

BUCKINGHAM REPORT

AN IN-DEPTH CRITIQUE BY AMERICA'S FOREMOST
CHRISTIAN ANALYZER OF THE ISSUES, PEOPLE &
EVENTS AFFECTING TODAY'S SPIRIT-LED LEADERS

ANALYSIS #5: A SPECIAL FEATURE OF THE BUCKINGHAM REPORT

WHAT'S GOING ON AT PTL?

Tammy Faye stands before the camera, tears running down her face causing her mascara to streak to her chin. "People, you just can't imagine what it costs to keep us going here at PTL."

She then reads off figures which PTL executive director Richard Dortch copies onto a blackboard. The figures do indeed stagger the imagination.

Operating expenses (apart from payroll).....	\$96,000,000
Social Security tax.....	2,000,000
Payroll.....	30,000,000
TV airtime.....	15,000,000
Satellite rental space.....	3,000,000
Program guests (travel, food, honorarium).....	2,000,000
TOTAL.....	\$148,000,000

These figures do not count \$21 million needed to finish the "Towers" hotel, \$100 million to build a Crystal Palace complete with a 30-story condominium and a 30,000 seat auditorium, the home for street people, etc.

PTL, after a dozen years on the air in Charlotte—and now around the world by satellite and into 13 million homes via the PTL cable network—is in financial trouble. Although income for 1985—from 450,000 loyal viewers called "partners"—was \$133,721,223, \$61,543,927 of that was deferred revenue—not for operating expenses. The primary source of funds is the "Jim and Tammy" show, designed for ministry but used primarily for fund raising. Last year the Evangelical Council for Financial Accountability reported PTL used only 15 percent of their airtime for fund raising. (Many viewers would doubtlessly dispute that.) Any bad publicity which causes PTL to lose credibility could cause considerable damage to this ministry which operates on the thin ice of monthly contributions.

"If I were the devil," a PTL vice president told me, "I would destroy this ministry by spreading lies about our integrity. Our partners believe in us. If that trust is destroyed, we'll go under."

The fragile nature of the support system was magnified in January when Dortch revealed that 30 percent of the names, addresses and telephone numbers of those who called in to make pledges during the last telethon were heard incorrectly by the telephone operators because of the high level of noise in the studio during the

telethon. Without follow-up—no money. That hurts.

In a massive effort to bring expenses into line with the curtailed income, PTL recently laid off 500 workers—trimming payroll from \$2.5 million a month to \$500,000 for February 1986. "We are dedicated to operating inside our budget," Peter Bailey, vice president in charge of finances told me.

Tammy Faye is still weeping on the air, admitting they "grew too fast. I don't know how much longer we can stand the strain," she sobs.

Those who watch the "Jim and Tammy" show with regularity—and millions do—recognize this as the fare for the day. Although I do not believe Bakker has ever intentionally capitalized on crisis for the purpose of fund raising, professional fundraisers have unashamedly told me that the crisis-of-the-month procedure is standard in most large ministries. Knowing this I would not ordinarily get involved with the normal crises which occur at PTL. However, in January something so extraordinary took place—a seeming frontal attack from the underworld—that I made a special trip to PTL at my own expense to check it out. Dortch gave me free access to all files. He withheld nothing, trusting me to be fair. This "Analysis" is the result of that trip.

The Process of Spreading Lies

On January 27 Paul Harvey, reporting on ABC radio news, told the nation: "Broadcast evangelist Jim Bakker of the PTL Club, accused by the FCC of diverting money donated to his ministry—spending it instead on a mink coat for his wife, a sports car and a houseboat."

Harvey's information came from a UPI report which had been condensed from articles published by the **Charlotte Observer**. The day before, the **Observer** had viciously attacked Bakker and PTL by bringing up an investigation begun eight years ago by the Federal Communications Commission. For five years the FCC had investigated charges originally brought by the Charlotte paper. Three years ago Bakker and PTL were cleared by both the FCC and the Justice Department.

On February 3 Paul Harvey corrected his original report, saying: "Television evangelist Jim Bakker was accused of misusing church money for his personal use, accused of taking money donated to his ministry and using it to buy a fur coat for his wife and a pleasure boat and an automobile. Well, the Department of Justice investigated the charges for six years and concluded, 'There is no evidence he misused solicited contributions.' That was January 1982. No evidence that he misused his ministries' money."

Two days later Harvey reported: "UPI has apologized to evangelist Jim Bakker. UPI says those reports of last week that Bakker misused church money are incorrect."

What's Going On?

But the damage was done. Why, I wanted to know, had the Charlotte paper reprinted charges the Justice Department had found false?

Here's what I discovered.

In January 1979 the **Observer** obtained information from three former PTL vice presidents. (1) Bob Manzano (later known as R. Whitney Manzano, Ph.D.) had been fired in October 1978 after working at PTL for 18 months. Bakker charged him with mishandling the PTL missions program and with falsifying his employment application—claiming non-existent college degrees. (Bakker never publicly revealed the application irregularities, even though it would have discredited Manzano's testimony.) (2) Jim Moss, former executive vice president, had been with PTL from its humble beginnings in a furniture warehouse. Moss had been a loyal Bakker supporter, but in 1978 his relationship with Bakker deteriorated. While still employed by PTL, Moss

leaked testimony to the **Observer** accusing Bakker of dishonesty. After the paper broke their story in January 1979, charging PTL of misusing mission funds to pay bills at home, Moss was fired. (3) Bill Perkins, vice president for administration, was also an 18-month employee. He had joined the staff to try to straighten out PTL's financial problems. Perkins resigned in December 1978, disagreeing with Bakker's life style.

Tried and Convicted in the Press

In the 1979 front-page articles the paper charged that Bakker had taken \$56,000 raised for a Cyprus television project, \$150,000 designated for Brazilian TV, and \$281,000 promised to Yonggi Cho for Korean TV and spent it to build Heritage USA—a super-duper, 2300-acre Christian recreation park surrounding the new PTL television studios.

The paper also accused Bakker of using PTL money to buy a Corvette sports car and a \$2,500 mink coat for Tammy, and to make a \$6,000 down payment on a 42-foot houseboat for his own personal use.

A mole at the **Observer** told Bakker that the (former) editor had set a personal goal to expose the PTL ministry and had assigned a reporter to stay on the case until the ministry was destroyed. Frustrated, Bakker went on the air to defend himself and to protect his partners from false information.

"We're Gonna Get You in the End"

The **Observer** sent copies of their stories to the Federal Communications Commission (FCC) who opened an investigation. Under normal circumstances the FCC would have no jurisdiction over a broadcast network. However, since PTL at that time owned a TV station in Canton, Ohio, the FCC was able to move in. The FCC sent into the PTL studios investigators who went through every PTL record, examined cancelled checks, interrogated PTL employees (and ex-employees), looked at thousands of hours of videotape, and subpoenaed Bakker and others to come to Washington to testify.

During that time both Bill Carmichael of the **Logos Journal** and Doug Wead of **Restoration** magazine did independent studies which alleged that Arthur Ginzburg, Chief of the Compliance and Complaints Division of the FCC, was working under the table with Al Cowen, a reporter with the **Observer**. In an interview with Carmichael, Ginzburg refused to deny or confirm his alleged statement to PTL attorney John Midland, "It may take us awhile but we're gonna get you in the end."

In the end the FCC did not "get" either Bakker or PTL. Instead, after five years of harassment, they cleared them of all charges. That angered the **Observer**. They editorialized under the headline "THE FCC BLEW IT" and wrote: "The FCC failed to do its job." The paper demanded a full hearing but did not report that PTL, stymied by the autocratic procedures of the FCC, had itself filed suit for an open hearing. That would have given PTL the right to cross-examine and present evidence the FCC refused to admit. The FCC disallowed the hearing and continued to badger PTL, forcing them to spend huge amounts of money defending themselves. After clearing PTL, the FCC released their files to the Justice Department which conducted a criminal investigation. On March 14, 1983, the case was finally closed when the chief of the criminal division declared: "The report has been carefully reviewed by the Justice Department. As a result of our review it has been determined that, based upon underlying facts and circumstances, prosecution should be denied. Accordingly, we are closing our files in this matter."

Newspaper Creates News

But it was not closed as far as new **Observer** editor Richard Oppel was concerned. It was apparent to the public that the newspaper had created its own news by

accusing Bakker and PTL of crimes which the highest investigative authority in the nation later said were not so. This embarrassed the paper. The editor, using the Freedom of Information Act, demanded from the FCC all the records. The files—which consisted of 4,500 pages of testimony—were made available in late 1985. Oppel assigned reporter Charles Shepard—a young man eager to make his mark—to reopen the entire can of worms. Dortch learned details about the article on a Friday, two hours before it was to be pasted up for the Sunday paper. Shepard confessed the paper had held off until Jim Bakker had finished his Friday show. Dortch then called Oppel asking him to hold the story until the paper had examined the PTL files. “Ask us any questions you want. I’m not asking you not to print your story,” Dortch told the editor. “Just look at our files first.” Oppel refused. No sense in spoiling his story with facts. The January 26, 1986, banner headline on page one read: “BAKKER MISLED PTL VIEWERS, FCC RECORDS SHOW.” Nine other articles over the next three days followed. The attack has intensified since then.

Why? Why after all these years would a newspaper bring up charges which the highest investigative authority in the nation had thoroughly examined and proved false? Although editor Oppel said the release of FCC information is always news, he explained his reason in a personal column.

“Why do we write about PTL so much? Clearly our coverage of PTL angers Jim Bakker and his associates. They complain in broadcasts and in letters that we are anti-Christian, the devil’s agents and prejudiced against Pentecostals....The results,” he closed, “show that the **Observer** accurately reported information in 1979, and Jim Bakker’s claims of the article’s distortions were untrue. In case there was any doubt, we wanted you to know that.” Bottom line: The paper was getting even and saving face.

Fur Coat, Sports Car and a Houseboat

What the paper did is called yellow journalism. It printed only facts which substantiated its position, slanting each story to prove its point.

For instance: Bakker did purchase a fur coat, a sports car and a houseboat. But the money for the coat came out of his own pocket—much as I buy clothes for my wife. The car was purchased by the church as a pastor’s car and cost \$8,450. The very next day the church gave the car to their building contractor to satisfy an outstanding construction debt. The \$6,000 down payment for the houseboat was paid out of accrued money which Bakker had earlier refused to take from PTL because the ministry was in deep financial trouble. On July 14, 1978, Bakker had lowered his weekly salary to \$600 until the cash flow was in a positive position. After the crisis was over Bakker accepted the small raise that was earlier urged by his board, and he allowed the money to go for the down payment on the boat. He made the monthly payments from his own account.

Nor did the paper report all the news on the missions money. Bakker had acted impulsively, as he often did in those early days at PTL when the ministry was growing at the rate of 7,000 percent a year. When Yonggi Cho was a guest on the program Bakker blurted out that PTL would raise money to purchase TV equipment for Korea. It took Cho completely by surprise. “What could I say?” he later told me. “I was a guest on his program.”

But Bakker had failed to take into account the 100 percent Korean import tax plus a hefty USA export tax. It took several months to work things out. The money for Korea did come in, but meanwhile creditors were threatening to pull the plug at PTL. It was not a misuse of funds—it was survival. Five months later, Bakker finally presented Cho a check for \$350,000—\$69,000 more than originally promised. Cho

refused it. He told me he had been embarrassed by the Americans who had visited his church in Seoul asking his people to see the nonexistent TV studio paid for by PTL. He asked Bakker to use the money for TV in Japan. Bakker did. Since then PTL has given \$4,122,147 for Asian TV—and a total of \$25,361,226 for all overseas missions. The newspaper never reported that—perhaps because newspapers don't give a dime for overseas missions.

Where's the Beef?

The question many Christian leaders are asking is: Why is Bakker so defensive about all this? We all know today's paper is tomorrow's fishwrapper, so why not let the charges of the **Observer** die.

But it's not quite that simple. The January accusations were picked up by the wire services, condensed, and horribly distorted. **USA Today** reported, "Federal documents show PTL president Jim Bakker used donations to his television ministry to buy personal items like a mink coat, a sports car and a houseboat." That's no more true than saying I used church money to take a vacation to Alaska last summer—without stating the money was first paid to me as legitimate salary. Unless you report it correctly, it's a lie.

By the time the news reached the **Detroit Free Press** another zero had been added to the price of the mink coat and the FCC charges were reported as current. "The FCC report says Mr. Bakker used portions of PTL donations to buy personal items, including a mink coat—financed by a \$25,000 PTL check...."

That adds up to criminal liability. PTL has chosen not to sue, however, even though they could have won millions in damages since their reputation is being deliberately tarnished by false reports.

How did PTL respond?

Naturally they hit the airwaves, explaining with conclusive evidence that the charges were not only six years old, but they were false. They also took out two full-page ads in the **Observer** (yes, they had to buy the space) to present their side of the story. It helped. Discerning Christians, by the thousands, recognizing yellow journalism, phoned PTL expressing support. The **Observer** admits that their mail is running 9 to 1 in favor of PTL. At least a thousand have canceled subscriptions to the paper.

Mike Murdock, one of the nation's outstanding composers and singers, showed up to write a theme song for the occasion. Title: "Enough is Enough." It's good music. "Watch out, Satan, I'm calling your bluff...enough is enough." PTL capitalized on the theme. Everyplace I went around Charlotte I saw black and yellow bumper stickers proclaiming "Enough is Enough." Nobody is able to turn a lemon into lemonade better than Jim Bakker.

The Observer accused PTL of "going to the court of public opinion." Yet that's exactly what the paper did first, trying to save face when the FCC decision to close the case proved they had falsely accused PTL.

Conclusion: For Whom the Bell Tolls

The problems I unearthed at PTL have to do with differences in style—not ethics. I, for instance, have a hard time understanding this fetish many Pentecostals have about gold to decorate themselves. One recent guest for the show was wearing a gold Rolex watch, as well as two gold bracelets on the same wrist. I wince over Bakker's emotive behavior on TV. I shudder at his fund-raising techniques. And I have a hard time trying to sort out the mixture of God, commercialism, high fashion and entertainment at Heritage USA. Yet, all of that really is a matter of style, not morality.

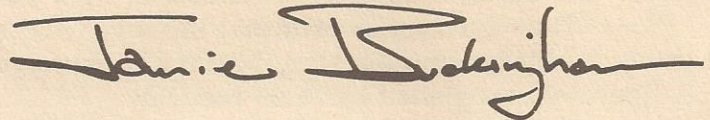
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As my wife pointed out, "What's wrong with having a first-class, decent family park where Christians can come at reasonable prices for clean, wholesome fun and entertainment?" She's right. Jim and Tammy are doing a good thing. They deserve our blessing and support.

PTL has grown—and Jim Bakker has grown with it. He no longer makes snap decisions on the air. He has learned to submit to wise men. True, he's made a lot of ghastly mistakes, but he lives his life in front of a TV camera and I doubt if any of us could stand that kind of public scrutiny—and survive.

Bottom line: It's time to put an end to this civil war and unite our forces against the common enemy who wants to divide us into little chunks so he can easily devour us. Remember John Donne: "Any man's death diminishes me because I am involved in mankind."

If the bell tolls for Jim Bakker, it also tolls for me.



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