

to you since that time; however, your card was not mailed. You now have proof you are a member of the organization.

took pictures through the windows of the bus.
Superintendent Joseph Giamalva

the sheriff's department.
"They had been advised by deputies to stay out of the way at least

committee would consider the im-
See Schools, Page 2A

put together the Washington effort after learning about the amendment while he was in Michigan last

ing of higher education is proposed
See Target, Page 2A

Cult Leader Was Always a Step or Two Ahead of the Law

Editor's Note: Con man or saint? Parents and law enforcement officials follow the puzzling trail of Donald DeGraaf and the more than 30 Grand Rapids teenagers in his cult. Third in a series.

Stories By Mary Kramer
And Joan Verdon

Dick Steele remembers Donald DeGraaf as the one who got away.

"I tried as hard as anybody to get that guy," says Steele, a former Grand Rapids police officer who in 1971 attempted to build a case against the young preacher who had convinced dozens of local teenagers that he was a messenger from God.

In the nine years since DeGraaf "got away" from Steele, the prophet from Grand Rapids has frustrated law enforcement officials across the country. Almost to a man, they told The Press they believed De-

Graaf was using religion to collect thousands of tax-free dollars that he spent himself.

DeGraaf has never been arrested or charged with any criminal violations. But police officers continue to investigate him in every state his organization moves through.

The religious movement started by DeGraaf in Grand Rapids in 1968 has attracted the attention of police officers from Florida to New Mexico.

But in almost every case, the investigations ended at the doorstep of the Internal Revenue Service. Many of the police officers interviewed said they turned their files over to the IRS in hopes federal investigators would find the group guilty of wrongfully collecting tax-free funds in the name of a bogus religious group.

IRS investigators interviewed by The Press would not reveal whether DeGraaf is being or ever was inves-

THE GROUP: Salvation or Slavery?

tigated by the tax service.

Dozens of angry parents as well as a former member who filed a \$400,000 lawsuit against DeGraaf and his top disciples also have been stymied in their efforts to stop Grand Rapids' home-grown cult.

Several officers in out-of-state police departments told The Press the FBI is watching DeGraaf and his disciples. But Robert Duhadway, a local FBI agent, says it is unlikely the FBI would be investigating DeGraaf.

"Only in America could something like this happen — good or bad — but that's the way it is," he says. "We ran into some of the same things as these parents' complaints on the Jones thing, but it wasn't until a congressman got shot that there was any kind of major investigation.

"The bureau is reluctant to investigate groups like this. We got burned so bad with the SDS and the Black Panthers that we just don't do this kind of thing any more," he says.

Police officers say there is little they can do to help parents who claim DeGraaf brainwashed their sons and daughters. The Constitution guarantees freedom of religion;

See The Group, Page 2A



Press Drawing by CHARLES ALBRIGHT

The map illustrates some of the major stops in the exodus of The Group from 1972 to the present. At times, DeGraaf's organization was operating Amway distributorships in as many as four cities simultaneously. The group also once owned farms in Salado and Red Oak, Texas. Most recently, the movement's activities have centered in the Southwest, particularly Eagle Nest, N.M., where the group operates a ski lodge.

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if the children are over 18 and not in physical danger, the law cannot force them to leave the group.

Jack Malaney, a beefy New Mexico state trooper, is typical of an officer who is sympathetic to the parents' problems but still has to tell them, "I'm sorry, there's nothing I can do."

Malaney's post is near Eagle Nest, N.M., and The Group's ski lodge. He says he occasionally receives phone calls from distraught parents who want him to visit the lodge and look for a lost son or daughter.

"But there's really nothing I can do," the big man shrugs. "These kids are of the age they can do what they want. I've never gotten any complaints about the place from residents around here. They're a little cold shoulderish, not very outgoing, but that's not against the law."

Some officers, however, have been convinced that DeGraaf and the group are involved in enough questionable activities to warrant police investigations. A few have even risked reprimands from their superiors by continuing to investigate the group after it had moved out of their jurisdiction.

One New Mexico officer explains why he went out on a limb to look into the group on his own by saying that DeGraaf reminds him of the Charles Manson described in the book "Helter Skelter."

"To me, this is the same thing," he says. "He (DeGraaf) scares me. He's messing with people's minds."

Since 1973, a handful of officers in at least five states has shared information about the group in hopes that pooling resources would produce conclusive evidence of wrongdoing.

In trying to keep track of The Group throughout its many moves across the country, police and federal investigators have been stymied by a web of post office box numbers in far-flung cities and a string of titles adopted to satisfy legal rules governing non-profit organizations.

Investigators soon discovered a pattern in The Group's activities: Once the members of the group became aware of an investigation, the movement soon pushed on to another, sometimes secret, location.

The most trouble The Group ever encountered from police probably occurred in Texas, where a number of members and DeGraaf lived from 1975 until earlier this year. The Group operated a goat farm near Red Oak, Texas, until 1978 and then moved to a ranch in nearby Salado.

"We had gotten a lot of complaints about The Group and we heard a lot of crazy stories," recalls Gary Westphal of the Mesquite (Texas) Police Department. "So we just decided to go up there, knock on the door and find out what was happening."

Westphal and officers from the Grand Prairie Police Department visited the Red Oak goat farm on the premise of checking whether or not the youths were registered prop-

erly with local authorities to solicit for "charity" in public places.

The 18 to 20 members "welcomed us with open arms," Westphal says. "They said they made money selling goat milk and through contributions. There was one building on the farm that stored just oodles of Amway products."

Westphal says a member of The Group would visit a Red Oak bank once a week carrying a grocery sack full of small bills and coins — money collected through long hours of soliciting donations in parking lots and shopping centers. "It amounted to a couple of thousand bucks a week," he recalls.

In 1977, The Group, going by the name of Insight, reported to the Better Business Bureau of Dallas that it had raised \$44,664 in four fundraising projects, Westphal says.

Eventually, Westphal and officers from other jurisdictions became concerned enough about DeGraaf's organization that they convened a meeting that drew representatives of about 30 law enforcement agencies.

"We had the Texas Rangers, the FBI, college police because the group was soliciting on college campuses. We had everybody," Westphal recalls.

The meeting did not produce any significant results. Except. The Group soon moved to another location in Texas.

In April, 1979, Margaret Hanus of Albuquerque, N.M. filed a \$400,000 lawsuit against DeGraaf and The Group charging that it had caused her mental anguish and physical suffering.

Hanus joined a group of Grand Rapids disciples in Toledo in 1972 and followed DeGraaf for four years.

In her suit, Hanus charged that The Group had "engaged in activities to insidiously and progressively brainwash" her; had coerced members to turn over their property and earnings; and had acted "insidiously and progressively to destroy the cognitive and independent will of members to physically and mentally abuse, degrade, punish, humiliate and batter them in order to obtain control over every facet of their lives."

Hanus also charged that her experience caused her to develop "severe psychiatric illness" requiring several hospitalizations" and that her "need for medical and physicians' care will continue indefinitely in the future." She also claimed that some of the punishments inflicted in the group — such as jolts with an electric cattle prod — caused her to suffer brain damage and epilepsy.

DeGraaf and four Grand Rapids women — Linda Knight, Judy Mulder, Sandy Johnson and Kathy Radimak — were among the defendants named in the suit.

A number of Grand Rapids parents and former disciples were asked to testify. Many hoped that finally someone had found a way to "get" DeGraaf.

But the case was dropped this fall after both parties agreed to an out-of-court settlement. Attorneys for both Hanus and The Group refused

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to release any details of the settlement.

However, a secretary in Colfax County Court, where the case was settled, read a Press reporter a copy of the settlement. The agreement stated that The Group would pay Hanus \$20,000 by Oct. 31, the secretary said.

DeGraaf hasn't been oblivious to all of the unsuccessful attempts to prosecute him. Former members of The Group say he has been extremely paranoid of the law ever since his first encounter with Steele in Grand Rapids.

Steele caught two members of The Group trying to wiretap the phone of Richard Page, a minister of the Reorganized Church of Jesus Christ of Latter Day Saints here. He was pushing to have DeGraaf removed from the church.

Steele, like other policemen who looked into The Group in later years, became intrigued by DeGraaf and the control he had over his young followers. Steele says he was told by his superiors in the Grand Rapids Police Department not to work on the case because most of the group's questionable activities were occurring outside of city limits, but he continued to look for evidence on DeGraaf on his own time.

He tried to get information out of Group members but none would say anything. "He had them convinced he was God and they weren't going to tell on God," Steele recalls.

He also had trouble getting information from young people who had left The Group. "We had parents who were so frightened they wouldn't let us talk to their children."

"It was the most frustrating thing," Steele remembers. "I was unable to go any further with it. I even had him (DeGraaf) in my office one day and I told him, 'Some day I'm going to get you.' I told him I knew what he was doing and he just denied everything and acted totally shocked. He was a real smooth talker.

"He had the last laugh, though, because I never did get him," Steele says. "He's probably still laughing."

Next: How parents of DeGraaf disciples have coped with the disappearance of their children.

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Cult Members Sold As Though It Meant

If Rev. Sun Myung Moon had been born in Grand Rapids instead of Korea, his followers might have become known for selling Amway products instead of for peddling flowers.

When Donald DeGraaf was searching for a way for his disciples to raise money, all he had to do was look across the street.

DeGraaf worked in his father's company, Ada Manufacturing Co., in the late '60s and early '70s. From his desk, he could look across M-21 and watch Amway grow into a sprawling financial empire.

So it isn't surprising that in the fall of 1971 DeGraaf announced to his teen-aged followers in Grand Rapids that God wanted them to sell Amway products.

From late 1971 until Amway terminated his distributorship in 1977, DeGraaf's religious movement sold thousands of dollars worth of Amway products. Corporate letters and memos obtained by The Press indicate Amway officials had knowledge of the group's cult-like activities as early as 1973. But company officials say they did not have enough evidence to terminate DeGraaf's distributorship until four years later.

Amway's bad experience with DeGraaf's organization did prompt the company to change its policy allowing religious groups to raise funds by selling Amway products.

DeGraaf's young followers in Grand Rapids — many of them cheerleaders and student council members from middle-class homes — believed him when he said they had to raise as much money as possible to survive the "last days." When DeGraaf directed them to become Amway distributors, they apparently sold the company's products as if their salvation depended on it.

Many former members contend that DeGraaf's organization was transformed from a "Christ-centered youth group" into an instrument to make DeGraaf rich as soon as the members began selling Amway products.

The young followers started spending less time recruiting new disciples and more time recruiting new Amway customers. "Ministry is important, but Amway is No. 1," DeGraaf began telling his followers.

Mickey Guiley, who helped found The Group with DeGraaf and who is now a banker in Dallas, Texas, said he left the movement during the mid-1970s because "I didn't feel the love and rapport that was there at the beginning. It was all business."

At the peak of his Amway success, DeGraaf had 311 distributors registered under him. A list of those distributors, compiled by Amway, shows about 75 of them were "disciples" while the rest appeared to be ordinary people who were introduced to Amway by group members and probably had little knowledge of the group's cult-like activities.

William Halliday Jr., Amway's chief of corporate services, estimates that DeGraaf earned between \$2,000 and \$3,000 a month during his years as an Amway distributor. "And that's on the gener-

ous side," he says. "I don't think he made a fortune from the company."

But that estimate represents only DeGraaf's legitimate percentage as a distributor. Most of the former members interviewed said they turned all of their Amway earnings over to DeGraaf.

A number of former disciples said they and the distributors under them often sold as much as \$1,000 worth of Amway products per month. In that case, with dozens of distributors turning over their earnings to him, DeGraaf may have been earning closer to \$10,000 a month during the movement's peak selling years.

One young Grand Rapids man, who left the movement in 1976, told The Press the distributors in the DeGraaf organization were selling \$75,000 worth of products per month at one point and DeGraaf was making a profit of about \$15,000 per month.

From the beginning of his involvement with Amway, DeGraaf violated a number of tenets in the company's code of ethics. DeGraaf's written sales instructions to his followers violated the code by setting sales quotas, telling members to sell door-to-door rather than by using the Amway marketing plan and by encouraging his disciples to use fraudulent selling techniques.

Amway officials and former members have copies of a set of instructions DeGraaf distributed entitled "Retail Day Success" in which he laid down these rules:

"Each disciple must sell \$250 per month."

"Two nights per week must be used for retail selling only. The night begins at 8:30 p.m. either calling on or visiting customers and ends no earlier than 9:30 p.m."

In one section of the instructions, "Suggestion for door to door selling," DeGraaf gave these tips for making a sale: "A line you can use when they come to the door is 'Hi, I'm (name) and there are youth all over (city name) and we're in this contest. Will you help me please?' Look at the person pleadingly with a sincere desire."

Amway obtained a copy of these instructions in 1973 and Halliday sent DeGraaf a letter warning him that he was in violation of the code of ethics and that the company was "strongly inclined to terminate your direct distributorship."

DeGraaf replied immediately with a letter to Halliday in which he wrote that he was "shocked and alarmed" to learn he might lose his distributorship. He denied authoring "Retail Day Success" and said "my first knowledge of these written plans was when you sent them to me."

DeGraaf also enclosed two letters that he said were sent to all group leaders, telling them that there were no sales quotas or time quotas and that "the money made from your Amway income belongs to you, to use however you choose to do so of your own free will."

Former DeGraaf disciples told The Press, however, that they never received those letters, although Amway officials say they checked and

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Amway Products Not Their Salvation



William Halliday Jr., Amway's chief of corporate services, defends early decisions to let DeGraaf keep his distributorship.

were convinced DeGraaf made good on that promise.

In January of 1974 Halliday circulated a memo to top Amway executives stating that he had decided not to terminate DeGraaf's distributorship.

He said DeGraaf had called him from Florida and promised to "deactivate" the group in the Grand Rapids area, to "exercise his good offices to encourage the people associated with him to re-establish their relationships with their parents," and to maintain regular telephone communication with Halliday.

But Amway continued to receive disturbing reports about The Group's activities.

Only a few months after DeGraaf promised Halliday that he would "be a good Amway distributor," the company learned that the Arkansas attorney general was investigating complaints that DeGraaf's followers wore white coats and posed as community health workers while selling Amway vitamins.

Today, Halliday defends that decision to continue DeGraaf's distributorship.

"Some parents would say 'Why don't you do something?' and I'd say, 'Stop and think a minute. At the present time we can keep track of him; if we terminate him, he'll go back to selling combs and we'll lose him forever,'" explains Halliday, who says his own daughter was briefly a member of The Group in its early days.

Halliday notes that Amway voluntarily assisted law enforcement agencies in several states that were investigating DeGraaf. In the early 1970s, the company even offered to split the cost of planting an informant in The Group with the Orlando (Fla.) police department.

At one time, police authorities in Baton Rouge, La., asked Amway to retain DeGraaf's distributorship so the department would have more time to investigate his activities in that state.

One of DeGraaf's most persistent antagonists over the years was Amway's chief of security, James Hiaeshutter. Although DeGraaf hasn't been an Amway distributor for three years, Hiaeshutter, a stocky, white-haired former sheriff's depu-

ty, would still like to see the law catch up with him.

"I'd like to nail him," Hiaeshutter says in his office at Amway's Ada headquarters. "But I'm in private security. There are certain limitations with that."

"I don't have the contacts or the legal authority I once had. But I tried to stir the pot as much as I could ... we just couldn't get him on anything. DeGraaf was always just on the fringes."

Hiaeshutter is something of an expert on DeGraaf's organization and the effect it has on young people. He interviewed dozens of former disciples and their parents while trying to build a case for termination of DeGraaf's distributorship.

The hardest part of the interviews was separating the facts from the rumors, he says. "You don't know what's truth and what's fiction because you don't know what their state of mind is, even after they've left (the group)," Hiaeshutter explains. "There's an element of brainwashing in all of this."

From 1973 until 1977, Hiaeshutter repeatedly urged Amway executives to kick DeGraaf out of the business. But, he explains, "They are the lawyers. I'm just a police officer — or a former officer. There are processes for these kinds of things and it took some time."

But some parents of DeGraaf followers are not as philosophical. Edna Buckley of Boston, Mass., is one parent who says Amway was callous in its dealings with her.

Despite Halliday's claim that the company helped parents keep track of their children, Buckley says she received no assistance when she wrote to Amway in 1976 trying to find her daughter, Ginny Buckley, who still follows DeGraaf, joined the movement and became an Amway distributor in Florida in 1972.

Mrs. Buckley says that while Amway may have been an unwitting victim of DeGraaf, the company made money off his disciples and therefore should help free those young people from the organization.

"I feel Amway had a social responsibility to help the parents," she says.

Halliday and other Amway executives contend that Ginny and other young people would have joined the group whether or not the members ever sold Amway.

Halliday says Amway turned down requests such as the Buckleys' because "I did not think it would be proper for the company to become involved in a matter that essentially involved relationships between parents and their children."

Since the run-in with DeGraaf, Amway executives have taken steps to insure that the company isn't "victimized" by another self-styled cult-leader. They have stopped the practice of allowing religious groups to go door-to-door selling certain Amway products.

"We used to let them sell small \$1 or \$2 items," says Halliday. "But we found that people were buying them more out of sympathy for the cause than for the actual product and that didn't lend itself to future, repeat sales."



This picture of Donald DeGraaf was taken in Florida some time in the early 1970s by a former member of his group.

All Roads to DeGraaf Lead to Dead Ends

Donald DeGraaf is a man who doesn't want to be found.

Since mid-August, The Press has attempted to locate the mysterious man whose religious movement founded here 12 years ago still drives a wedge between parents and their children who left Grand Rapids to follow Donald R. DeGraaf.

Interviews with law enforcement agencies across the country yielded nuggets of information about DeGraaf's past, but no clue to his present residence.

Under the Freedom of Information Act, The Press applied to the Federal Bureau of Investigation for any information on past or present investigations of DeGraaf or his movement. That request was denied on the grounds that the bureau was pledged to protect the privacy of individuals.

Press reporters also traced registration numbers of automobiles and airplanes that were once registered to DeGraaf. They talked to his relatives, old friends, and his parents in hopes they would encourage DeGraaf to contact The Press.

At the request of The Press, a cult expert who monitors activities of many small religious groups in the Rocky Mountain region was able to spot members of DeGraaf's movement panhandling for donations in Boulder, Colo.

The Press also sent reporters to the group's ski lodge in Eagle Nest, N.M., and to Las Vegas, Nev. — two places DeGraaf reportedly visits — in hopes of meeting the man face to face.

But DeGraaf, who has lived apart from most of his disciples since he launched his exodus from Grand Rapids in 1972, could not be found.

The Press called the ski lodge two weeks ago and asked member Barb Porter to give a message to DeGraaf. Porter, a former East Grand Rapids High School cheerleader, said she knew how to contact DeGraaf and promised she would tell him The Press wanted to interview him. "But I can't promise anything," Porter said.