# Indiana Jonesing

February 1, 2001 By Doug Allen

Those Midwestern winters are tough to survive. Chicago AIDS Walk-a-Thon ended the year with a $1 million deficit, despite drawing 21,000 participants and raising $700,000 in its 2000 event. The Windy City organization pledged cost-effective changes -- in 1998 the group spent about 56 percent of its budget on fundraising -- as Executive Director Brian Wiley quit amidst the controversy in December.

And AIDServe Indiana -- which disbursed nearly $10 million of state and federal AIDS money annually -- folded in November, just one day after the Indiana State Department of Health (ISDH) notified the beleaguered agency that it would terminate all contracts as of December 1, 2000. The organization had been waiting for the other shoe to drop for several months, ever since the state launched an investigation into the mismanagement of hundreds of thousands of dollars.

AIDServe President Mark St. John and two other senior officials resigned in the group's final weeks, as local and national media covered the flap that stuck the neediest HIVers in the state with bouncing rent checks and prowling collection agencies, calling for unpaid medical bills. Just before resigning, St. John justified the goings-on to a local paper by saying simply, "It just kind of happened." But insiders did not reveal to the press the confession that sealed his fate: On the day of his resignation, St. John told the organization's board that he had put the funds from the organization's annual AIDS walk -- nearly $200,000 -- into an unrestricted account, which was, in turn, seized by the bank as partial payment for the agency's stretched-thin credit line.

"This was an error in judgment that we could not ignore," AIDServe board member Kim Wheat told *POZ*. "Because we only had one account, when the money came in, the bank took it." Even though the group's treasurer had advised St. John months before the walk to open a separate account for fundraising dollars, he failed to do so. St. John defended his decision to *POZ*, saying it wouldn't have made any difference because the bank knew the funds were on the way. "If we'd put that money in another account, and they knew the funds were coming, they'd have felt that we weren't playing fair," he said.

At press time, many Hoosier state ASOs had still not been officially notified that the AIDS walk money went to pay AIDServe's debt. "It's very disheartening to think we've gone a year without payment for some of the services we've provided," said Diana Gray, executive director of the Indianapolis-based Damien Center, whose agency is out more than $90,000 for emergency financial assistance, a buddy program and home food delivery. "This is money we rely upon annually, and this will only make it harder for any agency in the state to raise money."

Until other ASOs can step in with programs that qualify for funding, the state will directly administer services. “Our goal is to ensure a seamless transition to make sure that people who are currently in service do not fall out of service,” said Michael Butler, director of ISDH’s HIV/STD division. While AIDServe board members, ISDH and St. John all admit that they played some role in the financial fiasco, they say there was nothing they could have done.

Meanwhile, major Midwest AIDS fundraisers may have suffered permanent damage to their reputations. “That’s why clients and service providers in Indiana are so angry,” Gray said. “We’re not seeing the acceptance of responsibility for anything.”

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