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March 31, 2008

The Honorable Max Baucus
Chairman, Committee on Finance
United States Senate
Washington, D.C. 20510-6200

The Honorable Charles Grassley
Ranking Member, Committee on Finance
United States Senate
Washington, D.C. 20510-6200

Dear Senator Baucus and Senator Grassley:

This letter sets out the response of our client, Eagle Mountain International Church, Inc. (also known as Kenneth Copeland Ministries, Inc.) (the “Church”) to your March 11, 2008, letter addressed to the Church’s Senior Pastors, the Reverends Kenneth and Gloria Copeland.

In your March 11th letter, you state that the information the Church submitted in response to Senator Grassley’s November 7, 2007, letter was incomplete. As you know, the Church was one of only two ministries that filed a timely response to Senator Grassley’s request for information by the December 6, 2007, deadline. The Church’s response reflected a sincere and good faith effort by the Church to provide answers to as many of Senator Grassley’s questions as possible without compromising the protections afforded to the Church by the United States Constitution and the Internal Revenue Code (the “Code”). The Church provided a complete response to six out of 42 questions, and provided a substantially complete response to eleven out of the remaining 36 questions. Where the Church did not provide a complete answer, the Church determined that the question raises constitutionally and statutorily based privacy, confidentiality, and freedom of association issues with respect to the Church and other parties (including, for example, the Church’s officers, directors, pastors, ministers, and members).

Your March 11th letter indicates that your intent in seeking the requested information from the Church is to allow the Committee “to conduct oversight into matters related to legislation enacted by Congress ... to determine how well a particular agency of the executive branch is administering legislation enacted by Congress, if a particular law or section of the law is being administered in a manner consistent with the intent of Congress and what changes might be required to a law to improve and enhance it.” In addition, your letter states that, in order to exercise “oversight over the administration of the federal tax revenue system by the

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Internal Revenue Service to make sure that its rules and procedures meet the purpose and the intent of the revenue code, including those rules applicable to non-profit organizations ... the Committee needs to understand clearly and specifically how non-profit organizations are structured and operated.” In the Church’s view, all of these purposes could be accomplished just as effectively by the Committee asking the Internal Revenue Service to provide all of the information Senator Grassley is seeking through a request pursuant to section 6103 of the Code. Section 6103 of the Code does not limit what the Committee can request from the Internal Revenue Service. It only limits the Committee’s ability to make that information public. Accordingly, the Church does not understand how subjecting the information sought by Senator Grassley to the section 6103 confidentiality protections would compromise any bona fide oversight-related interests of the Committee.

Your March 11th letter states that “the Committee recognizes the concerns regarding privacy and confidentiality of certain records and has offered to work with [the Church] to protect any proprietary or confidential information.” In discussions with members of both of your staffs, however, it was made clear that the Committee was not willing to provide the types of confidentiality protections afforded by section 6103 of the Code, but rather was willing only to protect a very limited type of information such as social security numbers. However, any confidentiality protections short of those afforded by section 6103 of the Code are simply inadequate to address the Church’s concerns regarding the potential use and public dissemination of any information produced by the Church. In light of the Church’s view that the Committee’s oversight-related purposes could be accomplished notwithstanding the application of section 6103 of the Code to the information sought, the Church is deeply concerned that the information Senator Grassley is seeking could be used to subject the Church and its members to public stigma, scorn, and obloquy.

The Church also has grave concerns with the conclusion that this inquiry “does not infringe upon First Amendment rights.” The six ministries under investigation all share a common theology based on the sincerely held religious belief that God wants His children to be spiritually, physically, and financially blessed and that prosperity in all areas of one’s life is an outward sign of the fulfillment of God’s promises contained in the Bible. The Church believes that the targeting of these ministries, and these ministries alone, violates a fundamental tenet of the First Amendment: that the government should not single out any religion for disparate treatment because of its beliefs. With respect to religion, the Constitution requires that the government be neutral, preferring no beliefs above others. The selective investigation only of churches that preach the “Word of Faith” message raises significant concerns as to whether the inquiry is aimed at publicly questioning the religious beliefs of the targeted churches, their preachers, and their members.

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The Church also has serious concerns about the effect of Senator Grassley's inquiry on individual rights of religious privacy and association. Senator Grassley's questions seek not only financial information, but also the identity of the members of the Church's leadership and information about relationships between the Church and individuals representing other ministries that adhere to a similar theology. These inquiries directly implicate the rights of the Church's members and leadership, who are threatened with public disclosure and discussion of their privately held beliefs regarding their faith.

Senator Grassley has also made public statements suggesting that a church is no different than any other tax-exempt organization. This is untrue. The basis for conferring tax-exempt status on a church is not identical to the basis for conferring tax-exempt status on other types of charitable organizations. Churches are unique in that any inquiry into the financial affairs of a church raises the potential for excessive government entanglement with religious liberties. This is especially true where the theology of the church at issue is inextricably intertwined with financial blessings that the church believes God's word teaches, and that are the result of a believer's faith in God and His word. In these circumstances, any government inquiry into the Church's finances necessarily involves an investigation into the faith and ideology of the Church and its membership. Such a government inquiry requires care in balancing the public and private interests at play.

Given the Church's many continuing concerns regarding Senator Grassley's inquiry, the Church has decided not to provide any additional information in response to your March 11th letter. The Church understands that its failure to do so may result in the Committee taking steps to begin a "compulsory process," but would be disappointed should the Committee perceive itself to be at such an impasse. The Church respects the institution of the United States Senate and the important role the Committee serves in furthering the public interest of our country. Rather than initiating a "compulsory process," however, the Church hopes that the Committee will instead determine that the public interest is better served, and legitimate private rights and interests less threatened, by seeking the requested information from the Internal Revenue Service.

The Church continues to believe that the most timely and efficient manner for the Committee to obtain the requested information without compromising the Church's constitutional and statutorily based rights is for the Internal Revenue Service to obtain the requested information from the Church through a church tax inquiry conducted pursuant to section 7611 of the Code. As you know, this Code section, which was part of the Church Audit Procedures Act that Senator Grassley himself introduced in 1983, was enacted in recognition of the unique issues raised by government inquiries into the financial and other operations of churches, including the need for the separation of church and state, and the

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special relationship of a church to its members. At the conclusion of a properly conducted church tax inquiry, the Committee could obtain the information Senator Grassley is seeking from the Internal Revenue Service through a request pursuant to section 6103 of the Code. Proceeding within these well-established statutory frameworks would allow the Committee to obtain the information requested without compromising the constitutional and statutorily based rights of the Church, and without treating the Church in a disparate manner from other churches that enjoy these constitutional and statutory protections. The Church would be willing to cooperate with the Internal Revenue Service to ensure that the requested information is provided in a timely and efficient manner.

The Church thanks you for your thoughtful consideration of these views.

Sincerely,



Shane T. Hamilton