

Investigation team outlines preventative steps

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By Marv Knox

Editor

The Baptist General Convention of Texas must take seven steps to prevent misappropriation of its church starting funds, the research team that [investigated allegations of financial abuse](#) in the Rio Grande Valley told members of the BGCT Executive Board during a called meeting Oct. 31.

Charles Wade, executive director of the Executive Board, pledged to implement some of those suggestions. Executive Board members also voted to create a liaison between the convention and churches in the Valley, who felt the sting of abuse.

Michael Rodriquez, Brownsville attorney and former federal prosecutor, outlined and explained the results of the 5-month study to the BGCT Executive Board.

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“One of the most serious concerns raised by this investigation was that the

BGCT did not respond appropriately,” noted Diane Dillard, a Brownsville attorney and leader of the investigative team.

Dillard and her colleagues proposed seven recommendations for preventing financial abuse in the church starting program:

- **Guidelines for church starting should be reviewed and revised.**

The investigators called for “clear and unequivocal” church starting policies. For example, current guidelines do not stipulate what should be done with unspent church starting funds when a church does not survive.

They also stressed that accountability measures should not be “suspended or relaxed for special pastors.” Their report indicated BGCT church starting leaders exempted at least three pastors in the Valley—Otto Arango, Aaron de la Torre and Armando Vera—from policies applied to other church starters.

The investigators called for additional measures, such as clearly detailing how a sponsoring church is expected to handle BGCT funds, depositing church starting funds directly into segregated bank accounts for each new church, reviewing each church’s progress before releasing funds, and determining what to do with “leftover” funding.

In a report issued after the investigators’ presentation, Wade told the Executive Board a task force had studied the convention’s church starting process this year.

“This group … has prepared new principles and guidelines for our church starting efforts in conjunction with our accounting department so that financial safeguards will be integrated into the very fabric of our approach,” Wade said.

The guidelines, which are to be implemented by Jan. 1, include “red flags”

that will “scream out to us that something may be questionable and needs to be promptly researched and reviewed,” he said.

“We are determined that what has happened to us shall never happen again.”

- **The BGCT needs more accurate and accessible information about “mortality rates”—the percentage of new churches that fail and the percentage that remain active.**

Investigators noted the BGCT reported 357 churches were started in the Valley from 1999 to 2005, and 157 (44 percent) still are active. Of the Valley churches started by the four sponsoring groups headed by Arango, de la Torre and Vera, the BGCT reported 258 with 100 (39 percent) active.

Key recommendations

- **Review and revise church starting guidelines.**
- **Gain accurate and accessible information about new-church mortality rates.**
 - **Integrate recordkeeping between BGCT program areas.**
 - **Institute better internal controls over disbursements and hire an internal auditor.**
 - **Give the BGCT accounting department authority to control and design the reporting system.**
 - **Respond immediately to allegations of impropriety.**
 - **Trust, but verify.**

However, the investigation presented a starkly different picture. Of the 357 total starts, only 62 (17 percent) remain active. And of the churches started by the three pastors, only five (2 percent) still are active.

Dillard noted better tracking mechanisms would be needed “even without the fraud.” The high mortality rate of church starts in the Valley should have called into question the feasibility of Arango’s church starting system, she explained, acknowledging, “Decision makers can’t make good decisions” without clear information.

- **Recordkeeping needs to be integrated and coordinated between Executive Board program areas.**

Within the Baptist Building, a single church start has been tracked by three identification numbers assigned separately by the church starting center, the accounting department and the information systems department. This process made tracking and accountability time-consuming and tedious—and sometimes impossible, Dillard said.

“The inability of the BGCT to correlate data kept under three different numbering systems impeded the progress and dramatically increased the cost for the investigation. It also prevents the presentation of meaningful data to decision makers,” the investigators’ report said. “The BGCT should have a system whereby all data regarding the funding of a new church, including all transactions, can be easily accessed in one location or reporting mechanism.”

Wade told the Executive Board the staff is implementing accounting and information technology processes “that will make it possible to evaluate by region and type our church-planting efforts.”

- **Better internal controls over church starting payments are needed,**

so documentation can be verified.

The investigators cited discrepancies between documentation and procedures maintained by the church starting center and the accounting department.

An internal auditor might be useful to streamline and monitor the internal controls, the investigators recommended.

Wade noted the Executive Board already had heard a recommendation from its audit committee that an internal auditor be added to the staff, and that step is “now in process.”

- **The BGCT accounting department should control and design the reporting system.**

While other departments could give input to the reporting system’s design, the final decision should rest with the accounting department, the investigators suggested.

- **Response to allegations must be immediate.**

Every charge of impropriety “must be considered serious and deserving of immediate action,” the investigators advised. They suggested the internal auditor could investigate such allegations.

- **Trust, but verify.**

“Relying on trust is a central tenet of the BGCT’s faith-based ministry,” the investigators observed. “Relying on trust, although an admirable trait, does not serve accountability measures well.

“The church starting center is not a business, and some may argue that it

should not be viewed or policed like a business. However, the BGCT is the steward of the money given for missions work; therefore, those funds and their use should be monitored, documented and controlled.”

Wade promised to strike a balance between trust and verification.

“We will continue to build within our staff a culture of mutual trust and shared vision,” he said. “We will not abandon the gift of trust because of these lapses. But we will implement ways to inspect what we expect. We will continue to trust one another, but we will verify every report and action.”

The Executive Board also will “continue to build a staff that takes joy in serving God through the work of our BGCT ministries,” Wade said.

“We have some of the most wonderful people I have ever worked with on this staff,” he added. “They are gifted and committed. They work hard. They have been through a very difficult time the last 24 months as we have reorganized our governance and restructured the staff organization. We are beginning to see the early fruits of this reorganization, and we are eager for next year.”

Admitting the church starting scandal has been “painful, discouraging and embarrassing,” Wade vowed to press on. “The staff will move forward together to achieve the mission our convention has set before us. We will encourage, facilitate and connect churches in their work to fulfill God’s mission of reconciling the world to himself.”

In an interview, Wade said this episode would not force him to step down.

“I believe I’m the best person to lead us through this,” he said. “I know the nature of what we’re dealing with, and I intend to fix it.”

Near the end of their meeting, the Executive Board voted to take steps to

“build bridges” between the board and Baptists in the Valley.

They approved a motion to “affirm the work and ministries of the many pastors and churches of the Rio Grande Valley that continue to do the work of the Lord Jesus Christ.”

They also called for establishing “a liaison between the BGCT and the churches of the Rio Grande Valley to further the effective work of church planting in the Valley.”

Managing Editor Ken Camp contributed to this report.

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