



# Philanthropic Donations Come From Your Heart, but Where Do They End Up?

**Ex-Money Manager Says 'Enough!' to Secretive Christian Ministry Spending**

By GLENN RUPPEL and JOHN STOSSEL

**March 23, 2007** — - Anyone watching televangelists on television will hear plenty of pitches for money. Jan and Paul Crouch of Trinity Broadcasting say they need big bucks to keep their network on the air and to help the poor around the world.

Benny Hinn, of Benny Hinn Ministries, has made heartfelt pleas to help the people of Calcutta, while Rod Parsley of Breakthrough Ministries has asked for help to spread the gospel to the people of Nepal.

Christian ministries and charities promise to do all kinds of good things with your money, and that makes donors feel great about sending in their checks. The problem is, they can't always find out exactly how their donation is being spent.

## **A Life of Charity ... and Luxury**

The givers are very confident that they will. One parishioner told ABC News that "when I give to this church, I know that my money's being put to excellent use. Without one question."

Many preachers don't advertise how well they live. The popular Kenneth Copeland of Kenneth Copeland Ministries lives in a large mansion in Texas. He recently asked his audience to help him spread the gospel by giving him \$20 million to buy a new jet. Copeland promised that the plane "will never, ever be used as long as it is in our care, for anything other than what is becoming to you, Lord Jesus."

Our ABC affiliate in Dallas, WFAA, took a closer look. Reporter Brett Shipp obtained flight records that revealed that the Copeland jet, on its way to an evangelical seminar in Australia last October, made a two-day layover in Maui.

Then it was on to the Fiji islands for another stop.

After seven days in Australia, the Copelands headed to Honolulu for another three days of what they called "eating and rest."

Last December, amid other evangelical stops, the jet made the first of two trips to a Colorado airport, just a few miles away from Steamboat Springs Ski Resort.

And, finally, there was a flight to southwest Texas to a hunting ranch where the Copelands have bagged exotic game over the years. (Click [here](#) for the full WFAA story on Copeland.)

Spokesmen for Copeland and some of the other ministries we talked to pointed out that they comply with all IRS regulations.

### **Enter Rusty Leonard**

But just complying with the law is not good enough, said one man, Rusty Leonard. He is a devout Christian who knows a lot about money. He runs a company called Stewardship Partners, which invests wealthy clients' money in companies that he believes have Christian-friendly values. Before that, Leonard spent a decade as a high-powered money manager for Templeton Investments.

When he quit, he was in charge of \$3.5 billion. He walked away from a seven-figure salary because he felt called by God, and says, "You know, when you feel called to do something, you do it."

That calling was to look after donors' money and make sure it was spent properly. He says some people are being "hosed" because they just don't know what's being done with the cash they give.

Leonard and his wife, Carol, gave millions to Christian charities before they decided they needed to look deeper. He told us that "we've all been trained to not even think, to just give the money over and not ask questions and to just not be good stewards. And all the satisfaction we get is in the act of giving, not of making sure that actual good work gets done."

As a result, Leonard started up the research group Ministrywatch. They asked Christian ministries and charities to reveal their finances. At first it was tough going, since, he says, "nobody had ever held them to account from an independent perspective. So they were totally freaked out by it."

Many said no, others threatened to sue. Leonard wasn't intimidated. He says his attitude was "bring it on. And you know, frankly, they like to threaten that, but they don't actually like to do it. Because if they did it, they would raise the awareness of

the whole problem to a higher level."

### **The Good, The Bad, and the Ugly**

While charities legally must report their finances, ministries are generally exempt. However, Leonard feels they have a moral responsibility to do so. As a result, Ministrywatch criticizes 28 Christian groups, including some of the most successful televangelists in America, all for having little or no financial transparency. (Click [here](#) to see the full list.)

"It's a huge red flag," Leonard says. "Nobody should donate to any of those ministries. There's no point in donating to a ministry that wants to take your money but not tell you a thing about how they're gonna spend that money. It doesn't mean that they're doing anything wrong, but it's a very high probability that something is wrong there." Leonard says the attitude of some charities is "trust us," but the problem, he adds, is that "I'm human, you're human. If I had no constraints on me, I'd probably do all kinds of stupid things."

The research Leonard and his staff does is available for anyone to view for free on Ministrywatch.com. There, the best groups are showcased as "Shining Lights." He points out that the vast majority of the 500 Christian charities and ministries that he lists -- such as the YMCA and the Salvation Army -- do a good job. They use donors' money efficiently and reveal where it goes.

A small but prominent number of groups receive "Donor Alerts." These are the cases where he has been able to review some financial information, and as a result, has serious concerns about how their money is spent. That list includes the Crouches and their Trinity Broadcasting Network -- the largest religious broadcaster in the world.

Ministrywatch revealed that Trinity Broadcasting sits on a \$340 million cash hoard, and owns houses in an exclusive Orange County, Calif., community hidden behind very regal gates.

They control one mansion worth about \$4 million, and an even bigger one -- over 10,000 square feet -- that's worth about \$6 million. The Crouches also travel the world in a jet worth a reported \$7 million.

Leonard criticizes the Crouch's lifestyle, noting that "we would expect that [in] most Christian ministries, the leadership should have some degree of sacrifice. You want to see that. Jesus lived a life of sacrifice."

## "It's the Devil"

Paul Crouch, however, disagrees. In the past, he has fired back, charging that "these critics want us to be humble and poor like Jesus. ... Let me tell you how subtle that is from Satan himself. If God's people are poor as Job's turkey, who's going to pay to send the gospel to the ends of the earth?"

Jan Crouch has expressed similar feelings, saying that "It's the devil, it's Satan. If he has said don't give, hey, you're listening to the wrong side."

In response, Leonard notes that "it's kind of hard to declare that you're living in a fine house as a good deed. That just seems like a selfish deed. They do some good work. But they could spend a whole lot more money if they sold the house and the car and the jet plane."

The Crouch's spokesman told us they have a long track record of financial integrity, including independent audits, and they claim Ministrywatch condemns them because they don't like their theology. Leonard admits he has theological differences -- his reviews include a critique in this area -- but says they don't affect his financial assessments and ratings.

Meanwhile, some of the battles Leonard fought with groups like this did sometimes strain his will. "It was tough, it was hard. And it really was upsetting. It was negative and I really didn't want to do it anymore, but then the Lord kind of called us in to say 'no, I put you in this spot for this very reason.'"

Fortunately for donors' sake, Leonard didn't give up. Today Ministrywatch.com gets about 4,000 hits a day, and he's now respected enough that charities actually come to him and ask to be listed. At the moment, there's a backlog of 500 groups that Leonard can't add due to his limited resources.

His growing influence is seen elsewhere: after Leonard criticized the Joyce Meyer Ministries, she opened up their financial records and sold off a group of million-dollar homes she and her family had been using. Leonard says, "I think they would claim at the ministry that they didn't quite respond to us, that they were doing this on their own. She moved in the right direction."

As for Leonard's finances -- after spending \$2 million of his own money on Ministrywatch, he is poorer than he used to be, but that's OK, he says. "I've gone seven years without earning a salary now. So it's a whole different scenario, but I am more joyful and happy than I was before."

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