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Andersen backs out of BFA settlement

By Bob Allen

PHOENIX (ABP) -- Nearly 13,000 investors in the failed Baptist Foundation of Arizona got some bad news March 28, when Arthur Andersen said it was backing out of a \$217 million out-of-court settlement reached March 1.

In a stunning setback for investors, Andersen said its wholly owned insurance company is "unable to approve or pay claims at this time due to its financial position."

Investor Tom Kennedy called Andersen's decision to renege on the settlement agreement "treachery in the highest order."

"I am just crushed by the Arthur Andersen announcement that they will not stand by the agreement their representatives negotiated," said Kennedy, a member of Mountain View Baptist Church in Phoenix. "The breakdown in the settlement translates into further suffering by investors who need their funds returned so life can be sustained and we can put this unpleasant experience behind us."

Lawyers for the foundation's liquidation trust quickly asked a retired federal judge who presided over the settlement negotiations to enforce the agreement.

Meanwhile, Judge Edward Burke of Maricopa County Superior Court rescheduled a jury trial for April 29.

The trial, originally scheduled for March 4, was averted when Andersen, accused of negligence in its audits of BFA accounts, agreed to pay investors the equivalent of about 32 cents on the dollar of their original investments.

In light of Andersen's decision to renege on that deal, Arizona Attorney General Janet Napolitano, called on the state's board of accountancy to impose "the administrative equivalent of a death penalty" by revoking the accounting firm's registration.

"This is an absolute outrage," Napolitano said in a statement. "This shows that Andersen and its representatives pretended to negotiate in good faith, but in fact never had any intention of making good on their part of the settlement."

But, according to a report in the Arizona Republic, Andersen's Phoenix attorney, Ed Novak, said Napolitano is wrong. He said the insurer, Professional Services Insurance Company Limited, is a separate entity that had to approve the claim.

Meanwhile, the Wall Street Journal reported April 1, that the insurer had been rendered technically insolvent because Andersen failed to make a \$100 million premium payment.

Novak told the Arizona newspaper that Andersen's situation had changed dramatically since March 1, when the firm had no way of knowing it would be indicted by the federal government March 14 for its auditing of Houston-based energy company Enron.

The BFA trust is hoping that Andersen can still be forced to honor the agreement. That could give BFA investors an important edge in the event that Andersen files bankruptcy.

But Kennedy said investors, many of whom lost 65 percent to 70 percent of their life's savings, believe any recovery from Andersen is now remote. He termed the decision "just another act of betrayal."

In another development, the Arizona Republic on April 2 quoted Clifton Jessup, the trustee overseeing liquidation of Baptist Foundation assets, as saying his group's lawyers would take a more aggressive approach in seeking restitution from the Arizona Southern Baptist Convention.

The state convention, which started the Foundation in 1948 to raise funds for Baptist causes, has expressed sympathy and raised funds for victims but says it isn't legally responsible for actions of BFA officers, who are accused of defrauding investors out of \$550 million.

Arizona's Attorney General's Office announced last May that a grand jury had indicted five individuals on charges of fraud and illegally conducting an enterprise. No trial dates have been set for the five. Three other former Foundation officials pleaded guilty to lesser charges in exchange for cooperating with prosecutors.

According to prosecutors, beginning in the early 1990s, BFA sold different types of investments and savings accounts, saying they were backed by collateral.

Investors were promised high returns and told their investments would help Southern Baptist causes and were safer than if in a bank.

Unlike most Baptist foundations, which invest church funds but don't offer individual investment products, the BFA invested heavily in Arizona's booming real estate market. But that strategy resulted in losses when property values collapsed.

Instead of reporting those losses, BFA officials allegedly hid them in "bad banks" through a web of subsidiaries. For example, the BFA allegedly loaned ALO, Inc., a real estate corporation controlled by a former BFA trustee, more than \$124 million. While that debt showed up as an asset on Foundation books, investors weren't told that ALO's net worth was negative \$116 million.

Values of real estate holdings used as collateral for such loans allegedly were inflated to help cover up the losses. For example, one gift of Colorado real estate valued at \$3.1 million in Foundation records turned out to have an actual market value of less than \$152,000, according to a series of investigative news stories that first brought the allegations to light in 1998.

That didn't stop BFA representatives from continuing to solicit investments, however, often in churches. They allegedly used funds belonging to new investors to pay off old ones, an illegal practice popularly known as a Ponzi scheme.

After a yearlong investigation, Arizona officials ordered the Foundation to stop selling investment products in the summer of 1999. The BFA went bankrupt that November, owing investors \$640 million.

A liquidating trust established in the bankruptcy says investors should expect to recover between 39 percent and 44 percent of their original investment from litigation and sale of BFA assets over three to five years.

In addition to criminal charges, the state sued Andersen for \$600 million last April, alleging negligence and breach of fiduciary responsibility in issuing clean audits for the BFA -- while ignoring red flags, including warnings from whistleblowers -- that helped Foundation officials to continue to defraud investors.

In the March 1 settlement, Andersen had denied any wrongdoing but said paying investors \$217 million would help rehabilitate the company's image. In exchange, all three pending lawsuits against Andersen -- a class-action suit, a suit by the liquidating trust and an action by the Attorney General -- were to be dropped.

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Believing the Bible isn't 'enough,' conservative Texas leader claims

By Mark Wingfield

DALLAS (ABP) -- "It is not enough to say we believe every word of the Bible to be true to be a Baptist," according to Jim Richards, executive director of the Southern Baptists of Texas Convention.

Richards made the declaration in his column, "Speaking the Truth in Love," in the April-May issue of the Southern Baptist Texan magazine. The magazine and a related newspaper are published by the breakaway Texas Baptist convention.

The "Baptist Faith and Message" as revised by the Southern Baptist Convention in 2000 is the answer to this theological problem, Richards wrote, because it "leaves no wiggle room for neo-orthodoxy."

"The 'Baptist Faith and Message' statement 2000 is the final expression of the conservative resurgence," he added, referencing the movement that gained control of the SBC in the 1980s and '90s and has reshaped its agencies and institutions.

Richards' column is devoted to defending the 2000 "Baptist Faith and Message" against criticism from the Baptist General Convention of Texas. Although he does not specifically name BGCT Executive Director Charles Wade, Richards counters what have become well-known Wade criticisms of the SBC faith statement.

Wade, for example, has called the 2000 "Baptist Faith and Message" a non-Baptist creed and has said he will gladly sign every page of the Bible but not any man-made creed. Wade has championed the historic Baptist confession of "no creed but the Bible."

Richards said those who oppose the signing of creeds by Baptists leave the door open to all manner of theological error by individuals who still might claim to believe every word of the Bible. As an example, he cited Alexander Campbell, who led a major schism among Baptists in the 19th century that created the Church of Christ.

"To say we have no creed is to say we have no beliefs," Richard wrote.

The "signing of documents" should not be a concern to faithful Baptists, Richards insisted. "When people hide behind nuances of words or a perverted view of the priesthood of believers, then it becomes necessary to have an instrument of accountability.

"Southern Baptists expect those who receive the Lord's money through Southern Baptist giving channels to represent what Southern Baptists believe," he also wrote. "We should encourage and support our Southern Baptist leadership who are making the difficult decisions to make this happen."

Ensuring doctrinal conformity has been a major theme of the SBC's conservative movement since its public debut in 1979. The focus initially was on the convention's six seminaries, where fundamentalists accused liberals of hiding out and corrupting the minds of young ministers.

The need for doctrinal accountability was sounded forcefully through the years by Memphis pastor Adrian Rogers, three-time SBC president and a powerful figure in the movement.

Rogers quipped in 1987, while he was SBC president, that "if Southern Baptists believe that pickles have souls, then professors must teach that."

With the six seminaries now fully in line with the desires of the new SBC leadership, attention has turned to foreign missionaries, an area where many moderates and centrists have continued to find common ground with conservatives.

However, the new requirement that IMB missionaries sign an affirmation of the 2000 "Baptist Faith and Message" has created rifts in this missions coalition.

In the Southern Baptist Texan newspaper, a companion piece to the magazine published by the SBTC, Editor Gary Ledbetter devoted his March 19 editorial to rebutting the concerns of the BGCT regarding missionaries. IMB missionaries, he suggested, do not need to be "rescued" from the threat of creedalism as stated by the BGCT and moderate Baptists.

"Jerry Rankin's request that missionaries affirm their denomination's confession of faith is not insulting, offensive or even surprising," Ledbetter wrote. "A benefit of this move is that it puts our missionaries on the same plane as other denominational workers.

"Some moderates have behaved as though it is possible to hold the seminaries and other agencies in contempt and still support the missionaries."

Those who don't support the new direction of the SBC shouldn't appoint themselves as "rescuers" of SBC missionaries, Ledbetter asserted.

"Why would they want anything to do with SBC missions? Most of these folks (the missionaries) were trained at the same seminaries moderates distrust. Our missionaries were interviewed and approved and appointed by a staff and board the moderates now call idiots and wolves. Wouldn't some of that bad stuff rub off on the missionaries?"

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Missionary recalls Rankin pledge that missionaries wouldn't have to sign

By Mark Wingfield

EL PASO, Texas (ABP) -- A retired missionary in El Paso, Texas, claims that as recently as December 2000, Jerry Rankin said no missionary would be required to sign a doctrinal statement as long as he is president of the Southern Baptist International Mission Board.

Now that retired missionary, Siegfried Enge, is wondering why Rankin in January declared IMB missionaries must sign an affirmation of the 2000 "Baptist Faith and Message."

In a Dec. 8, 2000, letter to Rankin, Enge recounted meeting Rankin at the Baptist Spanish Publishing House in El Paso in 1993. "I asked you about missionaries possibly being obligated to sign a doctrinal statement. I remember your clear and unequivocal answer: 'As long as I am president of the IMB, no missionary will be obligated to sign a doctrinal statement.'"

On Dec. 19, Rankin wrote back to Enge, confirming the former missionary's recollection of that visit.

"You are correct -- Baptists are not a creedal people," Rankin wrote to Enge. "Asking people to sign the BF&M would make it a creed. No one is proposing that be done. And I stand by my statement made during my visit to El Paso, although it was probably unwise for me to make such a statement since I do not have the authority to prohibit our board from requiring it if they should so choose. Fortunately, that does not seem to be their inclination."

After Rankin wrote to missionaries around the world this January telling them of his administrative action requiring them to sign an affirmation of the 2000 "Baptist Faith and Message," Enge wrote to Rankin once again.

"I am totally surprised and shocked by this request," Enge wrote. "It certainly does not accord with what you wrote to me in December 2000.

"It is one thing to ask missionary candidates to draft their own doctrinal statements and then to signify that they have read the BF&M 2000 and indicate any disagreements with it, and another thing to ask them to sign their affirmation. Signing an affirmation or signing the BF&M is the same thing."

Rankin and other IMB officials have drawn a distinction between asking missionaries to sign a statement about the "Baptist Faith and Message" versus asking them to sign the Baptist "Faith and Message" itself. This is the line between using the faith statement as a creed, Rankin contends.

In the latest letter from Rankin to Enge, dated March 4, Rankin explained: "Our missionaries are not being required or coerced to sign a creed, nor has there been a reversal of our policy not requiring them to sign the 2000 BF&M. It can hardly be considered imposing a creed when they are just being asked to affirm what Southern Baptists have said is what they believe and work in accord with it."

Enge and his wife, Donna, served with the IMB 32 years, including 19 years at the Baptist Spanish Publishing House. They said they are grateful for the support they received through the years from the SBC and do not question the finances or management of the mission board.

Yet they feel betrayed by what is now required of their missionary colleagues, they said.

The Enges are members of First Baptist Church in El Paso.

A spokesman for the IMB said the letters do not change what Rankin and other IMB officials have said.

"Our policy has not changed. Missionaries are not 'obligated' or 'mandated' to 'sign the BF&M,' just as Dr. Rankin said they would not be. Missionaries have only been 'requested' to 'affirm' the BF&M, with complete freedom to note any exceptions, just like when they were appointed," said spokesman Mark Kelly. "The only difference between the situation now and the situations that prevailed under previous administrations is that the 'Baptist Faith and Message' has been revised during this administration."

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Missionaries explain reasons they won't affirm faith statement

By Mark Wingfield

DALLAS (ABP) -- Baptist missionary Stan Lee compares himself to British Olympic athlete Eric Liddell in the movie "Chariots of Fire."

The movie tells the story of Liddell's refusal to run in a qualifying heat for the 100-yard dash scheduled for a Sunday. The British Athletic Committee invites Liddell to visit with them about the problem so they may help him find a compromise with his beliefs on honoring the Sabbath.

One of the British officials accuses the athlete of being "impertinent," to which Liddell responds: "The impertinence, sir, lies with those who seek to influence a man to deny his beliefs."

Lee finds himself in a similar position in responding to officials with the Southern Baptist Convention's International Mission Board, under whose appointment he serves as a missionary veterinarian, he said.

Liddell's response to the British Athletic Committee "would be my response to those who seek to 'encourage' me to sign a pledge of allegiance to the 'Baptist Faith and Message,'" Lee wrote in a letter to his IMB regional director.

Lee and his wife, Marlene, are members of Travis Avenue Baptist Church in Fort Worth, Texas. They have served as missionaries in Rwanda through the IMB since 1977, working in agricultural missions and evangelism. He is a veterinarian; she is a musician.

The Lees are among a small number of IMB missionaries beginning to speak publicly about their refusal to sign an affirmation of the 2000 "Baptist Faith and Message" as requested by IMB President Jerry Rankin. Rankin has predicted nearly all the IMB's missionaries will sign the affirmation.

His mandate has sparked an angry response from moderate and centrist Southern Baptists who say the 2000 "Baptist Faith and Message" is a denominational creed and theologically spurious. The Baptist General Convention of Texas has created a transition fund to aid IMB missionaries who resign or are fired for refusing to sign the IMB affirmation.

Rankin and other IMB officials deny they are imposing a creed. And they insist missionaries must be accountable to the doctrine established by the convention that supports them.

"I do not deny their right to know what I believe and what I teach," Lee wrote in a recent e-mail from Rwanda. "What I deny is their right to force me, on pain of losing my appointment, to sign an extra-biblical document written by men and revised three times in my lifetime."

In addition to the theological scrutiny he underwent in the appointment process 25 years ago, Lee recently wrote a 38-page statement of his beliefs. He sent that statement, along with the unsigned affirmation form, to his regional director.

"I do not allow anyone -- pastor or priest or king, relative or friend -- to think and decide for me what I will do and believe," he wrote the IMB official. "I know that ultimately I alone will have to give an account of myself before God."

Rankin has said on several occasions that he made the request of IMB missionaries to dispel the doubts of those who suspect the SBC's missionary force harbors theological liberals.

Lee accused Rankin of pandering to such accusations.

"We, who have placed our lives and our careers and our futures and our children and even our grandchildren and everything we love and cherish on the line for the opportunity to bring benighted souls into the light of Christ, have been treated with contempt and accused like tax collectors and pagans," Lee wrote. "We have been accused not face-to-face, not openly and forthrightly, but rather in secret, by men and women who, shamed as they obviously are by their actions, remain in the dark breathing out their accusations in whispers and innuendoes, threatening to cut off support but refusing to step into the light and be known."

Rankin, he charged, has "aided these spiritual terrorists."

Lee said requiring missionary signatures to an affirmation of the 2000 "Baptist Faith and Message" will not put the matter to rest. "People who criticize in secret will not be satisfied if every missionary places his or her hand on his or her heart and pledges allegiance to the 'Baptist Faith and Message.' Terrorists are never satisfied."

Lee said it is improper to require Baptists to sign a man-made document "that is obviously deficient since it has been revised so many times." While the "Baptist Faith and Message" has changed, "God's word has not changed," he added.

Similar sentiments have been expressed in a public letter written by missionaries in Asia, Sarah and Larry Belew.

In an open letter circulated via e-mail, the Belews announce they will not sign the affirmation of the 2000 "Baptist Faith and Message."

"We do not want to be fired," they wrote. But they also "do not want to participate in the political power struggles of the SBC. We do not want to be used as pawns in the game either."

The Belews listed five reasons why they cannot sign the affirmation required by Rankin:

-- "The way this document is being used is nothing short of creedalism."

-- "This document is politically motivated" and is making missionaries a "political football."

-- The 2000 "Baptist Faith and Message" is a fallible document. "We will not lower our commitment to being biblical Christians by constraining ourselves within the bounds of this document."

-- "This is a culturally biased and culturally shaped document."

-- "Jesus instructs us to take or make no oaths."

In other correspondence, the Belews elaborated on their concerns about cultural bias in the "Baptist Faith and Message," specifically citing the 1998 addition on the family as an example.

"We are living and working in a culture which is anti-Christian," the Belews explained. "To choose to follow Jesus here often means making a break with the biological family."

It's not that they don't believe in and support the biological family, they insisted. Rather, in a culture where Christians are a minority, the spiritual family takes on greater importance than the biological family.

"According to the teachings of Jesus, material human families determined by blood or adoption or marriage are not the foundation of society. It is the spiritual family, determined by relationship with Jesus Christ and obedience to God, which is the foundation of the kingdom of God."

Another IMB missionary who is still weighing how to respond to Rankin's request said he believes the burden of proof should be on the IMB if there are accusations that missionaries don't believe the Bible.

"We signed a covenant with the IMB 20 years ago, and it is their responsibility to prove that we have not kept that covenant of teaching, writing, living within the theological parameters of the SBC as well as the guidelines set up by the IMB," said the missionary, who asked not to be named at this time.

While this missionary reported feeling no pressure from his area administrators to sign the affirmation, he believes missionaries are reacting to the latest request in light of a string of changes that have occurred within the IMB in recent years.

Rankin has led the board to adopt a "New Directions" plan that emphasizes church starting and de-emphasizes mission work through institutions such as schools and hospitals. All this has increased the stress missionaries feel, the missionary reported.

"We are in yet another major change and have been in major changes since Jerry Rankin had his vision. We haven't had time to absorb the other changes the IMB has dictated to the field, and now this one comes along."

The political nature of the latest request also has deepened suspicion between some missionaries, he added. "We are afraid of being completely (open) with one another because we don't know what will be reported about us. We are afraid to discuss it unless we are 200 percent certain we will not be misquoted."

While Rankin has said missionaries may sign the affirmation and note areas of disagreement with the 2000 "Baptist Faith and Message," this missionary doesn't see the value of such an action.

"How can you sign and say you will agree to stay within the boundaries of a document that you do not agree with?" he asked. "It means you are not being honest with yourself and your signature."

Yet this missionary said he is certain some of his colleagues who disagree with parts of the 2000 "Baptist Faith and Message" are signing the affirmation in order to keep their jobs or maintain their ministries.

"I am certain many are signing not because they agree with signing but because their kids have one to two years left in school on the field and they don't want to disrupt their lives," he explained. "They may have one to two years left until retirement and know they can't get a job at their age in the U.S. There are many who have signed without thinking about it just so they won't have to deal with any more changes."

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