

Allanya Guenther sat quietly, appearing remarkably composed as critics passed judgment on her ability to execute her duties as executive director of Phoenix Rising Foundation, a Portland-based sexual minority nonprofit social services agency straining to extricate itself from a financial morass.

"How should I, as a community member asked to give money, feel confidence in writing checks to Phoenix Rising?" probed Rick Schmidt, a self-described small-business man who previously served on the agency's board.

He and roughly 60 others turned out for a Feb. 1 public meeting at which Phoenix Rising staff and board members fielded questions about the organization's immediate past and future.

As reported in the Jan. 22 issue of *Just Out*, some biting revelations about the 21-year-old group's financial stability—or lack thereof—were recently made public. They include the executive director's discovery last July that the agency had not paid federal or state payroll taxes, not to mention many routine bills, for several months.

Guenther has blamed "suspected financial malfeasance" by a former Phoenix Rising employee for the imbroglio. She also suspects that person, who was responsible for handling the agency's finances, may have embezzled roughly \$40,000.

Meanwhile, the combined debt to the Internal Revenue Service, state and vendors was approximately \$125,000. In response, the agency's investment reserves were liquidated to pay off a large portion of the overdue bills, but a balance of several thousand dollars is still owed to the IRS and other creditors.

In short, the events threw Phoenix Rising into a highly precarious position; so dire was the situation the board voted Jan. 11 to close the agency by mid-February.

Guenther, however, strived to forge an agreement with Network Behavioral Health-Care Inc., a nonprofit agency that provides an array of mental health services, to handle administrative support for Phoenix Rising, including billing and financial management.

Sensing it was the only way to keep Phoenix Rising afloat, the board voted to pursue a contractual relationship with Network, which has served the Portland area since 1980. Network's programs include Roots and Branches, which provides counseling and outreach services to sexual minority young people.

During the Feb. 1 gathering, Guenther stressed that her agency is still in business, providing services as it has in the past. Her assurance was followed by some scrutinizing from participants.

So why the apparent shroud of secrecy about

COMING CLEAN

Phoenix Rising Foundation gets a little public probing about its near death experience by Inga Sorensen

the situation? quizzed a man who described himself as a longtime contributor. "I didn't even know there was a crisis until now," he added.

Guenther responded that some confidantes initially advised her not to go public until the financials could be sorted out. She also feared fund raising would be hampered—if not destroyed—if word got out.

Still, Mark Sannes, who joined the board in August, said he was "fully briefed about what was happening and never told to be silent about anything."

As for how the alleged financial malfeasance could have occurred for months without detection, Guenther reiterated her claim that "[the former employee] presented very detailed and impressive monthly and quarterly financial statements that indicated everything was fine."

Board treasurer Don Strausbaugh echoed that sentiment, saying the records had been "doctored and manipulated." (The Portland police are investigating the case.)

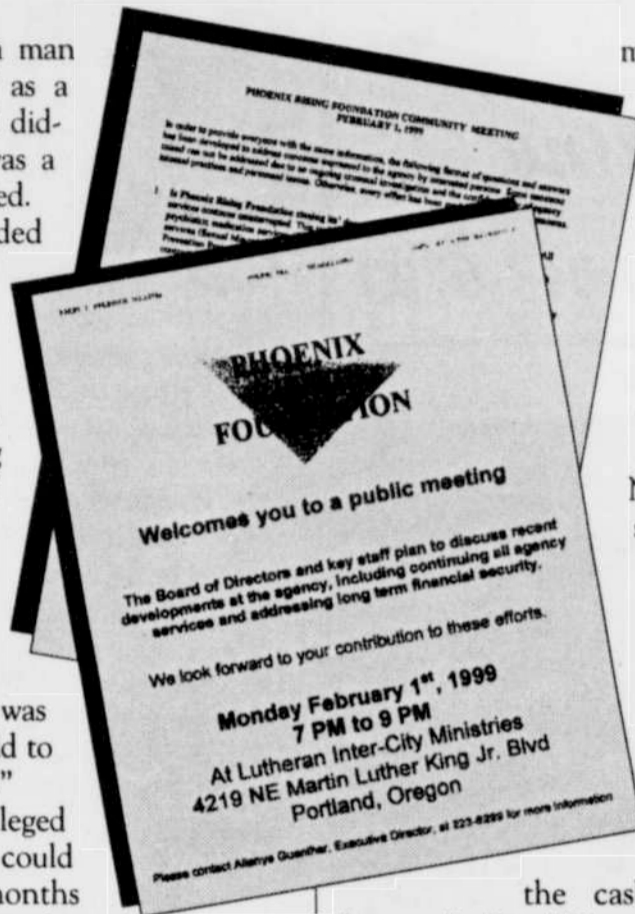
"The bank statements had not been balanced for a year. We didn't know this," he admitted, prompting some to say the board ought to have been aware of it.

Portland attorney Jerry Keene, who has been on the board a few months, said he understands that feeling.

"But you have to look at the fact that the board is made up of unpaid volunteers who meet once a month," he said, adding that it's not the job of the board to go into the office and ruffle through receipts. "Boards don't do that and they shouldn't," he asserted.

Some suggested the executive director, who is in the office each workday, should have been attuned to the agency's financial status. They implied the managerial oversight was lax, and feared the problem would persist as long as Guenther remained in the same position.

"I have lost confidence in the immediate



management," blurted one man.

Keene defended Guenther, saying there were no plans to fire her. "Allanya has the board's confidence," he added.

"So how are things going to be different?" a woman asked.

Keene told the crowd Network is a larger, more sophisticated agency with many checks and balances. For example, while Phoenix Rising has traditionally had one person handling accounting, Network has a dozen.

"The same person who handles

the cash doesn't make the deposits," offered Network chief executive officer Leslie Ford, adding that her agency is "audited, reviewed and fiscally compliant."

Transsexual activist Margaret Deirdre O'Hartigan, meanwhile, questioned whether a relationship should be forged at all with Network, which she says promotes homophobia.

O'Hartigan cited Network's support of the Oregon Office of Consumer Technical Assistance, which helped bring a speaker named Janet Foner to Portland in August to teach re-evaluation counseling, a technique that, O'Hartigan says, "claims to cure homosexuality."

"Is the survival of Phoenix Rising worth getting into bed with people teaching garbage like that?" she queried.

Karla McFarland, who works for the Multnomah County Health Department's HIV program, picked up on the bedfellow theme.

"Despite all the concerns I have about bedfellows, my primary concern is that [sexual minorities], through Phoenix Rising, still have tomorrow and the next day," she said, pointing out that when she was growing up, supportive establishments like Phoenix Rising simply did not exist. "I wound up in a state institution because of who I was," McFarland said.

McFarland also said the county has no qualms about contracting with Network for

administrative services. "They're top-notch," she said. "That's all we're buying here."

Another person asked whether low-income folks, particularly queer youths and seniors, would still have access to affordable services under a Network-Phoenix Rising agreement. (Phoenix Rising has many low-income clients and a sliding-scale fee.)

Keene assured the crowd he was writing down all of their concerns and "would be asking Network these questions" during contract negotiations.

He added that Phoenix Rising is under no obligation to contract with Network, which so far has put no preconditions on its assistance to Phoenix Rising.

Despite the alleged financial misdeeds, Guenther believes her agency was on the road to closure because, as a "small, independent, nonprofit agency primarily serving low-income clients, Phoenix Rising simply cannot generate the cost of doing business."

Small agencies, she says, are going under because of the increasingly complex standard of care, contract reporting requirements, insurance and client billing, and client record keeping and monitoring. Coming under the wing of another, she and the board say, is a way to survive.

Incorporated as a nonprofit agency in 1978, Phoenix Rising Foundation promotes "the common interests and well-being of lesbian, gay, bisexual and transsexual people through mental health, education and other support services."

The agency provides an assortment of counseling services and runs the Sexual Minority Youth Recreation Center, a Portland drop-in facility for queer kids.

About a half-dozen youths were on hand at the Feb. 1 meeting, among them Ellie Wieland, 18, who "wants to see SMYRC stay for youth and by youth," she said.

"I don't want to see it get caught up in politics," said Wieland.

Guenther assured that all donations designated for SMYRC have been used for the center, and that donations raised to date will carry SMYRC through March. However, she indicated SMYRC's current contracts and revenues are falling short of monthly expenses—but the board is committed to keeping SMYRC open for as long as it can, she hastened to add.

Susan Zeidel, a Phoenix Rising founding board member, said the agency has provided a "shelter in the storm"—a shelter that would be devastating to lose. And, while she wishes there had been better managerial oversight and communication, she said she's through being angry.

"It's more sad—from mad to sad," said Zeidel, who astutely noted the role the community played—or failed to play: "We are all culpable."

NEW USERS WELCOME

GET THE LATEST
News, Sports, Summer Events & 50K

Internet Access

Spirit One
www.SpiritOne.com

UNLIMITED ACCESS
\$19.95/MO • \$99.00/6 MOS

NO START UP FEES • CALL TODAY
503-240-8200

E-mail: info@SpiritOne.com
7302 N Richmond Ave • Portland OR 97203
fax 503-240-8205

LOCALLY OWNED • SERVING PORTLAND & VANCOUVER

WILLAMETTE MORTGAGE SERVICES, INC.

- Speed 15-20 day closings
- Good or bad credit
- Self-employed
- Personal service your home or office
- Jumbo loans available
- 0% down programs

503-722-3969

Cory Graunitz
Senior Loan Officer

Coventry Cycle Works

The Best Little Bicycle Shop in the Whole Wide World

(COME SEE WHY!)

Open Tuesday-Sunday
230-7723
2025 SE Hawthorne