

Response to Allegations

We are reprinting below a letter Greg Albrecht sent to Janis Hutchinson, author of *Out of the Cults Into the Church*, a book that has been helpful to many members and has been recommended by the church. At our invitation, Ms. Hutchinson attended the Portland field conference. Soon after that conference, David Covington wrote her, expressing his views about the way the church is organized. She then wrote to Mr. Albrecht for clarification of certain points, and this is his reply:

May 31, 1996

Dear Janis,

Thank you for your letter dated May 20th. We especially appreciated your gracious understanding about the tremendous undertaking the Worldwide Church of God faces as it attempts to conform to the objective truth of the Bible.

Thank you, as well, for attaching a copy of the material you wrote as a result of being in attendance at our conference in Portland. The majority of your recent letter consists of 20 questions which you note as typical of questions you are being asked, "even aside from David Covington's letter."

Before providing the answers to your questions, we would like to state that we realize you must make the decisions required of all journalists. Thus, our answers—either in this letter or the ones shared with you (and all in attendance) at the Portland conference—are not for the purpose of public relations. We share with you the truth of what is happening in our fellowship as Christ is guiding us on our journey. You must be the judge between what you have seen and heard and the answers we provide, and the letters and comments you hear to the contrary. As a Christian journalist myself, I realize the difficulties inherent within such a task. We pray God's blessing on your efforts.

We also wish to point out that we have avoided the temptation of sending you a large file of letters and e-mail messages sent to Mr. Covington by members and ministers who are appalled by his actions. While we do not feel sending copies of this correspondence is necessary, it is unfortunate that the majority of the correspondence you have is apparently from another perspective.

For the sake of clarity and format, we will simply quote your question and then give our answer below. The answers are a joint compilation of J. Michael Feazell, Director of Church

Administration; Bernard W. Schnippert, Treasurer; and myself.

1. *Would you like to respond to the various allegations posed by Covington, that the Administration is not supporting the ministers?*

We have no doubt that there is room for improvement in many ways, and the church is committed to continual growth in this area. We would simply suggest that there are many ministers who would not agree with Covington's assessment of the relationship between themselves and the administration.

2. *What, specifically, do you plan to do to facilitate open communication between the Administration and the ministers? When, exactly, will this be initiated?*

Every minister is, and has been for years, connected to headquarters and to one another electronically by an electronic mail system. The administration receives and responds to dozens of questions, suggestions, complaints, ideas, etc. on a daily basis from its ministers. Any minister who wishes to communicate with the administration does so and is responded to. Further, every pastor files a monthly church report, and the administration communicates to the ministry through a monthly newsletter for pastors.

Open communication, however, does not mean that the governing body automatically adopts everything proposed by every minister. Ministers resigned last summer because the administration would not agree with their demands that the church abandon acceptance of the Trinity and the Christian standing of non-Sabbatarians. Contrary to Mr. Covington's opinion, these ministers did, in fact, speak up and were, in fact, not fired for it. Instead, the administration left them in their pulpits while providing them continual instruction and study materials, including the opportunity to ask and have answered any and all questions they had. Ultimately, when they came to see that the doctrinal changes were indeed permanent, they resigned.

3. *If, as Covington said, the Administration is not in a position to be able to see or address the problems prevalent in the Church, how do you specifically plan to rectify this?*

The administration of the church cannot speak for Mr. Covington's opinion. However, the administration can say plainly that the church's record speaks for itself in identifying and taking action on the church's problems.

4. *Since Covington's two offers to conduct workshops to help pastors minister healing to members has been ignored, do you have*

any plans to initiate such a program in the future? If so, how? When will it start?

Mr. Covington's concept that his "two offers" to conduct workshops have been ignored is nothing short of surprising in light of the fact that he was engaged by the administration of the church to conduct six regional workshops that incorporated the entire U.S. and Canadian ministry during their regional conferences, and that within days after the conclusion of the sixth regional conference and Mr. Covington's sixth workshop, he effectively destroyed the church's plans to continue using him by suddenly and surprisingly resigning from the ministry and the church, publicly attacking the efforts of the administration of the church and condemning the administration as not addressing problems. It is a simple fact that the administration provided and supported Mr. Covington's workshops even in the face of considerable resistance from numerous ministers and wives to Mr. Covington's approach and tactics during the workshop sessions.

5. At the conference, you said small healing groups would be set up in the local churches to provide opportunities for the brethren to express their hurts, bitterness and anger. When will this materialize? (Obviously, this would have to be after the ministers have been trained.)

Many congregations have already been working on this. Some pastors have engaged independent Christian counselling teams to be available for members. Further, the administration of the church has worked very hard to make the need for small group worship and spiritual support known and understood by its pastors. Spiritual healing has been a vital part of such small group worship and Bible study. Training of regional pastors has been a key element in the process, as well as training of all ministers at regional conferences. Training materials by Carl George and Dale Galloway have been made available to all pastors.

6. Will the Administration consider changing their present form of hierarchical government to the Biblical model? If so, when? If not, what are your reasons?

As you say, "just because an organization is hierarchical does not automatically mean it must be abusive." It is also true that the fact that complaints exist does not automatically mean that a church promotes or encourages abuse. There is no church in the world that does not receive criticism and complaint, or in which some people feel they are being mistreated in one way or another.

This church's efforts to change are a matter of record, as is the church's position on the issue of spiritual abuse. The church has expended considerable resources to bring all its

ministers together to bring the problem of spiritual abuse into the open, pray for repentance, invite questions and model healing workshops.

Further, the current administration, which is only 8 months old, is in the process of reviewing and evaluating church bylaws. Whether or not this process eventually results in changes to the structure of the church, the church's commitment to a healthy congregational environment for Christian growth has been amply demonstrated.

7. *Will you allow local churches to incorporate, and maintain, their own funds? If so, when? If not, why?*

Both this and the next two questions mistakenly assume a falsehood is true. It is simply untrue that the church headquarters somehow spends most of the money on itself and gives very little back to the churches.

We don't know how this conclusion was reached by Mr. Covington, but the charge is totally false. The opposite is actually the case. About ten percent goes to subsidize Ambassador University (which over the years has produced most of our ministers). About another ten percent of the funds go to further Plain Truth Ministries, which is subsidized by the church to preach the gospel collectively via the mass media. Arguably, this is a church centered expense, since it goes to preach the gospel, which is our main commission. Nonetheless, the PTM is a headquarters expense. About 8 percent goes to maintain the HQ properties until it sells (after that we expect to pay about 1 to 2 percent for upkeep of our new facility). Most of the rest goes directly or indirectly to further the paid ministry and local churches, either through salaries, rental of halls, church expenses. A very large portion of the work of headquarters support services, (e.g., accounting, computer information systems, legal) is in fact in place mostly to serve the collective needs and interests of the church. A greater percentage of our income probably goes to the direct and indirect support of local congregations than any time in our recent history.

Although the largest percentage of monies already go to the local churches in ministers salaries, hall rentals, etc., the current plan is to work towards less and less centralized overheads and more monies locally. We are moving as fast as we can toward this goal while still maintaining fiscal responsibility. We must be prudent and systematic, and to that end have been working closely with our auditors and bankers on our local church empowerment plan. They have been very supportive and complimentary of both our goals and our approach.

Having dispelled the misconception that most of the money stays here at headquarters, I will now answer the question. The question really asks two different questions. The matter of incorporation and the matter of maintenance of funds in local churches are two separate matters, not necessarily linked.

As to the matter of incorporation: Different churches are organized differently. There is no one right way. Nor is there one way that is more "legal" or "spiritual" than another. Each type of organization has its strong points or weak points. In our case, the church is incorporated in California as a California religious corporation and the local churches are not incorporated. They don't need to be incorporated under our system. They actually gain by this because they do not have to maintain audited books, submit government reports, file W forms for employees, etc.

To answer your specific question: No, a local church congregation could not unilaterally decide to change the organization and governance of the church and expect to still retain its identity. Thus, if a local church were to incorporate for some reason, they would by this act be removing themselves from the Worldwide Church of God. This would surely be true for any church under any organizational scheme, even one incorporated locally, unless the general governance allowed it. This is just common sense.

So, for example, a Catholic or Baptist local church could not simply unilaterally change their whole structure and still expect the same status with the mother organization. This is true of businesses as well. For example, the Buick Division of General Motors cannot decide it wants to be organized a different way and still be part of General Motors.

As to the matter of local funds: Our churches already have local funds for purposes of their own social events, etc. The reason they don't need to pay for many local expenses at this time is because all their main expenses are paid for by headquarters, including but not limited to: the minister's salary and housing allowance, the minister's housing subsidy (if any), the minister's business expenses and car mileage reimbursement, cost of church hall rental, cost of insurance, and more. It is an error to presume all the basic expenses of the local churches go unpaid just because money is not collected locally. Again, most of the money taken in by the church goes to support the local ministry and local churches.

8. *Whether or not local churches incorporate, would the Administration consider local churches sending less than 100% to*

Headquarters and retaining what they need up front?

In order to have a workable system, the church has to adopt one single system for accounting for donations. The two options are (1) to collect and account locally, or (2) centrally. We cannot have two inconsistent systems at the same time.

Almost every pastor who has been informally polled by me at one time or another wishes us to continue to collect money centrally, because they know that if they collect locally they will need to install a double entry bookkeeping system, hire people to process the mail, issue receipts, file IRS reports, obtain legal counsel, etc., etc. The duplication in such a system would be enormous, and the pastors' time would be devoted to managing a staff to do these things. In the few international areas where this has to be done, the pastors typically spend too much of their time with paperwork matters and too little on the more important spiritual duties.

Our centralized system is demonstrably more efficient in both the minister's time and actual overheads.

9. *If the Administration declines to have local churches incorporate and declines to allow the churches to govern their funds, will more funds be allotted from Headquarters for the local churches' 'basic necessities,' as described in Covington's letter? (P. 8)*

Our reply to questions #7 and #8 answer this question.

10. *Will you be publishing a detailed disclosure on how every penny is spent from the Pasadena sales proceeds?*

We would not at all hesitate in giving such a detailed disclosure.

However, one need not wait until the sale of the campus to have perfect confidence in the sale process. In order to conduct the sale in the most professional manner, we have hired as our broker one of the highest rated commercial real estate firms in the nation, Grubb & Ellis. In order to insure that we get the best value for the property and to guide us through the important financial implications of the sale, we have retained the highly regarded consultant firm of Deloitte & Touche. In order to insure the legal integrity of the entire sales process, we have retained the prestigious Los Angeles law firm of Alschuler, Grossman and Pines. And, finally, to insure the highest confidence in the eventual financial transaction, we have already verbally requested an audit of the escrow disposition by our auditors, Coopers & Lybrand.

The firms we have mentioned are all preeminent in their fields and conduct their responsibilities at the highest ethical and professional levels. You can be assured that they will not allow themselves to be associated with a transaction that does not meet their very high standards. In fact, this is precisely the reason we chose them.

11. *Please describe the kind of system the Administration utilizes to maintain fiscal and other accountability in the leadership.*

We have a very strict, formalized, double entry, accrual method, computerized accounting system (Software 2000) with full checks and balances. Although not required by law, our financial statements have been audited almost every year for recent years by a Big Six accounting firm. We confer with inside and outside legal counsel and inside and outside auditors as appropriate before making financial decisions of any consequence. We fully discuss all major financial decisions at the Board level, document the discussions with Board minutes, and, after extensive discussions and input from outside experts where needed, pass formal resolutions authorizing major decisions before they are implemented. We stay fully apprised of all Federal and State codes and laws and stay strictly within their bounds at all times. Any irregularities that ever arise by any party, whether intentional or unintentional, are dealt with swiftly and legally. In short, we are very strict and go far beyond the minimums required by law.

12. *Do you still hold the stance, as expressed in a church publication last summer, that one's "eternity depends [on] follow [ing] that pastor general?"*

Absolutely not, and the church did not even hold that position when the statement was published. The statement was wrong then, and it is wrong now. The article, which reflected the typical viewpoint of the church under Herbert Armstrong's leadership, should never have made it past the editors. Although there is no excuse for the error, it was written during a crisis period and did not receive the attention it should have from those who normally reviewed the paper. Before the article and since the article, the church has made it quite plain that eternal life is not based on following human leaders, but on faith alone in Christ alone.

13. *Is the Pastor General "sole owner" of the corporation? If not, how is it set up?*

No. The church is incorporated as a California religious non-profit corporation. The rumor circulated by some that Mr. Tkach owns all church property is ridiculous and untrue. To the

contrary, the articles of incorporation forbid church assets inuring to the benefit of any private person at all in the unlikely event that the corporation (church) was ever dissolved. Further, such inurement is illegal, as any attorney or CPA would know.

14. *Would you be willing to send me a copy of your Bylaws, Certificate of Incorporation, and a copy of the last annual report filed with the State? (My understanding is that, if the WCG is a non-profit organization, these documents should normally be accessible.)*

The church, to my knowledge, has never published the bylaws. It may in the future if it so chooses. It is not uncommon for churches or other organizations not to publish all corporate documents and, most importantly, this nonpublication should not be construed to imply something sinister is contained in them.

It is an obvious fact of life that all persons and corporations, public and private, have some confidential documents. Indeed, the directors probably have a duty to maintain confidentiality of some things in order to fulfill their legal responsibility of care. It is a judgement the board must make about what should be confidential and what should not be. If they wish to publish the bylaws of the church at some future time, it will be their decision.

Most people who wish to see the bylaws misunderstand their purpose and content anyway. The bylaws simply delineate in legalese what everyone already knows—namely, that we are a hierarchically organized church, that the Pastor General is the chief governing officer, and that he, the board members and the officers are appointed rather than chosen by vote. Mr. Covington may or may not like this structure, which, by the way, was in place long before Mr. Tkach (Junior) assumed his role of Pastor General, but it is in place unless and until legally changed. Mr. Tkach can not simply ignore our bylaws and do what Mr. Covington likes any more than the President of the United States can ignore the Constitution if Mr. Covington doesn't like it.

Although we realize the present inquiry about the bylaws is in good faith, oftentimes the only reason a person wants to see confidential documents is to use them for their own sinister purposes. The church has an obligation not to allow people with harmful motives or even simple curiosity to rifle through its files. Our members would not appreciate this, nor should they.

15. *If the WCG is a non-profit organization, my conception is that its board is always elected—usually by the members. Who*

elects your Board? If you do not have an elected board, will you consider one?

Your understanding about the nature of church corporations is incorrect. The church is a religious corporation, which is a specific type of non-profit organization and very much different than a simple charity (like an organization doing health research or collecting money to save the whales, for example). Again, it is a mistake and inaccurate to conceptualize a church as just another non-profit organization. It is not. Under the rules of religious corporations, the church is allowed great discretion in how it is organized. Under the church articles and bylaws as allowed by state law, the Board members are appointed by the Chairman and Pastor General.

The Pastor General has stated he wishes to move toward a more representative board structure, but has not decided exactly how this might be done. A fundamental change of this type should not and could not be made without serious deliberation and discussion over a period of time and without a plethora of outside expert legal and other counsel. It would be irresponsible of Mr. Tkach to move too fast. Mr. Covington is not versed in these matters and we cannot be held to his uninformed timetable. Other churches have taken decades to take steps like this. Mr. Tkach has only been Pastor General for about 8 months.

16. *Would you care to respond to the statement, referred to in Covington's letter, that the Administration made "numerous cuts" in "services" and "ministerial benefits" when, at the same time, Joe Tkach received a salary increase?*

Every time a person experiences a major job change or promotion, the church strives, if it is able, to give pay appropriate to the new responsibility. Mr. Tkach received a raise because, and ONLY because, he received a considerable promotion in his responsibilities by becoming Pastor General. After his assumption of the leadership role of the church, Dr. Bernie Schnippert deemed it his responsibility as Treasurer to propose a modest raise for Mr. Tkach. This was especially true because in Mr. Tkach's former position he was not the highest paid employee of the church.

Although Mr. Tkach asked that his salary not be raised, Dr. Schnippert, over Mr. Tkach's objection, recommended to the Board (after Mr. Tkach had excused himself from the room) that a raise be granted commensurate with his new job. The Board agreed and his salary was raised. Incidentally, his father, Mr. Tkach Senior, was paid less than Mr. Armstrong's highest salary. In addition, Mr. Tkach Senior lowered his own salary further not

long before his death. The Board decision was to pay Mr. Tkach Junior a lower salary even yet. Thus, his wage is the lowest of any pastor general in the history of the church.

Any cuts made in benefits to ministers were made long AFTER headquarters managers and supervisors had made cuts in their own areas of responsibility. Over 630 people have been terminated from headquarters in the last eighteen months. This number is more than twice the current count of the entire field ministry. These cuts in personnel were made in order to reduce the impact of falling income on our ministry and church. Even so, the church's income has dropped more than half in the last two years. In spite of all this, the ministers have been the least affected by the cuts of all categories of employees.

Further, even now, in spite of our falling income, when a field minister is appointed to a new position—such as Regional Pastor—his salary is usually raised or he is given a subsidy for extra service.

17. *In view of the memberships' concern over the vagueness of past financial statements published in the Worldwide News, will you consider, in the future, a more detailed and specific financial disclosure?*

We have for many years published an annual financial statement in our church newspaper. We did not do it last year because the reports were very late due to Mr. Tkach's illness and other factors. We intend to publish our financial statements again this year. Some people have suggested that financial statements are not clear to anyone but accountants, so we may choose a simpler approach next time. It is true that many people are not able to read financial statements, but they certainly are not ambiguous or vague to the informed reader. They comply with normal business standards.

18. *Why was the building fund policy dropped after having been publicized? (While at the conference, Glen Weber told me that the reason was because, in some states, it was illegal. Nevertheless, he said that this was supposed to be resolved by the end of 1996.)*

This question mistakenly assumes the truth of falsehood. The local church building fund policy was not dropped at all. Mr. Weber's statement about illegalities is not correct either (although he may have been told that for a local congregation to simply open a bank account and put money in it for a church building was rife with possible legal difficulties, which, if handled so simplistically, it is).

19. *Is the illegality because local churches are not incorporated within their own state?*

No. Monies sent by a person for a restricted use are subject to strict accounting procedures and laws which the average church pastor is not acquainted with and thus likely to inadvertently contravene to his detriment. We simply ask pastors not to do this so they won't make inadvertent mistakes which create a liability for them, their members, or the church.

20. *What is the present status of this project?*

The building fund is alive and well and is moving steadily ahead. Mr. Covington should know this as Dr. Schnippert reported on its progress in the Pastor General's Report in recent months (while Mr. Covington was still in our employ). Our plan is to enable church members to give toward a building for their local church and make sure the money is used for this purpose. This requires, of course, that strict legal and accounting rules be complied with to insure the proper use of the money. Dr. Schnippert has a draft of the effectuating documents and, along with his staff, should be able to review them within this next month. The whole system for local church building funds should be up and running by the end of the year. As you can imagine, the sums in this account could eventually run into the millions of dollars and the system must be set up carefully.

Most, if not all, of Mr. Covington's statements and implications about church structure and finance are simply untrue. In many cases, the truth is the exact opposite of what he alleged or implied. We don't know where he got his information, but the fact is he spoke without the facts about matters he clearly knows nothing about. He has misled many people by his irresponsible statements.

In summary, Janis, it is our hope that you will understand the above to be a forthright, good-faith attempt to respond to your questions. We hope you will find our responses to be as objective as we know them to be truthful. We thank God for the glorious truth of the gospel of Jesus Christ, and thank him for revealing it to us. It is our mission to proclaim our Lord and Savior.

In Christ's service,

Greg R. Albrecht
Editor-in-Chief, *The Plain Truth*