



## Trinity Broadcasting Network (TBN)

### TBN's Response to ABC 20/20 Report Attempts to Mislead Donors, Transparency Grade Dropped to "F"

On March 23, 2007, ABC's 20/20 broadcasted a profile of MinistryWatch.com founder Rusty Leonard. During this segment, 20/20 reported on the luxurious lifestyle led by Trinity Broadcasting Network's leaders Paul and Jan Crouch, raising issues that MinistryWatch.com had previously brought to donors' attention. TBN responded with a press release ([click here for TBN's press release](#)) containing inaccuracies and questioning the trustworthiness of MinistryWatch.com as a source for 20/20's report.

*In MinistryWatch.com's view, TBN's response was an attempt to divert TBN donors' attention away from the truth. Since MinistryWatch.com seeks to help donors make wise and effective giving decisions, this Donor Alert highlights the errors in TBN's press release so that donors will not be confused or misled. Due to TBN's actions in this regard, TBN's Transparency Grade has fallen to "F".*

MinistryWatch.com regrets that it must take this measure. Unfortunately, TBN's decision to significantly distort the truth in its press release, combined with its previous actions to withhold critical information donors need to make wise stewardship decisions about their support for TBN, makes such a response necessary. MinistryWatch.com's desire is that TBN will undertake meaningful reforms of its business and ministry practices and enter into a process that will restore the TBN network and its leadership to full effectiveness as a sound, biblically-based Christian ministry.

#### The Facts

*TBN states in the heading of its press release that ABC's 20/20 program misrepresented the facts and that it is responding with the truth. However, TBN failed to refute any of the claims of fact in the 20/20 report. For clarification, we have summarized the points made by 20/20 in its report regarding TBN, and we have followed these with the actual facts:*

- 1.) TBN has a cash hoard of \$340 million.

**Fact:** As of the most recently available tax return from just TBN's most significant corporate entity, which unfortunately is from December 2004 (to the best of our knowledge, TBN has failed as yet to make more recent data available), TBN actually has \$343 million in cash and short-term investments and an additional \$53 million in long-term investments on its balance sheet. Furthermore, there is undoubtedly millions of additional dollars of cash and investments on the balance sheets of more than 10 other entities controlled by TBN. So if 20/20 was wrong, it is likely they underestimated the liquid funds TBN controls. If TBN has more up-to-date information, we would encourage them to make this public on their website. Until they do, these are the only facts that ABC could possibly report and they cannot be characterized as misrepresentations.

- 2.) TBN controls two mansions, one worth roughly \$4 million and the other \$6 million.

**Fact:** This is true as indicated by publicly available real estate records uncovered by 20/20 and shared with MinistryWatch.com.

- 3.) TBN owns an airplane worth \$7 million.

**Fact:** TBN does indeed have an airplane like that shown on the program although we cannot determine its present value.

(Continued from page 1)

## Information Sources

TBN's press release went on to say that 20/20's reporting was "based on unreliable information obtained from a prejudiced source." As noted above, the information about TBN was based on public documents, in one case prepared by TBN itself. 20/20 did its own research and verified this information from these public documents. The "prejudiced source" TBN refers to is MinistryWatch.com. Our "prejudice," in TBN's view, appears to be that we have historically criticized TBN's poor track record of financial accountability, the lavish lifestyles of its leaders and its preaching of prosperity theology, a theological distortion which is criticized by most evangelical Christian theologians.

*TBN further stated that 20/20's report "misled viewers by presenting biased opinion, innuendo and outdated and incomplete information as facts," yet failed to substantiate any of these claims.* As noted above, it would be virtually impossible for TBN to substantiate this statement as the information reported on by 20/20 regarding TBN was based on the latest publicly available information on TBN. Does TBN actually believe that it did not have over \$340 million in cash and short-term investments at the end of 2004 as TBN itself reported to the IRS? Does TBN deny that it owns the homes in which Jan and Paul Crouch live that are worth what 20/20 claimed? Does TBN deny that it operates the plane 20/20 mentioned? If so, why not explicitly say so in its press release? Why rely on unsubstantiated attacks against those who, seeking to protect the interests of donors to TBN, have raised these serious issues of concern? The answer appears obvious: TBN is unable to back up its claims and is hoping that donors might be diverted from these truths if they hurl enough insults at those reporting the facts. Unfortunately, it is a regrettable tactic MinistryWatch.com has seen TBN use in the past as well. If the information on TBN's cash holdings that 20/20 reported is "outdated and incomplete," it is only because TBN has, to the best of our knowledge, yet to make public more current and complete financial information, such as consolidated audited financial statements, necessary for donors to make a sound decision about whether their giving to TBN is actually wise and effective.

## Theological Differences

TBN's press release goes on to specifically criticize MinistryWatch.com's founder, Rusty Leonard, as someone "who has a longstanding practice of attacking ministries who are not in agreement with his brand of theology." MinistryWatch.com does not "attack" but does report on the salient financial and theological issues of all the ministries on which it has produced research comments. Donor Alerts like this are rarely issued and only when particularly pertinent information for donors is deemed worthy of special commentary. Typically we inform donors via our analyst comments found on our website. These reports have both positive and negative points itemized (including TBN's report on our website) so donors can have the best possible understanding of each ministry. Indeed, Mr. Leonard stated in the 20/20 interview that he believes TBN does do some good works. Neither TBN nor any other ministry has been singled out for special treatment in our MinistryWatch.com reports, as can be seen by a quick review of the MinistryWatch.com website. The same approach is utilized for all ministries reviewed.

*Regrettably, MinistryWatch.com has discovered that TBN is one of the few ministries in its database of over 500 that has often engaged in activities of grave concern to donors.* In fact, no other ministry has ever been subject to four Donor Alerts like TBN. Additionally, some of TBN's corporate entities are not organized as churches. This allows MinistryWatch.com to have at least some access to TBN's financial information and report to donors about our findings. Many other ministries that promote prosperity theology are organized as churches and thus do not have to disclose any financial information. Accordingly, we are unable to comment on that which we cannot know but such ministries also receive "F" Transparency Grades. These ministries have also not issued press releases that appear to be motivated to confuse donors. Moreover, TBN's assertions may leave the impression that only MinistryWatch.com has concerns with the prosperity theology prevalent on TBN. In reality, TBN is among a relatively small number of ministries that endorse this flawed theological position yet attract as much as \$1 billion in donations annually. TBN's leaders need to give consideration to the words of Jesus when he said, "Watch out! Be on your guard against all kinds of greed; a man's life does not consist in the abundance of his possessions." For more information on MinistryWatch.com's views on prosperity theology, please see the following MinistryWatch.com Reflection article on this topic: [Prosperity/Word of Faith Theology](#). Furthermore, MinistryWatch.com's previous actions with regard to Joyce Meyer's ministry undercut TBN's claim of theological bias. Ms. Meyer's ministry has taught theology that MinistryWatch.com has questioned, yet when this ministry reduced its leaders' salaries, sold their homes worth millions of dollars and released audited financial statements, MinistryWatch.com removed its Donor Alert on her ministry. Likewise, if TBN would take similar actions to benefit donors, it is possible we would remove the Donor Alert on it also, even while we would continue to warn donors about the dangers of TBN's teaching of prosperity theology in the analyst's comments section of our online report on TBN, just as we do for many other ministries. In summary, *TBN is not subject to MinistryWatch.com Donor Alerts simply because of theological differences but as a result of incidents and actions taken by TBN that have caused MinistryWatch.com to be concerned for the welfare of TBN's donors.*

(Continued from page 2)

**Accountability**

TBN's press release goes on to make this statement: "20/20 and Mr. Leonard failed to mention that ministries such as TBN, as not for profit organizations, are subject to much more stringent financial scrutiny from both the government and donors than are public or private companies." This statement is completely false and lacking in any merit, at least as it pertains to public companies. *Non-profits have nothing close to the oversight that public companies are subject to, and donors have very few easily accessible ministry research resources compared to the substantial and comprehensive resources available to investors in public companies.* Government scrutiny and regulation of non-profits is pathetically weak. Indeed, this undeniable fact was one of the reasons the founder of MinistryWatch.com, Rusty Leonard, CFA, himself a successful investment manager for nearly three decades, felt called to offer this free service to donors. MinistryWatch.com's purpose is to offer some help to donors so that they might be as effective and wise donors as possible given the dearth of unbiased, independently produced information available to them on the ministries they support.

Should there be any doubt about TBN's highly suspect claims of stringent accountability, consider this: what public company could possibly survive in the marketplace if its latest financial statements were from December 2004 like TBN's? TBN, and non-profits in general, are subject to only minimal governmental and donor oversight which presents the opportunity for abuse of donor funds as currently seen at TBN. These indisputable facts are fully addressed in the following MinistryWatch.com Reflection article: [The Christian Ministry Marketplace](#), which we would encourage anyone interested in comprehensive information on the sad state of donors compared to investors to review. Below is a table that highlights the significant differences between the corporate and ministry marketplaces:

<b>Corporate and Ministry Marketplace Comparison</b>		
<b>CORPORATE MARKETPLACE</b>	<b>MARKETPLACE ISSUES</b>	<b>MINISTRY MARKETPLACE</b>
Many Stocks	Choice	Many Ministries
Overwhelming	Info availability	Very Limited
Yes	Info easy to access?	No
Very Timely	Timeliness of info	Very delayed
Easy	Ease of comparison	Difficult
Plentiful	Market infrastructure	Almost None
High	Market Efficiency	Very Low
High	Gov't Regulation	Very Low
High	Accountability	Minimal
High	Fin'l Transparency	Low

**Financial Transparency**

TBN further claims: "To avoid even the appearance of the types of ministry problems inferred in the 20/20 segment, TBN has put into place self-regulating policies that keep the ministry's integrity and transparency intact ... Compliance with these policies along with the already tight regulations applied by the government for nonprofit organizations gives incredible protection and peace of mind to our donor base." *These assertions are absurd. Self-regulation, where the results are not shared with the public, is precisely the opposite of the transparency that TBN claims. Moreover, as we have already indicated, government regulations of non-profits are notoriously lax.*

(Continued from page 3)

MinistryWatch.com is the leading independent donor-empowerment website that is recognized by many as an authority in the area of ministry financial transparency, and TBN has always received less-than-stellar Transparency Grades. If TBN is confident that its self-regulating policies are so effective in giving its donors "incredible protection" and "peace of mind," why not open its books and operations to donors and donor advocates like MinistryWatch.com and prove it? It is easy for TBN to make claims of financial transparency, but donors need to be aware that TBN is simply not being straightforward with them. TBN does not back up these statements with actions that support its claims. Basically, TBN is saying to its donors that they can be confident that TBN has financial integrity because TBN says so. Given the lavish lifestyle of TBN's leadership, this hardly seems like a worthwhile assurance for donors and undermines its claims of financial transparency. It seems obvious that TBN believes its donors can be easily fooled. While this may be true for some who have little understanding of financial matters and are unaware of MinistryWatch.com's desire to assist them, we are hopeful many will not fall for TBN's disingenuous assertion of financial transparency. Effective transparency involves timely, relevant and honest communication to all stakeholders. This is even more important for non-profits, where donors have no effective voice in the governance of the organization. Transparency is widely recognized as a core principle of good governance. Apparently, true transparency is not a concept that TBN currently understands. *We would urge TBN to seek wise outside counsel on the issue of transparency and commit to set a higher standard of transparency than seen in the non-profit community generally, commensurate with TBN's standing as one of the largest Christian ministries in the world.*

### Does MinistryWatch.com Desire Christians to be Poor?

During the 20/20 broadcast, Paul Crouch was quoted as saying TBN's critics desire Christians to be poor as "Job's turkey." This too is a distortion of MinistryWatch.com's position. MinistryWatch.com's purpose is to help those to whom the Lord has given stewardship of financial resources so that they might give wisely and effectively to the work of the Lord. It is our hope that Christians will have a financial abundance so that not only their own legitimate needs can be met but that they might also be able to help those who are physically and spiritually needy. While we are not supporters of prosperity theology, we do not endorse "poverty theology" either. We simply believe that those in ministry leadership are given a sacred trust and should utilize the gifts Christians give to their ministry in a manner that reflects humility and integrity. Jesus taught, "Do not store up for yourselves treasures on earth, where moth and rust destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven ..." (Matthew 6:19-20, NIV). Using ministry resources to store up treasures on earth for themselves is not only bad stewardship of the ministry, which no ministry leader should ever succumb to, but also threatens a ministry leader's own relationship with the Lord. *Selfishness and greed demonstrated in the life of ministry leaders have always been a stumbling block for many who are seeking a genuine experience with their God. Jesus spoke many warnings to both self-centered religious teachers and the rich. Accordingly, preachers who are also wealthy, particularly if that wealth was derived by diverting ministry funds into their own pockets, need to humbly consider their lowly estate in the eyes of the Lord and, if necessary, repent of their love of things of this world.*

### MinistryWatch.com Recommendation

While MinistryWatch.com has consistently questioned TBN's finances, transparency, theology and operations, we would like to remind readers again that, as we stated on 20/20, we do not believe that everything TBN does is wrong. There is no question that some have come to know Jesus as their Lord and Savior through TBN's programming and that TBN has used some of its money to help support worthy causes. Some of TBN's programming is also of great spiritual value. Some may believe that any ministry doing some good works is worthy of support. MinistryWatch.com, however, suggests donors need to consider the totality of a ministry's impact if they are to be a good steward of their giving.

*Accordingly, donors need to be concerned that too much of TBN's programming, with its unbalanced emphasis on personal prosperity as the goal of the Christian experience, may be leading an even greater number of unsaved people to reject Christianity as shallow and self-serving.* Moreover, TBN actually appears greedy by continuously asking donors for more money while holding hundreds of millions of dollars in cash reserves and evidently sharing only a small portion with those in need. TBN asks donors to give sacrificially while trusting the Lord for their future provision but seems unwilling to do the same itself. The Crouches' lavish lifestyle also reinforces this perception and further undermines the gospel to many who encounter TBN's programming. *We have little doubt TBN donors would be wise to prayerfully consider redirecting their gifts to one of the hundreds of ministries in the MinistryWatch.com database that practice true transparency, pay their leaders appropriate compensation and attempt to turn all donations into good deeds quickly rather than build up huge cash reserves and spend lavishly on ministry leaders.* With so many other ministries available to donors that are transparent, financially efficient and which teach theology that highlights a more accurate portrayal of Jesus' teaching on worldly possessions, it is MinistryWatch.com's opinion that donors would clearly be making a better stewardship decision by redirecting their gifts away from TBN. In 2004, donors gave TBN \$124 million. Even if TBN received not one additional donation, it could continue to operate as it did in

(Continued from page 4)

2004 for over three years before it running out of money. As a starting point, donors might want to examine MinistryWatch.com's latest list of the Brightest Shining Light Ministries at this link: [Shining Lights](#).

We would also encourage donors to review our past Donor Alerts on TBN. *It is our hope that TBN's leadership can be replaced by a transitional management team made up of respected Christian leaders who could transform this valuable broadcasting asset into an organization that respects donors, operates efficiently and teaches sound theology that draws viewers into a proper relationship with their Lord and Savior, Jesus Christ. We also ask that donors join us in praying for TBN's leadership that they might repent of their focus on worldly wealth, voluntarily step away from leadership of TBN and focus on repairing their relationship with their Lord. It is our sincere desire to see the Crouches restored into a right relationship with Jesus and the whole body of Christ.* To see our last Donor Alert on TBN, which highlights our call for action in this regard, please click on this link: [Previous TBN Donor Alert](#). ☞

### *Sample verses using the word "possessions" in the New Testament (NIV)*

#### **Matthew 19:21**

Jesus answered, "If you want to be perfect, go, sell your **possessions** and give to the poor, and you will have treasure in heaven. Then come, follow me."

#### **Luke 12:15**

Then he said to them, "Watch out! Be on your guard against all kinds of greed; a man's life does not consist in the abundance of his **possessions**."

#### **Luke 12:33**

Sell your **possessions** and give to the poor. Provide purses for yourselves that will not wear out, a treasure in heaven that will not be exhausted, where no thief comes near and no moth destroys.

#### **Luke 19:8**

But Zacchaeus stood up and said to the Lord, "Look, Lord! Here and now I give half of my **possessions** to the poor, and if I have cheated anybody out of anything, I will pay back four times the amount."

#### **Acts 2:45**

Selling their **possessions** and goods, they gave to anyone as he had need.

#### **Acts 4:32**

All the believers were one in heart and mind. No one claimed that any of his **possessions** was his own, but they shared everything they had.

#### **2 Corinthians 12:14**

Now I am ready to visit you for the third time, and I will not be a burden to you, because what I want is not your **possessions** but you. After all, children should not have to save up for their parents, but parents for their children.

#### **Hebrews 10:34**

You sympathized with those in prison and joyfully accepted the confiscation of your property, because you knew that you yourselves had better and lasting **possessions**.

#### **1 John 3:17**

If anyone has material **possessions** and sees his brother in need but has no pity on him, how can the love of God be in him?

## 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](http://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](http://www.NASCO.net), 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](http://www.ftc.gov)

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

### Christian Ministry Marketplace

#### MinistryWatch.com

1 (866) 364-9980  
[www.ministrywatch.com](http://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](http://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](http://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](http://www.royaltreasure.org)  
Nonprofit teaching Biblical Stewardship to women.

#### The Gathering

[www.gatheringweb.com](http://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

[www.nationalchristian.com](http://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.

[Info@calvinedwardscompany.com](mailto:Info@calvinedwardscompany.com)  
For profit organization providing philanthropic counsel to high-capacity Christian donors.

#### Geneva Global

[info@GenevaGlobal.com](mailto:info@GenevaGlobal.com)  
[www.genevaglobal.com](http://www.genevaglobal.com)  
For profit organization assisting individual donors.

#### Excellence in Giving

[www.excellenceingiving.com](http://www.excellenceingiving.com)  
For profit organization with tailored services of affluent families and individuals.

#### The Legacy Group

[www.philanthropyatwork.com](http://www.philanthropyatwork.com)  
For profit organization to assist private wealth management and those to achieve charitable goals.

#### The Eternity Portfolio

[www.eternityportfolio.com](http://www.eternityportfolio.com)  
Book by Alan Gotthardt that shows how to get the ultimate return on your investments through investing in eternity.

#### Strategic Resource Group

[www.srginc.org](http://www.srginc.org)  
Nonprofit directing people, prayer and financial resources with churches and key ministries in the Middle East.

### Secular Resources

#### GuideStar

[www.guidestar.org](http://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](http://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](http://www.charitynavigator.org)  
Helps guide intelligent giving by evaluating the financial health of each charity in its database.

#### Charity Channel

[www.charitychannel.com](http://www.charitychannel.com)  
Known best for its nonprofit email arena discussion forums.

#### The American Institute of Philanthropy

[www.charitywatch.org](http://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](http://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.

#### Idealist.org / Action Without Borders

[www.idealist.org](http://www.idealist.org)  
Provides an array of nonprofit and volunteering resources.

#### Independent Sector

[www.independentsector.org](http://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](http://www.philanthropy.com)  
Biweekly newspaper of the nonprofit world.

#### The Nonprofit Times

[www.nptimes.com](http://www.nptimes.com)  
Articles and topics related to nonprofits.

© MinistryWatch DonorAlert, 2007

Wall Watchers  
2514 Plantation Center Drive  
Matthews, NC 28105  
1 (866) 364-9980

[www.ministrywatch.com](http://www.ministrywatch.com)  
[www.wallwatchers.org](http://www.wallwatchers.org)  
[www.thegoodsteward.com](http://www.thegoodsteward.com)