Senate Finance Committee, Minority Staff Review of
EAGLE MOUNTAIN INTERNATIONAL CHURCH
d/b/a KENNETH COPELAND MINISTRIES

(Prepared by Lynda F. Simmons)

Introduction

The Committee's initial letter was addressed to Kenneth Copeland Ministries. In its response however, the organization responded that Kenneth Copeland Ministries, Inc. ("KCM") is an assumed business name, as registered with the Texas Secretary of State, for Eagle Mountain International Church, Inc. ("EMIC"). Thus, KCM does not appear to be a separate entity from EMIC and, therefore, EMIC and KCM, while used interchangeably, are considered by staff as one and the same for purposes of this review.

Generally speaking, EMIC/KCM was not responsive to the Committee's request for information. Throughout their written response to questions posed by the Committee, EMIC/KCM, through their legal counsel stated, "Based on constitutionally and statutorily based privacy and confidentiality concerns, the Church respectfully declines to provide the detailed accounting requested. The Church understands that the IRS has the ability to request this information from the Church through a church tax inquiry conducted in accordance to section 7611 of the Code, and that the Senate Finance Committee would have the ability to obtain this information from the IRS through a request pursuant to section 6103(f) of the Code. Proceeding within these well-established statutory frameworks would allow Senator Grassley to obtain the information requested without compromising the legitimate constitutionality and statutorily based privacy and confidentiality concerns of the Church in a disparate manner from other churches that enjoy these constitutional and statutory protections."[1]

In April of 2008, John Copeland, Kenneth Copeland's son, stood in front of the IRS office in Dallas, Texas, while CBS News filmed him requesting that the IRS initiate an inquiry of EMIC/KCM.

In another response to the inquiry via the media, John stated the following when questioned about EMIC/KCM's response to the Committee, "KCM's response contained detailed information about non-church related questions but did not provide certain private information about the ministry and operation of the church. We assured the Senator that KCM fully complies with all of its legal obligations. We also pointed out that anything KCM declined to provide Senator Grassley could easily be obtained by the IRS in a church inquiry where confidentiality and privacy would be maintained." [2]

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[1] Church Submission to Senate Finance Committee, December 6, 2007
[2] *"John Copeland responds to media allegations about Kenneth Copeland Ministries"* www.philcooke.com

EMIC/KCM'S reason for not responding was similar to that of the three other churches that did not fully comply with the Committee's request. The Committee's response to each organization was the same and is outlined in a letter from Senator Grassley to Creflo Dollar's attorneys. That letter is included in the overview of Dollar's church.

EMIC/KCM's response to the Committee and its public statements made it clear that EMIC/KCM did not intend to cooperate with the Committee's request and provided the missing responses. As a result, Committee staff attempted to secure the requested information from public records and third parties. In this process, staff learned that EMIC/KCM used to strong tactics to prevent former employees from speaking about the organizations, even to Committee staff.

Several former employees of EMIC/KCM indicated that EMIC/KCM used intimidation in an attempt to keep informants from speaking to the Committee. Former employees were sincerely afraid to provide statements for fear of being sued since they signed confidentiality agreements. Employees were contacted by EMIC/KCM attorneys after the initiation of the Committee investigation and reminded that they signed a confidentiality agreement agreeing not to disclose any information concerning EMIC/KCM.[3] One former employee stated the following, "The Copelands employ guerrilla tactics to keep their employees silent. We are flat out told and threatened that if we talk, God will blight our finances, strike our families down, and pretty much afflict us with everything evil and unholy. Rather, God will allow Satan to do those things to us because we have stepped out from under His umbrella of protection, by "touching God's anointed Prophet". Further, employees are encouraged to shun and treat badly anyone who dares speak out."[4]

Governance and Organizational Structure

Officers, Directors, Trustees and Key Employees

In its response to the Committee, the Church stated that its board of directors consists of Kenneth Copeland, Gloria Copeland and nine other members. The Church declined to provide the names and addresses of the board members from 2004 to present as requested. It indicated that the other members of the Board are an Oklahoma architect, husband and wife pastors from Minnesota, a Missouri businessman, a Texas pastor, husband and wife pastors from Texas, a Louisiana evangelist and an Arkansas businessman.[5]

According to the Texas Secretary of the State record as of November 2006, which is when it appears EMIC last provided updates to the Texas Secretary of State, the following persons are directors/officers with EMIC:

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[3] Third Party Informant A
[4] Third Party Informant B
[5] Church Submission to Senate Finance Committee, December 6, 2007

- Kenneth Copeland-President
- Gloria Copeland-Executive Vice-President
- John Copeland-CEO
- George Pearsons-Secretary/Treasurer
- Delaine Neece-Assistant Secretary
- Delaine Neece-Record Secretary
- Jan Harbour-1st Assistant Secretary/CFO
- Loyal Furry-Director,
- James Hammond-Director
- Lynne Hammond-Director
- Bill McLellan-Director
- Harold Nichols
- Jerry Savelle-Director
- Carolyn Savelle-Director
- Jesse Duplantis-Director
- John Best-Director[6]

The table below indicates the relationship between Copeland and the Board of Directors:[7]

Name	Occupation	Relationship
Gloria Copeland	Preacher/Evangelist	K. Copeland's wife
Loyal Furry	Architect	*
James Hammond	Pastor, Living Word Christian Center	*
Lynne Hammond	Pastor, Living Word Christian Center	Wife of James Hammond
Bill McLellan		
Harold Nichols	Retired pastor,	*
Jerry Savelle	Pastor, Heritage of Faith Christian Center	*
Carolyn Savelle	Evangelist	Wife of Jerry Savelle
Jesse Duplantis	Preacher/Evangelist	*
John Best		
John Copeland	CEO- Kenneth Copeland Ministries	K. Copeland's son
George Pearsons	Pastor of EMIC	K. Copeland's son-in-law
Delaine Neece	Executive Assistant to the Copelands	Gloria's former sister-in-law

***** Loyal Furry, James Hammond, Harold Nichols, Jerry Savelle and Jesse Duplantis are not related to the Copelands. However, informants stated to Committee staff that the Copelands have close personal relationships with these individuals.[8] The nature of Copeland's relationship with board members raises questions about these individuals' ability to exercise independent judgment.

Veto Power

According to the Amended and Restated Bylaws of Eagle Mountain International Church, Inc. Article 5, Section 21 filed with Tarrant County on July 30, 2007,

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[6] Texas, Secretary of State, <http://www.direct.sos.state.tx.us>.
[7] Trinity Foundation Inc.
[8] Ibid

"Kenneth Copeland, as Co-founder and *ex officio* member of the Board of Directors, shall in his sole discretion be empowered to veto any resolution of the Board which he the President shall determine is not in the best financial or operational interests of the Church…"[9] In addition if the Board passes a resolution to remove one of the Directors or one of the officers, the resolution is not effective unless signed by Kenneth Copeland.

Board Meetings

Per the Church response, EMIC/KCM conducts annual board meetings at the Church's main campus in Newark, Texas, at an average annual cost of $4,500. Out-of-town board members are housed at a local motel or at the parsonage. Board meetings were held on the following dates: April 23, 2003, March 26, 2004, April 1, 2005, April 20, 2006 and April 20, 2007. The Church also stated that the Board meets as necessary by telephone to consider Church business.[10]

Accountability to Members

According to the EMIC bylaws, the Church "shall have no class of memberships entitled to vote." In addition, Kenneth Copeland and his family members hold all the key positions in the Church. Kenneth Copeland is president, Gloria Copeland is vice-president, John Copeland is the chief executive officer and George Pearsons (Copeland's son-in-law) is the pastor of EMIC. [11] This would mean that members of EMIC have no voting rights concerning any of the operational and financial matters of the Church.[12]

Integrated Auxiliaries

The Church responded to the Committee that it had no integrated auxiliaries. However, a search of Texas Secretary of State records indicate the Church filed at least twenty-one "assumed name certificates" with EMIC or International Church of the Word of Faith (ICTWF) as the incorporating entity.
Each assumed name and date of filing is listed below. As of December 2010, according to state records, all but the last two organizations listed have expired certificates. However, it is not clear whether EMIC/KCM is still using any of these names. Note that KCM, Inc. is one of the expired names.

Name	Date Filed
Believer's Voice of Victory	4/30/79 and 6/13/86
Kenneth Copeland Ministries, Inc.	2/22/79 and 6/13/86
Gospel for America	4/30/79 and 6/13/86
Kenneth Copeland Evangelistic Association	4/30/79 and 6/13/86

[9] The Amended and Restated Bylaws were provided to the Committee by Third Party Informant C.
[10] Church Submission to Senate Finance Committee, December 6, 2007
[11] Third Party Informant C
[12] Laura Strickler, "*Control Freak, Televangelist*" www.cbsnews.com, April 22, 2008.

Copeland Bible Class	4/30/79 and 6/13/86
Voice of Victory	4/30/79 and 6/13/86
KCP Records	4/30/79 and 6/13/86
Kenneth Copeland Publications	4/30/79 and 6/13/86
SOZO Records, Inc.	12/2/1981and 6/13/86
Sonrise	1/18/82 and 6/13/86
SOZO Music	6/29/1981
Kenneth Copeland	2/24/1986
Eagle Mountain Lake Development & Construction Corp.	6/13/1986
Eagle Mountain Island	3/5/1987
Eagle Mountain Recording Studio	3/5/1987
Eagle Mountain Church	6/27/1988
Kel-Jon Music, Inc.	11/6/1995
Heirborne Music, Inc.	10/24/1998
International Church of the Word of Faith, Inc.	10/27/1986
Superkid Academy	10/21/2009
Legacy Creative Group	10/21/2009

Committee staff requested the Internal Revenue Service search for Form 990 for many of these entities. The Internal Revenue Service was unable to locate any.

In addition to the entities listed above, Kenneth Copeland, Gloria Copeland and John Copeland are officers of an organization called Pitcherman Inc. Pitcherman, Inc. was established in March of 2003 and organized as a nonprofit in the state of Texas. According to the articles of incorporation filed with the Texas Secretary of State, one of the purposes of Pitcherman, Inc. was to "receive charitable gifts from various entities, including offshore corporations and entities, and to distribute said monies to other qualified 501(c)3 churches, para-churches, ministries and evangelistic organizations…" The Board of Directors for Pitcherman Inc. consisted of Kenneth Copeland, Gloria Copeland and John Copeland. A Form 990 was not found for this entity on GuideStar.org. The Church responded to the Committee that this entity was never operational.

Other Entities Associated with EMIC/KCM

- Victory Eagle Utility LLC, a/k/a Victory Eagle Aviation - According to records from the Texas Office of the Secretary of State, Victory Eagle Aviation and KCM use 14355 Morris Dido Road, Newark TX as their address.
- El Rancho Fe - According to the Church's response to the Committee, "Rev. John Copeland leases part of the land owned acquired by the Church from the Estate of Paul H. Prewitt for cattle operations, which are conducted through El Rancho Fe, a corporation owned by John

Copeland and Copeland Cattle Company, a limited partnership owned by John Copeland, Marty Copeland and El Rancho Fe." Pursuant to a written lease, John makes lease payments to the Church based on comparable market rates. The lease was approved by the Board of Directors.[13] Additional information concerning El Rancho Fe is noted in the "Use of Ministry Assets" section of this summary.

- Kenneth Copeland Airport - This is a private airport owned by Kenneth Copeland Ministries. [14] As of December 6, 2010, there were nine aircraft based at the airport: four single engine, three multi-engine and two jet airplanes.[15] Since the airport is owned by KCM there is very little public information available concerning this operation. A search of GuideStar.org was conducted but a Form 990 was not located. Former EMIC/KCM employees indicate that when visiting ministers come to EMIC/KCM, they are charged a fee for landing at the airport and for use of any hangars.[16] It was also reported to the Committee that the airport has its own fuel supply[17].

(Partial View of Kenneth Copeland Airport – courtesy of Trinity Foundation, Inc.)

- KGlen Air, Inc. - Texas Secretary of State records indicate that KGlen AIR, Inc. is a for-profit entity created in July of 2005 that is located in

[13] Church Submission to Senate Finance Committee, December 6, 2007
[14] www.airnav.com
[15] Ibid.
[16] Third Party Informant D
[17] Ibid

Newark, TX. The directors are Kenneth M. Copeland and Charles G. Hyde. Copeland is also listed as the registered agent.[18]

- Victory Eagle Utility Service Y, Inc. – Victory Eagle is a Delaware for-profit owned by Security Petrol. George Mercer is the president and Anthony and Middlebrook PC is the registered agent for this corporation.[19] Mercer is a director and president of Victory Eagle Utility Service Y, Inc. Victory Eagle Utility Service Y, Inc. is a for-profit corporation organized in the state of Delaware. Mercer is also the President of T.G. Mercer, a pipeline handling and storage company. There was a "Tommy Mercer" who was a former Board of Director for EMIC.
- Security Petrol, Inc. - Security Petrol is a Delaware for-profit which has a 100% ownership of Victory Eagle Utility Service Y, Inc. According to documents EMIC filed with the state of Texas, provided to the Committee in Trinity Foundation's "Religious Conversion" report, EMIC owns 100% of Security Petrol.

  Per the mineral deed filed with Tarrant County, also provided from Trinity Foundation's "Religious Conversion" report, EMIC ("Grantor") caused the formation of Security Petrol, Inc., a Delaware corporation and as part of the initial capitalization of SPI, EMIC contributed the Minerals to SPI. There is no other public information available concerning Security Petrol, Inc. Scarlett Bishop is listed as a director of Victory Eagle Utility Service Y., Inc.[20] John Copeland is listed as a director of Bishop's church, Faith Christian Family Church of Panama City Beach, Inc.[21]

  As of December 2007, three of the four directors for Security Petrol, Inc. were related to Kenneth Copeland. They were Jan Harbour (sister-in-law), Kellie Kutz (daughter) and John Copeland (son).[22] Additional information pertaining to Security Petrol is provided later in this summary.

- Victory Eagle Marketing and Distribution Z, Inc. -Texas Secretary of State records indicate that Victory Eagle Marketing and Distribution Z is a for profit corporation organized in Delaware in March of 1998. The records also indicate that Security Petrol, Inc. is the parent corporation. George Mercer, Markus Bishop and Scarlett Bishop are all listed as dreictors.

Compensation

[18] Texas, Secretary of State, <http://www.direct.sos.state.tx.us>.
[19] Texas, Secretary of State, <http://www.direct.sos.state.tx.us>.
[20] Texas Secretary of State<http://www.direct.sos.state.tx.us>.
[21] Trinity Foundation Inc., "*Religious Conversion*"
[22] Ibid

The Church did not provide the Committee with any information pertaining to Kenneth Copeland, Gloria Copeland or John Copeland's compensation. The following information is based on information received from third party sources.

Salaries
An insider states that Kenneth Copeland no longer receives a salary from EMIC budget but it is not known if one is received from KCM. Apparently, despite being the same legal entity, EMIC and KCM have separate operating budgets.[23] Gloria Copeland's last known salary was $400,000 and that was in the early 2000s. Kenneth and Gloria both receive "honorariums" when they go to speak at churches, conventions and crusades that are not sponsored by KCM. The normal amount received by each is $10,000 and they at times will also receive a percentage of the offering collected by the sponsoring church or ministry. Kenneth and Gloria also received royalties from their music and books. The figures noted are prior to 2005.[24]

In a video provided to the Committee, Kenneth Copeland is shown speaking at the Kenneth Copeland Ministries conference held in January of 2008. During this conference, he acknowledged several times that he personally is a billionaire.[25] Kenneth Copeland also states that since the creation of the ministry over 41 years ago, over $1.3 billion was come into the ministry as of approximately two or three years before the date of the 2008 conference.[26]

In April of 1996, EMIC filed an application for religious organization property tax exemption for 1996. As part of the application process, Texas law required the organization attach a list of salaries and other compensation for services paid in the last year. The law also required a list of any funds distributed to members, shareholders, or directors in the last year and the name, type of service or reason for the payment. Per Tarrant County documents, in that year EMIC/KCM board members received the following compensation.

Name	**Amount**
Kenneth Copeland	$ 364,577.11
Gloria Copeland	$ 292,593.08
John D. Copeland	$ 111,293.02
Delaine Neece	$ 41,969.79
Jan Harbour	$ 81,298.22
George Pearsons	$ 162,694.99
Total	**$ 1,054,426.21**

[23] Third Party Informant D
[24] Ibid
[25] Trinity Foundation, Inc.
[26] Ibid

Parsonage/Housing Allowances

In its response to the Committee, the Church acknowledged that it provides a parsonage to Kenneth and Gloria and a housing allowance to John but did not provide any further detail. However, insiders and the Trinity Foundation state that Kenneth and Gloria reside in a house in Tarrant County, Texas.

A review of the Tarrant County Appraisal District records indicates the following. An 18,280 square foot residence owned by EMIC was built in 1999. The house is situated on a lake on approximately 25 acres and receives tax-exempt status. As of tax year 2008, the property was valued at $6,249,000.

According to a third party informant, the “parsonage” has a sweeping spiral staircase and a bridge that spans across the living room and connects the two sides of the house.[27] It also has crystal chandeliers and, according to Gloria Copeland, doors that came from a castle.[28] The parsonage has numerous rooms including a work room where cleaning ladies did laundry, ironed and performed other miscellaneous chores.[29] The Copelands’ bedroom has a huge drop-down ceiling projector and screen.[30] There are three car garages at each end of the house where the Copelands stored motorcycles, cars and a golf cart.[31] The property also has a boat dock that has three slips.[32] All three slips are generally filled with boats so the Copelands keep their ski-boat in one of the airplane hangars. Insiders indicated that all the expenses related to the upkeep of the parsonage are paid for by the Church, including the household staff. EMIC/KCM employees are used to maintain the property and perform miscellaneous duties such as arranging the Copelands’ exercise equipment, moving furniture and setting up the Christmas tree.[33] One informant recalled that it took four male employees five days to assemble the Christmas tree and put up other Christmas decorations at the house. Employees from the accounting department were tasked to decorate the tree. Insiders also stated that shortly after the Copelands moved into the parsonage, Gloria and her daughter Kelli purchased Spode china through the EMIC/KCM’s purchasing department.[34]

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[27] Third Party Informant D
[28] Ibid”
[29] Ibid
[30] Ibid
[31] Ibid
[32] Ibid
[33] Ibid
[34] Ibid


(Tarrant County Residence – courtesy of Trinity Foundation, Inc.)

EMIC/KCM Credit Cards and Personal Expenses
The Church did not provide the requested credit card information or a detailed accounting of expense account items for Kenneth, Gloria and John Copeland. An insider stated that at one time the Copelands used American Express credit cards for their personal expenses. The Church may now use MasterCard. All of these expenses are subsequently paid for by the Church.[35] It is unclear whether the Copelands report the Church's payment of personal expenses as income on their individual tax returns.

Vehicles Allowance
The Church did not provide the requested vehicle information to the Committee. However, according to the Tarrant County Appraisal District, there are no vehicles owned by EMIC. According to a copy of an employment agreement provided to the Committee by Trinity Foundation in its *Religious Conversion* report on EMIC/KCM, EMIC agrees to pay all costs associated with any vehicle selected by Gloria Copeland. Trinity Foundation's report also states that at one time there were numerous vehicles registered to Kenneth and Gloria Copeland, including but not limited to a 2007 Mercedes Benz S550, a 2005 XLR Cadillac Roadster Convertible and a 2003 Corvette Convertible.

Other Benefits
Insiders report that at one time the Copelands had a personal chef who worked at the residence and also traveled with them. EMIC/KCM ministry paid the chef for his services.[36]

Compensation Committee

[35] Ibid
[36] Ibid

The Church did not provide the names and addresses of Compensation Committee members.

A draft letter dated in 2004 from to Kenneth and Gloria Copeland from their former attorney Dennis Brewer was included in the Trinity Foundation *Religious Conversion* report that was provided to the Committee. In the letter, Brewer expresses concern that KCM's compensation committee is made up of Board Members who make recommendations to themselves. He acknowledges that there is a "loophole" in the law that permits it but if "an IRS agent was doing an examination it would raise a large severe red flag." The letter goes on to state that "KCM has taken great precautions to not have the necessity to file 990s and to keep compensation issues confidential so why take an unnecessary chance?"[37] The inference can be made that the Church, at least prior to 2004, did not have a truly independent compensation committee independent of Kenneth Copeland's influence, his family and close friends.

Compensation to, and Transactions with, Relatives

In addition to the above-mentioned information, the Church also provided Tarrant County, as part of a property tax exemption application, with what appears to be the total salaries for 1995 which were $12,696,392.61. Of the $12,696,392.61, the Copelands and their relatives were paid as follows. [38]

Name	Amount		Note
Kenneth Copeland	$	364,577.11	
Gloria Copeland	$	292,593.08	Kenneth's wife
John Copeland	$	111,293.02	Kenneth's son
Marty Copeland	$	21,566.88	John Copeland's wife
Jan Harbour	$	81,298.22	Gloria's sister
Missy Johnson	$	85,346.75	Gloria's sister
L. Scott Johnson	$	65,167.44	Gloria's son-in-law
Alan Kutz	$	106,310.65	Kenneth's son-in-law
Jennifer Neece	$	74.39	Gloria's niece
Mary Neece	$	54,748.02	Gloria's mother
Mary Delaine Neece	$	41,969.79	Gloria's sister-in-law
Richard Neece	$	61,071.98	Gloria's brother
George Pearsons	$	162,694.99	Kenneth's son-in-law
Jeremy Pearsons	$	502.98	Kenneth's grandson
Terri Pearsons	$	50,095.92	Kenneth's daughter
Total	**$**	**1,499,311.22**	

[37] Trinity Foundation Inc., "*Religious Conversion*"
[38] Ibid

The Church also paid Doug Neece's company, Integrity Media, $22,400,000 and $20,600,000 in 1997 and 1996.[39] Doug Neece is Gloria Copeland's brother. Joel Neece, Copeland's nephew, is also listed as a director for Victory Eagle Utility Service Y, Inc., a company also run by EMIC/KCM.

John Copeland, Chief Executive Officer of EMIC
According to Tarrant County real estate records, on June 4, 1998, a Deed of Trust was executed between John Copeland and EMIC. According to county records, John borrowed $73,671.88 from EMIC.

The county records also indicate that John Copeland acquired three pieces of property from EMIC, one currently known as 12883 Morris Dido and two at 12891 Morris Dido, Newark, TX (EMIC is located at 14355 Morris Dido, Newark, TX.). It would appear that all three properties were purchased for $73,671.88. This sale of Church property to John Copeland took place after the Copelands realized that a substantial portion of the land consisted of an oil and gas producing field.[40]

Ten years later, according to the Tarrant County records these three combined pieces of property have a market value of $488,660. In addition, John Copeland has a mineral interest that has a 2008 market value of $48,290.[41] EMIC filed a release of lien in 2001 which was signed by Kenneth M. Copeland indicating that John Copeland repaid the above-mentioned loan to EMIC.[42]

Per the response to the Committee from the Church, "The Board also approved the sale, at fair market rate, of a small parcel of land to Rev. John Copeland for personal use as a residence and for his cattle operations." Committee staff is unsure if this is the same property noted in the Deed of Trust[43].

Gloria Copeland - A copy of the Corporate Resolution For Eagle Mountain International Church, Inc., Kenneth Copeland Ministries that was provided to the Committee by a third party indicates that Gloria loaned the Church $1million at 6.25% per annum.. This document also indicates that on October 25, 2002, a Promissory Note was executed by EMIC cancelling the original $1,000,000 note and renewing the same, together with accrued interest and the new note amount is $1,083,407.29 and as of 10/25/02 the unpaid balance of the principal amount was $1,055,594.89.[44] In response to the Committee's question regarding this loan EMIC/KCM states that "In November of 2000, Revs. Kenneth and Gloria Copeland agreed to make a $1 million interest-free loan to the Church to allow the Church to address short-term cash-flow needs." The Church realized that the interest-free nature of the loan created imputed interest income to the Copelands

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[39] Ibid
[40] Ibid
[41] Tarrant County Appraisal District
[42] Trinity Foundation Inc., "*Religious Conversion*"
[43] Church Submission to Senate Finance Committee, December 6, 2007
[44] Trinity Foundation Inc., "*Religious Conversion*"

which “imposed an unanticipated personal tax burden on them.” Therefore the Board approved the issuance of a replacement promissory note in the amount of $1, 083, 407.29 reflecting the imposition and accrual of interest. The Church did not provide copies of the original loan documents to the Committee.[45]

Kellie Kutz (Kenneth & Gloria’s daughter) - In 1997, according to Tarrant County records, Kellie Kutz was paid $7,000 in honorariums, $43,505.21 in royalties and advance royalty payments and $3,125.00 for a “new church design.” Total received, which does not include any salary, is $56,533.42[46].

Marty Copeland (John’s wife) - In 1997, according to Tarrant County records Marty Copeland was paid $18,637.85 in royalty payments[47].

Transactions with Board Members

The “Notes to Consolidated Financial Statements” section provided to Tarrant County state the following under *Related Party Transactions,* “Benevolent giving in the accompanying consolidated financial statements includes cash contributions of approximately $42,000 and $45,000 paid to board members in 1997 and 1996, respectively. The Church also gave approximately $568,000 and $388,000 in 1997 and 1996, respectively to board members for honorarium and benefit purposes.”

Per Tarrant County records, in 1997 board members received the following payments from EMIC/KCM.

Name	Honorarium	Royalties	Church Design	Total
James "Mac" Hammond	$ 9,000.00	$ 10,418.18		$ 19,418.18
Lynne Hammond	$ -	$ 3,324.00		$ 3,324.00
Jesse Duplantis	$ 10,000.00	$ 39,943.52		$ 49,943.52
Jerry Savelle	$ 14,508.30	$ 18,476.00		$ 32,984.30
Carolyn Savelle	$ 1,587.05	$ -		$ 1,587.05
Loyal Furry	$ -	$ -	$ 38,000.00	$ 38,000.00
				$ 145,257.05 [48]

In addition to the payments noted above, the following are a list of noteworthy transactions between Copeland and board members.

- James “Mac” Hammond - In 2007 Copeland or EMIC/KCM gave Hammond’s ministry a Citation 1 jet.[49]
- Jesse Duplantis - Duplantis is the pastor of Covenant Church and the founder of Jesse Duplantis Ministries. In a video provided to the Committee, Duplantis acknowledges in a taped television appearance

[45] Church Submission to Senate Finance Committee, December 6, 2007
[46] Trinity Foundation Inc., “*Religious Conversion*”
[47] Ibid
[48] Ibid”
[49] “*Money, Jets and Men of the Lord*”< www.greatdivide/typepad.com>

that he gave KCM $100,000 and in 8 months received $10,000,000.[50] Duplantis states he has owned three jets and paid cash for each one.

- Jerry Savelle - Savelle is the founder of Jerry Savelle Ministries. It has been reported that Savelle also received a jet from Copeland.[51]

[50] Third Party Informant C, DVD
[51] *Money, Jets and Men of the Lord*"< www.greatdivide/typepad.com>

Finances

Financial Information with Tarrant County

In order for an asset of a religious organization to be exempt from property taxes the state of Texas requires an "application for religious organization property tax exemption" be completed and filed with the County where the asset is located. As part of this application the religious organization is required answer the following questions and provide the following information.

- Is the organization organized and operated primarily for the purpose of engaging in religious worship or promoting the spiritual development or well-being of individuals?
- In the past years has the organization loaned funds to, borrowed funds from, sold property to, or bought property from a shareholder, director, or member of the organization, or has a shareholder or member sold his interest in the organization for-profit? If yes, please attach a description of each transaction. For sales, give buyer, seller, price paid, value of the property sold, and date of sale. For loans, give lender, borrower, amount borrowed, interest rate, and term of loan. Attach copy of note, if any.
- Attach a list of salaries and other compensation for services paid in the last year. Also list any funds distributed to members, shareholders, or directors in the last year. In each case, give the recipient's name, type of service rendered or reason for payment, and amounts paid.

EMIC/KCM had previously filed this information. However, it appears that when EMIC/KCM realized such information is available to the public, EMIC/KCM convinced a former Tarrant County appraiser that the Church should not have to provide this information. The former Tarrant County Appraiser then allowed EMIC/KCM to provide a statement from the Church's paid accountants indicating that the Church was operating in good standing. However, it should be noted that some other religious organizations continued to disclose this information with Tarrant County. Since EMIC/KCM is no longer required to provide this information to Tarrant County, it is also no longer available to the public.

After the initiation of the Committee investigation, Committee staff spoke with the former Tarrant County Appraiser who granted the filing exception. He stated that he made the decision that EMIC/KCM did not have to provide this information required by Texas law and that the law gave him the authority to do so.

It should be noted that in 2008, EMIC/KCM filed an application with Tarrant County to have an aircraft exempt from tax and the new Tarrant County Appraiser denied the exemption request because EMIC/KCM did not provide all the information as required by Texas law.[52] EMIC/KCM appealed this decision

[52] Brett Shipp, *"Appraisal Board denies Copeland exemption on jet"* www.wfaa.com

but was denied exemption again by the county's appeals board. In March of this year Tarrant County settled the lawsuit over the tax-exempt jet. EMIC/KCM was once again not required to disclose any salary or compensation information that would have been available to the public.[53]

Audited Financial Statements
In the state of Texas, organizations can register "Assumed Business Names" with the Texas Secretary of State. As noted previously, according to a former EMIC/KCM employee, there were separate budgets for Eagle Mountain International Church and Kenneth Copeland Ministries.[54] The employee stated a member of the management staff told her that the ministry received approximately $80 million to $90 million a year in 2003.[55] Since EMIC and KCM are the same entity, Committee staff assumes that all activities of EMIC/KCM are categorized as "church" activities.

According to the website for KCM, the firm of Ratliff and Sommerville conducts a yearly financial audit for the Church. However, to date, the Committee staff have not been able to locate audited financial statements for Eagle Mountain International Church (EMIC)/Kenneth Copeland Ministries (KCM). EMIC/KCM declined to provide this information to the Committee. In its response to the Committee the Church responded, "Based on constitutionally and statutorily based privacy, confidentiality, and freedom of association concerns, the Church respectfully declines to provide copies of the audited financial statement for the Church or any of the entities listed above."

Real and Personal Assets

Real Property Purchased
Per the response from EMIC the Church had the following "significant" real estate transactions.[56]

- Purchase of 6020 Lakehurst, Arlington, Texas, in the mid 1970s and the Church headquarters. The property was sold in 1980.
- Purchase of 4701 Green River Court, Fort Worth, Texas, in 1975 that was used as a Church parsonage. The property was sold in 1981.
- Purchase of property at 7860 Skylake, Fort Worth, Texas, in 1981 for use as a church parsonage. The property was sold in 2000.
- Purchase of property in Randburg, South Africa, in 1995 to build international offices.

Gas Wells

[53] Darren Barbee, "*TAD, Copeland ministry settle suit over tax-exempt jet*" Fort Worth Star Telegram.
[54] Third Party Informant D
[55] Ibid
[56] Ibid

EMIC owns several gas wells located on the organization's property. According to the Tarrant County Appraisal District records, EMIC owns mineral interests valued at $20,146,940, $24,246,670 and $20,347,370 in 2006, 2007 and 2008, respectively. The Church was paid royalty interest related to this property by Antero Resources I, LP, currently known as XTO Resources I, LP.[57]

The Church did not provide any details regarding the amounts received from third parties in royalty interest. Rather, the Church provided copies of leases and deeds which were not in any consistent order. This made it difficult for Committee staff to glean much from the documents. Staff did glean that EMIC executed several mineral deeds filed in Tarrant County, Texas. The Church conveyed to Security Petrol its interest in the oil, gas and other minerals located on several acres of land owned by the Church. Committee staff have been unable to determine what, if any, consideration was paid to EMIC.

Security Petrol subsequently conveyed this same interest to Victory Eagle Service Utility Y, Inc.(formerly known as Victory Eagle Marketing and Distribution Z), a for-profit whose officers are on the board of directors of EMIC or are related to Copeland.[58] (Note: Security Petrol and Victory Eagle Utility Service Y, Inc. used the same address, 14355 Morris Dido Road, Newark, TX. This is also the address for property owned by the Church. John Copeland signed as President of Victory Eagle Service Utility Y, Inc.)[59] On one document, John Copeland signs as the representative of EMIC, Security Petrol, Inc. and Victory Eagle Marketing and Distribution Z, Inc.[60]

The Church, in its response, explained its reason for setting up Security Petrol, Inc.

> "…it was discovered that a substantial portion of the land consisted of an oil and gas-producing field. Due to the liability exposure associated with oil and gas production, and in a effect to minimize the interference of such production activities with the Church's tax-exempt religious activities, the Church made the decision in 1997 to create a wholly owned, for-profit subsidiary, Security Petrol, Inc., and to transfer the producing portions of the land, related mineral interests in the land, and initial operating capital to that entity. Neither the Copelands nor any other individual has any ownership interest in Security Petrol, Inc…"

According to a "farmout" agreement between Eagle Mountain International Church Inc. (EMIC), c/o Kenneth Copeland Ministries and Antero Resources I, LP effective 6/15/2004, EMIC agreed to lease and farmout land to Antero so that Antero could develop the oil and gas under the land. EMIC executed an oil and gas lease with Antero giving Antero the exclusive right to develop the oil and gas

[57] Church Submission to Senate Finance Committee, December 6, 2007
[58] Trinity Foundation Inc., "*Religious Conversion*"
[59] Texas, Secretary of State <http://www.direct.sos.state.tx.us>.
[60] Church Submission to Senate Finance Committee, December 6, 2007

and providing for a 25% land owners royalty to EMIC. Antero also agreed to allow EMIC to back in for a 20% overriding royalty after payout on a well-by-well basis.

In addition, contemporaneously with the execution of the agreement, Antero agreed to pay EMIC in cash by wire transfer, bonus consideration of an amount equal to $3,000.00 per net mineral acre for the approximate 1,070 net mineral acres covered by the lease.[61] The lease covered 1070.6596 net mineral acres, which would mean EMIC received a bonus via a cash wire for $3,210,979.00. The farmout agreement is signed by John Copeland, Vice-President of EMIC.

EMIC received an overriding royalty interest from XTO, formerly known as Antero Resources I, LP related to several wells yet the amount of the royalty interest paid was not provided to the Committee. (Note: In response to the Committee's request, the Church only provided publicly available documents.)

It has been reported to the Committee that Kenneth Copeland told friends that he receives 2% royalties "back in" as it relates to the oil and gas wells.[62] A back-in is an interest earned after the well pays back its cost to the working interest.

Power plant

Insiders state that EMIC owns a power plant that employees refer to as "Land of Goshen." The power plant at one time sold electricity to TXU Energy. In a video obtained by the Committee, Copeland acknowledges that he has a power plant.[63]

Use of Ministry Assets

In its response to the Committee the Church stated that, "as a general policy, the Church prohibits the personal use of assets. Use of Church facilities and assets is limited to activities related to or in support of the Church, to entities that are owned or controlled by the Church, or to another non-profit church or ministry engaged in similar nonprofit activities."[64]

The Church acknowledged that, to an "insubstantial" degree, the Church-owned aircraft has been used for personal reasons. The Church stated that "the value of any personal use of Church-owned assets is treated as compensation and reported as taxable income on the respective employee's Form W-2, unless specifically excluded by statute."[65]

Church Employees

Several Church employees told the Committee that Church employees work for businesses operated by Gloria Copeland and John Copeland. Gloria's business

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[61] Ibid
[62] Trinity Foundation Inc., "*Religious Conversion*"
[63] Third Party Informant D
[64] Church Submission to Senate Finance Committee, December 6, 2007
[65] Ibid

“Great Designs” was an interior design business that at one time had a separate phone line at the Church. Very few employees were privy to the existence of Great Designs. Those who had knowledge were instructed not to tell anyone about the business because Gloria Copeland could get in trouble as it was not part of the ministry and a for-profit.[66]

El Rancho Fe was a for-profit horse ranch that was operated on ministry property by John Copeland. Ministry insiders stated that Church employees were used to process payroll checks for El Rancho Fe employees, to draft letters for El Rancho Fe, and to repair sheds and feeding troughs and perform other miscellaneous duties related to John Copeland’s ranch. Church employees were also used to round up cattle and take them to winter pastures. Church employees were not questioned as to how much time they spent working for El Rancho Fe. Since there was no accounting to the Church for time employees worked at El Ranch Fe, it would have been impossible for the Church to have been adequately compensated, if it were compensated at all.[67] An insider also stated that when they were conducting tours on behalf of EMIC/EMIC if any questions arose concerning the cattle and horses that were visible on the property they were told to say, "The owner of the land leases the land to the owner of the cows." The ministry insider went on to say that there was so much cover up in order to keep people from asking a lot of questions.[68]

Ministry Jet

According to the Church response, “the Church owns five aircraft that it uses in connection with its tax-exempt religious purposes, including worldwide ministry conventions,..” The fleet consisted of a) a 1962 Beech H-18 twin, b) a 1973 Cessna 421B Golden Eagle, c) a 1975 Cessna 500 Citation, d) a 1998 Cessna 550 Citation Bravo and e) a 2005 Cessna 750 Citation C. The Church also states that any personal use is added to the Copeland’s Form W-2.[69]

A former ministry employee stated Gloria Copeland used a jet to fly to Naples, Florida, to go shopping.[70] She would purchase clothing, sculptures and home furnishings.[71] John Copeland and ministry employees, Craig Atnip, Steve Poteet and some others used a jet to take hunting trips.[72] Kenneth Copeland used to travel back and forth to Arkansas to see a chiropractor and to visit his cabin there. The Copeland family also flew to Colorado to their home in Steamboat Springs from time to time.[73]

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[66] Third Party Informant D
[67] Ibid
[68] Ibid
[69] Church Submission to Senate Finance Committee, December 6, 2007
[70] Third Party Informant D
[71] Ibid
[72] Ibid
[73] Ibid

In October of 2007, Brett Shipp with Dallas-based television station WFAA conducted an investigative report regarding the Copeland's personal use of the ministry jet[74]. Based on Shipp's report, the Copelands traveled often to Steamboat Springs, CO, and took hunting trips to southern Texas. The report also showed the Copelands taking extended stays in Hawaii while traveling across the Pacific.[75] Copeland originally told donors that then 20 million dollar jet would only be used for EMIC/KCM business. However, in the response to the Committee, the church acknowledged that there was some personal use of the ministry jet but the Church did not provide any details.[76]

The Church provided an "Event Itinerary" for years 2003 through 2007.[77] A review of the FAA flight records for several planes operated by Copeland shows Copeland makes frequent trips to his home state of Arkansas and to other locations such as Alabama, Oklahoma, Missouri and Colorado. It would be difficult to determine which of these trips is ministry-related, based on the conventions, conferences and crusades noted on the "Event Itinerary."

(A EMIC/KCM jet – courtesy of Trinity Foundation, Inc.)

Possible Conversion of Other Assets

On the August 4, 2006, broadcast of Copeland's Believer's Voice of Victory, Copeland acknowledges that he has no utility bills and that he has his own electrical power plant that runs on the gas that comes from his own ground and that he owns water wells, a purification plant, and a sewage plant, all located on his property. Copeland goes on to say that if no money came into the ministry,

[74] Brett Shipp, *"Jet flight records spur Copeland ministry questions"* www.wfaa.com
[75] Ibid
[76] Church Submission to Senate Finance Committee, December 6, 2007
[77] Ibid

he would not be in need because he has no debt.[78] Since Copeland resides on land that belongs to EMIC/KCM, it is difficult to understand his claim that all of these debt-free assets belong to him and not the Church.

Employment Agreements and Royalties

The Church did not provide the Committee with a copy of the employment agreements between the Copelands and EMIC. However, an employment agreement prepared for Gloria Copeland and EMIC was included in the *Religious Conversion* report provided to the Committee by Trinity Foundation.[79] Under this agreement, "Eagle Mountain International Church, Inc., a Texas corporation doing business as Kenneth Copeland Ministries" would:

- Employ Gloria Copeland for a period of twenty years beginning January 1, 2002 to December 31, 2021.
- Give Gloria an option to extend the contract for an additional 10 years following the initial 20 years.
- Permit Gloria to be a paid consultant once she retired.
- Permit Gloria to retain the title and duties of Executive Vice President as long as she desires.
- Permit Gloria to secure any personnel needed to fulfill her responsibilities at the expense of EMIC
- Agree that Gloria's "works of authorship" such as sermons, books, pamphlets, lectures, articles and speeches created prior to and during the term of the employment agreement belong to Gloria.
- Require EMIC to pay Gloria an annual salary that is comparable to the compensation of other ministers, secular executives, performers and personalities whose ministries and/or businesses and/or professional activities and production are of similar scope. The amount of the salary shall be determined annually by the Independent Compensation subcommittee of the Board of EMIC.
- Permit Gloria to, at her sole discretion, to defer or otherwise direct all or any part of her compensation to take advantage of any tax benefits.
- Entitle Gloria to eight weeks of paid vacation, which can be accrued and added to in subsequent years. Gloria can also receive cash payment in an amount equal to the amount of her annual salary attributable to that time.
- Require EMIC to honor any reasonable sabbatical request made by Gloria.
- Require EMIC provide to Copeland with the use of an automobile of Gloria's selection including make, model and options and be responsible for all operating expenses including fuel.
- Require EMIC to procure and maintain an automobile insurance policy including full coverage, with coverage including Gloria, with policy limits in

[78] Third Party Informant E, DVD
[79] Trinity Foundation Inc., "*Religious Conversion*"

the amount of at least one million dollars for bodily injury or death to any person and any one accident.

- Require EMIC to pay Gloria an annual ministerial housing allowance to be determined by the Independent Compensation Committee or provide Gloria with a parsonage.
- Require EMIC to pay business expenses “reasonably incurred” by Gloria in promoting the business of EMIC, including expenditures for entertainment, gifts, and travel. EMIC is to provide Gloria with a credit card for these expenditures.
- Require EMIC to continue to pay Gloria under the terms of the agreement unless she is unable to perform 51% of her duties for 12 consecutive months. If this happens EMIC, if it elects, may reduce her salary in an amount not more than 49% of the salary in effect.

Published Works

According to the Church response, Kenneth “Copeland has retained the ownership of his works but has granted the Church a perpetual license to use these works in exchange for a market-based royalty.” The Church subsequently stated in its response to the Committee that “the Church records, produces, and distributes a large portion of its own media and internet products. In this regard, the Church has full-time, paid personnel devoted to the production of the Church’s television programming.” In addition, the Church provided a list of third party vendors that print and make audio and video recordings of the Copeland’s materials.[80] Insiders state that Kenneth Copeland starred in a series called “The Adventures of Wichita Slim” for which he also received royalties and that Copeland’s daughter Kelli also received royalties for movie and/music productions she participated in called “Superkids.”
It should be noted that other employees that were part of these productions were required to sign waivers and paid a one time stipend for their participation instead of receiving royalties, like those received by Copeland and his daughter, Kelli (Copeland) Kutz.[81] One insider recalled seeing a check written to Kelli. Although the insider could not recall the exact amount she indicated it was somewhere close to $20,000.[82]

Use of Donor Funds

EMIC/KCM solicited donations through brochures to ministry partners to build the “Revival Capital of the World.” The project was to include ministry facilities, a headquarters, a resort hotel, a radio and television center, a kingdom park and a retirement community called Wisdom Heights. To date, several of the proposed projects for which donors contributed have not been constructed.[83] In its response to the Committee regarding the status of the project and the status of the donations received, the Church stated that it used these donations and

[80] Church Submission to Senate Finance Committee, December 6, 2007
[81] Third Party Informant B
[82] Third Party Informant D
[83] Third Party Informant F

others to build a sanctuary, a worship center, a chapel, a parsonage, class rooms, administrative offices, a prayer call center and media development services facilities.

The Church also noted that there is no relationship between the "Revival Capital of the World" and the land being used by John Copeland's company, El Rancho Fe.[84] Based on information the Committee received, the Church led donors to believe they were building a retirement community. However, to date, a retirement community has not been constructed.[85] When one donor contacted the Church regarding the disposition of the donor funds given for this particular project, the Church denied the donor's request for a written accounting of how the donations were used.[86]

An insider also stated that at one point, a special fund was set up to buy a piano for George Pearsons, pastor of EMIC who is also Kenneth Copeland's son-in-law. Donations that were given to the Church were put in a separate fund and that money was used to buy the piano.

Another insider stated the following: "Ministries tied to Kenneth Copeland often exchanged checks between one another. For example, Copeland's ministry received a check for $50,000 and turned around and wrote a high dollar check to the same ministry. The employee specifically recalled this 'reciprocation' between Copeland and Creflo Dollar but noted there were others."[87] The employee also stated that when Copeland sent a check to a ministry and that ministry failed to reciprocate, Copeland would no longer send them checks. The same employee told Trinity Foundation that it was explained to the employee that giving in this manner was part of the partner relationship KCM had with other ministries.

<u>Collections at International Locations</u>

In its response to the Committee, the Church states that funds that are collected internationally stay at the international location and the amounts collected are deposited at a local financial institution which notifies KCM of the deposited amount. KCM's accountant then verifies these amounts.[88] However, EMIC/KCM conducted conventions in Singapore, Fiji and Nigeria and EMIC/KCM does not have offices in these locations. Since no further details were provided to the Committee by the Church, no definitive statement can be made as to the ultimate disposition of these donations.

<u>Layover Trips</u>

[84] Church Submission to Senate Finance Committee, December 6, 2007
[85] Third Party Informant F
[86] Third Party Informant F
[87] Third Party Informant D
[88] Church Submission to Senate Finance Committee, December 6, 2007

In response to the request for a detailed accounting of the costs for specific layover trips, EMIC/KCM did not provide any documentation and any figures related to the costs of these layovers. However EMIC/KCM stated that the Church participates in a number of international meetings, conferences and conventions. The Board approves an annual budget for these events but the actual destinations are determined by the pastors based on annual spiritual needs and goals. Also, the Fiji Island trip was a scheduled event and the layovers in Maui and Honolulu were part of the trips to Australia and Fiji Islands. In addition, the Church noted that these layovers were needed to allow pilots an appropriate opportunity to rest before and after ministry events.[89]

However, according to flight records, the Copelands left California on 9/28/06 for Hawaii and stayed in Hawaii for a two day layover when there were no events noted in the itineraries provided.[90] On the return trip the Copelands once again stayed in Hawaii for three nights before returning to Texas.[91]

EMIC/KCM stated the trip to John Hagee's La Fonda ranch was a Church-sponsored trip for some Church members. The aircraft originally flown to the ranch had unforeseeable damage so the Church's jet had to be used to rescue members due to the "distressing nature of the situation." In response to questions about the trips to Colorado, EMIC/KCM stated that these were indeed personal trips but that the Copeland's reimbursed EMIC/KCM.[92] However, EMIC/KCM did not provide any documentation to the Committee as evidence of this reimbursement.
In addition, as previously stated in this report, Copeland promised donors who gave millions for the purchase of this jet that the jet would only be used for "Glory of God."[93] Also, an insider stated the aircraft was often used by John Copeland and other ministry employees for personal hunting trips and the afore-mentioned trip was not an isolated incident.[94]

$2.1 Million gift to Copeland

In response to the Committee question regarding the $2.1 million gift to Copeland, EMIC/KCM provided the following statement. "The referenced event was not a Church event, but rather an informal effort of ministers and supporters of the Copelands' ministry to honor the Copelands with a gift on the 40th anniversary of their time in ministry and in honor of the Rev. Kenneth Copeland's 70th birthday. The Copelands received personal gifts or payments of less than $2 million. In any case where it was unclear whether the gift was to the Copelands or the Church, the gift was treated as a donation to the Church."[95] However, in a statement provided to the Committee from one of Copeland's former partners

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[89] Ibid
[90] Brett Shipp, *"Jet flight records spur Copeland ministry questions"* www.wfaa.com
[91] Ibid
[92] Church Submission to Senate Finance Committee, December 6, 2007
[93] Brett Shipp, *"Jet flight records spur Copeland ministry questions"* www.wfaa.com
[94] Third Party Informant D
[95] Church Submission to Senate Finance Committee, December 6, 2007

who attended this gathering, the invitation to this event and sequence of subsequent events was as follows:

> *"I did receive that same solicitation letter to raise money for the Copelands personally, for their 40th Anniversary in "ministry." To be sure, we wish we still had a copy (it was on high-quality parchment paper, with foil-embossed letterhead from Creflo Dollar's church, but inside of a KCM envelope); but we were so disgusted by the thing we actually threw our copy away the day we received it (again, we wish we had held onto that in retrospect).*
>
> *Regarding the DVD: I am not aware of a DVD mailed to the donors in an effort to raise the money beforehand. However, the DVD of the actual 2007 Minister's Conference "service" in which the last portions of those moneys were raised was made available to those ministers in attendance. Unfortunately, it was edited before duplication, and the version mailed to the recipients omits that part of the "service" completely. However, again, I was there...*
>
> *John Copeland, Creflo Dollar, and Jesse Duplantis of New Orleans, Louisiana, announced their "gift" and presented Kenneth & Gloria a giant cardboard check for the total received up to that date. However, they then said they were trying to surpass a higher financial goal of $2mil, and wanted to give the ministers present (and the ministries they represented) a chance to add to the total then represented on the check. They brought in two KCM employees with credit card terminals, and began taking not only check and cash contributions, but also credit/debit card transactions towards the same IN THE SANCTUARY ITSELF while the band played music. The transactions were done through KCM processes and were performed by KCM employees, but it was plain that it was to be personally given to the Copelands. They made periodic "update" announcements from the platform of the running total, but I believe it was about 90-minutes or more later before they announced they had concluded the "offering" and continued the rest of the "40th Anniversary" service from there.*
>
> *Again, those portions of the video from the 2007 Minister's Conference service in question were omitted in all copies subsequently distributed to those who purchased DVD sets of the conference."*[96]

According to another insider, EMIC/KCM gave private donor information to Creflo Dollar Ministries to use to solicit donations for the above-mentioned event.[97] However, EMIC/KCM did not provide the requested donor information to the Committee citing donor privacy.

[96] Rich Vermillion, former Kenneth Copeland ministry partner
[97] Third Party Informant D"

This donor information provided to Creflo Dollar Ministries was subsequently used by Creflo Dollar Ministries to solicit private donations to be used as a personal gift for Kenneth and Gloria Copeland.[98] This sharing of private donor information was a violation of EMIC/KCM's donor privacy policy.[99] In addition, an insider informed the Committee that Creflo Dollar Ministries had complete authority and responsibility over the receipt of the funds for this event and that any checks that were sent to EMIC/KCM for this event were redirected to Creflo Dollar Ministries.[100]

An insider gave this accounting of the event:

> *"This was not only a 40th Anniversary Party but it was also to celebrate Kenneth's 70th birthday. It was a black tie event at the Four Seasons Hotel in Dallas. The criteria for getting invited was to have given a certain amount and upwards to KCM during the past year and/or to be a VIP of the ministry or of Kenneth and Gloria. Creflo Dollar and his ministry is the one who headed up this party with the blessing and participation of John Copeland. John allowed for Barry Tubbs' office to share these people's CONFIDENTIAL information to Creflo's ministry in order for Creflo's people to send out the invitations. The invitation was for the party as well as to give to the Copelands for these two special events. Creflo's goal was to raise 2 million dollars to present to the Copelands at the party. This money was for the Copeland's personally. Creflo did not receive the 2 million from the invitees so he put in about 1 million of his own money (or money from his ministry) to meet his goal. I believe the amount ended up being 2.1 million. At the party, people lined up giving their money to a person sitting at a table next to Kenneth and then there were people calling in their donations as well. I would be surprised if everyone that donated got credit for it being tax deductible."*[101]

A former Copeland ministry partner provided the following statement regarding this same event.

> *"At the end of last summer…Creflo Dollar contacted him and John Copeland about doing something extra special to honor KC & GC at the end of the Minister's Conference and to make it a "surprise" for them. John flew out to Atlanta and met with Creflo and they decided to have a special honor for them on the final night of the Minister's Conference… This would be a "who's who" list of KCM dignitaries/counterparts in the ministry world plus on the guest list would be those who gave a certain amount and above of contributions to the Ministry. Well, the guest list was generated from the confidential mailing list of KCM without any person on that list's approval… John and Creflo named an amount and we printed*

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[98] Ibid
[99] Ibid
[100] Ibid
[101] Ibid

> *out a computer generated list with certain criteria and gave that list to Creflo's people and they in turn, sent out invitations to those people/ministers/pastors that met that criteria. The invitation was inviting them to a special surprise dinner honoring KC/GC of 40 years in Ministry. Then it said they were trying to raise ONE MILLION DOLLARS to give them, personally, for their 40th Anniversary gift. Send in your RSVP along with your money to Creflo Dollar Ministries. I believe that close to TWO MILLION DOLLARS was given to them that night, with Creflo giving close to a million. This was a direct VIOLATION of the privacy policy and we had numerous complaints about it but like everything else, it just went away."*[102]

Although EMIC/KCM did not provide any information concerning the specific donors that gave funds toward the gift for the Copeland, Committee staff obtained information concerning the ministers and/or ministries that had jets parked at Kenneth Copeland Airport during that timeframe.[103] They are as follows:
N1GM--Victory Christian Ministries International, Clinton, MD Tony & Cynthia Brazelton
N700VC--Agape Church, Little Rock Arkansas, Rev. Happy Caldwell
N711PC--Word of Faith Christian Center, Lear jet, Southfield MI, Bishop Keith Butler
N501SS--Dove Air, Inc., Ashville, NC
N225BJ--Word of Faith Christian Center, Southfield MI, (Another Bishop Keith Butler jet)
N888HS-- Glorious Church Fellowship, Branson, MO, Televangelist Billye Brim,
N700MH-James "Mac" Hammond, Plymouth, MN,
N61KM-- Faith Life Church, Branson, MO, Televangelist Keith Moore,
N103CD--Creflo Dollar's Gulfstream II jet, Atlanta, GA
N685SF--Spirit of Faith Christian Center, Temple Hills, Maryland, Gulfstream II jet Drs. Shine & Dee Dee Freeman
N333CJ--Canaan Land Church, Autaugaville, AL, Mac Gober

A reporter with the Arkansas Gazette attended the church of Copeland's friend, Happy Caldwell, on the Sunday following this ministry event. As previously noted, Caldwell was one of Copeland's friends who flew in on a Cessna 500 owned by his church. After attending the service, the reporter wrote the following:

> *"What do you give a televangelist who has everything?*
> *If the evangelist is Kenneth Copeland and it's his 70th birthday, you give him one of those oversized cardboard checks -- with a seven-digit dollar figure.*

[102] Rich Vermillion, former KCM Partner "Titled per www.kennethcopelandblog.com"
[103] Trinity Foundation Inc., "*Religious Conversion*"

> *Happy Caldwell, pastor of Little Rock's Agape Church, said fellow evangelists chipped in $2.1 million and presented Copeland with the gift on Thursday night in Texas. Caldwell told the story during this morning's service, moments before collecting an offering. An audible gasp went up when Caldwell revealed the size of the present. Caldwell didn't say how much Agape Church had kicked in. Kenneth Copeland and his wife Gloria were apparently delighted with the outpouring. "They were speechless," Caldwell said. "That's about a million dollars apiece."*
>
> *Copeland's son spearheaded the fundraising gift. Caldwell said Copeland deserves the money because he's been generous with the millions he receives in tax-deductible contributions. "When you're a heroic giver, eventually you're going to be a heroic receiver."*[104]

Miscellaneous Tax Issues-Social Security and Unemployment

Under current tax law wages paid to employees of churches or religious organizations are subject to Federal Insurance Contribution Act (FICA) taxes unless one of the following exceptions apply:

- Wages are paid for services performed by a duly ordained, commissioned or licensed minister of the church in exercise of his or her ministry
- The church of religious organization pays the employee wages of less than $108.25 in a calendar year or
- The church is opposed to the payment of Social Security and Medicare taxes.
- In addition, churches and religious organizations are not liable for Federal Unemployment Tax Act (FUTA) tax.

Several insiders contacted the Committee and stated that EMIC/KCM required them to sign papers saying they will never attempt to collect unemployment. The employees were not aware that the Church was not required to pay FUTA. Employees also indicated that they were not aware that the Church opposed the payment of Social Security and Medicare and that because of this they were no responsible for paying all of their Social Security. Instead EMIC/KCM told employees that it was the IRS's fault that they had to pay all of their social security and that is why their taxes were so high.[105]

[104] Trinity Foundation Inc., "*Religious Conversion*"
[105] Third Party Informant B, Third Party Informant D