

Southwestern Baptist Theological

Seminary Report

Aaron Sligar, West Virginia (Trustee)

This is a report regarding an in-depth review of financial transactions that occurred from 2019 until Dr. Greenway resigned in 2022. It was requested that Dr. Jordan Rogers and I review these documents to determine if a deeper review was needed by Pattillo, Brown and Hill.

After an exhaustive review of the financial reports as well as conversations with John Rayburn, Megan Das, Colby Adams, and several trustees I have concluded that a deeper review of these items by Pattillo, Brown and Hill would only confirm what we basically already know. The only way to understand where all the money had gone is to complete a forensic audit which would be extremely expensive and time-consuming. We already know that Dr. Greenway and others, demonstrated a freedom in the finances of the Seminary.

In addition to the financial freedom has been well documented by John Rayburn, Chairman of the BAC. It was also discovered that the President's house renovations account was used as a bucket to throw fixed asset additions into not just by Dr. Greenway but others as well. Another example of exorbitant type of spending is over 12 million dollars that was spent on renovation projects, primarily to offices and cabinet member homes, i.e., the remodeling of Fleming Hall to include the JBR conference room for approximately \$843,000 and a remodel of the HR & VP area for approximately \$386,000.

For undetermined reasons Dr. Greenway's closest staff failed to approach him regarding finances. This prevented the protection that the seminary needed to control the out-of-control spending.

The deficiencies that I have observed during this review along with review of policies revealed that current policies have no oversight and no obvious disciplinary actions listed within the policy. The credit card policies differ from Executive Staff to Faculty.

In addition to the financial picture that we have seen and clearly understand regarding Dr. Greenway it was uncovered during the review that there was American Express agreement entered into, and that contract contained personal guarantee from the card holder and included personal information (Full Name, DOB, SSN, etc.) this was done without the faculty/staff members authorization. This made the faculty/staff financially responsible for the card payments if SWBTS failed to pay. When bills were paid late it began to affect the credit scores of the individuals. This level of incompetence opens the door for the seminary and/or credit card manager for possible contract violations or legal issues.

Also, possible Donor Designation changes: Endowment distribution funds were changed from designated funds to operations funds i.e., John and Pat Carlson Endowment Fund for Spring

Practicum, "Revive the Nation." This will take time to research the accounts and to discover who made the changes and under who's direction.

The level of incompetence of some of the upper staff and even those surrounding them have left this seminary in *(changed from "is" to "in" (4/18/23))* a vulnerable situation. This could lead to lack of trust from donors, lack of trust within the SBC, as well as leaving them and possibly the seminary exposed to outside investigations and potential criminal proceedings.

After reviewing the financial reports, the policies, and personal interviews there is a definite need for corrective actions to be put in place. Dr. *(added "Dr." 4/18/23)* George West has been instrumental in beginning to identify the policies that either need to be updated or created. The recommendations will aid in focusing us on correcting the deficiencies that have been found. Other policy changes or the creation of new policies may need to be conducted later to continue to establish guardrails to prevent further abuse.

The Presidents position does still need some financial freedom for day-to-day decisions of operating the seminary. We do not want to impede that and that is what the approved budget is for. The CFO should be able to monitor the funds of the seminary without fear of unjust removal from their position.

**Recommendation 1:** *Renovation projects (capital improvements) should have a budget for the project that is presented for approval by the trustees. *(similar recommendation given by someone else)**

**Recommendation 2:** *Mandate at a minimum 70% of work to be performed by seminary staff. If not able, then an explanation will be submitted to the executive committee to explain the need for outside contractors. *(similar recommendation given by someone else)**

**Recommendation 3:** *Produce a Waste, Fraud and Abuse policy that would establish a needed reporting mechanism to outside entities/agency to allow for a safe environment for reporting without fear of retaliation. *(similar recommendation given by someone else)**

**Recommendation 4:** *Update or all our current policies that can be enforceable, have oversight and the disciplinary process is clearly outlined. *(similar recommendation given by someone else)**

**Recommendation 5:** *Policies will contain the necessary information to obtain credit cards. Copies of those requests will be maintained as part of the individuals human resource file. No card will be issued to anyone that does not provide the information voluntarily.*

**Recommendation 6:** *Develop a program to review the donor's intent with the current use of the donation. Review samplings of the current donor's and the intent and compare to the Colleague System to track any changes.*

**Recommendation 7:** ~~*The bylaws should be amended to reflect that the CFO should be recommended by the President but confirmed by the Board of Trustees. The removal of the CFO*~~

~~can be recommended by the President and presented, for final disposition, to the Board of Trustees.~~ (Removed prior to the report being given to the full board of trustees 4/18/23)