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# Kenneth Copeland

Tribune wire reports  
9:11 AM CDT, July 27, 2008

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In [Texas](#), televangelist Kenneth Copeland has constructed a religious empire teaching that God wants his followers to prosper.

Over time, some of Copeland's relatives and friends have done just that, The Associated Press discovered. Those who have prospered include the brother-in-law with a lucrative deal to broker Copeland's television time, the son who acquired church-owned land for his ranching business and saw it more than quadruple in value, and board members who together have been paid hundreds of thousands of dollars for speaking at church events.

Church officials say no one improperly benefits through ties to Copeland's vast evangelical ministry, which claims more than 600,000 subscribers in 134 countries to its flagship "Believer's Voice of Victory" magazine. The board of directors signs off on important matters, they say. Yet church bylaws give Copeland veto power over board decisions.

While Copeland insists that his ministry complies with the law, independent tax experts who reviewed information obtained by the AP through interviews, church documents and public records have their doubts. The web of companies and non-profits tied to the televangelist calls the ministry's integrity into question, they say.

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"There are far too many relatives here," said Frances Hill, a [University of Miami](#) law professor who specializes in nonprofit tax law. "There's too much money sloshing around and too much of it sloshing around with people with overlapping affiliations and allegiances by either blood or friendship or just ties over the years. There are red flags all over these relationships."

Copeland, 71, is a pioneer of the prosperity gospel, which holds that believers are destined to flourish spiritually, physically and financially — and share the wealth with others.

His ministry's 1,500-acre campus, behind an iron gate a half-hour drive from Fort Worth, is testament to his success. It includes a church, a private airstrip, a hangar for the ministry's \$17.5 million jet and other aircraft, and a \$6 million church-owned lakefront mansion.

Already a well-known figure, Copeland has come under greater scrutiny in recent months. He is one target of a Senate Finance Committee investigation into allegations of questionable spending and lax financial accountability at six large televangelist organizations that preach health-and-wealth theology.

All have denied wrongdoing. But Copeland has fought back the hardest, refusing to answer most questions from the inquiry's architect,

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# KENNETH COPELAND: Kenneth Copel...

Republican Sen. Charles Grassley of [Iowa](#).

Copeland's church also has invited an [Internal Revenue Service](#) audit, which would keep information private,

and has launched a sophisticated Web site, Believers Stand United, to "help set the record straight."

The Senate committee didn't set out to determine whether Copeland or the others broke the law, although it could provide information to the Internal Revenue Service if something seems flagrantly wrong, a committee aide said. The main goal, Grassley has said, is to figure out whether existing tax laws governing churches are adequate, which could carry sweeping implications for all religious organizations.

The committee could subpoena Copeland if he remains uncooperative. Neither he nor [John Copeland](#), his son and the ministry's chief executive officer, responded to interview requests.

But Lawrence Swicegood, spokesman for Kenneth Copeland Ministries, said in written responses to questions that no Copeland family members receive improper benefits through their ties to the church.

All revenue from the church's business interests — including an oil and natural gas company it owns — go into the church, Swicegood said.

He said that Kenneth Copeland has never exercised his veto power over board decisions, a provision meant for emergency use. Even so, Swicegood said, the board is scheduled to meet in August to vote on taking away that ability.

Kenneth Copeland has always dreamed big.

Growing up in West Texas next to an Army air base, Copeland wanted to fly. He also wanted to sing pop songs. He realized both ambitions and didn't stop there.

In 1957, when he was 20, Copeland scored a Top 40 hit called "Pledge of Love" and sang on "American Bandstand."

The journey that led to the pulpit began several years later. Copeland had a born-again experience and enrolled at [Oral Roberts](#) University in Tulsa, Okla. He worked as a pilot and chauffeur for Roberts himself.

Copeland was greatly influenced by Tulsa prosperity preacher Kenneth Hagin, locking himself in the garage with Hagin's tapes for seven days before moving back to Texas to start his ministry in the late 1960s.

Now a 500-employee operation with a budget in the tens of millions of dollars, Kenneth Copeland Ministries has won supporters worldwide through its crusades and conferences, prayer request network, disaster relief work, magazine and television program.

Kenneth Copeland Ministries is organized under the tax code as a church, so it gets a layer of privacy not afforded large secular and religious nonprofit groups that must disclose budgets and salaries. Pastors' pay must be "reasonable" under the federal tax code, a term that gives churches wide latitude.

Copeland's current salary is not made public by his ministry. However, the church disclosed in a property-tax exemption application that his wages were \$364,577 in 1995; Copeland's wife, Gloria, earned \$292,593. It's not clear whether those figures include other earnings, such as special offerings for guest preaching or book royalties. Another 13 Copeland relatives were on the church's payroll that year.

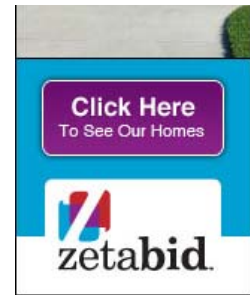
In the 1980s, Copeland's church purchased land on the shores of Eagle Mountain Lake from the estate of a Texas oilman. Afterward, it discovered added value underground: an oil and gas field.

Grassley, the senator leading the televangelist inquiry, has quizzed Copeland about Security Petrol Inc., a wholly owned — and for-profit — subsidiary of the church created in 1997 to manage that resource.

Swicegood said Security Petrol was established to protect the church from the liability risk of oil and gas production and to minimize interference with the church's religious activities.


No company officials — including John Copeland, its president — has received compensation or profits from the company, and all revenue goes to the church for general operations, Swicegood said. Reserves from gas wells in the church's name were valued at \$23 million last year, county records show.


Speaking at a ministers' conference in January, Kenneth Copeland accused Grassley of twisting reality to make it look like the natural gas "was making us rich off of the ministry's property. Bull. That's stupid."



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It's not the only business venture tied to the church.

While natural gas platforms sprouted on church land, John Copeland, a self-described "cowboy at heart," pursued a side business in cattle and horses. Beginning in 1993, John Copeland leased church land to run his business, El Rancho Fe, Spanish for "Ranch of Faith."

Five years later, the church separately sold John Copeland land for his ranch and residence, Swicegood said.

Swicegood said appraisals were done to determine fair market value for leasing and selling the land, adding that the lease benefits the church. John Copeland must improve the land, and county officials confirmed the church gets a roughly \$100,000 annual tax break for putting it to agricultural use. The church board approved the transactions.

While the purchase price is not public record, the 33-acre property would have been worth about \$93,000 that year, said [John Marshall](#), executive director of the Tarrant Appraisal District.

The land is now valued at \$554,160 by the district.

Until recently, El Rancho Fe sold registered American Quarter Horses and three other horse breeds. On its Web site, convenient location and the integrity of the Copeland name were used as selling points.

"We are a family you know and a family you trust," it said.

John Copeland and his wife, Marty, no longer sell horses but continue to operate the cattle business, Swicegood said.

Ellen Aprill, a professor at Loyola Law School in [Los Angeles](#) and a former U.S. Treasury Department official, said leasing and selling land to the church's top executive raises concerns. Under IRS rules, nonprofits can be penalized or lose their tax-exempt status if an executive, board member or other insider receives an economic benefit above and beyond what the organization gets in return.

"The church and its board must take great care to make sure the payments are fair to the church," Aprill said. "The church says it does. But is not clear how we can know."

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Located in an office complex in a north Dallas suburb, Integrity Media is the kind of company that plays a little-known but important role in the world of televangelism: negotiating the purchase of television time for Christian ministries.

Douglas Neece, the company's president, said Kenneth Copeland Ministries is Integrity Media's biggest client, accounting for just over 50 percent of its business.

Neece is Kenneth Copeland's brother-in-law. Neece's son, Joel, also works for the company.

The church's board was informed of Neece's relationship to the Copelands, Swicegood said. Their television time is bought at market rates and the ministry gets a discount from Integrity Media, he said.

Douglas Neece said his company charges a "deeply discounted" commission below the industry standard of 15 percent. "We earn our money," Neece said. "That's just the way it is.

"We have nothing to hide."

The money involved is substantial. In a 1997 filing in Tarrant County, Copeland's church said it paid a "related party" \$22 million for "telecass and mass media expense" that year and received a discount of \$1.7 million on the transaction. Similar figures were cited for 1996.

Integrity Media, meanwhile, is the parent company to a horse-breeding operation and real estate company that owns a Learjet, records show. Although they are wholly owned subsidiaries of Integrity Media, Neece played down the connections.

"The subsidiaries don't have anything to do with the media-buying corporation," he said. "We've had several through the years, and these things are not connected with the Copeland ministry."

Whatever the venture — whether it's buying TV time, land deals with a church executive or natural gas wells — Kenneth Copeland Ministries cites its 11-member board of directors as an important check on the organization's integrity.

Kenneth Copeland serves as board chairman, and his wife, Gloria, is a board member. Records show other members include or have included fellow televangelists Jesse Duplantis, Mac and Lynne Hammond, and Jerry and Carolyn Savelle; [Oklahoma](#) architect

1/26/2009

## KENNETH COPELAND: Kenneth Copel...

Loyal Furry; retired Texas pastor Harold Nichols; and [Arkansas](#) businessman John Best.

As chairman, Copeland has veto power over any resolution he deems "not in the best financial or operational interests of the Church or not in furtherance of the nonprofit religious purposes of the Church," church bylaws say.

Such veto power is highly unusual, say academics who study nonprofits. Swicegood said the provision was meant to give Copeland emergency power to prevent the church from doing anything "repugnant to its Christian purposes and mission" — although the bylaws don't lay that out. Swicegood said the church plans to remove that provision and adopt others that "reflect contemporary best practices in nonprofit governance."

Board member Best, in a written response to questions, said he's received "100 percent accessibility to anything I wanted to see and have always seen the highest level of integrity and honesty."

Other board members either declined comment, did not respond to interview requests or could not be located. The church has emphasized that board members act in the church's best interest.

Some board members, however, receive a perk that experts like Hill, of the University of Miami, said undermines their independence. While board members don't get salaries, some who are ministers get paid for speaking at church events through offerings and honorariums, Swicegood confirmed.

The sums involved are usually kept secret. But in seeking tax exemption for its aircraft fleet in the late 1990s, the church revealed that it paid board members a total of \$87,000 in "cash contributions" and almost \$1 million in honorariums and "benefit purposes" in 1996 and '97.

Swicegood said the church's independent compensation committee approves all payments to board members.

Marilyn Phelan, a Texas Tech University law professor and author on nonprofit law, said the practice could pose problems in an IRS audit. Both the IRS and Texas state law prohibit benefits beyond reasonable compensation for insiders, including board members, she said. If violations are found, nonprofits can lose their tax-exempt status and board members can face penalty taxes.

As the Senate Finance Committee considers its next step, Copeland is not backing down. His ministry is portraying the inquiry as an attack on religious liberty.

At the same time, it is moving forward with a big fund-raising project: soliciting donations for new television equipment so Copeland can be broadcast in high-definition.

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