

Prophecy Countdown Update: Spring 1995

PART ONE OF THREE

That immense loan which we warned against has been obtained and, on Tuesday, January 31, 1995, the Maine shortwave station was purchased. Because of all that has happened, at the present time, Prophecy Countdown now has \$300,000 a month in required financial obligations.

We have been asked why we earlier reported on the Maine project—when no one else would. But, as you will read below, an immense black hole has been made, which, when the final default occurs, will take with it all the money poured into it.

Yet this crisis did not have to happen. Warnings were given, but they were not heeded. Here is a brief overview of the situation, along with a current update:

1 - In early 1994, we were in the process of preparing a lengthy study on financial waste in the Christian Science Church (CSC), as a lesson to our own denomination. It is a study in white elephants. Leaders, who had taken control of that large denomination (with a membership composed primarily of wealthy people) had, within a little more than a decade, reduced the CSC to financial shambles. They had done it by building or buying a television station, a national TV broadcast, and three shortwave stations. Everything, with the exception of the last two shortwave stations (in South Carolina and Saipan) turned out to be white elephants. Each media operation was not adequately reaching its intended targets, and was costing too much to operate, even though the CSC has 700,000 members; many of them very wealthy.

2 - I had wanted to cover this CSC debacle in detail for our people, but did not have access to the information needed. After considerable praying, the thought came to mind that if I telephoned a certain place, I would get the information I needed (and you can know it was not CSC!). I placed that phone call. After hearing what I had to say, a certain individual said he would send me the information I needed to report on the CSC financial crash. Shortly afterward, I received over 100 news reports spanning several years. In going over that material, I uncovered the truth about the Maine station.

I was thankful to receive that information, for our people needed the warning of what the Chris-

tian Scientists had done to nearly destroy their previously wealthy denomination. Then I wrote up and sent out *The Christian Science Lawsuit—Part 1-3* [WM—515-517].

3 - In that mind-boggling collection of news stories, I learned that WCSN (the Scott's Corners shortwave station in Maine, later sold to Prophecy Countdown) had been a trial balloon which had not succeeded. The CSC found it cost too much to build and operate yearly in relation to the poor response it was receiving. So they then built a station in a better location (WSHB, in South Carolina), which had a far better broadcast coverage (see news clip on page four). Then they added another (KHBI, on Saipan) to provide still more coverage.

4 - Nearly all of the white elephants collapsed, and had to be sold off at an immense loss to the CSC. All this is detailed in our printed report. One media venture, which no one would buy, had to be dismantled and sold as separate equipment. **Only one item sold for more than half its value,—and that was the Scott's Corner station, which Prophecy Countdown (PC) bought at the asking price!—close to the original cost of construction and equipage** (\$5 million of the original \$7 million). If PC had waited, it could have acquired the station for about \$2 million.

All of the above points are covered in detail in *The Christian Science Lawsuit—Part 1-3* [WM—515-517]. Copies of these tracts are probably still available from us. When it was written, PC had not gone through with the purchase and could have saved itself millions of dollars. But it did not do this.

5 - When we realized the implications of all this, we recognized it was our duty to give these facts to faithful Advent believers. They should know that PC was dickering to purchase one of CSC's white elephants, and at a price far above what they needed to pay in order to acquire the station. They could easily lower their price by \$2 million, and still get the station.

6 - PC was pleading for a massive infusion of donations, with which to purchase the Maine station for \$5 million. Yet the station was not worth that much money because it was so far from the equator, could neither achieve the international range, nor have the powerful signal response needed to warrant \$5 million for the station and

\$2 million a year in maintenance costs. Should not our people be told this?

7 - So a second research study was prepared (*The Maine Shortwave Station—Part 1-2 [WM-518-519]*), which detailed the problem of the possible station purchase.

8 - **Then the news broke that it would only be Osborne's corporation which would own the station!** In spite of the fact that friendship with Osborne meant free preaching time on his telecasts, over the years several independent ministries had separated from Osborne because of his off-camera arrogance and self-centeredness. Yet, through it all, John Grosboll and Bob Trefz had steadfastly remained with him.

But we were also surprised to learn that they had finally separated from him. They had been close enough to Osborne to recognize that it would not be safe for him to have sole control over its management and teachings. **All they asked was that Osborne place the station in a separate corporation with broader control by the donors. That was a reasonable request, but Osborne refused. He told them it was his station, and no one else could have it.**

9 - However, none of them were giving much comment about the split. No one wanted to stir the waters and possibly lower their own incoming contributions, yet the believers needed to know what was happening! **Do you not think, with so much money involved—five million—that our people ought to know about the rift, its causes, the concerns, and that the super-expensive station that people were pouring money into would be controlled by one man?**

10 - To add to the crisis,—**shortly afterward, the latest in a lengthy chain of firings occurred at Prophecy Countdown.** Firings had taken place for years at PC. We have friends you can phone who can tell you about them. But, in one week in March 1994, several PC workers were canned or pushed out. A primary reason was that some had suggested that Osborne ought to consider turning the station over to a corporation with a broad range of board members. What would be wrong with doing that? But Osborne was outraged at the very thought.

11 - *So A Developing Tragedy—Part 1-2 [WM-521-522]* was written, which discussed the problem. I wrote it as accurately as I had the information, but there were flaws in the information given me. What kind of flaws? I later listed them in detail in *Analysis of Prophecy Countdown List of Errors [WM-531]*, copies of which are probably still available from us. (An event happened on a different day in the same week; a person said something while

sitting, and not while standing; a remark was made on television one week earlier; etc.) Every flaw was a minor point which was not significant. **But the big issues which I had brought up—Prophecy Countdown totally ignored.**

Here were only a very few of them: The station never had adequate coverage, and primarily reached western Europe which was preoccupied with television viewing. PC was only receiving a few letters from non-Adventist listeners. Other independent ministries wanted the station controlled by a broad range of board members chosen by the donors. Federal controls over international shortwave stations precluded the possibility of it being used during the final crisis. Worldwide air time on shortwave could be obtained for far less money—without buying a station. One man should not control a station costing so much. Osborne prepared a six-hour video showing error on my part. A friend watched it all and told me that not once on that video were any of the basic problems I raised mentioned, discussed, or denied.

12 - On that video, several PC workers testified that Osborne was right and his detractors were wrong. Since then, I have received a letter from one of them. He and his wife were later fired, and he wrote that he was very sorry he had said anything on that video. **He had not wanted to do so, for he knew too much about PC, but he was urged to do so—and did so, knowing he dared not refuse. But he knew, at the time, he should not be doing it.**

13 - When Prophecy Countdown denied that there were problems, I prepared *More on the Crisis at Prophecy Countdown—Part 1-2 [WM-527-528]*.

14 - At about that time, I received a list of the names of the 22 people fired or forced out, by Osborne, in recent months. (I have also been told of others fired since then.) **Repeatedly, over the years, the best of our people have gone to work for John Osborne, and then either have been ousted or they quit outright because they were tired of hearing his swearing in the hallway when he was in a rage.**

15 - There are a sizeable number of former PC workers who know what Osborne is like when he is not before the cameras, but who fear to speak publicly lest he get them. Over four years ago, one woman told me that the pressure there was terrible, but that neither she nor her husband dared say anything openly. John said he would get them if they did. John can put his face up close to you, and speak in threatening tones to frighten you half to death. He is a big man, strong, and quite frightening when in one of

his rages.

16 - But there have been a few who are willing to speak.

Here are their names:

Howard Anderson: 904-734-8874. Call him first. For several years he was a pastor on Osborne's broadcasts, as well as a board member. He was with Osborne five years. When someone phoned in a complaint, the call would be handed to Howard to soothe. A man of mature years, he is a fine man, and, in an easy-going manner, he will tell you the facts.

Terry Ross: 904-383-3071. Terry was the next generation back, and worked at Prophecy Countdown from September 1991 to August 1993. He can tell you about conditions there during that time.

Dennis McKeever: 904-687-1310. Dennis is the third generation back, and worked at Prophecy Countdown from October 1989 to January 1991. He was on the PC board from January to November 1990. He is quite knowledgeable.

A more recent firing involved **Richard and Bonnie Carlson, and their daughter Kimberley: 904-742-3222.** It was another pitiful story. They later wrote it up. You can obtain a copy from them or from us (ask for the *Carlson Letter*). Osborne ordered the mother and her daughter into an office and threatened the two with firing—if the daughter did not go down to the music store, buy modern music, memorize and practice it, and sing it on the telecasts. He told them that was the way to get the money coming in from the donors, and they would either cooperate or out they would go. There is more to their story. Ask for a copy.

17 - Then, in late 1994, I prepared *Prophecy Countdown: After the Loan—Part 1-2 [WM 557-558]*. That report is filled with facts you need to read, if you have not already done so. You can obtain a copy from us. **Osborne initially said that, if he did not raise the \$5 million for the station, he would return the funds. Later over television, he said that he would not return the funds if he did not reach the goal.** Within a month, over television he solemnly promised that he would return the money if \$5 million was not received by a certain date in late spring, 1994. **But when only half the \$5 million came in, Osborne said he was going to borrow the rest of the money—and a lot more besides!**—But that loan would effectively lose all the money to the bankers, when the loan later defaulted.

The problem was that—after the loan was completed—so much income would be needed for monthly payments, that there was the very

real danger that the station and all the entrusted donor money would be lost. I say “entrusted,” because the donors had trusted Osborne’s promise to return the money if not enough came in to purchase the station with cash.

18 - The donors had given approximately \$2.5 million (\$2 million, plus jewelry and gold which PC was unable to sell for the amount it wanted and so still has) toward the \$3,560,000 still owed on the station. So \$3.8 million was borrowed by Prophecy Countdown at 10 percent interest. In addition to the high interest, the bankers demanded that the note be paid out in just 6.86 years! John wanted that station for his very own, and he went ahead to obtain the loan. Osborne would not accept the fact that, if the donors could not come up with more than \$2 million in cash to start with, they would be unable to come up with the money needed to repay the immense \$3.8 million loan, plus interest! So all the money they had already given was in hock to the bankers. Yet, in addition, the white elephant would have to be fed. Osborne had earlier said it would yearly cost \$2 million—alone—just to maintain the shortwave station. That is an expense entirely separate from the loan payments. And both are separate from the other monthly expenses at Prophecy Countdown.

This is the money which PC had to pay out each month, before borrowing nearly four million dollars:

\$31,000 each month - for the PC Florida budget.

More than **\$6,000 each month** - as interest payments to the “partners” who loaned PC about \$800,000 earlier.

That totals **\$39,000 each month**—before PC took out the \$3.8 million loan.

This is the amount which PC must pay each month, after the big loan is borrowed:

\$64,000 each month - principle and 10 percent compound interest on the \$3.8 million, 6.86-year loan.

\$31,000 each month - on the PC Florida budget.

\$166,000 each month - operating expenses for the Maine shortwave station.

More than **\$6,000 monthly** - as interest payments to the earlier-lending “partners.”

That totals more than **\$267,000 each month**, which must be paid monthly by Prophecy Countdown after taking out the loan—all apart from any new projects or activities.

That is \$3.2 million a year!

19 - And why is so much money being poured

into the Maine station? Ostensibly, it is done in order to reach souls with the message. **But, in one of our earliest appeals on the subject, we pled that, if Osborne was not receiving at least 10,000 letters a day from inquiring non-Adventist listeners, the money would be better spent on preachers, books, and other methods of evangelism.** At the time, Osborne well-knew that he was receiving hardly any mail from those hearing the shortwave broadcasts (he began broadcasting over that station early in 1994), yet he went ahead anyway and kept asking for donations, and then borrowed millions more—to buy a station which was not reaching the people!

In late summer of last year, I was told, by a recently fired member of the PC board, that **he doubts that even 10 letters a week arrive from overseas listeners! After eight months of operation (by that time) hardly anyone was listening! That was exactly why the Christian Science Church sold the station!**

When will we learn? The people of God are always following after a smooth speaker who promises them the moon. They pour money into projects which accomplish almost nothing. What they need to do is go next door, give out tracts and books, and start Bible studies.

20 - It was initially agreed to purchase the station for \$5 million (\$5,000,000) TOTAL. But, now with the loan in place, the station will STILL cost \$5,265,509—IN ADDITION TO \$1,440,000 of the donor's money.

21 - Why only \$1,440,000? Although believers sent in about \$2.5 million in donations for the station, **Osborne neatly kept a chunk of the \$2.5 million at PC—and only applied \$1,440,000 of it toward the new station!** The rest of the total amount needed for the station he borrowed at 10 percent interest!

22 - The shortwave station will have cost a grand (grand?) total of \$6,705,509 before it is owned free and clear. In addition, every year, \$2 million will be spent on station upkeep. The maintenance, alone, amounts to \$20 million every 10 years!

23 - The maintenance, alone, is enough to sink an Independent Ministry, even if the station had been given to them free. The best thing the Jesuits could do to us would be to give us a shortwave station free of charge, or, even worse, talk us into buying one! Trying to feed the white elephant would stop nearly all other forms of evangelism and eventually consume us. Especially when almost no letters arrive in response at the station.

24 - **For the amount of money it costs just to pay the yearly operating expenses on the Maine station, 333 full-time foreign missionaries could be paid US\$500 a month to work overseas.**

And that could be done, if the money had been placed in the control of a wide-ranging board of directors, composed of laymen from all over North America. That is what we pled for a year ago.

Prophecy Countdown must now take in \$3,204,000 each year in order to survive. For that amount, 534 full-time missionaries could be sent to Europe, or wherever else the large committee decided to send them.

25 - We also clearly pointed out a year ago (in *The Maine Shortwave Station—Part 1-2 [WM—518-519]*), that **international shortwave transmissions are heavily watched and controlled by the government. Do not expect that the Maine station will be a “loud cry station.” It will be quickly stopped when the National Sunday Law Crisis begins.**

26 - **When the Final Crisis begins, according to the Spirit of Prophecy, only door-to-door evangelism and the publishing work will continue.** Think not that worldwide evangelism—now or later—will be managed by a Florida-based organization under the control of one man.

27 - **Ironically, one former board member of PC, after leaving that organization a year ago, contracted to preach over a shortwave station reaching into Central America—for only \$12.50 for each thirty-minute broadcast!**

Another Independent Ministry discovered it could broadcast over a station which would cover the whole earth (which the Maine station clearly could never do, because of its northerly location, inadequate equipment, and inferior antennas)—for only \$200 for each one-hour broadcast!

28 - Why is it possible to broadcast over shortwave for such a low rental price? Because **there are thousands of shortwave stations in the world!** Shortwave is not like AM and FM in America. On a shortwave set, there are hundreds of broadcasts going at any one time, and most folk only own a small, weak set, which can only bring in the nearest, most powerful signals.

29 - All this was discussed a year ago in our earlier publications, but Prophecy Countdown went ahead and borrowed the money anyway. In one of his first broadcast statements on the matter, he said

Continued on the next tract

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Continued from the preceding tract in this series

he was going to get the Maine station "so Folkenberg couldn't get it." What a reason to go way out on the limb and tie up millions in believer donations.

30 - Blaming the whistle-blower is not the solution. The crisis arose because the Independent Ministry leaders recognized the shortwave station was too costly in initial purchase and yearly upkeep for one man to control its ownership and teachings.

The crisis continues because Prophecy Countdown went ahead and borrowed a massive amount of money, when it was obvious that the donors could not give enough to even purchase, much less maintain or pay off a loan for, that station.

The crisis continues because the station brings in so few inquiries from non-Adventist listeners. The crisis continues because the money could be better spent on renting shortwave broadcast time and sending out hundreds of preachers and millions of pieces of literature.

What is the present status at Prophecy Countdown?

The sale of the station, by the Christian Science Church (CSC) to Prophecy Countdown, was finally completed on Tuesday, January 31, 1995 (see attached news clip). The money was "entirely paid in cash,"—but most of the money was borrowed from the bank. In contrast with the Maine station, which reaches western Europe (which mostly views television) and north Africa (with a rather small population of Islamics), the South Carolina WSHB station of CSC can reach North America, South America, Central America, Canada, Europe, and Africa (see news clip, which clearly notes that the Maine station was a trial-run mistake). Keep in mind that the Christian Science Church had 700,000 members, many of them very wealthy. Yet even they did not dare maintain the Maine station. They found it was not worth the money spent.

That purchase involved the paying of \$3.5 million by Prophecy Countdown to CSC. **That left an encumbrance of \$270,000 a month which PC must continue to pay in the years ahead for the station and its other current commitments.**

But the ever-mounting monthly payments keeps increasing. It never stops. This spring, Osborne contracted to go on about a dozen cable stations in the U.S. We are told he has already signed the contracts. This will add \$30,000 a month to PC's already heavily burdened financial load.

Add \$30,000 to the \$270,000 and you arrive at \$300,000 a month which Prophecy Countdown must receive from donors each month in order to pay its bills. Assuming a thirty-day month, that is \$10,000 each and every day.

We have, on file, the legal papers regarding the Adventist John beat up with his fists in a Florida restaurant, for saying to his face that which John did not want to hear. Some have said that Osborne should be supported, because he preaches the truth. But do you support a man who, when not on camera, does such things?

A continual string of firings and ousters occur at Prophecy Countdown. Only by almost total silence or slavish devotion can anyone long survive there. Yet, if you phone there, you will speak only with certain women. **You will not speak with John.** The women who work closely with him, know that he dare not get on a phone, because the slightest suggestion or correction will cause him to explode.

It was John's profanity during a violent rage which finally drove Dennis and Elaine McKeever out of Prophecy Countdown. Here is the story of what happened to them: