

‘The Best Days of Our Ministry Are Ahead of Us’: GFA to End Years-Long Legal Battle

This week, Gospel for Asia announced the soon conclusion of a three-year-long legal challenge that threatened the ministry’s survival.

The class-action lawsuit, which accused the ministry—founded by K.P. Yohannan 40 years ago this year—of racketeering, fraud and financial mismanagement is being resolved via a settlement agreement between the parties, according to the “preliminary approval application” filed today. The settlement procedure was ordered by the court in an attempt to satisfy the plaintiff’s concerns about Gospel for Asia before the scheduled trial.

“For three long years, our ministry wondered more often than I’d like to admit if we would survive this ordeal,” said K.P. Yohannan. “We are so incredibly thankful for the prayers and the ongoing support of our many faithful friends and partners. We look today toward the future with optimism in our hearts, ‘being confident of this one thing: that He who began a good work in [us] will continue to perfect it.’”

Yohannan continued, “I’m most proud of the fact that we managed to continue to serve those in need even as we fought every day to survive ourselves.”

The settlement is not an acknowledgment of guilt by Gospel for Asia and, in fact, the settlement agreement reads in section 1.6, “[Gospel for Asia’s] position is that the evidence demonstrates 1) all funds designated to the field were sent to the field and used for ministry purposes; and 2) no Individual

Defendant, as defined herein, received any improper personal gain or enrichment from or related to donated funds. Without admitting any liability or wrongdoing whatsoever and expressly denying any such liability or wrongdoing and while maintaining they have substantial factual and legal defenses to all claims and class allegations in the Murphy Litigation and Dickson Litigation ...”

Late last year, an article one Christian publication cited unsubstantiated allegations that as little as 13 percent of the donations given to Gospel for Asia had actually made it to the field, making it particularly notable that the settlement agreement explicitly states that all donations given to the ministry did indeed make it to the field.

Specifically, section of the agreement reads, “The Parties also mutually stipulate that all donations designated for use in the field were ultimately sent to the field.”

“The fact of the matter is that Gospel for Asia did not act fraudulently, and all the donations they received made it to the field” said Johnnie Moore, acting as a spokesperson for the ministry, “The agreement to settle was, in part, precipitated by a concern that the ministry could continue to bear the weight of defending itself. Class action lawsuits are enormous burdens for large, for-profit companies. So, one needs just to imagine the weight of an action like this against a not-for-profit organization. The good news is that the lessons learned from this burdensome series of events will make the ministry stronger.”

As stipulated by the settlement agreement, approximately 200,000 Gospel for Asia donors will be eligible to receive a portion of the agreed-upon settlement payment.

“Gospel for Asia is essentially refunding donations,” said Moore. “The ministry hopes that those who receive these funds will simply turn around and donate the same amount of money to

another worthwhile ministry. Their desire is only for the Lord's work to be done."

As part of the settlement negotiation, Gospel for Asia also proposed offering a seat on its board of directors to the very plaintiff who brought the lawsuit against the ministry.

During the legal proceedings, Gospel for Asia retained one of America's big four accounting firms to conduct an objective analysis of the flow of Gospel for Asia funds to the field. The ministry also continues to undergo annual audits conducted by Payne, White and Schmutz and those audits have been unqualified ("clean").

Gospel for Asia also intends on seeking membership again in various accrediting bodies. The ministry will further set up a subcommittee on its board that will include the plaintiff, for the purpose of monitoring the implementation of the settlement agreement and other issues relevant to it.

"We believe with all our hearts that the best days of our ministry are ahead of us," said Yohannan. "We hope and pray our friends will join us in this vision."