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For 17 years, preacher Bill Gothard has packed auditoriums from coast to coast with a message of strict morality and biblical authority that has influenced millions of Americans, including more than 250,000 in Southern California.

His six-day, rally-like seminars are based on the belief that God's divine authority is passed through a "chain of command"—a specific, detailed formula for living.

Conflicts can be solved, Gothard teaches, if employees obey their bosses, children obey their mothers, wives obey their husbands and husbands answer to God.

"He seemed so perfect and right on . . . the most godly and humble man," Lin Entz, a former key figure in Gothard's Chicago-based \$40-million-asset empire, said recently.

Lately, a different picture has been emerging.

According to two lawsuits filed in U.S. District Court in Chicago, Gothard's Institute in Basic Youth Conflicts more resembles its name than the idyllic ministry portrayed in his seminars.

Preacher's Message of Morality Hypocritical, Disgruntled Ex-Employees, Followers Charge

The class-action suits, on behalf of disgruntled ex-employees and "alumni" of Gothard seminars, allege that Gothard family members and the institute board of directors misappropriated money, allowed "improper or extravagant expenditures of corporate funds," breached contracts and that some defendants obtained "sexual favors resulting in physical and emotional damage to former employees."

The suits heap new controversy on an organization already reeling from the effects of a sex scandal, charges of extravagance with "the Lord's money" and allegations that Gothard, 47, and his brother, Steve, 35, exerted extraordinary psychological control over institute employees.

Former Gothard employees, basing their charges on interviews, notes and an investigation over a period of years, allege that:

—Steve Gothard, the institute's second-in-command, at staff meetings confessed to

sexual relations with seven institute secretaries over a period of years. He also allegedly admitted on several occasions to becoming involved in sexual perversions with some of the women.

—Steve Gothard, in an incident mentioned in a lawsuit, directed an aide to buy pornographic films and Steve later reimbursed the aide with institute money.

—Bill Gothard was told of many of his brother's sexual indiscretions years before the matter was properly presented to the institute board of directors. Later, in July, 1980, Bill Gothard announced in a letter to thousands of his followers that his brother Steve and the involved women were fired after two mass confessions in the presence of the institute staff.

—Bill Gothard, according to one of the lawsuits, used institute funds for personal use, including building an expensive retreat, buying antiques and taking trips on the corporate jet.

—Bill Gothard was seen by staff members patting and fondling women employees. Later, he admitted in staff meetings that these actions were "moral failures" on his part.

—Bill Gothard's personal secretary of more than nine years charged in a 10-page account of "personal grievances" that he twisted Scripture to achieve "total control" over her mind and emotions. She said he dictated how to compose letters to her parents; her personal nail care, makeup and dress; which friendships she could develop; whether she could date or marry, and where and with whom she spent her free time.

It finally came to the point, she said, where she found herself beginning her prayers, "Dear Bill . . ."

No member of the Gothard family would talk to The Times about the lawsuits or events leading up to them.

"Some wrong and unfortunate incidents occurred in 1980 and before," one of two attorneys representing the Gothard institute said in a long telephone conference call. "Some have been taken care of."

The attorneys said allegations of financial

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Preacher Bill Gothard, whose institute and relatives are object of lawsuits by former employees.

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wrongdoing and cover-up were "groundless."

Regardless of the merits—if any—of the lawsuits, an acrimonious dispute rages with former employees of the institute on one side and the Gothards and the institute's tightly knit six-member board on the other.

How could the puritanical, Bible-based ministry of Bill Gothard apparently stray so far in practice from the principles he so ardently espouses in his seminars?

Spreading out reams of notes and documents that had filled a suitcase, 10 persons—former staff members and staff relatives—poured forth to a reporter tales of anguish and their reasons for finally taking their grievances to court.

Entz, the former chief pilot for the institute's \$2.4-million Learjet (now sold), said, "We gave him a loyalty that should have been given to Jesus Christ himself."

"God's people always wanted a king over them," added Len Nair, former Southern California regional director for the Gothard institute. "We're no different. There was our perfect king."

Even Gothard's detractors acknowledge that thousands of "graduates" of the Gothard basic youth conflicts seminars have testified to the help that they say they have received: inner peace, self-acceptance, a healthy family life, better relationships and a guideline for righteous and moral living.

Gothard's one-day advanced seminars for pastors draw thousands in cities from coast to coast, and many of the 40,000 "alumni" ministers recommend the basic course to their parishioners.

"Sure, he has helped many people," Nair continued. "But in many ways, this man has destroyed lives and character. . . . We think all godly men should hold Bill to a godly standard."

Bill Gothard, a short, self-assured bachelor who lives with his parents, began conducting his seminars in 1965. The institute, a nonprofit corporation, is headquartered in three attractive buildings on 250-acre grounds in the plush Chicago suburb of Oak Brook.

Quickly Grew in Popularity

The rigidly controlled seminars (registrants must attend every session and promise not to share seminar materials with outsiders) quickly grew in popularity, particularly among fundamentalist groups. That happened even though Gothard advertised his schedule only by word of mouth.

Although most of Gothard's present seminars are videotapes of earlier lectures, he personally conducts a few, including those in Los Angeles. The next is scheduled in the Long Beach Arena April 26 to May 1.

Many seminars draw from 5,000 to 15,000 people. Last year the institute took in about \$8 million from seminar fees. Attendance has dropped off in some cities since the revelations of scandals, however.

From the beginning, a veil of secrecy has surrounded the organization and Gothard himself. He rarely allows interviews. No financial statements have ever been released to seminar "alumni" or to the public.

In his seminars, Gothard compares being under God's authority to being covered by a protective umbrella. Dire things happen to a person or his offspring when he is removed from the umbrella's protection, Gothard warns.

Seminar participants learn such things as the three steps to resolve feelings of inferiority, three ways to respond to physical defects, five steps to resolve family

'We gave him a loyalty that should have been given to Christ himself.'

conflicts, seven steps to take when a command from someone in authority violates the Bible, and seven steps to cleanse one's mind from the defilement of listening to an evil report.

There is no room for ambiguities, and much stress is laid upon correcting conflicts and on sexual morality. Gothard warns against kissing during dating, for example.

As one Gothard follower said, when the institute board was first told that Steve Gothard had "defrauded a girl," board members thought that meant he had "held her hand and maybe winked once."

Moral, Morale Problems

Although moral and morale problems allegedly had been building in the top echelons of the organization for at least six years, they did not rupture into public awareness until the summer of 1980.

Under pressure, institute officials dismissed the seven secretaries and Steve Gothard. Bill Gothard Sr., father of Bill and Steve, resigned from the board. Bill Gothard Jr. temporarily stepped down as head of the institute.

Milwaukee attorney John McClario, a member of the executive committee at Bob Jones University, was brought in to chair the board during a three-week interim until Gothard Jr. took over again as institute president. McClario is now legal counsel for the institute.

During the 1980 uproar and its aftermath, more than 50 of the institute's 75 staff members quit or were fired. Long-simmering unhappiness over Gothard's methods and some of his teachings boiled over.

The focus of many of the pointed questions was Northwoods—the institute's lavish 3,000-acre retreat and research center near Watersmeet in Michigan's remote Upper Peninsula.

Steve Gothard and several secretaries spent much of their time at the lush retreat until they were dismissed. The center includes a 16-bedroom chalet, a lodge, a three-lane bowling alley, a hangar large enough for two Learjets and a 5,000-foot paved airstrip. And there is what Bill Gothard has referred to as his personal "small log cabin."

People who have been to the Northwoods retreat speak of its beautiful mile-long lake, the fancy antique furnishings at Crazy Bear lodge—including a \$9,000 backgammon table—and, at one time, a \$100,000 collection of exotic duck decoys that Steve Gothard obtained for a display.

Estate Defended

Bill Gothard in the past has defended the Watersmeet estate, which was originally purchased as a wildlife refuge, as not being overly lavish. Institute attorney McClario said at least some of the land has been donated and deeded to the institute by Steve Gothard and that none is now owned by Gothard family members.

Forms filed with the Internal Revenue Service for 1979 (the latest year the institute has filed) show that \$17 million was spent on land and buildings, including the Watersmeet estate. (IRS 990 forms for tax-exempt organizations are available for public inspection, but religious organizations are not required to file them.)

One man who has insisted on a "full audit" of the institute—in particular Northwoods—is the Rev. Sam Schultz, an institute board member from its beginning. Schultz resigned in December, 1980, complaining that he was unable to muster support to "influence the future direction of the organization."

An audit for 1980 was made, although its scope and thoroughness are apparently known only to members of the present board.

Wendell Bird, an attorney speaking for the institute, sent a Times reporter a copy of a letter written by James P. Huber, a partner of Price Waterhouse & Co. The firm conducted the audit.

The letter, originally sent to the institute directors, said the organization's financial records were "maintained on a satisfactory basis" and that internal controls were "adequate to safeguard the assets." The auditors conducted a special check of finances at the North-

woods facility and found them in order, the Huber letter says.

But a financial statement—which would include income and expense figures and explanation—has never been published. A request by a Times reporter for a copy was not fulfilled.

Huber declined to talk on the record about the audit.

Although they speak emotionally about the alleged financial irregularities and sexual harassment that was the basis of their lawsuit, former institute employees seem more concerned about what they perceive as hypocrisy in the Gothard ministry.

And they say that basically nothing has changed since the 1980 shake-up.

Bill Wood, former administrative director for the institute said, "Promises were made, but after January of 1981 it was a face lift. It's the same face and the zits are still popping up."

Even though the institute board reportedly voted to enlarge itself to nine members in the summer of 1980, it still has only six, a fact confirmed by McClario and Bird.

And although several area committees—including those in Los Angeles and San Diego—withdraw their invitations to host Gothard seminars until problems could be cleared up, Gothard put on the seminars anyway and replaced the dissident personnel.

Huffed a departed Gothard executive, "Bill teaches how to resolve conflicts scripturally, but he resolves his by firing them."

One of the two lawsuits filed in Chicago asks for \$3.5 million in damages on behalf of former employees who, the complaint alleges, were underpaid, not paid for overtime and denied "all retirement and property benefits."

Bird and McClario told The Times that such obligations, including severance pay, had been met.

Saying that some disgruntled ex-staffers "may be greedy, thinking they can make money," Bird declared: "No legitimate claims have been turned down, to my knowledge."

He added, "The institute wants to resolve the problems and clean up" any wrongdoing.

Complaining ex-staff and seminar alumni also want accountability.

They say they have tried to follow the Bible principles their mentor, Bill Gothard, taught them.

"First, we went to Bill privately," said Tony Guhr, a former Gothard aide who at one time was charged by the board to look into the problems. (Later, McClario fired him.)

"Then we went to the (institute) board and then Bill's church board. Finally we took it to the Christian Legal Society, hoping they would arbitrate. I'm sorry it's had to go to civil court. This . . . is the saddest thing that has happened in my life."