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3 Year Probe into Tax Exempt Ministries Ends

After a 3-year probe into the financial improprieties of 6 Christian tax-exempt ministries, Sen. Charles E. Grassley an Iowa Republican and ranking member of the Senate Finance Committee has reported that 'self-regulation' by churches and religious groups is to be favored over legislation. The probe also recommended the formation of an independent commission led by the Evangelical Council for Financial Accountability to investigate further into the lack of accountability by tax-free religious groups.

6 Christian ministries whose televised preaching funded their leaders' expensive lifestyles were probed but only 2 gave their cooperation and promised to institute reform actions. These two ministries were Joyce Meyer Ministries and Benny Hinn Ministries.

The other 4 ministries continued to hide behind legislation that allows religious groups to operate with little accountability while being exempted from taxes. This status sets churches apart from other non-profit groups and charities that must file detailed reports of their expenses once a year to the IRS. The four ministries were Kenneth and Gloria Copeland of Kenneth Copeland Ministries, Randy and Paula White of Without Walls

International Church, Creflo and Taffi Dollar of World Changers Church International and Bishop Eddie L. Long of New Birth Missionary Baptist Church.

Grassley also recommended repealing legislation that prohibits churches from endorsing political candidates. This law has for many years been a bone of contention between church leaders who believe such legislation curtails their freedom of speech and organizations that advocate separation of church and state.

Some quarters were disappointed with the outcome of the probe and the recommendation to form a commission to look into the lack of accountability of churches. The Evangelical Council for Financial Accountability that heads the commission was formed in 1979 arising from an earlier investigation by Congress into church financial scandals. Thus far, the jurisdiction of the Council has been restricted to Evangelical Christian groups but now its duties have been expanded to cover getting comments from organizations of various faiths.

The Council members say they will look into contentious issues like whether religious groups should submit annual financial reports known as Form 990s to the IRS, whether there should be a limit to compensation and the tax-exempt housing allowance enjoyed by the clergy. Presently, many ministries give housing allowances not only to preachers leading the ministries but also their relatives and friends who are classed as 'ministers'. And some ministers receive housing allowances for more than one house.

The probe by Sen. Grassley began at the behest of evangelical Christians

alarmed at how the 6 ministries appeared to be using donations from their followers to buy luxury items including airplanes, lavish homes and jewelry and to fund profit-making businesses for their leaders and their family members.