

FILED DATE: 5/15/2020 3:21 PM 2019CH14303

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

FILED
5/15/2020 3:21 PM
DOROTHY BROWN
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COOK COUNTY, IL
2019CH14303
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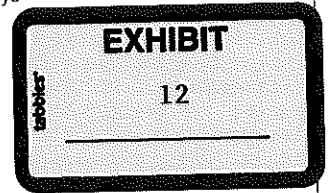
JAMES MACDONALD,)
)
Plaintiff,)
)
vs.)
)
MATTHEW ERICH "MANCOW")
MULLER, an Individual;)
CUMULUS MEDIA, INC., a Delaware)
Corporation, d/b/a WLS Radio;)
and JOHN DOES 1-5,)
)
Defendants.)

No 2019 CH 14303

MEMORANDUM EXHIBITS 12-22

(TOTAL EXHIBITS 22)




Michael J. Young
Cook County No. 32510
The Law Office of Michael J. Young
9842 Roosevelt Road
Westchester, Illinois 60154
E-mail: Mike@winwithyoung.com
(708) 410-0090



JULIE ROYS

ENGAGING ISSUES. SEEKING TRUTH.

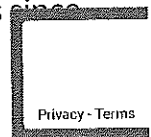


 April 17, 2019  5:30 pm  162 Comments

James MacDonald Took Millions from Harvest & Now Demands Broadcast Ministry

By Julie Roys

Harvest Bible Chapel founder, James MacDonald, told three elders in 2013 that he'd "lose 1,000 sheep" before he'd reveal his salary. That's according to former elders—Scott Phelps, Barry Slabaugh, and Dan Marquardt—who resigned soon after hearing that comment, and months later, were publicly excommunicated. (The church has since apologized for its "harsh" discipline of the men.)



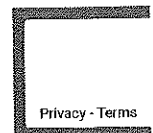
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However, now that Harvest has fired MacDonald, this long-held secret is being revealed. And given the amount of MacDonald's salary, it's understandable why MacDonald would want to keep it hidden.

In 2018, Harvest reportedly paid MacDonald \$80,000 per month (\$50,000/month in regular salary and \$30,000/month in deferred compensation) for a total of \$960,000 per year. (This number does not include additional money MacDonald may have received from his broadcast ministry, Walk in the Word, Harvest's church planting network, Vertical Church, its songwriting and worship ministry, Vertical Worship, and books.)

That's according to Emmanuel "Manny" Bucur, a deacon and one-time volunteer bodyguard of MacDonald's, and Mark Banaszak, a Harvest member and captain of the church's Saturday night security team. Both men said they received the information during a recent conversation with two senior leaders of Harvest. (Bucur and Banaszak told me the identities of the Harvest leaders but requested that I not report them. I have since confirmed the information they told me directly with a senior leader at the church. I also emailed Harvest's Central Leadership Team for official comment, but no one responded.)

“In 2018, Harvest reportedly paid MacDonald \$80,000 per month (\$50,000/month in regular salary and



\$30,000/month in deferred compensation) for a total of \$960,000 per year.”

Bucur and Banaszak said one of the leaders told them that MacDonald's deferred compensation plan totals \$2.6 million and was initially set up in 2010. They added that this leader said that the deferred compensation plan has no provisions enabling the church to "claw back" the money. However, given that the church is nearly \$40 million in debt, its creditors likely would not release the money until the debt is paid back—or when one of several "trigger events" occur, like death, disability, or reaching a certain age.

Bucur and Banaszak said their source also told them that in addition to compensation, Harvest gave MacDonald between \$800,000 – \$1.2 million annually in discretionary funds. Half of that money reportedly came from a senior pastor discretionary fund, and a similar amount came from a discretionary fund in Walk in the Word.

The church leader with whom I consulted confirmed that these discretionary funds were part of the hidden or "black budget" I reported in my December WORLD Magazine article on Harvest. This budget reportedly comprised about 20-percent of Harvest's total budget and was kept secret from all but top church staff and the former elder executive committee. The executive committee was a group of four to five top elders who had sole responsibility for approving Harvest's annual budget and executive salaries.

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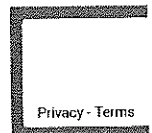
Bucur and Banaszak said one of Harvest's leaders told them that MacDonald was supposed to note any expenses from his discretionary funds that were personal and then reimburse the church for those expenses. However, Bucur and Banaszak said their source told them that MacDonald counted as a ministry expense having a bear stuffed and shipped from Alaska.

The men said their source also confirmed that MacDonald had used church funds to give six to eight Harley Davidson motorcycles to people inside and outside of the church. Last week, I reported that both Niles Campus Pastor Mo Zachariah and former Assistant Senior Pastor Rick Donald received motorcycles from the church. (Zachariah says he has since reimbursed the church for his.)

Bucur and Banaszak said the Harvest leaders said the church is examining all the expenses from MacDonald's discretionary funds and intends to seek reimbursement from MacDonald, or give him a W-2 tax form, for any expenses that the church determines were personal.

Executive Elders Offer Walk in the Word to MacDonald

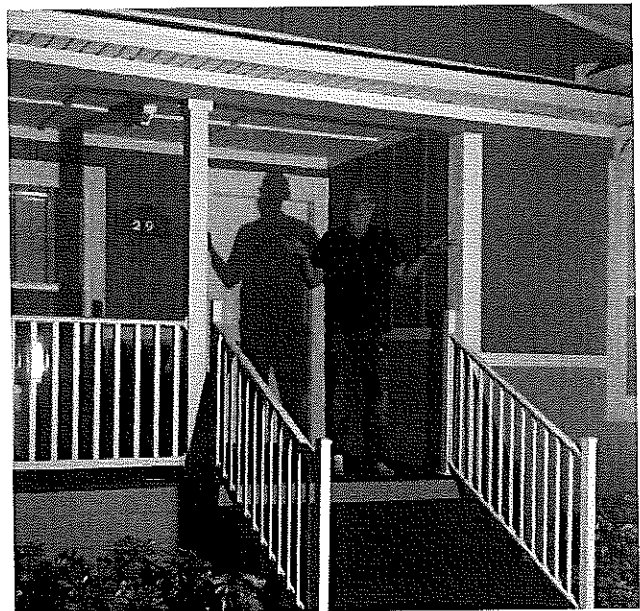
Though Harvest is seeking to recoup some money from MacDonald, Bucur and Banaszak said one of the leaders told them that elders made an initial offer to MacDonald last weekend, giving him all the rights to Walk in the Word sermons, as well as the ministry's donor list, and \$100,000. Banaszak added that an elder had independently told him the same thing.



Since then, The Elephant's Debt and others on social media have reported that the elders increased their offer to \$500,000, but I have not been able to confirm those reports. I have, however, discovered a possible reason why Harvest's leaders are offering to give MacDonald Walk in the Word, a multi-million-dollar ministry that used to air on 2,000 radio and TV stations.

According to minutes from a January 9, 2008, elder board meeting, the elders "unanimously" agreed to give MacDonald exclusive ownership of his sermons "both in note, audio, video and any other form." However, Dave Corning, who was chairman of the board at that time, said he doesn't remember discussing, voting, or signing any such agreement. He said the board did not approve minutes back then and questions the accuracy of the minutes. I reached out to MacDonald for comment, but he did not respond.

However, according to former elders Dan George and Mike Dunwoody, Harvest's executive committee signed an agreement with MacDonald in 2015, granting MacDonald not just rights to Walk in the Word sermons, but to all the ministry's multi-million-dollar assets, as well. George and Dunwoody said the committee at that time consisted of Jeff Smith, Randy Williams, Steve Huston, and Robert



MacDonald last month in Naples, Florida

Jones. Smith remains on Harvest's elder board, but the others have since resigned or rolled off the board.

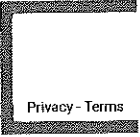
George and Dunwoody said they first heard about the Walk in the Word agreement at an elder meeting the week before MacDonald was fired. They said Steve Stewart, longtime CFO of Walk in the Word, read the document and said that MacDonald had been contacting him regularly, reminding Stewart of his alleged rights to the ministry's assets.

George and Dunwoody said the document stated that the agreement was subject to approval by the elder board. But both men were on the board in 2015 and said they had never seen the document, much less voted on it. Yet George said when he argued that the agreement wasn't valid because it had never been approved by the board, Huston argued that it was valid because Harvest's bylaws give the executive committee the power to approve contracts.

I reached out to Huston for comment, but he did not respond.

George and Dunwoody said the issue was not resolved during the meeting. A couple weeks later, Dunwoody was cut from the elder board when it reduced from more than 30 members to nine. George remained for another couple weeks and said during that time, he asked for a copy of the 2015 agreement repeatedly but was not given it.

George said eventually Harvest CFO Jeff Sharda allowed him to read the entire agreement off his laptop, but that was it. George said this reluctance to allow him access to this important document was one reason he decided to resign from the l



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last month, complaining that the elders were continuing the “secretive” and “controlling culture.”

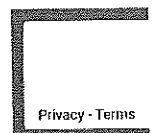
Harvest Gave Millions to MacDonald's Broadcast Ministry

Over the years, Harvest Bible Chapel has given millions of dollars to MacDonald's broadcast ministry, Walk in the Word.

From 2014-2018, Harvest gave Walk in the Word more than \$6 million worth of free television broadcast time. According to Harvest's 2016 Financial Statement, Harvest sold its property in Aurora, Illinois, to TBN for \$15,600,000 in 2014. But TBN paid only \$4 million of that amount in cash. The rest was given to the church in free broadcast time, which was then granted to Walk in the Word to use over eight years.

Because Walk in the Word went off the air in January, it wasn't able to use the remaining 3.5 years of airtime. So Harvest recently sold the unused airtime to TBN for \$4.1 million. Interestingly, though, former Walk in the Word Executive Producer Trey Morris said the sale to TBN almost didn't go through because MacDonald was blocking the sale due to Harvest's refusal to give MacDonald \$1 million.

According to Morris, MacDonald had been acting as a middleman between Harvest and TBN and was demanding a cut of the sale. But Morris said he connected Harvest with TBN executives so the two parties could finish the deal without MacDonald's intervention.



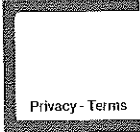
“(F)ormer Walk in the Word Executive Producer Trey Morris said the sale to TBN almost didn’t go through because MacDonald was blocking the sale due to Harvest’s refusal to give MacDonald \$1 million.”

Walk in the Word also received a portion of Harvest Bible Chapel’s annual revenues. The amount of the annual donation is not noted in the church’s financial statements. However, both Trey Morris and a senior church leader told me that Harvest gave five-percent of its revenues each year—\$1.2 – \$1.65 million—to Walk in the Word.

The church also directed a portion of funds from its former church planting network, Harvest Bible Fellowship (HBF), to Walk in the Word. That’s according to Bob Langdon, former HBF financial director, who said HBF regularly “tithed” 10-percent of its revenues to Walk in the Word.

These “tithes” are noted in a summary document that was used in a 2017 financial review of HBF. Though the document says the donations went to HBC, Langdon said the money actually went to Walk in the Word, a sub-ministry of HBC.

From 2012-2014, HBF gave \$137,000 a year to HBC, i.e. Walk in the Word, for a total of \$411,000. In 2015, HBF’s contribution jumped to \$310,000. And in 2016, the contribution more than tripled to more than \$1 million.

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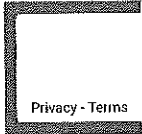
David Wisen, a pastor of a former HBF church who participated in a financial review of HBF, told me he believes some of HBF's contribution that year came from 40 Mighty Men funds. This fund was the result of wealthy donors who gave at least \$100,000 per year to Harvest for "church plant acceleration efforts." According to a 40 Mighty Men report from 2017, Harvest allocated a "10% tithe" of all 40 Mighty Men funds from 2015-2017 to Walk in the Word, totaling \$452,477.

So from 2012-2017, HBC and its sub-ministries gave more than \$20 million in cash and air time to Walk in the Word. During that same time, Harvest was \$40 million to \$59 million in debt.

ECFA Failed to Police Harvest

These recent revelations raise additional concerns about the Evangelical Council for Financial Accountability (ECFA), which until last month, accredited Harvest. In November, I contacted the ECFA, specifically inquiring about MacDonald's salary and the church's "black budget." The ECFA responded that Harvest was "an ECFA member in good standing," but said the organization would soon be conducting an on-site review of Harvest.

The ECFA conducted that review in December. After the review, ECFA released a statement saying that it had specifically examined Harvest's compliance with ECFA's Standard 6 on compensation-setting and related-party transactions. This standard states: "Every organization shall set compensation of its top leader and address related-party transactions in a manner that demonstrates integrity and propriety



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conformity with ECFA's Policy for Excellence in Compensation-Setting and Related-Party Transactions."

Apparently, MacDonald's compensation package worth nearly \$1 million, and his \$800,000 – \$1.2 million in discretionary funds, satisfied the ECFA's requirement because the ECFA stated after the review: "Harvest Bible Chapel is in full compliance with each of ECFA's Seven Standards of Responsible Stewardship and remains a member in good standing with ECFA."

As I have for the past several months, I reached out to ECFA President Dan Busby and requested an interview, but did not hear back. I also sent questions to Busby, asking what the acceptable salary range is for pastors of churches with over 10,000 attending. Again, Busby did not respond.

UPDATE: The ECFA terminated Harvest's membership on April 17 due to "significant violations" of four of seven of ECFA's Seven Standards of Responsible Stewardship. The ECFA said Harvest did not share "crucial information" with the organization during its on-site visit in December. Had Harvest done so, the ECFA said it would not have reported that Harvest was a member "in good standing." The ECFA said it obtained new information on April 15 that "validated significant violations of Standards 2, 3, 4, and 6." The ECFA added that "restoration to full membership was not a viable option under the circumstances."

Though I am glad ECFA finally stripped Harvest of membership, its excuse for failing to find violations in December is extremely weak. I told ECFA in a November email about the "black budget," yet it seems the group did very little digging to get to the truth. Here's what I

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“Two former staff members told me that Harvest has a ‘black budget’ – about 20% of the budget that only very select people within the organization see. For example, the person who used to do payroll for the church said he paid 380 of the church’s 400 employees, but the top 20 executives were paid by Fred Adams, presumably under the authority of the executive committee, but he wasn’t sure. Similarly, the former comptroller said 20% of the budget was kept secret from him. This included money for top executive salaries and other unspecified projects.”

ECFA never even asked me for the names of the two former staff members so it could conduct its independent investigation. It seems the group simply came in, reviewed some documents Harvest gave it, and once again gave the church its seal of approval.

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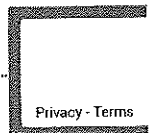
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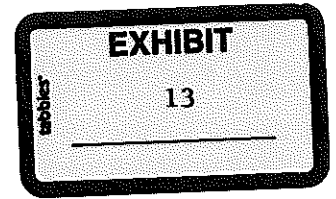
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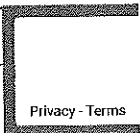
May 9, 2019 1:54 pm 32 Comments

Is James MacDonald Planning a Comeback?

By Julie Roys

Is recently-fired Harvest Bible Chapel founder, James MacDonald, planning a comeback?

Yesterday, Barry Bowen at The Christian Sentinel speculated that he is, noting that on March 13, Harvest Bible Chapel Attorney Chris Nudo registered a new non-profit “Walk in the Word with Dr. James MacDonald,” with the state of Illinois. Walk in th



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Word is MacDonald's former radio and TV Bible teaching ministry, which used to broadcast daily to millions.

I went to the Illinois Secretary of State website and verified that the new corporation was indeed filed in March, listing Nudo as its agent. However, I talked with Chris Nudo and he denied having anything to do with "Walk in the Word with Dr. James MacDonald."

"It is not anything I endorsed or approved," Nudo said. He added that he had just recently found out about the new entity and was in the process of dissolving it.

When I inquired as to how someone could start a new "Walk in the Word with Dr. James MacDonald" and name him as an agent without his permission, Nudo said, "To know the mind of James MacDonald is to understand, 'There are no limits or bounds to what I can do.'"

"To know the mind of James MacDonald is to understand, 'There are no limits or bounds to what I can do.'"

Nudo emphatically stated that he no longer does any work for MacDonald nor does he have a relationship with him.

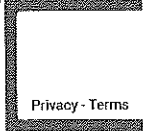
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I called the Illinois Secretary of State's office and talked to an agent there who didn't want to give her name. However, she told me that the fee to register "Walk in the Word with Dr. James MacDonald" was paid by Attorney Thomas Winters of Tulsa, Oklahoma. Winters also serves on the Evangelical Council for Financial Accountability's Panel of Experts for the Commission on Accountability and Policy for Religious Organizations. I contacted Attorney Winters' office in Tulsa and left a message with his assistant to call me. So far, I have not heard back from him.

The agent at the Secretary of State's office also told me that the three officers listed on the new corporation are James and Kathy MacDonald of Elgin, Illinois, and Warren Bauerfeld of Woodbury, Minnesota. She added that on April 17, Attorney Winters filed bylaws for the new corporation with the Secretary of State's office.

I contacted James MacDonald, asking about the new Walk in the Word, but he did not respond. I also called a Warren Bauerfeld in Minnesota who told me I must be looking for his son, who is also named Warren Bauerfeld. The elder Bauerfeld said his son went to school with MacDonald and that the two are good friends. Bauerfeld's wife took my name and number and said she'd tell her son that I'd like to talk with him, but I didn't receive a return call.

Last week, Harvest's elder board and church leadership team reported that Harvest's mortgage lender had refused to allow the church to release any assets to MacDonald, including intellectual property, physical property, or cash. The board added that its lender's decision nullified a previous separation agreement the church had signed with MacDonald.



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The elders further stated that none of “Walk in the Word’s donations or assets have gone to James, and we will not be giving him anything in the future.”

So, it would seem MacDonald’s plan to relaunch his broadcast ministry has been foiled. Except for a Facebook post about his mother-in-law’s passing two weeks ago, MacDonald has not made any public statements since his removal from the church on February 12.

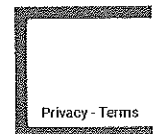
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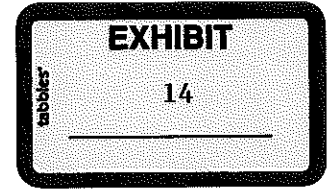
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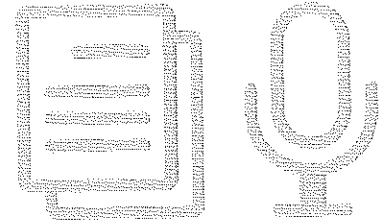
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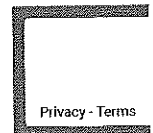
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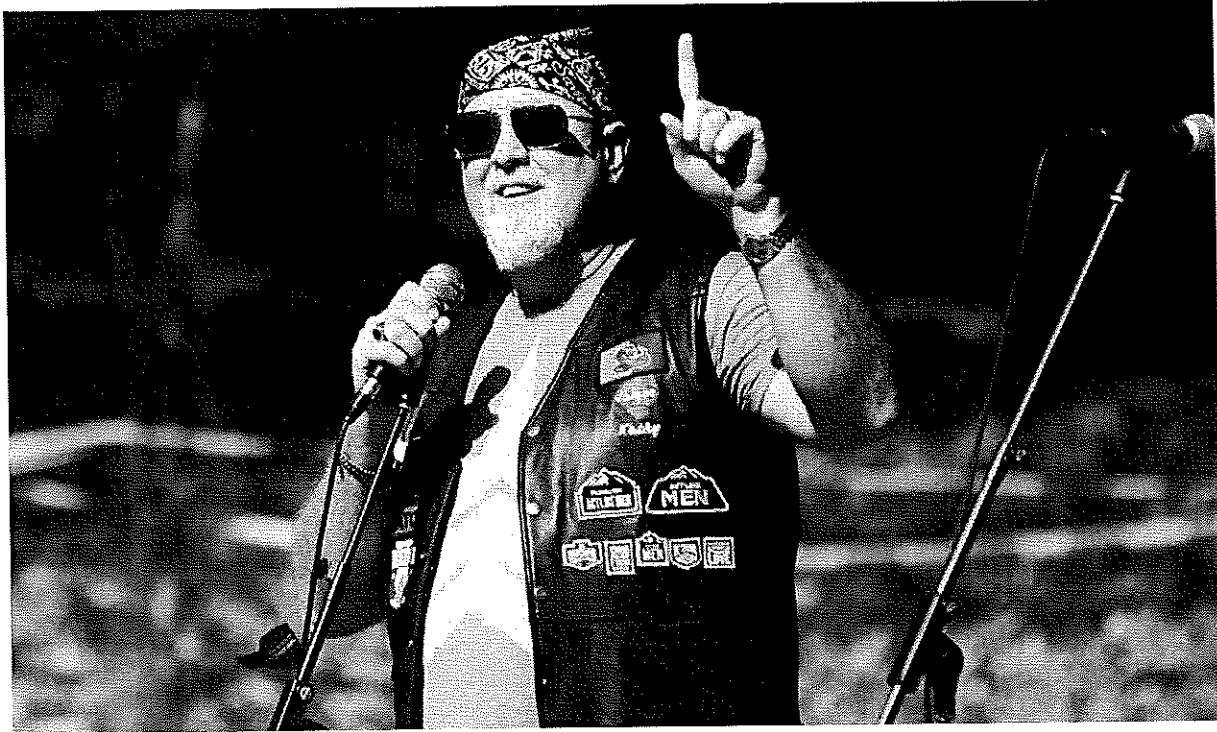
THE ROYS REPORT



REPORTING THE TRUTH.
RESTORING THE CHURCH.



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📅 May 20, 2019 ⌚ 7:05 am 💬 131 Comments

Chicago Radio Host & a Former Bodyguard Say James MacDonald Asked Them to Arrange Murders

By Julie Roys

Chicago radio personality, Mancow Muller, says disgraced megachurch pastor, James MacDonald, asked him to find a hitman to kill someone. MacDonald's former bodyguard is making a similar claim.

Muller said MacDonald— a celebrity pastor who was fired from Harvest Bible Chapel in February—asked him at least twice in 2018 if Muller knew a hitman MacDonald could hire. Muller said he thought MacDonald was joking at first. But during a conversation in December, Muller said it became clear to him that MacDonald was “really serious

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Similarly, Emmanuel "Manny" Bucur, a deacon at Harvest and former confidant and volunteer bodyguard of MacDonald's, said MacDonald asked him in 2015 to kill MacDonald's former son-in-law. Bucur added that MacDonald offered to help him dispose of the body.

Bucur said he was upset by the request but didn't report it because he figured MacDonald had spoken in anger and simply had a momentary lapse in judgment. Plus, Bucur said he has four daughters and understood MacDonald's rage toward a man who had allegedly hurt his daughter.

Bucur agreed to tell his story anonymously on a podcast of Muller's, which was recorded on Thursday but has not yet aired. Bucur said during the recording session, he heard Muller's story for the first time and hours later, decided to go on the record with me.

"When I heard that (MacDonald) was crazy enough to ask someone else to basically do the same thing . . . I figured, okay, this guy's unhinged."

"When I heard that (MacDonald) was crazy enough to ask someone else to basically do the same thing . . . I figured, okay, this guy's unhinged," Bucur said. "This is a problem. It's a pattern here."

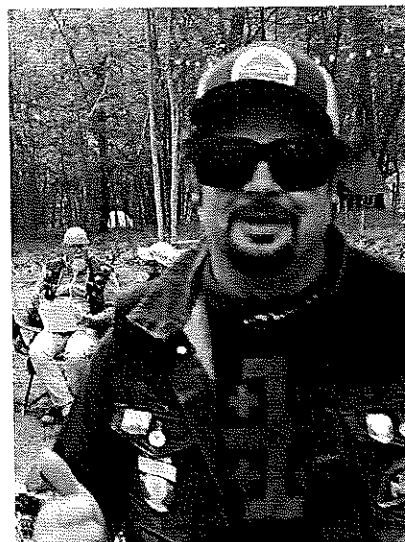
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Muller told me he doesn't know the identity of the person MacDonald allegedly wanted to kill in December. Muller said he got the impression that the person was a rival who was bad-mouthing MacDonald and perhaps "snooping around." Muller said he definitely didn't think it was MacDonald's former son-in-law. Muller said he urged MacDonald to leave vengeance to God, "who punishes worse than man."

I repeatedly called and texted MacDonald over the weekend to comment on both Bucur's and Muller's accounts, but he did not respond.

Muller began attending Harvest in 2014 and became friends with MacDonald in 2016. That friendship ended earlier this year when Muller's view of Harvest and his former pastor soured. Muller now accuses MacDonald of stealing millions from congregants and calls Harvest a "cult." In February, Muller aired vulgar comments by MacDonald that were recorded on a hot mic and MacDonald was fired the same day.

Nathan Murray, an Indiana pastor who says he's been a friend and spiritual mentor of Muller's for more than 10 years, said Muller told him in January about MacDonald's alleged murderous request. Murray said Muller was "freaked out about it" and in a "kind of Jim Jones shock." Murray said he recognizes that Muller is a "shock-jock" who "exaggerates for a living." But Murray said he can tell when his friend is serious, and Muller "was pretty dead serious about it."



Muller at Camp Harvest
with MacDonald.

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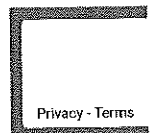
Muller said on Thursday he filed a report with police where he lives in Wilmette, Illinois. He added that he's terrified of MacDonald, who he believes is "dangerous" and may be targeting him. Muller said police are increasing patrols around his house and Muller also has hired private security.

Wilmette Deputy Police Chief Pat Collins told me that Muller came into the station on Thursday and said there is an active investigation. Collins would not comment on the subject of the investigation. But he said my open-records request for Muller's police report about MacDonald was denied and that police are not releasing Muller's report until after the investigation is complete.

Bucur told me that on Thursday, he also gave a statement about MacDonald to police in Bartlett, Illinois. According to Bucur, Bartlett police called him on Friday and said they had talked to Wilmette police, who confirmed that Wilmette Police are investigating MacDonald. Bucur said Bartlett police said they would not be opening a separate investigation, but instead would allow Wilmette to handle the case. I called Bartlett police for further clarification, but they declined to comment.

According to Illinois law, a person who requests or encourages someone to murder another person is guilty of solicitation of murder—a Class X felony carrying a sentence of 15-30 years in prison.

Discussion Allegedly Turns Murderous After Visit to Creation Museum

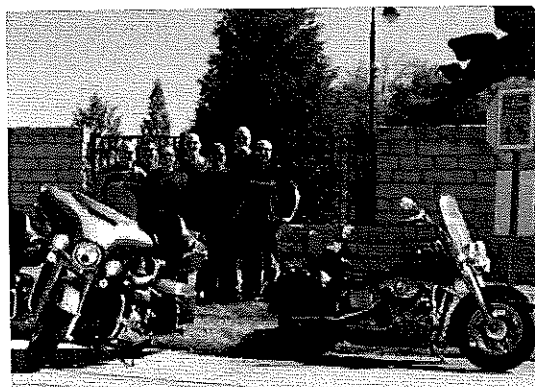


Bucur said MacDonald asked him to kill MacDonald's son-in-law, Tony Groves, during a motorcycle trip to the Creation Museum in Petersburg, Kentucky, from July 31, 2015, to August 2, 2015. Bucur said five others from Harvest were also on that trip—Harvest former Assistant Senior Pastor Rick Donald, former Elder and Executive Director of Harvest Bible Fellowship Kent Shaw, former Elder Marcel Olar, and church members Tom Moore and Steve Lupella.

Bucur said MacDonald's request took place during breakfast at a restaurant in Indiana on the last day of the trip. Bucur said he was seated immediately to MacDonald's left, Lupella was on MacDonald's right, and the rest of the group was seated across the table or at the ends of the table.

Bucur said MacDonald was preoccupied with something on his phone, which he was holding with both hands under the table. Bucur said he glanced down and saw that MacDonald was on a porn site and asked, "Is that what I think it is? Are you on a porn site?"

Bucur said MacDonald then told Bucur in hushed tones that he feared that his son-in-law, Tony Groves, had posted something damaging to his daughter, Abby MacDonald, online, and that's why MacDonald was searching porn sites. (Bucur said he never saw anything that Groves posted, nor did



Bucur, MacDonald, and others in front of Creation Museum.

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James MacDonald ever tell him that he found anything that Groves had posted.)

Bucur said MacDonald added that Abby and Groves were getting a divorce, and that Groves had cheated on Abby multiple times. (Groves and Abby divorced in April 2016. Prior to that, Groves was arrested twice and charged with domestic battery—once in 2012 and once in 2013. At least one of those incidents reportedly involved a “girlfriend/mistress.” I called Groves for comment. He said to call back later, but when I did, he didn’t pick up or respond to my messages. I also reached out to Abby MacDonald for comment, but she did not respond.)

Bucur said that MacDonald then leaned toward him until MacDonald was inches from his face and said that he needed to ask him something based on what Bucur had just heard. Bucur said MacDonald then asked Bucur if he would be willing to “take Tony out” for MacDonald.

Bucur said he replied, “Are you asking me what I think you’re asking me?”

Bucur said MacDonald said yes and noted that with Bucur’s background (as a combat marine veteran), it shouldn’t be too hard to kill Groves and get away with it. Bucur said MacDonald added that he’d help Bucur dispose of the body and no one would know.

Bucur said he replied, “Absolutely not! We’re not having this conversation and we’re not talking about this ever again.” Bucur said he didn’t think any of the other men at the breakfast table overheard his discussion with MacDonald. I reached out to all five of them, but only Steve Lupella responded.



Bucur, foreground, with MacDonald, background on the right.

Lupella said he remembered sitting on the other side of MacDonald from Bucur during breakfast and seeing MacDonald on his phone for a long time. Lupella said he also remembers observing Bucur and MacDonald have a private conversation. Lupella said he didn't hear what Bucur and MacDonald discussed but said Bucur was clearly upset and withdrawn afterwards.

Lupella said Bucur normally rode alongside MacDonald on bike trips, but that day Bucur dropped to the back of the pack. Lupella added that after the group stopped at a Dairy Queen later in the day,

MacDonald took off before everyone else and headed home alone.

Lupella said a couple weeks later, Bucur told him that MacDonald had asked Bucur to kill Groves or find someone else to kill Groves. Lupella said he assumed MacDonald had just spoken in anger and didn't really mean it.

Looking back, Bucur said he wishes he had gone to police immediately. He said at the time he was enamored with being in MacDonald's inner circle and "duped" into believing MacDonald was a man of God.

Spying and Intimidation

According to two former Harvest employees, a year or two before the incident Bucur described, James MacDonald had instructed them to spy on Groves.

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Tom Hackl, who worked part-time at Harvest as a men's ministry assistant, said the instructions to spy on Groves came from his supervisor, former Harvest Director of Biblical Soul Care Garrett Higbee. However, Hackl said he believed that MacDonald was behind the spying.

I talked to Higbee and he confirmed that MacDonald gave him instructions to monitor Groves, which Higbee then relayed to Hackl. Higbee said MacDonald was concerned that "there was some kind of impropriety going on with his son-in-law, and he was trying to enlist some guys to check it out for him."

Though Higbee participated in the spying, he said he felt uncomfortable with it and told MacDonald that he should get a private investigator. "I let James know it was paranoia," Higbee said, "and he needed to stop doing this because he was going to end up in trouble."

"I let James know it was paranoia and he needed to stop doing this because he was going to end up in trouble."

Hackl said shortly before Christmas in either 2013 or 2014, he got a text from Higbee directing him to go to an apartment where Groves might be and to look for a car with a certain make and license plate. Hackl said he went to the apartment, found the ve

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and then communicated the information to Higbee. Hackl said Higbee told him to remain at the apartment until further instruction.

Hackl said Higbee then directed him to go to the door of the apartment and confront Groves. Hackl said he refused and Higbee backed down.

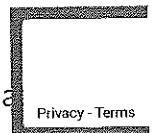
However, Hackl said he then began getting texts from someone who identified himself as "someone important to the MacDonald family." Hackl said the person strongly urged him to confront Groves, saying, "As a man of God, you need to do this." Hackl said he texted back and forth a few times, but then drove away.

Hackl said he was fired in late December 2014 and told his position didn't exist anymore. Hackl said he believes the real reason he was fired was because he refused to spy on Groves.

Hackl said a year later, the church rehired him for another position. But after a few days on the job, Higbee told Hackl that the church was withdrawing its offer because someone didn't think Hackl was the right person for the job. Hackl said Higbee wouldn't say who the person was, or why the person objected to Hackl. Higbee told me he can't remember who the person was, but thinks the directive came from someone in human resources.

Guns and a Pattern of Violence

In my December WORLD article, "Hard Times at Harvest," I recounted several disturbing stories concerning James MacDonald's reportedly angry and violent na



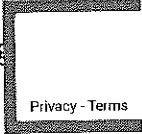
One involved MacDonald repeatedly stabbing a picture of a former pastor with a butter knife. Another recounted a time that MacDonald made a target out of pictures, including the wives of elders, and shot at it with a pellet gun. And a third, told how MacDonald displayed a “pattern of uncontrolled anger” while teaching high school students at Harvest Christian Academy, allegedly calling them names and threatening them physically.

Former employees at Camp Harvest tell additional, disturbing stories about MacDonald. Bill Pease, who worked as property manager at Camp Harvest from 2005-2010, said he once saw MacDonald shoot a deer at “point-blank range” and said MacDonald didn’t stop shooting until he was out of ammunition.

Former Camp Harvest groundskeeper, Mike Hulburt, attended the same shoot in which MacDonald allegedly unloaded on the deer. Hulburt said the shoot, which occurred in 2008, involved MacDonald and 8-10 of MacDonald’s friends. He said the deer were mangled afterwards—“a stinkin’ mess” with holes throughout their bodies, including bellies, legs, and hind quarters.

Another time, Pease said MacDonald’s assistant called him and asked him to retrieve a gun and \$1,000 cash from the glove compartment of MacDonald’s car. According to Pease, a church employee had hit a deer while driving MacDonald’s car back to Chicago from the Camp. (Pease said MacDonald had flown home in a private jet.)

Pease said the car then was towed to a body shop in Grand Rapids, Michigan. Pease said the next day, MacDonald’s assistant called Pease and asked Pease to retrieve the g

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and cash from the glove compartment of MacDonald's car. Pease said he then called his friend, who owned the body shop in Grand Rapids, who looked for the gun and cash but didn't find it. Pease said when he called MacDonald's assistant back, she said she had just discovered that the employee, who had gotten in the crash, had retrieved the gun and cash already.*

Bucur told me that MacDonald almost always carries a gun in his car.

Podcast Coming

Muller billed the podcast he recorded on Thursday as the "nuclear option"—a last resort he said he'd produce if MacDonald didn't confess and show remorse for his actions. MacDonald has been silent since Harvest fired him. And on Thursday, MacDonald reportedly informed Harvest that he is pursuing arbitration concerning his termination and ownership of Walk in the Word—MacDonald's broadcast ministry, which used to reach millions.

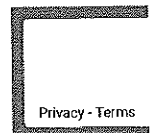
Muller was expected to release the podcast on Thursday.

But he told me on Friday that police had requested that he wait a day or two before releasing it. Bucur told me he appears on the podcast anonymously as "George." He said also on the podcast is an anonymous guest and

Constantine Fotopoulos, a former church member and close friend of MacDonald.

Fotopoulos and

MacDonald



Muller texted me that he's grieved to go public with something so sordid concerning his former friend and pastor. "Nobody wanted ANY of this," Muller said. "We wanted to worship Jesus Christ and instead we got the devil's messenger in Boss MacDonald. This is more hassle and heartbreak then most can imagine. I'm still a believer in Christ but believe MacDonald has pushed many towards being agnostic or worse."

UPDATE: Mancow Muller's podcast is now live.

**Correction: The original version of this story reported that Pease had retrieved the gun and cash himself.*

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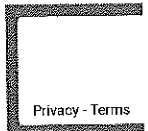
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James MacDonald Announces Return to Pulpit with 8-Part Series at Calvary Chapel South Bay

March 16, 2020 | 59 Comments

Disgraced Pastor James MacDonald last night announced that he'll be returning to the pulpit on March 22 with an 8-part series at

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Former Harvest CIO Charged with Felony Theft

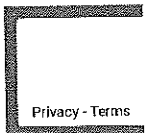
March 13, 2020 | 13 Comments

Former Harvest Bible Chapel Chief Information Officer, Jeffery Parham, has been charged with four counts of felony theft for allegedly stealing more

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James MacDonald's Home Listed for \$1.9 Million; Possibly Moving to West Coast

March 3, 2020 | 131 Comments

The upscale home of disgraced former pastor of Harvest Bible Chapel, James MacDonald, has just been privately listed for \$1.9 million, according

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DISCUSSION

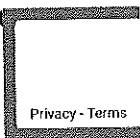
131 thoughts on "Chicago Radio Host & a Former Bodyguard Say James MacDonald Asked Them to Arrange Murders"

Older Comments

MICHELE VELDMAN

MAY 22, 2019 AT 8:20 AM

Given Higbee's involvement in the situation mentioned here with the ex son-in-law, and an apparent failure in ensuring Biblical soul care of the Harvest staff, I question his role in Great Commission Collective's pastoral care leadership. But maybe things in GCC haven't changed from the HBC ethos...



Reply

MARTY GH

MAY 22, 2019 AT 9:16 AM

The James MacDonald situation and the Mark Driscoll situation really shine a bright light on these "Prosperity Lite" megachurch pastors. They won't claim the prosperity gospel but they are lovers of money, they live millionaire lifestyles, the church is their piggy bank, their ego project, their "brand". To them, the church exists so that they may increase.

We, the congregants, have failed if we permit a pastor to live an opulent lifestyle because we are tempting him to become a lover of money, and because the lifestyle of all Christians should be markedly below that of others around them and with the same sorts of incomes.

Our lifestyle and spending should be markedly lower than it could be, because there are people around us in the church and outside who are in need. There are ministries that need support. There are kingdom purposes that don't involve big game hunting and churches paying for stuffed bears and cars and free houses and motorcycles and Rolexes and the man's every other whim.

If a man is willing to take a million dollars a year and to spend a million more from a hidden expense account, that man doesn't know or doesn't believe his Bible, and we should have demanded a change.

Reply

JIM

MAY 22, 2019 AT 10:27 PM

This I agree with. I remember when I learned about James' mansion, extravagant lifestyle, and costly vacations. I remember bringing up my concern to one of the pastors and he said something along the lines of its not a sin to have expensive things – this was the response from many at HBC when asked about James' lifestyle. While I do agree that I don't think it's a sin to have nice things, I don't see how it's right that a pastor is taking such a ridiculously large amount of money from the church. Other people's hard earned money – money that people whole heartedly gave because they believe it belongs to God and should be used in a way that will glorify him. Money that can be used to help the members of the church, the needy, and to reach so many who don't know Christ. It is NOT ok for a pastor to take that and use it for his own gain.

Re

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DAVID

MAY 24, 2019 AT 10:33 PM

That is why Jesus called them HIRELINGS or hired help in John 10 and He said that they care not for the sheep..... I believe Him

Reply

JEFF SAWYER MARTIAL ARTS- HIGHER POWER BJJ

JULY 17, 2019 AT 9:45 PM

This is when a Christian should use discernment in giving. I avoid these Mega churches, and living in Dallas there are plenty to choose from. If a pastor of a mega church chooses to take a mega salary + mega expense account + mega housing allowance, they are not walking in the Spirit. Yes I'll happily make that judgement on them!

Reply

RIKY

JULY 14, 2019 AT 12:02 PM

All the problems with the Catholic Church but I know our parish priest is retired in a mobile home

Reply

ROBERT

MAY 22, 2019 AT 12:41 PM

My family attended Harvest for two years back in 2003 to 2005. We have not at all been surprised by these terrible developments with James and the other leaders. It was clear at that time the culture was arrogant and sinful. I believe the problem has been augmented by the theology taught at Harvest. My wife was quite surprised to hear Kathy MacDonald state at a women's small group meeting, "Here at Harvest we don't believe you need to be faithful in order to go to heaven." When my wife pointed out several scriptures contrary to that statement, Kathy responded, "We are not going to discuss this. In fact, we are never going to discuss this."

Many people wonder how James could continue in such sin while proclaiming the Gospel on Sunday. Its easy to understand if you realize the James believes it does not matter to God how he lives, that he does not need to be faithful, that his ticket to heaven is guaranteed no matter what he does. James and those who have been faithful to James rather than to Jesus Christ need to repent of their sins and learn the fear of the Lord, which is the beginning of wisdom. Obedience to God's commands is

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Chicago Radio Host & a Former Bodyguard Say James MacDonald Asked Them to Arrange Murders | Julie Roys
necessary to be saved. In Matthew 19:17 Jesus said, "... If you want to enter life, obey the commandments." As scripture says in, Hebrews 5:9 "... he [Jesus] became the source of eternal salvation to all who obey him." And finally, Acts 5:32 says the Holy Spirit is given to those who obey him. Our leaders, as well as all followers of Jesus Christ, must be humble and holy rather than arrogant and sinful. If James had been living in "the obedience of faith," (Romans 1:5, 16:26), none of this would have happened.

Reply

MICKEY

MAY 22, 2019 AT 1:14 PM

Interesting that this story hasn't been receiving much attention outside of a few Christian online sites. It's too hard to believe he actually tried to get a hitman. Other outlets were present during podcast like local fox. They don't seem convinced. Thoughts?

Reply

UVE KÖNNIGSSTADDT

MAY 22, 2019 AT 2:25 PM

A couple of sequential things that stand out among this Harvest mess; the first one in this article says "Looking back, Bucur said he wishes he had gone to police immediately. He said at the time he was enamored with being in MacDonald's inner circle and "duped" into believing MacDonald was a man of God."

And...

"Nobody wanted ANY of this.....We wanted to worship Jesus Christ and instead we got the devil's messenger in Boss MacDonald. This is more hassle and heartbreak then most can imagine. I'm still a believer in Christ but believe MacDonald has pushed many towards being agnostic or worse."

The Apostle Paul states in his First Epistle to the congregation at Corinth in the first century, chapter one, that we are followers of Christ, not Paul, Peter, or someone else (1 Cor 1:10-17). We as believers are supposed to follow the RISEN Messiah, not people, pastors, (fill in the blank) in churches. Cults of personality have no place in ministry, it is not the place for a popularity contest. A person can/can't push anyone to become an agnostic, atheist or (fill in the blank) if the persone is a TRUE follower of Messiah Yeshua. The FOCUS is Messiah....no your local "leader". By giving this "pastor" breaks on his misbehavior, the people that were aware of it granted a "license" for MacDonald to continue his unopposed words/deeds. There are TESTS for people in ministry and they have to be held to a HIGHER standard than the "average" person sitting on the pews. By putting MacDonald on a pedestal, they became idolatrous towards him and not towards HIM who deserves all true worship!!

Thank you Julie for your reports. My prayers for you and your ministry are lifted up towards the

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Ancient of Days.

Shalom!!

Post Tenebras Lux

Reply

JANE

MAY 22, 2019 AT 8:26 PM

In light of James' narcissistic, abusive characteristics, I find myself wondering about his wife. Has she spoken out? Is anyone caring for her? Certainly she benefitted from the money, but textbook narcissism would suggest her life has been a prison of soul-crushing manipulation and secret abuse. If he was willing to use the faces of other women for target practice, imagine what he'd say and do to his wife behind closed doors! Have you heard anything about her??

Reply

DAVID

MAY 23, 2019 AT 2:27 AM

Hi Jane, no need to wonder any more and why would you spend ANY TIME AT ALL imagining anything about these two ? All you need to do is read through some of these blogs and your imagination is not needed.

As a great big strong, intelligent, faithful man that I am, I decided that I would help you a little in this matter, here is a quote of part of Robert's comment on the other page:

Robert

May 22, 2019 at 12:41 pm Reply

" My family attended Harvest for two years back in 2003 to 2005. We have not at all been surprised by these terrible developments with James and the other leaders. It was clear at that time the culture was arrogant and sinful. I believe the problem has been augmented by the theology taught at Harvest. My wife was quite surprised to hear Kathy MacDonald state at a women's small group meeting, "Here at Harvest we don't believe you need to be faithful in order to go to heaven." When my wife pointed out several scriptures contrary to that statement, Kathy responded, "We are not going to discuss this. In fact, we are never going to discuss this."

Now, one needs to understand that 1) her comments here are at least 14 years old 2) she has never left him 3) birds of a feather flock together. This means that his "stuff" never got better which means that her "stuff" could only have gotten worse as well.

Only a reprobate mind whose conscience is seared could utter those types of things as a person in position of leadership and if one is that far gone then..... in this situation one does not get better

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5/2/2020

Chicago Radio Host & a Former Bodyguard Say James MacDonald Asked Them to Arrange Murders | Julie Roys with age. Theology might have played a part but wickedness, deception, pride, arrogance, deceitfulness and ungodliness in every manner and hearts far from Him played a far larger part. I truly hope that your comment was not a projection of your own personal pain.

Reply

JENNIFER H

MAY 23, 2019 AT 4:30 PM

I so agree with you. We were in a church with some similarities to Harvest and the pastor's wife was part of the abusive/enabling structure. She asked one woman who dared to speak up about some unhealthy decisions in the church, "Why won't you listen to the holy spirit?"

Reply

LOSTSHEEP72

MAY 28, 2019 AT 6:49 AM

Great point David! Kathy is just as responsible for playing her part in this charade. Their whole family along with other enablers are guilty too. They loved the celebrity status and all the benefits that provided. Like fame, money, opportunities to meet other celebrities and having a lifestyle many dream of with no end in sight. So sad they used the Gospel for advancing themselves, not God's kingdom.

Reply

JENNIE

MAY 23, 2019 AT 5:25 AM

I have no problem with bringing truth to the light. And I am thankful to you Julie for playing a part in all of this. However, some people need to be careful. I have noticed some posters on twitter who literally post and peruse twitter and all the blogs almost every hour. As if it's their full time job. Almost every hour retweeting or posting something. It can turn into an unhealthy obsession. Some need to ask themselves, do they spend the same amount of time reading and meditating on scripture? Do they go back and talk to God every hour as they do with others on twitter? Also, the mocking and swearing that I have seen by some Christians is concerning. Jesus did indeed speak truth, however, the mocking that I have seen is not Christlike. James is shining a negative light on Christianity but so are the ones who claim they are Christians yet are joyful that all these issues are arising, hopeful that there is more drama, mocking, swearing, etc. Everything we do should be for God's glory and a lot of what I am

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Chicago Radio Host & a Former Bodyguard Say James MacDonald Asked Them to Arrange Murders | Julie Roys seeing by frequent posters especially on twitter are actually doing the opposite. My atheist brother even pointed out that what James has done is horrible but some of these "so called Christian" posting on twitter don't seem like Christians. He not only got an angry vibe from them but hate. Wow. We need to be people that speak truth in love and be careful of the way we speak. The world is watching us and although we haven't done something as crazy as James we too can taint Christ

Reply

DAN KELLER

MAY 23, 2019 AT 7:54 AM

Jennie, I agree with you 100% its been a challenge for me to handle this Sad situation in a Godly manner all the time....sometimes I get so angry about what has happened at HBC that I LET my flesh get the better of me....I'm not making excuses because I know its wrong...I attended HBC for 10 years gave my time and money and sweat...I've seen many friends of mine hurt deeply, but in the end all believers should continually examine themselves repent and do what's right....thank you very much for your words of wisdom.

Reply

DAVID

MAY 23, 2019 AT 7:59 PM

Most of the time one does not need to sit on here "full time" because you can comment on the comments any time you want even all at once, it does not take very long Jennie, most of my day is fully open for all the things you suggest that I and others should be doing.

So I would now suggest that since you do not know me and most of the others here, that you really don't have any idea of who I am , what my experience is , where my heart is or which FEW will make it to Eternity. I just brought a little (or more) truth to light AND I spoke it in love

carefully.....

For man looks on the outward APPEARANCE (appearing as) but God looks on the heart.

Reply

KIKI-KRISTEN

MAY 23, 2019 AT 4:00 PM

Advocacy work often time goes unpaid and is initially underappreciated. Advocates rock the boat, they call for change, and they stand up to the establishment. The establishment does not like this because they know they will lose the power they so desperately want to wield. Those who don't

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have a calling to be an advocate are often confused by the motivation that is demonstrated by those who are; they don't understand why someone would be willing to pour so much energy into something without being compensated in some way. This often times leads people to question the motives of those who are called to be an advocate — "They must be bitter," "They must want to tear down ____" — reality is further from the truth.

Our society is experiencing social justice hemorrhages right now, which includes a focus on the evangelical structure. What's coming to light within the Protestant church is similar to that of the Catholic church; it is run by money, power, and secrecy. People who have been affected by this system are entitled to feel righteous anger at the injustice of it, and they are entitled to call BS because that's what it is.

The message that has been pushed about how Christians "should" act in the face of abuse is one that is actually quite dangerous; grace culture (i.e. forgive and forget, we're just going to trust that God will handle this) creates a vacuum for abuse to occur because abusers know their actions will not be held accountable. With this approach, abusers know that if they show the emotions you want to see, and say the things you want to hear, they can continue engaging in the same behaviors. When those who see through this facade call it out, it is often times promoted by others as being bitter, spreading gossip, and being malicious.

Being angry about the injustice of what is occurring at Harvest and with James MacDonald and company is a GOOD thing; approaching what they've done with righteous anger is also a good thing. Speaking out about it with righteous anger is also good thing.

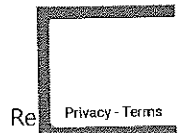
We have to remember that abusers do not play by the rules of society, they create their own; when we approach them in a manner where we are willing to "hear them out" for the abuse they have inflicted, we are playing right into their hand. Rather, when working with people like MacDonald,

and systems like Harvest, we must be people who are willing to boldly call out sin, stand firm in challenging their decisions, and hold FIRM boundaries.

I think this bible verse adequately sums this up:

"If anyone causes one of these little ones—those who believe in me—to stumble, it would be better for them to have a large millstone hung around their neck and to be drowned in the depths of the sea.

– Matthew 18:6



JENNIFER H

MAY 23, 2019 AT 4:37 PM

Thank you for spelling out the purpose and need for advocacy. A dear friend of mine is still 'waiting in hope' for change in the toxic church I left. Many who have stayed at the church have chosen to wait silently and pray, hoping the culture will change. Anyone who did speak up was belittled and ended up leaving.

Reply

RUCKAMUCK

MAY 30, 2019 AT 11:41 AM

Well put

Reply

GREG

MAY 23, 2019 AT 8:32 AM

Ok. This is ridiculous. I have no problem with initially bringing attention to the significant issues with James. But let it go. You are now engaged in GOSSIP.

11 Brothers and sisters, do not slander one another. Anyone who speaks against a brother or sister or judges them speaks against the law and judges it. When you judge the law, you are not keeping it, but sitting in judgment on it. James 4:11

This is now slander and you are doing nothing but damaging the reputation of Jesus. He was held accountable, fired. Now all you are doing is committing the sin of gossip and slander. Leave the man

alone. If he has committed crimes, the proper authorities will handle it. I'm totally embarrassed for you and those who continue to gossip and slander.

Reply

DAN KELLER

MAY 23, 2019 AT 8:53 AM

Greg if it wasn't for blogs like this one, the proper authorities wouldn't know about any of the alleged crimes that they are now investigating....and if he is guilty of any of these allegations is just getting fired from his cushy job o.k? If blogs like this one dont keep people's feet to the fire then

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Jamc would still be in business.

Reply

DAVID

MAY 23, 2019 AT 7:33 PM

Wow Greg you are the bearer of the knowledge of what is gossip and what is not and I just love the way you managed to twist it into slander (again) You were already called out in another part of this blog by someone else who explained clearly to everyone what slander is and is not.

I can assure you that the One who made Himself of no reputation is for sure NOT concerned about His reputation , why would you be ? Now I am embarrassed for you because you do not rightly divide the Word of Truth.

I can also assure you without question that jimmy canuck and his wicked wife (and others) are absolutely NOT my brother or sister , Jesus (whom you are concerned about) said clearly in Mat 12:50

"For whosoever SHALL DO THE WILL OF MY FATHER, which is in heaven (not the devil) , the same is MY BROTHER and MY MOTHER"

Also you said "IF HE..." Do you know that now you are complicit and in sin ? Which means that you are now not doing the WILL OF MY FATHER which is in heaven and slandering some of His children here that have testified to jimmy canuck and other's behavior and ACTIONS by saying "IF HE"

I'm sad because you have now disqualified yourself from being my brother as well unless you repent and let us all know that you did so that we can forgive you and welcome you into the fold. Remember that there will be FEW that will be saved. Disobedience and disrespect to His Word will not get you there.

Reply

GJ

MAY 23, 2019 AT 9:52 AM

Greg, what is ridiculous is JMac is the one that will not stay away and leave HBC ALONE to recover and focus on ministry. He is the one that CANNOT let HBC go and continues his personal quest to milk every last penny from the church. Thus precious time, energy and resources are allocated to combat his guerrilla attacks. . Unsure if you know, but JMac is now pursuing arbitration w/ HBC.

(<https://www.harvestbiblechapel.org/2019/05/18/church-leadership-team-update-may-18-2019/>)

He brings attention to himself by his stubborn refusal to admit wrong w/ his counter attacks again HBC. Even tho JMac is knockdown on the canvas and then out of the ring; he climbs back and is the one who wishes to continue the fight. Thus the need for his sinful behavior and actions to be

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revealed so much more. At least, Bill Hybel had the sense to stay away amidst his downfall. If you would be so kind, can I impose on you to contact the proper authorities to investigate his criminal activities. Then and only then will the presumed gossip and slander cease as you wish. Thank You in advance.

Reply

DEBRA

MAY 23, 2019 AT 11:46 AM

You are the type of facilitator that allowed this man and situation to get where it is. When murder for hire, By a PASTOR is something you feel is not worth mentioning – and that it's exposure is qualified as gossip you lack any semblance of discernment.

Reply

MISTERJESPERSON

MAY 24, 2019 AT 3:09 PM

I think I smell obvious pride in this and your other comments. We are all responsible before God for what we choose to do and what we choose to support with our money. I have supported and given to things that were as bad as Harvest and I had to publicly repent for it. I did and according to the scriptures when we freely admit our sins then we get forgiven by God. This is a good thing. Going on a public forum and talking like a disciple of JMac who never admits to any wrong, is not a good thing for you to do before God. While you are not responsible for what JMac and his evil cronies have done, you are responsible for how you responded to it and how you still are. What you are suggesting here is ridiculous. I guess you would blast Nathan the Prophet for calling out King David's sin, which is recorded and is brought back to remembrance every time anyone reads the passage about David's sin. A police investigation is not gossip. Paul publicly rebuked Peter and others for what they did, and so it is recorded and remembered. I guess Paul was an evil troll as well?

Reply

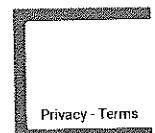
PSYCHODRAMA

MAY 24, 2019 AT 6:33 PM

Greg, Greg, Greg,

1) slander; 'slandər/ noun, Law

<https://julieroys.com/chicago-radio-host-former-bodyguard-say-james-macdonald-asked-arrange-murders/>



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the action or crime of making a FALSE spoken statement damaging to a person's reputation: he is suing the TV network for slander. Compare with libel.

- a FALSE and malicious spoken statement

2) gossip; 'gäsəp/ noun

casual or unconstrained conversation or reports about other people, typically involving details that are NOT CONFIRMED AS BEING TRUE: he became the subject of much local gossip.

Just because the miscreants who control Harvest do not own up to what they have done; this does not make slanderers or gossips out of individuals seeking said truths. There are now witnesses coming forth with these truths, and as far as I can tell all of Matthew 18:15-17 has been acted upon. We are to treat these perpetrators not as brothers in Christ, but as the pagans that they have allowed themselves to become as delineated in the verse.

I absolutely marvel at the Harvest apologists trying to defend the indefensible. There is always a pleading to "Let it go, Take down the blog" and other such nonsense. I think that they know all of what they have done to hurt Christ and His Church and are terrified of all of the other crimes that will come out.

Since Harvest apologists such as yourself like to throw around the "Do not judge" thing around quite a bit, here's a verse for you 1Corinthians 6:1-3

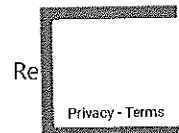
Actually, Harvest was guilty of violating verse 1 when they tried to stop the TRUTH from coming out by filing their frivolous lawsuit against TED and Julie. Had the judge let their shenanigans proceed I shudder to think of the kind of mercy Harvest would have shown them.

So tell me Greg, which party is really damaging the reputation of Jesus?

And by the way, JMAC has not even begun to be held accountable for the egregious crimes he has committed.

And no, I don't think that videos will work anymore. Harvest videos have been proven to be, "Satanic to the core."

TRUTH is not slander, TRUTH is not gossip. Will the gaslighting ever stop at Harvest?



5/2/2020

Chicago Radio Host & a Former Bodyguard Say James MacDonald Asked Them to Arrange Murders | Julie Roys

SONG OF JOY

MAY 23, 2019 AT 1:58 PM

Posted on James MacDonald's Instagram account and his video convo with ex-SIL Tony Groves, approx. 1pm CST 5/23/19:

suesarkauskas Pastor James: May I speak with you and get your side of this? – Susan Sarkauskas, Daily Herald

(wonder if he will?.....)

Reply

LOVEJOYPEACE

MAY 23, 2019 AT 5:01 PM

It's time for me to stop following this blog. It's not healthy. Thankful others in my life helped me to see that.

Reply

DAVID

MAY 23, 2019 AT 8:19 PM

Wow that is interesting! I have found this blog to be incredibly healthy and I am thankful others have helped me to see that! I guess we are just two different people.

Reply

RIKY

JULY 14, 2019 AT 12:21 PM

The Catholic Church is far from perfect and sometimes boring but we have the Gospel and you are welcome back

Reply

MARY

APRIL 1, 2020 AT 4:11 AM

Your conscience is bothering you, David. I say this because Jennie's comment contained no reference to you, and from the lack of indentation, it was not a response to you at all.

Privacy - Terms

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5/2/2020

Chicago Radio Host & a Former Bodyguard Say James MacDonald Asked Them to Arrange Murders | Julie Roys

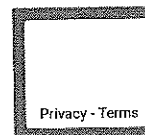
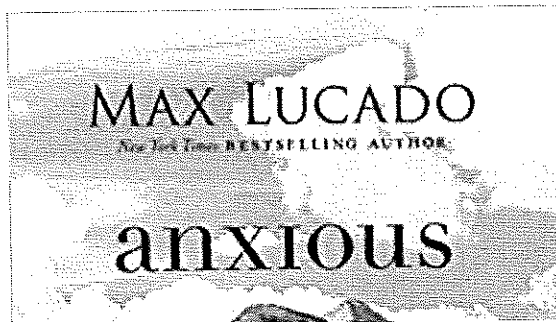
Take time and read what you wrote. God was speaking directly to you not about what you wrote here, but what is written on your heart regarding this matter. It is almost one year later. I pray your thoughts, words and actions glorify God and not criticize man.

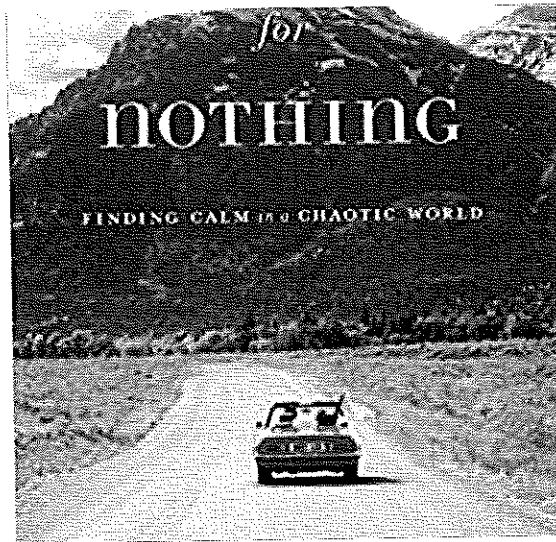
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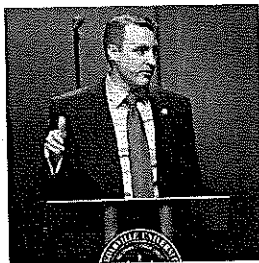


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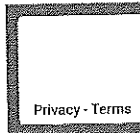
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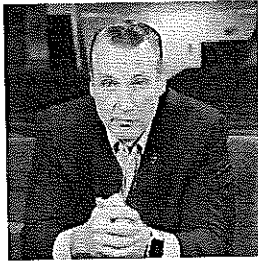
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Chicago Radio Host & a Former Bodyguard Say James MacDonald Asked Them to Arrange Murders | Julie Roys



Father of Cedarville Student Says President Misled Him About Professor's Sexual Misconduct

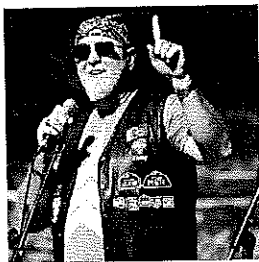


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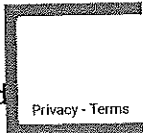
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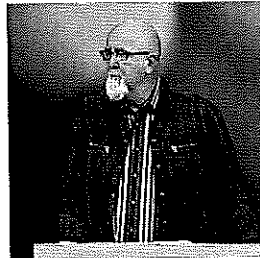
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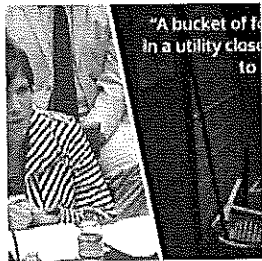
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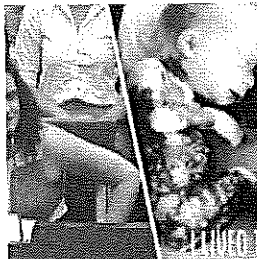
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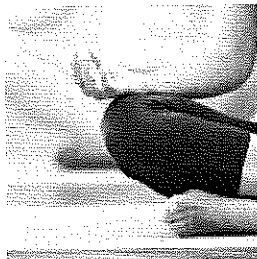
Mancow Airs Shocking Comments By James MacDonald: My Response



Survivor of botched abortion tells Congress: Planned Parenthood makes sure "failures" like me don't happen



Gianna Jessen Asks Congress "If abortion is about women's rights, then what were mine?"



Can Yoga Be Co-Opted for Christ?

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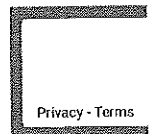
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FILED DATE: 5/15/2020 3:21 PM 2019CH14303

November 3, 2019 Elder Update

Dear Harvest Bible Chapel Family,

We come before you today with very heavy hearts, saddened by the necessity of this statement regarding Dr. James MacDonald. The content of this statement is going to be very difficult to hear.

We want to start by being clear that Harvest Bible Chapel is very thankful for the 30 years of ministry that James MacDonald served this church. There are countless stories of how God used James for His glory and His purposes in the lives of the people of this church and around the world. His example of teaching the Word of God as the final word of authority will remain in the fabric of this church moving forward.

On February 12, 2019, James MacDonald's employment was terminated by our Elder board as our Senior Pastor for not being "above reproach" and for having a "sinful pattern of inappropriate language, anger, and domineering behavior." Since then, there was a full transition to the new Elder board. The Walk in the Word donor list was also informed about the termination of James' employment and that Harvest was closing the Walk in the Word website and no longer accepting donations.

You may be wondering why we are coming to you now, months after James' dismissal. As we spent time with the congregation and visited all of our campuses, it became clear that there was confusion over the previous statements about our former Senior Pastor. We are here today to provide clarity to our church family and also to those who listened to and supported Walk in the Word, a ministry of Harvest Bible Chapel. We understand the seriousness of these spiritual matters and desire to be wise and discerning as we seek the Lord to guide us through the Scriptures.

1 Timothy 5:19-20 says, *"Do not admit a charge against an elder except on the evidence of two or three witnesses. As for those who persist in sin, rebuke them in the presence of all, so that the rest may stand in fear."*

In accordance with this passage, over the past several months we have been investigating the charges against our former Senior Pastor. 1 Timothy 5 is the guiding passage for this circumstance because James was an Elder of Harvest Bible Chapel. We have interviewed and documented first-hand evidence of these accusations seeking to validate or refute them. In this

investigation, you can be assured of these three things: (1) We have only considered accusations that included two or three witnesses. In fact, all that is covered in this letter includes many more witnesses than the biblical requisite of two or three. (2) We have only considered evidence from first-hand witnesses. (3) We have listened to these witnesses in groups of two interviewers in order to protect us from an individual opinion swaying the outcome.

These accusations address James' qualifications to be an Elder or Pastor in the church. The results of this investigation have led us to conclude that James had a substantial pattern of sinful behavior in the following areas:

1. Above Reproach (Titus 1:6) - To be above reproach is to have a reputation of being blameless and honorable. The accusations against James are of great quantity and continue to be brought forward. His character should have been such that this magnitude of accusations would not have been believable. But sadly, James' reputation does not defend his character. Instead, his reputation affirms many of the accusations against him as plausible.
2. Respectable (1 Tim. 3:2) - The antithesis of being respectable is to be disruptive. We found that James had a pattern of being disruptive in public and private settings at the expense of other people's well-being.
3. Upright (Titus 1:8) - We found that James failed to meet the standard of dealing with others fairly and honorably. At times, he misrepresented gifts paid for by the church as gifts from him personally.
4. Not Arrogant or Violent (Titus 1:7) - James' behavior and language indicated that he thought of himself more highly than he should as evidenced by his pattern of insulting, belittling, and verbally bullying others.
5. Not Quick-Tempered or Quarrelsome (Titus 1:7; 1 Tim. 3:3) - We found James had a pattern of quickly becoming angry, manifesting itself in unmerited force and frequency. James' behavior was that of a combative person who insisted on his own ways and failed to cultivate peace.
6. Not Domineering (1 Peter 5:3) - We found that James had a pattern of improperly exercising positional and spiritual authority over others to his own advantage.
7. Not Greedy for Gain or A Lover of Money (Titus 1:7; 1 Tim. 3:3) - We found that James made repeated efforts to profit himself beyond what was honorable. There was a pattern of extravagant spending utilizing church resources resulting in personal benefit.
8. Disciplined (Titus 1:8) - James failed to keep his emotions under control. The failure is not in the dynamic range of his personality, but in the lack of self-discipline, which an Elder should display in a bridled tongue and sound speech.

9. Self-Controlled and Sober-Minded (Titus 1:8; 1 Tim. 3:2) –We found that James had a pattern of acting on sudden impulses with insufficient deference to wise but differing views. In some of the most crucial moments where James needed to be calm and cautiously wise, he was hasty and reckless.

Because of these findings, James was biblically disqualified from the position of Elder, meaning he did not meet the spiritual standards to which a Harvest Bible Chapel Elder is held. The Bible does not teach that disqualification from ministry is permanent; however, with the scope of the damage caused by his behavior, James will not be able to serve again as an Elder or Pastor of Harvest Bible Chapel.

We believe James could be restored to ministry someday, but in order for that day to come, the fruits of repentance must be evident. Based on Harvest Bible Chapel's interpretation of the scripture, we have not yet seen evidence of this. There is much potential for God to be glorified through him in the coming years, and our hope is to witness that someday.

Galatians 6:1 says, "Brothers, if anyone is caught in any transgression, you who are spiritual should restore him in a spirit of gentleness."

We have communicated to James that he needs to find a small group of godly brothers to restore him biblically in the spirit of gentleness. He needs an extended period of time away from ministry in order to focus on repentance and to seek relational reconciliation and restitution where it is possible. We are all in need of God's grace, and we have implored James to humble himself and fully surrender to the Lord.

We have no desire to shame James, but seek only to be in submission to God's Word. 1 Timothy 5 does not require us to reveal all the details and witnesses of these accusations; our biblical responsibility is to accept or reject these accusations and issue this public rebuke. We have done what is biblical by rebuking him in the presence of all so that the rest of us will stand in fear.

The appropriate response to the content of this statement is grief and sadness. It should grieve the heart of every child of God to see the founding Pastor of this church in this place. Though this is painful, we desire this rebuke to be loving and we remain open to meeting with James. Please don't ever stop praying for James and Kathy.

We trust God with this church that belongs to Jesus Christ.

The Elders of Harvest Bible Chapel

David Cryder

Jasen Day

Karl Jackson

Kent Jaeger

Brian Laird

Al Miranda

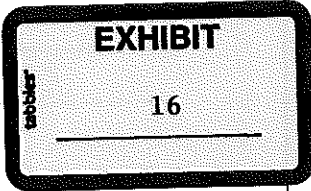
Dave Smoot

Tim Stoner


Darrin Weidman

Click [here](#) to read the word study on the biblical qualifications of an Elder that was used in this process.

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Ministry

MAY 10, 2019 10:40 AM
Harvest Halts James MacDonald's Walk in the Word

APRIL 17, 2019 4:00 PM
ECFA Revokes Harvest Bible Chapel's Membership

FEBRUARY 13, 2019 7:00 AM
James MacDonald Fired from Harvest

JANUARY 16, 2019 11:00 AM
James MacDonald Takes 'Indefinite Sabbatical' from Harvest Bible Chapel

GLEANINGS

Harvest Elders Say James MacDonald Is 'Biblically Disqualified' From Ministry

Statement comes nine months after his firing and weeks after he appeared at another Chicago-area church.

KATE SHELLNUTT | NOVEMBER 05, 2019 10:09 AM

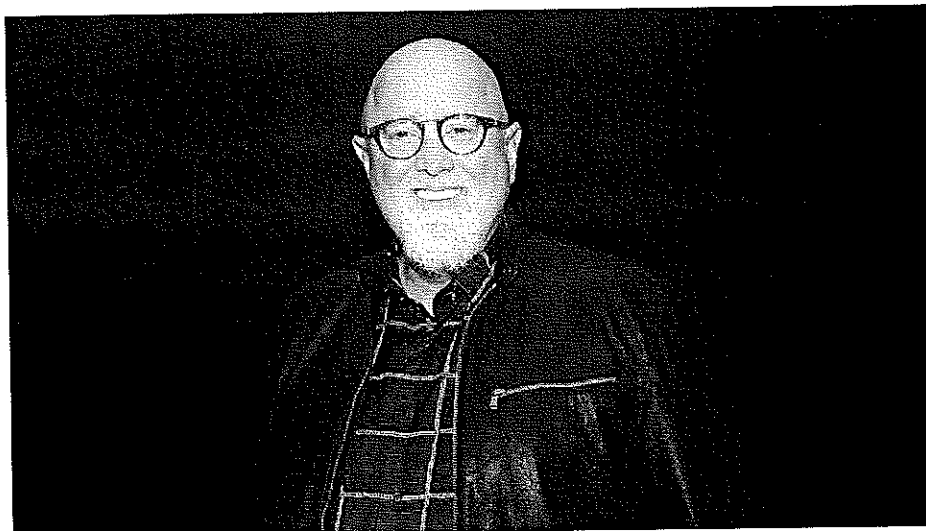


Image: Gabriel Grams / Getty

Update (Nov. 8): On Friday, James MacDonald [posted](#) his first public apology since his termination and confirmed his involvement at New Life Covenant.

He owned up to "careless and hurtful words" and "a regression into sinful patterns of fleshly anger and self-pity that wounded co-workers and

Current Issue

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others." He said he regretted decisions made out of desperation during his final year at Harvest Bible Chapel.

"Decisions by the current Elder/staff, along with inaccurate announcements and recent public condemnation, signaled clearly the timing to communicate our message directly," noting that he is still working with Christian arbitration to resolve issues with Harvest.

MacDonald said he and wife Kathy have been "welcomed into" New Life Covenant, which offered them "a place to serve and the beginnings of healing community."

Though MacDonald mentioned he "sent written apologies where appropriate," Julie Roys—one of the defendants in a lawsuit he initiated—said she had not received an apology.

The elders of Harvest Bible Chapel have concluded that their former pastor James MacDonald is biblically disqualified from ministry and can never return to leadership at their congregation.

A church investigation into charges against MacDonald—who was fired in February— found he failed to meet the elder qualifications laid out in Scripture. They attested he instead "had a pattern of being disruptive," "insulting, belittling, and verbally bullying others," "improperly exercising positional and spiritual authority," and "extravagant spending utilizing church resources resulting in personal benefit," according to a statement released Sunday.

The announcement said while the Bible doesn't teach that disqualification from ministry is permanent, his damage to Harvest would prevent him from serving again as an elder or pastor there.

"We believe James could be restored to ministry someday, but in order for that day to come, the fruits of repentance must be evident. Based on Harvest Bible Chapel's interpretation of the Scripture, we have not yet seen evidence of this," wrote the eight-member elder board (all of whom assumed their positions earlier this year, when the elders who served during MacDonald's leadership stepped down).

MacDonald was dismissed from the church he founded after a string of controversies over his leadership and Harvest finances, concluding with an October 2018 defamation suit against his critics, an exposé by Julie Roys in World magazine, and a leaked recording of inappropriate remarks.

MAY/JUNE 2020

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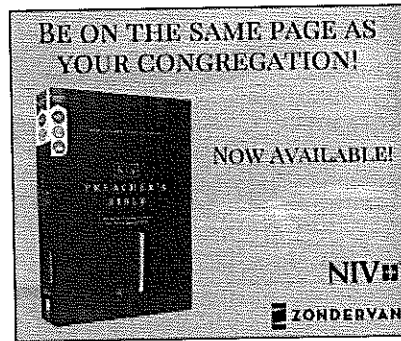
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He did not respond to an email from CT requesting comment. In a statement announcing his sabbatical back in January, MacDonald acknowledged "I have battled cycles of injustice, hurt, anger, and fear which have wounded others without cause ... I blame only myself for this and want to devote my entire energy to understanding and addressing these recurring patterns."

He has mostly stayed off social media and out of the public eye since being fired, but appeared at two recent events held by New Life Covenant Church, an Assemblies of God megachurch in Chicago: a men's retreat on October 12 and a Sunday service on October 20, according to reports by Roys [on her blog](#). Pictures show MacDonald on stage, with his signature goatee replaced by a bushy white beard.

CT contacted New Life Covenant on Monday to confirm MacDonald's involvement, but did not receive a response. The church did not post anything about MacDonald's appearances at their recent gatherings.

Harvest elders said it was their biblical responsibility to issue a public rebuke of MacDonald, citing 1 Timothy 5, which reads, "But those elders who are sinning you are to reprove before everyone, so that the others may take warning" (5:20).

"We have communicated to James that he needs to find a small group of godly brothers to restore him biblically in the spirit of gentleness," the statement said. "He needs an extended period of time away from ministry in order to focus on repentance and to seek relational reconciliation and restitution where it is possible. We are all in need of God's grace. And we have implored James to humble himself and fully surrender to the Lord."

The church is currently in [arbitration](#) with MacDonald through the Institute for Christian Conciliation over his termination and the ownership of the teaching ministry and former radio show [Walk in the Word](#).

Over the years, several cases involving high-profile pastors being removed from their pulpits have prompted debate over whether, or when, pastors can be restored to ministry after scandal.

Ed Stetzer [previously](#) named "public and thorough repentance" as a prerequisite for restoration in ministry. "Unless we pastors engage in public repentance, our 'bold' preaching about sin and grace often appears to be little more than window dressing," he wrote. "In other words, what we believe about God, sin and grace is proven true when we treat our own sin as seriously as we say others should."

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Earlier this year, pastor Darrin Patrick spoke out about returning to ministry, three years after being fired for sinful issues related to pride and celebrity (“a history of building his identity through ministry and media platforms”) at the church he planted in St. Louis in 2002. His church required him to step down from all internal and external leadership positions in 2016, but elders said because he was willing to undergo a plan for personal restoration, “we are extremely hopeful in our God who is powerful to bring redemption and grace from the midst of brokenness.” At the time, they did not reference future ministry potential.

“The focus was on being healed as Christian first,” said Patrick, who spent more than two years in counseling, including 14 months with no ministry involvement and 12 months in a supervised role—mostly sharing his story with fellow pastors—under an adviser. Now under Greg Surratt at Seacoast Church, he told Stetzer he is still “leading with a limp” and plans to keep a personal accountability board to continue checking in.

Tullian Tchividjian also returned to the pastorate recently. He launched a new church in September, four years after an affair lost him his job at Coral Ridge Presbyterian. Tchividjian initially took an administrative role at another church within a year of his resignation, only to be fired when the church learned of further allegations of abuse against a congregant.

After that, the church’s pastor stated “we do not believe that Mr. Tchividjian should be in any form of public or vocational ministry” and friends and former board members of his ministry agreed, “we believe that he has disqualified himself from any form of public vocational ministry.”

Mark Driscoll resigned from Mars Hill in 2014, despite the elders and Driscoll himself agreeing that concerns over his temper and arrogance do not disqualify him from ministry. He launched a new church in Arizona in 2016.

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POSTED BY: [Kate Shellnutt](#) [November 5, 2019](#)

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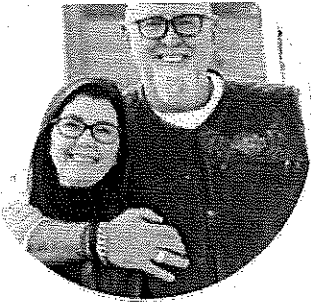
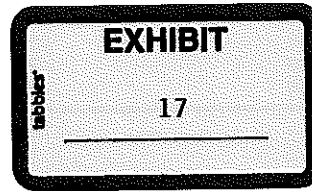
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EDITOR'S PICK



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James MacDonald

November 8, 2019 · 🌐

Dear Friends:

I trust this timing finds you well in the Lord and growing in your awareness of how good He truly is. Our efforts to work through existing channels in our former church have reached an unsuccessful end, leading to this release of words we have long sought to express.

Our lifetime calling continues to be "igniting passion in the people of God through the proclamation of truth." Yet God, in His sovereignty, appointed for me and Kathy this chastening (Ephesians 1:11; Hebrews 12:7-11) and abrupt termination last February from the church we founded and have loved for more than 30 years. It has taken an extended time of silence to see the Lord's hand, see my sin fully and speak about it non-defensively.

My Repentance

I was, am, and will remain very sorry for the careless and hurtful words that were illegally recorded and publicized. I immediately sent written apologies where appropriate, grieving what it revealed about the state of my heart at the time, as well as the hurt caused to those who trusted us to be a more consistent example of Christlikeness. I have no excuse and am truly sorry.

I confess to all who have followed my ministry, a regression into sinful patterns of fleshly anger and self pity that wounded co-workers and others. These sin issues had been points of growth and victory as expressed through my preaching and writing, but I fell back beginning in late 2016 and have only myself to blame. I wrestled with the stress I felt, the injustice I endured, etc. Yet, over time I have come to see only myself and my own relational failing in the mirror, and with grief and sorrow I ask your forgiveness.

As part of this, I have come to see my sin of handling pressure in a way that got things done, but neglected the priority of love and the presiding humility of serving others first. Letters have been sent to those the Holy Spirit has brought to mind, owning what is true without reference to what is false. We are looking to the Lord to keep my focus here as long as it takes in hopes of

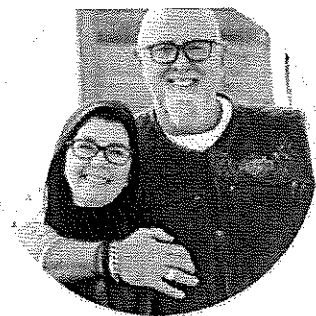
James MacDonald

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of serving others first. Letters have been sent to those the Holy Spirit has brought to mind, owning what is true without reference to what is false. We are looking to the Lord to keep my focus here as long as it takes in hopes of reconciliation with every willing heart.

Failed Decision Making

This relational decline led to regrettable decisions, such as Senior Staff transitions with some of our best leaders departing, my reactive resignation from Harvest Bible Fellowship, the fearful and defensive lawsuit, the rapid move of Walk in the Word to digital-only, etc.

All of these big-impact "retreat decisions" were initiated out of the desperation I felt, and from my clearer thinking today, I see how wrong I was. I recognize how these actions undermined team member support for my leadership, eroding the margin of grace between us. I am especially grieved for certain co-leaders who felt wounded by me and deserved better – those who have expressed it and those who have not. We had many moments of joyful partnership, the memories of which I will always treasure. I am deeply and forever sorry to each of you and pray, in God's timing, for the opportunity to say that personally.

Decisions by the current Elder/staff, along with inaccurate announcements and recent public condemnation, signaled clearly the timing to communicate our message directly. With sadness we accept that no face-to-face confession or truth-advancing interaction will be forthcoming.

The above matters are now in Christian arbitration where impartial believers will hear and give a written, objective ruling. As we cannot give specifics, we are trusting the Lord for truth to be revealed in His time, and we covet your prayers.

2 Corinthians 3:2,5-6

"You yourselves are our letter of recommendation, written on our hearts, to be known and read by all... Not that we are sufficient in ourselves to claim anything as coming from us, but our sufficiency is from God, who has made us sufficient to be ministers of a new covenant, not of the letter but of the Spirit. For the letter kills, but the Spirit gives life."

After waiting many months in hope of a pathway toward restoration, we have



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Mikaela Mathews | ChristianHeadlines.com Contributor | Monday, November 11, 2019



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By JEFF MAPLES - NOVEMBER 8, 2019

For godly grief produces a repentance that leads to salvation without regret, whereas worldly grief produces death.

2 Corinthians 7:10

James MacDonald is the former pastor of Harvest Bible Chapel, a multi-campus megachurch with locations all around the United States, who was fired after allegations surfaced of misconduct.

After conservative talk radio host Mancow publicized recorded comments that seemed to indict MacDonald of

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conspiring to commit murder,
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Leading up to his firing, MacDonald was
accused of various acts of misconduct,
including conspiring to plant illicit
images of underage children on
Mancow's computer. Later, one woman
accused him of touching her
"inappropriately."

It didn't take long, however, for
MacDonald to start signaling his return
to ministry. As with most fallen pastors,

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they tend to go into hiding for a few
months then come back and act like
nothing ever happened. In a previous
Facebook post, MacDonald already
began to make excuses, calling for
vindication from "false accusations"
made against him.

Today, MacDonald issues a public
"repentance" on his Facebook wall
which is clearly a denial of the

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wrongdoings and an attempt to shift the blame onto other people. He writes,

My Repentance

*I was, am, and will remain very sorry for the careless and hurtful words **that were illegally recorded and publicized.** I*

immediately sent written

apologies where

appropriate, grieving what it revealed about the state of my heart at the time, as well as the hurt caused to those who trusted us to be a more consistent example of Christlikeness. I have no excuse and am truly sorry.

Folks, this isn't repentance. This clearly

looks like worldly sorrow that leads to death (2 Corinthians 7:10).

For nothing is hidden that will not be made manifest, nor is anything secret that will not be known and come to light.

Luke 8:17

He is not sorry for hurting people and conspiring against people — he is “truly sorry” that these things were found out. If he is truly sorry, why is he concerned that the recordings were [allegedly] recorded illegally? If he were truly repentant, he should consider it grace from God that he was found out so that he could receive forgiveness from God.

By the way, did you know Reformation Charlotte has a Christian gear and apparel store? Check it out at ReformedGear.com.

You can read his entire Facebook post here, but in the meantime, pray for him and hope that he truly repents.

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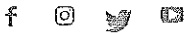
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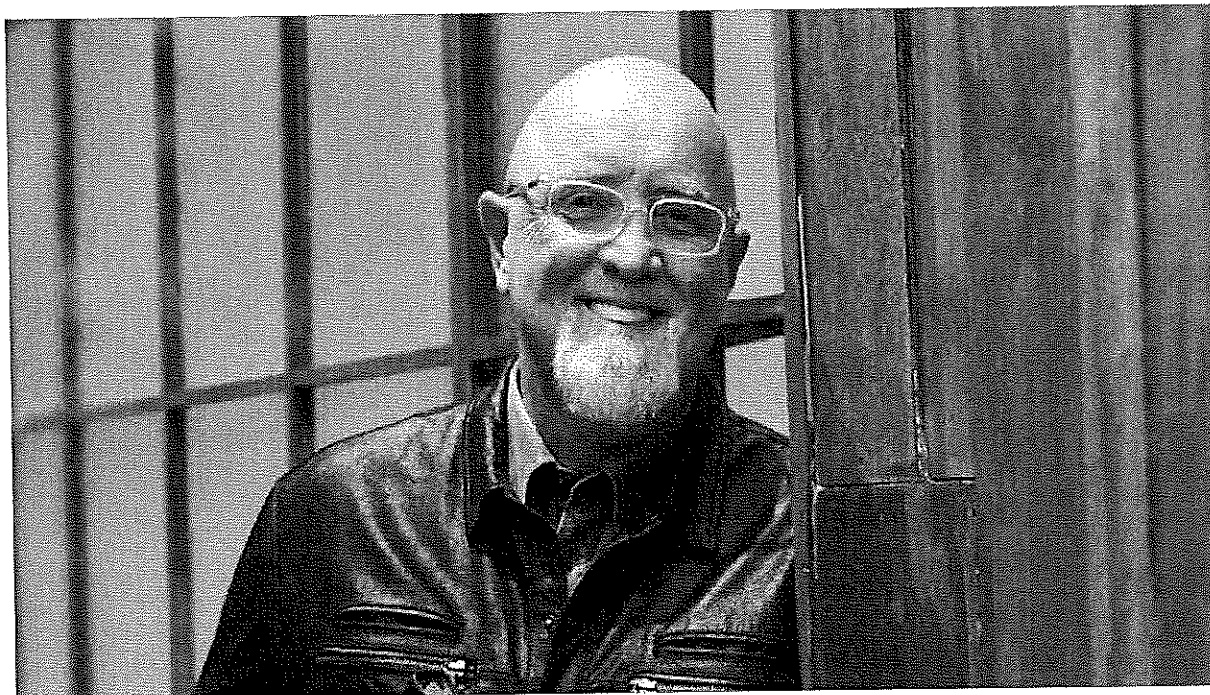
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Harvest Bible Chapel releases financial records review exposing misuse of church funds

By [Brandon Showalter](#) ⁽¹⁾, CP Reporter



Harvest Bible Chapel in greater Chicago. | Instagram

A legal and financial review of Harvest Bible Chapel's records has revealed that their founding and now former pastor James MacDonald was paid over \$1 million annually, amid other instances of malfeasance.

Earlier this year, MacDonald was [ousted](#) ⁽¹²⁾ from his leadership post at Harvest Bible Chapel, a church he founded over 30 years ago. His termination ultimately came about as a result of lewd comments he made on a hot mic that were aired on a local radio station amid controversy over allegations that he had presided over an abusive church culture and had mishandled church resources while living an opulent lifestyle.

The review looked at financial statements from January 2016 through mid-February of this year, according to [The Daily Herald](#) ⁽¹³⁾.

During that span of time, MacDonald's spending included \$170,851 on hunting and fishing trips; \$139,502 on meals and entertainment; the installation of an internet service tower and security equipment at his house near the church's campus in Elgin, Illinois, and over \$94,000 for clothing and eyewear. The report revealed that the church maintained two private checking accounts that gave MacDonald \$3.1 million during those three years and two months.

Forensic accountants were reportedly unable to tell in some cases how much MacDonald's spending or spending done on his behalf could be linked to actual church operations because the expenditures were either not documented or there were no receipts.

MacDonald also gave away two motorcycles, each worth around \$16,000.

"The report discusses \$900,000 in spending on a private credit card account and \$1 million in private checking accounts, which were overseen by MacDonald and several top church workers, not the church's financial department," the Daily Herald noted.

Tim Stoner, the church treasurer, noted that other expenses were also in question, particularly \$22,000 paid for college tuition, an amount not listed in the report. Before 2016, \$250,000 was spent on home improvements, he said. The church has now closed all private accounts, added a new finance committee, and reformed its internal processes.

In [response](#) ⁽¹⁴⁾ to the report's findings, MacDonald claimed in an Instagram post that the expenses in question were both "elder and auditor approved" and that they "predate the involvement of those now speaking."

The elders now speaking are part of a new board that replaced the elders who resigned amid the fallout from the scandal. The former HBC pastor also maintained that "significant exculpatory information" was missing from the report because of a "moratorium" the elders instituted with respect to communicating with him.

Much of the contention [surrounding the unscrupulous use of funds](#) ⁽¹⁸⁾ has hovered over [the shifting around of resources](#) ⁽¹⁹⁾ between the church and church-related entities such as MacDonald's teaching ministry, called Walk in the Word, and Harvest Bible Fellowship, the former church planting network that was dissolved in 2017.

According to the former executive committee at the church, MacDonald signed an agreement dated January 1, 2015, giving him ownership of all "works of authorship created by MacDonald" and "all net financial and legal assets related to Walk in the Word."

Yet the legitimacy of that arrangement was questioned since no corporate board minutes showed the kind of integrity required regarding intellectual property issues, reports said.

Harvest Bible Chapel is now asking MacDonald to supply evidence that his spending was indeed formally signed off on, and to reimburse the church if it was not approved. Earlier this month, the church formally [disqualified](#) ⁽²⁰⁾ MacDonald from ministry.

The megachurch — which has several locations throughout the Chicago region and one in Naples, Florida — made news in 2013 when it publicly excommunicated two elders and indirectly censured a third.

Though a reconciliation occurred the following year, the former elders expressed doubts in 2018 that any meaningful reforms were occurring within the church, telling journalist Julie Roys in a December World magazine [investigative piece](#) ⁽²¹⁾ titled "Hard Times At Harvest" that they continued to hear of repeated accounts of people being mistreated at the church in addition to an ongoing pattern of financial mismanagement.

Follow Brandon Showalter on Facebook: [BrandonMarkShowalter](#) ⁽²²⁾ Follow Brandon Showalter on Twitter: [@BrandonMShow](#) ⁽²³⁾

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November 21, 2019

Sent Via Email

Harvest Bible Chapel – Board of Elders
c/o Elder Board Chair Brian Laird

RE: Harvest Bible Chapel – Legal Evaluation Report

Dear Board of Elders:

I am writing to provide a summary of my law firm's prior legal evaluation and related forensic accounting information to Harvest Bible Chapel's (HBC) leadership in the aftermath of its former Senior Pastor James MacDonald's (MacDonald) departure.

I. Introduction

Based on our law firm's review of available information, we determined that a massive corporate governance failure apparently developed over several years at HBC, primarily due to the following factors:

- MacDonald's powerful and subversive leadership style;
- His development of an inner-circle leadership group through which he could control HBC;
- His marginalization of broader leadership, particularly the former HBC Elders; and
- His other aggressive tactics that thwarted healthy nonprofit governance.

Directly resulting from such problems, MacDonald appears to have extensively misused HBC's financial resources for improper financial benefit.

In conjunction with our law firm's legal evaluation, a forensic accounting evaluation was carried out and likewise focused on MacDonald. Included are relevant key findings from the accounting firm of Schechter Dokken Kanter (SDK). Both SDK and our law firm were professionally retained and directed to evaluate the corporate, employment, financial, and other information and to draw independent conclusions. SDK's credentials are available online at <https://www.sdkcpa.com/>. Our law firm's credentials are available at <https://wagenmakerlaw.com/>.

II. Factual Background

A. HBC Governance

Our law firm's legal evaluation contains an extensive description of HBC's historical development, multi-entity corporate structure (including various corporate iterations of

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“Walk in the Word”),¹ church bylaw evolution, related governance changes, leadership trends, MacDonald’s own leadership development, his marginalization of other leaders, the Executive Committee’s development, Harvest Bible Fellowship’s separation from HBC resulting from MacDonald’s unilateral actions, the staff-oriented XLT’s development, a deficient conflict of interest policy, MacDonald’s pattern of aggressive and adversarial tactics against church leaders who opposed him, his sabbatical and then employment termination, and extensive related financial information, all based on information provided to our law firm.

MacDonald’s strong and persuasive role as authoritative senior pastor, along with his close inner circle, insulation from proper accountability mechanisms, and key changes to the church’s operational structures, resulted in a highly problematic culture. Policies, formal and informal, were put into place to reinforce this unhealthy power structure. HBC leadership’s flawed “consensus” approach also contributed significantly to such problems, allowing MacDonald’s strong and strident voice to inordinately influence others, since no bright-line standard existed to indicate adoption of a policy or assent to an action as would be present in a structured vote. Over time, such approach led to systemic failure.

B. HBC Finances

Such failure is perhaps most glaring in terms of HBC’s finances, with shifted control to MacDonald and other executive staff, diminished board involvement, and too much discretion within MacDonald’s inner circle. Lack of oversight problems and related financial control issues existed as well with HBC’s internal ministries, most notably Walk in the Word Ministries (WITW) and Harvest Bible Fellowship (HBF).

Since WITW was treated as a separate ministry—and of MacDonald, not of HBC—the Elder Board persistently treated its assets separately from the church’s assets. However, WITW was a fully integrated ministry of the church, and actually was the church operating under an assumed name. HBC not only fully controlled and owned WITW, it was the same corporate entity.

Additionally, per available HBC corporate minutes, when MacDonald ended HBC’s relationship with HBF, the Elders authorized a “loan from WITW” in the amount of \$1,500,000 to HBC. In doing so, the Elder Board reallocated its own funds, but given the confusion concerning ownership and legal status of WITW, the loan made it appear as though the Church was incurring a large debt to “James’ ministry.” Then, on November 9, 2017, the Finance Committee reported that WITW “is reducing loan balance by \$1 million as a gift to HBC. Committee and staff expressed gratitude to WITW for this gift.” This

¹ More specifically, they are as follows: (1) “Harvest Bible Chapel,” which currently holds the assumed name (i.e., nickname) on “Walk in the Word Ministries,” which has long carried out the ministry activities; (2) “Walk in the Word,” which has long had relatively low assets; and (3) “Walk in the Word with Dr. James MacDonald,” which was incorporated in March 2019.

“unconditional gift” from the church back to itself was treated as a gracious gesture, as if two separate entities had come to a well-intentioned understanding, when in fact the payment was merely a moving of the Church’s money from one of its accounts to another.

HBC also apparently maintained two bank checking accounts as follows: (1) “executive account”; and (2) “WITW reserve account.” The HBC accounting staff members were not privy to either account’s operations. The accounts were apparently controlled indirectly by MacDonald and directly by HBC’s former CFO, COO, and an executive assistant. The “executive account” was apparently used for deferred compensation contributions primarily for MacDonald, as well as for some of his personal expenses. The “WITW reserve account” was apparently used by MacDonald for personal clothing, hunting, and vehicles. Per our interviews with HBC accounting personnel, MacDonald’s usage of this WITW reserve account was consistent with his view that WITW Ministries was essentially his own business.

Another checking account and related credit card apparently existed in the name of “Vanilla Bean, LLC,” with MacDonald as the sole owner. This account and card were apparently used to confidentially manage his personal expenses. Such information raises concerns with respect to specific expenses that may have been paid by HBC and attributable as taxable income to MacDonald, as well as broader concerns about MacDonald’s financial improprieties involving his inner circle of leadership and secretiveness.

We understand that significant changes have now been made to end such secretive and highly improper financial management of HBC assets, which we commend.

C. MacDonald’s Executive Compensation

We were provided with extensive salary information for MacDonald and the HBC Compensation Committee’s year-end meeting minutes, reflecting summary approval for executive compensation, housing, deferred compensation, and the housing allowance for MacDonald. The Committee unanimously approved an overall 2015 compensation amount of \$1,240,000, a 2016 compensation amount of \$1,370,000, and a 2017 compensation amount of \$1,387,500. For year-end 2017, we provided with a “Memorandum of Understanding and Documentation” dated December 19, 2017, reciting “commitments and pledges given in good faith [that] represent a contractual and covenant commitment” to MacDonald, plus a statement that “Walk in the Word and the respective assets are a bible teaching ministry of Dr. MacDonald.” For year-end 2018, the minutes of the “Elder Executive Committee Compensation Committee,” reflecting a total compensation package of \$1,270,000 for 2019. MacDonald’s approved compensation consisted of a combination of salary from HBC, payment from WITW Ministries (even though it was an internal HBC ministry), “Family Travel” bonus, deferred compensation, other retirement benefits, health insurance, an annual “Teacher License Agreement” payment (apparently for intellectual property), an annual “STIP” performance bonus (“short-term incentive program” perk, based on general revenues, attendance, and major gifts), and discretionary bonuses.

HBC's "Covenant of Commitments" dated January 1, 2015 sets forth helpful aspirational statements. For example, Item Number 6 provides as follows: "as our founding pastor and primary leader, MacDonald's compensation will be determined annually by the Elder Executive Committee using best practices for independence." In addition, Item Number 8 states: "8. That while serving as the church's primary leader, MacDonald will invoke and involve the Elder Executive Committee in matters of governance and oversight so as to foster a culture of transparency, organizational excellence, and mutual accountability." Despite such statements, it seems questionable whether MacDonald's compensation was appropriately set.

Further, the procedures used lacked the requisite independence, evidence of appropriate due diligence, transparency regarding pastoral compensation determinations, sufficiently high quality of compensation evaluation, and any accompanying minutes or report reflecting such required information. Our law firm reviewed other materials upon which we understand HBC relied for its compensation determinations. We find such materials to be of dubious reliability as a sound basis for proper determination of MacDonald's executive compensation. For example, the Winters & King law firm provided a "Compensation Evaluation Study" ("Study") dated December 17, 2015, for HBC as its client (rather than independently done), relying on data gathered through circular methodologies internal to the law firm's business practices, and developed from the firm's own clients for which it presumably provided similar executive compensation studies to justify each other's organizations.

D. Alleged Financial Expense Improprieties Involving MacDonald

Numerous allegations of serious and extensive financial expense improprieties have been made against MacDonald and others, involving expenditures made by him and in connection with his pastoral and personal activities. Such matters have been addressed at length through the SDK forensic accounting, and SDK's summary findings are provided separately.

E. Intellectual Property

We were not provided with any HBC policy regarding ownership and usage of creative works produced by HBC, WITW, or other HBC-related ministry staff, including MacDonald. The only pertinent document is a signed document entitled "Covenant of Commitments" dated January 1, 2015, which addresses intellectual property matters as follows, and as between the HBC Elder Executive Committee and MacDonald. Per item no. 3, "all works of authorship created by MacDonald shall be his own and shall be shared with the church and any other parties as he deems appropriate." In addition, per item no. 4:

[A]lthough organizationally structured within the church as an internal ministry, Walk in the Word Ministries was founded by MacDonald, and are [sic] being used to support the broader vision for the church. Elder Executive Committee covenants that Walk in the Word Ministries will receive annual financial support from the church of no less than 5% of the church's general operating budget

for that year. Elder Executive Committee covenants that at any time and at his choosing, MacDonald may cause Walk in the Word Ministries to become separated from the church, and all net financial and legal assets related to Walk in the Word Ministries would be released to MacDonald by the church. Further, should MacDonald cease his role as Senior Pastor, financial support from the church to Walk in the Word Ministries would cease.

We likewise were not provided with any corporate board minutes or other information reflecting proper due diligence regarding these intellectual property matters or other evaluation in HBC's best interests. Nor have we been provided with any corporate documentation or other information reflecting whether MacDonald recused himself from deliberations and votes on matters addressed in this "Covenant of Commitment" document. This arrangement is otherwise problematic as explained below, since it provides for HBC's relinquishment of its own charitable assets and for which MacDonald was already compensated as part of his pastoral duties.

III. Legal Aspects

Based on the foregoing factual background, our law firm identified several areas of applicable legal principles and concerns. In very brief summary, HBC's historical governance structure allowed for a small cadre of high-level leaders to run HBC. With MacDonald's reportedly strong and subversive leadership and other factors, it is not surprising that he could take advantage of HBC financially and otherwise. Several aspects of HBC's governance operations were extremely problematic, include governance overall, bylaws, committee usage, conflicts of interest, financial controls, employment compensation, employment tax matters, intellectual property, and ministry resource usage.

A. MacDonald's Conflict of Interest and Related Governance Issues

As a church leader, MacDonald owed significant fiduciary duties to HBC including a duty of loyalty, to maintain the HBC's interest as paramount over any conflicting personal interests. Such responsibility is grounded in a nonprofit governing leader's legal obligation to take care of the organization's well-being in furtherance of its religious tax-exempt purposes. This responsibility is also consistent with Biblical standards of integrity and stewardship for church leaders. While such paradigm may carry some challenges within a ministry context with an inherent overlay of spiritual authority, it is nevertheless vitally important to both effective governance generally and legal compliance.

Within this context, a leader who receives a tangible personal benefit as a result of a decision affecting the church's operations or assets has an inherent conflict of interest that must be fully addressed through disinterested, independent leadership decision-making. Based on our legal evaluation, MacDonald seems to have acted in his own personal interests - reaping significant personal financial benefits, avoiding accountability to any governing board, and with heavy-fisted exclusionary leadership. His close inner circle of HBC leaders helped him

to do so and without the important accountability measures needed for effective nonprofit ministry governance. Such actions are obvious and patent, such as through lack of appropriate financial controls over certain bank accounts, the removal of MacDonald from the conflict of interest policy's coverage, his spending, and the lack of proper executive compensation evaluations.

We understand that the new HBC Elder Board has embraced governance principles of proper independent judgment and active oversight, which is commendable. More specifically, and with HBC's troubled past in clear view, the new HBC Elder Board has further addressed governance matters through drastically improved corrective measures such as fuller engagement of each elder, better processes for conflict resolution, improved financial oversight, and other significant governance improvements. All such changes are essential for HBC's current and future vitality.

B. Federal Tax Issues

1. Inurement

Consistent with common law fiduciary responsibilities, relevant federal tax law similarly prohibits the abuse of charitable assets for improper private gain. Pursuant to Section 501(c)(3), HBC must operate "exclusively" for tax-exempt purposes for public benefit, with no "inurement." (Treas. Reg. § 1.501(c)(3)-1(d)(1)(ii)). Section 501(c)(3) expressly requires that "no part of the net earnings of [the organization] inures to the benefit of any private . . . individual." Inurement applies to corporate insiders as "disqualified persons," which is a term defined in the Internal Revenue Code Section 4958(f)(1) as a person, with respect to any transaction, who is in a position to exercise substantial influence over the affairs of a tax-exempt organization – i.e., MacDonald. Private inurement includes transactions between the tax-exempt organization and one of its insiders that results in excessive economic benefits inuring, or flowing, from the organization to the insider.

A common example of private inurement, and one of highest relevance here is the payment of unreasonably high compensation to executive staff. Compensation will be deemed reasonable if: (i) it is negotiated at arm's length (i.e., by an independent board); (ii) the amount is reasonable in light of the responsibilities and activities performed; and (iii) it is not merely a device for distributing profits. (Rev. Rul. 69-383, 1969-2 C.B. 113). MacDonald's compensation does not appear to meet these criteria, particularly since insufficient comparable executive compensation study data was obtained and HBC's "profitability" (or at least its cash flow) seems to have been relevant to MacDonald's pay (as he requested in 2010 per the Winters & King Study's inclusion of HBC's profitability as a legitimate factor).

2. Excess Benefit Transactions

Inurement leads directly to the related tax concept of an "excess benefit transaction" (EBT). Internal Revenue Code Section 4958 defines EBT as "any transaction in which an economic

benefit is provided by an applicable tax-exempt organization directly or indirectly to or for the use of any disqualified person, and the value of the economic benefit provided exceeds the value of the consideration (including the performance of services) received for providing the benefit.”

Since MacDonald is a disqualified person, the question arises of whether he received any benefits exceeding the value of his services provided – i.e. an EBT. If so, MacDonald owes repayment of such excess benefit. Such repayment obligations could include excess compensation paid as wages to him, expenditures made for himself or others that properly should have been counted as his wages, and the value of lavish (i.e., excess) gifts bestowed on others. The SDK forensic accounting report addresses such matters at length, particularly to assist HBC with potential recovery of misused charitable resources, with preliminary findings subject to further investigatory measures.²

3. Automatic Excess Benefit Transactions

Additionally, some financial transactions involving MacDonald could be deemed an “automatic” excess benefit transaction (AEBT), regardless of whether the transaction was reasonable or not. AEBTs arise either from (i) failing to meet certain written substantiation requirements under an accountable reimbursement plan, or (ii) failing to otherwise count as nontaxable employee fringe benefits.

First, an economic benefit paid to a disqualified person in exchange for services (*i.e.*, compensation) will be treated as an AEBT *unless* the organization clearly indicates its intent to treat such benefit as compensation when the benefit is paid – such as by “written contemporaneous substantiation” as taxable employee compensation. (Treas. Reg. § 53.4958-4(c)(1)) As identified in the SDK forensic accounting report, some of MacDonald’s use of HBC funds thus may warrant treatment as AEBTs such as personal travel, unsubstantiated monthly credit card expenses, personal home expenses, personal use of HBC-provided vehicles, bank account expenses that he controlled, and expenditures debatably for ministry purposes (e.g., house security improvements, office remodeling, lavish gifts to HBC staff and donors, lavish travel with others, tickets to high-priced sporting events, Elgin studio space improvements, big-game hunting, clothing for ministry media events).

Second, to be treated as a nontaxable employee fringe benefit, and therefore not an AEBT, an employee benefit must be allowable as a business deduction. (See I.R.C. Sections

² Notably, Internal Revenue Code Section 4958 imposes a tax on any disqualified person with respect to an excess benefit transaction that is equal to 25% of the excess benefit. For example, if MacDonald was paid \$100,000 too much, then he could be required to pay back the \$100,000 amount to HBC and pay a \$25,000 IRS penalty. If the excess benefit is not timely corrected within the taxable period, an additional tax equal to 200% of the excess benefit will be imposed on the disqualified person. Using the same example, MacDonald thus could owe a \$200,000 IRS penalty on top of the \$100,000 repayment obligation and initial \$25,000 IRS penalty.

132(a)(3), 132(d), and 162) as a “reasonable and ordinary business expense.” In tax parlance, an “ordinary” business expense is one that is common in the relevant trade or business. A “necessary” business expense is one that is beneficial and appropriate in the relevant trade or business. Such ordinary and necessary business expenses are not to be included in an employee’s gross income, if paid directly by the employer. Per Treasury Regulations Section 1.162-2, a business connection must exist for directly paid or reimbursed expenses, with an adequate accounting (i.e., within 60 days), and any excess funds returned within a reasonable period of time.

Many of MacDonald’s expenditures do not seem to satisfy the required “ordinary and necessary” business expense requirements for exclusion from his taxable income. Such matters further raise questions regarding whether his total HBC compensation was “excessive” or not and therefore requires repayment of excessive amounts and warrants potential IRS liability for tax MacDonald. SDK’s forensic accounting report addresses such considerations in more detail, and further forensic investigation may be appropriate.

MacDonald could argue that much of the travel, gifts, tickets, and other apparently lavish expenditures were commensurate with the context, such as to interact with high net-worth donors who gave substantial gifts as well as in connection with high profile media events. But it is not necessarily reasonable to expect that the IRS would accept and agree with such arguments. Nor is it otherwise necessarily reasonable for HBC to accept that such use of its charitable resources constitutes wise ministry stewardship, particularly against the backdrop of marginalized leadership, secretly maintained bank accounts, and clearly conflicted leadership controlling the funds at issue.

HBC’s response now to these conclusions about inurement, EBTs, and AEBTs is appropriate and good. More specifically, HBC’s new Elder leadership is diligently seeking to identify financial abuses and losses involving MacDonald, such as through the SDK forensic accounting, corrective steps, and efforts toward optimal legal compliance.

C. Intellectual Property Issues

Under US copyright law, copyrighted works owned by a Section 501(c)(3) organization constitute charitable assets that cannot be used to impermissibly benefit, directly or indirectly, a private individual. For MacDonald as a “disqualified person” per the Tax Code, HBC must receive consideration equal in value to the copyright interests provided to disqualified persons. Consequently, the fair market value of intellectual property rights (e.g., WITW, as an integrated program of HBC) granted to him should be factored into the reasonable compensation analysis.

The “Covenant of Commitments” does not list any specific copyrighted works nor attempt to quantify the fair market value of the copyright interests transferred to MacDonald. Anything MacDonald created while an employee of HBC would be transferred to MacDonald and MacDonald would have exclusive control to share with the church or other

parties "as he deems appropriate." This arrangement is problematic under Section 501(c)(3), by providing MacDonald with the full ownership interest in HBC assets without any valuation, cap, or right to control the manner in which the assets are used. Per this arrangement, MacDonald received unfettered control and ownership of all copyrights to works he was paid to create as an employee of HBC, regardless of value, and could do whatever he wants with such rights.

Given applicable tax constraints, correction under Code Section 4958 from MacDonald could include return of all ownership interests back to HBC, an accounting for any revenues received by MacDonald for such intellectual property that should have gone to HBC instead, and a reporting of the transaction(s) to the IRS. Under certain circumstances, HBC could lawfully transfer or license its copyright interests to MacDonald, such as for fair market value or such step contributes importantly to HBC's religious purposes and no impermissible private benefit results. However, HBC cannot lawfully transfer full ownership and unfettered control of an undefined amount of charitable assets to an insider without any documented indication that HBC will receive any consideration or other benefit in return.

IV. Recommendations

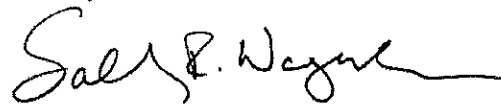
As set forth in our law firm's legal evaluation, we provided numerous recommendations for HBC's drastic corporate, financial, and employment-related improvements. It is our understanding that the new HBC Elder Board has fully engaged with implementing our recommendations, including a strong Elder Board that exercises responsible oversight, probing questions, accountability expected from all executive staff and other leaders, and healthier leadership engagement. HBC has commendably undertaken to develop such improved measures including new bylaws, better committee structure and operation, avoidance of leadership insularity, improved protocols for addressing conflicts of interest, and high-quality governance training.

In keeping with such measures, I understand that the HBC Elder Board is fully committed to the forensic accounting process, particularly regarding appropriate redress for MacDonald's abuse of HBC's charitable resources, potential further investigation, and an appropriate financial resolution. HBC has also implemented significantly improved accounting protocols and executive compensation measures to ensure that prior problems never occur again.

We affirm these corrective and improved governance measures, along with the Elder Board's continue accountability to HBC membership, mindful of each Elder's tremendous stewardship responsibilities. We deeply appreciate the opportunity to come alongside you

and HBC in this tremendously pivotal juncture, for HBC's future and for the glory of God as paramount above all.

Sincerely,

A handwritten signature in black ink, appearing to read "Sally P. Wagenmaker". The signature is fluid and cursive, with a long horizontal stroke at the end.

Sally Wagenmaker

Enclosure: SDK Forensic Accounting Report Summary



Suite 1600
100 Washington Avenue South
Minneapolis, MN 55401-2192

P 612.332.5500 F 612.332.1529
www.sdkcpa.com

November 21, 2019

Sally R. Wagenmaker
Wagenmaker & Oberly, LLC
53 W. Jackson Blvd., Suite 1734
Chicago, IL 60604

Re: Harvest Bible Chapel

Dear Ms. Wagenmaker:

You asked Schechter Dokken Kanter (“SDK”) to prepare a report summarizing the results of our forensic analysis of possible financial irregularities within Harvest Bible Chapel (“HBC”), focusing on transactions involving James MacDonald, HBC’s former Senior Pastor. This report is a summary of our findings to date (“SDK Summary Report”).

INTRODUCTION

We performed a forensic accounting investigation of certain transactions included in certain checking and credit card accounts that are defined as “Private Accounts” in the SDK Summary Report, for the purpose of locating and quantifying alleged financial irregularities. This SDK Summary Report was requested by the HBC Elder Board. Please note that this SDK Summary Report is preliminary in nature and is subject to supplementation to reflect additional forensic accounting procedures pursuant to the Elder Board’s request. We do not assume responsibility for updating this SDK Summary Report for events or circumstances that may occur subsequent to the date of this SDK Summary Report.

Service ■ Dedication ■ Knowledge

FILED DATE: 5/15/2020 3:21 PM 2019CH14303

Summary Phase I Report in re: Harvest Bible Chapel

We understand that this SDK Summary Report will be attached to your summary legal evaluation (“Summary Legal Evaluation”). Please note that this SDK Summary Report should only be read in conjunction with the Summary Legal Evaluation.

SCOPE

SDK approaches financial investigations in phases, with procedures to be performed during each phase based upon the exercise of our professional judgment. Through discussions with HBC’s legal counsel and select members of the Elder Board, it was agreed that the first phase of our forensic accounting investigation would focus on applying procedures to transactions that occurred from January 2016 through February 2019 within two checking accounts (the “Private Checking Accounts”) and one credit card account (the “Private Credit Card Account”) that HBC separately maintained for the benefit of the Office of the Senior Pastor (collectively, the “Private Accounts”).

The nature of the procedures was limited. The quality and availability of relevant records and the turnover of personnel within HBC also affected our procedures. Therefore, additional errors or irregularities may exist within HBC that we did not identify during the performance of these procedures. Since this SDK Summary Report is preliminary in nature, additional information may come to our attention that could affect this SDK Summary Report.

OVERVIEW OF FINDINGS

Based on our work to date, our preliminary findings are summarized as follows:

- From January 1, 2016 through February 14, 2019, approximately \$3.1 million was spent through the Private Accounts, which were controlled by James MacDonald and his close associates. Those funds were spent as follows:
 - Approximately \$1.2 million was used to fund deferred compensation plans, primarily for the benefit of James MacDonald, all of which was approved by HBC’s compensation committee.

Summary Phase I Report in re: Harvest Bible Chapel

- Approximately \$1.9 million was used for other spending, apparently at James MacDonald's direction.
- The Private Accounts lacked financial controls as the disbursement procedures deviated from HBC's internal standard operating procedures. We noted the following deficiencies:
 - There was no independent oversight, which is consistent with the Summary Legal Evaluation's general finding that James MacDonald was continually able to avoid accountability.
 - Most expenditures lack supporting documentation adequate to determine who authorized the purchases and whether the expenditures served a purpose for HBC or were of a personal nature. The responsibility to substantiate expenses rested primarily with James MacDonald as the Senior Pastor and as the individual most involved with the spending through the Private Accounts.
- James MacDonald and his family members received direct payments from the Private Checking Accounts and benefitted from other payments made on their behalf for known personal expenditures, in the aggregate amount of \$286,096 (which has been reduced for any known reimbursements from James MacDonald). The categories of such expenditures are as follows:
 - \$142,058 was paid directly for James MacDonald's known personal expenses, of which \$48,127 was added to his W-2 as additional compensation.
 - \$23,378 was paid directly or indirectly to James MacDonald for reimbursements that do not establish a business connection and are not substantiated as required by the Internal Revenue Code [IRC Sec. 62(c) and Reg. 1.62-2(c)].
 - \$120,660 was spent for the direct personal benefit of James MacDonald's family members.
- HBC incurred other expenses through the Private Accounts that benefitted James MacDonald, however the extent of the personal benefit is inconclusive at this time. Examples of such categories of expenditures include the following:

Summary Phase I Report in re: Harvest Bible Chapel

- \$416,139 was spent on travel (including those expenses related to James MacDonald's "refreshment"),¹ of which \$94,046 was added to his W-2s as additional compensation.
- \$170,851 was spent on hunting and fishing trips and related expenses. Expenses within this category include hunt cost, airfare, lodging, gas, food, gratuities, apparel, guns, and taxidermy (and related shipments).
- \$139,502 was spent on meals and entertainment. Entertainment expenses within this category include golf, club dues, boat tours, and event tickets.
- \$94,017 was spent on apparel and eyewear, of which \$17,277 was added to James MacDonald's W-2s as additional compensation. It is our understanding that these purchases were not required as a condition of employment, therefore tax guidance states that the cost and maintenance of such expenditures represented personal expenses.
- HBC incurred other significant expenses through the Private Accounts. It is unclear whether such expenditures were ordinary and necessary expenses of HBC. Such categories of expenditures include the following:
 - \$247,858 for gifts/donations/"blessings"/benevolence
 - \$71,750 for deer farm expenses
 - \$114,159 for "refreshment" expenses for other members of the Senior Executive Leadership Team.
- HBC maintained a short-term incentive compensation plan (STIP) for members of the Executive Leadership Team (XLT). Members of the Senior XLT could earn additional compensation under the STIP through the achievement of certain metrics, including financial targets for surplus amounts and major gifts. James MacDonald received bonuses, apparently under the STIP, of \$130,000 and \$143,125 for 2016 and 2017, respectively.

¹ We understand "refreshment" expenses to generally mean personal travel necessary to rest, reflect and recharge to enable one to continue to serve effectively. This is a component of approved compensation for James MacDonald. "Refreshment" is not a tax or business term.

Summary Phase I Report in re: Harvest Bible Chapel

BACKGROUND²

Harvest Bible Chapel

HBC is a non-denominational Christian church with a focus centered on efforts that establish, strengthen, and reproduce biblically-based churches, which then plant churches that plant churches for future generations and God's glory.³ HBC was launched in September 1988, in Rolling Meadows, Illinois, and has grown to include multiple campuses throughout the Chicago metropolitan area with attendance in the thousands.⁴

Pastor James MacDonald

James MacDonald ("MacDonald") was the first pastor appointed to lead HBC and had served as its Senior Pastor until his employment was terminated on February 12, 2019, "for engaging in conduct that the Elders believe is contrary and harmful to the best interests of the church."⁵

Walk In The Word

Walk In The Word ("WITW") was the broadcast ministry that MacDonald developed. We understand that WITW has been a fully integrated internal ministry program of HBC, fully controlled and owned by HBC, since at least 2012. Nonprofit entities exist with similar names, which has led to some confusion. We refer to WITW herein as an HBC internal ministry.

² The information provided in this section has been intentionally abbreviated. A more comprehensive background is contained in the Legal Evaluation prepared by Wagenmaker & Oberly, LLC, dated May 31, 2019.

³ <https://www.harvestbiblechapel.org/what-we-believe/doctrinal-statement/>

⁴ <https://www.harvestbiblechapel.org/our-story/>

⁵ <https://www.harvestbiblechapel.org/2019/02/13/february-2019-elder-update-2/>

Summary Phase I Report in re: Harvest Bible Chapel

Private Accounts

Since April 2014, HBC has maintained the Private Checking Accounts for the benefit of the Office of the Senior Pastor (OSP), ostensibly to allow for discretionary ministry spending and privacy regarding certain compensation components. The Private Checking Accounts were funded primarily through wire transfers from HBC's own operating accounts. Based on evidence seen to date, such accounts were intentionally kept beyond the control and oversight of HBC's governing board. HBC has utilized the Private Credit Card Account since October 2014. Payments applied to this account were made primarily from the Private Checking Accounts.

Predication⁶

During 2018, numerous reports were surfacing through news outlets and social media about alleged financial mismanagement at HBC. HBC's Elder Board reported on January 15, 2019, that MacDonald would be taking an indefinite sabbatical "as a result of the recent season surrounding the church" and would not be involved in the leadership decisions of the church during the sabbatical. HBC leadership subsequently received multiple letters raising issues about church finances.

HBC Procedures

HBC personnel discussed the issue internally and determined they would create detailed transaction registers for each of the Private Checking Accounts and the Private Credit Card Account. We understand that HBC sought to capture as much available information on these registers as possible and also attempted to categorize each expenditure and who received any benefit. These registers were the starting point for our analysis of transactions.

⁶ Predication is the basis upon which an examination is commenced. The investigation of alleged fraud, because it deals with the individual rights of others, must be conducted only with adequate cause or predication. The narrative provided in this section is not intended to be the totality of all circumstances warranting such an investigation.

SDK ANALYSIS

HBC Disbursement Procedures

We noted a contrast between the check disbursement process in the ordinary course of business and the process for the Private Checking Accounts. The “standard operating procedures” for the Private Checking Accounts circumvented the entire accounts payable department, excluded review by the director of accounting, and did not allow for appropriate general ledger coding. Our review of available archived emails appears to corroborate the weaknesses regarding the approval and recordkeeping of transactions within the Private Accounts.

MacDonald Compensation

We read and analyzed the available information to identify any written contemporaneous evidence regarding sources of authorized compensation. In each year the total reported for taxable compensation was significantly less than the total approved cash compensation, due in part to an annual housing allowance for a minister that could lawfully be excluded from gross wages for tax reporting.

There was a Short-Term Incentive Program available for members of the Executive Leadership Team (XLT). Schedules contained in the available archived emails indicate that the STIP for “Senior” XLT members was an incentive compensation plan based on the achievement of three metrics at HBC: (1) actual net surplus exceeds targeted net surplus, (2) actual attendance growth exceeds targeted attendance growth, and (3) actual major gifts exceed targeted major gifts. The current Elder Board has questioned whether the STIP (coupled with use of the Private Accounts) may have generated motivation to incur donor development expenses in hopes of reaping personal financial reward from the result of such efforts. We have not evaluated whether it was appropriate for MacDonald to have received a direct financial benefit from major gifts and net surplus amounts, but the Elder Board may wish to do so as he was a “disqualified person” for Internal Revenue Code purposes.

Summary Phase I Report in re: Harvest Bible Chapel

SDK FINDINGS

General

The operating checking accounts for HBC and WITW (albeit as an internal ministry program of HBC, and therefore technically belonging to HBC) provided substantially all of the funding of the Private Checking Accounts.

We identified \$1,187,600 of deferred compensation plan contributions, most of which were for the benefit of MacDonald.

We then analyzed the spending in the Private Credit Card Account of approximately \$900,000 and the Private Checking Accounts of approximately \$1,000,000.

SDK followed certain tax guidance for purposes of our analysis of the spending in the Private Accounts. A church or religious organization is treated like any other employer as far as the tax rules on employee business expenses.⁷

Unsubstantiated Reimbursements to MacDonald

Our analysis revealed that HBC reimbursed MacDonald at least \$23,378 for expenses without proper substantiation for those expenses.

Employer reimbursements of employee business expenses are subject to rules that distinguish between legitimate expense reimbursement arrangements and those that resemble additional compensation. HBC's internal policies regarding employee reimbursements stated that an accountable plan was being maintained. An accountable plan is a reimbursement or other expense allowance arrangement that requires employees to substantiate covered expenses and return unsubstantiated advances [IRC Sec. 62(c)].

⁷ IRS Tax Publication 1828 (Rev. 8-2015).

Summary Phase I Report in re: Harvest Bible Chapel

The following requirements are applied on an employee-by-employee basis and must be met for such a plan to be accountable as required by the tax law [Reg. 1.62-2(c)]:

1. Proving a Business Connection. The plan pays reimbursements and allowances only for business expenses. The reimbursements and allowances must be clearly identified as such when the employee is paid.
2. Maintaining Adequate Substantiation. The plan requires substantiation of the reimbursed expenses. The employee accounts for the business expenses by submitting a detailed written record (such as an itemized receipt) substantiating the expense's time, place, amount, and business purpose within a reasonable period of time after the expenses are paid or incurred [Reg. 1.62-2(e)].

If an employee pays or incurs business expenses and is reimbursed for those expenses by the organization without having “adequately accounted”, the reimbursements are treated as made under a nonaccountable plan [Reg. 1.62-2(c)].

3. Requiring Employees to Return Excess Advances. The plan requires the employee to return any advance exceeding substantiated business expenses [Reg. 1.62-2(g)].

Attempting to avoid returning the excess advance requirement by bonusing out excess advances to employees as salary rather than requiring the return of such amounts does not work. The regulations prohibit this and state all amounts paid under such a plan are treated as made under a nonaccountable plan [Reg. 1.62-2(j), Ex. (8)].

The aforementioned reimbursements to MacDonald in the amount of \$23,378 fail to prove a business connection, are not adequately substantiated, and have not been returned to HBC. As such, the reimbursements are treated as having been made under a nonaccountable plan and should be regarded as taxable employee compensation.

Summary Phase I Report in re: Harvest Bible Chapel

Other Payments for the Direct Personal Benefit of MacDonald

Our analysis indicates that at least \$142,058 was spent for MacDonald's personal expenses. Of this amount, only \$48,127 was added to MacDonald's W-2s as additional compensation.

Expenditures for the Benefit of MacDonald's Family Members

Our analysis indicates that at least \$120,660 was spent for the benefit of MacDonald's family members.

Travel

Our analysis indicates that at least \$416,139 was spent on travel expenses for MacDonald and many others. Of this amount, only \$94,046 was added to MacDonald's W-2s as compensation. Included in the air travel expenses above (and one flight in the hunting expense category that is described in a later section) is \$152,364 of private aircraft. None of the private aircraft travel expenses were added to MacDonald's W-2 as additional compensation, and at least some of the travel appears to be related to HBC ministry activities. HBC's internal private aircraft policy states that only HBC's Executive Leadership Team are allowed to use private or chartered travel and that "a clear statement of the advancement of a Church ministry purpose must be included in the necessary paperwork filed to meet IRS regulation and requirements." We were provided a schedule named "Private Flight Tracking 2015-2018," which we understand was prepared by a former executive assistant, that includes the travel dates, destination(s), passengers, cost, and ministry purpose. Interviews with HBC personnel regarding the private flight activity and analysis of flight invoices revealed that the cost of the travel was often provided to HBC at a material discount.

Summary Phase I Report in re: Harvest Bible Chapel

Travel expenses are deductible only to the extent they are not lavish or extravagant under the circumstances [IRC Sec. 162(a)]. Certain courts have held that an expense must not only be ordinary and necessary, but that it must also be reasonable in amount and reasonable in relation to its purpose. A lack of supporting documentation has prevented us from evaluating travel expenses for reasonableness with regard to cost or ministry purpose.

An employee may incur expenses for travel, gifts, and use of a passenger auto or other listed property [as defined in IRC Sec. 280F(d)(4)] if they substantiate these expenses using the rules in IRC Sec. 274(d) and the underlying regulations [Reg. 1.62-2(e)(2)]. The employee must provide the following information regarding the expense [Temp. Reg. 1.274-5T(b)]:

1. The amount of the expense.
2. The time and place of the travel, the date and description of the gift, or the date of the expenditure or use with respect to the listed property.
3. The business purpose or benefit derived (or expected to be derived).
4. The employer's business relationship with the person(s) receiving the gift.

Employees must also submit documentary evidence to meet the adequate records requirement, such as a written receipt or a paid bill, for any lodging expense (regardless of amount) and for any other expense of \$75 or more [Reg. 1.274-5(c)(2)]. The regulations do not specify the precise form of the documentary evidence.

Amounts paid or incurred with respect to a spouse, dependent, or other individual accompanying an officer or an employee on business travel generally are nondeductible unless [IRC Sec. 274(m)(3)]:

- a. the accompanying individual is an employee,
- b. the travel of the accompanying individual is for a bona fide business purpose, and
- c. the travel expenses otherwise would be deductible by the accompanying individual.

Summary Phase I Report in re: Harvest Bible Chapel

Payments for Gifts/Donations/Blessing/Benevolence

Our analysis indicates that at least \$247,858 was spent on payments noted as gifts, donations, “blessings,” or benevolence. We understand that gifts, benevolence, and other payments can be part of the accomplishment of HBC’s exempt purpose. However, such payments should be procured through the standard operating procedures, rather than at MacDonald’s discretion through the Private Accounts. Moreover, we have reviewed HBC’s formal benevolence policy that requires multiple steps before a case can be approved for spending in this category. Finally, certain of the expenditures in this category raise additional questions as to whether they were properly incurred for church operations.

Hunting Expenses

Our analysis indicates that at least \$170,851 was spent on hunting and fishing trips and related expenses.⁸ Expenses included in this category include hunt cost, airfare, lodging, gas, food, gratuities, apparel, guns, and taxidermy (and related shipments). The nature of these expenses and the fact that they were made from the Private Accounts raises the question of whether they were properly incurred for church operations.

Meals and Entertainment

Our analysis indicates that at least \$139,502 was spent on meals and entertainment. Once again, a lack of supporting documentation for most transactions has prevented us from evaluating meals and entertainment expenses for reasonableness with regard to cost or ministry purpose. This lack of substantiation means that these expenditures cannot be deemed as “reasonable” within the meaning of applicable tax requirements.

⁸ All expenses believed to relate to hunting trips have been classified as hunting expenses rather than in categories discussed elsewhere (e.g., travel, apparel, meals).

Summary Phase I Report in re: Harvest Bible Chapel

Apparel

Our analysis indicates that at least \$94,017 was spent on apparel, including eyewear. Of this amount, only \$17,277 was added to MacDonald's W-2s as additional compensation.

Work clothing and uniforms are only considered business expenses if both of the following tests are met:

1. The uniforms are specifically required as a condition of employment
2. The uniforms aren't of a type adaptable to general or continued usage to the extent they take the place of regular clothing [Rev. Rul. 70-474, 1970-2 CB 34]

Through inquiry of HBC personnel, we understand that MacDonald was not required to wear particular types of clothing for his employment and that the purchased clothing was suitable for general or personal wear. As such, the cost and maintenance of such clothing represent personal expenses attributable to MacDonald. We understand that MacDonald often gave gifts of apparel to others, so it is unlikely that all purchases were for MacDonald's direct personal benefit; however, the lack of receipts or other supporting documentation currently prevents such a determination. All such expenses remain attributable to MacDonald without substantiation that such expenses were for legitimate ministry purposes.

Deer Farm Expenses

Our analysis indicates that at least \$71,750 of church spending related to a deer facility for Camp Harvest in Newaygo, Michigan, that is owned and operated by HBC.

Summary Phase I Report in re: Harvest Bible Chapel

STATEMENT OF LIMITING CONDITIONS AND CONCLUSION

We reserve the right to update this SDK Summary Report based on future events and circumstances which may become known to us in connection with this matter, or for additional information that may be supplied to us by HBC.

The forgoing presents our summary findings to date.

Respectfully submitted,

*Schechter Bokken Koster
Andrews & Selzer Ltd.*

Minneapolis, Minnesota

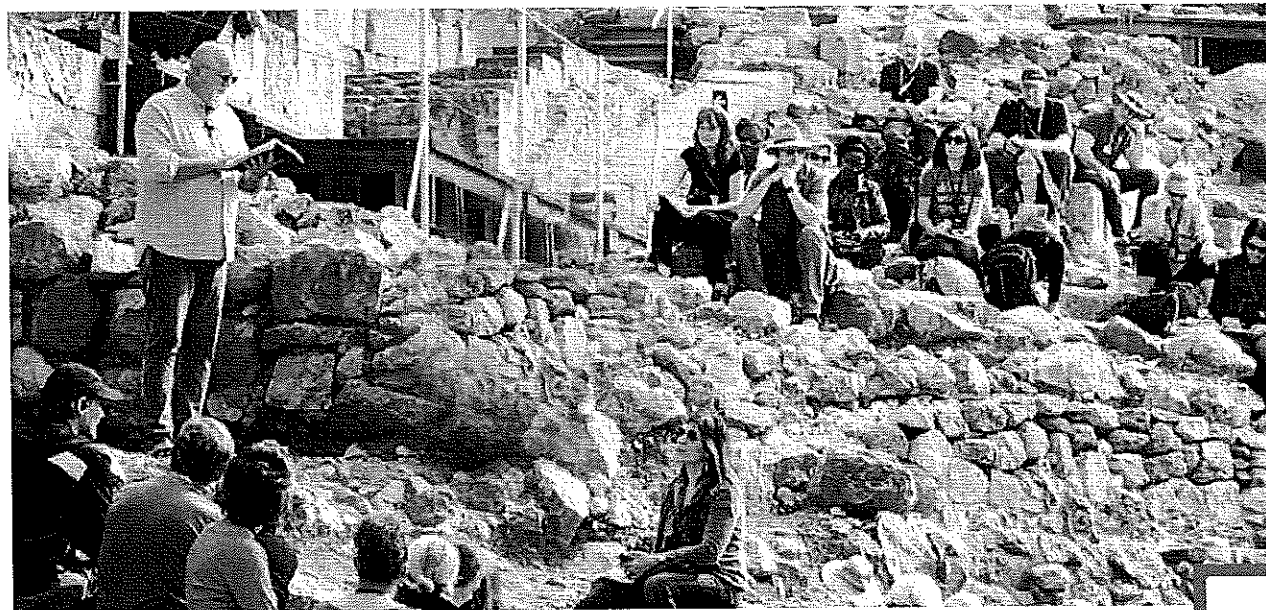
November 21, 2019



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James MacDonald Launches New Ministry & Home Church Network

By Julie Roys

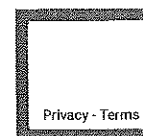
About a year after being fired from Harvest Bible Chapel for conduct “harmful to the best interests of the church,” disgraced former pastor, James MacDonald, has launched a new online ministry and Home Church Network.

MacDonald’s new website features dozens of video sermons recorded during MacDonald’s more than 30-year tenure at Harvest Bible Chapel. More than 50 of the sermons were uploaded to YouTube yesterday.

MacDonald had been in arbitration with Harvest Bible Chapel for rights to his sermons. I reached out to Harvest, inquiring about whether the church and MacDonald had reached a settlement, but the church did not respond. I also reached out to MacDonald, but he did not respond either.

According to MacDonald’s website, MacDonald’s new Home Church Network (HcN) will provide people who “struggle to get to church or to stay in church,” a non-traditional way to do so.

For leaders who qualify, HcN says it will provide a video Bible teaching recorded specially for home groups. HcN also promises to include worship from “some of the most loved and widely appreciated worship leaders in the world.”



According to the website, there are four "HcN beta-groups" that will complete the ministry's training in February.

Last November, the elders at Harvest Bible Chapel formally disqualified MacDonald from public ministry, saying his behavior did not meet the standards for leadership outlined in Scripture.

The church also released the results of financial review, which found that under MacDonald, the church had suffered a "massive corporate governance failure." The review also found that MacDonald had used secret accounts to funnel millions in church funds to himself for personal use.

However, in the "controversy" section of his new website, MacDonald asserts that the "financial accusations are simply false" and denies having had any secret account. He also asserts that the use of church funds for apparel and gifts were not "outside the norms" for a ministry of Harvest's size.

MacDonald also addresses what he calls "sensationalized trips," presumably a reference to church-funded excursions I reported last March. These included an African safari, a month-long Naples vacation, and a trip to a Dominican Republic resort.

MacDonald says the trips were "publicized gifts" that "were approved and given to worthy recipients" for their "faithful service."

MaDonald also addresses use of church funds for the cultivation of a trophy white-tail deer herd at Camp Harvest, saying the deer herd was "a more cost-effective way" of fundraising with high-capacity donors.

James MacDonald Ministries also announced on the website a planned tour of the Holy Land in November 2020. There's also a form on the site for pastors who want to be trained in "better biblical preaching." And there's a form to fill out to invite MacDonald to speak at your church or ministry event.

The website also is selling five of MacDonald's books. Both Moody Publishers and Lifeway said last year that they will no longer sell and/or carry books by MacDonald.

It's not clear whether James MacDonald Ministries is a registered nonprofit with the IRS. When you click on the "Give" button, it says that James MacDonald Ministries is not accepting online donations at this time."

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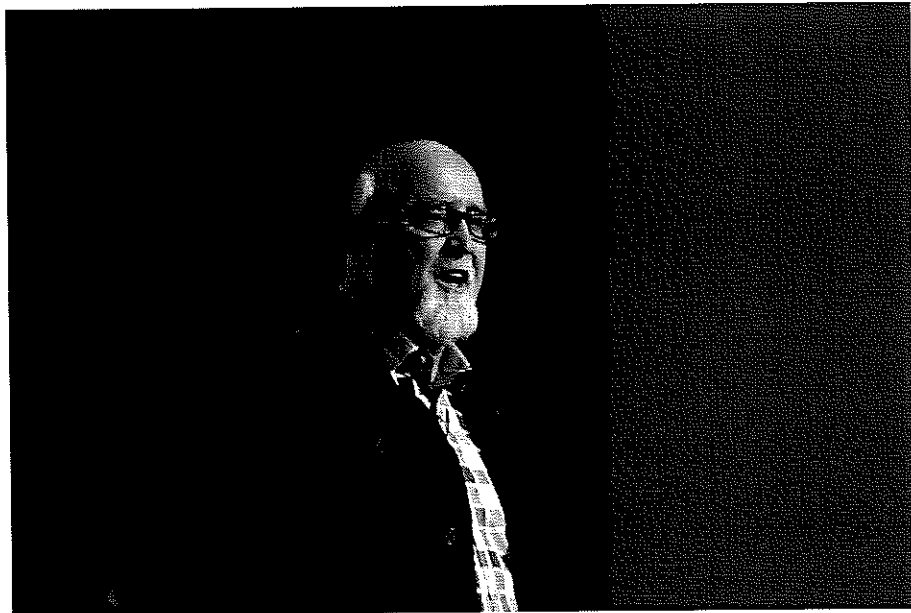
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Harvest Bible Chapel founder James MacDonald signals 'early 2020' return to ministry

By [Leonardo Blair](#) ⁽¹⁾, Christian Post Reporter



James MacDonald, pastor of Harvest Bible Chapel, speaks at the Pastors' Conference 2014, ahead of the Southern Baptist Convention's Annual Meeting, on Monday, June 9, 2014, in Baltimore, Md. | (Photo: The Christian Post/Sonny Hong)

Disgraced Harvest Bible Chapel founder James MacDonald who [recently repented](#) ⁽¹²⁾ for the circumstances that led to his unceremonious ouster from the greater Chicago megachurch he founded more than 30 years ago, has signaled he could likely return to the pulpit in "early 2020."

"Early in 2020, around the anniversary of my last local church sermon, we will begin considering interim preaching opportunities," MacDonald said in a message on his ministry website, [jamesmacdonaldministries.org](#) ⁽¹³⁾, where he lists Vertical Church and Act Like Men as ministries that are "coming soon."

MacDonald was [ousted as leader of Harvest Bible Chapel](#) ⁽¹⁴⁾ on Feb. 12 in the wake of "highly inappropriate recorded comments" he made on a [radio program](#) ⁽¹⁵⁾ as well as "other conduct."

He was recorded talking about planting child pornography on Christianity Today CEO Harold Smith's computer, and made crude remarks about independent journalist Julie Roys — including joking that she had an affair with now former CT Editor-in-Chief Mark Galli — and a vulgar reference to Ed Stetzer, executive director of the Billy Graham Center at Wheaton College.

He was also [investigated for financial abuse](#) ⁽¹⁶⁾ and on Thursday, Harvest Bible Chapel published a summary of a legal and financial review of MacDonald's reign, suggesting he [extensively misused](#) ⁽¹⁷⁾ the church's financial resources for improper financial benefit.

While he continues working on his healing and restoration with his wife, Kathy, under the leadership of Pastor Wilfredo DeJesus of New Life Covenant Church in Humboldt Park, Chicago, MacDonald said he was still working on "significant unresolved issues related to our separation from the church we founded in 1988."

Some of those issues relate to [the shifting around of resources](#) ⁽¹⁸⁾ between the church and church-related entities such as MacDonald's teaching ministry, called Walk in the Word, and Harvest Bible Fellowship, the former church planting network that was dissolved in 2017.

The former executive committee at the church said MacDonald signed an agreement dated Jan. 1, 2015, which gave him ownership of all "works of authorship created by MacDonald" and "all net financial and legal assets related to Walk in the Word."

That agreement is now under question because no corporate board minutes reflect the integrity required regarding intellectual property issues.

Last Thursday's [report](#) ⁽²²⁾ also showed that MacDonald was receiving in excess of \$1 million in executive compensation annually from Harvest Bible Chapel from 2015 to 2019.

It also found that from Jan. 1, 2016, through Feb. 14, 2019, approximately \$3.1 million was spent through the private accounts controlled by James MacDonald and his close associates. Approximately \$1.2 million was used to fund deferred compensation plans, primarily for the benefit of James MacDonald, all of which was approved by Harvest Bible Chapel's compensation committee. Another \$1.9 million was also used for other spending, apparently at James MacDonald's direction the report said.

Much of that expenditure, the report said, lacked sufficient documentation "to determine who authorized the purchases and whether the expenditures served a purpose for HBC or were of a personal nature."

Harvest Bible Chapel, which formally [disqualified](#) ⁽²³⁾ MacDonald from ministry earlier this month, is also now asking him to supply evidence that his spending of certain church funds was approved, and to reimburse the church if it was not.

On his comeback website, MacDonald noted that the disagreements between himself and the church on matters regarding his separation will be settled through a process of Christian arbitration, administered by the International Counsel for Christian Conciliation as mandated in the church's bylaws.

"ICC rules require a level of confidentiality, which precludes efforts to gain advantage through publicity or otherwise seek to bypass the work being done by a panel of Christian arbitrators. This process will likely continue through spring of 2020. Beyond a settling of disputed matters, we pray for a true reconciliation and mutual public statement that resolves false information, accomplishes closure, and begins the healing for all concerned. Please pray for our Spirit-filled endurance toward those ends," MacDonald added.

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EXHIBIT
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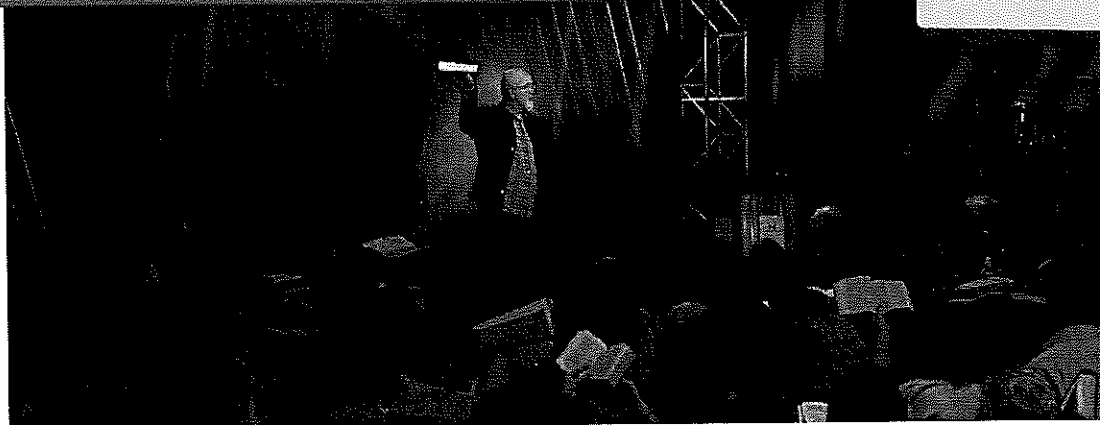
James MacDonald



James MacDonald
@DrJamesMacDonald

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