

# Grassley targets ministries' alleged abuse of tax laws

February 29, 2008

Posted: 2/29/08

## Grassley targets ministries' alleged abuse of tax laws

**By Robert Marus**

*Associated Baptist Press*

WASHINGTON (ABP)—[Sen. Chuck Grassley](#) insists that he's not trying to impose his Baptist theology on Pentecostal and Charismatic ministries; he simply wants them to obey the tax laws.

The Iowa Republican has drawn fire for using his position as ranking minority member of the Senate Finance Committee to investigate six ministries—most of them embracing so-called “prosperity gospel” theology—for their financial habits.

Sen. Chuck Grassley
---------------------------

The ministries already drew scrutiny from former followers or media outlets for spending habits that some would consider indulgent or inappropriate. In an echo of the televangelist scandals of the late 1980s, the charges include using ministry funds to purchase private jets, multi-million dollar homes for ministers and a \$23,000 marble-topped chest.

Grassley's office [sent letters to the ministries](#) Nov. 6, asking them for information on their receipts, expenditures and holdings. He set a Dec. 6 deadline for response. While all of the ministries produced statements saying they complied with all tax laws, only the St. Louis-area Joyce Meyer Ministries provided the information Grassley sought.

At a Feb. 1 press conference following his appearance at a Baptist meeting in Atlanta, Grassley said his office planning to send a second round of letters to the ministries that were not cooperating, asking again for the information and threatening further action. However, the senator said at the time, "It would be awhile before I would think about a subpoena."

But leaders of several of the targeted organizations have vowed to fight Grassley, with some even going so far as to say they'd go to jail rather than answer a congressional subpoena.

"You can go get a subpoena, and I won't give it to you," said Texas-based evangelist Kenneth Copeland at a January pastors' conference. "It's not yours; it's God's, and you're not going to get it, and that's something I'll go to prison over. So, just get over it. ... And if there's a death penalty that applies, well, just go for it."

Copeland and other targeted evangelists have said the investigation is violating their religious freedom. While most nonprofits organized under Section 501(c)(3) of the federal tax code have to file information about receipts and expenditures with the Internal Revenue Service, churches do not.

Religious organizations under investigation might claim a First Amendment violation based on a theory of excessive entanglement in church affairs or discrimination based on religion—if they could show they were being targeted on the basis of their religious beliefs, said Holly Hollman, general counsel with the Baptist Joint Committee for Religious Liberty.

“Of course, the stated purpose of the investigation is congressional oversight for the tax laws that govern nonprofit entities. The First Amendment certainly does not provide a blanket exemption from the tax laws that govern nonprofits, including many religious entities,” she added.

Grassley stressed he is not targeting churches, *per se*, but simply investigating whether they are complying with laws that apply to them.

“Here’s the bottom line: The tax laws that apply to nonprofits, there’s no difference between those tax laws as a nonprofit or ABC church as a nonprofit. The only difference between the Red Cross as a nonprofit and the church is that” churches don’t have to report in the same way to the IRS, he said.

Presidential candidate Mike Huckabee, who is close to Copeland, also criticized the investigation. In a Feb. 10 appearance on NBC’s *Meet the Press*, the former Baptist pastor said it was “a little chilling” to him. “Is Congress going to start going after nonprofit organizations?” he asked. “And if so, are they going to do all nonprofits? Are they going to start looking at MoveOn.org?” MoveOn is a liberal group.

But Grassley has repeatedly investigated secular nonprofits, including the Nature Conservancy and the Red Cross. At the press conference, he said he had previously almost always gotten cooperation from nonprofits whose finances he’s investigated.

“Except for Jack Abramoff and his nonprofits—and he’s in prison now—every time I asked nonprofits for information, I got it,” he said, referring to the disgraced former GOP lobbyist.

A former religious adviser to President Bush has said Pentecostals and charismatics will view the investigation as an assault by more mainstream evangelicals like Grassley—potentially driving a wedge between Republicans and part of their conservative Christian base.

Doug Wead, in a Feb. 16 Des Moines Register story, said, “The Grassley probe, by the time it is full-blown and the media does its job of attacking these ministries, will have Pentecostals feeling demeaned and helpless and dirty and targeted.”

Wead, a former board member of one of the targeted ministries, also said the investigation will cause Pentecostals to feel that the media had been “used by a Baptist to settle a score.” In a blog entry, he accused Grassley and other mainstream evangelicals of elitism in pursuing the investigation.

Grassley, for his part, has repeatedly denied that he has a theological agenda in the investigation. “I’m not interested in what they’re preaching; they can call their gospel anything they want to,” he said in Atlanta. “This nonprofit investigation is ... about obeying the tax laws and being a trustee of the money of the people that contribute.”

He’s received some backing from at least one prominent charismatic source. Lee Grady, editor of the flagship magazine for charismatic and Pentecostal Christians in the United States, used his February column to call on such ministries to be transparent.

“Perhaps the Lord is offended that our beloved gospel of prosperity has created a cult of selfishness,” he wrote in *Charisma* magazine. “If so, our best response is to open our account ledgers and welcome correction.”

News of religion, faith, missions, Bible study and Christian ministry among Baptist churches, in Texas, the BGCT, the nation and around the world.