

***Senate Finance Committee, Minority Staff Review of
New Birth Missionary Baptist Church
Bishop Eddie Long Ministries***
(Prepared by Lynda F. Simmons)

Introduction

The Committee's initial letter was addressed to New Birth Missionary Baptist Church (NBMBC) and Bishop Eddie Long Ministries. These were actually separate legal entities.

Bishop Eddie Long Ministries, Inc. (BELL, Inc.) was a nonprofit, tax-exempt organization incorporated in the state of New York on 12/8/1995. Bishop Eddie Long, CEO, and Terrance Thornton, CFO and Secretary, were listed as the directors of the corporation. The organization filed Form 990s during its existence. According to the certificate of dissolution filed with the 2001 Form 990, the corporation was dissolved on 9/5/2002, and all assets transferred to NBMBC.

NBMBC provided a response to the Committee. However, the majority of questions posed by the Committee were not answered. Despite providing the same assurances that were provided to the other churches regarding confidentiality and constitutional protections, NBMBC declined to provide the requested information. As a result, Committee staff ceased communicating with WCCI and its attorneys and began obtaining information from public records and third parties.

Governance and Organizational Structure

Officers, Directors, Trustees and Key Employees

NBMBC provided a list of board members in its response to the Committee in April, 2008. The board members do not appear to be related. NBMBC did not provide the names of the Board of Directors for years 2004, 2005, 2006 and 2007, as requested.

The church submitted its State of Georgia corporation certificate from 1984 with the bylaws attached. Per the bylaws, the board of directors consisted of three people, Eddie L. Long, Terrance A. Thornton and Mary Hill.

According to the bylaws, the president could "veto" any resolution approved by the board and cast the majority vote if the board was deadlocked. The president also had to approve any resolution by the board to remove a director. Based on Article Nine of the bylaws, Eddie L. Long is the president. Only directors can serve as officers of the church.¹

¹ Church submission dated April 14, 2008.

The following excerpt is from an Atlanta Journal-Constitution article. The excerpt shows Long's disdain for oversight.

"In the past, however, Long has claimed he was the final decision maker at New Birth. In a 1999 interview, he told the Atlanta Journal Constitution how he became the unquestioned leader at his church. After presiding over New Birth's explosive growth, he said he told his congregation that a biblical leader shouldn't have to answer to a board. Long said the board relinquished its authority over him with his congregation's approval.

"In his book "Taking Over," Long described the event in more detail. He wrote that after seven years at New Birth, he was frustrated by its deacon board because it was "gripping the purse strings" of the church and "telling the man of God when to jump and how high." He said he received a revelation from God, who encouraged him to get rid of the "ungodly governmental structure" at New Birth."²

According to the Georgia Secretary of the State records, the following persons were listed as officers of New Birth Missionary Baptist Church:

- CEO-Eddie L. Long
- CFO Fred Folson
- SEC-Mary Hill

Board Meetings

NBMBC did not provide the requested information.

Related Entities

Long is the CEO of several entities organized in the state of Georgia and elsewhere. The officers of these organizations are also officers associated with NBMBC in some capacity as shown in the table below.

Entity Name	CEO	CFO	Secretary
Religiousworks, Inc.	Eddie L. Long	Eddie L. Long	Eddie L. Long
Eddie Long Enterprises	Eddie L. Long	Terrance Thornton	Eddie L. Long
1478 Stoneleigh	Eddie L. Long	Frederick Folson	Mary Hill
Bishop Eddie Long Ministries	Eddie L. Long	Terrance Thornton	Terrance Thornton
New Birth Missionary Baptist	Eddie L. Long	Frederick Folson	Mary Hill
The Bell Foundation	Eddie L. Long	Vanessa Long (Long's wife)	Vanessa Long
New Birth Church Holding Inc	Eddie L. Long	Frederick Folson	Frederick Folson
New Birth Assoc. Inc.	Eddie L. Long	Frederick Folson	Frederick Folson
New Birth Savannah Inc.	Eddie L. Long	Eddie L. Long	Eddie L. Long
Bellmins, Inc.	Eddie L. Long	Frederick Folson	Khalid Battle
New Birth Christian Academy	Eddie L. Long	Frederick Folson	Fannie Tart
Chariot's Transportation Service	Eddie L. Long	Vanessa Long (Long's wife)	Terrance Thornton

Frederick Folson is also the registered agent for at least three LLCs related to Long and NBMBC.

² "Bishop's charity generous to bishop; New Birth's Long received 3 million" August 28, 2005, The Atlanta Journal Constitution

The information noted in the above table was obtained from Georgia Secretary of State records.

Integrated Auxiliaries

The NBMBC provided the following information in its response to the Committee.

- *The Father's House Ministry, Inc.* (GA Domestic Corp.) - A Georgia nonprofit designed to help senior pastors maximize their ministry potential through training, education, conferences, meetings and retreats.
- *The LongFellows Youth Academy, Inc.* ("LYFA") (GA Domestic Corp.) - A Georgia nonprofit created to provide structured programming for male teenagers to promote lifestyle changes.

*** Alumni of LYFA programs filed suit against Long alleging sexual misconduct when they were minors. According to LFYA's website³, the organization was established in 2004 by Bishop Eddie L. Long. No address or phone number is provided under the "Contact" section of the website.

On its website, LYFA's states its vision as: "Training our youth to Love, Live, and Lead." A mission statement or goals or objectives are not provided. A section of the website titled "The Facts and Statistics" indicates that LYFA provides college scholarships and education in areas such as physical training and conflict resolution.

While LFYA's does solicit donations on its website, the website does not contain any information regarding LYFA's tax status. Donations are processed through PayPal. On LYFA's website, NBMBC is listed under a section titled, "Lasting Legacy Wall", which appears to be a list of sponsors.

LYFA is listed on Guidestar.org with an address of 6400 Woodrow Road, c/o Frederick Folson, Lithonia, GA 30038 but a Form 990 is not available. Frederick Folson is the Chief Financial Officer (CFO) of New Birth Missionary Baptist Church (NBMBC). As a result, staff presumes that LYFA is not filing a Form 990 because it is taking advantage of the integrated auxiliary exception. If it wasn't for LYFA's affiliation with NBMBC, LYFA's tax-exemption would derive from its educational activities – not church activities – and would therefore have had to file a Form 990.

- *New Birth Christian Academy, Inc.* (GA Domestic Corp.) - A Georgia nonprofit organized for the purpose of operating a Christ-centered PreK-through twelfth grade school.

³ <http://www.longfellowyouthacademy.org> (last visited on January 2, 2011)

- *Bellmins, Inc.* (GA Domestic Corp.)⁴ - A Georgia nonprofit company dedicated to serving and empowering the community. The company also holds conferences.
- *New Birth Savannah, Inc.* (GA Domestic Corp.) - A Georgia nonprofit organized for the purpose of conducting a Christian church and worship center in Savannah, GA. (Note: Eddie L. Long is the CEO, CFO and Secretary)
- *New Birth Church Association, Inc.* (GA Foreign/OH) - An Ohio nonprofit and Georgia Foreign Corp. organized and operated to further the ministry of New Birth Missionary Baptist Church. Churches that want to be associated New Birth Missionary Baptist Church can join this association, which entitles members to utilize the New Birth name, logo and various trademarks. Members also have direct access to New Birth employees and resources.
- *New Birth Church Holdings, Inc.* (GA Foreign/OH) - An Ohio nonprofit/Georgia Foreign Corp. that serves as a holding company for New Birth Missionary Baptist Church Association, Inc. Set up to focus on planting new churches, affording unrelated churches an association with New Birth and providing economic stimulus to underserved communities.
- *New Birth Development, Inc.* (OH Domestic) - An Ohio nonprofit formed to facilitate a number or economic revitalization efforts of the church. The efforts include plans for a senior housing development.

Based on a search of GuideStar.org, only two of the above-noted organizations filed a Form 990, Return of Organization Exempt from Income Tax. New Birth Christian Academy, Inc. filed Form 990 for tax period 2005 and New Birth Development Inc. filed for period 2009.

Limited Liability Companies (Provided by the organization)

The purpose of these entities was provided by NBMBC in its response to the Committee.

- *New Birth Human Services, LLC* (GA Domestic) - This is a Georgia nonprofit LLC that provides administrative support to New Birth Missionary Baptist Church and affiliates.
- *Bell International Outreach, LLC* (GA Domestic) - This is a Georgia nonprofit LLC that was created to minister to the international community through financial support, mentoring and partnering.
- *New Birth of Charlotte, North Carolina, LLC* - <http://www.newbirthcharlotte.org/index.html> - This is an Ohio nonprofit LLC that was organized to set up a church in Charlotte, NC.

⁴ This corporation was organized in 2004 by the law office of Dennis Brewer-(former Kenneth Copeland attorney.

- *New Birth Charlotte Worship Center, LLC (NC)* - This is a North Carolina nonprofit LLC that operates New Birth Church in Charlotte, NC.

Based on a search of GuideStar.org, none of these organizations files a Form 990.

Other Entities (Provided by the organization)

The purpose of these entities was provided by NBMBC in its response to the Committee.

- *Strategic Community Initiatives, Inc.* - A Georgia nonprofit organized to provide financial literacy and savings incentives to low income individuals and families.
- *New Birth EP, LLC* - A Georgia LLC organized to provide administrative support to New Birth Missionary Baptist Church and its affiliates. According to the Articles of Incorporation obtained from the Georgia Secretary of State, NBMBC is the sole member of the LLC and NBMBC is to receive all assets upon the LLC's dissolution. Per NBMBC, this is a for profit entity.
- *New Birth Design Group, LLC* - The Ohio LLC created to assist other churches install sound and production systems. Per NBMBC's response, this LLC is a for profit entity and its sole member is New Birth Development Inc. NBMBC indicated that New Birth Development, Inc. was organized to facilitate economic revitalization efforts. In addition, according to FAA records New Birth Design Group, LLC was the company that leased a 1968 Grumman Gulfstream II (Model G-1159) from Long Charter Air, LLC, a for-profit company owned by Long. (See the section titled "Ministry Jet.")
- *New Birth Senior Housing, LLC* - The Ohio LLC was created to develop affordable housing for senior citizens. NBMBC's response to the Committee doesn't list the LLC's members but NBMBC indicates that the LLC is managed by new Birth Development, Inc.
- *New Birth Church Holdings, LLC* - This entity is noted as the sole voting member of New Birth Development, Inc.

Based on a search of GuideStar.org, none of these organizations files a Form 990.

Other Entities Listed with the Georgia Secretary of State

These entities were not provided by NBMBC.

Name	Date of Inc.	Officer Name/Title	Nonprofit*	Dissolution
Genesis Aids Ministry	Jul-96	Eddie Long/CEO Raymond Davis/CFO	yes	Jun-98
RISE Ministries Inc.	Apr-99	Eddie Long/CEO	yes	Nov-02
CIA Inner City Ministry	Aug-93	Eddie Long/CEO Lavon Hudson/CFO	yes	Aug-96
Sonship Distributors, Inc**	Jun-01	Eddie Long/CEO Eric McGlothen	no	Sep-02
Bishop Eddie Lee Long Publishing, Inc.	2/13/2006	Eddie Long/CEO Eddie Long/CFO	no	N/A
Partners of Harvest Food*	Dec-05	Eddie Long/CEO Chris Etheridge/CFO	yes	Feb-08
The Bell Foundation	Aug-04	Eddie Long/CEO Vanessa Long/CFO	yes	Jul-07

**According to the Georgia Secretary of State records*

*** Same adress as NBMBC*

Based

Based on a search of GuideStar.org, none of these organizations files a Form 990.

Satellite Churches (from the New Birth Missionary Baptist Church Website December 2010)

- New Birth-Charlotte
- New Birth-California
- New Birth-Greenville
- New Birth-Inner City
- New Birth-Savannah
- New Birth-Spartanburg
- New Birth-Augusta.

Compensation

Salary

To date, Committee staff have been unable to locate any information regarding the salary NBMBC paid Long. NBMBC did not provide this information to the Committee as requested.

On 1/13/2004, Eddie L. Long testified In the Court of Appeals of Georgia, BISHOP EDDIE LONG MINISTRIES. et al. v. DILLARD et al.; and vice versa. Bishop Eddie Long Ministries and another party sued a third party for nuisance

and trespass arising out of the defendant's decision to no longer maintain a dam and to drain a lake on which BELL, Inc. owned lakefront property. In sworn testimony given in 2004, Long stated that New Birth Missionary Baptist Church at one time paid him via BELL, Inc. On the 2000 Form 990 for BELL, Inc. one contributor gave the nonprofit \$1,625,275. This may be a contribution from NBMBC to BELL to pay Long's compensation per the 2004 testimony.

In the summer of 2008, Long spoke at Without Walls International Church in Tampa, Florida. Per a staff member at Without Walls, Long charged the church \$7,500.00 for fuel for the private jet he flew from Atlanta to Tampa. In addition, Without Walls paid his hotel costs and paid Long \$15,000 as an honorarium for the service he rendered.⁵

Gifts

Committee staff has been unable to locate any information concerning any gifts to Long.

Parsonage

The Church did not provide any information related to this issue. However, on the 2000 Form 990 filed by BELL, Inc., the tax-exempt nonprofit indicates that it purchased several items for a parsonage. BELL, Inc. was not a church; therefore, there should not have been a parsonage noted on the return. In the testimony noted above, Long testified regarding this residence which is located at 10 Hunt Valley. Long states that 10 Hunt Valley is his personal residence that was paid for by money that came into BELL, Inc. Long also stated the following, *"Basically Bishop Eddie Long Ministries is Bishop Eddie Long. It's just...I guess we incorporated in reference to my housing and housing allowance."* Long indicated that 10 Hunt Valley is a 12,000 square foot home, 10,000 square feet finished with nine baths and eight bedrooms that could rent for approx. \$5000 per month. BELL, Inc. paid \$1.425 million for this property.

Long and his wife currently own a 5,015 square foot home in Lithonia, GA. The residence has five bedrooms and seven bathrooms. As of December 2010, Dekalb County appraised the property at \$677,440.

Committee staff is unsure as to whether Long receives a housing allowance from NBMBC.

Vehicle Allowance

The Church did not provide any information related to this issue. However, as previously noted in this overview, Long gave testimony in 2004 stating he was driving a Rolls Royce that was purchased by NBMBC. According to Forms 990 filed by BELL, Inc., in 1998 or 1999, BELL, Inc. purchased a Bentley that cost in excess of \$350,000.

⁵ Third Party Informant A

Compensation Committee

Per NBMBC's response to the Committee, an independent compensation consulting firm that specializes in church compensation, completed a compensation study for the church in June of 2002. A copy of the compensation consulting firm's recommendation was not provided as requested by the Committee. NBMBC also did not provide the names of the Compensation Committee members for years 2004, 2005 and 2006 as requested but did provide names of the current Compensation Committee members. As of April 2008 the compensation committee members are Thomas W. Dortch, Jr., Dr. I.V. Hilliard and Bishop Courtney.

Finances

Audited Financial Statements

According to the website listed below, the bookkeeper for New Birth Missionary Baptist Church is ACS Technologies.

http://www.acstechnologies.com/company/success_stories/article11622c20988.htm

According to an article in the May 2006 Black Enterprise Magazine, the accounting firm, Chitwood and Chitwood, has prepared Long's financials for the last 10 years.⁶ John Walker at Chitwood maintains that Long has excellent records.⁷ According to this article the church's budget is between \$30 million to \$40 million.⁸

However, to date, staff has not been able to locate audited financial statements for New Birth Missionary Baptist Church.

A member of NBMBC indicated to Committee Staff that he sent a letter to Eddie Long and the Church's Chief Financial Officer requesting a copy of the church's financial statements.⁹ When he did not receive a response he sent a follow up letter to the Chief Financial Officer. As of 1/2008, there was no response to the request.¹⁰ The member stated that "the 25,000 members of NBMBC are totally in the dark about the finances of the Church."¹¹ The member went on to state that, "The fact is, church conferences are never held and financial reports are not issued, therefore the members are totally in the dark on financial members of the church. I obtained a copy of the Constitution of New Birth Missionary Baptist Church January 6, 2006 from the Internal Revenue Service where it is on file."¹²

Bishop Eddie Long Ministries, Inc. (BELL, Inc.)

As stated in the introduction, BELL, Inc. was a nonprofit tax-exempt organization incorporated in the state of New York on 12/8/1995. Bishop Eddie Long, CEO,

⁶ "The Business of Faith" May 2006, Black Enterprise Magazine

⁷ Ibid

⁸ Ibid

⁹ Third Party Informant B

¹⁰ Ibid

¹¹ Ibid

¹² Ibid

and Terrance Thornton, CFO and Secretary, were listed as the directors of the corporation. The organization filed Form 990s during its existence. According to the certificate of dissolution filed with the 2001 Form 990, the corporation was dissolved on 9/5/2002. At the time of dissolution, all known obligations and liabilities were paid, and all property and assets were transferred, conveyed or distributed to New Birth Missionary Baptist Church.

Although the organization filed a certificate of dissolution with the 2001 Form 990, the Georgia Secretary of State records indicate that in March of 2004 Long created another nonprofit named BELLMINS, INC. BELL stands for Bishop Eddie L. Long. A review of GuideStar.org indicated there has been no Form 990 filed for BELLMINS, INC.

Eddie L. Long Testimony

As stated earlier in the overview, in the Court of Appeals of Georgia Long gave the following testimony during these proceedings:

Long was asked, "Would you explain what Bishop Eddie Long Ministries is?" Long responded:

"Basically Bishop Eddie Long Ministries is Bishop Eddie Long. It's just...I guess we incorporated in reference to my housing and housing allowance. So, basically, what comes in Bishop Eddie Long Ministries, some is contributed by the church, et cetera, and things that I do in books and those kind of things. And for tax purposes, the instructions that I was given and counseling, it was better to put it under the corporation Bishop Eddie Long Ministries than having it in my personal name." (pg. 20)

Bishop Eddie Long Ministries paid \$1.45 million for the house at 10 Hunt Valley. In reference to the house Long states,

"Because the question keeps coming up in reference to Bishop Eddie Long Ministries, please understand that Bishop Eddie Long Ministries, again, is Bishop Eddie Long. If I was to die or something the house still stays with my family. It is my family home. It is not a church home, it is a family home. And just, it's similar in regards to a parsonage, but the way the corporation is set up that it stays in my family." (Long's attorney attempted to object to Long's statement but the judge overruled.)

Long states that 10 Hunt Valley is a 12,000 square feet home, 10,000 square feet finished with nine baths and eight bedrooms that could rent for approximately \$5,000 per month.

When questioned about the tax status of Bishop Eddie Long Ministries Inc., Long made the following statement:

"The money that pays for the house is money that came into a 501c3 corporation, in which I am the CEO of, in which I get a salary from, which came

from money that I earned that goes into the corporation.” Long’s attorney then states, “But the corporation didn’t pay taxes on that money, correct?” and Long responded” “That’s correct.”

To further explain the purpose of the nonprofit, Long makes the following statement:

“Bishop Eddie Long Ministries, it derives its income from books, from convention tape sales, partners wanting to sell into Bishop Eddie Long Ministries, and the church at one time, which it doesn’t do it now, in which one time made it a line item.”

In reference to the \$1.45 million house Long states,

“My family is Bishop Eddie Long Ministries Inc, meaning the way the corporation is structured it stays in the family.”

Long goes on to testify to the following:

He owns the corporation.

10 Hunt Valley is the personal residence of Long and was not used by Bishop Eddie Long Ministries or the church.

Bishop Eddie Long Ministries to date paid \$200,000 in legal fees related to this litigation.

Bishop Eddie Long Ministries and Eddie Long is all one and the same.

Bishop Eddie Long Ministries purchased his house (10 Hunt Valley) in March of 1998.

Long wanted to purchase a house near a lake.

Long’s wife fell in love with the house at 10 Hunt Valley.

Bishop Eddie Long Ministries spent around \$20,000 to fix up his backyard to take advantage of the lake

The summary below is a snapshot of BELL Inc. items on Form 990 for the stated tax years. Forms 990 for the years 1997 through 2002 were provided by a Third Party Informant C.

Table 1	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001³</u>
<u>Total Revenue¹</u>	\$ 3,118,930.00	\$ 2,072,666.00	\$ 1,873,358.00	\$ 2,562,024.00	\$ -
<u>Total Expenses</u>	\$ 1,025,496.00	\$ 1,639,954.00	\$ 1,796,385.00	\$ 2,458,004.00	\$ -
<u>Questionable Exp.</u>					
Clothing	\$ 13,542.00	\$ 37,136.00	\$ 62,274.00	\$ -	
Housing			\$ 94,720.00	\$ -	
Auto	\$ 30,631.00	\$ 36,309.00			
Property Taxes	\$ 486.00	\$ 32,393.00	\$ 33,019.00	\$ 18,471.00	
Taxes (Not Payroll)	\$ -	\$ -	\$ 26,318.00	\$ -	
Benevolence	\$ 293,179.00	\$ 866,286.00	\$ 873,559.00	\$ 804,931.00	
Officer Comp. ²	\$ 208,300.00	\$ 211,782.00	\$ 199,100.00	\$ 494,492.00	
Other Salaries	\$ 37,584.00	\$ 93,509.00	\$ 136,487.00	\$ 244,479.00	
Interest	\$ 7,600.00	\$ 136,081.00	\$ 60,837.00	\$ 9,178.00	
Travel	\$ 15,772.00	\$ 16,299.00	\$ 42,630.00	\$ 54,869.00	
Occupancy	\$ 25,723.00	\$ 22,845.00	\$ 6,554.00	\$ 44,187.00	
Utilities	\$ 1,202.00	\$ 13,983.00	\$ -	\$ -	
Conferences	\$ -	\$ -	\$ -	\$ 362,326.00	

¹ Includes \$350,000 loss on the sale of real property

² Eddie Long received \$175,500 in '99, \$494,493 in '00 and \$0 in '01. for 40 hours/wk.

³ BELL INC. was dissolved in 2002 per Form 990

BELL, Inc. Form 990 Highlights

Form 990-1997

- Long received a salary of \$184,000 and an expense account amount of \$16,000. Long worked 40 hours a week at BELL, Inc. Long was also likely serving as the full-time pastor of NBMBC. Further review of the return indicates the \$16,000 was actually Long's housing allowance as noted on Supplemental Information, Page 1.
- Terrance Thornton received \$24,000 in compensation in this year. Yet, per the Form 990, Thornton did not actually work any hours at the nonprofit in 1997.
- BELL, Inc. owned residential real property that cost \$1.425 million. The Form 990 does not specifically list the year it was placed in service. Based on a review of the state of Georgia real estate records, this appears to be 5535 Hugh Howell Road in Dekalb County that the BELL, Inc. purchased 12/31/1997. This may have been a residence purchased for Long's family to reside in.
- BELL, Inc. also owned "land held for sale" with a value or basis of \$1.65 million. This is possibly the land deeded to BELL, Inc. from New Birth Missionary Baptist Church on 12/2/1997. Committee staff is unable to

determine the value of the land at the date of transfer. However, at the end of the 1997 tax year, there was only one note and/or mortgage payable outstanding and this mortgage appears to be the \$1.14 million note for the property located on Hugh Howell Road. Therefore, it appears BELL, Inc. did not assume any debt associated with the "land held for sale."

Form 990-1998

- Long received a salary of \$184,000 for 40 hours of week per work. Long worked 40 hours at BELL, Inc. while likely serving as the full-time pastor of New Birth Missionary Baptist Church. Chief Financial Officer Terrance Thornton received \$27,782 for five hours of work per week. Statement 2 indicates property was sold for a gross sales price of \$410,000.
- A search of Georgia Real Estate records indicates property was sold in 1998 for \$910,000. There is a possibility that this is property located outside the state of Georgia, or the ministry may have underreported the gross sales price. In any case, the \$910,000 property sale is not reported on the 1998 return.
- According to the state of Georgia real property record, BELL also sold the residence at 5535 Hugh Howell Road on 11/13/1998. This is reported on the return as a \$50,810 loss. The nonprofit held this property for less than a year.
- In 1998, the nonprofit held two separate notes for Daniel de la Reza. De la Reza purchased the residence at 5535 Hugh Howell Road and the balance due at the end of 1998 for the two notes was \$113,572 and \$179,366. BELL, Inc. also had employee advances outstanding of \$13,038.
- BELL, Inc. purchased a vehicle with a \$40,000 deposit. There is no vehicle depreciated on the 1998 return; however, in 1999 the nonprofit purchased a Bentley.

Form 990-1999

- Per Statement 2 of the Form 990, BELL, Inc. sold donated property at a \$350,000 loss.
- Statement 7 of the Form 990 lists "loan costs-parsonage purchase" of \$29,816.
- The nonprofit also paid taxes of \$26,313 which were not payroll or property taxes. No specifics regarding these taxes were noted on the Form 990.
- The depreciation report filed with the return indicates that on 6/5/1999 the nonprofit owned a Bentley that had a book value of \$350,812. According to the depreciation report, on 3/20/1998 the nonprofit purchased the Hunt Valley real property for \$1,450,000. In addition, BELL, Inc. listed the following items:

Parsonage Pool Table	\$3,286.00
Parsonage Sculpture	\$2,625.00

- | | |
|-------------------------|-------------|
| Sewell Appliance | \$3,327.00 |
| Sewell Appliance | \$2,000.00 |
| Telephone System | \$4,535.00 |
| Williams Communications | \$4,796.00 |
| Land Rover | \$18,970.00 |
- Per Part V, BELL, Inc. paid Long a salary of \$175,500 for working 40 hours a week. Long worked 40 hours at BELL, Inc. while likely serving as the full-time pastor of NBMBC. Terrance A. Thornton, a paid employee and chief financial officer, received \$23,600 for working 5 hours a week.
 - Per the state of Georgia real property records, on 2/23/99 Bishop Eddie Long Ministries, Inc. executed a warranty deed granting Terrance A. Thornton, a compensated officer, property (land) located at 7 Hunt Valley for \$160,000. At the beginning of 1999, the beginning balance for notes and loans receivable was \$305,976.00 and ending balance was \$436,136 (*Based on a review of the 2000 return this amount also includes loans to officers.*).
 - There was a significant decrease in Line item 64 "Mortgages and other notes payable" from a beginning balance of \$846,801 to an ending balance of \$185,252. A separate schedule to explain the difference was not provided with the return.

Form 990-2000

- According to Schedule B, one contributor gave the nonprofit \$1,625,275 in 2000. This may be a payment from Long's church since Long stated in sworn testimony that at one time money he "earned" was paid to him through his nonprofit.¹³
- A statement attached to the 2000 return indicates on 4/15/1999 BELL, Inc. made a \$160,000 loan to Terrance Thornton, director and officer, to purchase property the nonprofit purchased in 1998. The balance due at the end of 2000 increased to \$209,257.
- Per Part V, the nonprofit paid Long a salary of \$494,000 for working 40 hours a week. Long worked 40 hours at BELL, Inc. while likely serving as the full-time pastor of NBMBC. Based on Long's sworn testimony previously noted in this summary, it appears that BELL, Inc. may have been used as a vehicle to pay Long his salary from New Birth Missionary Baptist Church. In addition, as noted in Part VII, Analysis of Income-Producing Activities, BELL, Inc. lists "Preaching Engagements" income of \$526,134 as being "Related or exempt function income."
- Terrance A. Thornton, a paid employee and officer, received \$36,101 for working 5 hours a week.
- Per the depreciation schedule, BELL, Inc. paid \$135,560 for landscaping improvements, \$35,169 for a 'built in Hutch' and \$3,847 for doors.

¹³ Third Party Informant D

Form 990-2001

BELL, Inc. filed Form 990 for tax year 2001 indicating it had been dissolved. Per the "Certificate of Dissolution" signed on 9/5/2002 by Eddie L. Long and Terrance Thornton, the corporation was "wound up," all debts, obligations and liabilities were paid and discharged and all assets were transferred, conveyed or distributed to New Birth Missionary Baptist Church. Per the "Federal Supplemental Information" document filed with the 2001-990, the following items were transferred:

Cash	\$ 677,080
Receivables	\$ 247,712
Inventory	\$ 37,523
Land, Building, Equipment	\$1,812,249.00
Total Assets Transferred	\$2,774,564.00

Real Property

10 Hunt Valley

As previously stated, BELL, Inc., in its final Form 990, indicated that all of the assets were transferred to New Birth Missionary Baptist Church. However, according to state of Georgia real property records BELL, Inc. transferred, via a quitclaim deed, the real estate at 10 Hunt Valley, to Eddie L. Long on 12/24/2003. Four days prior to the transfer of the property to Long, on 12/20/2003, the mortgagor cancelled the security deed on the 10 Hunt Valley property. It is not clear whether BELL, Inc. or Long paid off the mortgage prior to transferring the property.

The table below shows the real estate transactions related to the property located at 10 Hunt Valley Road. (All information was obtained from the Georgia Superior Court Clerks' Cooperative Authority.)

New Birth Missionary Baptist Church
Bishop Eddie L. Long
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Table2 Date Signed	Grantor	Grantee	Instrument	Amount	Deed Book Page
3/30/1998	Janie C. Lee	Bsp Eddie Long Mins.	warranty deed	\$1,450,000	9975/270
3/30/1998	Bsp. Eddie Long Mins.	Long Island SB	Security Deed	\$1,160,000	9975/272
12/14/2000	Bsp. Eddie Long Mins.	Bank of America	Security Deed	\$250,000	11787/117
12/24/2003	Bsp. Eddie Long Mins.	Eddie L. Long	Quit Claim		0 15847/567
12/24/2003	Eddie L. Long	Cornerstone Bk.	Secure Debt	\$300,000	15847/568
12/20/2003	Long Island SB	Bsp. Eddie Long Mins. Eddie L. Long Robert A. Birchard Elaine M. Birchard	Cancellation	\$1,160,000	15880/407
3/24/2004	Long Island SB	Bsp. Eddie Long Mins. Eddie L. Long	Cancellation	\$1,160,000	15989/694
3/26/2004	Eddie L. Long	Bank of America	Security Deed	\$310,000	15989/696
6/8/2004	Cornerstone Bank	Eddie L. Long	Cancellation	\$300,000	16311/469
1/11/2005	Bank of America	Bsp. Eddie Long Mins. Eddie L. Long	Cancellation	\$250,000	17047/72
12/30/2004	Eddie L. Long	**Suntrust Bank	Deed to Secure Debt	\$1,607,585	16981/199
1/3/2005	Bank of America	Eddie L. Long	Cancellation	\$310,000	17116/658
10/31/2006	Eddie L. Long	New Birth Missionary	Quit Claim	\$0	20171/793



Picture of 10 Hunt Valley, Lithonia, GA – courtesy of Third Party Informant B.

At the time of the transfer in October of 2006 from Eddie L Long to New Birth Missionary Baptist Church, it does not appear that the \$1.6 million debt to SunTrust Bank had been paid in full. No cancellation document has been filed with Dekalb County as of December 2008. Because the property was quitclaimed to the church, all the outstanding debt became the responsibility of New Birth Missionary Baptist Church although Eddie L. Long personally incurred the \$1.6 million debt to SunTrust Bank on 12/30/2004. Committee staff was unable to determine if NBMBC received consideration from Long for this property.

Lots 60 and 61, Fulton County

According to Fulton County property records, on 06/28/1996 E.W. Keappler sold land lots 60 and 61 to New Birth Missionary Baptist Church for what appears to be \$206,600 based on the document stamp. On this same day New Birth Missionary Baptist Church executed a deed to secure a debt and security agreement with Nationsbank. The deed passes title to Nationsbank to secure payment for a Promissory note dated 6/28/1996, for \$3,313,927.54 with a final payment due on or before 12/1/1997. New Birth Missionary Baptist Church is noted as the borrower. This deed was signed by the following persons:

- Eddie L. Long, Senior Pastor
- Harman Cunningham, Chairman of the Trustee Board
- Booker T. Donnell, Chairman of the Deacon Board
- Mary Hill, Secretary of the Corporation.

On 7/1/1996, Nationsbank filed a notice filing for UCC real estate related collateral in Fulton County.

On 8/13/1997, New Birth Missionary Baptist Church executed a limited warranty deed to transfer the property to Bishop Eddie Long Ministries, Inc. for \$0. The deed was signed by:

- Eddie L. Long, President of New Birth Missionary Baptist Church
- Terrance A. Thornton, Treasurer of New Birth Missionary Baptist Church.

(Long and Thornton are also officers Bishop Eddie Long Ministries, Inc.)

On 01/06/1998 a notice of cancellation was filed by Nationsbank indicating the loan to NBMBC dated 6/28/1996 for \$3,313,927.54 was paid in full.

On 4/21/1998, BELL, Inc. sold, via a warranty deed, part of this property to Parkway Lodge, LLC for \$900,000. On this same date the property was quitclaimed from BELL, Inc to Parkway Lodge, LLC for \$0.

On 8/19/1998, BELL, Inc. sold, via a warranty deed, part of this property to Dineshchandra Amrutlal Patel for \$910,000.

On 12/29/1998, BELL, Inc. sold, via a warranty deed, a portion of this property to Goose Island, LLC for \$250,000.

On 12/29/1998, BELL, Inc. sold, via a warranty deed, a portion of this property to GRE Investments LLC for \$750,000.

BELL, Inc. received a total of \$2.81 million for the sale of the property.

5535 Hugh Howell Road, Dekalb County Property Records

On 12/31/1997, BELL, Inc. executed a warranty deed for \$1.425 million to purchase property on Hugh Howell Road. A security deed was then executed between BELL, Inc. and Nationsbank for \$1.14million to finance the purchase of this property. It appears that BELL, Inc. paid \$285,000 as a down payment to purchase the property. A deed of cancellation of debt was filed by Nationsbank on 1/5/1999 indicating the \$1.14mil. debt was paid in full.

On 11/13/1998, BELL, Inc. executed a warranty deed to sell this property to Dan de la Reza. On 11/13/1998, BELL, Inc. executed a security deed as lender with Dan de la Reza in the amount of \$293,238.27. This security deed was subject to a \$1million security deed between Reza and M&M Mortgage for this same property. (It appears the ministry sold the property to De la Reza and held a note for \$293,238 as a sort of second mortgage.)

On 11/25/1998, Eddie Long Ministries executed a warranty deed with Daniel de la Reza (purchaser) for the Hugh Howell Road property. (Possibly a correction to the deed dated 11/13/1998.)

On 12/11/2000, there was a debt cancellation filed with Dekalb County indicating De la Reza paid the \$293,283.27 in full.

7 Hunt Valley Road, Dekalb County

On 12/29/98, Eddie Long Ministries and Eddie Long purchased lot 7 (land) on Hunt Valley Road for \$160,000. On 2/23/1999, Eddie Long Ministries quit claimed this property to board member Terrance A. Thornton and his wife Tina for \$160,000. The Committee was not able to determine if Thornton compensated BELL, Inc. for this loan.

Leases between 1478 Stoneleigh Inc. & NBMBC

Per the Georgia Secretary of State records, Stoneleigh, Inc. is a for profit entity created in 1995. Eddie L. Long is the CEO and Frederick Folson is the CFO. Although it was created as a for-profit, many of the legal documents filed with Dekalb County real estate records indicate the company is a nonprofit corporation. In December of 1998, (deed book 10330, pg. 227)1478 Stoneleigh and New Birth Missionary Baptist Church executed an assignment of leases and rents with NationsBank for \$33,625,000.00.

The document and the related financing statement filed with Dekalb County lists New Birth Missionary Baptist Church as the borrower. In a related amended "deed to secure debt and security agreement" filed in Dekalb County, it appears that the promissory note has been amended several times. The original note

dated 11/20/98 for \$33,625,000 was amended on 8/31/99 to \$37,000,000 and subsequently amended on 9/14/01 to \$39,650,000 with a final payment being due on 12/31/06. This amendment was signed by Eddie L. Long and Frederick Folson. It is unclear what the relationship is between 1478 Stoneleigh and New Birth Missionary Baptist Church.

Personal Property

Per the Dekalb County Deputy Chief Appraiser, tax-exempt organizations are not required to file personal property tax returns. However, they are required to file for exempt status and those applications are available for public inspection. In addition, any jets owned by an exempt organization are not exempt from taxes because they are not considered a place of worship. If the jet is hangared in Dekalb County at Peachtree/Dekalb airport, it would be subject to county taxes.

According to FAA records dated 11/13/2008, a 1968 Grumman Turbo-jet is registered to Long Charter Air, LLC. The address for Long Charter Air, LLC is 6400 Woodrow Road, Lithonia, GA, the same address as New Birth Missionary Baptist Church.

According to the lease agreement included in the FAA records, Long Charter Air, LLC executed a lease with New Birth Design Group, LLC to lease the 1968 Grumman jet. The lease was executed on 3/28/05. In accordance with the lease, beginning 4/1/2005, the church (through New Birth Design Group, LLC) is required in advance to pay Long Charter Air, LLC \$30,000.00 a month. In addition, NBMBC is required to, as stated in the lease, "contribute to and maintain a major airplane overhaul account in the amount of \$7,870 per month" that is deposited on the monthly rental payment date. If NBMBC used the jet more than an average of 190 engine hours on each engine during the course of 12 months, the church has to pay an additional \$500 per engine hour. These funds also have to be deposited into the overhaul account.

The lease also states, "The Overhaul Account will serve the purpose of engine overhaul but also shall serve as security for the performance of Lessee's obligations under this Lease. In no event shall any interest in the security deposit be payable by the Owner to Lessee. Owner, at its sole option, may apply all or part of the security deposit to any obligation of Lessee under this Lease. Such application of the security deposit by Owner shall not excuse or prevent any default. In the event of such application, Lessee shall redeposit into the Overhaul Account the amount of the security deposit that was applied. The Owner may pledge the Overhaul Account the amount of the security deposit that was applied. The Owner may pledge the Overhaul Account directly to, or allow the Overhaul Account to be maintained by, any lender to Owner secured by the Aircraft to meet any such lender's overhaul and security requirements." The lease was signed by Frederick Folson as manager on behalf of New Birth Design Group, LLC and Long Charter Air, LLC.

Per the Georgia Secretary of State, Long Charter Air, LLC is a limited liability company created 3/17/2004. According to the filed articles of incorporation at that time, the company elected to be taxed as a partnership with Frederick N. Folson as the manager and Eddie L. Long as the initial member. The articles also indicate that upon the dissolution of the company, all assets will be distributed to Eddie L. Long.

Personal Use of Jet

NBMBC did not provide any information regarding the personal use of the ministry jet. However, based on flight information received by the Committee, the following information is known.¹⁴ According to FAA records, the jet was registered to Long Charter Air, LLC sometime in April of 2005. From that time to the initiation of this investigation the jet has made numerous trips to St. Kitts/Nevis, the Turks and Caicos and Bahamas.¹⁵ In addition, several trips were made to Las Vegas with 3 and 4 night stays.¹⁶ Since the church did not respond to the Committee's request for Long's itinerary, it is difficult to assess the nature of these frequent trips.

(Personal Use of Other Ministry Assets)

In the sworn testimony given by Long in 2004, also referenced earlier in this report, Long acknowledged that he was driving a Rolls Royce that was owned by New Birth Missionary Baptist Church. In addition, Long and his wife sell their tapes, CDs, DVDs and books on the New Birth Missionary Baptist Church website. It is unclear as to whether the proceeds go to New Birth or to the Longs and if any of the assets owned by the church are used in the production of these items. The Form 990 for tax year 2000 filed by BELL, Inc. indicates that Long's tapes were sold through the nonprofit and the proceeds were included as revenue. The Church declined to provide this information to the Committee.

Books and Tapes-(Information obtained from the church website)

Books written by Long and his wife are available for sale via the New Birth Missionary Baptist website. No information was provided by the Church regarding these transactions.

¹⁴ Trinity Foundation, Inc.

¹⁵ Ibid

¹⁶ Ibid