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## Inspirational Network CEO paid almost \$5.7M in 2013

David Cerullo's pay dwarfs that of most nonprofit chiefs

Network: Part of compensation was a one-time bonus

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Daughter, Rebekah Henderson, made more than \$1 million



Inspirational Network CEO David Cerullo's total compensation climbed to almost \$5.7 million in 2013, according to the organization's latest available tax filings. In a 2009 interview, Cerullo told the Observer that he works 60 to 80 hours a week overseeing cable networks, a ministry and a television production company. **JEFF SINER** jsiner@charlotteobserver.com

BY JACOB STEIMER

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## INDIAN LAND

Inspirational Network CEO David Cerullo, [long one of the nation's best-paid](#) leaders of religious charities, watched his total compensation soar to almost \$5.7 million in 2013, according to the organization's latest available tax filings.

That amount is more than double what he made the previous year and dwarfs the salaries paid by most nonprofits of comparable size.

For the past 25 years, the cable networks controlled by Cerullo's Charlotte-area charity have grown rapidly. They sprang from the remnants of Jim Bakker's bankrupt PTL Club in 1990 and now broadcast to 175 million homes in 150 countries.

From 1998 to 2013, the nonprofit's revenues rose from just under \$15 million to more than \$165 million. Much of the network's money has been raised by televangelists who tell viewers that God brings financial favor to those who donate.

While all of Cerullo's pay is listed on the nonprofit's tax form, 75 percent of his compensation comes from his work with the organization's wholly owned for-profit subsidiary INSP, company spokesman Ronn Torossian said in a statement.

**CHARITY NAVIGATOR CHIEF FINANCIAL OFFICER SANDRA MINIUTTI SAID THAT CEOS OF NONPROFITS COMPARABLE IN SIZE TO THE INSPIRATIONAL NETWORK TYPICALLY MAKE ABOUT \$300,000 PER YEAR.**

"David Cerullo's compensation is and always has been established by a fully independent executive compensation committee," the statement said. "This committee compares Mr. Cerullo's compensation with other executive compensation of similar organizations ... including cable television network

CEOs, senior media company executives, CEOs of faith-based national ministries, and pastors of churches.”

Torossian declined to disclose who is on the independent committee.

Many philanthropy experts say it’s unfair to compare salaries in nonprofit organizations with those in the for-profit world. That’s because nonprofits get substantial tax breaks – a form of public subsidy. In exchange, they’re expected to keep salaries at reasonable levels.

Dan Busby, president of the Evangelical Council for Financial Accountability, said Christian nonprofits particularly shouldn’t be using data from for-profit television stations for comparability data.

“I can’t help but laugh,” said Busby, whose council monitors the finances of almost 2,000 churches and Christian nonprofits. “I’ve never heard of a compensation that high in the Christian nonprofit world.”

**IN A 2009 INTERVIEW, CERULLO TOLD THE OBSERVER THAT HE EARNS HIS PAY, WORKING 60 TO 80 HOURS A WEEK.**

By comparison, the president of World Vision, a Christian charity that provides humanitarian aid, was compensated \$477,000 in 2013 – even though his charity had six times the revenue of Inspiration.

And the head of the Christian Broadcasting Network – Pat Robertson’s son Gordon Robertson – collected \$401,000 in total compensation in 2013. His nonprofit had a budget nearly twice as large as Inspiration’s.

## **A family business**

Several members of Cerullo’s family are also on the charity’s payroll.

Cerullo’s daughter, Rebekah Henderson, received more than \$1 million in compensation in 2013. At the time, Henderson was an executive vice president and general manager of Halogen TV, a station that stopped broadcasting that year.

Cerullo’s wife, Barbara, was compensated about \$276,000 for her role as an executive vice president. His son, Ben, worked as a minister and had compensation totaling about \$228,000.

**\$5,659,212** compensation for David Cerullo

**\$276,384** compensation for Cerullo's wife, Barbara

**\$228,333** compensation for Cerullo's son, Benjamin

**\$1,040,345** compensation for Cerullo's daughter, Rebekah Henderson

Although the IRS says CEO pay at nonprofits should not be excessive, nonprofits are allowed to look at salaries in the for-profit world when setting executive pay. Charities also are allowed to hire multiple members of the same family.

“In short, (the IRS) not only has a fuzzy standard, they also have very low enforcement, particularly in their very crippled status today,” said Pablo Eisenberg, a senior fellow at Georgetown University's Center for Public & Nonprofit Leadership.

Cerullo's pay jumped during a year when the network's revenue rose by 77 percent. Sales of existing assets and a restructuring drove the increase.

Inspiration's most recent IRS return shows the nonprofit received \$52.6 million in 2013 from the sale of undisclosed assets. In his statement, Torossian said at least part of the increase in Cerullo's salary was because of a one-time bonus he received for his work in securing a buyer for the company's assets. He would not divulge the amount of the bonus or what assets were sold.

Inspiration did sell one large asset around that time. In December 2012, Participant Media announced it was acquiring the Halogen television channel from Inspiration. A spokesperson for Participant Media said the privately held company will not reveal the purchase price.

Torossian noted that Cerullo receives no royalties on the sale of his books, DVDs or CDs.

**‘God has been good’**

On Cerullo's personal website, he tells the story of how he brought INSP out of bankruptcy to its current state as one of the nation's fastest-growing networks. Both the nonprofit and for-profit organizations are now based at the spacious "City of Light" campus in Indian Land. There, glass buildings tower over man-made lakes and statues of angels.

The ministry's flagship Inspiration Network carries a variety of programming, from children's shows to programs featuring controversial evangelists such as Joel Osteen and Benny Hinn. Many Christians take issue with a message that Cerullo and some of his on-air televangelists frequently espouse: that God will grant financial prosperity to those who donate to the network.

In a [February broadcast](#) that spoke of "supernatural debt cancellation," Cerullo asserted that a product the channel was marketing would help consumers "break out of the struggle you're experiencing and take you to a place of financial success."

In a [2012 broadcast](#), he told viewers to "sow your seed of \$100, \$500 or \$1,000 expecting a breakthrough harvest. ... Please, do it now."

In a 2009 interview, Cerullo told the Observer he earns his pay, working 60 to 80 hours a week overseeing four cable networks, a ministry and a television production company. He also said he had turned down "substantially" more pay in the past.

"I don't need it. I don't want it. I won't take it," he said then.

"Over the years, God has been good, and our organization has grown," Torossian's recent statement said. "As a result, so has David's compensation."

*STAFF WRITER AMES ALEXANDER CONTRIBUTED.*

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## **INSPIRATIONAL NETWORK HISTORY**

The Inspirational Network launched in 1990, when televangelist Morris Cerullo paid \$7 million to buy the assets of PTL's cable television network out of bankruptcy. His son, David Cerullo, became president.

Throughout most of the 1990s, the network didn't ask for donations on the air. Instead, it generated revenue by selling advertising and airtime for programs produced by other ministries.

But in 1999, David Cerullo decided Inspiration should create its own programs to spread God's word. That required money, so the network began soliciting donations from the public. Private contributions grew from \$200,000 in 1999 to \$35 million in 2013.

The network once broadcast from Charlotte. But in the late 2000s, South Carolina offered the network **at least \$5 million in incentives** to land the City of Light campus in Indian Land.

*Ames Alexander*

### **EARNING MORE THAN HIS PEERS**

Compensation to David Cerullo, who heads the nonprofit Inspirational Network, far exceeds that of CEOs at other religious broadcasters. Figures for Cerullo and two peers:

<b>Organization</b>	<b>CEO</b>	<b>2013 CEO compensation</b>	<b>2013 revenue</b>
Inspirational Network	David Cerullo	\$5,659,212	\$166 million
Christian Broadcasting Network	Gordon Robertson	\$400,621	\$302 million
Trinity Christian Center-x	Paul Crouch	\$376,923	\$141 million

x-Produces TBN

Source: IRS Form 990 reports for each organization

Read more here: <http://www.heraldonline.com/news/local/article29612566.html#storylink=cpy>