

CENTRELINE CLARITY

# Structural Report

City Harvest Church — 2007–2008

*A Retrospective Application*

## A Note on This Report

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The Barings Bank report in this series asked: what would a structurally aware advisor have seen, a year before collapse, if they had been looking at the right things?

The answer was uncomfortable. The signals were present. The questions were available. The window for intervention was open. What was missing was someone looking structurally rather than narratively.

This report asks a harder question.

At Barings, the diagnostic failure was one of absence. No one was looking. The questions were never asked.

At City Harvest Church, the failure may have been something more difficult: the questions could have been asked, and answered, and still changed nothing.

This is not a report about fraud. The courts have addressed that. This is a structural map of the conditions that made intervention difficult before legal thresholds were crossed... while options were still open, while the outcome was not yet fixed, and when the people best positioned to act were also the people least structurally able to do so.

## The Hypothetical Commissioner

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This report is written from the perspective of a board member we will call the Independent Director.

She is not a composite of any real person. She is a structural construct: someone who, in early 2008, might plausibly have existed: a professionally qualified individual appointed to the City Harvest board to satisfy the governance requirements of the Commissioner of Charities, with no prior relational history with the church's founding leadership.

She has just attended her second board meeting. She has received the board papers. She has read the accounts. Something in the bond arrangement with Xtron Productions does not sit

right, not because she suspects wrongdoing, but because she cannot see the independent verification that her professional training tells her should be there.

She is not against the mission. She has no personal grievance. She is not spiritually opposed to Kong Hee or to the Crossover Project. She simply cannot answer, from the documents in front of her, the question her fiduciary duty requires her to answer:

*"If this arrangement were scrutinised by the Commissioner of Charities tomorrow, could I defend my approval of it?"*

She decides to think it through structurally before her next board meeting. What follows is that thinking.

### Why This Case Requires a Different Lens

At Barings, the primary failure mode was Power Asymmetry: one person controlled all information about his positions while London bore all financial risk. Decision influence and consequence exposure were completely misaligned. The recommended intervention was structural and executable: independent verification, framed as merger due diligence, before the next funding request.

City Harvest presents a related but distinct condition:

*Authority Sacralization: the structural condition in which informal authority (here, the spiritual authority of a founding pastor) becomes so fused with institutional identity that the normal mechanisms of governance accountability are not merely inconvenient but morally illegitimate in the eyes of those who hold them.*

Authority Sacralization is produced by three mechanics operating simultaneously: Identity Defense, in which the authority figure experiences governance scrutiny as an attack on self-concept rather than a structural question; Role Protection, in which board members perform their formal role while abandoning its functional substance; and Interpretive Inertia, in which signals are not merely discounted but actively reframed as occasions for faithfulness.

Institution	Primary Diagnostic Challenge
Barings Bank	Scrutiny was absent. The questions were never asked. Intervention was procedural.
City Harvest Church	Scrutiny had been made to feel like betrayal. Intervention required navigating moral illegitimacy.

That is not a procedural question. It is a structural one. And it is the question the Independent Director is sitting with as she reviews her board papers in early 2008.

### What This Report Will and Will Not Do

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This report will not adjudicate guilt or innocence. The courts have done that. It will not assess the sincerity of anyone's faith or the legitimacy of the Crossover Project as a ministry vision. It will not argue that Kong Hee or his co-accused acted with malicious intent. Intent is not the subject of structural analysis.

This report will map, as precisely as possible, the structural conditions that existed in early 2008: the pressure distribution, authority configuration, irreversibility thresholds, and options still available. It views that environment through the eyes of someone whose fiduciary duty required her to see clearly... in conditions that made seeing clearly very costly.

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## STAGE 1 — STRUCTURAL DIAGNOSTIC

Phases 0–10 · City Harvest Church, 2007–2008

### PHASE 0 Identity Classification

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Actor	Classification	Primary Stake
Kong Hee	Load	Identity as pastor-visionary is fused with the arrangement. Questioning it is received as spiritual opposition, not governance. The arrangement is framed as divine mandate.
Relationally proximate board members	Load	Identity as spiritual supporters of Kong Hee outweighs fiduciary role. Questioning the arrangement feels like betraying their pastor and community.
Independent Director	Structural Stake	Role continuity, decision authority, mandate legitimacy, and externally recognised professional reputation are all at stake.
Inner circle members with financial sophistication	Exposure	Reputational standing within the church community is at risk. It is not yet structural stake unless investigation escalates.
Congregation members	Unclear	Identity stakes exist (spiritual community, financial giving, vocational meaning) but cannot be fully classified from board-level perspective.

*First distinction from Barings: at Barings, identity stakes were institutional and professional. A Barings executive could, in principle, resign and retain their identity. At City Harvest, the church is for many people their community, their family structure, their vocational meaning, and their spiritual home. The cost of acknowledgment is not merely professional. It is existential. The Independent Director is not a neutral observer. She is structurally implicated by the act of appointment itself AND by what she now does with what she is seeing.*

## PHASE 1 Situation Overview

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City Harvest Church is one of Singapore's largest megachurches, founded by Kong Hee in 1989. By 2008 it has a congregation of tens of thousands, a significant physical campus, and a public profile extending well beyond its membership.

Kong Hee has articulated a ministry vision called the Crossover Project: using secular pop music as a vehicle for evangelism, specifically through the international music career of his wife, Sun Ho. The project is framed not as personal ambition but as divine mandate.

Funding for the Crossover Project has been drawn from the church's building fund through a bond arrangement with Xtron Productions, a company associated with church leadership. The bonds are presented to the board as legitimate investments.

### The Central Legal Issue

The building fund is a restricted fund. Under charity law, it is legally designated for capital purposes: the construction of a permanent church facility. It is not available for operational or ministry spending, regardless of the ministry's legitimacy or vision.

The Independent Director has attended two board meetings. She has not been told anything she would classify as a lie. But she has not been shown anything that would allow her to independently verify that the bond arrangement is recoverable, that Xtron's commercial position supports the investment thesis, or that the building fund's legal restrictions have been properly observed.

She cannot answer her own fiduciary question.

## PHASE 2 Key Constraints

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Constraint	Structural Effect
Compound pastoral authority	Formal and informal authority are fused. It is impossible to engage one without engaging the other.
Relational board proximity	Long personal history with Kong Hee makes independent scrutiny structurally costly.

Divine mandate framing	Questions carry spiritual freight, not just institutional awkwardness.
Financial opacity	Regulatory literacy for building fund restrictions is low across board and congregation.
Sophistication asymmetry	Financial literacy is concentrated among those most invested in the arrangement continuing.
External auditor limits	Scrutiny procedurally constrained; dependent on management representations.
Regulator trigger model	Commissioner operates on a complaints basis; proactive review unlikely without escalation.
Independent Director's position	Institutional standing, no relational standing: can ask questions, cannot yet compel answers.

*These constraints do not make action impossible. They make action sequencing critical.*

### PHASE 3 Pressure Map

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#### Pressure Building

- Bond issuances to Xtron are increasing in size and frequency as the Crossover Project requires more funding.
- The building fund is being drawn down for purposes that do not align with its legal restrictions.
- External auditors are raising questions that require increasingly elaborate explanations.
- Sun Ho's international career has not generated the commercial returns that would validate the investment thesis.
- The Commissioner of Charities has begun paying closer attention to large church governance arrangements.

#### Pressure Leaking

- Some staff members are privately uncomfortable with the financial arrangements but have no safe channel for escalation.
- Questions circulate informally in Singapore's Christian community about the Crossover Project's commercial logic.
- Some board members less relationally proximate to Kong Hee are asking for more detailed explanations... and receiving technical responses that satisfy the meeting but not the underlying concern.
- The complexity of the bond arrangements is itself a signal; legitimate investment structures do not typically require this level of explanation.

## Pressure Redirecting

Redirected from	Redirected to
Financial scrutiny	Spiritual vision framing: "This is what it costs to reach the lost."
Governance questions	Loyalty testing: "Do you believe in what God has called us to do?"
Audit concerns	Technical elaboration by the financially sophisticated inner circle... who are also parties to the arrangement.
Building fund restrictions	A narrative about the breadth of "building" the church.

## Latent Pressure

- If Xtron cannot redeem the bonds, the building fund has an unrecoverable hole that will eventually surface in the accounts.
- If the Commissioner initiates a review, the arrangement becomes publicly visible without warning.
- If the Crossover Project fails commercially, the investment thesis collapses alongside the mission rationale.
- If any board member escalates concerns externally, narrative control is lost immediately.

*The pressure asymmetry here operates on two axes simultaneously. On information: those with detailed understanding of the financial mechanics are also most invested in the arrangement continuing. On authority: the person whose vision drives the arrangement is also the primary source of institutional authority. Questioning the arrangement means engaging the authority that sanctioned it. Unlike Barings, where London was simply uninformed, here the information asymmetry is actively maintained by the same authority structure that should be correcting it. Each month of inaction is a month in which bond obligations deepen, the building fund gap widens, and the cost of acknowledgment rises.*

## PHASE 4 Irreversibility

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Any of the following events could trigger a loss of control from which recovery is no longer possible:

- A bond issuance that Xtron cannot redeem on schedule, forcing the board to either extend terms or acknowledge the loss.
- An auditor who refuses to sign off and formally escalates to the Commissioner of Charities.
- A congregation member or staff person making a formal complaint to the Commissioner.
- A board member resigning and speaking publicly about their reasons.
- The Commissioner initiating a sector-wide review that captures City Harvest's accounts.
- Sun Ho's international career failing commercially in a publicly visible way.
- A media investigation into the financial arrangements.

### Acceleration Risk

Unlike Barings, where the acceleration trigger was a single external event, City Harvest's acceleration risk is distributed across multiple possible triggers: some external, some internal. This makes it harder to anticipate and harder to prepare for.

The most dangerous scenario is not a single large trigger but a cascade: a small public question that forces a partial explanation, which generates further questions, each one narrowing the options available.

### Critical Distinction on Irreversibility

The legal irreversibility threshold (the point at which the arrangement constitutes a criminal matter rather than a governance failure) is determined not by the Independent Director's awareness but by the facts of the arrangement itself. That threshold may have already been approached before she arrived.

*What remains reversible, at the point of this report, is the Independent Director's own position: what she knew, when she knew it, and what she did with it. Her irreversibility threshold is not the same as the institution's. And it is approaching faster.*

## PHASE 5 Failure Mode Classification

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- **Primary Driver — Identity Defense:** Kong Hee's identity as pastor-visionary is fused with the Crossover Project. Questioning the financial arrangement is received not as governance but as spiritual opposition, an attack on his calling and the church's mission. This is the actor-level mechanism that produces the institutional condition of Authority Sacralization: governance scrutiny cannot land as governance scrutiny because it is received, and genuinely experienced, as something else entirely.
- **Secondary Driver — Role Protection:** Board members who hold relational identities as spiritual supporters of Kong Hee cannot function as fiduciaries. Their role as 'board member' is defended (they show up, they approve, they sign) but the functional legitimacy of that role has been abandoned. The board performs governance without exercising it.
- **Tertiary Driver — Interpretive Inertia:** Auditor questions have been raised. Bond explanations have become increasingly complex. Signals are not merely discounted but reframed as occasions for faithfulness. The auditor's question becomes a test of loyalty. The governance concern becomes an opportunity to demonstrate trust. The structural warning becomes a spiritual invitation to believe more deeply.

*You cannot resolve Authority Sacralization with a stronger audit committee, because the audit committee's authority is itself subordinate to the sacralised authority it is supposed to oversee. The question is not whether Kong Hee's vision is sincere. The question is whether the structure allows anyone to evaluate it independently.*

For the Independent Director, Authority Sacralization takes away the ability to question without being seen as disloyal. That loss is not incidental to the failure. It is the failure's primary mechanism.

## PHASE 6 Primary Risks

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### Risk of doing nothing

Bond obligations continue to accumulate. The building fund gap widens. When discovery occurs, whether through audit escalation, regulatory trigger, media investigation, or commercial failure, the board will be seen as having approved restricted fund usage without independent verification across multiple issuances.

For the Independent Director specifically: doing nothing is NOT a neutral act. It is a decision to continue approving arrangements she cannot independently verify, compounding her personal exposure with each subsequent board meeting.

### Risk of moving too early

Raising concerns without sufficient documentation risks being received as spiritual opposition, personal antagonism, or governance overreach from someone who doesn't yet understand the ministry context. In a relationally dense environment, a concern raised without evidence doesn't just fail to land. It generates counter-pressure. The Independent Director may find herself managed, marginalised, or asked to recuse.

### Risk of moving too late

If the Commissioner initiates a review before the board has taken any remedial action, the board loses its most important available asset: the ability to demonstrate that governance was functioning.

Voluntary disclosure and proactive remediation are structurally different from compelled disclosure. The courts will treat them differently. The Commissioner will treat them differently. The congregation will ultimately treat them differently.

*The window for the board to act as a governing body (rather than a body under investigation) is not unlimited. It is measured in events rather than days.*

## PHASE 7 Recommended Actions

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### Immediate — next 30 days

- Request, in writing and through formal board channels, an independent legal review of the Xtron bond arrangements. Frame it as standard fiduciary governance ahead of the next audit cycle. Retain a copy of the request.

- Ask the board secretary to provide a complete chronology of all bond issuances: amounts, terms, approval dates, and the names of board members present at each approval. This is a routine governance request.
- Commission an independent assessment of whether the bond arrangements comply with the legal restrictions on the building fund, conducted by a lawyer with NO prior relationship to the church or its leadership.
- Formally note, in the board minutes, that the above steps have been requested. This creates a documented record.
- Identify one other board member (ideally one with financial or legal literacy and some relational distance from Kong Hee) and have a private conversation about what they are seeing. Frame it as governance due diligence, not conspiracy.

#### **If legal review reveals building fund restrictions have been breached**

- Brief the full board formally, with the legal opinion in hand, before the next issuance or audit milestone.
- Prepare a voluntary disclosure to the Commissioner of Charities. This is the single most important protective action available to the board at this stage.
- Recommend the immediate suspension of further bond issuances pending independent review.

*The goal is not to bring down the ministry. The goal is to ensure that if the ministry is to survive, it survives on a foundation that can bear scrutiny. Preserve: the congregation's trust, the institution's legal standing, the board's ability to demonstrate it acted when it had the information to act, and the Independent Director's own fiduciary position.*

## **PHASE 8 Expected Reactions**

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Resistance to visibility is normal. Here, it will feel (to many doing it) like faithfulness rather than obstruction. That is what makes it structurally so difficult to navigate.

- Kong Hee may receive the request for independent review as personal distrust or spiritual opposition, not necessarily cynically, but genuinely, because in his framework the arrangement is an act of faith.
- Inner circle members may provide detailed technical explanations designed to satisfy the form of the governance request without its substance.
- Relationally proximate board members may frame the Independent Director's concerns as the perspective of someone who doesn't yet understand the ministry.
- Kong Hee may call a private meeting to address concerns pastorally. That, whatever his intent, will be structurally designed to resolve tension relationally rather than documentarily.
- The request for a board minutes record may be resisted as 'unnecessary formality.'

Institution	Nature of Resistance
Barings Bank	Professional and territorial: Leeson resisted because it threatened control; London resisted because it threatened the merger timeline.
City Harvest Church	Moral and relational: resistance will feel, to many doing it, like faithfulness rather than obstruction.

*The Independent Director must be prepared to be the person who “doesn't understand” and to hold her fiduciary position anyway.*

The following statements are not necessarily false. That is what makes them dangerous. Each answers a real question. None answers the question that determines whether the arrangement is what it is being represented as.

What they say	What it answers	What it does not answer
"We had the arrangement reviewed by our legal team."	Was legal advice obtained?	Was the advice obtained from counsel independent of the arrangement?
"The board has approved every issuance."	Did approvals occur?	Were those approvals made with independent verification of compliance?
"This is how the Crossover Project gets funded."	Is there a stated rationale?	Does the rationale satisfy the legal restrictions on the building fund?
"Kong Hee has given everything to this ministry."	Is commitment present?	Does personal commitment substitute for fiduciary independence?
"The auditors signed off."	Was the audit process completed?	Did the auditors have independent access to the underlying arrangements?

**PHASE 9 Monitoring Signals**

**Positive indicators — situation is manageable**

- The request for independent legal review is received as legitimate governance and proceeds without obstruction.
- The bond arrangement chronology is provided completely and promptly.
- The legal review is conducted by a genuinely independent party and its findings are shared with the full board.
- Kong Hee publicly acknowledges the distinction between pastoral vision and fiduciary obligation.

- Further issuances are suspended pending the outcome of the review.

#### Negative indicators — escalation required

- The request for independent review is deferred, citing urgency of ministry or sensitivity of timing.
- The legal review is assigned to a firm with prior relationships to the church or its leadership.
- Explanations for the bond arrangements become more elaborate and less verifiable.
- The Independent Director is privately encouraged to 'trust the leadership' or 'give it more time.'
- Board minutes are drafted in a way that does not accurately reflect the concerns raised.
- A new bond issuance is approved before the review is complete.
- The Independent Director is excluded from conversations relevant to her fiduciary responsibilities.
- Other board members distance themselves privately while remaining formally collegial.

*Decision checkpoint: if independent legal review has not been completed within 60 days of the formal request, OR if the review is conducted in a way that does not satisfy the conditions of independence, the Independent Director must consider whether she can continue to discharge her fiduciary obligations as a member of this board. That is not a rhetorical consideration. It is a legal one.*

#### PHASE 10 Non-Actions

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The following actions reduce reversibility and escalate identity defence prematurely. Avoid them:

- Raising concerns publicly within the congregation before governance channels have been exhausted.
- Confronting Kong Hee directly without a documented record of the conversation.
- Accepting verbal assurances, however sincere, in place of written documentation and independent verification.
- Allowing the spiritual framing of the arrangement to substitute for its legal analysis.
- Treating board approval as equivalent to independent verification when the board is relationally captured.
- Resigning quietly without creating a documented record of why.
- Allowing herself to be moved into a pastoral conversation as a substitute for a governance conversation.
- Threatening escalation without being prepared to follow through.

*Precision over confrontation. Documentation over assurance. Visibility over trust.*

## Executive Summary — Stage 1

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A founding pastor's ministry vision has been funded through a bond arrangement drawing on the church's legally restricted building fund. The arrangement has been approved by a board that is relationally proximate to the pastor, financially dependent on explanations from people inside the arrangement, and operating in an environment where questioning the vision carries spiritual as well as institutional cost.

The Independent Director cannot independently verify that the bond arrangement is legally compliant, commercially recoverable, or consistent with the building fund's restrictions. She has been given explanations. She has not been given evidence.

Her fiduciary obligation does not allow her to treat those as equivalent.

The correct move is independent legal verification before the next bond issuance or audit milestone. Not accusation. Not confrontation. Not resignation. Visibility.

*The window is not measured in days. It is measured in events. The next issuance, the next audit cycle, the next regulatory trigger could be the last moment at which the board can be seen to have acted rather than failed to act.*

## STAGE 2 — STRUCTURAL INTERVENTION MAPPING

Building on Phase 0–10 findings · City Harvest Church, 2007–2008

*Stage 2 is not a summary of Stage 1. It maps what happens structurally if nothing changes, and identifies where intervention can still alter the trajectory.*

### 2.1 Missing Structural Function

The system has no independent verification of the bond arrangement's legal compliance or commercial recoverability.

The board has approved multiple bond issuances on the basis of representations made by people who are parties to the arrangement. No independent function (whether internal or external) has verified that the building fund's legal restrictions are being observed, that Xtron's commercial position supports the investment thesis, or that the bonds are recoverable on the terms stated.

#### Distortion generated

- The gap between the arrangement's stated legitimacy and its actual legal position can widen indefinitely, with each new issuance approved on the basis of the previous issuance's apparent legitimacy, which was itself approved on the same basis.
- In the faith context, the spiritual framing of the arrangement converts the absence of questioning into a virtue. A board that doesn't ask hard questions about a God-mandated mission is not seen as a captured board, but as a faithful one.

*The missing structural function has been replaced, in the institutional imagination, by trust. Trust is not a governance function. It is a relationship. They are not interchangeable.*

### 2.2 Load Redistribution Map

Actor	Unassigned Load	Structural Cost if Unchanged
Board Members	Certifying compliance of arrangements they cannot independently verify.	Personal criminal liability if arrangements are found unlawful.
Independent Director	Carrying fiduciary responsibility in an environment structurally resistant to its exercise.	Exposure compounding with each meeting attended without escalating.

External Auditors	Verifying accounts on the basis of management representations without independent access.	Reputational and professional liability when the arrangement surfaces.
Commissioner of Charities	Overseeing charitable governance without visibility into informal authority structures.	Regulatory failure if seen as having missed clear signals.
Congregation Members	Bearing financial risk of building fund loss without knowledge of the arrangement.	Loss of savings, trust, and spiritual community if collapse occurs.
Kong Hee	Carrying the full weight of the arrangement's legitimacy on the basis of his authority alone.	Psychological and legal pressure; incentive to deepen rather than disclose.

*Redistribution required: establish independent legal and financial verification of all material bond arrangements before further issuances are approved. Separate the pastoral authority structure from the financial governance structure formally and functionally... not merely nominally. Create a direct reporting channel from the finance function to the full board that does not pass through the inner circle.*

## 2.3 Propagation Path — If Nothing Changes

### Phase A — Continuation (2007–2008)

Bond issuances continue. The building fund gap widens. Each new issuance is approved by a board that has approved every previous one, with the approval history itself becoming a form of precedent that makes further scrutiny feel like a reversal of prior judgment. External auditors raise questions. Explanations are provided. Sign-off continues.

### Phase B — Activation (2008–2010)

The bond arrangements become increasingly difficult to sustain on their stated commercial terms. Round-tripping arrangements are introduced to manage the appearance of the accounts. The financial mechanics become more complex, requiring more elaborate explanations and more careful management of the audit relationship.

### Phase C — Irreversibility (2010–2012)

A complaint is made to the Commissioner of Charities. An investigation is initiated. The full structure of the bond arrangements becomes visible to a regulatory body that has no relational proximity to Kong Hee and no investment in the mission narrative. Criminal charges follow. The trial is public. The congregation is exposed to a detailed account of the arrangement that contradicts the narrative they were given.

*Estimated timeline to narrative lock-in: already locked by 2008. The Crossover Project had been publicly celebrated and financially supported for long enough that its legitimacy was a social fact within the congregation. The only remaining question was whether discovery happened internally (through governance) or externally, through regulation or investigation.*

## 2.4 Locked Decision

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The currently unavailable decision is voluntary acknowledgment by the board that the bond arrangements may not comply with the building fund's legal restrictions, accompanied by proactive disclosure to the Commissioner of Charities and a suspension of further issuances pending independent review.

It cannot be made because:

- Making it requires board members to acknowledge that prior approvals may have been in error: a legal exposure most people resist without specific advice telling them it is the safer path.
- Acknowledgment requires engaging Kong Hee's pastoral authority with a structural challenge the board's relational composition makes almost impossible to mount.
- The Crossover Project's narrative has been publicly reinforced long enough that voluntary disclosure feels like betrayal of the congregation rather than protection of it.
- The financial sophistication required to understand why this is the safer path is concentrated among the people least likely to advocate for it.
- No individual board member has enough information, enough standing, and enough structural distance simultaneously to force the decision.

*Structural change required: the Independent Director's formal request for independent legal review documented in board minutes is the only available mechanism for creating the conditions in which this decision becomes makeable. It does not make the decision. It creates the governance record that makes the decision's absence visible.*

## 2.5 Structural Beneficiaries

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Actor	Current Gain	Duration
Kong Hee	Continued ministry, reputation, and authority.	Until investigation or commercial failure.
Inner Circle	Continued influence, control, and institutional standing.	Until investigation.

Relationally Proximate Board Members	Avoidance of an impossible conversation.	Until post-collapse inquiry.
External Auditors	Continued engagement without confrontation.	Until sign-off becomes untenable.
Commissioner of Charities	Avoidance of a politically sensitive intervention in a prominent church.	Until complaint or trigger.

*The beneficiary most capable of slowing correction is Kong Hee, because his compound authority, spiritual and institutional, is the primary mechanism through which scrutiny is deflected. He does not need to obstruct governance explicitly. The environment does it for him.*

## 2.6 Acceleration Triggers

Trigger	Effect	Response Window	Likelihood
Formal complaint to Commissioner	Regulatory investigation; board loses narrative control.	Weeks	Moderate... and rising
Auditor refuses sign-off	Mandatory escalation; public visibility.	Weeks	High: greatest structural stress point
Bond redemption failure	Building fund loss becomes documentable.	Immediate	Moderate
Media investigation	Public exposure before governance can respond.	Minimal	Low, but non-zero
Board member resignation with public statement	Immediate governance escalation.	Minimal	Low
Commercial failure of Crossover Project	Investment thesis collapses publicly.	Weeks to months	Moderate
Congregation member legal challenge	External scrutiny of building fund usage.	Months	Low

*Trigger most likely within timeframe: auditor pressure. The external audit relationship is the point of greatest structural stress, the place where the gap between the arrangement's stated legitimacy and its actual legal position is most visible to someone with professional obligations and no relational investment in the mission.*

## 2.7 Intervention Leverage and Sequencing

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Primary leverage point: the Independent Director's formal governance request, documented in board minutes, is the highest-leverage action available at this stage. It does not require Kong Hee's cooperation. It does not require a board majority. It requires only that she make the request formally and that the request be recorded.

Move	Action
Move 1 – Immediate (next 30 days)	Request independent legal review in writing, through formal board channels. Frame as standard fiduciary governance, not suspicion. Make it procedural, documented, and impossible to quietly set aside.
Move 2 – Structural Correction (within 60 days)	If review proceeds and reveals compliance concerns, bring the full board into a formal session with legal counsel present. Ensure every board member has been formally informed of the legal position.
Move 3 – Conditional Escalation	If independent review is resisted, obstructed, or non-independent, seek independent legal advice about personal fiduciary position. This is not optional at that point.

*What must not be rushed: public confrontation of Kong Hee or any inner circle member without a documented governance record. The moment it becomes personal, it becomes political. What must not be delayed: the formal governance request. Every board meeting attended after this point without having made the request in writing compounds personal exposure.*

## 2.8 Monitoring for Structural Shift

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### High-signal tightening indicators

- The Independent Director's written request is not acknowledged in board minutes.
- She is invited to a private pastoral conversation as a response to a governance request.
- Board members who were previously collegial become formally warm and substantively distant.
- The legal review is assigned to a firm suggested by inner circle members.
- A new bond issuance is tabled before the review is complete.
- She is described, in any context, as 'not yet understanding the ministry.'
- Kong Hee addresses the congregation about the importance of unity and trust – without naming her specifically.

### Signal that changes everything

A bond redemption failure that cannot be explained within the current narrative. Unlike the Kobe earthquake at Barings, this trigger will not be sudden. It will be a slow pressure the arrangement can no longer contain.

## Ultimate signal

The Commissioner of Charities makes contact with the board before the board has made contact with the Commissioner. At that point, the window for structured governance intervention has closed. The only remaining work is damage containment, for the institution, for the congregation, and for every individual board member who approved an arrangement they could not independently verify.

## Executive Summary — Stage 2

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The Stage 1 diagnostic identified the structural breakdown: a ministry vision funded through a restricted fund via a bond arrangement approved by a relationally captured board, in an environment where questioning the arrangement had been made spiritually costly.

Stage 2 maps what happens if nothing changes. The bond obligations will continue to accumulate. The building fund gap will widen. The arrangement will become increasingly difficult to sustain on its stated terms. When discovery comes whether through audit, regulatory trigger, or the arrangement's own commercial failure, the exposure will already be a matter of public record.

The only intervention that changes this trajectory is independent legal verification before the next trigger event. Not investigation. Not accusation. Not resignation. Visibility.

*The window is not measured in days. It is measured in events. The next bond issuance, the next audit cycle, the next regulatory trigger could be the last moment at which the board can be seen to have acted rather than failed to act.*

## AFTERWORD

### What Actually Happened

The structural map above was available (in effect) to City Harvest's board in early 2008. The signals were present. The constraints were knowable. The recommended actions were executable.

They were not taken.

Bond issuances continued. Round-tripping arrangements were introduced to manage the accounts. The building fund loss eventually reached approximately S\$50 million.

In 2012, Kong Hee and five other church leaders were charged with criminal breach of trust and falsification of accounts. After a lengthy trial and appeals process, convictions were upheld. Kong Hee was sentenced to eight years' imprisonment, subsequently reduced on appeal.

The congregation (tens of thousands of people who had given sacrificially to a building fund for a permanent church home) were left to process not only the legal outcome but the account of how their giving had been used.

The church survived. Not all institutions do.

### What the structure reveals

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The board approved arrangements it could not independently verify. The audit function accepted representations from people inside the arrangement. The spiritual authority of the founding pastor substituted for independent governance. The mission narrative made scrutiny feel like opposition.

Each decision, in isolation, was made by people who believed they were doing the right thing. Cumulatively, they were catastrophic for the institution, for the congregation, and for the individuals who bore criminal liability for what the structure had made possible.

### The question that remains

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After the conviction, many in the congregation continued to support Kong Hee. Some framed the legal outcome as persecution. Others processed a more complicated grief, not about whether he had acted with faith, but about whether faith had been used to make governance impossible.

The Barings report ended with Peter Baring looking for Leeson's motive when he should have been looking at structure.

City Harvest ends differently. Here, everyone understood the motivation. The vision was stated clearly and celebrated publicly. The mission was real to the people pursuing it.

The problem was not that the motivation was hidden. The problem was that the motivation was so present, so compelling, and so sacralized that it consumed the structural space in which governance was supposed to operate.

*You cannot govern what you are not permitted to question. And in an environment where questioning has been made spiritually illegitimate, the governing board is not a governing board. It is a ratification mechanism for decisions already made by a different authority. That is the structural condition this framework exists to name BEFORE it becomes irreversible.*

#### What this report demonstrates

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- **The framework applies across institutional types.** The same phases that map a rogue trader in a merchant bank map a ministry funding arrangement in a megachurch, because structure, unlike personality, repeats. The failure modes differ. The pressure mechanics differ. But the architecture of how pressure accumulates, how options narrow, and how irreversibility arrives is consistent.
- **The signals were present.** Not in hindsight. In the board papers, in the audit questions, in the complexity of the explanations, in the relational composition of the board itself. Anyone looking structurally rather than narratively would have seen them.
- **The hardest diagnostic problem is not the one where the questions were never asked.** It is the one where the questions could have been asked and answered, YET where the answers would still have been very difficult to act on. That is the City Harvest problem. And it is the problem that exists in every institution where informal authority has been allowed to consume the structural space that formal governance was supposed to occupy.

*If City Harvest's board had commissioned this report in early 2008, they might still have discovered that the arrangement was unlawful. But they would have discovered it as a board acting on its governance responsibilities, not as defendants in a criminal trial. That is the difference between an institution that reforms and an institution that collapses.*

## FOR THE READER

This report was written for someone sitting with a decision in front of them.

Not a bad person. Not an uninformed person. Someone with legitimate authority, legitimate goals, and an information environment that is - structurally, not maliciously - showing them an incomplete picture.

If you are serving on a board where questioning the leadership's vision feels spiritually or culturally costly, where financial arrangements are explained by the people who benefit from them, and where independent verification has been substituted with relational trust... you are sitting where City Harvest's board sat in early 2008.

If you recognise that gap in your organisation, your board, or a situation you are currently navigating, the intake questions are the logical next step. They apply the same structural framework to your specific situation.

Not because the framework has all the answers. Because the framework was designed to ask the questions that the structure around you has made difficult to ask.

*Submissions — <https://centrelineclarity.com/snapshot/>*

## ABOUT THIS REPORT

This analysis was produced using the Centreline Clarity diagnostic framework: a structured approach to mapping decision environments, identifying where pressure accumulates, and preserving optionality before thresholds become irreversible.

Within these case studies, the framework has been applied across five institutional types: financial, charitable, commercial, corporate-regulatory, and operational technology. The failure modes identified across the series are:

Failure Mode	Structural Condition	What the Individual Loses
Power Asymmetry	Decision influence and consequence exposure are completely misaligned. One actor controls all information; another bears all risk.	The ability to know, independently, what is happening
Authority Sacralization	Informal authority consumes the structural space that formal governance requires. Scrutiny has been made morally illegitimate.	The ability to question without being seen as disloyal
Incentive Capture at Scale	Every actor with standing has been financially invested in the problem continuing. Acting on known concerns becomes individually irrational.	The ability to act with institutional effect
Regulatory Inversion	Institutional mechanisms that should protect scrutiny instead increase the cost of using them. The channels through which evidence should flow have been made too costly to carry it.	The ability to use institutional channels of redress without reprisal
Implementation Displacement	The authority to decide and the obligation to live with the decision belong to different people. The harm is structurally positioned to accumulate below the level where evidence is collected.	The ability to see the harm before committing

*These are not five separate problems. They are five expressions of the same underlying condition: the structural gap between where decisions are made and where their consequences are felt.*

If you recognise that gap in your organisation, your board, or a situation you are currently navigating, the intake is where this analysis begins for your specific situation.

The same structural method.

Your specific constraints, your specific role, your specific window.

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