representatives to their business and constituency meetings,--but division and GC representatives are added as well.

The good work accomplished, under the direction of Ellen White, at the 1901 General Conference Session—has effectively been wiped out. We have returned to a “kingly power,” the very thing she wanted to eliminate from the church.

Russell Standish, in his summary report, notes:

No one, *not one*, inquired on any issue that was raised, “Is there a word from the Lord?” One faithful delegate, pointing to the general confusion that was prevailing, pled for a season of prayer for divine guidance. His plea was totally ignored. Had God’s wisdom been sought, a large number of items contrary to the plainest testimony of Inspiration would never have appeared upon the agenda (*Another Journey to Utrecht*, p. 1).

Remember how we quoted earlier that the men in power

have been informed that they were out of place and **in error in representing the voice of the General Conference as being the voice of God. For many years it has not been thus, and it is not thus now; nor will it ever be thus again, unless there is a thorough reformation**" (*Manuscript 124*, 12/9/1901, emphasis added).

What happened to the “thorough reformation?” Is there anyone that can show where it occurred in Seventh-day Adventist church history?

Agreeing with Elder Dennis, I encourage every reader to turn the tithes and offerings over to the men and women who are actually doing the work of the third angel’s message, in this time of the rise of the fourth angel as it swells to the loud cry or which may even now at time of reading be sounding as the loud cry. The storehouse of God is not a den of corruption, it is where the message of Christ’s righteousness is sounding.