

IN GOD WE TRUST

BIG BANKS AND DESPERATE DEBTORS HAVE MADE AN EAST VALLEY MINISTRY MILLIONS.

BY BRUCE RUSHTON



Richard Ellison, founder and president of Help Ministries, says his organization is doing the Lord's work.

In a message on the Mesa-based group's Web site, Ellison says the 28-year-old ministry is "a voice in a hurting world, but more than a voice, a committed group of people ready to make a difference any where in the world God calls." The Web site is replete with feel-good stories about the ministry's efforts to help Christians in Mexico, Romania and Kenya.

"Our call and our ministry is to be a John the Baptist — to be a voice in the wilderness, saying 'Behold the lamb!'" Ellison proclaims.

It certainly sounds better than saying the ministry is a collection agency funded by desperate debtors, lining the pockets of big banks while providing ministry insiders, including Ellison, with wads of cash.

In 1997, Help Ministries expanded its charitable operations by entering the credit counseling industry, with a stated goal of educating and assisting debtors. Business has boomed. Before 1997, revenues were typically less than \$200,000 a year. Last year, Help Ministries took in \$47 million.

And prospects look good.

With credit-card debt in the United States soaring past \$730 billion and banks handing out plastic to just about anyone who can sign an application, the credit counseling industry is in a position to continue its steep growth.

Personal bankruptcies have nearly doubled during the past decade; filings last year set an **continued on page 18**

ILLUSTRATIONS BY MARK POUTENIS

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all-time record. And Congress is considering legislation that would require debtors to seek credit counseling before filing for bankruptcy, which could mean millions of new clients for agencies like Help Ministries.

But don't expect Romanian orphans to benefit. For all its growth, Help Ministries hasn't increased charitable spending much. Almost all of the money the ministry has earned from credit counseling has gone directly to a for-profit company owned by a former ministry board member. Marketing budgets dwarf charitable spending by tens of millions of dollars. Ellison's salary has more than tripled.

It might all be perfectly legal — or it might not. This is exactly the type of enterprise that's raising eyebrows at the Internal Revenue Service, which is auditing 50 of the nation's nonprofit credit counseling agencies with an eye toward yanking their tax exemptions. The IRS won't publicly reveal which agencies are facing scrutiny, and the ministry won't say if it's a target.

If the government decides the ministry is a business instead of a charity, it could levy back taxes against monies left over after the ministry paid its credit-counseling bills, a pool of cash exceeding \$3 million.

Even if the ministry keeps its tax exemption, it could be forced to pay stiff penalties if the IRS rules that payments to for-profits were excessive. The ministry's for-profit partner, owned by a former board member, which has received tens of millions of dollars from Help Ministries for marketing and account processing, could also be forced to pay the government twice its windfall if the IRS rules the ministry paid too much for services. How much the ministry would have to pay is impossible to say, but the IRS last month filed a \$15 million claim against Ameridebt, one of the nation's biggest credit-counseling agencies, which stands accused of masquerading as a charity while shipping mountains of cash to a processing business controlled by an insider.

Noting that private businesses make millions of dollars, the IRS says credit counseling isn't inherently charitable. Consumer advocates say the credit counseling business has put a black mark on all nonprofits.

"Unfortunately, the term has lost its meaning because of this industry," says Eric Friedman, acting director of the Montgomery County Office of Consumer Affairs in Maryland, one of the first consumer-protection agencies in the nation to recognize that credit counseling is big business.

Help Ministries officials don't like to talk about their finances. Ministry officials declined interview requests from *New Times*, finally referring questions to a New York public relations firm, which insisted on written queries and written responses. The answers weren't enlightening.

But government documents reveal plenty. Just seven years ago, the ministry told the IRS it was in the red. Since entering the credit counseling

business, Help Ministries has taken in more than \$109.5 million and spent \$1.26 million on charity. Debtors aren't told that most of their money is going to Debt Free Arizona, a for-profit company owned by a former ministry board member. Instead, visitors to debtfreeatoday.com, where the ministry posts online debt-management applications, are encouraged to visit the ministry's Web site to see examples of the organization's charitable works in foreign lands.

But the ministry's spending on Romanian causes has remained essentially flat since Help Ministries entered the credit counseling business — in 2001, when the ministry took in nearly \$14.8 million, it spent less than \$40,000 in Romania, its only charitable spending that year. In its written answers to *New Times* sent via its PR firm, the ministry says it hasn't spent more because it wants Romanian operations to become self-sufficient. The focus, the ministry says, is shifting to Kenya and Mexico, where the ministry wants to build a church and community center. It tells potential donors construction will cost \$50,000.

But the ministry had more than \$900,000 in the bank at the end of 2003, according to its annual report to the Arizona Corporation Commission.

And here's the rub: Help Ministries, a nonprofit charity, is required to publicly report details of its finances so the public can know money has been well-spent. But the tens of millions that Help Ministries funneled straight into Debt Free Arizona? None of your business. That company's for-profit, and its records are secret.

Only the IRS can say whether the ministry, which has told the government it has no employees, is an illegal nonprofit front for Debt Free Arizona, but it's certainly a cash cow.

Deanne Loonin, a lawyer with the National Consumer Law Center in Boston, says she's never heard of a ministry entering the credit counseling industry and growing so large so quickly.

"It's an interesting twist," she says. "It's fairly typical for nonprofits that do other things to do credit counseling. But not on that scale.

"They're a big player."



Richard Ray Ellison entered the ministry business full-time in 1954. It was a hardscrabble life. Ellison and his family once lived in a bus for more than four years as they drove around the United States and Canada, spreading the good news. But better days were ahead.

Help Ministries incorporated in Arizona and Washington state in 1976, where it started a Christian radio station that it sold in 1998. Besides broadcasting the gospel in Washington, Help Ministries distributed Bibles in Russia and Eastern Europe. The ministry also provided medical supplies and other humanitarian aid overseas. In 1992, the ministry started focusing on Romania, where it opened a radio station (a second station went on the air in August) and began shipping food, clothing and other supplies to orphanages.

It's not clear when Ellison actually moved to Arizona, but by the 1980s, he was buying and selling real estate in Maricopa County, where he started a Mesa RV dealership.

While Ellison is the ministry's face, the guy who apparently took Help Ministries from relative rags to all-out riches is Matthew C. Golden, a former member of the ministry board. While still on the ministry board, Golden created Debt Free Arizona when the ministry entered the credit counseling business seven years ago, with himself as president, CEO and sole shareholder. Debt Free Arizona processes accounts for the ministry, making sure funds go from debtors to creditors, and also gets paid for marketing debt management plans to folks in financial straits.

Golden didn't return calls from *New Times*. Public records show he bought a \$2.2 million home in Paradise Valley in 2002, making a \$500,000 down payment. It was a considerable upgrade from the Scottsdale home he still owns, which is worth nearly \$300,000.

Incredibly, the size of Help Ministries' credit counseling operation didn't become clear until years after the ministry got into the business. Even the ministry's own accountant was oblivious.

As recently as 2000, Help Ministries was filing tax returns and reports to the state corporation commission that showed it to be a relatively small organization. But Margery Jones, a CPA in Washington state who is the ministry's former bookkeeper, warned that balance sheets in the ministry's 2000 state report couldn't be trusted.

"Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles," Jones wrote in a 2000 letter to the ministry board. "If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, Statement of Activities and cash flows."

In an interview with *New Times*, Jones, whom the ministry replaced as its accountant in 2001, says she wasn't clear about Debt Free Arizona's relationship with Help **continued on page 23**

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Ministries. "I saw the name Debt Free and I wasn't familiar with it," recalls Jones, who adds that the ministry got a new CPA because it no longer was doing business in Washington after selling its radio station. "I'm sure I talked about it because I prepared the tax return. I really didn't quite understand what they were doing. And they didn't privy it to me."

Jones' warning about the ministry's books proved prophetic.

The truth came out in the ministry's 2001 tax return, which included a four-year revenue snapshot going back to 1997. The ministry hadn't previously reported nearly \$6.7 million received in 2000 and more than \$2.3 million in 1999. All told, the ministry had under-reported its income by about \$10 million since entering the credit counsel-



Help Ministries' founder and president, Richard Ellison, with his wife Leona.

ing business.

The numbers come as a shock to Jones.

"Oh my gosh," she says. "I didn't know them as a company that makes \$10 million."

It's not clear whether any laws were broken. The IRS typically allows nonprofits to correct returns without penalties if they fix them before auditors discover unreported income. The IRS takes a dim view of insiders profiting from deals with charities over which they have influence, and the law says insiders remain insiders for five years after leaving a nonprofit. Potential penalties include revocation of tax exemption or big financial penalties for insiders who benefited and nonprofit officials who approved the deals.

Only the IRS can say whether Help Ministries has played by the rules. But the ministry's payments to Golden's company certainly raise questions.

Any infomercial-watching insomniac or Internet surfer knows the pitch.

Drowning in credit-card debt? Hounded by collection agencies? Call us. We'll lower your interest rates. You'll be in the clear within five years. And you can trust us. After all, we're a nonprofit agency.

But there's a ton of money to be made. The nation's credit counseling agencies reap an estimated \$1 billion a

year in gross revenue. And it's tough to get big without being a charity because many creditors, and some states (but not Arizona) require agencies to be nonprofit.

Until a decade ago, credit counseling wasn't big business. Creditors helped set up the industry in the 1960s, when banks recognized both they and consumers could win if cardholders could find a way out of debt without declaring bankruptcy. It sounded like a good idea to the IRS, which granted

nonprofit status, especially since services to debtors were free. Banks paid for everything by giving the agencies a percentage of collections.

At the beginning, the focus was on education. The first credit counseling agencies taught consumers how to live within their means, with counselors poring over incomes and expenses in face-to-face meetings with consumers. In some cases, debtors found their way to solvency without getting breaks on unsecured debts. In others, banks low-

ered interest rates and waived late and over-limit fees if there was no other way to balance a cardholder's budget. Debtors enrolled in debt-management plans (or DMPs), sending monthly payments to credit counseling agencies, which forwarded the funds to creditors.

It was a self-serving arrangement for creditors. Card-issuing banks could collect at least the principal, which was better than a cardholder declaring bankruptcy and **continued on page 25**



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leaving unsecured creditors with nothing. Besides kickbacks from creditors, the agencies enjoyed support from such stalwart do-gooders as the United Way. The system operated for more than two decades, almost invisibly.

That changed during the 1990s, when banks handed out cards like candy and personal bankruptcies nearly doubled. Hundreds of millions of dollars were at stake, both for the banks and credit counselors. A new breed of credit counseling agencies sprang up, eager for their share. And greed replaced any semblance of benevolence. While trumpeting non-profit status, this dog-eat-dog generation of credit counselors competes fiercely for customers, spending lavishly on advertising and flooding television airwaves with promises and testimonials from satisfied customers. An estimated nine million debtors call for help each year.

But the deal isn't nearly as good as in the old days.

“CREDIT COUNSELING IS NOT INHERENTLY CHARITABLE.”

— IRS CHIEF COUNSEL
DAVID L. MARSHALL

As more counselors entered the fray, banks began reducing the percentage they kicked back to the agencies. Instead of 15 percent, banks today typically return less than 10 percent to credit counselors. Cardholders make up the difference with fees paid to the agencies. Education about personal finances has taken a back seat to enrolling cardholders in payment plans. Teach a cardholder how to live within his means and you won't collect a nickel. But enroll him in a debt-management plan and you'll make money

from him and his creditors. Many of the new agencies, including Help Ministries, collect more from debtors than from creditors. The ministry's tax returns show roughly two-thirds of its credit-counseling revenue comes from desperate debtors.

The banks set the rules for the credit counseling industry, decreeing how much they'll reduce interest rates and under what circumstances. So a debtor isn't likely to get a better break from one credit counseling agency than another. Furthermore, a debtor

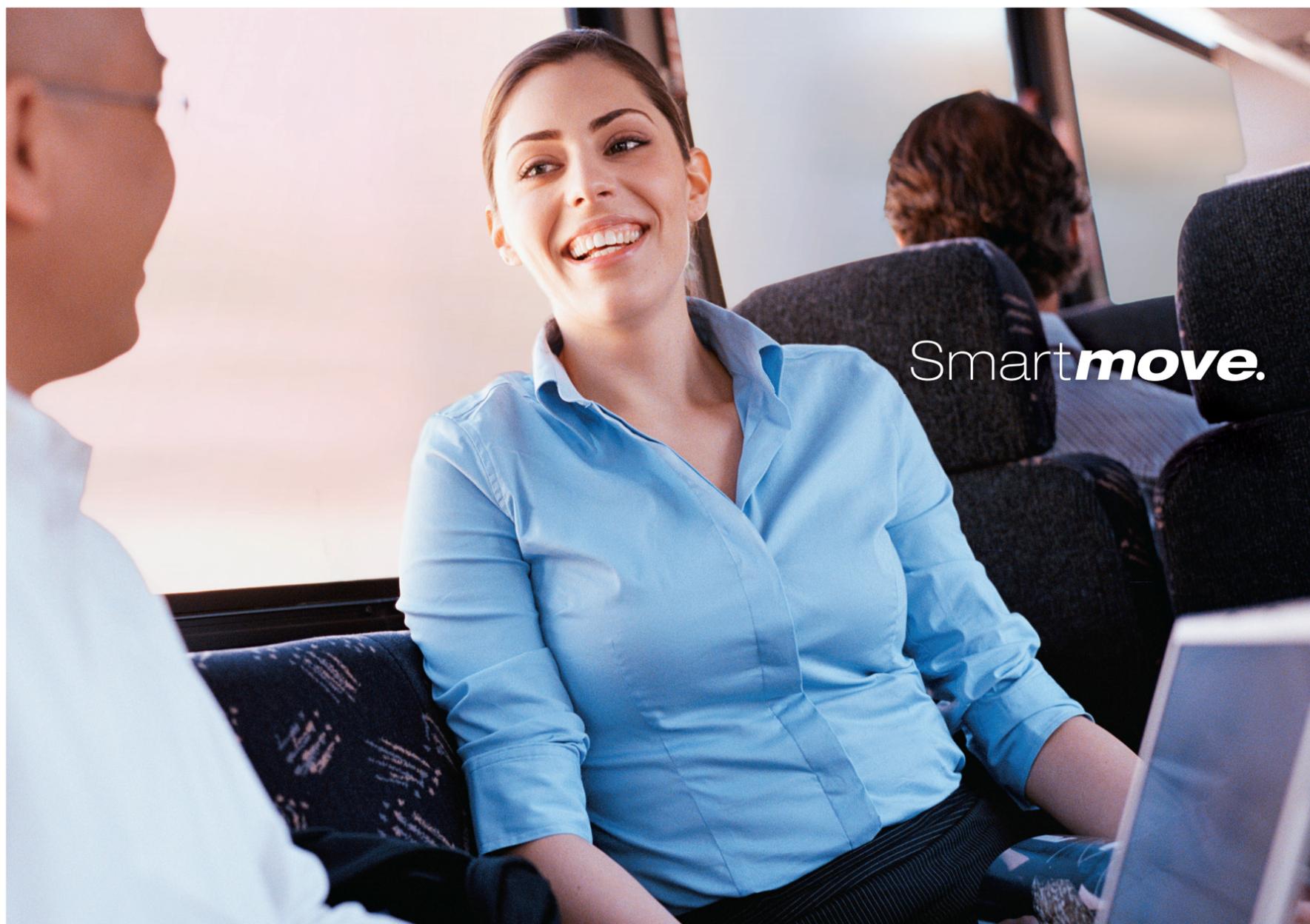
may be able to avoid paying anything to a credit counseling agency by bargaining directly with creditors.

If you think credit counseling sounds like a kind term for collection agency, you're not alone.

“Credit counseling is not inherently charitable, and a very substantial, if not the sole, activity of the credit counseling organizations we have encountered is operating a business,” IRS chief counsel David L. Marshall wrote in a July 2004 memo outlining the government's strategy for yanking tax exemption from credit counseling firms. “We are seeing . . . receipts of millions of dollars paid out to for-profit organizations but very little going to further public purposes.”

In the case of Help Ministries, millions of dollars are flowing to Debt Free Arizona.

In 2001, the ministry took in \$14.7 million from credit counseling and paid nearly \$14.5 million to Debt Free Arizona. In 2002, the ministry had nearly \$37 million in credit-counseling revenue and paid **continued on page 26**



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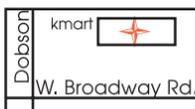


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Debt Free Arizona more than \$35 million for processing accounts and marketing. And marketing is, by far, the ministry's biggest expense. According to its most recent tax return, the ministry spent more than \$16 million on marketing in 2002. The ministry hasn't filed a 2003 tax return breaking down its income and expenses, but its report to the Arizona Corporation Commission shows \$47 million in revenue last year. The IRS routinely grants filing extensions to nonprofits, so it's not unusual for returns to be filed as late as November.

In a written statement sent via its New York PR firm, Help Ministries tells *New Times* that its service provider is actually Debt Free Financial Systems, the new name for Debt Free Arizona and an entity "entirely unrelated" to the ministry.

That's not entirely accurate, since the corporation's directors are Debt Free Arizona, Matthew Golden and the Matthew Golden Family Trust, accord-

ing to the state corporation commission. The ministry's tax returns and reports to the commission show that Help Ministries was doing business with Debt Free Arizona while Golden sat on the ministry's board of directors. Golden resigned from the ministry board in 2001, but he's still an insider under the tax code.

Under the law for nonprofits, a charitable organization must ensure that any deals with an insider are done at fair-market rates and don't unduly enrich the insider, so Help Ministries must show it treated Debt Free Arizona like any other business when it shipped the money.

In its written statement, the ministry says Golden abstained from "any and all" board discussions about credit counseling while he sat on the ministry board. In addition, the ministry says it conducts surveys to ensure it pays fair value in contracts with for-profit businesses.

"It's an obvious potential for conflict," says Loonin, the lawyer with the National Con- **continued on page 29**

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sumer Law Center in Boston, which has called on the IRS to revoke tax-exempt status from credit counseling agencies that behave like businesses. "Whether it's illegal or not depends on the IRS."

The IRS isn't talking about Debt Free Arizona or Help Ministries, but in his July memo, the IRS chief counsel

for its huge marketing budget, nor for its foray into credit counseling, which it insists is a charitable endeavor, part of being a good Christian. In its tax returns, the ministry says credit counseling is "a wholistic [sic] approach to being a vessel of hope."

It tells the public the same thing on its Web site: "HMI (Help Ministries Incorporated) believes people are best able to lead fulfilling lives and minister



HELP MINISTRIES FOUNDER RICHARD ELLISON'S DAYS OF LIVING IN A BUS ARE OVER.

says credit counseling agencies that ship most of their money to for-profit processing firms could be in trouble even if the recipients aren't insiders.

"Some of these [credit counseling] CEOs have stated that they are paying out a high percentage of their gross receipts for back-room services," Marshall writes. "Such a case is an illustration of private benefit. The second-generation [of credit-counseling] entities appear to be created by promoters for the benefit of the promoters and the back room offices, rather than to serve a public purpose."

The IRS's get-tough stance has put the industry on its heels.

"They're deadly serious," says Jeffrey Tenenbaum, a Washington D.C. attorney who specializes in the credit counseling industry and has clients caught in the IRS's crosshairs. "They have an audit initiative underway that is unlike anything I have ever seen in any sector of the tax-exempt community. To my knowledge, they have not revoked anyone yet, only because the audits have not been concluded yet. My prediction is you will see a number of revocations of tax-exempt status."

The IRS wants to know that tax-exempt credit counseling agencies are truly educating people about personal finances regardless of their ability to pay, not just signing folks up for DMPs that generate money. Another concern is contracts between nonprofits and for-profits controlled by insiders.

"That's a big red flag for the IRS," Tenenbaum says.

Help Ministries makes no apologies

to others when they are free of the stresses created by overwhelming debt."

Help Ministries' spending priorities changed as cash rolled in.

Richard Ellison, the ministry's founder and president, has seen his annual salary zoom from less than \$40,000 to \$130,000. His days of living in a bus are over. The ministry in 2002 paid a quarter-million dollars for a motor home, which it says was used to travel the western U.S. spreading the Gospel.

In its written statement, the ministry says Ellison got a raise because he started working full-time. The motor home was sold this year, the ministry says.

A venture formed in 2002 by Ellison's daughter Judy Ellison-Overrein has shot past Help Ministries' foreign missions to become the ministry's biggest charitable cause.

In 2002, Ellison-Overrein formed a nonprofit called The Sequel Institute, which incorporated one week after she left the ministry board. The ministry gave the institute \$233,000 last year, which accounted for virtually all of the institute's income.

Based in Scottsdale, The Sequel Institute isn't aimed at Christians in foreign lands. Indeed, precisely what it does — and how many people it helps — is a mystery, judging from tax returns and the institute's Web site, which includes a logo reminiscent of the MasterCard **continued on page 30**

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moniker. Ellison-Overrein did not return a phone call from *New Times*.

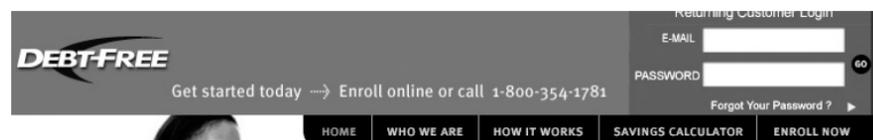
Help Ministries doesn't mention the institute on its Web site detailing its charitable causes, but it has told the IRS that the Sequel Institute is a family counseling service. On its Web site, the institute ("A Spiritual Place For Healing The Soul") says its mission is "to provide education, resources and assistance to people who have been disadvantaged in life by adverse experiences."

Ellison-Overrein says she's invented something called the AlphaKardia System, which combines music and other sounds to "promote alpha state relaxation while addressing correlated responses in mind, body and spirit, ultimately mediated through the heart."

CDs that teach the system cost \$19.95,

year aside from the ministry's six-figure contribution. The biggest expense was payroll, which ate up \$130,000. The institute's public report doesn't state how many people the institute employs, but consultants, lawyers and accountants were paid an additional \$30,000. Although Ellison-Overrein is the daughter of the ministry president, Help Ministries insists that the Sequel Institute didn't get any special consideration. The ministry points out that a majority of its board of directors, which decides who gets money, aren't related to each other through blood or marriage. That wasn't always true.

According to public records, every member of the board was related to Ellison as recently as August, 2002. One apparent relative was Kelly James Overrein, who joined the board some-



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Debtors who sign up for debt-management plans aren't told most of their money is going to a for-profit business.

not including shipping and handling. The institute also offers weekend AlphaKardia seminars and invites would-be clients to call with no obligation. A free sample on the Web site may explain why the institute hasn't been able to support itself.

Evoking equal parts Mister Rogers and the spoken word section of the Moody Blues' "Nights In White Satin," a woman, presumably Ellison-Overrein, tells the listener to take a moment from his busy day, imagine himself on a secluded beach and breathe in through his nose, then release and relax. Chimes ring in the background.

You can complete the self-help mission at sequelinstitute.org.

Judging from the institute's most recent report to the Arizona Corporation Commission (it hasn't yet filed a federal tax return), the AlphaKardia system hasn't been a hit. The institute had less than \$6,000 in income last

time in 2002 at an annual salary of \$36,000, according to IRS records. He was a curious choice for an outfit that's supposed to teach financial discipline.

Citing nearly \$8,000 in credit card debt, Kelly Overrein declared bankruptcy in the spring of 2002. He was 30 years old and living at the same address as Judy Ellison-Overrein and James Overrein.

In keeping with its tight-lipped policy, the ministry refused to tell *New Times* whether Kelly Overrein was living with his parents.

The government is cracking down on nonprofit credit counseling agencies that behave like businesses.

In testimony to the U.S. House Ways and Means Committee Subcommittee on Oversight Concerning Section 501(c)(3) Credit Counseling Organizations, IRS

commissioner Mark Everson a year ago said tax-exempt credit counseling agencies must accomplish a charitable purpose and operate for the benefit of the public.

"An organization must establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization or persons controlled directly or indirectly by such private interests," Everson told the subcommittee.

While Help Ministries touts its overseas missions, Loonin, the lawyer with the National Consumer Law Center, says she doesn't think the tax code allows a credit counseling agency to hang its charity hat on causes that have nothing to do with helping people find their way to solvency. "My interpretation of that is no: If it's a credit counseling agency that's going to operate as a nonprofit, even if it's just an arm of another agency or whatever, then the charitable or educational purpose has to be related to credit counseling," she says.

To be recognized as a charity, the IRS says credit counseling agencies must provide financial education to people regardless of their ability to pay, not just sell money-generating debt management plans. In short, education should be the point, not an afterthought.

Help Ministries says anyone can stop by its Mesa office for one-on-one counseling, but that would be impossible for thousands of ministry clients who live outside Arizona. The ministry also says it fulfills its educational mission by mailing informational fliers to everyone who calls, regardless of whether they enroll in a DMP.

Help Ministries posts online articles and a newsletter that includes money-saving tips such as keeping the tires on your car properly inflated and declining insurance coverage when renting an automobile. Three "educational partners" are a click away. Two of the sites can be accessed by anyone without the ministry's help.

The third requires a user name and a password issued by the ministry. The lessons are hardly startling. For example, in a section called "Ask The Experts," folks who want to increase their income are provided, without elaboration, four pieces of advice: Get a higher paying job, take a part-time job, sell unneeded possessions and spend less.

Tenenbaum, the Washington lawyer who specializes in the credit counseling industry, advises agencies that they need to be serious about education and provide bona fide counseling, with no more than one-third of their activities devoted to signing people up for DMPs. Otherwise, they risk losing their tax-exempt status.

"Moreover, the IRS has indicated that pre-packaged literature, CD-ROMs and other frequently utilized educational efforts are not enough," Tenenbaum writes in an article posted on his law firm's Web site. "One-on-one consumer counseling, community seminars and similar interactive educational efforts are critical, including



for those who cannot afford to pay . . . and particularly for those who do not qualify or otherwise choose not to participate in debt management plans."

The message appears to have sunk in at Help Ministries since the IRS announced its audit campaign a year ago.

The ministry says it has given free financial seminars to senior citizen groups and churches and has a goal of holding at least two seminars each month. It says it is considering part-



Two passionate operas in one unforgettable night, both tracing the devastating pattern of betrayal—with tragic results. ■■■ In *Il Tabarro*, Michele's young wife Giorgetta drifts farther away from him in the wake of their child's death. A cloak that used to keep their family warm now conceals the horrible evidence of Michele's wrath. ■■■ In *Pagliacci*, life mimics art with such accuracy that the clown Canio, leader of a rustic theatre troupe, is driven to bring down the house when he learns that his wife is unfaithful. ■■■ All performances have English translations projected above the stage.

■ This gives new meaning to cloak & dagger ■

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Il Tabarro & Pagliacci

JOEL REVZEN, GENERAL & ARTISTIC DIRECTOR



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Oct. 31 at 2 pm
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The National Endowment for the Arts, Arizona Commission on the Arts, The Horace W. Goldsmith Foundation, the Phoenix Office of Arts and Culture and the Tucson Pima Arts Council.



Debt continued from page 31

nering with community colleges to set up classes on personal finances. The ministry says it has donated \$35,000 this year to Jump\$tart, a nonprofit aimed at providing financial education to youth. In addition to outsourcing work to educational partners, the ministry has set up its own financial education Web site, which is still under construction and will, the ministry says, eventually include personalized financial advice provided via e-mail. And the ministry in May contracted with 1190 AM Radio for a 24-minute show on personal finances that airs on Tuesday and Thursday mornings. The broadcasts include invitations to call the ministry for financial advice or

HELP MINISTRIES SAYS ANYONE CAN STOP BY ITS MESA OFFICE FOR ONE-ON-ONE COUNSELING, BUT THAT WOULD BE IMPOSSIBLE FOR THOUSANDS OF MINISTRY CLIENTS WHO LIVE OUTSIDE ARIZONA.

stop by the ministry's office for face-to-face help, suggesting that the ministry may have hired someone since telling the IRS it had no employees just two years ago.

It's a big change from previous years. Between 1998 and 2002, the

ministry's tax returns showed no contributions to educational causes.

Not every credit counseling agency operates like Help Ministries.

With \$36 million in revenue last

year, Take Charge America in Phoenix is smaller than Help Ministries but still an industry giant.

Take Charge America, which was granted non-profit status in 1991, has drawn fire from the National Consumer Law Center and the Consumer Federation of America, which point out that the agency had more than \$6 million left over in 2000 after paying expenses (all told, Take Charge America has reported nearly \$20 million in net revenue since 1998). The consumer groups also point out that Michael Hall, the president and CEO, is paid handsomely, with a salary of \$410,000 in 2003. Several of his relatives, including his wife and at least one brother, are also on the payroll with generous six-figure salaries. Take

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Charge America says the salaries were established after market surveys to determine fair compensation.

Unlike Help Ministries, Take Charge America doesn't outsource its account processing nor most of its other work to for-profit businesses, so the public knows financial details and can decide for itself whether salaries are reasonable for management responsible for day-to-day operations. And, unlike Help Ministries, Take Charge America can point to significant spending on education that began before the IRS announced its audit campaign.

John Fisher, business development director for Take Charge America, says the agency fully expects a visit from the tax man. "We expect, when it's done, that we'll be audited because of the

group that they're defined," Fisher says. He adds that Take Charge is confident it can withstand IRS scrutiny, though he concedes most credit counseling agencies would say the same thing.

Take Charge America has pledged \$10 million to the University of Arizona to fund financial literacy education. The pledge was announced in last year. More than five years ago, Take Charge America started giving money to Montana State University to pay for financial education. While Help Ministries says it's considering working with community colleges to establish financial-education courses, Take Charge America has already done so. Indeed, the agency says every Take Charge America employee, whether they work in the mailroom or answer calls from debtors,

is required to go through 40 hours of financial education, with courses provided through Rio Salado Community College.

Fisher dismisses any notion that millions of dollars left over after the company pays expenses makes Take Charge America a for-profit enterprise. Although credit counseling is a burgeoning industry, Fisher says future revenue isn't a sure thing, given increasing costs pushed in part by states that are starting to require agencies to post bonds before they're allowed to do business. But Take Charge America's plans to increase spending on education are the main reason for vast financial reserves, he says.

The company says it's far from a DMP mill interested only in cashing in

on financial misery. The company claims just 20 percent of debtors who call Take Charge America end up in DMPs, and employees spend an average of 45 minutes on the phone with everyone, regardless of whether they sign a contract.

"This is a fine organization," Fisher says. He concedes the same can't be said for every credit counseling agency. That's why the IRS audits are necessary.

"We think it's probably a good thing that the IRS is taking these steps because we need a uniform body to bring those people in the industry who aren't where they need to be where they need to be," he says.

E-mail bruce.rushton@newtimes.com or call 602-407-1715.

ways to enter

REGISTER BY MAIL

September 18 - October 30

\$23 Mail-in/Mail-back. Fill out registration form completely, sign, enclose payment and mail in. We will mail back your complete race packet, including your T-shirt, bib number, instruction book, and parking information. For entries that are submitted together and have packets being mailed back to one address, each participant will receive a \$2 discount.

\$18 Mail-in/Pick-up. Fill out registration form completely, sign, enclose payment and mail in. Then pick up your packet at Runner's Den, 6505 N. 16th Street, between November 8-13. All packets not picked up in advance may be picked up on race day after 6:30 a.m. at the Race Packet Pick-up Table.

Mail-in registrations must be postmarked no later than October 30, 2004. Confirmation of mail-in entries will not be sent. Timing chips available day of race.

BY INTERNET

September 18 - November 7

Go to www.phoenixnewtimes.com and click on the entry form icon. If you would like us to mail your packet (\$23), please select "packet mail-back." Otherwise, pick up your packet (\$18) at Runner's Den, November 8th-13th or on race day. Fill out the form including credit card number and expiration date, click on the acceptance waiver and you're registered. You should receive instant confirmation of your transaction. There is a minimal fee for online registration.

ATHLETIC STORE/INSTANT REGISTRATION

September 30 - November 7

Early registration (September 30th-November 7th) \$18 fee. Go to any of the running stores listed to register by November 7th and receive your packet immediately. Discount applies only to early registration. Late registration (November 8th-13th) \$23. Late in-store registration ends Friday, November 12, at 5 pm at all locations, except Runner's Den, where registration continues until 4:30 pm Saturday November 13th.

RUNNING STORE LOCATIONS:

Runner's Den
6505 N. 16th Street, Phoenix (602) 277-4333

Performance Footwear
725 S. Rural Road C-105, Tempe (480) 829-7473

Scottsdale Running Company
6941 N. Hayden Road #B-4, Scottsdale (480) 948-4436

Run AZ
4740 E. Warner Rd #2, Ahwatukee (480) 592-0900

2004 New Times 10K registration form

For Official Use Only

T-Shirt Size (Circle One): S M L XL

Free Kids' Dash Youth Shirts to be picked up on race day at the Kids' Dash T-Shirt booth by the first 750 entrants to redeem race bibs on race day. Shirts are one size fits all.

Last Name										First Name														
Street Address																								
City										State					Zip									
Area Code					Day Phone					Age					Sex					E-mail address				

event:

- CASTLES-N-COASTERS KIDS' DASH - FREE
- PHOENIX CHILDREN'S HOSPIITAL 5K WALK
- CAMELBACK TOYOTA/SCION 5K RUN
- RIO SALADO TEAM CHALLENGE 5K RUN

TEAM NAME _____

- BASHAS' 5K STROLLER STROLL
- VALLEY METRO WHEELCHAIR 10K
- CITIZENS' 10K
- INVITED ATHLETES' 10K

Phoenix Children's Hospital Donation:

In addition to my entry fee, I would like to make a tax-deductible donation to Phoenix Children's Hospital. \$ _____

I am unable to participate in the New Times race, but would like to make a tax-deductible donation to Phoenix Children's Hospital. \$ _____

Please make donation checks payable to Phoenix Children's Hospital.

(CIRCLE ONE)

Would you like to receive health club membership/discount information. Y N
Please include me on your e-mail list for giveaways and promotions. Y N
Would you like to receive information regarding educational programs at Rio Salado College? Y N

fee schedule:

EARLY REGISTRATION Before November 8

- \$18 Athletic store/instant registration before November 8
- \$18 Mail-in registration. Must be postmarked by October 30
- \$2 Age discount if under 12 or over 60

All packets available at Runner's Den, November 8-13 or on race day, unless you select mail-back option below.

Mail-back options (check one):

- \$5 Single packet postage & handling
- \$3 Each - for 2 or more mailed back to same address (entries must be submitted together)

LATE REGISTRATION November 8 - 13

- \$23 Athletic store/instant registration November 8-13
- \$25 Race-day registration fee

In consideration of your acceptance of this entry, I, the undersigned, intending to be legally bound, hereby for myself, my heirs, executors and administrators, waive and release any and all rights and claims for damages I may have against City of Phoenix, Arizona Marathon Society, Running Masters, New Times, Inc., Toyota/Scion, Bashas', all other sponsors, and any and all officers, partners, members, managers, affiliates, agents, contractors or employees of the foregoing for any and all injuries sustained and suffered by me during this race. I verify that I am physically fit and have sufficiently trained for competition in this event and a licensed medical doctor has verified my physical condition. If, however, as a result of my participation of this race, I require medical attention, I hereby give my consent to the such authorized personnel. I also understand that, in the event this race cannot be held as scheduled due to an act of God or circumstances beyond control, the race is not liable to refund any money paid by me to participate. Further, I hereby grant full permission to any and all of the foregoing to use any photographs, videotapes, motion pictures, recordings or any other record of this event for any legitimate purpose. I agree to return my Champion Chip timing device after the race or I may be assessed the \$30.00 replacement cost. I have read the foregoing and certify my agreement by my signature below.

SIGN HERE:

Signature of entrant (or parent if under age 18) _____ Date _____

Mail-in entries must be postmarked no later than October 30, 2004.

Send completed form and check or money order to:

New Times 10K, P. O. Box 2510, Phoenix, AZ 85002

Foothills Running Company

4025 E. Chandler Blvd., Phoenix (480) 706-3103

The Strapped Jock

3522 W. Calavar, Phoenix (602) 547-0699
(One block N. of Thunderbird)

Gear Running Store

20825 N. Pima Road #2, Scottsdale (480) 473-9511

Drop-off registration is also available at these Tucson locations:

Performance Footwear
1722 E. Speedway (520) 326-7050

Performance Footwear
5350 E. Broadway (520) 790-0017

Performance Footwear
2095 E. Skyline Dr. #218 (520) 229-3465

RACE DAY REGISTRATION

November 14, 6:30 - 9 a.m.

\$25 race-day registration fee. Race-day registration will take place on the east side of Steele Park. Early arrival and carpooling is advised.