Eddie Long Sued by Former Church Members Over Alleged Ponzi Scheme

Megachurch pastor Eddie Long is facing a lawsuit by former church members who claim that he encouraged them to invest money with a company, which he knew had a $3 million capital deficit.

The pastor of New Birth Missionary Baptist in Lithonia, Ga., was named—along with his church and Ephren W. Taylor—in the suit filed by 12 former church members, who say they lost more than $1 million in an alleged Ponzi scheme.

The lawsuit says though Long did not invest himself, he introduced Taylor as his “friend (and) brother,” and urged parishioners to invest with the self-professed “social capitalist” before Taylor’s pitch to the congregation, the *Atlanta Journal-Constitution* reports.

“If Bishop Eddie Long hadn’t endorsed this they wouldn’t have invested,” the *AJC* reported plaintiffs’ attorney Jason Doss saying.

“That was my everything, and that’s it, it’s gone,” said plaintiff Lillian Wells, who invested $122,000 with Taylor, who said he was a self-made millionaire by age 16.

Church spokesman Art Franklin said in a statement that Long “remain(s) hopeful that Ephren Taylor and companies related to him restore the funds that were taken from congregants at New Birth and churches around the county. We continue to cooperate as the case proceeds.”

Filed in a Georgia state court late last month, the lawsuit says Long’s assistant was warned by an unidentified caller that Taylor was not to be trusted almost two weeks before Taylor held a series of financial seminars at the church in October 2009.

The church's statement does not address the alleged warning about Taylor. The church handed over an internal memo detailing the phone call, in which an unidentified informer told Long's assistant he "did not want the church to be taken advantage of."

The caller went on, saying Taylor would issue promissory notes to the congregation which gives him legal authorization to do what he wants. "There will be no return on investment," the memo said.

The plaintiffs say that is exactly what happened. They claim Taylor issued a promissory note informing them he was investing their money in real estate, promising a 20 percent return.

The Securities and Exchange Commission has a pending civil case against Taylor, who has allegedly targeted more than 1,000 investors—mostly church members.

"These are good, Christian, hard-working people who saved their whole lives, " said attorney Cathy Lerman, who represents the plaintiffs in a class-action lawsuit.

Long's 25,000-member church has seen a number of hardships in the last couple of years. Though he has denied the charges, the bishop reached a settlement with four young men who alleged sexual coercion.

His wife, Vanessa Griffin Long, filed for divorce in late 2011. Following the divorce petition, the charismatic bishop took a short leave of absence to deal with family issues and reconcile with his wife. Vanessa Long dropped the petition last February.