

NEWS

## Special Report: Reaping from faith

ZIVA BRANSTETTER World Projects Editor Apr 27, 2003

**Tulsa attorney J.C. Joyce gestures while talking to a reporter about his client, Saint Matthew's Churches, and the Rev. James Eugene Ewing.**

*A. CUERVO / Tulsa World*

### **Still tracking**

**Below: Ole Anthony, the founder of the Trinity Foundation, a non-profit religious watchdog group, sits among posters displaying mailings by the Rev. James Eugene Ewing and his organization, now called Saint Matthew's Churches. Anthony's group has tracked Ewing's organization for years.**

*JAMES GIBBARD / Tulsa World*

**Bottom: Mailings from Saint Matthew's Churches often contain items, some pictured here, such as "miracle cakes," coins, prayer cloths and fake currency. An attorney for the organization said they are faith items that help believers focus their prayers.**

*MICHAEL WYKE / Tulsa World*

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## Lucrative 'seed faith' mail ministry has Tulsa ties

Once a traveling tent-revival preacher, the Rev. James Eugene Ewing built a direct-mail empire from his mansion in Los Angeles that brings millions of dollars flowing into a Tulsa post office box.

Ewing's computerized mailing operation, Saint Matthew's Churches, mails more than 1 million letters per month, many to poor, uneducated people, while Ewing lives in a mansion and drives luxury cars.

The letters contain an alluring promise of "seed faith": send Saint Matthew's your money and God will reward you with cash, a cure to your illness, a new home and other blessings. They often contain items such as prayer cloths, a "Jesus eyes handkerchief," golden coins, communion wafers and "sackcloth billfolds." Recipients are often warned to open the letters in private and not discuss them with others.

The approach reaped Ewing and his organization a gross income of more than \$100 million since 1993, including \$26 million in 1999, the last year Saint Matthew's made its tax records public. And while much of the money is spent on postage and salaries, Ewing's company receives nonprofit status and pays no federal taxes.

Though Ewing claims it is a church, Saint Matthew's Churches, once called St. Matthew Publishing Inc., has no address other than a Tulsa post office box. It has two listed phone numbers in Tulsa and both are answered by a recorded religious message.

The organization is not related to other Tulsa-area churches named St. Matthew's, though many of them have received calls asking to be removed from its mailing list.

Ole Anthony, founder of the Trinity Foundation, a nonprofit religious watchdog group, has tracked Ewing's organization for years. The foundation was largely responsible for exposing televangelist Robert Tilton in 1991 after Anthony said he found prayer requests sent to Tilton in Tulsa trash Dumpsters.

At the time, Tilton and Ewing shared the same Tulsa attorney, J.C. Joyce. Saint Matthew's Churches is incorporated at Joyce's downtown Tulsa law office and the organization paid Joyce's law firm more than \$2.6 million for legal services during three years, records show.

Anthony has also obtained documents that describe how Ewing and his organization use demographic data to target the poor.

"He capitalizes on the isolation of the loneliest and poorest members of our society, promising them magical answers to their fears and needs if only they will demonstrate their faith by sending him money," Anthony said.

"He is, quite literally, the father of the modern-day 'seed-faith' concept that fuels the multibillion-dollar Christian industry known as the 'health-and-wealth gospel.'

"The only ones becoming rich are the men like Ewing."

Joyce, who has represented Ewing for decades, said Ewing, 70, would not agree to an interview for this story. He said Anthony's characterization of Ewing and his faith is inaccurate and that Anthony "is not credible."

Joyce said seed faith "is a biblical principle that is preached by thousands."

"The Bible is full of admonitions to give."

Joyce said the church has services in a Presbyterian church that it leases in New York City and that Ewing preaches during some of the services.

The pastor of the church, the Rev. Leslie Merlin, said she had never heard of Ewing but that Saint Matthew's Churches conducted services there.

Ewing, who did not attend divinity school, was ordained by the Communion of Evangelical Episcopal Churches.

## **Sharecroppers' son**

Ewing was born in Texas in 1933, the son of south Texas sharecroppers, according to his mailings. After serving in the Air Force, he chartered Camp Meetings Revivals in Dallas in 1958. He described the organization as "educational, charitable, missionary and evangelistic."

Ewing's tent-revival crusade grew quickly. A full-page ad in the 1963 Tulsa World announced a "deliverance revival: Gene Ewing coming under one of the world's largest tents."

Ewing kept a decidedly lower profile several years later when he returned to Tulsa to meet Oral Roberts.

Donations to Roberts' ministry had plummeted after Roberts built Oral Roberts University and joined the United Methodist Church. His top advisers were seeking a buyer for the ministry's corporate airplane.

The Rev. Wayne A. Robinson, then the vice president of public affairs for the Oral Roberts Evangelistic Association, called Ewing about the plane. Robinson was the executive producer of Roberts' television shows and editor-in-chief of his publications. He also was the ghostwriter for Roberts' autobiography.

Ewing expressed interest in the plane, which was dispatched to California to pick up Ewing and several other associates.

"I brought them in to see Oral," Robinson recalled. "I was expecting the appropriate deference of these guys to Oral, the big man. About the first thing Gene said was, 'Oral, you are in trouble, and I can help you.' "

Ewing, who had little formal education, was about 5 feet, 7 inches tall, wore expensive clothing and jewelry and a blow-dried hairstyle, Robinson said.

"He had all the things you can think of of people who had made it and come out of poverty: the most expensive silk suits, alligator shoes, coifed hair."

Ewing spoke in broken grammar and one of his model letters contained 17 misspellings, Robinson said. But Roberts "recognized that this person had something to say, and he was willing to listen."

During a second meeting with Roberts, Ewing laid out his seed-faith philosophy.

"Gene laid out one of the most sophisticated fund-raising campaigns I had ever seen. He said, 'Oral, I want you to write your supporters and tell them you are going in the prayer tower, and you are going to read their prayer requests and pray over them.' He stayed there three days. I forget how many hundred thousands of letters we had, but it was huge."

Robinson said that on Ewing's advice, Roberts responded to the letters with a letter outlining seed faith.

"You give and you get from God. It was a kind of prosperity gospel," Robinson said.

Roberts was so happy with Ewing's advice that he gave Ewing the plane, Robinson said.

The next year, income to Roberts' ministry doubled, to \$12 million from about \$6 million, Robinson said.

Despite the prosperous times, Robinson said, he was unhappy in the job and soon quit. Today, he is a pastor of the All Faiths Unitarian Congregation Church in Fort Myers, Fla.

Once Ewing rescued Roberts' finances, other well-known evangelists came calling, Robinson said.

"Once he did it with the biggest man of all, then all the others were just tickled to get on board."

Robinson said that after he left Roberts' ministry, he had a chance meeting on an airplane with Tulsa-based evangelist T.L. Osborn, who had also sought Ewing's services.

"He said, 'We were down to counting pencils and paper clips until Gene came along.' "

## **A certain flair**

Ewing's flair for effective, dramatic direct-mail appeals won him jobs writing for evangelists including Tilton, Rex Humbard and "Rev. Ike." In many cases, the letters are identical but contain different signatures.

The Trinity Foundation, which obtained copies of the identical letters, has dubbed Ewing "God's Ghostwriter."

"We had nine different televangelists essentially sending out the same letter," Anthony said. "He (Ewing) makes most of his money by selling these packages to televangelists."

Anthony said one Ewing letter, written for Humbard, brought in \$64 for each copy mailed. Another mailing by Humbard contains a "sackcloth billfold" and asks recipients to mail a "seed offering" of \$19 to a Boca Raton, Fla., post office box.

A similar letter from Tilton also contained a "sackcloth billfold" but encouraged recipients to return a "seed of faith" of at least \$709.00.

Joyce said Ewing has written for many other evangelists.

"Pastors preach other people's sermons all the time," he said.

Tulsa evangelist Billy James Hargis became friends with Ewing in the 1970s, said his wife, Betty Hargis.

"We were having some difficult times here in Tulsa. He advised my husband on some things and mainly since that time it's been a friendship," she said.

Betty Hargis said she and her husband receive Ewing's mailings.

"When he does something, he does it right, first class and showy."

While writing pitch letters for other evangelists, Ewing continued to build his own empire.

In 1971, Ewing bought a Dallas church and named it Cathedral of Compassion. A two-page ad announced the church opening, which was attended by boxer Joe Louis and a bevy of celebrity preachers and politicians.

Three years later, Ewing moved his Church of Compassion to an elaborate former theater in Los Angeles. Ewing lived in a mansion across the street from singer Pat Boone, according to an article in the Los Angeles Times.

Joyce said the home wasn't a mansion and that it was Ewing's office.

Ewing later changed the organization's name to Rev. Ewing's Evangelistic Ministries Inc., or REEM, a religious, direct-mail operation that received tax-exempt status.

In 1978, Ewing and an associate, Ray McElrath, incorporated an advertising company and a data processing company to provide printing and mailing services to nonprofit religious groups. The companies were incorporated in Tulsa but kept offices in California, records show.

Nine months later, the two incorporated Church by Mail Inc., with a downtown Tulsa address. The IRS called the organization "virtually identical" to REEM.

In its application for tax-exempt status, Church by Mail stated that "it conducts regular worship services, usually without the congregation physically present."

The company sent mailings to more than 3 million homes in 46 states.

The mailings included the "Gold Book Partnership with God" still used by Saint Matthew's today. The book contained a year's worth of monthly coupons. Recipients were instructed to "tear out a coupon and mail it with a 'faith money payment' to Rev. Ewing each month."

Church by Mail's net mail revenue in 1980 totaled just more than \$3 million and it reported contributing \$100 to charity. Despite the hefty revenue, Church by Mail reported a deficit, mainly because of the complex financial arrangements between the organization and Ewing's for-profit companies.

Ewing and McElrath's advertising company loaned more than \$2.1 million to Church by Mail in 1980 and accrued more than \$200,000 in commissions, the court records show. In addition to salary from Church by Mail, both were paid salaries by the advertising company, which also employed their sons, the records show.

In court filings, the IRS argued that funds generated by Church by Mail "inure to the benefit of private individuals."

"Ewing and McElrath sit at the top of a very lucrative set of organizations which they totally control without interference," the IRS brief states.

Five years later, with the IRS court battle still under way, Ewing incorporated Church and Bible Study in the Home by Mail, also listing Joyce's Tulsa law firm as its address. Records show that organization was soon taking in millions from its direct-mail appeals.

Joyce said the name change had nothing to do with the court case.

Meanwhile, Ewing and McElrath lived opulent lifestyles. On his voter registration form, Ewing listed his occupation as advertising and gave a Beverly Hills address.

McElrath, who also claims to be an ordained minister, listed his occupation as advertising and gave an address in Marina del Rey, Calif.

Ewing, McElrath and their nonprofit and for-profit companies leased numerous luxury cars from a Tulsa auto leasing company during the 1980s in deals arranged by Joyce, records show. The cars included four Rolls-Royces, two Jaguars, three Mercedes sedans and a Ferrari.

Joyce said the auto leases were paid for through profits from Ewing's for-profit company.

"Because he's a minister he's supposed to drive a Jeep?"



Records show both Ewing and McElrath were paid salaries of more than \$300,000 in 1999, the last year the organization made its tax forms public.

Joyce declined to divulge recent financial information about the church and said it did not issue annual financial reports.

## **'Good growth addresses'**

Although Ewing and his companies spent thousands each month to lease expensive automobiles, Ewing was having trouble paying taxes, records show.

A federal tax lien was filed stating Ewing owed more than \$10,000 in unpaid taxes from 1981 and 1989. Another federal tax lien sought payment of more than \$346,000 owed by his company Twentieth Century Advertising Agency during 1982 and 1987, records show.

Joyce said the liens were released after the debts were paid.

In 1992, the IRS commissioner issued a final ruling denying tax-exempt status for Church by Mail Inc.

The ruling had no impact on Ewing's Church and Bible Study in the Home by Mail, which brought in an average \$26,000 per day by 1993, according to a memo obtained by the Tulsa World. The memo from McElrath to Joyce trumpets the success of the organization's 1.1 million mailings each month.

"J.C., this growth program is working like a dream. . . . We are going to be able to get a much better selection of good growth addresses than we have ever been able to in the past thanks to a new program that we now have," states the memo, dated Oct. 19, 1993.

"Using this new method of selection we are actually picking those geographic areas that we know respond the best to our growth letters. The size of each special area is about two to four city blocks. And thank God there are 10's of thousands of them across the nation."

Joyce said the the memo "is very much directed to the goals of the church in saving souls."

Letters sent to the organization went to a Tulsa post office box, were opened in Tulsa and the funds deposited in a Tulsa bank, court records show.

A 1995 memo from McElrath to Ewing, Joyce and others states that the daily bank balance for Church by Mail and Church and Bible Study in the Home by Mail must be faxed to him by 11 a.m. It states that the report should include "estimates for all unopened mail including today's."

Joyce said after the letters are opened and the funds deposited, the prayer requests are sent to Saint Matthew's California offices.

"The church prays over them five times a day, every day. They've got 100 people at times reading them."

The Tulsa World obtained numerous letters written to Saint Matthew's Churches and its predecessors.

One letter from Sister Lupe Martinez thanks Ewing for praying for her. Martinez states she is unemployed, 65 years old and living on a monthly pension check.

"I try my best to help your mission, whatever I could give," the letter states.

A postcard filled out and returned by a boy from Detroit contains a note in a child's handwriting.

"I am 10 years old. I only can give a quarter. Please don't underrate me because of my age, I believe strongly in Jesus," it states.

Some recipients of Ewing's mailings sent him angry letters demanding to be removed from his mailing list.

A pastor from Tyler, Texas, wrote to Ewing, asking that a member of his church be removed from the Saint Matthew's mailing list: "Rev. Ewing, I have written to you to stop sending these letters . . . as per her request. As her pastor, I am sending a copy of this letter to the state attorney general's office to have the letters stopped."

Joyce said Saint Matthew's removes people from its mailing list upon request. He said there may be a lag time between the request and the removal because Saint Matthew's uses a commercial printing company for its mailing services.

Some Ewing mailings contain a coupon that recipients can cut out, sign and state how much money they hope God will bring them. One woman filled out her name and stated that she needed \$150 million while another simply wrote, "All I can get."

Shirley Waldemar of West Hampstead, N.Y., gave about \$80 a month to Saint Matthew's Churches for about five months until she began to wonder who was behind the company.

"They would send you a little piece of cloth and it was supposed to be doing things for you, and I thought that was silly."

Waldemar said she stopped sending money after she was unable to reach a person connected with the company on the telephone or find a street address for it in Tulsa.

"They purport to pray for people who are having problems. . . . They were basically just asking for money. . . . It did make you feel if you did not give, something bad would happen."

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**Financial blessings in return**

## **Mail-order ministry promises spiritual and financial windfalls in return for a donation.**

In the world of Saint Matthew's Churches, Heaven is a bank and God is the bank president.

The organization mails more than 1 million letters across the country each month seeking money from recipients and promising a spiritual and financial windfall in return. The letters list a Tulsa post office box but no telephone number, street address or names of individuals behind the operation.

Gae Widdows, a Tulsa attorney, said one of her clients is a veteran with schizophrenia who receives mailings from Saint Matthew's. She said the man frequently lives on the streets because he has little to no income.

"They told him if he would send money, he would not need to take his medication. He actually stopped taking his meds and got locked up," Widdows said.

Before even opening the letters, recipients are urged to be secretive about their contents.

"It is absolutely vital that you read this letter now!" states an envelope mailed Jan. 20.

"Try to take it to a room or somewhere where you can be alone with the Lord," the envelope says. "Personal and private letter."

The mailing from Saint Matthew's includes a \$10,000 "faith check" written on the Bank of Heaven. It lists the bank president as God, the Father; vice president as Jesus, the Son, and the secretary and treasurer as The Holy Ghost.

"Place the faith check in your wallet and keep it there until the blessing unfolds," the letter states.

"Whisper the name of Jesus three times as you write your name on the back of your Faith Check."

The mailing includes a testimonial from "Mrs. F.L.C.," who claims that God sent her \$28,000 after she gave money to Saint Matthew's.

The letter ends by instructing recipients to send money back to Saint Matthew's in order to release God's financial blessing. It asks for "the largest bill you have or the biggest check you can write."

Another mailing, also in January, is marked "private and confidential" and states that it has been sent from "a secret place of prayer." The mailing includes a scrap of fleece, dyed green on one side and silver on the other, presumably to represent the color of money.

Recipients are instructed to place the fleece in their wallets and sleep on it "to break the financial curse that has troubled your money matters."

Recipients are told to return the fleece with "seed money" for Saint Matthew's, borrowing it if necessary.

The letter is signed: "A group of praying people, friends of Jesus for 52 glorious years of helping people."

A mailing in 1998 contained a sealed packet of "five miracle cakes" that resemble communion wafers. Recipients were instructed to eat one each night to trigger five "prophetic events" in their lives, including an "unusual money blessing."

The letter instructs recipients to return a donation of \$7 or \$17.

In a press release, Saint Matthew's Churches states that it does not solicit money.

"The ministers of this 50-year-old church have always had a vision to bring in as much in donations (tithes and free-will offerings) as possible so they can spend those donations on publishing and preaching the gospel of salvation," the release states.

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## History of Saint Matthew's, related organizations

**1933:** James E. Ewing is born in Texas. Milton R. McElrath is born in Conway, Ark.

**1953:** Ewing enters basic training at Lackland Air Force Base. Ewing's magazine would later claim that "many soldiers gave their lives to Christ with Bro. Ewing kneeling by their side in airplanes, in barracks or anyplace."

**1957:** Ewing completes service in the Air Force.

**1958:** Ewing charts Camp Meetings Revivals in Dallas.

**1968:** Income to Ewing's organization reportedly tops \$2 million. Ewing advises Oral Roberts to ask supporters to write him letters, which the evangelist would take to his prayer tower and pray over for three days.

**1971:** Ewing renames his organization Church of Compassion. Officers listed are D.R. Luce, O. Duane Snyder, M.R. McElrath and Doris J. Ratliff. Investors purchase a Dallas church and Ewing names it the Cathedral of Compassion.

**1974:** Ewing moves his Church of Compassion to Los Angeles. An article in the Los Angeles Times describes the Church of Compassion as a mail-order church with half a million "members." Income reportedly exceeds \$3 million.

**1979:** Ewing and McElrath incorporate Twentieth Century Advertising Agency and Twentieth Century Data Processing Inc. in Oklahoma. The for-profit companies, which have offices in California, are formed to provide printing and mailing services to nonprofit religious groups.

Nine months later, Church by Mail Inc. is incorporated in Tulsa. Incorporators are James E. Ewing, M.R. McElrath, Doris J. Ratliff and O. Duane Snyder. D.R. Luce is named its vice president.

**1980:** Church by Mail applies to the IRS for tax-exempt status. The company states on its application that "it conducts regular worship services, usually without the congregation physically present."

Church by Mail's net mail revenue is more than \$3 million.

**1987:** Ewing incorporates Church and Bible Study in the Home by Mail, which lists the Tulsa law office of Joyce and Pollard as its address.

**1990:** Church and Bible Study in the Home by Mail reports income of \$4.16 million and a negative balance of \$4.17 million on its IRS forms.

**1991:** The IRS files a federal tax lien against Twentieth Century Advertising Inc. The lien seeks payment of \$346,000 in unpaid taxes from 1982 and 1987. The IRS also files a lien against Ewing, seeking payment of \$10,000 in back taxes.

Church and Bible Study in the Home by Mail reports income of \$4 million and a deficit of more than \$900,000 on its IRS forms. Expenses include more than \$960,000 in salaries, \$160,000 in rent and \$600,000 in printing and mailing costs.

**1992:** IRS commissioner issues a final ruling denying tax-exempt status for Church by Mail Inc. The company appeals the order.

The state of California files a lien against Ewing in Los Angeles for failure to pay more than \$7,000 in franchise taxes.

Church and Bible Study in the Home by Mail reports income of more than \$6 million from contributions and expenses of \$6.3 million.

**1993:** Ewing is living in a \$2.2 million, 6,400-square-foot home above Beverly Hills. The home has a large garage, and photographs depict several exotic and classic cars parked in the driveway.

A memo from McElrath to attorney J.C. Joyce states that Church and Bible Study in the Home By Mail has developed a computer program to target "good growth addresses." The memo forecasts a monthly return of \$600,000 on the letters mailed:

"We are actually picking those geographic areas that we know respond the best to our growth letters. The size of each special area is about two to four city blocks. And thank God there are 10's of thousands of them across the nation."

**1994:** In a filing with the U.S. Tax Court, the commissioner of the Internal Revenue Service argues that Church by Mail Inc. is "operated for private rather than public interests" and "is not a church" within the meaning of federal tax laws.

**1997:** St. Matthew Publishing Inc., incorporated at Joyce's Tulsa law office, files documents with the Internal Revenue Service reporting \$15.6 million in revenue. Ewing reports receiving \$307,187 in salary and benefits while McElrath reports \$277,000 in salary and benefits.

**1999:** St. Matthew Publishing Inc. reports \$26.8 million in revenue. Of that, the organization spent \$4 million on salaries, \$989,140 on legal fees, \$817,000 for housing and rent and \$649,000 on travel.

**2000:** After a lengthy court battle in which St. Matthew Publishing Inc. sued the federal government, the U.S. Court of Federal Claims rules that for tax years 1979 and 1980, St. Matthew Publishing Inc. was not a tax-exempt organization. For tax years 1981 through the present, the court found the organization was tax exempt.

**2002:** The national Better Business Bureau's Wise Giving Alliance, a charity watchdog group, reports that Saint Matthew's Churches refused to provide current information about its finances, programs or governance.

"The Alliance notes that BBBs from across the country have received public inquiries from individuals who have received direct mail letters from this organization."

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***The Rev. James Eugene Ewing built a direct-mail empire from his mansion in Los Angeles that brings millions of dollars flowing into a Tulsa post office box. The approach reaped Ewing and his organization more than \$100 million since 1993, including \$26 million in 1999, the last year Saint Matthew's made its tax records public.***

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