

Early History of Compassion

(Notes taken 5/8/04 per a conversation with Wally Erickson and Ed Anderson)

Compassion's early days were based on Everett Swanson's personal management style. Everett was a Godly man who believed that as Christians we are called to trust fellow believers. He felt that accusations towards other Christians were not appropriate and he did not approve of taking action against the person. This early style of management directly influenced Compassion's work in Korea and set the course for a lot of misrepresentations of Compassion's ministry.

In the early 1960s, Everett Swanson hired Peter Kang to run the operations and the country office in Korea. Living in Chicago, Everett could not be involved in the day-to-day business and management of Compassion's work in Korea, so Peter was given full control of all activities and financial matters.

As Peter began to fulfill this role, it quickly became clear that his intentions were more for personal gain than for business practices. Korean custom allowed the giving of gifts to show appreciation to business associates. During this time, Peter not only searched for ways to receive gifts from businesses, but also from our local child projects.

Peter began closing Compassion bank accounts and re-opening a new bank account every month or two so he could receive new gifts from the different banks. In one instance, it was rumored that he received clothing and a piano as gifts. He would also send the monthly support to the orphanages but then required kickbacks from them.

Everett's niece, Sally Swanson, was sent to Korea to begin evaluating the health of children in the programs. As a nurse, she began working with teams of nurses (both Korean and American) to assess the health needs of children at projects. This was the first health monitoring system used by Compassion. Due to the conservative nature of the culture, women were not allowed to travel unaccompanied. As Sally began to travel, the project superintendents informed her about the kickbacks being required from Peter. Realizing the severity of the situation, Sally informed Everett but he was hesitant to take action because he did not want to doubt Peter's intentions.

For several more years, Peter continued to develop the Korean office and employed 150-200 staff during the 1960s. At this point in Compassion's history, all of the sponsors names and addresses were kept in the local office. Peter began corresponding directly with the sponsors asking for additional financial help and requesting that the funds be sent directly to the Korean office. Sally again mentioned this practice to Everett, but Everett was not ready to accept this information. Although a couple of sponsors contacted the Chicago office regarding this practice, there were not enough complaints to draw attention to the matter.

Also during the 1960s, Bob Morgan was hired to work as a spiritual pastor with the projects in Korea. He traveled to the projects, visited homes of children and preached

regularly. Bob also learned of Peter's misuse of power but again Everett was not willing to accept these charges.

Everett continued to stay in Chicago and was disillusioned with what was happening in Korea. Neither Bob nor Sally was able to visit all projects/homes in Korea. They both came to accept that Compassion had 180 projects with thousands of children — though they had not visited every project.

At the time, Compassion successfully advertised itself in Reader's Digest. Many American missionaries living in Korea were familiar with Compassion's reputation and became infuriated with the advertisements. The missionaries knew the reputation of Peter Kang and felt that the advertisements were not representative of the Compassion they had heard about in Korea. The missionaries wrote Everett and mandated that he clean up the problems in Korea or else they would expose Compassion's problems to Reader's Digest.

In 1964, under much pressure, Everett decided he must take action. He finally realized the extent of Peter's dishonesty and fired him. Although this was a necessary decision that had to be made, there was still a lot of work to be done in Korea. The firing of Peter Kang did not take care of the bad reputation Compassion had acquired over the years.

Everett began advertising in Moody Monthly for a manager for the ministry in Korea. Ed Kimball answered the ad and was hired for the position. He began to work with the 200 Korean staff and had the challenging job of learning who to trust. Many of the employees still felt a loyalty to Peter Kang and had "adopted" his bad practices. But changes had to be made if Compassion's ministry was to be successful in Korea.

During this time, Compassion was shipping many gifts-in-kind from Map International to Korea. It was believed that many of the projects were taking the products and selling them in the market to keep the funds. Many products were diverted and sold. Both Compassion staff and superintendents had been involved in this practice.

Trying to initiate a change in the "way of doing things," Ed began to hold funds from two very large orphanages in Seoul. He began instituting this level of integrity with the Compassion staff as well. Ed began visiting projects in the middle of the night to validate that the children were in fact living at the projects. In his visits, Ed found that many of the children listed were not living at the projects or even orphans.

The staff were unhappy with Ed's new approach to management. For so long the country had not had any accountability. The Compassion staff and superintendents joined together, formed a union of sorts, and began to dictate to Ed what would be acceptable and unacceptable. The 2-3 large orphan homes in Seoul made signs and posters and paraded the children in the streets to protest the changes Ed was enforcing. The staff accused Ed and Compassion of stealing the funds intended for children and contacted the media to tell their side of the story. Several newspapers carried the photos of the protest. It was clear at this point that the corruption was widespread among Compassion staff and project superintendents.

In the meantime, Ed had begun helping to build two missionary homes in Seoul with funds donated from several churches. Since the materials were imported through Compassion's organization there was no duty or import tax paid on the materials. In fact, no tax was due since it was under the Compassion "umbrella" but the staff workers and superintendents informed the police that Ed was breaking the law and had a warrant issued for his arrest. Ed had become the target of the staff and project superintendents.

Hearing the news, Henry Harvey instructed Ed to take his family to Tokyo for their safety. Ed fired all of the Korean staff and closed the office in Korea and then left the country.

When Henry Harvey flew to Korea to meet with the officials and discuss the situation the disgruntled staff, again involved the media. Many newspapers included stories about Henry Harvey and accused him of being the "head crook" since he was Ed Kimball's boss.

The situation and relationships in Korea remained tense for several years. In March of 1968, Wally Erickson was hired and sent to Korea where he headed the ministry for four years.

During his first five months in Korea, Wally made a point to visit all of the Compassion projects and verify the status of each child. He visited all 180 homes and found that homes that had reported having 800 children actually had many less. The visits were made between midnight and 4:00 a.m. to insure the accurate situation was revealed.

Wally also contacted the department of child welfare and met with government officials. He met with them weekly to seek their advice and thanked them for their time and council. Three officials were assigned to work with Wally. Dr. Mary Lee, a retired federal judge and one other. He asked the officials for the government's goals for these types of children homes. He sought out ways that the government and Compassion could partner together for the best interest of the child.

In their discussions, Wally discovered that the officials wanted to close many of the homes because the future direction of the government was not going to support these homes as it had in the past. Wally asked if he could submit a recommendation of which homes should be closed. He began a rating system for all Compassion homes. Based on these ratings funds would be reduced or held. The officials liked this approach and it allowed Compassion to influence and phase out of some of the projects while having the support of the local government. The officials informed Wally after one year that he no longer needed their advice.

Wally cancelled 30-40 homes during this time. Eventually the total number of homes dropped below 100 homes throughout Korea.

After Everett's death Miriam (Everett's widow) was very upset with Compassion and did not like hearing the negative stories regarding the ministry. She did not want to hear

about the problems with the staff and projects in Korea. Miriam continued, during this time, to visit the projects in Korea and was treated as an honored guest. The project superintendents gave her special attention and gifts. Her involvement made it really hard to continue “cleaning up” the situation in Korea.

At this point, Henry Harvey realized that Miriam was not a positive influence on the change that needed to take place at Compassion. However, Miriam was the founder’s wife and had been very engaged with the ministry from the beginning. Henry decided to create Compassion Relief and Development so that Miriam could focus her work in a different area. Henry was the official president of Compassion Relief and Development until his retirement then Miriam became the president. After Henry’s retirement, Wally Erickson became President of Compassion International. Miriam also served on the Board of Directors of Compassion but reported to Wally as a staff member. This reporting relationship and her board position did not work very well. Wally met with the Board of Directors (Elmer Olsen, Gus Hemwall, Bob Kinny) and agreed that he would try to make the reporting relationship work but that he may need to come back for a change in personnel.

After 3-4 years, Wally informed the board that the situation would no longer work. He told them that Miriam would have to leave or he would submit his resignation. The board agreed to support Wally’s decision. Over a weekend, Wally, Ed Kimball (now the director of program), Dave Olsen and Jim Floyd helped move her furniture and files out of the office and in to her garage office space.

For several years, the leadership of Compassion tried to find ways to include Miriam on staff so they could justify leaving her on salary. She was not well situated monetarily after Everett’s death and the ministry felt a moral commitment to help her. In 1975, this arrangement ended.

Through these trials Wally and the members of the board became very close. They were charged during this time to bring change to a very difficult situation. During the 1980’s, new board members were added to Compassion and they never fully understood Compassion’s early history.

The early years of Compassion’s ministry were poorly managed and there was little understanding of the Korean culture. Funds were misused and Compassion’s reputation in Korea was damaged because of this due to the corruption. Overcoming these challenges and rebuilding Compassion’s reputation as a ministry took many years.

There were many heroes on staff with Compassion, as well as the Board of Directors who worked very hard to regain the integrity of Compassion’s ministry. This point in our early history should serve as a constant reminder of the importance of Compassion’s integrity.

History of Compassion Presidents

1952-1965 Everett Swanson
1966-1974 Henry Harvey
1975-1993 Wally Erickson
1993- Wess Stafford