

# Morris Cerullo Faces Thorny Lawsuit

The evangelist denies claims made by a former employee who demanded \$2.2 million not to sue

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Morris Cerullo, who turns 70 later this year and has no plans to slow his global gospel outreach, has been sued by a former employee who claims that the California-based evangelist is defrauding donors.

The suit was filed in May of last year by John Paul Warren, an Assemblies of God (AG) minister who served as an executive at Morris Cerullo World Evangelism (MCWE) headquarters in San Diego from March 1998 until he was fired in October 1999.

Since then, staff at MCWE have been scrambling to deal with Warren's claims, which include fraud, violation of the California Labor Code and misuse of Warren's confidential 5,000-name mailing list.

MCWE officials flatly deny Warren's allegations. Cerullo says he cannot comment on specifics of the suit until it is resolved. In a statement provided to Charisma, MCWE's board of directors said they consider Warren's allegations to be "100 percent without merit."

Privately, Cerullo executives view the lawsuit as an attempt by Warren to extort money from their ministry. Their statement says that prior to Warren's lawsuit being filed, he demanded

\$2.2 million not to sue. In response MCWE officials asked Warren to submit his grievances to binding Christian arbitration, but he refused.

“He responded through his attorney that he would go to nonbinding arbitration, and only on the condition that MCWE pay all the expenses for both sides of the arbitration,” the MCWE board said.

In the lawsuit, filed in San Diego Superior Court, Warren alleges that Cerullo persuaded him to join his ministry by promising that he would become Cerullo’s “partner,” “second in command,” and eventual “successor” at MCWE. The suit claims the promises were so convincing that Warren gave up ministries he had established in northern California, turned over his donor database to MCWE and moved to San Diego.

However, the suit charges, “These promises never materialized nor were they ever intended to.” The suit also states that during Warren’s extensive traveling with Cerullo, he began to be concerned about “unethical and fraudulent fundraising techniques” at the ministry.

For example, Warren claims in the suit that at a January 1997 MCWE Annual Conference, as well as in fund-raising letters, Cerullo asked donors for a \$1,500 gift to MCWE. In return, Warren said MCWE promised to provide them with a satellite dish allowing access to its global prayer satellite network as well as other organizational events. Warren claims the promised satellites were never given to donors.

Rick Towne, an attorney representing Cerullo, said the ministry made it clear to donors that the satellite dish offer

was contingent on negotiations with system providers, and that MCWE handled the offer legally.

According to the suit, an AG congregation in Salem, Ore., that was considering Warren as a candidate for senior pastor, reversed their decision to hire him after the church board learned of his lawsuit against Cerullo. Warren, who sold his San Diego home to make the move to Salem, contends that his name was withdrawn from consideration after representatives from People's Church called MCWE for a personal reference.

Randy Campbell, senior associate pastor at People's Church, told Charisma the church has nothing to say about the situation since everything discussed at board meetings is confidential.

In addition, Warren claims that MCWE officials' interference severely damaged his relationship with the AG, including his "future employment opportunities, since the AG is the recommending body for all of its churches." AG officials at the Southern California district office and at the denomination's headquarters in Springfield, Mo., said they did not have enough information to comment on the case—which is expected to go to trial in June.

Another suit against Cerullo, filed by Harry Turner, a former MCWE vice president who resigned in November 1999, was recently settled out-of-court. Turner said the settlement agreement prohibits him from revealing how much money he received from MCWE.

However, a letter to Cerullo's ministry from Dean Broyles, an attorney for Turner, revealed that Turner demanded \$800,000

“to settle this matter short of litigation.” The letter is among public documents filed at San Diego Superior Court.

Turner’s list of grievances against Cerullo included allegations of lies and fraud by Cerullo to his donors. In a November 2000 deposition that was part of the suit, Robert Killion, Cerullo’s chief financial officer, admitted that the federal government was investigating allegations of mail fraud at Cerullo’s ministry.

Davis Frast, a public information officer and postal inspector with the Postal Inspection Service, said that his agency has received complaints about Cerullo’s ministry and the agency is in the first stages of an investigation.

MCWE officials could not comment on specifics of either lawsuit, but one official said he believed both situations were attempts to steal money and energy from a ministry that is reaching millions.

MCWE has never been a member of the Evangelical Council for Financial Accountability (ECFA), an evangelical self-policing group. ECFA President Paul Nelson told Charisma that his organization gets frequent calls concerning Cerullo and other similar ministries. “But we don’t know anything about our nonmembers,” Nelson said. “Non-high-profile members are more conspicuous by their absence, but it doesn’t make them bad.”

Officials at the ministry vigorously defend Cerullo as a tireless crusader for the gospel. The evangelist has just completed a 3-1/2 yearlong outreach that cost a whopping \$60 million. He also aired a prime-time gospel TV special last December that cost \$3 million in airtime—and reached an

estimated 2 billion people.

Cerullo has now embarked on his most ambitious project yet: a "Decade of Harvest" campaign in which he plans to preach or distribute gospel materials to the 276 least evangelized people groups in the world during the next 10 years.