

# PTL begins probe into holdings of exiled evangelist Jim Bakker

FORT MILL, S.C. (AP) — The PTL has begun examining the holdings of exiled evangelist Jim Bakker to determine which of his assets may have been bought with ministry funds, a spokesman for the Rev. Jerry Falwell said Wednesday.

Millions of dollars in salaries and bonuses paid to Bakker and his top executives were improperly funneled from the ministry, said Mark DeMoss, Falwell's executive assistant.

DeMoss said PTL officials had not determined which assets, including two homes and luxury cars, the couple may have bought with ministry funds.

"That's going to take a few days of looking at the books," he said, adding that all of the couple's holdings would be examined. The Bakkers may be asked to surrender any assets bought with ministry funds, he said. Bakker and his wife, Tammy, have amassed at least \$850,000 worth of real estate and cars in recent years.

The couple bought a sprawling mansion in Palm Springs, Calif., for \$600,000, a mountainside home in Gatlinburg, Tenn., for \$148,500, a

new Mercedes-Benz for \$45,000 and a vintage 1953 Rolls-Royce for \$55,000.

The couple have said they used their own money to buy the Palm Springs house.

The review of salaries and bonuses paid Bakker is expected to encompass all of PTL's top executives

profit, tax-exempt status, Falwell said Tuesday.

The Internal Revenue Service and the South Carolina Tax Commission have challenged PTL's tax-exempt status. The commission is demanding \$5.5 million in back taxes, penalty and interest it claims PTL owes for not applying a hotel

\$350,000 last year. Bakker's personal aide and his executive secretary received \$360,000 and \$160,000 respectively in 1986, the Charlotte (N.C.) Observer has reported. In each case, at least half of payments were in the form of bonuses.

The committee's decision on whether to seek assets of the former PTL executives should be made in the next few weeks, DeMoss said.

Earlier Wednesday, Falwell took over as host of the "PTL Club" television show and assured donors the ministry would survive, complying with "the rules and regulations of man as well as of God."

Falwell said on the show taped in Lynchburg, Va., for broadcast over his own Liberty Broadcasting Network and the PTL cable network that the success of the \$129 million ministry and Christian retreat depends on donations.

"Join us . . . to see to it this ministry never becomes just a page in history," he said during his first appearance as host of the program.

*"Even if not for the IRS problem, we still have a problem with a great deal of that. We have a serious problem with that level of compensation."*

— Mark DeMoss, PTL spokesman

under the evangelist, each of whom received more than \$100,000 last year, DeMoss said.

"It's part of an effort to bring all pay and benefits down to a reasonable scale," DeMoss said.

The high salaries paid Bakker and his wife — \$1.6 million last year — and other PTL executives, along with the \$265,000 payment from PTL funds to keep Bakker's 1980 sexual tryst with Jessica Hahn secret, has threatened the ministry's non-

room tax to donors who get free lodging.

Under tax-exempt status, an individual may not receive funds except as reasonable payment for goods or services.

"Even if not for the IRS problem, we still have a problem with a great deal of that," DeMoss said. "We have a serious problem with that level of compensation."

Richard Dortch, whom the board ousted as president of PTL, received

## Austin native to head PTL Club operations

DALLAS (AP) — The businessman chosen by the Rev. Jerry Falwell to clean up the scandal-ridden television evangelistic PTL Club is an Austin native who has fond memories of his hometown and former church.

"Our job now is to fix a situation here that needs to be cleaned up," said Harry Hargrave, 38, after being chosen to be chief of operations at PTL in the wake of the forced resignation of Jim Bakker.

Hargrave, who has lived in the Dallas area for 20 years, is a 1966 graduate of Austin's McCallum High School.

"I have a very warm spot in my heart for Austin," said Hargrave, who played linebacker for the McCallum Knights football team.

"I can still remember water skiing on Lake Austin and playing Little League baseball and taking swimming lessons at the University of Texas," he recalled. Hargrave said his memories

also focused on Austin's Covenant Presbyterian Church.

A real estate and financial consultant, Hargrave said he left Austin to attend Southern Methodist University on a football scholarship. He played offensive guard for the Mustangs and was graduated in 1970 with a bachelor's degree in business. He went on to earn a master's degree as well.

In a telephone interview with the *Austin American-Statesman*, Hargrave said he believes he was picked by Falwell to lead the PTL Club because of his experience as a consultant for theme parks.

One of the organization's operations is the Heritage Village USA resort near Fort Mill, S.C.

Hargrave is a consultant for Silver Dollar City in Missouri and the 100-acre Dollywood at Pigeon Forge, Tenn.

The Heritage Village operation makes up a large part of the PTL evangelistic enterprise. It is

a religious theme park and resort, which also serves as headquarters for PTL.

"I have met with Rev. Falwell several times, and we decided that we need to do things correctly and honestly and in a Godly way" to bolster public faith in PTL after the Bakker controversy, Hargrave said.

Bakker headed PTL until several weeks ago, when reports surfaced about his sexual liaison with a church secretary. Falwell was asked by PTL directors to become chairman of the organization to restore its credibility.

"We commenced an audit of our organization (Tuesday) afternoon," Hargrave said. "Within the week, it will be completed and we will be able to answer the question of where we go from here."

"We will have a different format on the TV show ('The PTL Club') within a week, and we will approach fund-raising in a different way," he said, adding that he will not appear on the broadcasts.

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