



Nashville, Tennessee
Associated
Baptist Press

Editor: Bob Allen
Executive editor: Greg Warner

Phone: 800.340.6626
Fax: 904.262.7745
E-mail: bob@abpnews.com

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**Baptist Foundation investors
picket Arizona auditor's office**

By Bob Allen

PHOENIX (ABP) -- About 50 people braved 100-degree heat May 30 to picket accounting firm Arthur Andersen's Phoenix office.

Most lifelong Southern Baptists and older than 65, they represented a fraction of some 13,000 investors with funds locked up in the failed Baptist Foundation of Arizona. It was one in a series of organized protests to draw attention to alleged negligence by Andersen that court documents say allowed Foundation officers to defraud trusting investors out of millions of dollars.

Andersen has been named in both civil suits and administrative actions for issuing clean audits while Baptist Foundation officials allegedly conducted a Ponzi scheme, recruiting new investors to pay off old ones. Several Foundation officers, meanwhile, face fraud and racketeering charges over allegations that they hid losses from potential investors.

Owing investors about \$590 million, the Foundation declared bankruptcy in November 1999 and is now liquidating its assets. To date, investors have received about five cents on the dollar of their investment.

Anne Cacacy of Sun City, Ariz., said the fact that the Foundation was being audited by a trusted national accounting firm played a big role in her decision to move savings for retirement into the BFA in 1998. "If Arthur Andersen said, 'It's OK,' I guess it's got to be OK," she said she thought at the time. "They know numbers, right? Based on that, we put our money in the Baptist Foundation."

Soon, however, the Foundation filed for bankruptcy and Cacacy's funds were frozen. She said she believes that both Foundation and Andersen representatives knew, or should have known, that the institution was in trouble. Instead, she was assured that the Foundation had never lost an investor's money and that her investment would be used to finance churches and other ministries.

Tom Kennedy, an organizer of the rally, agreed. "We wouldn't have been in this situation if Arthur Andersen had just disclosed any irregularities," he said.

According to published reports, whistle-blowers reported alleged unlawful activity by Foundation officials to auditors but were ignored. Critics also say that Andersen ignored other red flags like the formation of numerous subsidiary corporations to hide losses. Andersen denies any wrongdoing, saying it's hard to catch

a client bent on deceiving an auditor.

Kennedy, a member of Mountain View Baptist Church in Phoenix, labeled Andersen's defense that auditors were relying on information provided by Baptist Foundation officials "ludicrous."

"This is a Big Five accounting company," he said, and would have gotten more information if they had demanded it.

Investor Virginia Fletcher said she heard about the Foundation's impending bankruptcy from a television news report Sept. 12, 1999. "That's how I learned of it," she said. Her husband had died that Sept. 5. She said every cent they had was invested with the Foundation.

"It was the most vulnerable time in my life," she said. "I lost my husband and my money in a week. To say it was devastating is to put it mildly."

"If it weren't for my church and my friends, I would have had to sell my house," she said. She's gone to work for minimum wage, because she never acquired a job skill.

"I don't think people up there know about people down here," she said, referring to the white-collar workers behind shaded windows over her shoulder.

Victor and Eileen Kaneubine are retired Southern Baptist home missionaries who worked with Native Americans. While their missionary-retirement income is meager, Eileen Kaneubine said the \$15,000 they invested with the BFA was mainly to provide funds for them to do volunteer mission work, like a trip they took to American Samoa two years ago.

After the Foundation collapse, however, one month they had to pay two large bills and wound up with only an \$18 balance in their checking account. While she had held up before then, "I broke down and cried," she said. Fortunately, she added, the Lord provided, and they received a check for \$200 from a wedding where she had played piano two months earlier. "It was a just a blessing," she said.

Laura Jamison, 74, leaned on a walker while holding a picket sign. A widow since 1984, she said she lost her life's savings when the Foundation collapsed. Now living on Social Security, she said she sometimes doesn't have enough money for her many prescribed medications.

Believing she was investing in churches and Southern Baptist work, "I had no idea it would end up like Keating," she said. "It just isn't fair."

Robert Shaw, a 54-year-old businessman from Prescott, Ariz., said his car lot is "just about out of business" because his capital for buying new vehicles was invested with the Foundation. The Shaws have kept their heads above water by a second dog-boarding-and-grooming business he and his wife run together. He said that while she hasn't said so, Shaw fears the frequent talk about money in the household is behind his 20-year-old daughter's decision to drop out of college.

Protestors said they invested their life's savings with the Foundation because they believed their money was being used to further God's work. Several said they assumed the money was being used primarily for loans to churches and other Southern Baptist causes and had no idea that most of it was being reinvested in real-estate deals across the United States and abroad.

Ernie Campbell of Golden Shores, Ariz., worked 40 years in the construction business, building a nest egg of \$700,000 that he and his wife, Betty, invested with the Foundation. With interest, Campbell said he figures his investment now should be worth about \$1 million.

Campbell said he feels luckier than many investors, because their house is paid for. However, he added, "It's been a big adjustment for us to go from about \$100,000 a year to nothing."

David Oxedine, a member of Calvary Community Church in Phoenix, said he first heard about the Baptist Foundation of Arizona investments on Christian radio. After talking to a Foundation representative, he took nearly \$100,000 he had invested in mutual funds and put it with the Foundation.

While he was earning bigger returns before the transfer, he said he was concerned because he had no way of knowing if his money was being invested in businesses at odds with his Christian convictions. After

being assured that investing with the Foundation would further spiritual causes, "We felt it was the Christian thing to do," he said.

Now, he feels deceived. "What hurts is I know they knew this thing was going to go down, but they took my money anyway," he said.

Lena Thompson of Sun City said she and her husband rolled over nearly \$300,000 saved over 45 years just before the collapse. "It's hard to take," she said. "At first I was so angry and bitter."

Eventually, she said, "I had to let it go. If we get something, that's OK. If we don't, we've just got to leave it up to the Lord."

Thompson said her 66-year-old husband has been forced to come out of retirement and take a part-time job. "We can't even buy our kids or grandkids birthday presents anymore," she said. She said she tried but her children told her she needed the money more than they do.

Dianna Francis, a protest organizer who drove four-and-a-half hours from her home near the California state line, said she figured if a reporter set out to interview all the people hurt in the Foundation collapse, he or she could talk to one a day for the next 35 years.

"It doesn't matter what their story is," Francis said. "They're all the same. We were cheated and swindled."

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Baptist New Testament scholar Frank Stagg dies after illness

By Bob Allen

LOUISVILLE, Ky. (ABP) -- Frank Stagg, one of Southern Baptists' foremost Bible teachers, died June 2 at his home in Louisville, Ky., after an illness. He was 89.

Stagg taught 14 years at Southern Baptist Theological Seminary in Louisville before retiring in 1978. Earlier, he taught 19 years at New Orleans Baptist Theological Seminary and was pastor of several churches in Louisiana.

Stagg, who wrote 10 books about religion, was renowned both as a scholar of the New Testament and for applying its message to modern issues, said Alan Culpepper, a longtime friend and former student and colleague at Southern Seminary.

"A.T. Robertson and Frank Stagg are the finest New Testament scholars that Southern Baptists produced in the 20th century," said Culpepper, dean of Mercer University's McAfee School of Theology in Atlanta.

"He was a great teacher, because he taught from the heart," Culpepper said. "He was a scholar and knew the New Testament and its text like very few people do, but his teaching was passionate. He cared about the New Testament and its message. He cared about the church. He cared about the students."

Culpepper said Stagg believed in the Bible's relevance to cutting-edge issues of his day. In his commentary on Acts, released about the same time as the 1954 U.S. Supreme Court ruling against segregation, Stagg described the gospel as a call to cross social, economic and racial barriers.

Writing during the era of America's war in Vietnam, Stagg viewed the teachings of Jesus and Revelation as calls to peace. In 1978, as the nation was debating equal rights for women, Stagg co-wrote "Women in the World of Jesus" with his wife, Evelyn.

"For him the New Testament was important because it gives us guidance in the most difficult current issues of our time," Culpepper said.

Culpepper also credited Stagg with influencing work in the related field of theology. In an important article in the "Journal of Biblical Literature," Stagg argued that the "aorist" verb tense in biblical Greek was misused in theories about the Atonement.

Culpepper included Stagg as one of the "giants" who taught at the Kentucky seminary over the years.

"If Southern was the school of the prophets, as it's often been called, he epitomized that prophetic voice along with faithful scholarship," Culpepper said.

Stagg received a bachelor's degree from Louisiana College and graduate degrees from Southern Seminary. He did postgraduate study in New York and Europe.

He is survived by his wife, two sons, a daughter, a brother, a sister, six grandchildren and two great-grandchildren.

A memorial service was scheduled at 2 p.m., Friday, June 8, at Crescent Hill Baptist Church in Louisville, Ky. Memorial contributions may be made to the McAfee School of Theology at Mercer University or Hospice and Palliative Care of Louisville.

Stagg gave the first commencement address at the McAfee School of Theology, Culpepper said. At the same time Evelyn Stagg, who completed studies for what was then a B.D. at Southern Seminary but in that day was denied a degree because she was a woman, was named an honorary graduate of the new theology school.

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One-man bureau covers Baptists' interests in D.C.

By John Pierce

WASHINGTON (ABP) -- For the past year Kenny Byrd has covered government-related stories for the Washington Bureau of Associated Baptist Press, an independent news service based in Jacksonville, Fla. More accurately, he is the Washington Bureau.

The small office of the only Protestant news organization with daily press credentials for Congress is unimpressive. But the location is convenient. It's across the street from the U.S. Supreme Court, where Byrd picks up daily briefs from the pressroom to pore over for decisions of interest to Baptist readers.

The Capitol is a brief walk away. There, Byrd has access to lawmakers and aides to get inside perspectives on issues and activities about which he writes.

"Covering news that Baptists care about in Washington is like taking a sip out of a fire hydrant," said Byrd who has been on Capitol Hill for six years, but for the first five exclusively covered religious-liberty issues for the Baptist Joint Committee's communications office.

However, both the BJC's Baptist News Service and Baptist Press, official news service of the Southern Baptist Convention, lost congressional press credentials. By becoming solely an employee of the independent ABP, Byrd was able to qualify for credentials that greatly assist him in getting to newsmakers.

"Because of [the credentials,] we get to ask questions that would never get answered," said Byrd. Of course, "we" means "I," since Byrd works alone.

Byrd often asks questions related to issues of faith or morality -- ones secular-minded journalists might not consider. That is especially true when government leaders speak in terms that evoke religious ideas or images.

"We want to ask things like, 'Why are you using this language of faith?'"

Byrd said there are many intriguing opportunities each day in Washington for someone with easy access, but his biggest challenge is using his time in the best way. He does that by asking, "What are readers thinking about and what will newspapers use?"

He also must schedule time for writing, organizing the office and correspondence. After all, he's a bureau of one.

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News briefs from Associated Baptist Press

ABP development director stepping down

JACKSONVILLE, Fla. -- Charles Qualls has resigned as development director of Associated Baptist Press, effective June 8.

Qualls, 36, has been named associate pastor of Second Ponce de Leon Baptist Church in Atlanta.

Qualls was the first person hired for the newly created development position in October 1999. In the job, he has been responsible for cultivating and soliciting major donors for the independent national news service based in Jacksonville, Fla. He also has assisted with marketing of FaithWorks, a Christian lifestyle magazine started by ABP in 1988, along with other tasks related to fund raising.

Qualls said he based his decision in part on a desire to travel less and to live closer to his parents, who live in the Atlanta suburb of Roswell, Ga.

While working for ABP, Qualls has continued to live in Greensboro, N.C., where he formerly worked on the ministerial staff of First Baptist Church. His wife, Elizabeth, has also worked at the church as librarian. (ABP)

Denominational journalist leaving IMB

GARLAND, Texas -- Veteran denominational journalist Louis Moore has taken early retirement from the International Mission Board of the Southern Baptist Convention.

Moore, 55, says he plans to work with his wife, Kay, in book publishing and marriage-enrichment teaching. They plan to move from Richmond, Va., to Garland, Texas, near Dallas.

Moore has worked at the IMB since 1994. He was associate vice president for communications before being reassigned as special assistant to the president. Before that, he worked at the SBC Christian Life Commission, which is now called the Ethics and Religious Liberty Commission, in Nashville, Tenn. For 14 years he was religion editor of the Houston Chronicle. (ABP)

Heritage Society to examine decade of CBF

ATLANTA -- The William H. Whitsitt Baptist Heritage Society will look at 10 years of the Cooperative Baptist Fellowship at the society's upcoming annual meeting.

"A Decade of Destiny: Ten Years of the Cooperative Baptist Fellowship" will be the theme for the

Whitsitt Society's meeting at 1 p.m., June 28, at the World Congress Center (Rooms 306-307) in Atlanta. It will convene in conjunction with the Fellowship's annual General Assembly.

Mercer University professor Walter Shurden will deliver a keynote lecture with responses by sociologist Nancy Ammerman, Virginia editor Michael Clingenpeel and Texas Baptist leader Charles Wade.

The society will present its annual Heritage Award to Glenn Hinson, retired professor at Baptist Theological Seminary at Richmond, Va., and former longtime professor at Southern Baptist Theological Seminary in Louisville, Ky.

Hinson, a church historian, will speak on "Hope for the Future" as he looks ahead to possibilities for the Fellowship.

The society for moderate Baptist historians is named for a Southern Baptist seminary president forced to resign early in the 20th century over controversy with fundamentalists. Whitsitt's theory that modern Baptists emerged in Europe in the early 17th century is accepted today by most scholars, but it created a furor at the time from "Landmark" Baptists who insisted that the denomination continued in unbroken succession from the time of Jesus. (ABP)

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