

A Brief on WHCC “Church” Status, February, 2005

Rebuttal to WHCC/BHM’s response to IRS

1) Please provide a brief history of the development of the organization, including the reasons for its formation. From its founding in September 1983 until approximately 1988 Benny Hinn’s Orlando Christian Center (OCC) operated in a manner similar to most Pentecostal churches in this country. Members of the church corporation included anyone who professed Christ.¹ Members participated in an annual business meeting, approved the budget of the corporation, and approved large capital expenditures. In 1987, Hinn family members had gained a majority on the board of directors (three of five).² By 1988 the board of directors had gradually amended the bylaws to exclude the annual approval of budget or any capital expenditures by members (only the board members). In other words, the annual business meeting no longer had any real say in the corporation.³ Before 1991 Benny was performing healing “crusades” to sold-out crowds in auditoriums and other churches. That year, the ministry presented a crusade in a large arena in Flint Michigan and began using stadiums as well.⁴ Ex-insiders describe these as being very lucrative. Attendees gave generously to the offerings collected at these events. Names and addresses were collected simultaneously in the offering plate. By 1991 the ministry was now starting to develop a “partner” or donor mailing list.⁵ Benny Hinn Media Ministries began in 1991 as a d.b.a. for OCC.⁶ It was later simplified to Benny Hinn Ministries.

In response to a number of complaints about Hinn’s ministry, Trinity Foundation’s Ole Anthony went along as a consultant to *Inside Edition* and met with Pastor Benny.⁷ On an April 1993 broadcast, Hinn promised Ole and *Inside Edition* cameras he would have medical verification of the healings before televising the testimonials and expand his board to include directors who are willing and able to challenge him and his decisions.⁸ Hinn revealed his salary and the gross income of the ministry. A few weeks later, Hinn told Paul Crouch and Trinity Broadcasting viewers he would stop driving a Mercedes Benz and start driving a Honda.⁹ A month following the *Inside Edition* exposé, Hinn made some more promises in a televised broadcast of his church service. He told his congregation “I think I’m going to stop preaching healing and start preaching Jesus.” He also said, “Preachers who live in big houses and drive big cars have to reexamine their calling. Some of God’s saints lived in caves!”¹⁰ At the time, Ole Anthony wrote two editorial opinion articles favoring Pastor Hinn and condemning Robert Tilton, showing Hinn as the one willing change his ways, and praising Hinn for his openness with his financial records.¹¹ Hinn made more promises along these lines on another show, *The 700 Club* with Pat Robertson.¹² We believe Hinn used all this good publicity to cast himself in a positive light and advance the ministry. A few months later we noticed that Pastor Hinn was still broadcasting unverified healings. Ole Anthony called Mr. Hinn’s brother Christopher and asked him about Pastor Hinn’s promise to verify healings before broadcasting them. Benny Hinn said, through his brother, “If I did what Ole wants me to do, I wouldn’t have any healings to air”. That is when we began proactive investigations of the ministry.

By the mid-90's Hinn's ministry was well on its way toward becoming a large business. By 1995, the Orlando Christian Center had a separate set of buildings off limits to normal church members. Building security tightened. Persons working for the OCC/BHM were required to wear security badges, to pass before security cameras, and limited to certain job specified work areas.¹³ In April 1996 the Orlando Christian Center changed its name to the World Outreach Center (WOC).¹⁴ Also that year the ministry complex entry became gated with a booth and guard. Church services continued each week and cars could come and go freely on Sundays. The ministry had formerly not sent out mass-mailings. But now, money flowed in both from mail donations and crusade contributions in addition to the church's normal tithes and offerings. The ministry's own printing presses ran long hours and could no longer handle the load so jobs were farmed out to other printing companies.¹⁵ On December 18th, 1996, the ministry held a business meeting chaired by then CFO Gene Polino announcing a change in the internal reporting of its financial status. A church member questioned from the floor, "Are the finances of the church public knowledge?". Polino responded, "We've taken steps to protect ourselves in that area...". He said that the ministry's books would no longer be open to public scrutiny but would be available privately to anyone inside the church asking to see them.¹⁶

Trinity Foundation's investigations of the Hinn ministry for CNN, aired on their program *Impact* in a two part series in 1997.¹⁷ Because of the information that was aired, Pastor Benny believed that there were informants in the upper echelons of his organization. He hired Mr. Mario Liciardello as his Chief of Security to conduct a thorough investigation to determine the source of the leaks. That investigation included dozens of interviews with Hinn employees, board members, auditors and attorneys, all taken under oath.¹⁸ According to Mr. Liciardello, he uncovered many wrongdoings, possibly actionable, within the ministry but he found no one who had leaked information (Trinity employees had uncovered most of the damaging information from former employees and during trash runs at the ministry, its lawyers' office and accountants' facilities).¹⁹ Shortly after Liciardello told Pastor Hinn about his findings he was fired from his job.

Soon after Mario's firing WOC filed a suit against Liciardello to prevent him from releasing any of the information that he had uncovered.²⁰ It was during this time that Liciardello hired Trinity Foundation (for \$1.00) to assist him in defending himself against Benny's lawsuit.²¹ In their court filings, the CEO for the Hinn Ministries said that Benny Hinn would lose 90% of their annual income if the work product that was in Liciardello's possession were ever made public.²² Ole Anthony, President of Trinity Foundation, traveled to Orlando, Florida during this time period to meet with informants and he also met with two FBI agents who were investigating the Hinn ministries: Special Agents Janet Johnson and Michael Brown.

The FBI talked to Mario Liciardello and he received a subpoena to appear before a Secret Federal Grand Jury that was seated to look into Benny Hinn's organization.²³ Mario died of a heart attack in May 1999 and Pastor Hinn was not billed by the grand jury because Liciardello was the main witness. Dennis Bayer of Orlando was Mario Liciardello's attorney at the time.

On July 3rd 1997, subsequent to the first broadcast of the two-part investigation on CNN (for which we provided investigative materials), Pastor Benny chaired a special conference call meeting of the board of directors to accept the resignation of board member Stephen Beik and discuss California facilities.²⁴ (The ministry believed that high-level personnel within the ministry were informants and had launched an internal investigation). Hinn presented the need for a California residence (for himself) and discussed possible public perception relating to the lease of a house at 100 Ritz Cove and the acquisition of a lot at 35 Ritz Cove (later to become Benny's now ten million dollar home). A lawyer recommended that a holding company be established rather than a trust for *the purposes of confidentiality*. Hinn then "left" the telephone meeting while the three remaining board members rubber stamped his proposal. Cove Holdings Ltd. was born to hide this controversial asset.²⁵ Later that same month, the board of directors voted to change the name of the ministry to include the word church—"World Outreach Church, Inc."²⁶ In 1998 there was a wholesale change of board members with the exception of Hinn. Dan Betzer, Fred Roberts and Don George replaced Robert Welker, Stephen Beik, Dick Wolfe, Gene Polino, and Ronald Haus.²⁷ In 1999, Hinn held positions as both President and Treasurer.²⁸ Betzer, George, and Roberts continued to hold the other three positions. Florida records at that time show Hinn's address to be located at the offices of his lawyer in a high rise in William's Square, Irving (Las Colinas), Texas but ministry records show Hinn and his family were already living in California.²⁹

Also in 1999, Hinn *sold* the Orlando church to Clint Brown and moved his ministry headquarters to William's Square in Las Colinas (Irving, TX.)³⁰ *Hinn had **already** moved his family to a California beach house in 1998*³¹ renting for six thousand per month³² while awaiting completion of the "parsonage". The "parsonage", located at 35 Ritz Cove, Dana Point, California is now valued at ten million dollars.³³ The ministry was renting a third "mystery house" at 25292 Dartmouth Lane, Dana Point, CA. for three thousand two hundred twenty five dollars per month and paying housekeeping bills for the two houses that totaled three to four thousand dollars per month. This was in California in 1998 prior to the announced sale of the church.³⁴ WOC paid an \$8,000 insurance premium endorsement for California vehicles in the summer of 1998.³⁵ On June 3rd, 1999 Hinn announced that he was re-locating his ministry from Orlando to Dallas/Fort Worth.³⁶ Meanwhile, the ministry's multi-million dollar television studio was apparently already finished in nearby Aliso Viejo, California and paying landscaping and electric bills.³⁷ The ministry had completed its transition to a Para-church. The ministry's temporary headquarters was the same high-rise building occupied by its law firm.³⁸ Also this year a healing museum and theme park project was promised to be built nearby in Irving, Texas. Thirty million dollars was collected for the project but the theme park was never built.³⁹ In September of 2000 the organization changed its name to the current name "World Healing Center Church"⁴⁰ but was still doing business as Benny Hinn Ministries. By 2001, the board of directors had shrunk to three members—Hinn, George, and Roberts, with Hinn still acting as both President and Treasurer.⁴¹

During this period, the “church” left a trail of financial problems to be cleaned up by lawyers and accountants. Listed in a year end ’96 financial statement were 1.2 million dollars in travel services purchased from Benny Hinn’s brother, Chris, at Mighty Eagle Travel (MET); property purchased in 1997 for 2.5 million dollars for the studio in Aliso Viejo financed by a mortgage from a company owned by a member of the board of Directors; and Benny Hinn Ministry donations totaling \$98,000 made to organizations operated by one of Hinn’s brothers.⁴² Former WHCC comptroller John Clinton (only June, July, 2001) stated that the ministry frequently “re-booked” items from two and three years earlier and that the commercial world doesn’t “re-book”. He said that it seems to be the normal practice in a ministry like this.⁴³ A confidential informant (who still maintains ties with Benny) told us that there were two sets of books kept by Gene Polino from 1990 through 1994. This informant tells us Polino blackmailed Benny and could have sent Benny to prison. The CI tells us that he estimates \$27 million in kickbacks, etc. went to Polino during Polino’s ten years with Hinn, ending around 1996.⁴⁴ Several informants have told us Polino has companies in the Cayman Islands.

Out of concern for appearances, the board of directors severed its relationship with Chris Hinn and Mighty Eagle Travel around 1997, or 1998. At the time, MET had already made arrangements for the ministry’s annual Israel tour for which they later paid Chris Hinn two million dollars to settle a lawsuit.⁴⁵ On one of these annual tours, Pastor Hinn said to his brother and others present “what is my cut?” (from each paying tourist-- “partner”).⁴⁶ Hinn supposedly received \$100 per head for the thousands who accompanied him on the tour.

Between 2001 and 2003 there was another wholesale change in board members, with the exception of Hinn. In 2002 Tommy Reid and Bill Swad replaced Fred Roberts. Benny Hinn and Don Price remained on the board. In 2003, Steve Brock replaced Tommy Reid and Don Price. In 2004, the merry-go-round spun again. Robert Inello and Doug Wade replaced Steve Brock in 2004 while Benny Hinn and Bill Swad remained.⁴⁷

2) Is the organization affiliated with any other religious organization or denomination? Benny Hinn and the Orlando Christian Center applied to become a part of the Assemblies of God denomination headquartered in Springfield, Missouri. There was some hesitation (up to a year) on behalf of the AOG due to negative input from different discernment ministries. According to W.E. Nunnally, a professor at the denomination's Evangel Bible College in Springfield, Missouri, at least two AG college presidents strenuously objected to Hinn's potential ordination through direct correspondence with headquarters, as did district officials, missionaries, pastors, academics, and lay members.⁴⁸ Following up on its March 1993 investigation, a July 27th 1993 *Inside Edition* report highlighted apparent contradictions including a reversal of some of Hinn’s earlier promises. The next day the AOG announced Hinn’s acceptance was put on hold.⁴⁹ Nevertheless, Hinn’s ordination into the AOG was approved but the Orlando Christian Center (BHM) remained independent and never entered the AOG.⁵⁰ This was a constant source of friction between Hinn and the AOG and the independence allowed Hinn to refrain from having his church’s finances monitored by the AOG.⁵¹ Hinn is listed as a minister in the Official List of Ministers and Missionaries of the

General Council in 1994, 1995, and 1996 but elected to leave the denomination after two years around August 1995, just as the 1996 list went to press.⁵² There are no current denominational affiliations.

3) Describe the ecclesiastical government. Does the organization have a Board of Elders, Deacons, Bishops, Priests, etc.? Describe the clerical structure of the organization. The ecclesiastical authority structure of WHCC is the board of directors as described in its response. However, it is in fact *unlike* most Baptist and Assembly of God churches as claimed by WHCC. The board perpetuates itself and the so called partners (donors) have no authority to even see financial documents much less to choose or dismiss board members. Having Oral Roberts as an advisor⁵³ has nothing to do with governing the corporation in any way but rather gives a false impression of normalcy and provides Roberts with free airtime as a guest on Benny's daily program.⁵⁴ Note that the church's amended articles of incorporation show that the so-called church members no longer had any real say in the corporation by 1988 (see footnote three). The church had "deacons" up until it was sold in 1999, but these were simply ushers who collected the offerings and (some of them) counted the money each Sunday. The pastor cannot be disciplined, fired, or hired by any governing body since there is none. The persons Hinn lists as his pastoral advisors (Oral Roberts, Paul Crouch, Rex Humbard, and Jack Hayford) have themselves been the target of criticism by various publications (Crouch⁵⁵ and Roberts) for their lavish lifestyles lived at the expense of their donors.

4) Who controls the organization? Who makes the decisions regarding the activities in which the organization will become involved? Who decides how the funds of the organization will be spent? Are these decisions, both operational and financial, subject to the oversight by any body within the organization? If so, is this body elected or appointed? If appointed, by whom and on what basis are they appointed? Who has voting rights within the organization? The fluctuating board of directors controls the organization and appoints its chief financial officer. Benny Hinn controls who is on the board and how its funds are spent as evidenced by his use of the church's money as his personal piggy bank.⁵⁶ The church provides him a "parsonage"—a ten million dollar home on the beach adjacent to one of the world's finest hotels.⁵⁷ He pays himself (and his wife) *one and a half million dollars* per year before perks.⁵⁸ A copy of a contract between Clarion Call Marketing and Hinn shows another \$360,000⁵⁹ in closely related income as a consultant, bringing Hinn family salaries to over *two million* dollars (see bolded item 17, family salaries). Despite *Dateline's* searing exposé of Hinn's lavish lifestyle, our CI tells us Hinn is attempting to buy a Bentley and will put it in his brother's name to avoid detection. According to former comptroller Clinton, the WHCC Amex bills for purchasing and tailoring Benny's suits was always between ten and thirty thousand per month and he saw one monthly bill of \$45,000.⁶⁰ Benny's transportation is no longer first class, it's beyond first class. A Gulfstream III jet costing WHCC in excess of twelve million dollars ferries him around.⁶¹ His out of the way luxury side trips with the jet for *personal* use were well documented by *NBC Dateline 2005*, testified to by an ex-body guard (Cayman Island trips), and testified to by another informant who wishes to keep his identity secret.⁶² Cost for the second Gulfstream II no longer leased by WHCC, is unknown at this time. The ministry's former jet was reportedly used for bringing

hundreds of thousands of dollars into the country illegally and on one occasion gun-running, as shown in a court deposition from Hinn's former head of security, Mario Licciardello, who conducted scores of interviews within the ministry.⁶³ Other witnesses have confirmed this. Both jets were used simultaneously for at least two years.⁶⁴ While traveling here and abroad, Hinn stays in presidential suites costing the ministry from two to eleven thousand dollars per night.⁶⁵ We believe this to be the tip of the iceberg. WHCC set up another holding company called TYD (again, for the purposes of secrecy) during spring of 2004 in order to buy Pastor Benny and his family a *ranch*.⁶⁶ All this is tax-free. There is no "body" which oversees the organization. It has been and still is out of control. All voting rights of church members were suspended seventeen years ago, in 1988. Pastor Benny Hinn is charged with nominating persons he deems qualified to serve on the board of directors. (Stated by the WHCC response). In effect, Hinn gets rid of any who are not "yes" men and does the selecting of replacements. Note the yearly changes of the board of director members (see appendix yearly list of board members). The corporation's four or five board members have the only voting rights.

5) Does the organization have a written creed or statement of faith? If yes, please describe. To date, the Trinity Foundation has taped and watched over 2,100 of Hinn's daily half hour broadcasts, "This is Your Day". In all the years of watching, we have never seen or heard either a creed or a statement of faith mentioned on his show. The closest thing to a "creed" might be the organization's purpose as stated in its articles of incorporation "to disseminate the gospel of Jesus Christ ... evangelize, ... and conform people to Christ..."⁶⁷

6) Does the organization require prospective members to renounce other beliefs or their membership in other churches or religious orders to become members? No. People who watch the broadcasts or attend the crusades continue to go to their own churches. One of the WHCC board members is actually the pastor of a church in Irving, Texas—one would hope he is still a member of his own church.⁶⁸ The organization does not have a membership list but does have donor lists.⁶⁹ Donors are called "partners" but in no way can they be construed to be "church" members. Article IV of the articles of incorporation in 1983 stated that membership is open (paraphrasing) to those who profess Christ and are ratified by the Pastor and the board of directors. In 1995, these articles were restated to show that admission to the organization is by confession (see profession above) and by meeting such other requirements as the board of directors prescribes from time to time.⁷⁰ This is vague and we believe there are no such requirements, no admissions, and no membership lists. We believe recent announcements of services to begin are part of a belated attempt to retain designation as a church.

7) Does the organization have a formal code of doctrine and discipline for its members? If yes, please describe. The requirement for membership written in its 1983 articles of incorporation is straightforward and to the point. Those who profess Christ (see appendix) are members. This is a code of doctrine. However, this no longer applied after the physical church no longer existed. Former members of OCC/WOC/WHC/WHCC/BHM who continued to attend the same church building were now attending Clint Brown's church (the new owner).

No formal code of discipline is listed in the articles of incorporation for the ministry.

8) Describe the character, nature and substance of a typical service. Describe the content, length and frequency of your worship services. Indicate the times and days of the week your regularly scheduled religious services are held.

The WHCC organization claims to hold services daily at its property in Texas. Its headquarters in Texas and his production studio in Aliso Viejo California are both enclosed by wrought iron fences and gated.⁷¹ The general public cannot enter them. BHM ministry spokesman David Brokaw told *Fort Worth Star Telegram* reporter Tara Dooley in 2000, “This is going to be a traditional corporate (Texas) office facility, ... there will be no facilities to accommodate the general public.”⁷² Looking for an actual WHCC church can be as elusive as a quest for the Holy Grail. Persons who have driven up to the gate and asked if they can attend church have been told by security guards over the intercom, “There is no church here”.⁷³ When asked again they stated, “There are no services here”. A caller to the BHM ministry in 2003 was told “there are no services at this time.”⁷⁴ Any services at the Texas location are for all practical purposes limited to employees only, due to the tight security and employee passes and badges required for entry.⁷⁵

Designating this organization as a church would be tantamount to naming Interstate Batteries, General Motors, and other for-profit corporations as churches because they hold periodic Bible Studies on their premises. During several television broadcasts in July 2003, Hinn stated he would start holding regular services twice a month in the Long Beach, California, Terrace Theatre.⁷⁶ These were announced to start August 18th, 2003; however, we have no confirmation these services were ever held on a regular basis. If so, it could have only been for a short period. We called the Terrace Theater and Arena and were told there is only one service scheduled at this time for March 25th, 2005—the first one in over a year and a half in either the theatre or the arena!⁷⁷ The World Healing Church Fellowship was established in 2004 and according to Hinn, his son in law Michael is the pastor.⁷⁸ In our opinion these are simply desperate efforts to convince the IRS that the organization qualifies for church status.

The organization suggests it has services through the following means: a daily service (discussed above), a bi-monthly crusade or partner’s conference, and as a part of Hinn’s daily television broadcast (see appendix). Prior to the bi-monthly crusade events, a large area surrounding the event is saturated with mailings inviting people to attend.⁷⁹ For example, people in Dallas receive mailings for crusade events five or six hours drive away such as Beaumont or Houston TX. Employees at the Grapevine headquarters begin contacting ministers and others in church leadership of churches in the area of an upcoming crusade months in advance suggesting they make bus or car pool arrangements in order for their members to attend. The organization’s up-to-date contact list of church pastors and priests worldwide may be the best of its kind in the world. Event planning and advertising goes even further. A computer program saturates all area phone numbers with a pre-recorded message inviting attendance (ask anyone with a cell phone in a crusade region). Free passes or tickets are sometimes mailed to anyone in the region surrounding the event. We have some information suggesting this extensive nationwide pastors list was shared with and used by Matt Crouch of Gener8xion Entertainment to ask

pastors and priests to ask as many church goers in this country as possible to come out and “support” (attend) films produced in conjunction with Paul Crouch and Trinity Broadcasting Network. At the time, TBN half-hour long promos called the theatres “churches”! Partner conferences generally charge an entrance fee of \$99 dollars. Sometimes edited segments of the services from a partner’s conference or a crusade are broadcast on his daily show—there is healing, preaching, teaching, and singing carefully orchestrated to lead to a crescendo with the main event—the offering. Many give generously when the offering buckets are passed, especially in response to seeing the supposed healings.⁸⁰ These events were estimated to collect a million dollars per event over a decade ago and probably much more now that the organization has it down to a science.⁸¹ These “services” are open to the general public. Billy Graham’s organization holds crusades with the same elements (preaching, teaching, and singing) but does not claim to be a church or church service.

In our viewing of more than 2,100 of Hinn’s daily broadcasts we have not seen anything even slightly resembling a service in his studio. Hinn sometimes prays at random for the healing of someone during his studio broadcast but there is no regular pattern or service.

9) Are the services open to the public? If yes, describe how the organization publicizes it services and explain the criteria for admittance? The Texas and California services held in ministry owned facilities are not open to the general public but the crusades are. As previously mentioned, Billy Graham’s organization holds large meetings with the same elements as WHCC crusades but does not claim to be a church. Graham tries to direct attendees and new converts back to local churches and Hinn has done the same on occasion. If Benny Hinn Ministries claims to be a church why do they send people back to their local churches? Regarding the ministry’s claim about holding bi-monthly services at the Terrace Theater, we called the theatre as stated in item eight and there have been *no* services held there for over a year and a half. As of this writing there is one scheduled in the arena for March 25th, 2005.

The crusades are advertised as stated above by a well-oiled public relations machine as good as any political campaign. The WHCC document (see appendix) claims “no admission fee is charged”. However, the “partner conferences” (not to be confused with the crusades) are *not* free. The cost is generally \$99.⁸² This puts the conferences in the obvious category of seminars.

10) Explain how the organization attracts new members. As previously stated, the “partner-members” are not actual members but donors and attendees at the crusades. Attendees at the crusades, donors, and television viewers are attracted by the healings, which have been proven over and over to be fake (HBO exposé, *NBC Dateline* 2002 exposé, *Sixty-Minutes/Australia* exposé, Canadian Broadcasting Corp.--CBC exposé, and *NBC Dateline* exposé 2005).⁸³

11) How many active members are currently enrolled in the church? What is the average attendance at the worship services? We believe they don’t have members, only donor lists.

12) In addition to worship services, what other religious services (such as baptisms, weddings, funerals, etc.) does the organization conduct? The ministry has told its lawyers that the church's staff pastors conduct weddings and funerals on their own time.⁸⁴ If these pastors are doing this on their own time, what does this have to do with the ministry? Baptisms are simply an opportunity for profit. The "church baptisms" are in reality, merely a selling point of the annual "Holy Land Tours conducted by the organization. Jordan River baptisms are a profit center for Hinn, in that he sells photos of the event to each participant. According to witnesses each trip generates hundreds of thousands of dollars in untraceable cash. We have heard periodic announcements of events where the organization offers communion such as a Good Friday service but do not have any video of this.

13) Does the organization have a school for the religious instruction of the young? When the organization still resembled a church it discontinued its church academy for member children by the early nineties. The ministry states it regularly holds "youth rallies" which include praise, worship, teaching and prayer. These are more of the same activities found at the crusades and include singing and healings but no real instruction except for the quoting of a few verses. At one Hinn "youth rally" we attended in Dallas, Paul Crouch of Trinity Broadcasting Network spoke about his vision for a new youth network, which was little more than an infomercial advertising his television network.⁸⁵

14) Were the current deacons, minister and/or pastor formally ordained after a prescribed course of study? The leader, Benny Hinn has no theological training and as far as we know if any of the employees who they call deacons, ministers or pastors had any training it was not through the offices of the Hinn organization. The problem is that these employees have little to do with the actual services. They are used as PR agents to organize the crusades run by Benny.⁸⁶ The "deacons" who collect the money have had training in how to handle crowds, proper ways to handle the money buckets, money counting procedures in the counting room under security cameras, and "guarding".⁸⁷ Former Hinn valet Dave Delgado (deceased, heroin overdose) asked Trinity's undercover operative then serving as a church "deacon" to guard the door leading to Pastor Hinn and not allow any members of the congregation through the door.

15) Does (or will) the organization license or otherwise ordain ministers (or their equivalent) or issue church charters? If yes, describe in detail the requirements and qualifications needed to be so licensed, ordained, or chartered. The organization has given itself the authority to do so. In another belated attempt to satisfy this point of the IRS criteria list, Benny announced on his March 1st, 2005 broadcast a new bible school of ministry called "Signs and Wonders" in California on Monday nights and the World Healing Fellowship for pastors.

16) Did the organization pay a fee for a church charter? No.

17) Is there any written agreement, such as a contract, with the minister stating which services are expected to be rendered by the minister? If yes, please provide a

detailed description of the terms of the contract. If not, explain any verbal agreement with the minister. The organization states, “As a general proposition, however, Pastor Hinn is paid to preach and not create intellectual property.”⁸⁸ Hinn is now paid \$360,000 per year by a related organization, Clarion Call Marketing (CCM), for consulting.⁸⁹ This is in addition to the \$1,325,000 he receives from WHCC. The Clarion Call articles of incorporation were initially filed June 16, 2003.⁹⁰ Because of the recent formation of Clarion Call we believe the Pastor’s services were previously intermingled. CCM’s contract letter with Hinn was backdated six months to read January 1st, 2004 to correct this problem.⁹¹ Considering Hinn’s recent involvement with Ponzi scheme artist Gregory Setser (currently under indictment by the SEC) and considering Benny Hinn Ministry’s bookkeeping habits discussed previously, we believe there is sufficient evidence to break the corporate shield and find out who are the owners of Clarion Call’s 10,000 shares of common stock.⁹²

Hinn responded to the *NBC Dateline* exposé with a letter on a related web site (attached). In it, he states that his son-in-law (who has no theological training whatsoever) serves as pastor to his World Healing Center Church (Whatever that is?).⁹³

The ministry employs four family members of Pastor Hinn for a total of \$2,006,000. Hinn’s personal combined salaries that we know of (mentioned above) total \$1,685,000. Hinn’s wife makes \$166,000 as a Pastor’s Assistant. The Hinn’s son-in-law Michael Koulianos makes \$90,000 as a Partner Relations Specialist. The Hinn’s daughter Jessica Koulianos, *age 22*, makes **\$65,000** as an “Assistant”.⁹⁴

18) Does the organization have an established place of worship? If yes, provide the name and address of the owner or lessor, and the address and a description of the facility. If the organization has no regular place of worship, state where the services are held and how the site is selected. The addresses of the alleged places of worship are 3400 William Tate, Grapevine, Texas and 41 Columbia, Aliso Viejo, California. Employees may have the option to attend but these could not be open to the public based on the strict security measures. The large auditoriums or stadiums are for the crusades such as those held by Billy Graham—not for services. The attendees normally have their own churches and Pastor Hinn occasionally asks what church they are representing. Worship elements such as singing, preaching, or teaching might be found during these events, but the general nature is of showmanship not service. These sites are selected based on size as indicated by the organization. The larger the audience, the more money that goes into the WHCC coffers.

19) Is your church facility used for any purpose other than religious worship? If so, how is the facility used and by whom? Does the founder, incorporator, board member, or other related person use or live at the same address at which the organization is listed? WHCC claims that “all property owned or controlled by WHCC is used only for religious worship or in furtherance of its exempt purpose.” At the Texas facility, large semi trucks and trailers filled with mail donations arrive daily accompanied by an armed escort provided by the Grapevine, Texas Police Department.⁹⁵ The Texas facility is used to coordinate crusades and conferences and to handle the mail. The

California facility is a production studio for Hinn's daily broadcast. Wrought iron fences surround the facilities in both places as mentioned earlier. The property tax exemption declared by the local tax collector is because WHCC claimed to be a church and local authorities who have neither the time or the resources to challenge the claim chose to extend their trust instead.

Benny Hinn lives in the church's ten million dollar "parsonage" at 35 Ritz Cove, Dana Point, CA. We believe they are still be renting a second house for Hinn's family at 100 Ritz Cove for approximately \$6,000 or more per month.

Heavy security marks all WHCC facilities and usually three or more armed bodyguards with ankle pistols always surround and accompany Hinn wherever he goes. Take note of Hinn's trip with two bodyguards on the Concorde from New York to London at a cost of \$27,000 (\$9,000 each), as reported by CNN.⁹⁶

The crusades of course are held in stadiums, arenas, and auditoriums also used by sports events such as pro football, hockey, basketball, etc. The list goes on. If the organization's crusades are to be considered church services, then what about sports teams, politicians, and/or music concerts that pray before their functions in the same locations?

20) Does the organization hold title to assets in its own name? Is the church property titled in the name of the founder, incorporator, board member, or other related person to the organization? Yes. See previous and following discussions about WHCC's title-holding companies, Cove Holdings, TYD, CIT, etc. The business offices are in the name of WHCC.

21) Will anyone associated with the organization rent, lease, sell or transfer in any way real or personal property to the organization? If so, furnish a complete explanation including description of the property, financial arrangements, details of agreements, etc. The hi-rise building next to the production facility in Aliso Viejo is in the name of and owned by World Healing Center Church but was leasing to other companies in 2002. The addresses of these two adjacent buildings are 41 and 51 Columbia. We don't know the current status. Enclosed documents mention a Cirrus Partnership called *Cirrus-Grapevine III, L.P.* A recent document from the organization's attorney's asking ministry accountant Bob Smith for his analysis seems to indicate a problematic relationship with someone or ones within the ministry.

22) What fringe benefits (i.e. parsonage, housing allowance, provision for an auto for personal use, or payments for purchase/operation of a personal auto, educational expenses, etc.) are, have been, or will be paid to any founder, pastor, officer, evangelist, or other person associated with your organization. Describe in detail. Multiple residences, including a "parsonage" (beachfront mansion) and ranch, expensive automobiles, insurance, tailored clothing, expensive meals, premium hotel accommodations, and personal jets (at one time, two) are all provided for pastor Hinn leaving him little else to spend his multi-million salary (combined salaries) on. What

fringe benefits/luxuries does the ministry *not* provide? To a much lesser degree, the organization provides housing allowances, automobiles, etc. to other employees. See appendix for comparative salaries.

Your Internet web-site shows that books, videotapes, CD's and DVD's are being sold to the public. Please provide a detailed description of your publishing, taping, and recording operation. Include the following information: Who prints/tapes/records the material? How often is it printed/taped/recorded? Where is it printed/taped/recorded?

Does the organization publish the work of your officers, directors, pastors or employees? If yes, provide the following for each: Provide name and position with the organization. Provide whether any verbal and or signed contracts/agreements have been made.

Provide a detailed description of the terms of each contract. The description should include, but not be limited to the following: Include term of the contract. Include amount to be paid to the author.

Who owns the titles, copyrights, royalties or similar interests in videotapes, books, CD's, DVD's, or other materials prepared for your organization's activities?

Indicate, as a percentage or dollar amount, for how much above cost the books or tapes are sold.

Explain all methods by which your publication(s) are distributed.

Are any materials distributed free of charge? If so, to whom?

How is the free material requested and how is its availability made known to the public?

Indicate if the books/tapes, etc. are sold primarily at the organization's crusades.

Are any of the organization's paid employees involved in the printing, publishing, recording, distribution of the books, videotapes, CD's pr DVD's If yes, list the names of the employees involved in this activity.

Benny Hinn Ministries (WHCC and formerly WHC) have until recently used a boilerplate operation in Broken Arrow (Tulsa), Oklahoma called Micahtek⁹⁷ to do what is sometimes called *fulfillment*. According to a confidential informant, Michael Ellison of Ellison Media did this for the ministry before Micahtek.⁹⁸ During certain times of the day and during heavy calling periods to BHM all calls were routed to this company.⁹⁹ Phone operators had strict instructions to get names and addresses from the callers who called needing prayer. The operators prayed with some callers, took care of business with others (such as taking credit card information in order to mail a teaching cassette), or

answered ministry questions. These phone operators do the same for many other televangelists. This aspect of having paid “prayer warriors” solicit names and address for the various ministry mailing lists during some people’s desperate time of need clearly shows the big-business side of the ministry. These paid operators who prayed with customers were clearly not BHM employees *or* members. Micahtek also stocks and ships tapes, books, cassettes, videos, and other “gift offers” from its warehouse. Benny Hinn Ministries paid Micahtek to provide these books, tapes, and videos and we can only assume that the profits from the creation of this product went to a company owned by Hinn just as it did earlier in the 90’s to Hinn’s company “Celebration Publishers”. Before Celebration dissolved in ’94, this company owned by Hinn and Polino was paid millions by Benny Hinn Ministries. Copies of receipts and checks for less than one year total over one million dollars to this for-profit company.¹⁰⁰ Informants tell us that Gene Polino siphoned close to \$27,000,000 from the ministry illegally before he resigned in 1997. A “Benny Hinn Ministries Fulfillment Center” at 6505 Edgewater Dr., Orlando, Florida was receiving checks from the (then) World Outreach Church in 1998 and needs to be investigated.¹⁰¹ Note that this address does not correspond to any of the other church addresses. There is every reason to believe tapes and books are still manufactured by a Hinn owned company and then sold to either Micahtek or the ministry. Clarion Call Marketing may have inherited some of the business.

Please explain the relationship between the organization and Cove Holdings LTD.

Is the organization a subsidiary of the organization? Yes

Does the organization finance the expenses of Cove Holdings? Yes

How and by whom was the acquisition of the property and the construction of the home authorized by the organization? By Pastor Hinn (see earlier history and appendix of notes from the 1997 meeting). Though Pastor Hinn “stepped out” of the telephone conference call board of directors meeting during the actual vote by the other three members, he obviously was pushing very strongly for the acquisition and construction—it was the main reason for the meeting other than accepting one board member resignation (he probably opposed the acquisition). As noted previously, perception or “confidentiality” concerns caused the creation of a holding company. The builder of the house said in spring of 2002 that the house was the dream home of the owner (he was building it specifically for Hinn of course) and it was worth eight million dollars at that time.¹⁰² We wonder how many other such holding companies there are such as TYD and CIT (we know the latter exists but are still looking).

Did the organization finance the acquisition and maintenance of the property and construction of the home in California? Yes. Public documents show the purchase of the land at 35 Ritz Cove by the Cove Holdings corporation.¹⁰³ Former WHCC comptroller described purchase orders for construction expenses on the house.¹⁰⁴

Endnotes

¹ Membership are those who profess Christ—Exhibit 1, Articles of Incorporation and amendments

² Hinn family members gain majority on board—Exhibit 2, Board of Directors yearly changes

³ 1988, amended articles show annual business meeting no longer has any real say—Exhibit 2

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- ⁴ According to a confidential informant who worked for the ministry at the time
- ⁵ According to a confidential informant who worked for the ministry at the time
- ⁶ Per confidential informant who worked for the ministry
- ⁷ *Inside Edition*, April 1993, on the Many Faces of Benny Hinn (MFBH) DVD, Disc 1
- ⁸ *Inside Edition*, April 1993, on MFBH DVD, Disc 1
- ⁹ Trinity Broadcasting Network's broadcast "Praise the Lord", spring 1993
- ¹⁰ Broadcast of Hinn church service, Trinity video archives, May, 1993, MFBH DVD, Disc 1
- ¹¹ "A Tale of Two Televangelists", Dallas Morning News, March 8th, 1993 and "Has Benny Hinn Been Born Again, Again?" The Door, September/October 1993—both written by Ole Anthony, Exhibit 3
- ¹² MFBH DVD, Disc 1
- ¹³ This information from undercover operative and documents regarding security badges—Exhibit 4
- ¹⁴ First name change from Orlando Christian Center to World Outreach Center—Exhibit 1
- ¹⁵ Trinity undercover operative
- ¹⁶ Notes from 1996 business meeting taken by Trinity undercover operative—Exhibit 5
- ¹⁷ CNN exposés available on MFBH DVD, Disc 1
- ¹⁸ WOC v Mario Licciardello, item 12, page 4 (remainder of complaint available upon request)—Exhibit 6
- ¹⁹ Conversation between Licciardello and Ole Anthony
- ²⁰ WOC v Mario Licciardello—Exhibit 6
- ²¹ Memorandum of Agreement between Mario Licciardello and Trinity Foundation—Exhibit 7
- ²² Affidavit of Tim Lavender, October 22nd, 1998—Exhibit 8
- ²³ Subpoena to testify before grand jury to Mario Licciardello regarding WOC and Benny Hinn—Exhibit 9
- ²⁴ July, 1997 special telephone conference call meeting of board to discuss "parsonage", Cove Holding Co., and resignation of board member Stephen Beik—Exhibit 10
- ²⁵ Ibid. July, '97 telephone board meeting—Exhibit 10
- ²⁶ July, 1997, 2nd name change to "World Outreach Church"—Exhibit 1
- ²⁷ 1998, wholesale change of board members—Exhibit 2
- ²⁸ 1999 board members—Exhibit 2
- ²⁹ Florida corporation records show Hinn's address to be Williams Square high-rise, O'Connor Rd. Irving, Texas—see Exhibit 2, year 2000 B.O.D. addresses.
- ³⁰ Exhibit 2, year 2000 B.O.D. addresses
- ³¹ World Outreach Church payment requisition 2169, December 1998—Exhibit 11
- ³² Purchase order for monthly rental of house, Exhibit 11
- ³³ *NBC Dateline* exposé, March 6, 2005 reports current value of house, *NBC Dateline* March 6, 2005 DVD
- ³⁴ World Outreach Church payment requisition numbers 2169 and 3034, January, 1999, Exhibit 11
- ³⁵ WOC payment requisition number 911, Exhibit 11
- ³⁶ Dallas Morning News article "What Happened to Hinn's promised healing center?", June 2002 by Steve McGonigle, Exhibit 12
- ³⁷ More WOC requisitions (for Aliso Viejo buildings), Exhibit 11
- ³⁸ *Dallas Morning News* article, June 23, 2002, Steve McGonigle, Exhibit 12
- ³⁹ *Dallas Morning News* article and Trinity Foundation videotape of promises, Exhibit 12
- ⁴⁰ September, 2000, Final name change to "World Healing Center Church", Exhibit 1
- ⁴¹ 2001, BOD down to three actual persons with Pastor Hinn acting as President and Treasurer, Exhibit 2
- ⁴² 1997 "Draft" of audit of the ministry for the year ended 1996, Exhibit 13
- ⁴³ Confidential interview between John Clinton and Trinity Foundation employee Pete Evans, Exhibit 14
- ⁴⁴ e-mail from confidential informant titled "This is off the Record for Now", 1/14/03 and subsequent conversations, Exhibit 15
- ⁴⁵ Chris Hinn and MET v WOC dba Benny Hinn Ministries lawsuit settlement, Exhibit 16
- ⁴⁶ Licciardello deposition Israel Tour quotes—Exhibit 17
- ⁴⁷ Phone call to Florida Secretary of State office regarding WHCC, corporation document # 770114. Hard copies are available upon request to Florida SOS—Exhibit 2, last page
- ⁴⁸ Article from the Christian Research Institute titled "News Watch", December 1st, 1994—Exhibit 18
- ⁴⁹ Ibid, CRI "News Watch", December 1st, 1994—Exhibit 18
- ⁵⁰ Conversation with Wave Nunnally, professor at Evangel University (an Assembly of God college)
- ⁵¹ Ibid., conversation with Professor Wave Nunnally
- ⁵² Copies of AOG official minister lists, Exhibit 19

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- ⁵³ see Appendix
- ⁵⁴ Oral Roberts as semi-frequent guest on Hinn's TIYD broadcast, Trinity videotape records
- ⁵⁵ Paul Crouch's lavish lifestyle, *Los Angeles Times* articles, September, 2004—Exhibit 20
- ⁵⁶ *NBC Dateline* exposé, March 6th, 2005—*NBC Dateline* DVD
- ⁵⁷ Ibid, *NBC Dateline* DVD, 3/6/05
- ⁵⁸ Pastor and Mrs. Hinn salaries, pieced together shredded document from Brewer, Anthony, Middlebrook trash, February, 2005—Exhibit 21
- ⁵⁹ Clarion Call Marketing contract as consultant provides additional \$360,000.—Exhibit 22
- ⁶⁰ Trinity interview with John Clinton—Exhibit 14
- ⁶¹ WHCC Gulfstream jet lease—Exhibit 23
- ⁶² Bodyguard and secret (not anonymous) email informant
- ⁶³ See *WOC v. Mario Licciardello*, p. 4—Exhibit 6
- ⁶⁴ Flight logs for N416K and N323JH—Exhibit 24
- ⁶⁵ *NBC Dateline*, March 6, 2005 March 6,2005 DVD and CNN exposé 1996—MFBH Disc 1
- ⁶⁶ Texas Secretary of State filing, TYD Ranch Purchase Contract signed by Pastor Benny—Exhibit 25
- ⁶⁷ Articles and amendments—Exhibit 1
- ⁶⁸ Pastor Don George, Calvary Temple, Irving, Texas
- ⁶⁹ Donor lists from trash, circa 2001—Exhibit 26
- ⁷⁰ Articles of incorporation and amendments—Exhibit 1
- ⁷¹ Video of production center available from NBC exposé—*NBC Dateline* March 6, 2005 DVD
- ⁷² *Fort Worth Star Telegram* article, November 25th, 2000 “TV Faith Healer Building Offices”—Exhibit 27
- ⁷³ Church guard's answer to Ted Oberg and cameraman, ABC KTRK Houston, February, 2005
- ⁷⁴ Trinity Foundation call to the ministry by Evans revealed that Micahtek was still answering BHM phones.
- ⁷⁵ Supporting documents—Exhibit 4
- ⁷⁶ Trinity Foundation video archives
- ⁷⁷ March 17th, '05 conversation w/ Dan Spellens, Terrace Theater and Arena booking agent 562-436-3636
- ⁷⁸ Hinn response letter to NBC exposé—Exhibit 28
- ⁷⁹ Saturation mailings—see documents from WHCC trash, see sample saturation mailings—Exhibit 29
- ⁸⁰ Various enclosed DVD's of television exposés show false healings (NBC, HBO, *Sixty Minutes/Australia*, etc.), research by Trinity Foundation fails to verify any healings.
- ⁸¹ CI's email titled “This is off the Record for Now”, 1/14/03—Exhibit 15
- ⁸² Copy of mailing for \$99 partner conference—Exhibit 30
- ⁸³ Enclosed DVDs contain HBO exposé, *NBC Dateline* 2002 exposé, *Sixty-Minutes/Australia* exposé, Canadian Broadcasting Corp.--CBC exposé, and *NBC Dateline* exposé 2005
- ⁸⁴ Appendix, item 12
- ⁸⁵ Video of this available upon request to Trinity Foundation
- ⁸⁶ See letter—Exhibit 31
- ⁸⁷ Trinity undercover operative served as a “deacon” for a couple of months during 1996 in the Orlando church but not in the counting room.
- ⁸⁸ Appendix, page nine, item (17)
- ⁸⁹ Hinn contract as consultant with Clarion Call Marketing—Exhibit 22
- ⁹⁰ Texas Secretary of State filing documents—Exhibit 22
- ⁹¹ Backdated document found in the trash late spring, 2004—Exhibit 22
- ⁹² Clarion Call articles of incorporation—Exhibit 22
- ⁹³ See Hinn response letter—Exhibit 28
- ⁹⁴ Shredded document taped together, February, 2005, salaries of 19 top employees—Exhibit 21
- ⁹⁵ Payment requisition, WHCC trash—Exhibit 11
- ⁹⁶ CNN exposé of Hinn—See MFBH DVD, Disc 1
- ⁹⁷ MicahTek/BHM documents here—Exhibit 32
- ⁹⁸ Per confidential informant
- ⁹⁹ WHCC graph showing hours when all calls were directed to MicahTek—Exhibit 33
- ¹⁰⁰ Celebration Publisher's official filing documents and copies of receipts from informants totaling over one million dollars—Exhibit 34
- ¹⁰¹ World Outreach Church payment requisition No 2201, Dec. 1998—Exhibit 11

¹⁰² Phone conversation between developer Dave Busk and Trinity employee Evans who told Busk he was interested in *that* particular house at 35 Ritz Cove, March 2002.

¹⁰³ Land description, purchase documents for 35 Ritz Cove, Cove Holdings Ltd.—Exhibit 35

¹⁰⁴ Phone interview with former comptroller John Clinton—Exhibit 14