



Gardenia M. Henley/Diplomat/Ret.
*“The Tough Issues Must Always Be
Addressed And Dealt With Effectively”*

THE HENLEY REPORT VI

ABUSE OF POWER BY CHURCH AND STATE

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August 5, 2013

MEMORANDUM

FOR: The City of Winston-Salem, N.C.

FROM: Gardenia M. Henley Diplomat/FSO/Ret./Winston-Salem, N.C.

SUBJECT: **THE HENLEY REPORT VI**
Abuse of Power by Church and State

I am presenting the Henley Report VI to empower and inform the citizens of Winston-Salem, N.C., relating to the current local and political events which affect your tax dollars and your right to choose your elected officials.

Background

I have issued several Henley Reports. These reports identify numerous allegations of Illegal and Unethical Conduct, Fraud, Waste, Abuse and Mismanagement, Relating to Certain Individuals, the City of Winston-Salem and Forsyth County Government Officials.

Report Objectives

I performed this review to identify the following objectives:

- 1. Do Government Officials Serve in an Unbiased Fashion and Effectively Manage and Invest Our Tax Dollars?***
- 2. Do the Leaders of the Winston-Salem, N.C, and Vicinity Ministers Conference Serve the Citizens of Winston-Salem, N.C. and Vicinity in an Unbiased Fashion?***

To answer these objectives, relevant federal, state, and local laws, requirements and guidance, were used as the criteria for this report. I relied in part on my own observations and audit/investigative field work, affidavits, interviews with ministers and citizens of Winston-Salem, and statements received from persons familiar with individuals in this report and who had expertise in certain areas. I also reviewed relevant federal, state, local laws, regulations, guidance, and other documentation, to reach general conclusions relating to the objectives as stated in this report

THE HENLEY **REPORT VI**

Preventing and Detecting **Fraud, Waste, Abuse and Mismanagement**

I am Gardenia M. Henley, a Retired Diplomat, and award winning Inspector General Auditor-in-Charge for the Department of State/Agency for International Development. I retired in 2005 with over 2 decades of experience preventing and detecting, fraud, waste, abuse, and mismanagement. I am one of the first pioneers that helped to start the U. S. Department of State's Office of the Inspector General's Security and Intelligence Division which was initially formed as a result of the U.S. Congressional *Inman Report*. I am a decorated Viet Nam Era Veteran of the U.S. Air Force. Based on my experience, I know the faces of corruption all too well both in Winston-Salem, N.C., nationally and internationally.

This is the Henley Report VI which clearly presents allegations of unethical conduct committed by various elected officials and some religious leaders. Some individuals and officials have willfully violated Federal, State and Local laws. *The Henley Report VI is available in English, Spanish, French, Chinese and Arabic and can be found on line at:*
WWW.THEPEOPLESCANDIDATE.ORG.

ABUSE OF POWER BY CHURCH AND STATE

The city of Winston-Salem often selectively gives money to various individuals as well as local religious leaders. However, there are many leaders of churches, especially the newly established and smaller ones who are left to fend for themselves and struggle to provide needed services to the community. Many churches, even the smaller ones often are instrumental in the community because they are the pillar of help, especially to the homeless and they also feed the hungry, just to name a few services that these religious institutions provide. I know this because I have met with and spoken to many religious leaders and members of various churches, synagogues and mosques throughout Winston-Salem and the state of North Carolina. I am proud of the service that these institutions provide to the community, and I have noticed how some truly struggle to make ends meet as they reach out to help the community.

Based on my knowledge, investigations and observations, I must say with conviction that the city government of Winston-Salem should be more conscious of not creating an unwritten policy that selectively favors some religious sectors over others. Especially in regards to giving money, special services or recognition to certain religious institutions who were selectively chosen over others for what ever reason. Favoring or giving money to certain religious sectors and ignoring requests from many others is a matter of great concern to myself and other community leaders. For better economic development, we must evaluate and recognize the services of all religious sectors especially those who are providing a needed and well documented service to the community during these financially difficult times.

The city's lack of financial prudence has caused many religious leaders to become corrupt and ignore the basic teaching of the holy word within their religion. Winston-Salem's economy, as well as its budget, is greatly challenged even with the sale of major assets. I have noticed that some religious leaders have entered the political arena because they are part of the favored few who receive our hard earned tax dollars from the city officials of Winston-Salem. This is an obvious lack of oversight on the city government's part, which negatively affects the basic principles of these religious sectors. In return, a lack of oversight, negatively affects the congregation and the community in which they serve, especially when this money does not reach or meet its intended goal or purpose because some religious leaders are lining their own pockets with the money that they receive.

Also a comment that is long overdue is that there are some members of the Winston-Salem and Vicinity Ministers Conference, who are not effectively helping the community. They too have fallen prey to the government's ill practice of disbursing funding to favored individuals. Also a few of these members are not as well informed as they should be concerning the current day to day governmental policies and practices, and do not understand civics or their civic duty. This problem is negatively contributing to the racial divide in Winston-Salem.

A good example of the effects of a few individuals and sectors lust for government funding and favors can be clearly identified. On February 19, 2013, I presented the Henley Report III (Part One) to Rev. Willard W. Bass, Jr. and other members of the Winston-Salem and Vicinity Ministers Conference. Also, on April 18, 2013, I presented the Henley Report III to the Baptist Ministers Conference under the auspices of Rev. James Fullwood. I asked on the behalf of the Sanitation workers that both institutions and its' members assist the employees with their call to justice. These employees brought forth well founded and documented issues of OSHA violations, very poor working conditions, harsh and hostile work environments and many instances of abuse of power. To date, no leading members of either of the two ministers conferences has come forward to address their concerns. It should be noted that, many members of their congregations are passionate and want to help these sanitation employees who so

desperately need the help that the conference leaders may be able to provide. They are also aware of and are familiar with the elected official's conflicts of interests and abuse of power.

It should also be noted that, the Henley Report III (Part One) extensively addressed matters relating to other well founded alleged instances of abuse of our tax dollars and of conflicts of interest by elected, appointed and other government officials including Mayor Allen Joines of Winston-Salem. However, instead of the responsible ministers addressing these issues, they reframed and ignored all calls for assistance. I understand that it is their prerogative to act or not, however, I am putting my view to the test as the leaders of these alliances as well as others allowed their names to be placed on a "list of supporters for the current mayor." Normally, this is not a problem and it is great for any candidate to have support. However, I know that most of these leaders have a nonprofit entity with 501(C) (3) status. Accordingly, the IRS has absolutely prohibited them from directly or indirectly participating in, or intervening in any political campaign on behalf of, or in opposition to, any candidate for elective public office. At least one member of these alliances, N.C. Senator Earline Parmon is fully aware of this prohibited act, as stated by the IRS. In fact, I mentioned the same problem in The Henley Report One dated, February 5, 2011. I am mentioning this problem again, because these individuals know that they are violating the IRS guidelines. Also, at least one of Mayor Joines co-campaign managers, Mr. Jim Shaw is violating this IRS 501(C) (3) guideline, as the President of the Liberty CDC which is a nonprofit entity as well. This problem will not be ignored and it does not set a good example for the younger generation who will follow in our footsteps. It is wrong and it must and will be addressed and dealt with effectively. Furthermore, the community and parishioners rely on their leaders to do the right thing, as they have a vested interest in these establishments as well.

My position is not to mix church and state, although in Winston-Salem and elsewhere, we all know that there is no true separation of church and state, as evidenced with the work of the Winston-Salem and Vicinity Ministers Conference, who are repeatedly called on for help by elected officials. I will say that there are some conference members who are excellent examples of model religious leaders. These leaders who follow the religious word are the voices of reason. However, with others, it is clear that their decisions in some cases are biased, thus they set poor examples for the community. These leaders have benefited from the personal use of our tax dollars, some in the form of forgiven debts. Their souls are laced with gratitude to certain city officials including the mayor of Winston-Salem, and thus, they have ignored their loyalty to God and the unbiased call to service. A few religious leaders have stated to my campaign members and myself, that financially, "the Mayor has helped them out," yet for some, the money has never reached their church. Their loyalty to God and service has been compromised.

The Henley Plan for the City of Winston-Salem will provide oversight into how our tax dollars are spent. It will include assuring that financial considerations will only be made to the individuals and religious sectors that have a proven history of helping all of the community, regardless of creed or color and without discrimination. The practice of the city of Winston-Salem elected officials giving money out without oversight and to corrupt and undeserving individuals and institutions must be arrested. The impact of this undocumented practice negatively affects the community and economic development. The playing field must be leveled in order for the religious leaders to do their commanded work without this shameful influence from government for the political votes and/or endorsements. The city government of Winston-Salem will no longer play a role in this unethical behavior.

This report is also needed to identify another instance where, as stated by Bishop Todd Fulton of the Winston-Salem and Vicinity Ministers Conference, Senator Earline Parmon, asked him to arrange a press conference in an attempt to overturn the Forsyth County's Board of Elections Non Discrimination Policy. This policy was discussed on July 30, 2013 at a Board of Elections meeting. The Mayor of Winston-Salem sent an email asking the Forsyth County Board of Elections to open two polling locations that

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would favor him as a candidate for mayor of Winston-Salem. In return, the requested polling locations would not favor me and another candidate for mayor of Winston-Salem. I agreed with the Forsyth County Board of Elections well founded decision which was not to discriminate against any candidate including myself thus, they denied Mayor Joines request. However, others who have everything to gain and lose disagreed, calling the board's decision "voter suppression." On August 1, 2013 Bishop Todd Fulton called me by mistake and left a message, saying that he wanted to arrange for a press conference. I returned his call and clearly explained to him why the Board's decision was fair and not biased towards anyone, as he stated that he did not clearly understand why the press conference was requested by Senator Earline Parmon. Again, the board for the minister's conference has decided to take a discriminating stance, at any cost, which also attempts to impede justice. Their impassionate plea is scheduled to take place on August 6, 2013, and again will present yet another violation of the IRS 501(C) (3) guidelines. The citizens of Winston-Salem should be allowed to choose their candidate for mayor without the biased so called religious sector's influence, especially because it is for the wrong reasons, for the love of power and money.

I would like to thank the hundreds of religious leaders in Winston-Salem, N.C., and vicinity, who abide by the rules of their religious beliefs and who follow God's Rule regardless to how hard these difficult financial times may be. Thank you for loving Winston-Salem enough and for trusting that a new day is around the corner. I can fix Winston-Salem's economy so that the leaders will not be *lords of poverty*. Please continue to know and understand the consequences of corruption and the impact that it has on the community. Also, please continue to ethically and legally help all of the people of Winston-Salem as I do. Let us all take a stance against this shameful type of corrupt behavior.

CONCLUSION

I have written this report and made these comments in spirit and I stand by every word as being the truth. Mayor Allen Joines and Senator Earline Parmon made these last minute requests out of desperation. The Winston-Salem and Vicinity Minister's Conference has fallen prey to what I call, misguided behavior. Senator Earline Parmon has many partners in crime, since the days of the old L.I.F.T. program. Which was forcibly closed down by the State of North Carolina? There are former L.I.F.T. students who never received their school transcripts and some who graduated from the L.I.F.T. program who cannot read and write. On the other hand, there are also a very small amount of students who are grateful to Senator Earline Parmon for having turned their lives around. I will never forget my conversations with the students and the staff members who played an active role in that program.

Finally, I have three other Henley Reports to be issued at a later date, as sometimes it takes the truth a bit of time to unfold. I am dedicated to the citizens of Winston-Salem, N.C. I would again like to thank everyone who helped to make me who I am today and my campaign volunteers and the citizens of Winston-Salem who clearly understand it is time for a change. I hope that most of the citizens of Winston-Salem are pleased with who I am and that the ones who are not pleased with me, will grow to understand what I represent and will behave. I want to serve you as your Mayor of Winston-Salem, and I will not cheat or lie to the public to win.

TO READ MORE ABOUT ME, TO DONATE TO MY CAMPAIGN, TO READ OTHER REPORTS AND TO REVIEW THE SUPPORTING DOCUMENTATION FOR THIS REPORT: PLEASE VISIT MY WEB SITE AT: www.thepeoplescandidate.org

MAY GOD CONTINUE TO BLESS WINSTON-SALEM, N.C.

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