

IT IS ACTUALLY POSSIBLE —

Can We Save the Church?

— HERE IS WHAT MUST BE DONE

This paper is a genuine effort to save our denomination, the Seventh-day Adventist Church, from continuing its downward spiral.

It is not a call out of the church, but a call to action within the church.

Definite solutions will be presented rather quickly below. The answers are not complicated. If they are steadily carried forward, the church structure could be cleansed of a great number of the problems which are now dragging it downward.

We sing the old song, "Rescue the Perishing." But it is about time that we rescue the church.

Every year the standards sink lower, the financial scandals widen, the worldliness increases, and we depart further from our Bible-Spirit of Prophecy foundations. More and more members leave the church, either to drift out into the world or to form separate groups. We wring our hands; but, deep down, you and I know why.

Although our liberals are unconcerned, every sincere Seventh-day Adventist believer among us is well-aware of the downward slide; and each silently sorrows over the fact.

The easy solution is to ignore what is happening and just let the situation keep getting worse. As we hear about the latest downward trend, it is so easy to say, "I can't do anything about it. It is someone else's problem. God will have to purify the church; we can't." Or "All we can do is pray about it."

We have been repeatedly told, in the Bible and Spirit of Prophecy, that God will not restore the church to its former integrity and evangelistic power if its members and leaders refuse to take hold of the work. In not one instance in Bible times or church history did God ever purify a church—when no one set to work to cooperate with Him in doing it. He will not work apart from our efforts.

The author of this report is not a "troubler of Israel." The best friends of the church are those who are concerned about it; plead for; and work toward restoring its earlier beliefs, standards, and practices. Those only who "sigh and cry" about the problems in the church and try to do something about them will receive the seal of God (5T 212; cf. 212-216). That is a promise not to be treated lightly.

The future of the church is in our hands and the hands of our leaders. Consider carefully what you should do. In the providence of God, you may have "come to the kingdom for such a time as this." There is work each of us must do in our families and local churches. It is also imperative that our leaders implement certain changes and that we encourage them—in the extreme—to get busy and make those changes.

Each congregation should plead with God for forgiveness; earnestly begin studying the sacred books, the Bible and Spirit of Prophecy; and make needed changes.

But, in this report, we will primarily consider several overarching problems which no individual member or congregation, working alone, could resolve.

HOW TO ELIMINATE MAJOR FRAUD AND SCANDALS

A fundamental problem. Our organizational structure is divided into separate entities. Each one is primarily controlled by a single man who is working with a small group of officers, most of whom are under his direct control. Each of our workers, throughout the world field, is well-aware of the truth of this statement. Unfortunately, this tends to produce, what could be called, "a one-man show." Everything may go well if the leader is a good man; anxious to counsel with others; considers advice from those who disagree with him; and, above all, recognizes God's Inspired Writings (the Bible and Spirit of Prophecy) to be the highest authority in the church. But the situation does not always work out that way.

These patterns of control by a single man, working with two or three others, can be found on the conference, union, division levels, in our hospitals, and even mission stations. Since Elder Folkenberg's governance changes at the 1995 Utrecht Session, a similar situation now exists in the General Conference in Silver Spring.

Unfortunately, one man's mind is never adequate for the scope of the work. This pocketing of church entities into discrete units leaves them liable to great problems. When investigation and change cannot be applied from outside the pocket, serious troubles can develop.

A solution is available. What can be done to help

solve this part of our overall denominational problem? I suggest that, instead of trying to change the structure—we begin by adding one segment to it.

Let me illustrate: The U.S. federal government has a similar problem. Each agency is something of a law unto itself. It can waste money and do a variety of foolish things, generally without fear of reprisal.

But years ago in a happy moment of inspiration, Congress set up an investigative arm which could prowl around here and there—indeed, anywhere it wanted—and identify problems, so they could be solved. It has the authority to check procedures, activities, and financial records. *And, very important: When it is done, it issues a public report to the nation, not only to the legislative and executive branches of government.*

This agency is the General Accounting Office (GAO).

A General Accounting Office. We need a General Accounting Office in the Seventh-day Adventist Church. Repeatedly, since 1981, our church has suffered through one major scandal after another—because each organizational unit tends to be a law unto itself.

A GAO could have squashed a great number of these problems—before they cost us millions of dollars, reduced the confidence of the members, and brought shame to the denomination through the public press. Many of our leaders would appreciate such an effective tracking agency, able to detect mismanagement and warn the church in time.

Many, many examples could be cited in which a few men, insulated from examination or interference from other parts of the church, have siphoned funds, defrauded our people of millions of dollars, and sometimes ruined entire church entities.

In a study accompanying this one, *The Fall of Boston Regional [WM-1149]*, we will provide you with a fairly recent example. Most of it consists of a paper written by Will Horsley, M.D., a faithful physician in Massachusetts who was at Boston Regional Medical Center during the entire crisis and carefully reports on what took place.

Here are additional statements about that incident, as reported in a major area newspaper, read by non-Adventists throughout New England:

“Boston Regional . . . took a different route to oblivion; a decade of questionable financial and property transactions, all-expenses-paid trips to Hawaii and abroad for top executives and church members, transfers of millions of dollars to related church entities, multiple mortgage refinancings.”—*Boston Globe*, “*Financial Mistakes Were Fatal for Hospital*,” October 25, 1999.

“Contributing [to the final collapse] was a decade of hospital assets treated like an office slush fund and a bailout for poor investment deals, according to hospital officials familiar with the years of poor management and a review of financial documents.”—*Ibid.*

“This was our birthright, it couldn't be sold. Here it was cast away,” said Dr. Will Horsley, who was chief of ophthalmology at Boston Regional and one of the many Adventists who worked there. In addition [to the loss of the denominational hospital], he said, “They lost a church and an academy, and they got less than zero.”—*Ibid.*

“Millions of dollars more in unpaid bills . . . helped bring

the hospital's debt to \$60 million today—or \$15 million more than its net worth.”—*Ibid.*

Why are you an Adventist? Please, may I ask that? Is it because you want to be an accepted member of the club? Is it just a source of salary and influence? Or are you a Seventh-day Adventist because you believe in our historic beliefs, the authority of God and His Written Word, and you urgently desire our denomination to fulfill its mission of giving the threefold message of the flying angels to all the world at this time?

Do you want, more than anything else, to be loyal to the God of heaven? Is defending the God of heaven, and the teachings and standards He has given us, more important to you than anything else? Only such persons have the best interest of the church in mind.

It is obvious that the Vatican would never implement a General Accounting Office. Yet the U.S. government did just that. Do we have the courage to do it also?

Considering the nature of humanity being what it is, an investigative arm is needed to find out what is happening within our entities, so corrections can be made.

More about this GAO. It could be referred to as a Board of Inquiry or an Investigative Unit. You will recall that, when the Davenport scandal burst upon us on July 22, 1981 (which cost the denomination \$10 million and individual members another \$10 million), the laity were so upset that, in order to placate them, the General Conference appointed a “President's Commission” of highly qualified laymen and laywomen. This was a very sensible action. *These were successful business people, accountants, and attorneys. Their investigation was accurate, thorough, and provided solid solutions* which had ramifications for many aspects of our work.

The fact that the commission report was afterward filed and essentially none of its recommendations were later carried out was directly due to the fact that, for practical purposes, each entity—whether it be a conference, union, division, hospital, or whatever—is its own boss.

Place lay business people in charge. The most skilled, reliable, and independent group of capable men and women in our denomination are the members of Adventist Laymen's Services and Industries (ALI) and other Adventist business people. Each member is a successful business person and financial expert. Such people know how to maintain integrity in a business operation. They know how to think through problems and get things done. By their heavy investment in mission projects, they have repeatedly shown their concern for the best interests of the church.

How it would operate. Business men and women of the denomination (including many not currently in ALI), who are totally loyal to our historic beliefs and Bible-Spirit of Prophecy principles, should be placed on a large constituency board, overseeing this new quasi-independent arm of the church. It would be un-

ation. In addition to the above notices, faithful retired workers could be on these panels.

The ever-increasing number of thefts and financial scandals in our church would be greatly reduced by the previously discussed implementation of denominational GAO and mediation boards.

• **Constituency and Operational Meetings.** Important elective, executive, advisory, and constituency councils continually occur within our church. Here are some changes which it would be well for our leaders to enact:

A sizeable number of laymen would be on each conference, union, division, and institutional executive committee.

Both the constituency and the executive committee would have the authority to discipline and discharge workers. Minutes of committee meetings would be available to the constituency.

A statement that openly acknowledges that the Inspired Writings are the highest authority in the church should be enacted, placed in print, and posted at the entrance to each administrative building. No decisions would be considered valid which are in opposition to clear Bible and/or Spirit of Prophecy statements.

All constituency meetings should be held no less than every 12 months. Following a simple prayer and a 10-minute reading from God's Word, the business session at each constituency meeting should begin no later than 9:15 a.m. But, when needed, during a session, the meeting should break up into groups for prayer, requesting divine guidance. Requests for agenda items, followed by a rather complete agenda, should be provided at least two weeks earlier. Constituency meetings should plan to meet until the tasks are cared for, unless sub-committees have been appointed which will report back at a specified time.

At election time, more than one name should be presented for nomination to an office, and they should be announced no less than 30 days prior to the meeting. Suitable biographical data, including previous problems, should be made available, plus where to obtain additional information. A formal evaluation of the performance of officers, made at least every 12 months would be available.

In the local church, all board actions should be presented in writing to the members; and, if they do not object in a duly-called constituency meeting within 15 days, each board action will stand as given. No action affecting the local church should be taken by the conference committee without the express approval of each local church board and its constituency. This would include those who may speak in the church and the standards (such as adornment, divorce, etc.) that will prevail. In this way, if apostasy ever penetrated the conference or higher levels, the local churches could continue to stand free of it.

Each of the above notices to various constituencies could be made via placement on a web site connected with that church entity, whether it be a local congregation, conference, union, or entity (hospital, publishing house, academy, college, etc.).

Open up the church; make its operations and decisions transparent. We have nothing to fear if we are doing what is right. That which is in agreement with the Bible and Spirit of Prophecy is always right.

• **Financial Responsibility.** Improvements on several matters of fiscal responsibility are needed:

It would be well to stop the practice of maintaining a three-month-in-advance salary and operating expense fund. This requires massive amounts of money invested in the stock market. Such hedging is actually selfish; for only workers are protected by it, not the laypeople in the church.

The present writer first issued this plea, to get out of the stock market, over a decade ago. Our church has recently lost \$50,000 in pension funds, totally lost because of stock market holdings.

Brethren and sisters, let us have faith in God to provide for us. Yes, an immense crisis is, indeed, coming. It will be triggered by the sudden enactment of the National Sunday Law. But when that occurs—we will lose all our denominational stock and bond investments, because Sabbathkeeping denominations will be illegal. When we seek to insulate ourselves from crises, we lose a sense of our great need of God's continual help.

Every church-owned medical institution should be given back to the local conference which originally paid for it. They were taken from them illegally, without their voted consent (either by local churches or in conference constituency meetings) in the 1960s. (Then, in the 1970s, they were transferred to the Adventist Health Systems' control.) When our institutions are closer to direct laity control, they are managed better.

It would be best if our union conference offices in the United States were closed down. They cost us over \$15 million a year and accomplish very little. The money from the sale of those properties could be used to help retire hospital debts.

• **Doctrinal accuracy.** Several changes are needed, in order to return our church to its doctrinal roots.

The 1980 "Dallas" revision of our Doctrinal Statement, with its cautious wording, was prepared at Andrews in order to accommodate liberals, Fordites, and conservatives and placate Walter Martin and Protestant leaders. Our Statement of Beliefs should be changed back to the simple, direct wording of earlier official church statements.

Trying to disguise our church teachings helps no one. When new theology pastors and teachers are asked if they believe in our historic beliefs, they just

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usual, in that it would not be under the thumb of any man or agency. (The new entity could not be ALI itself, which is directly controlled by the General Conference.)

This agency would receive complaints and decide which conferences, hospitals, unions, etc. should receive exploratory work. It would decide who should serve on various investigative units; rotate them when projects are completed; carry out brief investigations; do some investigation in greater depth when necessary; interview workers who could not be penalized for talking; issue reports to appropriate authorities. However, if these reports are not implemented within a reasonable time, they would be made public to the constituency within that jurisdiction.

Upon the first hint of a problem, this review board would start interviewing and examining records. It would document facts and expect results.

The new entity would best be given worldwide scope in its investigative ability; but it should begin operations in the U.S. and branch out only as needs are perceived overseas.

Who should enact this GAO? Only the General Conference officers (about 360 leaders) gathered at a yearly Spring or Annual Council or the delegates assembled at a quinquennial (five-year) Session would have the authority to do it.

If our leaders are genuinely concerned for the best welfare of the church, they will welcome this opportunity to have the denomination cleansed of the continually developing scandals and heavy financial losses that plague it. Surely, they will want to see this done, if we ask them.

Unfortunately, there will be those who would prefer that such a plan never see the light of day. It is difficult for some men in power to relinquish any of it. We can understand this. Yet we are not here dealing with minor issues. The end of the world is upon us, and God wants you and me to defend His cause in an hour of great peril. Our church appears to be a raft without a rudder or oars, drifting downstream toward the rapids.

How can it be done? Is the situation hopeless? No, it is not. If God's faithful will stand true and determine to set to work to clean up the church, Heaven will cooperate with their efforts. But they must do their part.

The business people of our church, working together, would have the most influence in getting such legislation passed. Our attorneys and medical professionals would also be very influential. Frequently these, the wealthy among us, maintain very close contacts with church leaders.

Each one of us is but a cipher in the denomination. But, working together, faithful members can accomplish a work that will make the angels glad.

Our worldwide division, union, and conference leaders are pivotal in forming the agenda and deciding the vote at the Councils and the Sessions. They are the ones to contact. The lower echelons will do as they are told.

A GAO board controlled by a church leader or committee would fail in its mission. Although it would be very willing to work with leaders, the new entity must be controlled by ASI-type laypeople.

We are dealing here with a very serious matter. Angels are watching what our individual decisions will be. Those decisions could witness against us in the day of Judgment. Is our first loyalty to God and His Inspired Writings or is it to our own comfy nitch of acceptance by men?

We have been given the greatest message since Calvary. The call to enabled obedience to the law of God, through the grace of Christ. Will we be faithful to the God who entrusted this truth to us? Or will we only do that which will keep us well-liked by our brethren?

I guarantee you this: If our people do not take hold of this good work and push it through to success, in the years to come they will rue the day they decided to trash this appeal.

HOW TO ELIMINATE SMALLER CORRUPTION

Here are a few other rules which our leaders would do well to enact. It is likely that these measures will only be passed as a result of strong persuasion by the membership of the church.

• **Mediation Panels.** Back in the mid-1960s, a family, living in Colorado, sent their daughter to Thunderbird Academy. Soon she wrote home, that the girls in the dorm were playing with ouija boards. Thoroughly concerned, the father wrote to the principal, knowing he would want to immediately put a stop to this entrance path to heavy spiritualism. In reply, the principal wrote back, strongly castigating the father for "stirring up trouble." Shocked, the family took the girl out of academy and totally abandoned the denomination. Although faithful to the message, they never returned.

Back in the early 1980s, a woman living in university-owned housing at Andrews protested to school authorities about the sex activities carried on nightly in those buildings. The only response she received was a letter that her acceptance toward a graduate degree had been revoked.

Gentlemen and ladies, the frown of God is upon us because of your (and my) willingness to tolerate it, not only because of the amount of wickedness in our church. Think not that the Judgment is not coming. Among other things, it will examine whether we spoke up or whether we kept silent.

There is an urgent need for Mediation Panels in our church, with features such as these: They can be contacted by anyone encountering an unfortunate situation and will be given careful attention. If a genuine problem is found to exist, it will be solved, even if it means reprimanding or discharging a president. These Mediation Panels would investigate and apply solutions to problems arising in local churches, academies, colleges, executive departments, and other denominational institutions. The men on the panels would be impartial, incorruptible, and beyond retali-

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**PART TWO
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chuckle, and say, "I stand by the Dallas Statement." It was worded to protect their jobs, so they could continue their work of diluting our teachings with modern Protestant and Catholic errors. The new theology teaches that we are now saved, that obedience by faith is not necessary to salvation, that there is no two-apartment Sanctuary in heaven, and that the Spirit of Prophecy is not of equal inspiration with the Bible. Each of those concepts agree with the Dallas Statement.

No outside-university trained men are to sit on any committee having anything to do with the setting of standards or revision of statements of belief.

No tithing money should be used to support church workers on any level who are opposed to the Spirit of Prophecy or advocate teachings not in agreement with our historic beliefs. **The true gospel** is that the grace of Jesus Christ forgives our sins and enables us to keep the commandments of God. That is our message to the world (Rev 14:12), and the only factor identifying us as the remnant (Rev 12:17). To the degree to which we forsake God's Writings and His law, we are not the remnant.

The Bible and Spirit of Prophecy should be placed at the center of our work as the highest authority. They are to be the first word and the final word in every committee meeting or council session. "What does God's Word say?" should be frequently asked. The books should be opened, studied, and obeyed. If we choose separation from those writings, then we are choosing separation from the God of those writings, and we are no longer His special people and His denominated church. God did not put Ellen White through 69 years of writing, pleading, and weeping—in order to bring us nothing more than a little "pastoral comfort."

• **Higher standards.** Not only our doctrines, but our way of life is important to God.

As leaders and members, **we must urge higher standards.** As it now stands, few seem to care. "Do whatever you want, as long as you don't get caught by the police," appears to be the motto.

We need to return to modest and healthful clothing, careful diet, adornment and recreational standards. Included here are such things as jewelry, makeup, theater attendance, television, and wine drinking. The infamous wedding ring ruling should be repealed.

The solution here is precept and example, plus pre-baptismal studies and church study groups. During the lengthy pre-baptismal studies, these stan-

dards should be taught. Only those who have heartfelt concern to live such standards, in order to please Jesus, should be baptized into the church.

Instruction should continue afterward in ongoing **Bible-Spirit of Prophecy study meetings** in the church, prayer meeting, and at camp meetings.

Sin is enticing, and reproofing it—or even warning about it—is thought to be out of date. Only by earnest effort can we maintain the high level that our God wants us to have.

Eliminate the clown shows, magic shows, rock concerts, and intermural sports, plays, dramas, and drama movies from our schools, churches, and youth gatherings. A pastor told this writer in 1979 that, each Saturday night at conference workers' retreat, he had to leave the auditorium because the program was so worldly.

Explain to our people and our youth why we have standards, why they are so important, and the results of abandoning them. Win them to want to do right because it is right. If some refuse such a life, that is their decision. We have kindly tried to do our best. But we will not lower our standards in order to retain those who want to leave us for the world.

Ellen White said we should sign an **anti-meat pledge**, and "the good work should begin at Washington." Our leaders should set the example. There is no nutritional benefit in continuing a diet which leads to tumors, cancer, heart disease, and other problems. We have been told that meat eaters cannot understand the atonement or be prepared for translation.

Proper Sabbathkeeping is important. No business meetings should be held on that sacred day. Also lengthy auto trips should be avoided during those hours.

Our denominational **statement on abortion** should be changed. We should, instead, take a definite position against all abortions. Our present General Conference statements provide a variety of loopholes which enable some of our hospitals to perform even elective abortions for lucrative profit.

Do we imagine that God is fooled by our little word games? Either we wake up to reality and change our ways or we will later learn the awful truth.

• **Educational institutions and instruction.** Our schools, colleges, and universities urgently need our attention.

We should regain control of our academies, colleges, and universities. In choosing to accredit them, we placed them under the rule of secular, very liberal accrediting agencies, which dictate their curricula and standards, equipment, and library holdings.

Whatever it takes, we must return to our historic teachings, standards, and mission objectives. If this can be done in no other way, then close down and sell off our liberal colleges and universities, and put the money into a number of new training schools which will fulfill the blueprint. Build them in states that have few restrictions, and begin training the students to help finish the work. We have been told that technical/trades/agricultural schools that include a solid basis in the study of the Word of God and personal and public evangelism are needed.

Only properly qualified Bible teachers should be hired and retained. Those qualifications are years of proven adherence to God's Word, efficient pastoral or evangelistic work, and deep experience in the things of God. Candidates for religion teachers who have received doctoral degrees from outside universities are disqualified to teach our future workers and leaders. **We were told that our schools are not to be tied by so much as a thread to the world, its standards, or its ways.** Let us stand for the right because it is right, whatever the cost.

In the selection of any teacher on any level, **degrees are never to be first or even second in importance.** We want godly men and women instructing the youth of our church.

In all our schools, **there should be a return to Spirit of Prophecy principles governing social relations, courtship, adornment, and similar points.** Curfew hours, as earlier held, should be restored to our dormitories. Students involved in narcotics, alcohol, tobacco, or fornication are to be immediately dismissed from the school.

No government funding of any kind should be sought or accepted. Compromising stipulations will inevitably be involved. About twenty years ago, a girl attending one of our colleges was told that her attire must meet certain standards. When she protested to a government agency, they informed the college that, as long as it was receiving government funds, it could not set clothing standards.

We should avoid all government traps. Loma Linda knew that, by seeking a university charter with the State of California, it would no longer be able to discharge faculty members because of their political, philosophical, or religious beliefs, or lack of them. But, coveting the honor of "university" in its name, it made the change. Atheist, Mormon, and Catholic instructors are now teaching our youth at that institution.

Post-graduate degrees (degrees beyond the four-year Baccalaureate level) should not be required for any pastoral or Bible teaching position in our church. Requiring Master's level theology training has placed our future ministers under liberal, outside-university-trained instructors at Andrews. It has accelerated the spread of new theology errors within our churches, church papers, and books. The master's level theological training does not better equip a man to pastor a church, administer a conference, carry on evangelistic work, or labor as an overseas missionary.

The Spirit of Prophecy counseled us to **sell those institutions that are not fulfilling their purpose** in forwarding the work given to our people in these last days. This counsel would apply to schools, hospitals, radio stations, publications, and other entities which are working in opposition to the reason for our existence.

The elimination of just one new theology teacher from one denominational college in the mid-1980s cost the college \$160,000. But after it was done, there were still others who were there. In regard to some of our educational institutions, it may be best to sell out and start over again.

Only as we return to obedience to Bible-Spirit of Prophecy basics can we find our way out of the cave of confusion we are in. There are answers, and God's Word has those answers. Let us seek them earnestly, unitedly. It is not a matter of what is feasible, but what is right. In the Judgment, our present excuses will look pretty thin.

When the situation at Battle Creek College became hopeless as the new school, at Berrien Springs, was taken over by the same liberal management, Ellen White counseled Sutherland and Magan to move out and start a new school elsewhere. This new school (Madison) would have a board of directors not under denominational control. She told them to incorporate it under state laws, and that she would serve on its board.

Obviously, the emphasis was on obedience to the our historic blueprint and mission, as given in the Spirit of Prophecy Writings, rather than financial expediency. Indeed, she taught us that obedience to God was more important than even direct organizational affiliation. Just because an institution has been started, we are not required to keep baby-sitting it and pumping millions of dollars into a lost cause. When brought to a standstill, she told them to begin anew.

Obedying God always costs. But it pays. Remember that. It pays well in souls saved and souls won. Some may be the souls of your own children. Eternal vigilance and prompt action is the price of purity in the church as well as in the family.

• **Pastors and churches. Our churches, camp meetings, and other gatherings are also instructional agencies.** Our people should be taught by godly, solid men at those meetings.

We do not need pastors and administrators who do not wholeheartedly believe in, and teach, historic Adventist beliefs and standards.

Do not move men into pastoral jobs merely as a reward for several years' service in another denominational position or because there is nowhere else to put them.

We are currently transferring problem pastors and administrators—just as the Vatican does with its priests. This must stop. Embezzlers, adulterers, and perverts should be discharged.

Special local and conference-wide gatherings should be held for repentance, heart-searching, re-

vival, and the reading of God's Word.

Instructional classes in the Spirit of Prophecy should be regularly held on all levels. Our members should be shown the beauty and importance of those precious writings. Outstanding books needing overviews and sectional studies: *Great Controversy*, *Desire of Ages*, *Steps to Christ*, *Mount of Blessing*, *Messengers to Young People*, *Ministry of Healing*, *Education*, *Christ's Object Lessons*, *Counsels on Diet and Foods*, *Adventist Home*, and *Child Guidance*.

We must bring our people back to God and His Word. We have weight-gain and stress-management meetings for our people. We need gatherings where they can split apart into little study groups and then bring inspirational reports to the audience as a whole. Studying God's Word should be continually held before them as the daily objective.

Our church services should be reverent and worshipful rather than attempts to copy the "celebration" methods used by the Pentecostal and Vineyard churches. The objective should be worship, not entertainment and excitement.

We should not bring into our churches dramas, masquerades, puppet shows, worldly movies, skits, drums, and bands. We do not need all the things used by Willow Creek and related Protestant megachurches to arouse interest. We should not send our pastors there for training.

Such spiritualistic devices as meditation training, visualization, neuro-linguistic programming, Ericksonian hypnosis, and repetition of meaningless words is gradually being taught in our ministerial retreats and used in our churches.

Our publishing houses are permitted to print most any type of foolishness, with doctrinal error or lowered standards in our denominational journals and books. No one appears willing to stop the rising tide of worldliness and paganism that is coming in upon us. We appear to be a ship without anchor or compass. No one dares even speak up; for to do so will make him a marked man.

• **Missionary work and evangelism.** In the book, *Evangelism*, we have been told that only the Bible should be used in personal study, indoctrination, and evangelistic meetings for those not of our faith. But **brief Bible and Spirit of Prophecy quotations should be sprinkled throughout the sermons given to our people** at all our other meetings. They comprise the most accurate information we have on most topics. We never lose when we exalt the Word of God. But we can lose our children and our loved ones when we don't.

Evangelistic meetings should once again be lengthened to three months or more. Prior to 1950, all our evangelistic efforts were six months in length. People were solidly grounded in our message before they were admitted to church membership.

We should not baptize people until they fully understand and accept our beliefs and standards. The studies given to them should always include care-

ful instruction on standards and the Spirit of Prophecy.

We need to begin training and hiring Bible workers again, as we did thirty years ago. They were an invaluable help. In order to economize, local conferences diverted the funds to the support of the local academy.

• **Publishing houses.** We were told that our publishing houses were to remain separate and not consolidate. The 1995 ruling, placing the *Adventist Review* under the control of the General Conference, should be reversed.

A special advisory board of solid workers of experience (including concerned mothers) should check everything for adherence to our historic teachings and standards, prior to publication of books, journals, and union papers. Their decisions are not to be ignored.

A Spirit of Prophecy article or compilation study should be included in each issue of a journal or union paper. They should deal with practical, doctrinal, and instructional themes—such as nutrition, health, healing, education, family matters, and child training. Not merely with inspirational topics. Too much attention is given to people's photos, people's praise, and people's words. The church urgently needs the Word of God.

Books should be printed that carefully explain the change of the Sabbath and the Sanctuary ministry of Christ. Closing events should be explained to our people. They need to know that probation is soon to end and they must prepare for it, in the grace of Christ, by putting sin away from their lives.

Books and articles containing subtle disparagements of our teachings, standards, pioneers, and the Spirit of Prophecy should be banished. We should not now be trying to make scoffers of our people.

Bible quotations should be made from the King James Version, since we now know it has come down to us from a more ancient line of manuscripts and versions than the fourth-century codices produced in Alexandria on which the modern versions are based.

We should stop publishing fictional novels for our members, young and older.

The E.G. White Estate should translate at least half of the Spirit of Prophecy writings into at least 75 major languages. They have the resources and contacts with which this could be done. *Great Controversy*, her most important and, next to *Steps to Christ*, her most translated book, is only available today in about 20 languages; often at high local prices.

• **Denominational hospitals.** Our AHS hospitals should be restructured or sold off. Most of the workers in them are non-Adventist, and the profits of these are siphoned by distant AHS "management" centers. In some instances, the debts on them are so high that we should just transfer ownership to AHS and just walk away from them.

Our denominational medical work should return to small natural-remedy sanitariums, located

in the country. When possible, each one should be located near a blueprint training school.

• **General Conference Sessions.** Several changes are urgently needed. At the present time, only 8% of the delegates are laymen; the rest are church employees who must vote as they are told. A large percentage of the small lay representation consists of overseas nationals who have very little understanding of the ramifications of what is being voted on.

An automatic 35% of the delegates are selected from institutional administrators and their employees. The General Conference and its direct entities constitute about 25% of the voting strength. Each section of delegates is required to sit in its own area; so, to ensure compliance, the hand-raised vote of each delegate can be checked. **The result is a pre-planned agenda, which is rubberstamped by the employees of the planners. There really is no need to spend \$18 million every five years in this way.** Just mail the agenda to the delegates, with instructions as to which way they should vote. That will accomplish the task far more economically.

Needed changes include increasing the number of lay delegates to at least 35%, and permit delegates to sit anywhere they wish. Requests for agenda items should be mailed to each delegate six months in advance. The complete agendas need to be mailed three weeks in advance.

The surprisingly small amount of time reserved for business meetings is astounding. Count it for yourself in the *Daily Bulletins*; I have since 1980. It is typically 34 to 36 hours for 8 days of the entire 10-day Session. A great amount of time is instead spent on parades, programs, marching, mission stories, panoramic epics, display of native costumes, dramatic presentations, special music (its gets wilder each 5 years), and introducing priests and bishops, mayors, and governors.

Frequent jumping back and forth between one item or another, including nomination reports and interviews, keeps the delegates distracted. When there is danger of an agenda item not being voted on, it is "sent back to committee." Later, when the objection has been forgotten, it is brought out with few modifications. If a delegate presents a new agenda item, not in the printed agenda (although what he is doing is perfectly legal), the chairman will admonish him there is not room for this, and consideration of it will have to be postponed five years. Only discussion in the (main auditorium) floor sessions are printed in the *Bulletins*.

Delegates are not required to attend the meetings; indeed, announcements are made about various attractions in the city. The confusion of the gatherings so wearies the delegates that, later in the week when most are not present, key changes are voted through.

Many major issues are approved by committee action outside the Sessions. An example would be the wedding ring ruling (authorized by the North American Division year-end meeting), which requires local pastors to baptize new members with the wedding rings and requires local congregations to accept them. Yet everything affecting the local church is supposed to require local church or Session approval.

By the way, **what is the "General Conference"?** It is only the General Conference in Session, and nothing else. The folk working at our world headquarters do not constitute the General Conference. They are only leading church officers and their staff. The so-called "General Conference Committee," composed of about 360 world leaders are, indeed, very influential. But they are not the General Conference either. It is only when a "general" "conference" of representative believers, sent by churches from around the world, meets in united Session that we have a General Conference. This fact demonstrates the extreme importance of these Sessions, which used to be held very frequently and truly spent their time on the business of the church. The first 27 Sessions were held once or twice a year. It was not until 1889 that they began to be held every two years. In 1905, they began to be held every four years; and, in 1970, every five years.

We need to make a number of important changes, so the Sessions can once again fulfill the purposes for which they were established. Rubberstamping by employees of pre-arranged agendas in such a party atmosphere of parades, clowns, and wild music can hardly be called "the voice of God."

SUMMARY

This entire appeal has been an expansion on Revelation 12:17 and 14:12. Will we, through the enabling grace of Jesus Christ our Lord and Saviour, obey the commandments of God or will we not? That is what it is all about. Will we live those commandments in our lives and will we teach them to the world? The further we drift from obedience, the less inclined we are to tell anyone else to obey them.

We were called out from the world in order to give the third angel's message of 14:9-12. If we do not live that message and share it, we are no longer the people defined in 12:17 as God's final remnant. That would be a tragedy.

There is no doubt that some of us will go through to the end and constitute that remnant. "The church will appear to fall, but will not fall." But will you and I be in that group? Will we have sighed and cried for the sins done in the church, and warned and reproved? We are told that only those that do so will receive the seal of God.

It is a serious matter. You and I personally have a decision to make.

—vf

The Fall of Boston Regional

— HOW IT WAS SYSTEMATICALLY LOOTED

Money corrupts. The new theology corrupts. When you put the two together, you really have trouble.

We used to have godly church leaders and medical administrators. But, beginning in the mid-1970s, the beginning of two dangerous trends coincided.

First, the new theology began to be taught, believed, and practiced by a growing number of our church workers and administrators. No longer was it necessary to be honest and practice integrity in order to be saved; profession alone was all that was needed. This loosened the morals of many.

Second, beginning in the mid-1970s, our union conferences in the United States secretly handed our denominational hospitals over to the various Adventist Health Systems (AHSs) to operate.

Suddenly, there were men on high-placed church committees who controlled vast sums of money. They could, through careful siphoning of funds from the hospitals, enrich themselves. They could drive the hospitals into heavy debt. They could enter into secret agreements with conference and union officials on their AHS boards, granting them permission to vote themselves exorbitant salaries, in exchange for lush favors to church administrators. Their sons were promised high-paid jobs and they, themselves, were frequently slipped into lucrative hospital administrations when they retired.

And they did just that. It has continued down to the present time. We will see more swindles, payoffs, cover-ups, and bankruptcies in the future. The God of heaven will not protect a people who believe they can be saved in their sins.

Our earlier studies on this were: *Boston Regional Medical Center Closes [WM-875]*, April 1999, and *The Boston Crisis Deepens [WM-918]*, November 1999.

The following detailed analysis was written by an Adventist medical professional (Dr. Will Horsley, chief of ophthalmology at BRMC) who was at BRMC from 1981 until its closing in 1996. He examined financial records conferred with staff members, employees, and church leaders; and then he wrote this powerful eyewitness report. Brackets and bold face are mine:

In 1981, I returned from training to practice ophthalmology at New England Memorial Hospital, with my mother, Dr. Margaret Horsley. The hospital was on the verge of bankruptcy. Fortunately, Wolfgang von Maack, the newly appointed CEO, was rapidly turning things around. **The hospital, which before his arrival was losing money, was now making millions; and during his six-year tenure (1981 to 1987), the debt was totally paid off and the mortgage burned. In addition, the institution was completely remodeled and refurbished. State of the art equipment was purchased and a new wing was added in order to house the new maternity unit, laboratory, and other ancillary departments.**

In six years, improvements and additions in the hospital represented more than \$20 million dollars, almost doubling the size of the plant and equipment. **All of this was done without borrowing additional funds; it was paid entirely out of the internally generated cash.** With a modern hospital and a progressive administration, many more physicians joined the medical staff. During President von Maack's tenure, he not only had to manage the hospital but had to put up with the interference of the **Adventist Health Systems North [AHS/N] who, while contributing nothing to the hospital, were extracting seven hundred thousand dollars a year in management fees. Worse than their interference was their involvement in questionable financial ventures.** He communicated these concerns to the administration of the Atlantic Union Conference and to the management of AHS/N. **Nothing was done. This unfortunate decision may have been colored by AHS/N's lavish hospitality to church leaders, which included all expense-paid visits to such places as Hawaii and Bermuda.**

*[His footnote to "Atlantic Union Conference," in the above paragraph: The Adventist Church organization is headed by the General Conference of Seventh-day Adventists, with divisions covering the entire globe. The North American Division covers this continent. The divisions are further subdivided by Unions, in this case the Atlantic Union Conference. The Unions are subdivided by conferences; here the Southern New England Conference. **The hospital technically fell under the***

Union, but the Board of Trustees church representation of six out of eleven positions came from both the Union and the Conference.]

Not willing to participate in the shenanigans of AHS/N, President von Maack resigned. They allowed him to go, despite his literally miraculous performance which left the hospital debt free. In 1987, the hospital had about \$5 million in long-term debt at an interest rate of 6%, but it also had \$10 million in cash and investments which greatly exceeded the long-term debt.

When it was learned that AHS and the church leaders had accepted President von Maack's resignation, the entire medical staff approached them [AHS/N], requesting that he be retained. They expressed grave doubts for the future of the institution should he leave. Similar support was voiced by local business leaders, employees, and by some members of the board of trustees. I personally spoke with **Elder Philip Follett, president of the Atlantic Union Conference,** and **Russell Shawver, chairman of the board of trustees and president of AHS/N,** and made clear not only my deep concern but that this concern was widely shared by the medical staff and all employees.

The church leaders chose **Francisco (Frank) Perez** to be the new administrator. **They paid him a much higher salary** than the medical staff had requested for Wolfgang von Maack; **and, in addition, they threw in many perks.**

The church leaders and AHS/N (by this time, it was called NEMA: Adventist Health Systems/North, Eastern, and Middle America) were delighted with Perez because he supported them with millions of dollars from hospital assets to underwrite the huge financial losses which were now surfacing from the bad investments, mismanagement, and secret deals of AHS/N.

Perez did not show any managerial skills, but **he was a shrewd and tricky politician who knew how to work the system to his advantage.** During **Frank Perez's tenure, he rapidly went through the \$9.3 million in investments and the \$12 million in real estate assets and then went on to borrow an additional \$32 million of bond debt, for a loss during his tenure in excess of \$50 million.**

In the 93/94 refinancing of hospital bond debt, he not only encumbered the church and academy, but had to pay interest penalties and origination fees of \$4 million to derive net proceeds of \$11 million. **This probably was the point of no return for the hospital, and was done with the support and acquiescence of Elder Charles Case (then chairman of the Board of Trustees and president of the Southern New England Conference of SDAs).**

While there are many areas that contributed to the huge financial losses under Mr. Perez, certainly one factor was the extremely poor timing of AHS and the church administrators in changing administrators just as the new professional building was completed. This caused a crisis in confidence, making it impossible to sell half of the professional building and requiring sweetheart deals on much of the half which was sold.

Mr. Perez was also asleep at the wheel and did not keep up with the sweeping changes in health care reimbursement, which rapidly became an HMO (health maintenance organization) insurance environment. **This led to millions of dollars of lost business and put the hospital well-behind neighboring hospitals. Mr. Perez lived lavishly at hospital expense, having a luxury booth at the Boston Garden for entertaining his friends and a getaway house [paid for by NEMA] on the Cape [Cape Cod], which he shared with the conference president and chairman of the Board of Trustees, Elder Charles Case.** Having basically sunk the ship, Perez naturally took the first lifeboat out. Also, **about the time of His departure, AHS/NEMA went defunct. They ran up, with its bad investments, a \$45 million debt,** much as President von Maack had foretold. **[Perez was rewarded with the presidency of Kettering Medical Center in Ohio; Ron Wisby, who helped ruin Shady Grove Hospital, is chairman of the board at Kettering.]**

The next administrator to come on the scene was Charles Ricks. He proceeded to change the name of the institution from New England Memorial Hospital to Boston Regional Medical Center [BRMC]. His immediate problems, in addition to the huge debt, was a liquidity [cash] crisis and almost no HMO contracts, all of which were thanks to Frank Perez. The Ricks' administration was severely hampered by the dire financial straits that Perez had left them. While they were able to come close to breaking even on the hospital operations, **they could never begin to service the huge debt load that Perez had left them.**

Finally, early in 1997, Charles Ricks advised the Board of Directors that the Boston Regional Medical Center [BRMC] would not be able to make it into the future without a financial partner. The Board agreed to have an investment banking firm assist the hospital in seeking a financial partner. An offer which seemed too good to be true was put forward by the Doctors' Corporation Healthcare [DCHC] out of Phoenix, Arizona—a company that had never been profitable. This was for \$52 million for 80% of BRMC, leaving Adventist Healthcare Corporation a 20% equity and a seat on the Board. As part of their purchase and sales agreement, DCHC took over the management of the hospital during the transaction period, keeping Ricks as president. **They began factoring the hospital's accounts receivable and encumbering its assets.** Instead of a \$39 million cash offer by Tennant H.C., proceeding with DCHC proved to be a big mistake. After 18 months of broken promises and stalling, DCHC pulled out, **leaving no operating funds and an additional \$16 million in debt. This left the hospital bankrupt without funds to even do a Chapter 11 reorganization.**

Many local doctors and business leaders wondered why Ricks did not do a Chapter 11 reorganization early on instead of seeking the sale of the hospital. Had he done so, the hospital may have survived. But even having proceeded with DCHC, it would have seemed that **Ricks should have closely monitored what was going on and questioned the factoring of receivables and total encumbrance of hospital assets.**

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Available public records show that, **in the mid-1980s, New England Memorial Hospital became one of the most successful and profitable hospitals in Massachusetts. From 1982 to 1987, it generated an excess of \$43 million dollars in cash flow**, which was partially used to retire debt, pay management fees to AHS/N, improve the physical plant, and buy the most advanced equipment at the time. The balance was invested.

The Fund Balance (net worth) of the hospital went up from \$4.1 million in 1981 to \$27.6 million in 1987, an increase of 573%. By the end of 1998 and under Ricks' administration, the hospital had a negative \$14.7 million net worth, according to a *Boston Globe* article. What a dramatic change!

It should be noted that the doctors, hospital employees, local business leaders, and all parties concerned were kept 100% in the dark by Mr. Ricks, and **we did not know—up until the very end of the imminent bankruptcy.**

The failure of Boston Regional cannot be attributed to market conditions or managed care alone. This has always been a tough market. The hospital has survived crises before. **The reasons for the failure were incompetence, poor management [siphoned funds shared with AHS and church leaders], and lack of accountability. Perez got a little too cozy with his bosses, exchanging favors and covering up for each other.**

And then there is Atlantic Health Resources [AHR]. **People close to the hospital are asking what happened to AHR, a real estate company linked to the hospital which owns several buildings in Stoneham. Perez and Ricks sold these assets. What happened to the money?**

In final analysis, few of us have any doubt the hospital would be here now and doing well had Mr. Wolfgang von Maack been retained as the president and CEO. What makes the pill particularly bitter is that this was very clear at the time. The closing of the hospital is bad for many people (patients, doctors, employees) and it is a tragedy for the church. Indeed, **one hundred years earlier, the hospital site had been personally selected by the Adventist founder and leader, Ellen G. White.**

This, as far as I know, is the worst financial disaster in the history of the Seventh-day Adventist Church [only one of several since 1981]. It is no fault of the church members, who have remained faithful and true, but totally the responsibility of the top church leaders and Adventist Health Systems. In the past ten years, two incompetent and fraudulent administrations have destroyed the institution that has been in existence for one hundred years.

The church must develop a system of accountability for its leaders. There should be close financial scrutiny, with an elected governing body of responsible church members who review operations continuously and are empowered to take action if need be.

That concludes the eyewitness report. Decades ago, our people sacrificed till it bled, in order to provide the money to originally build our hospitals. Then, without

their vote on the matter, the hospitals were later transferred from the conferences to the unions. Later still, they were secretly given to the newly started AHS organizations "in order to reduce operating costs." Yet AHS executives flew around the country, often on private jets, and spent money lavishly. By spring 1983, the AHSs had run our hospitals into \$2 billion in long-term debt! They owed more than the properties were worth! By fall 1987, AHS leaders decided to drop many low-paid workers in order to save money. By summer 1988, AHS and its institutions had a total debt ratio that was more than double the average of U.S. hospitals. August 1988 was the first bond default by a Seventh-day Adventist entity (AHS/NEMA).

In May 1989, all AHS officials met with union, conference, and General Conference officials—and suggested a "splendid" solution to the financial crisis.

Incredibly, the top administrators of our church were persuaded to vote permission for all the various upper management employees at AHS and its entities—to massively increase their salaries! President N.C. Wilson was at that meeting.

But our leaders from all over the world had to ratify this. On Wednesday, April 5, 1989, AHS leaders stood before them at Spring Council and pled "with tear-filled voices" for immense salary increases for themselves. It was stated that this would provide the competent management needed to solve the financial crisis in our hospitals. Significantly, N.C. Wilson stood in solid defense of the gigantic pay raises. After an entire day of appeals and heated debate, it was tabled. That evening, intense pressure was placed on world leaders to come into line, or else. The next day (Thursday, April 6), wearied with fighting any longer, a 52-42 vote, favoring a major AHS salary increase, was cast.

All other wages were raised to "competitive community status." Donald Welch, AHS/US president, said AHS leaders were suffering. Ed Reifsnnyder, AHS vice-president, mentioned how terribly self-sacrificing it was to be an underpaid AHS executive. The *Review* put it this way: The base [starting!] salary caps will be "four to five times greater than the \$20,000 to \$30,000 that other church employees receive" (*April 20, 1989, p. 7*). The article noted that, prior to the wage increase, salaries of AHS leaders were already immense: "receiving three to four times the remuneration of the General Conference president" (*ibid., p. 8*).

Top salaries at that time were \$150,000 a year. Within six years, it was over \$225,000. Today, our hospital administrators alone receive over \$350,000 a year. Ours used to be a church; now it is becoming a lucrative business operation with surfeiting salaries, routine bribes to committee members, and fast resignations when bankruptcy nears. Bribe your way to the top, and then take the money and run. The church never sues workers that swindle it. Never. If an attempt was made to do so, those former workers could implicate too many others in what they did. Ours has become an Enron church. All because far too many of our workers bought into the new theology errors that "behavior has nothing to do with salvation" and "we can be saved in our sins."—*vp*