
A S S O C I A T E D B A P T I S T P R E S S

Phone: (904) 262-6626 Fax: (904) 262-7745 CServe: 70420,73

August 10, 1993

IN THIS ISSUE:

- * Nobles embezzled \$3 million, Mississippi College tells court
- * South Carolina hospital breaks trustee tie to state convention
- * Missionaries survive tornado; youth stop to aid victims
- * Gifts to churches expected to rise under budget package
- * Gregory says he won't be going to Southern
- * Tennessee Fellowship hears Parks, others

Nobles embezzled \$3 million,
Mississippi College tells court

CLINTON, Miss. (ABP) -- Lewis Nobles embezzled about \$3 million from Mississippi College during the last 15 years, according to school officials.

Nobles resigned as president of the Baptist college Aug. 3 after trustees confronted him with the allegations. According to documents filed with the Hinds County Chancery Court, money donated to the Clinton, Miss., school was diverted by Nobles into secret bank accounts.

"To conceal his fraud and embezzlement, Nobles maintained a labyrinth of bank and securities accounts under various names with numerous banks and brokerage firms in Jackson (Miss.) and throughout the United States," said college attorney Alan Perry in court documents.

Nobles may face criminal charges as a result. He and his attorney had no response to the specific allegations.

The 67-year-old president, who led the college for 25 years, earlier had announced his intention to retire in May 1994. He was forced to retire immediately after meeting with trustees Aug. 2.

As evidence of their charges, school officials produced bank statements that didn't match information provided by Nobles to trustees, receipts of donations that were never reported to the college business office, and empty currency wrappers. The information was found in Nobles' office after he resigned.

School officials said Nobles defended his handling of the money, which he said was used to pay college expenses. Nobles produced bank statements to back up his claim, but they had been altered, Perry said. "The bank statements were fake, in that they were typed on a photocopy of a real bank statement," he said.

Judge Chet Dillard, in a rare Saturday hearing at his home Aug. 7, froze Nobles' bank accounts.

College officials said they first detected a problem while contacting potential donors, some of whom said they had already donated directly to Nobles.

Despite the alleged fraud and embezzlement, the financial condition of the college is sound, trustee chairman Harry Vickery of Greenville, Miss., told the Clarion-Ledger of Jackson.

The 4,000-student college is owned by the Mississippi Baptist Convention.

-30-

South Carolina hospital breaks
trustee tie to state convention

By Jennifer Graham

COLUMBIA, S.C. (ABP) -- Trustees of South Carolina Baptist Hospital voted Aug. 9 to empower themselves to elect their own successors, becoming the second major agency of the South Carolina Baptist Convention to reject convention control.

Furman University's board of trustees took similar action in 1990, resulting in a complete split from the Baptist convention two years later. Baptist leaders, who did not challenge Furman in court, said this time they might sue, however.

"Their action is not legal and represents a betrayal of trust placed in each of them by South Carolina Baptists when they were elected as trustees of this asset," said Carlisle Driggers, executive secretary-treasurer of the Baptist convention.

South Carolina Baptist Hospital consists of the 542-bed Baptist Medical Center in Columbia as well as medical centers in Easley and the Harbison area.

Trustees voted 18-6 to amend the hospital's charter, removing control of the board from the Baptist convention, which purchased Knowlton Hospital in 1914 and renamed it South Carolina Baptist Hospital. Until that vote, trustees were elected annually by the convention.

Driggers said the hospital does not have the right to amend its charter without convention approval. But hospital President Charles Beaman Jr. said trustees concluded they do have that authority.

Those trustees said the change was necessary to keep up with coming changes in the health-care system. Because the Baptist convention had to approve policy changes at its annual meetings, it sometimes took one to two years before the hospitals could implement new programs, said Lester Branham Jr., pastor of First Baptist Church in Lake City and chairman of the hospital trustees.

"Such delays have never been helpful but were manageable when hospitals were solo providers of care, serving only inpatients and outpatients on single sites," said Branham.

"In the new environment, however, when health care must be delivered by new comprehensive and complex health delivery systems, delay can be disastrous," Branham said at a news conference.

Branham said there will be no changes in the hospital's mission statement, which speaks of a philosophy of Christian service, or its abortion policy, which says the procedure is performed "only in extreme cases ... when medically necessary."

Monday's announcements will have no impact on the patients or staff at Baptist hospitals, said president Beaman. And the financial repercussions, if any, will be minimal, he said.

The Baptist convention gives \$800,000 to \$850,000 a year to the

hospitals. But that amount is only .02 percent of the hospitals' annual receipts of \$320 million, or the equivalent of operating costs for one day, Beaman said.

Under the state convention's rule, hospital trustees had to be member's of South Carolina Baptist churches. Branham said that the board promises "the majority" of future trustees will be South Carolina Baptists, but trustees did not decide on a specific number.

Beaman said the hospital needs a trustee board "that more accurately reflects the hospital's core constituents -- physicians, area business leaders, and officials of subsidiary corporations."

Trustees will continue to serve five-year terms, but the sitting trustees added an additional year to each of their terms to provide continuity in what promises to be a tumultuous year.

The hospital leaders said repeatedly that they did not want to sever ties with the convention. They began the news conference saying that they want to expand their pastoral services and their educational programs for pastors. But church leaders ignored that olive branch and reacted angrily to what they see as the theft of an institution they own.

"I am grievously disappointed to learn that the trustees of South Carolina Baptist Hospitals Inc. have taken action to take our hospitals away from South Carolina Baptists and give the hospitals to themselves," Driggers said in a prepared statement.

Driggers said the trustees' action is illegal. "It would violate the hospital's own charter, which specifically declares 'this charter cannot be amended without the prior consent of the South Carolina Baptist Convention.'"

Beaman disagreed with Driggers' reading of the legal situation. "The trustees did not take their action without considerable (legal) review," he told Associated Baptist Press. "They are operating under the legal premise that they do have that authority."

In fact, according to law, "they are the only ones who have that authority," he added.

The trustees' action comes three months before the report of a convention committee that has been studying the relationship between the state convention and its institutions and agencies.

The committee, which was established when South Carolina Baptists split with Furman, has been meeting for a year, presumably to figure out how to keep other agencies from taking similar actions. It is to make a report when the Baptists hold their annual meeting in November in Columbia.

Convention officials met with agency leaders May 25 to preview their proposal. Driggers said Aug. 9 that the convention intended to enforce its right to elect trustees for the hospital and other agencies.

At the May meeting, Beaman objected to the convention's plan, particularly the requirement that the convention approve the hospital's creation of subsidiary corporations. That approval can take two years, he said.

Such delays would cripple the hospital's competitiveness in the health-care market, which depends on its ability to create regional alliances and other linkages quickly and confidentially, Beaman said.

Fred Miller Jr., retired pastor of St. Andrews Baptist Church, was one of six hospital trustees who voted against the change.

"I think the same thing could be accomplished by working with the convention," Miller said.

But Miller said he hopes the convention will let the hospital go without an ugly and drawn-out court battle. He also said he hopes Baptists don't see the trustees' action as signaling a schism in the convention. The vote was not about theological issues, he said.

"I think they should read it simply as a move made by the hospital to free itself in order to continue to be a viable entity in the health-care community," he said.

-30-

-- Greg Warner contributed to this story.

Missionaries survive tornado;
youth stop to aid victims

COLONIAL HEIGHTS, Va. (ABP) -- Baptist missionaries Debbie and Kent Blevins narrowly escaped serious injury Aug. 6 when a deadly tornado ripped through a darkened Wal-Mart department store where they were shopping.

Meanwhile, outside the store, six Baptist youth and their three counselors, who happened to be in the area, offered assistance to those injured by the tornado.

Two cashiers and a shopper were killed and more than 100 people were injured when the twister smashed into the Wal-Mart store in Colonial Heights south of Richmond.

The Blevins were getting in line at the check-out counter when the lights went out.

"It was raining outside like I've never seen it rain before," recounted Kent Blevins, who with his wife was visiting family in the Richmond area. The Blevins are on a five-week furlough from Switzerland, where they serve as Cooperative Baptist Fellowship missionaries on the staff of Baptist Theological Seminary in Ruschlikon.

"Suddenly some people ran in the front doors in total panic, and Debbie heard someone yell 'tornado!'" Kent continued.

"We turned and walked toward the middle of the store, away from the cash registers -- I don't know why -- and maybe five seconds later the ceiling and walls began to buckle. We didn't have any time to react. We just huddled on the floor."

What happened next is "nearly impossible to describe," he said. "There was just this big whooshing sound, and within a few seconds we were looking up at the sky."

The three people who died were in the check-out area where the Blevins had been standing moments earlier.

Although they had been showered with glass and debris neither of the Blevins was seriously hurt. After freeing herself, Debbie helped Kent pull his leg from beneath the rubble.

They then tended to the people nearest them, a grandmother with multiple injuries and her 8- or 9-year old granddaughter who was terrified but basically unhurt. Debbie then stayed with them while Kent hobbled over what remained of the front wall.

"It was just a matter of those who weren't seriously injured trying to help those who were," he said.

Outside, the van carrying youth and counselors from First Baptist Church of Hillsville, Va. -- who were attending the annual Virginia Baptist Youth Evangelism Conference in Richmond -- had just turned into the parking lot. After narrowly avoiding the tornado, all nine decided to approach the devastated Wal-Mart store to help.

Stephanie Anderson and Kristie Montgomery, youth group members, picked glass out of a woman's hand, while the group's three counselors and one youth

carried several wounded from the store entrance. Only Becky Gunter, youth minister from the church, actually entered the store, sustaining a cut to the arm that required stitches.

Other Hillsville youth provided first aid and comforted two mothers whose babies needed medical attention.

The Blevinses, meanwhile, made their way to their car, and several bystanders helped them sweep the glass of a shattered window out of the seats.

On the way to the hospital to attend to their wounds, they stopped to call and check on their children, who were staying nearby with relatives. All were safe.

In addition to multiple bruises and some cuts for both of them, x-rays revealed a broken bone in Kent's knee, so he will be traveling on crutches when the family returns to Ruschlikon later this month.

They also will be returning to the mission field with renewed gratitude for life.

"It certainly makes you stop and think," Kent Blevins said. "I have always had an appreciation for the fact that life is fragile and precious and that you can't take it for granted. But this experience has reaffirmed for us that you have to live each day and appreciate every opportunity that comes -- especially the relationships you have with loved ones and others around you."

The group from First Baptist of Hillsville also came away from the experience with a lesson learned, said Jake Roudebush, a counselor and interim minister of music. "I think this group learned what it's all about to have a servant heart."

Gunter said the group was in town to visit Kings Dominion amusement park in conjunction with the annual Youth Evangelism Conference. Heavy rains changed their plans and they decided to visit several shopping malls and the historic district of Petersburg, Va., while waiting for the storm to end.

But God had other plans, group members said. Gunter said the circumstances that brought the group to the Wal-Mart at 1:30 p.m. that afternoon included an extremely slow gas pump, some miscalculation in direction, and the torrential rains.

Those delays left the group's van several hundred yards from the Wal-Mart as the tornado hit, she said.

The funnel would have sideswiped their van had not James Tigner, youth group member, directed the driver, "Go right. Greg, turn right." Other vehicles to the left of the van suffered shattered windows as the air pressure dropped drastically, said Gunter.

-30-

-- By David Wilkinson of the Cooperative Baptist Fellowship and Julie Jenkins of the Religious Herald of Virginia.

Gifts to churches expected
to rise under budget package

By Larry Chesser

WASHINGTON (ABP) -- Gifts to churches and other charitable organizations are expected to rise under the deficit-reduction package signed Aug. 10 by President Clinton.

The \$496 billion package barely cleared Congress, winning approval by

two votes (218-216) in the House of Representatives on Aug. 5 and by one vote (51-50) in the Senate the next day.

The controversial five-year budget plan, which contained \$241 billion in new taxes and \$255 billion in spending cuts, was approved despite unanimous opposition from House and Senate Republicans.

Several items in the package will have a direct impact on churches and other charitable groups. Under the Omnibus Budget Reconciliation Act of 1993:

-- Donors will be able to deduct the full market value of appreciated property given to non-profit organizations. This change is expected to have a favorable impact on gifts to colleges, universities and other institutions dependent upon large gifts.

-- Donors and recipients of charitable gifts must meet tougher substantiation requirements. Taxpayers will need written confirmation to deduct single gifts of \$250 or more. Churches and other charities will be required to inform donors what portion of gifts over \$75 are deductible when the donor receives goods or services in return.

-- A provision reducing itemized deductions, including those for charitable contributions, for high-income taxpayers was made permanent.

On balance, the package is expected to spur charitable giving.

The increase in tax rates for single taxpayers earning more than \$140,000 and couples earning more than \$180,000 is expected to boost charitable gifts, according to Independent Sector, a national organization of non-profit groups. That's because charitable contributions, like all other deductions, become more valuable to those Americans in higher tax brackets.

An Independent Sector study predicts the tax rate hikes will increase charitable giving by \$1.6 billion annually.

The additional taxes paid by higher-income Americans will reduce the federal deficit by an estimated \$15 billion in 1994 and by a total of nearly \$115 billion by 1998, according to congressional figures.

The package changes the tax code to make it more attractive for Americans to donate appreciated property to charitable institutions.

Appreciated property includes real estate, stocks and tangible items such as art and collectibles whose value rose after being acquired.

Donations of appreciated property dropped after a 1986 tax revision subjected the appreciated portion of such gifts to the alternative minimum tax.

Allowing donors to deduct the full value of gifts of appreciated property is expected to cost the federal treasury \$100 million in fiscal 1994 and \$417 million over the five years covered by the budget plan.

The stiffened substantiation requirements in the package represent a compromise worked out between Treasury Department officials and church groups who objected strongly to a 1992 Bush administration proposal to require churches and other tax-exempt organizations to report to the IRS the charitable contributions of donors who gave more than \$500 annually.

"This provision is a far cry from the Bush administration proposal," said Brent Walker, associate general counsel at the Baptist Joint Committee and a liaison to Independent Sector. "Churches and religious organizations will not have to report to the IRS. They will deal only with their donors."

Most churches already provide written substantiation of gifts, Walker noted.

Lawmakers settled for the Senate figure of \$250 as the amount for which a taxpayer needs a written receipt for a single gift. The House bill would have required receipts for gifts of \$750 or more.

Churches and other charitable organizations receiving a contribution of \$75 or more made partly in exchange for an item of value -- such as admission to a church dinner or concert -- must inform the donor how much of the

contribution is deductible. Only the amount the gift exceeds the value of the item received is deductible.

The substantiation requirements, which take effect after Dec. 31, 1993, are expected to save the federal treasury \$15 million in fiscal 1994 and \$469 million over five years.

The limitation on charitable contributions and other itemized deductions for higher-income taxpayers was scheduled to expire at the end of 1995, but the deficit-reduction package made that provision permanent. The provision reduces itemized deductions by an amount equaling 3 percent of a taxpayer's adjusted gross income exceeding \$108,450.

In resolving differences between the House and Senate versions of the package, lawmakers also dropped a Senate provision that would have disallowed a charitable deduction for any portion of a gift of \$2,000 or more that was used for lobbying activities that were of "direct financial interest" to the donor.

"This started out as a provision disallowing business deduction for lobbying expenses, but was changed to cover charitable deductions too," Walker explained. "Even though it exempted 'churches,' it was still a bad law for non-profit groups generally."

-30-

Gregory says he won't
be going to Southern

DALLAS (ABP) -- Joel Gregory will not be going to Southern Baptist Theological Seminary as dean of the chapel.

"I'm not going to be there," Gregory told the Baptist Standard of Texas in a telephone interview.

"There was never anything other than preliminary discussion, only superficial exploration," Gregory said.

Seminary sources had told Associated Baptist Press that President Albert Mohler had been talking with Gregory about the new position. Mohler declined to discuss it publicly, although he did not deny discussing the position with Gregory.

Gregory abruptly resigned the pastorate of First Baptist Church of Dallas last fall in a dispute with senior pastor W. A. Criswell. He has been engaged in an itinerant speaking ministry since then.

He told the Standard that he also is doing pre-need counseling for a Fort Worth funeral home. His wife will teach school in Everman, a Fort Worth suburb, this fall, he said.

-30-

-- By Toby Druin

Tennessee Fellowship
hears Parks, others

NASHVILLE, Tenn. (ABP) -- More than 200 people gathered in Nashville, Tenn., Aug. 6-7 for the first general assembly of the Tennessee Cooperative Baptist Fellowship.

Meeting at Woodmont Baptist Church, the assembly heard Keith Parks,

retired president of the Southern Baptist Convention and now Fellowship missions coordinator. Parks said the Fellowship can easily reach its goal of doubling its missions force from 20 missionaries to 40 by May 1994.

Although he left his 37-year career with the Foreign Mission Board, Parks said, God did not release him from his call to missions. Therefore, Parks said, he still challenges Baptists to do missions but in new ways.

Chip Bishop of Signal Mountain, moderator of the Tennessee Fellowship, endorsed Parks' approach. "We want to support regular Southern Baptist missions, and certainly state and associational missions, but also look at some new avenues," Bishop told participants.

The Fellowship launched its own missions venture last year primarily in response to changes made by conservative trustees of the FMB. But, Parks said, "The Lord has not called me to fight other Baptists or compete with the Foreign Mission Board or to tear down."

Parks said the 14-year controversy among Baptists, which sparked the formation of the Fellowship two years ago, has dimmed the passion Baptists once felt for missions.

Other speakers during the annual meeting were Nannette Avery of Chattanooga, a member of the national Fellowship's Coordinating Council; Carolyn Blevins, assistant professor of religion at Carson-Newman College in Jefferson City; Bernard LaFayette, president of American Baptist College in Nashville; Robert Parham, executive director of the Baptist Center for Ethics; and Cecil Sherman, coordinator of the national Fellowship.

Elected to succeed Bishop as state moderator was Chris White, a member of Bellevue Baptist Church in Nashville. Earl Davis, pastor of First Baptist Church of Memphis, was chosen moderator-elect.

-30-

-- By Connie Davis

***** END *****