



Trinity Broadcasting Network (TBN)

MinistryWatch.com advises donors to withhold support to Trinity Broadcasting Network; calls also for new leadership

MinistryWatch.com Take

The decision by TBN leadership to revert to stonewalling MinistryWatch.com's attempts to obtain crucial answers to important questions of governance and finances at the ministry just two months after TBN Vice President of Administration Paul Crouch Jr. agreed to answer these questions has caused MinistryWatch.com to again recommend that donors withhold contributions to TBN. Additionally, because of the seriousness of the allegations and governance issues that the Crouches refuse to address, as well as the hundreds of millions of donor dollars involved (\$643 million in donations received over the last five years and \$341 million of cash and near cash investments on hand), MinistryWatch.com also reiterates its call for the establishment of an independent commission of respected Christian leaders to restore TBN to a place of unquestioned integrity in the eyes of donors.

The Issues

MinistryWatch.com believes educated and knowledgeable donors are the best stewards of their giving to the Lord's work and extend the impact of their giving the farthest.

During the course of the past year, the following has occurred:

- **March, 2004:** MinistryWatch.com issued a Donor Alert on TBN regarding excessive cash reserves and other questions regarding use of resources for designated purposes: http://www.ministrywatch.com/mw2.1/pdf/MWDA_031204.pdf
- **September, 2004:** The Los Angeles Times published a series of articles about TBN that question the ministry's use of resources, revealed a previously-undisclosed settlement with a former employee, and offered a critical view of the Word-of-Faith gospel as preached by Paul Crouch Sr.
- **September, 2004:** MinistryWatch.com issued a Donor Alert on TBN regarding the above articles and the unanswered questions that led to the first Donor Alert: http://www.ministrywatch.com/mw2.1/pdf/MWDA_092804_TBN.pdf

Details revealed in the above referenced documents include:

- TBN refuses to release consolidated audited financial statements.
- TBN spends shockingly little on its charitable programs. TBN's 2003 program expenses are extremely low at 43 percent, when compared to the MinistryWatch.com database average at about 78 percent. Additionally, TBN's 2003 savings rate is high at about 39 percent compared to the MinistryWatch.com database average of around zero.
- TBN presently has cash and short term investments of \$341 million. This represents money that could be deployed into ministry work but instead is sitting idle on the ministry's balance sheet. Meanwhile, the ministry continues to implore donors to give it even more money.
- TBN executives Paul and Jan Crouch espouse a skewed view of the Gospel, embracing the "health and wealth" or "prosperity" theology, often portraying an unorthodox accounting of the life and teachings of Jesus.
- Mr. Crouch and his family live a life of luxury, the full extent of which remains unknown. The Crouches refusal to be transparent raises questions as to whether their exorbitant lifestyle is financed by the sacrificial giving of well-meaning donors.
- Matthew Crouch, son of Paul and Jan Crouch, controls a for-profit company that has received approximately \$32 million from TBN corporations during the past five years to produce movies such as "The Omega Code." Due to a lack of transparency, donors are unable to determine if this was a sensible use of their money or what amount of compensation Matthew Crouch and/or others closely aligned with the Crouch family may have taken from this and possibly other related party transactions.
- TBN's board of directors is made up of just three Crouch family members, preventing independent oversight needed to protect donor interests and in contrast to the best practices utilized by many other excellent ministries.

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- A former employee, Kelly Whitmore, said that ministry funds were used to indulge the personal tastes of the Crouch couple.
- At least one television station has dropped TBN from its lineup after viewers complained that their promised blessings never occurred.
- In 1998, a former TBN employee, Enoch Lonnie Ford, was paid \$425,000 for agreeing not to publicize Mr. Ford's allegations that he and TBN founder Paul Crouch had a homosexual tryst two years earlier.
- TBN vigorously worked to keep the information regarding the settlement with Mr. Ford private and questions remain regarding the source of those funds.

Comments on the chronology of communications with TBN


MinistryWatch.com has remained faithful to the biblical model of confrontation, reconciliation and repentance as outlined by Jesus in Matthew 18:15-17 in its communications with TBN. It has been only after many unsuccessful attempts to garner relevant and reasonable information from TBN on the behalf of donors that MinistryWatch.com has issued Donor Alerts, including this one. Such publication is the practical application of "tell(ing) it to the church" (Matthew 18:17) as believers are commanded to do when a believer rejects biblical counsel.

MinistryWatch.com is only reluctantly issuing this Donor Alert since the most recent correspondence with TBN executives began with encouraging signs. On October 8, 2004, a MinistryWatch.com official engaged in a cordial conversation with pledges of cooperation from Mr. Crouch Jr. Soon, however, the dialogue deteriorated, and within about two months, TBN, following an un-Biblical pattern it has used in the past with others (1 Corinthians 6:1-6), threatened to sue MinistryWatch.com. The letter threatening legal action – dated December 9, 2004 – was the last official correspondence from TBN.

Nevertheless, it remains MinistryWatch.com's desire that TBN avoid an escalation of their adversarial approach and would instead respond in a manner aligned with biblical admonitions. MinistryWatch.com remains willing to engage in productive dialogue with TBN to find suitable answers to these questions. It is MinistryWatch.com's belief that the Bible is clear as to how TBN, and every other Christian ministry, should conduct their dealings with those who give generously and sacrificially to their ministries. The Apostle Paul wrote, "We intend that no one should blame us about this generous gift that we are administering, for we intend to do what is right not only in the Lord's sight but also in the sight of others" (2 Corinthians 8:20-21, NRSV).

MinistryWatch.com Recommendation

The preponderance of information available at this time raises serious questions about the Crouches' stewardship of TBN. Consequently, it is imperative that a full accounting be made so as to restore the ministry to a place of unquestioned respect and integrity in the eyes of donors. Moreover, these outstanding issues of integrity and theology also lead many unsaved people astray and bring harm upon the Gospel message as well as upon others who are attempting to legitimately present Jesus Christ to a fallen world. To help accomplish this objective, MinistryWatch.com recommends:

1. Until such time as confidence can be restored concerning the issues outlined above, MinistryWatch.com currently recommends that donors find other worthy ministries to support. Donors considering supporting other ministries that are well-governed, financially transparent and efficient, demonstrate program effectiveness, and are theologically sound can visit the www.MinistryWatch.com website and find many ministries demonstrating these criteria. Donors considering this approach need not be concerned that TBN's ministry efforts will be thwarted, as TBN's current vast financial resources ensure its ability to continue its programs for at least two-and-a-half years even if every donor stopped their giving to TBN immediately.
2. TBN's leadership should voluntarily resign and allow an independent commission of respected Christian leaders to be put in place to establish a pathway to restoring TBN to a place of unquestioned integrity in the minds of concerned donors. The commission would be composed of experts in counseling, theology, charitable financial management, auditing, legal matters and those representing donors' interests. It would be responsible for analyzing the allegations and reporting their findings to the public, putting in place a plan of restoration and picking a new and independent board of directors to carry out these plans.
3. The new board should also complete a thorough overhaul of the ministry to put it on a path to teaching orthodox Christian theology and operating in a manner that rejects potentially self-serving financial transactions and embraces sound governance practices. 

Contact Information and Resources

Government Contacts

Internal Revenue Service

Exempt organization customer service address:
Internal Revenue Service
TE/GE Customer Account Services
P.O. Box 2508
Cincinnati, OH 45201

- Tax-exempt assistance: 1-877-829-5500
- General tax questions: 1-800-829-1040
- Order forms and publications: 1-800-829-3676
- Website: www.irs.gov
- Verify tax-exempt status
- Verify tax deductibility
- Obtaining federal tax-exempt status
- Completing federal tax forms
- Specialized assistance to tax-exempt organizations

Attorneys General offices, or Departments of Justice, Charitable Activities Section

Most states have an active unit of the Attorney General's office that are willing to help consumers. Check with NASCO (National Association of State Charities Officials) at www.NASCO.net.org, look under US State Charity Offices and click on the state of interest.

- Reporting illegal activity by nonprofit organizations
- Information about charitable organizations and copies of annual reports
- Questions about professional fundraising reporting requirements
- Registrations of charitable corporations or trusts
- Questions about annual reports for charitable organizations
- Merging nonprofit organizations
- Serving as a board member of a nonprofit organization
- Dissolving nonprofit organizations

Secretary of State, Corporation Division

Check phone number on the Internet or your local phonebook under state government.

- Verifying that a nonprofit corporation is in fact incorporated and current in its filing
- Obtaining copies of filed articles of incorporation and amendments
- Forming a new corporation
- Obtaining state identification numbers
- Merging nonprofit corporations
- Amending articles of incorporation
- Dissolving nonprofit corporations

Federal Trade Commission

Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
1-877-382-4357
Website: www.ftc.gov

- Information on fraudulent, deceptive and unfair business practices
- How to file a complaint

Christian Ministry Marketplace

MinistryWatch.com

1 (866) 324-7097
www.ministrywatch.com
A free donor advocate service. Aid donors in understanding the key issues concerning a ministry's operations.

The Evangelical Council for Financial Accountability (ECFA)

1 (800) 323-9473
www.ecfa.org
A membership ministry advocate. A peer accountability membership group. Primary responsibility to the ministries that pay dues to the ECFA and thereby fund its operations.

WWW.thegoodsteward.com

Growing source of information on all areas of stewardship.

Generous Giving

www.generousgiving.org
Nonprofit that seeks to encourage givers of all income levels to experience the joy of giving and embrace a lifestyle of generosity, according to God's word and Christ's example. It was launched in 2000 by the Maclellan Foundation.

Royal Treasure

1 (770) 977-4502
www.royaltreasure.org
Nonprofit teaching Biblical Stewardship to women.

The Gathering

www.gatheringweb.com
Conferences, email forums, conference calls and other activities for those that give a minimum of \$200,000 annually to Christian ministries or have the capacity to do so.

National Christian Foundation

1 (800) 681-6223
www.nationalchristian.com
Facilitates Christian stewardship. Helps donors set up a Stewardship Fund, a donor advised fund, liquidate assets, provide gift annuities, trusts, scholarships, and endowments.

Calvin Edwards, & Co.

1 (770)-395-9425
Info@calvinedwardscompany.com
For profit organization providing philanthropic counsel to high-capacity Christian donors.

Geneva Global

1 (610) 254-8202
info@GenevaGlobal.com
www.genevaglobal.com
For profit organization assisting individual donors.

Excellence in Giving

1 (719) 329-1515
www.excellenceingiving.com
For profit organization with tailored services of affluent families and individuals.

The Legacy Group

1 (262) 789-3160
www.philanthropyatwork.com
For profit organization to assist private wealth management and those to achieve charitable goals.

The Eternity Portfolio

www.eternityportfolio.com
Book by Alan Gotthardt that shows how to get the ultimate return on your investments through investing in eternity.

Secular Resources

GuideStar

www.guidestar.org
Largest public search engine of nonprofit organizations. Provides access to many tax-exempt organization's IRS Form 990s. Some knowledge of accounting may be necessary to understand the documents found on this site.

BBB Wise Giving Alliance

www.give.org
A charitable watchdog site. The Alliance reports on nationally soliciting charitable organizations that are the subject of donor inquiries. These reports include an evaluation of the subject charity in relation to the voluntary BBB charity standards.

Charity Navigator

www.charitynavigator.org
Helps guide intelligent giving by evaluating the financial health of each charity in its database.

Charity Channel

www.charitychannel.com
Known best for its nonprofit email arena discussion forums.

The American Institute of Philanthropy

www.charitywatch.org
A charitable watchdog group that rates US charities in different categories. Fee for reports. They also provide tips to insure safe giving.

The Charities Review Council

www.crcmn.org
Conducts detailed reviews of national and local charitable organizations soliciting in the State of Minnesota. They also provide tips and guides for donors to help them make wise giving decisions.

Internet Nonprofit Center

www.nonprofits.org
Provides an extensive array of nonprofit topics.

Independent Sector

www.independentsector.org
A national leadership forum, working to encourage philanthropy, volunteering, nonprofit initiative and citizen action that help to better serve people and communities. There is a section on ethics and accountability, including donor's bill of rights, related publications, articles and other resources.

Chronicle of Philanthropy

www.philanthropy.com
Biweekly newspaper of the nonprofit world.

The Nonprofit Times

www.nptimes.com
Articles and topics related to nonprofits.

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www.ministrywatch.com
www.wallwatchers.org
www.thegoodsteward.com