



# Associated Baptist Press

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## **Baptist World Alliance denies CBF membership**

By Bob Allen and Kenny Byrd

WASHINGTON (ABP) -- The Cooperative Baptist Fellowship does not qualify for membership in the Baptist World Alliance "at this time," a membership committee has voted unanimously.

Meeting in July in Canada, the committee said the Fellowship, a moderate splinter group of the Southern Baptist Convention that supports its own missionaries, theological education and other various enterprises, does not meet membership criteria.

BWA bylaws require that each member body "shall have an identity of its own and shall not exist as an integral part of some other union or convention."

The 10-year-old CBF describes itself as "denomination like" but has voted against becoming a convention. In applying for BWA membership last year, the Fellowship presented itself as "an organized and distinct Baptist body" with a "commitment to participate in the worldwide Baptist community."

But leaders of the BWA, which describes itself as the "official global fellowship of Baptists," said the Atlanta-based CBF is closer to a "well-run missionary organization" than a traditional convention or Baptist union.

Albert Wardin, a member of the BWA membership committee and a retired professor at Belmont College in Nashville, Tenn., said in a telephone interview that the CBF "is still trying to define itself."

Among concerns discussed by the committee was a lack of clarity on what it means to be a member of CBF. While some 1,800 churches contribute annually to CBF ministries, few give it sole allegiance. Most churches support both the CBF and SBC. Some budget nothing at all to CBF but allow individual members to designate a portion of their church offerings for the Fellowship.

While the BWA accepts other churches that are dually or triply aligned, Wardin said the committee felt that most CBF-supporting churches are not disassociated enough from the SBC to be considered separate.

Fellowship leaders expressed optimism that some of those issues could be cleared up, but some criticized the BWA as being stuck in an "old paradigm" that doesn't recognize the CBF's intentional effort to develop new ways for Baptists to work together in what some call a "post-denominational" age.

CBF Coordinator Daniel Vestal said he was disappointed by the rejection but hopes to have further conversations with the membership committee about changing information in the application and resubmitting it for consideration next year.

"We realize we are not like a lot of Baptist organizations in that we have individuals as well as partnering churches, but we are a Baptist body that is separate from other Baptist bodies and we want to be part of the BWA and the Baptist family globally," Vestal said.

"We appreciate the BWA and their tremendous ministry through the years and want to have a part of that, if possible as a member," Vestal said.

What role, if any, that pressure from Southern Baptist Convention leaders played in rejection of CBF membership is unclear.

It's no secret that there's no love lost between the two organizations. After losing a decade-long effort to hold on to control of SBC leadership positions, moderates withdrew to offer alternative denominational programs by forming CBF in 1991.

Current SBC leaders regard the CBF as a competitor. Leaders of both groups have openly criticized the other's views on issues including women's ordination, theology and the Bible.

With more than 41,000 churches and nearly 16 million members, the SBC is by far the largest of 201 member conventions and unions comprising the BWA. It is also the BWA's largest contributor, providing \$425,000 a year. In comparison, CBF donates \$20,000 a year to BWA, despite not being a member.

BWA leaders denied suggestions that SBC representatives interfered in the CBF application process.

Wendy Ryan, the BWA's director of communications, said the denial "had nothing to do with the SBC at all" and called it a "myth that SBC is against the CBF application."

Wardin said it is clear that many SBC leaders "are not particularly favorable" about CBF joining the BWA because of general knowledge that there is not a good relationship there. Wardin said, however, that he knew of no direct effort by the SBC to blackball the Fellowship's membership application.

Some observers say overt pressure would hardly be necessary, however, because the BWA doesn't want to do anything that might risk its relationship with the SBC. The SBC is vital to BWA not only financially, they say, but perhaps even more for the fact that it represents 37 percent of the BWA's 43 million aggregate membership. Should the SBC pull out, it would greatly undermine the BWA's ability to speak as a united Baptist voice.

Ryan denied that status gains the SBC preferential treatment, however, saying the BWA often takes positions that "do not please" Southern Baptists.

Randy Hyde, an Arkansas pastor who serves on two BWA committees, said he has heard differing perceptions on the subject.

"I have talked to a number of Baptists from other parts of the world who are totally unaware of what is going on in the U.S. with the Southern Baptist Convention and Cooperative Baptist Fellowship," said Hyde, pastor of Pulaski Heights Baptist Church in Little Rock, a CBF-friendly congregation. "They just see us as Baptists in America. I think that is the understanding of most Baptists in the world."

On the other hand, Hyde, added, "I have had several who have spoken with me freely about what they perceive to be heavy-handed leadership of the Southern Baptist Convention in the Baptist World Alliance."

SBC controversy did play at least an indirect role in the membership committee's decision, however.

Ian Hawley of Australia, the committee's chairman, said one of the BWA's primary objectives is to promote harmony among the world's Baptists. Any time there is a split in a national body, he said, the BWA encourages the sides to try to reconcile before granting membership to the separating group. At the least, he said, there should be an understanding that allows the two groups to view one another as "brothers" rather than competitors or enemies.

Bill Merrell, a spokesman for the SBC Executive Committee, declined to comment on the CBF application process.

## **Judge accepts 3 plea bargains in Baptist foundation fraud case**

PHOENIX (ABP) -- A Phoenix judge has accepted plea bargains from three of eight defendants charged with crimes in the 1999 collapse of the Baptist Foundation of Arizona.

They are accused of bilking 13,000 investors -- many elderly and most members of Southern Baptist churches -- of hundreds of millions of dollars in the largest fraud case involving a non-profit organization in U.S. history.

Foundation officials Edgar Kuhn, Donald Deardoff and Jalma Hunsinger had earlier pleaded guilty to reduced charges in exchange for cooperating with prosecutors in a case involving five others who claim innocence.

Judge Edward Ballinger of Maricopa County Superior Court accepted the plea agreements and entered them into court records July 23. The three confessed to multiple counts that carry penalties ranging from probation to up to 12-and-one-half years in prison.

No future court dates have been set for the five remaining defendants: William Crotts, Thomas Grabinski, Lawrence Hoover, Harold Friend and Richard Rolles, who face fraud and racketeering charges.

Court documents allege that the Foundation, set up in 1948 as a non-profit agency to raise money for Baptist missions, began offering individual investments in the 1980s. While soliciting investors in the name of furthering God's work, officials allegedly put most of the money in speculative land deals during a hot Arizona real-estate market. When property values went south, they allegedly hid losses by setting up a web of 90 subsidiary corporations and used money from new investors to pay off old ones in a pyramid scam known popularly as a Ponzi scheme.

The Foundation declared bankruptcy in November 1999, claiming \$640 million in debts owed to investors, and \$241 million in assets.

In another recent development, investors were told to expect another installment of repayments under a court-ordered restructuring plan in August. The amount is uncertain, according to a letter to investors from liquidating trustee Clinton Jessup.

An earlier letter, posted on a Web site, reported that sales of several small assets had gone through, but a larger one failed when a prospective buyer was unable to come up with the money.

Investors expect to recover between 31 percent and 41 percent of their original investment over five years from sale of Foundation assets through the repayment plan.

So far they have received about five-and-one-half cents on the dollar from two distributions in January and April.

Some investors have complained that the liquidation is taking too long and is too expensive. Jessup responded that trustees are working to return investors the largest amount of money possible and are not resorting to selling off assets at "fire sale" prices.

Meanwhile, civil suits against BFA auditor Arthur Andersen seek damages, and criminal charges against the eight defendants include restitution, meaning investors could eventually recover more of their money.

Also, an Arizona newspaper published a story alleging that state officials received complaints of fraud in early 1993 but did not pursue a criminal investigation until five years later. According to the Arizona Tribune, more than \$400 million could have been saved between 1994 and 1999 had the Foundation been shut down earlier.

Several investors complained to state officials beginning in 1993 that the Foundation was engaged in a Ponzi scheme. Court records that were available at the time documented questionable practices by one

Foundation representative, the newspaper reported, but the state ignored allegations until the media reported them in April 1998.

"Had they done something about it, I wouldn't have gotten caught up in it," said Marjorie Grant, who with her husband, Jack, invested \$50,000 beginning in 1997. "I had thought the state was really gung-ho for us," she told the newspaper. "The more I hear, the more disheartened I become."

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-- By ABP staff

## **Churches face challenges from zoning regulations**

By Ken Walker

AUSTIN, Texas (ABP) -- Hyde Park Baptist Church in Austin, Texas, believed it needed a second five-story parking garage to better accommodate its 4,500 worshipers each Sunday.

Austin's city council disagreed. It turned down the church's request to add about 500 parking spaces.

In response, the church sued the city in federal court, claiming that onerous zoning laws hinder its constitutional right to free exercise of religion.

"We're not the only church in Austin this has happened to," said Dan Rogers, a deacon and spokesman for the 107-year-old congregation.

Niyanta Spelman, co-president of the local neighborhood association, doesn't contest the church's right to build. But she said the congregation originally agreed to a smaller building. She wondered how many other neighborhoods would welcome such a massive structure.

"We've tried to talk to the church for the last two years and said, 'There's got to be a compromise,'" she said. "Unfortunately, the church hasn't been willing to change what it wants."

The dispute involving the largest congregation in Texas' capital isn't an isolated event. Across the nation, faith groups are increasingly becoming embroiled in battles over zoning regulations. Some recent examples:

-- The New Milford, Conn., zoning commission cited a Catholic couple for holding home prayer meetings attended by up to 30 people. Robert and Mary Murphy went to court, and a federal judge issued an injunction preventing the city from shutting them down.

-- The Hole in the Roof Ministry Center won a court judgment after St. Louis refused to issue an occupancy permit. A proposed redevelopment plan for the area bans social-service agencies and storefront churches. Pastor Paul Hamilton plans a federal suit if the restriction stands.

-- An Orthodox Jewish couple in Owings Mills, Md., was fined \$1,000 after failing to request a permit for Sabbath gatherings. After a neighbor complained, a zoning official said they had converted their home to a religious institution. The fine was later dropped, but the official vowed to continue enforcing the permit requirement.

Such disputes seem to be on the rise despite the passage of federal legislation last fall aimed at discouraging them. Congress passed the Religious Land Use and Institutionalized Persons Act after the U.S. Supreme Court overturned the broader Religious Freedom Restoration Act in 1997.

The act is designed to protect religious groups from zoning and historic landmark laws that substantially interfere with the free exercise of religion.

"One reason the Supreme Court said RFRA was unconstitutional was because it wasn't demonstrated there was a problem," said Brent Walker, executive director of the Baptist Joint Committee. "So we demonstrated there was a problem with land use and prisoners. The fact Congress acted showed there was a problem."

A new 23-page booklet on the law available from BJC says protections were needed because land-use regulations often discriminated against religious minorities.

Walker said such disputes typically aren't anti-religion but are motivated by economic concerns.

"The main motivation is to increase the tax rolls," he said.

In cases where religion is a factor, he said: "[W]e see, not hostility to religion, but hostility to a particular religion. Some of it does flow from aversion to a minority religion."

Walker said churches can take proactive steps to avoid problems with their neighbors, however.

For example, Walker said people parking near his church in Falls Church, Va., used to fill up several cul-de-sacs in the area. Now, at 7 a.m. each Sunday a volunteer installs signs on those streets asking members to park elsewhere.

Walker said churches can work with municipal and zoning officials to avoid litigation but sometimes may have to resort to insisting the law be followed.

"Come in with RLUIPA and wave it in their face," he advised. "I think it will provide churches with more ammunition in court. But short of litigation, it has a prophylactic effect to make zoning officials more realistic."

To avoid potential zoning problems, churches should expand carefully, said an official with the Baptist General Convention of Texas. Keith Crouch, director of church facilities, said one of the leading stumbling blocks is adequate parking.

Many churches plan based on municipal codes that call for one parking space for every three to five people, he said. Statistics on the average ratio for Texas churches, however, are 2.25 people per car.

As a result, he said, as churches grow, parking begins to spill over onto grass, gravel and streets.

That can cause problems with neighborhood associations.

Other difficulties can occur over fire and building codes and handicapped-accessible regulations.

With shrinking numbers of activities allowed on second or third floors, the number of people served per acre has shrunk in recent decades from 170 to 120, Crouch said.

"The best thing is to be proactive in master planning," he said. "Everything begins with vision, objectives and strategy. Churches need to know their ministry objectives and then plan facilities around them."

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## **Texas trustee of IMB sent to prison on fraud charges**

By Mark Wingfield

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DALLAS (ABP) -- Two weeks before he was elected a Texas trustee of the Southern Baptist Convention's International Mission Board, a federal warrant was issued for Russell Kaemmerling's arrest on 19 counts of fraud.

Kaemmerling, a veteran worker in the so-called "conservative resurgence" within the Southern Baptist Convention, was elected an overseer of the SBC mission board June 13, 2000, while the convention met in annual session in Orlando, Fla. On that same day, Kaemmerling appeared on the program of the SBC annual meeting in Orlando, delivering the benediction for the afternoon session.

Also on that same day, a grand jury indictment against Kaemmerling was unsealed in U.S. District Court in Pensacola, Fla. That indictment, which portrayed Kaemmerling as the leader of a seven-man scheme to defraud investors of millions of dollars, led to his conviction on all counts three months later.

Kaemmerling, who maintains he is innocent of wrongdoing, continued to serve as an IMB trustee, however, until after he entered a federal penitentiary in Beaumont the last week of May.

IMB spokeswoman Wendy Norvelle said Kaemmerling sent in a letter of resignation from the board dated June 4. IMB administrators were unaware of his predicament until he was incarcerated, she said.

IMB President Jerry Rankin was out of the country and could not be reached.

Messengers to this year's SBC annual meeting in New Orleans elected a new trustee to replace Kaemmerling, whose term was not to expire until 2004.

Kaemmerling's legal troubles began well before his recommendation by the SBC's committee on nominations, which released its formal list of nominees April 28, 2000. Although the grand jury had not formally indicted Kaemmerling by that date, he had been the subject of an FBI investigation since early 1999, according to testimony given at trial.

Further, Kaemmerling and others related to the criminal fraud case had judgments rendered against them in civil court cases in 1997 and 1999. The plaintiffs in those cases also figured prominently in the criminal trial. In the 1999 civil case, a default judgment was handed down against Kaemmerling just one year before his nomination as an IMB trustee.

In that case, tried in U.S. District Court in Portland, Ore., Kaemmerling was ordered to pay Sealacota Trust \$459,168 in damages plus punitive damages of \$1.37 million. Sealacota Trust is one of several companies Kaemmerling and his co-defendants allegedly wronged in one of two complex investment schemes.

Two years earlier, Kaemmerling and two of the same co-defendants were found liable in a civil case brought by investor Serge Chernay. That case, also tried in U.S. District Court in Pensacola but with a different judge, resulted in a \$1 million judgment against Kaemmerling.

The federal criminal charges on which Kaemmerling eventually was convicted grew out of these cases and others. The criminal conviction is on appeal. The civil cases were not appealed.

According to one of the Pensacola prosecutors, the federal criminal charges were drawn up on only eight cases in which investors allegedly lost a total of \$6 million. The total amount believed to have been lost through the two schemes allegedly exceeds \$15 million, said Benjamin Beard, who was lead prosecutor in the 12-day trial against Kaemmerling and the others.

Despite his earlier judgments in civil court, Kaemmerling was elected as an IMB trustee. And after his conviction in criminal court, he continued to serve as an IMB trustee for eight months.

Kaemmerling was elected to the IMB post during the last year his brother-in-law, Paige Patterson, served as SBC president. The SBC president does not directly control the trustee nomination process but does appoint the committee on committees, which in turn nominates the committee on nominations.

Kaemmerling is related to Patterson through his wife, who is a sister to Patterson's wife. Kaemmerling's wife also is a sister to Chuck Kelley, president of New Orleans Baptist Theological Seminary.

There have been no allegations of any of Kaemmerling's extended family being involved in any way with the financial dealings for which he was convicted.

In correspondence with the Baptist Standard, Kaemmerling insisted none of his extended family "had any knowledge at all of the entire situation until just prior to the sentencing hearing in late November 2000."

Beyond his wife and children and a couple of close friends, "no one was aware, especially not Chuck Kelley or Paige Patterson," Kaemmerling said.

Because of his role as SBC president the year Kaemmerling was elected to the IMB, the Baptist Standard attempted to contact Patterson via certified mail for comment. In a letter dated July 27, Patterson's administrative assistant at Southeastern Baptist Theological Seminary responded that he was in Africa and could not be contacted.

The chairman of the committee on nominations in the year Kaemmerling was elected to the IMB was David Fannin, pastor of Nassau Bay Baptist Church in Houston. He was one of two Texans serving on the committee. The other was Wichita Falls layman Bill Streich.

Fannin said he was not aware of Kaemmerling's legal situation prior to his nomination and election. "If we had known that, it would not have gone anywhere," he said.

Streich also said he "knew nothing" about the matter until late last year, even though he has known Kaemmerling about 12 years. "When I asked him, 'Why didn't you tell me about this?' he said, 'I never took this stuff seriously.'"

Streich said he wouldn't have nominated Kaemmerling for the IMB post if he had known about the indictment or the earlier civil convictions.

"Had I known that Russ was involved in any kind of legal battle whatsoever, even had it not been criminal in nature or if he was not yet convicted, I would never have considered nominating him for any position," he said.

In the early days of the fundamentalist movement within the SBC, Russell Kaemmerling's name was virtually synonymous with that political and theological agenda.

From 1980 to 1985, he was editor of the Southern Baptist Advocate, an independent magazine used to advance the fundamentalist agenda and criticize leadership of the SBC and professors in SBC seminaries.

In "The Baptist Reformation," conservative historian Jerry Sutton called the Advocate "the most effective communication tool in the early days of the conservative resurgence."

Sutton, a former Texan who now is pastor of Two Rivers Baptist Church in Nashville, Tenn., says in his history of the SBC conflict that the Advocate was "funded by the Criswell Center for Biblical Studies," now known as Criswell College.

At that time, Patterson was president of Criswell College, a post from which he became a co-architect of the modern fundamentalist movement in the SBC.

In addition to editing the magazine, Kaemmerling worked behind the scenes to organize the fundamentalist get-out-the-vote effort in the SBC directed by Patterson and Paul Pressler.

Pressler, in his book "A Hill on Which to Die," mentions that Kaemmerling arranged for a block of hotel rooms for conservative messengers to the 1984 SBC annual meeting in Kansas City. "This was where we and the Pattersons stayed, along with many other conservatives," Pressler explained, noting that Kaemmerling had secured the hotel because it was not in the block of rooms managed by the SBC Executive Committee.

Moderate Baptist sociologist Nancy Ammerman also credits Kaemmerling and the Advocate with being highly influential in the early 1980s. "It provided very explicit instruction on attending annual conventions," she noted.

Research done for her book "Baptist Battles" found that in 1985, two-thirds of SBC clergy read the Advocate.

Kaemmerling dropped to a lower profile in 1986, when he was relieved of duties at the Advocate Dec. 30, 1985, for what he deemed "personal reasons." In an interview published in the Baptist Standard Feb. 12, 1986, Kaemmerling said he would pursue other avenues of work but remained in sympathy with the fundamentalist movement.

His departure was affirmed in the same article by Patterson, who said: "Russell, himself, for personal and family reasons, felt it best he get out, and I certainly concurred."

Kaemmerling moved on to a book publishing business, then a development job with First Baptist Academy, the private school run by First Baptist Church of Dallas. Later, he and his wife opened a travel agency in DeSoto, a Dallas suburb. And eventually, he began identifying himself as an investment consultant, according to court records and IMB documents.

He and his wife later became members of Southwest Baptist Church in DeSoto, where he was a deacon and served on the missions committee. There, he was an advocate of the church breaking its ties with the BGCT and aligning with the new Southern Baptists of Texas Convention.

But on the national scene, he remained out of sight -- until his nomination to the IMB and his appearance on the SBC program June 13, 2000, three months before he was to face a jury in federal court.

Court records show that in the early 1990s, Kaemmerling became associated with two other men in brokering high-dollar investments. The two were Kevin Michael Kelly of Chicago and Ray Pope of Pensacola. Both Kelly and Pope were convicted of fraud charges along with Kaemmerling.

Little public information can be found about Kelly, who was based in Chicago. Pope was an attorney based in Pensacola, a former Baptist who was well respected in the professional community and church circles.

In connection with at least four other individuals who played various roles, Kaemmerling and his co-defendants allegedly operated two fraudulent investment schemes, according to the grand jury indictment and testimony given at trial.

The indictment is 50 pages long and covers 19 counts of criminal conduct including conspiracy to commit fraud, interstate transportation of money taken by fraud and wire fraud.

Kaemmerling, who is identified in court documents as the leader of the business, was accused of luring investors with promises of extraordinary returns of up to 2,700 percent. These investments, he told his clients, carried virtually no risk, according to his own testimony at trial.

Also according to testimony given at trial, Kaemmerling told investors they could turn \$500,000 into \$40 million within 40 weeks.

The trio offered two investment vehicles, neither of which exists, prosecutors contended. In correspondence with the Standard, Kaemmerling insisted both investment vehicles were "legitimate, honest, straightforward and real."

The first was what they called a "high-yield leverage program" in bank debentures.

Kaemmerling and his associates claimed that they could purchase debentures or IOUs from foreign banks at a discounted rate and then resell those debentures to other foreign banks at a profit within days. Investors were told their money would not be used to purchase the debentures but would be used only as security to prove to the foreign banks that Kaemmerling and his partners could cover the cost. The investors were told their money never would leave the account set up by Pope as a holding tank.

In reality, prosecutors asserted at trial, investors' money left Pope's account and was divided among the perpetrators of the fraud. Kaemmerling acknowledged on the witness stand that not one of his investors in debentures ever realized a profit.

The second scheme involved the purported rental of U.S. treasuries. According to prosecutors, U.S. treasuries cannot be leased.

Nevertheless, Kaemmerling and his associates offered to lease such securities to investors for a one-year period with the promise of a high rate of return with little risk. To get their money back, investors were

required to produce a "safekeeping receipt" from a reputable bank. The legal contract spelled out the conditions required for such a "safekeeping receipt" and stipulated that if such a document could not be produced within 48 hours, the investor would forfeit all his money.

According to Kaemmerling's own testimony at trial, not a single investor ever produced a satisfactory "safekeeping receipt." All investors in the treasury rentals lost the money they put up, he acknowledged.

One investor testified that he produced 10 "safekeeping receipts" but none of them were deemed acceptable by Kaemmerling and his partners. This testimony was given by Serge Chernay, a retired Air Force colonel who planned to use the return on his investment to provide medical supplies to Russia and the Far East. He lost \$250,000.

Chernay received a default judgment against Kaemmerling and others in 1997 but never received any compensation, he testified. Testimony introduced in the Florida criminal trial stated that the judge presiding over Chernay's civil trial cited Kaemmerling and his co-defendants for contempt.

"The defendants have engaged in a clear pattern of contempt, and their conduct threatens to make a mockery out of this judicial system," wrote Judge Lacey Collier. "This court cannot allow the waste of judicial resources or the inconvenience to jurors which would result from holding a trial that the defendants chose not to attend."

Kaemmerling acknowledged on the witness stand that Chernay's \$250,000 was divided between himself and Kevin Kelly because they had been "at risk" in the investment, which would only produce a profit beyond the second month.

He did not attend the civil court trial because he was running out of money and had an opportunity to provide for his family by leading a group of people on a trip.

Chernay's civil judgment against Kaemmerling was entered three years before Kaemmerling's nomination and election to serve as an IMB trustee.

A key figure in one of the civil cases filed against Kaemmerling was Scott Wolas of New York City. Wolas was an attorney with the law firm of Hunton & Williams and a broker until his mysterious disappearance in late 1995.

A New York grand jury has indicted Wolas for grand larceny in the first degree and other crimes, alleging that he absconded with millions of dollars from hundreds of investors. Prosecutors have alleged Wolas had links to organized crime. They also believe he resurfaced in the Orlando, Fla., area in 1997 and committed additional acts of investor fraud.

Wolas was a partner in the ill-fated investment schemes for which Kaemmerling was found liable of mishandling investors' money in Oregon civil court. That case brought by Sealacota Trust.

Part of Kaemmerling's defense in his criminal trial was his assertion that Wolas stole \$1 million Kaemmerling had arranged to invest through him. That's why Kaemmerling was unable to fight the civil case brought against him in Portland by Sealacota Trust, he said.

In correspondence with the Standard, Kaemmerling reasserted his contention that Wolas was the source of much of his troubles. Kaemmerling said he cooperated with legal investigations into Wolas' alleged criminal activity and turned over his own records for examination.

However, evidence presented at trial showed Kaemmerling operated at least two corporations for which he kept no financial records. These corporations were Star Financial and Southwest Financial Services. Prosecutors suggested that money passed through these two corporations to two travel companies owned by Kaemmerling.

Further evidence presented at trial showed that Kaemmerling personally received at least \$800,000 from the various investment offerings. Where that money went is unclear, other than Kaemmerling's assertion that his resources had been drained by seeking to defend himself against previous court cases.

In correspondence with the Standard, Kaemmerling said he chose not to fight the Oregon civil judgment because he was "insuring that I would have enough funds to fight any serious legal issues that arose" later.

"The default was entered based on an affidavit from a dead woman on behalf of an illegal business trust," he said. "I have been assured that when this is all over, it will be a simple matter to get that reversed, and I have not put my physical or financial resources in that direction."

Kaemmerling also told the Standard he sees himself as a victim of a government conspiracy. He referred to a book titled "The Tyranny of Good Intentions," which he said "demonstrates how the federal government is abusing power, manufacturing evidence and prosecuting non-criminal activity as if it were criminal just to gain convictions."

The appeal of his criminal conviction is based on several wrongs that allegedly occurred during the trial, according to Kaemmerling and his Dallas attorney, James Moon.

Kaemmerling contends evidence that would have exonerated him was not allowed to be used in the trial. Further, he said, "the U.S. attorney simply took several names, strung them together, manufactured evidence . and was able to get a conviction after a lengthy trial."

Throughout the trial, both Kaemmerling and Pope made reference to their religious involvement. Kaemmerling told how he attended Southwestern Baptist Theological Seminary and became a pastor, about his work as editor of the Advocate and his work with First Baptist Church of Dallas.

Pope told the jury how he met Kaemmerling through a mutual acquaintance and how the two men came to be friends as they discovered they both were engaged in similar Baptist causes.

In the end, however, the purported piety of the co-defendants proved to be a stumbling block. At the sentencing hearing Nov. 30, 2000, Judge Roger Vinson said he found Kaemmerling's conduct at trial to run counter to his religious presentation.

"With respect to Mr. Kaemmerling, his testimony, I have noted that I did not find his testimony to be truthful and consistent with the overwhelming weight of the evidence of the case, and that has been confirmed by the jury," the judge said. "I will simply count the number of occasions, 28 separate occasions, Mr. Kaemmerling gave testimony that was untruthful during the course of the trial. I consider this to be an obstruction of justice."

Beard, the prosecuting attorney, responded to Vinson's declaration later in the sentencing hearing.

"He has intentionally hurt people for his personal gain in contradiction of what he says he stands for," Beard declared. "He has put in a bad light every other individual of like position. . What Mr. Kaemmerling did here is all the more terrible because he holds up his entire life as a hypocrisy."

As he waits in federal prison in Beaumont, Kaemmerling continues to maintain his complete innocence of any wrongdoing. And he insists that he will be exonerated on appeal.

"I will state plainly that I have never taken any money illegally," he told the Standard. "The business transactions we brokered were legitimate and real with positive results both possible and intended."

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-- Jim Newton contributed to this story.

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