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Christian, political leaders split over church-politicking bills

By Robert Marus

WASHINGTON (ABP) -- Separate bills have been introduced in the U.S. House of Representatives to repeal a portion of tax law that prohibits churches, which are exempt from paying taxes, from electioneering.

Supporters say removing the ban would uphold the free-speech rights of ministers and churches. Opponents say it would divide churches and turn pulpits into partisan shells.

On May 14, a subgroup of the House Ways and Means Committee heard testimony from several prominent religious and political leaders on the "Houses of Worship Political Speech Protection Act," sponsored by Rep. Walter Jones (R-N.C.) and the "Bright-Line Act of 2001," sponsored by Rep. Phil Crane (R-Ill.).

Both bills would revise Internal Revenue Service codes so churches and other religious organizations could endorse or oppose candidates and parties in elections while maintaining their tax-exempt status. Additionally, Crane's bill would allow untaxed churches to spend "insubstantial" portions of their budgets on partisan political causes. Depending on interpretation of the tax code, the threshold could be as low as 5 percent or as high as 20 percent.

Currently, churches and other organizations incorporated under section 501(c)(3) of the IRS codes are allowed to speak out on moral and social issues -- including issues at stake in pending legislation or public referenda -- but are effectively barred from endorsing or opposing a particular candidate or political party.

The bills address only churches and other religious organizations. Other non-profits incorporated as 501(c)(3) organizations would still be banned from partisan politics.

Supporters said churches' First Amendment rights are at stake. "The IRS should not be the 'Speech Patrol,'" Jones said in his statement to the committee. "Our spiritual leaders should feel free to speak on moral and political issues of the day, including talking about candidates for public office and where they stand on those issues. If a minister believes that one candidate best reflects that church's moral beliefs, the IRS should be in no position to deter him or her from saying so."

D. James Kennedy, prominent television preacher and pastor of Coral Ridge Presbyterian Church in Fort Lauderdale, Fla., said that the legislation "is a vitally important step in reversing a long-standing injustice whereby free speech seems to be protected everywhere except in the pulpits of our churches."

But opponent Barry Lynn of Americans United for Separation of Church and State said that supporters

of the bills are addressing a problem that doesn't exist. "No freedom of speech of any American pastor, priest, imam or rabbi is endangered by the current Tax Code," Lynn told the panel. "Religious leaders are as free today as any time in American history to expose moral evils, propose ethical solutions and hold our leaders to the highest standards. In fact, the only thing that our tax laws prohibit is use of resources or personnel of a tax-exempt group to promote the campaigns of candidates for public office."

The two sides also debated whether the bills would allow large donors to circumvent new campaign finance laws by "laundering" their contributions through churches or other houses of worship. Colby May, a lawyer with Pat Robertson's American Center for Law and Justice, took issue with an AU argument that the bills would create a loophole in campaign-finance laws.

"[A]ll corporations, including tax-exempt nonprofit corporations, are barred from making 'hard money' contributions, or any direct or indirect disbursements for 'electioneering communications' under the new Bipartisan Campaign Finance Reform Act of 2002," May said in his testimony. "These restrictions apply right now, and will continue to apply regardless of any changes to the tax code which may be made by the passage of the 'Houses of Worship Political Speech Protection Act.' "

But the IRS executive who oversees the handling of 501(c)(3) organizations testified that it would be difficult to enforce campaign-finance laws in the nation's 300,000-plus churches.

"Unlike almost any other section 501(c)(3) organization, a church need not apply for recognition from the IRS to obtain tax-exempt status," said Steven Miller, director of the IRS Division of Exempt Organizations. "Nor do churches ordinarily have to file an annual information return (the Form 990) with the IRS."

"These provisions generally serve the purpose of preventing needless entanglement between churches and the IRS," he said.

Miller said only a handful of churches and religious organizations have had their tax-exempt status revoked by the IRS in recent years for engaging in partisan politics. While several supporters of the bill -- who are mostly Republicans -- claimed the IRS tended to be biased against churches that supported conservative candidates in its application of the rules, Miller said that was due to the fact that the IRS relied on third-party reports of violations to inspire investigations.

Other opponents of the bill claimed that it would reduce churches into political-action committees. "Make no mistake about it, at this very moment houses of worship are free to endorse candidates for political offices and to give money to those candidates' campaigns. However, such politicking cannot be done with funding that is tax deductible," said Welton Gaddy, executive director of The Interfaith Alliance.

Lynn said the law would initiate "a reckless experiment in mixing religion with partisan politics."

Bill supporters said the ban on politicking by 501(c)(3) organizations was inserted into the tax codes in 1954 by then-Sen. Lyndon Johnson, supposedly in retaliation for two anti-Communist non-profit groups that had been opposing his candidacy. "Johnson figured out that the best way to deal with these 'special interests' was to silence them," Kennedy said.

If the bills get past the committee, House Majority Leader Dick Arme (R-Texas) has indicated he would likely schedule a floor vote. In addition, Jones has said he has spoken to colleagues about introducing similar legislation in the Senate.

The Jones bill is H.R. 2357. The Crane bill is H.R. 2931.

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Baptist Foundation of Arizona law firm agrees to settlement

PHOENIX (ABP) -- A law firm that advised the Baptist Foundation of Arizona has agreed to pay the foundation's bankruptcy trust \$21 million in an out-of-court settlement announced May 14.

The deal, which settles all complaints against the Phoenix firm Jennings, Strauss and Salmon, would net \$18.3 million for investors in the failed foundation, which went bankrupt in 1999. The rest would go to lawyers.

Combined with a May 6 settlement with the foundation's former auditor, Arthur Andersen, 13,000 investors would share a total of \$194 million in legal rewards, about a third of the \$585 million owed them, not counting interest. After all foundation assets are liquidated, they eventually could recover about 72 cents on the dollar.

As in the Andersen settlement, the law firm admits no wrongdoing and says it agreed to pay the money to avoid a trial. "We firmly believe that Jennings acted appropriately with regard to BFA," attorney David Rauch told the Associated Press, "but we also recognize that a trial jury often has difficulty focusing on the facts and dividing them from the human sympathy they might feel toward investors."

The settlement, agreed to in principle last summer, must be approved by a judge. Money set aside in an escrow fund earned about \$200,000 in interest while lawyers for the state, bankruptcy trust and law firm worked out details.

Mark Spitzer, a member of the Arizona Corporation Commission, said investors should begin receiving payments by September.

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-- By ABP staff

Woman distributes 'HOPE' in Baptist clothing ministry

By Miranda Bradley

AUSTIN, Texas (ABP) -- A slight awkwardness saturates the air as Elissa Benford, owner of Lisa's Hope Chest, greets Fe, the newest customer at the upscale boutique.

Fe isn't a typical customer for such a clothing store. But she is typical of the people Benford assists every week.

Fe is a client of the Family Care program at Texas Baptist Children's Home & Family Services in Round Rock. And though they've never met, Fe is no stranger to Benford; she sees her in the faces of all women who shop at her store.

The shop is no bigger than an average living room, yet there's something magical hidden among the racks of upscale skirt-suits and Nine West pumps. It's called dignity -- something clients of Lisa's Hope Chest lost several hard knocks back.

"They come in here with their shoulders slumped and their heads down," Benford explained. "Then, I show them their size, put on some music, and before you know it, their whole attitude changes. They begin to feel good about themselves again."

Fe has forgotten how to feel much of anything. Since fleeing her abusive husband with her children in tow, she doesn't even know how to feel hungry. The pounds have melted away, leaving a forlorn face on a thin frame.

"I just keep losing weight," she said as she was directed to still-smaller sizes. "It's been hard to think of myself. I just try to take care of my children."

Benford knows what Fe and other women like her are going through. In them, she sees herself. More than 12 years ago, she survived a "bad divorce" herself. "I couldn't even afford to buy a pair of pantyhose," she recalled. "That has a lot to do with why I do this today."

After beginning her career as an election specialist for the state of Texas, Benford started an organization where women and men could be treated with respect as they made fresh starts. Her goal was to give them hope.

HOPE in the name of her shop is an acronym for Helping Others Progress Economically. And that's just what Benford does every Tuesday and Thursday from 4:30 to 7 p.m. after punching out from her paying job and then again on Saturdays from 10 a.m. to 2 p.m.

Her store accepts upscale gently worn clothing from professional men and women. She then offers the clothing to men and women who are trying to make new starts.

Despite a person's circumstances -- divorce, welfare, single parent -- Benford believes the clothes make the man or woman. Having the right clothes builds confidence and self-esteem.

"You can't get that good-paying job if you don't look like you belong there," she said. "I've had many women and men get their first business suit from me, go into the interview without the skills for the job and get hired on the spot. They feel good, and it shows. That's important."

As Benford guides Fe away from the dark clothing to the cheerful reds and yellows, she compliments her olive complexion and long, black hair. Pretty soon, the sullen face finds a smile.

"This has been such a blessing," Fe said with awe. "I can't believe God has given me such support. I'm going to call my mom in the Philippines to tell her about this."

Two years ago, Benford began working with single mothers at the Family Care program of Texas Baptist Children's Home. Since then, she has seen countless women like Fe find a spark that was all but extinguished. And it makes her feel fulfilled.

"I do this because I feel God has led me to do it, but it still makes me feel great," she said. "There are a lot of angels in here helping me."

Three hours and two bags of clothing later, Fe and Benford bid each other goodbye. Fe reaches into her purse to pay, but Benford informs her there is no charge. There never is.

At Lisa's Hope Chest, all the clothes are free. Customers may take one black outfit, three pairs of shoes and as many business suits as they can carry. Instead of writing up a sale, Benford takes one last hug, flashes a big smile and says, "Love is free in this house."

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-- Miranda Bradley writes for Texas Baptist Children's Home & Family Services.

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