

# Objectives



after completing this lesson, YOU will be able to



- » Understand how the **mass media scandals** have affected U.S. society; and
- » Discuss how *religious frauds* have eroded trust in religion as an institution.

For this lesson, please read:

» Rosoff, Pontell, and Tillman, *White-collar Crime*:

- **Chapter 5. Institutional Corruption: Mass Media and Religion**

Besides the financial and physical costs of white-collar crime that we have begun to consider in the preceding lessons, there is another more pervasive cost.



***The social cost of white-collar crime*** goes beyond consumers and employees: It entails all of society.

*It would be difficult to identify a major cultural institution that is not affected by white-collar crime. Two major ones are the **mass media** and **religion**.*

The mass media are among the most important and influential sources through which people form *“social constructions,”* or their views of the world. **Our socialization depends heavily on shared knowledge and beliefs, and much of this comes from the mass media.** The corruption of this social institution can therefore have major effects on how we think about others, society, and the world.



You may be familiar with the **quiz show scandals** — *major corruption scandals that occurred in the early days of television.*

The movie **Quiz Show** tells the story of how the highly rated game shows that purportedly tested contestant knowledge had tricked a nation. Congressional investigations in 1959 revealed that the programs were fixed, and that "genius" contestants had been given the answers to questions in advance.



Some have characterized the quiz show fraud as a "*victimless crime,*" but this myopic viewpoint misses the worst part of this sad chapter in the history of television. Perhaps the worst part of the scandal was that it ***failed to scandalize.***

» It not only fueled national cynicism, but those arrested and convicted were largely the contestants. Those who owned and controlled the programs, and who reaped enormous profits from the fraud, were beyond the reach of the law.

Every ethical failing that television has displayed since then can be potentially traced back to this scandal in its infancy.

The *payola scandal* was another large case of corruption that affected the music industry in the late 1950s.

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*Payola refers to bribes to disk jockeys and station managers to play certain records over the air. The bribes came from music publishers, record manufacturers, and distributors. Such practices were common in earlier periods of American history as well.*

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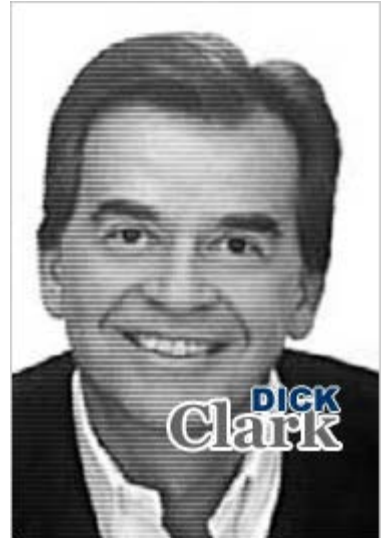
Congress held hearings, and many disk jockeys and others testified. Most said they had accepted large sums of money, but did not consider them bribes. Instead they stated that they were part of a legitimate fee for **"auditioning"** records. *Many later lost their jobs.*



One of the most influential figures in the music industry at the time was **Dick Clark**, the host of *ABC's American Bandstand*. When Clark told the committee that he had never agreed to play a record for payment, a skeptical congressman coined the term "*Clarkola*."

•• >> **Clark's denial was probably true.**

*He was so powerful that he did not have to resort to crude bribes. His vast holdings in different aspects of the industry gave the records and singers involved in his companies systematic preference.*



*The print media has also been affected by fabricated stories and fraud.*

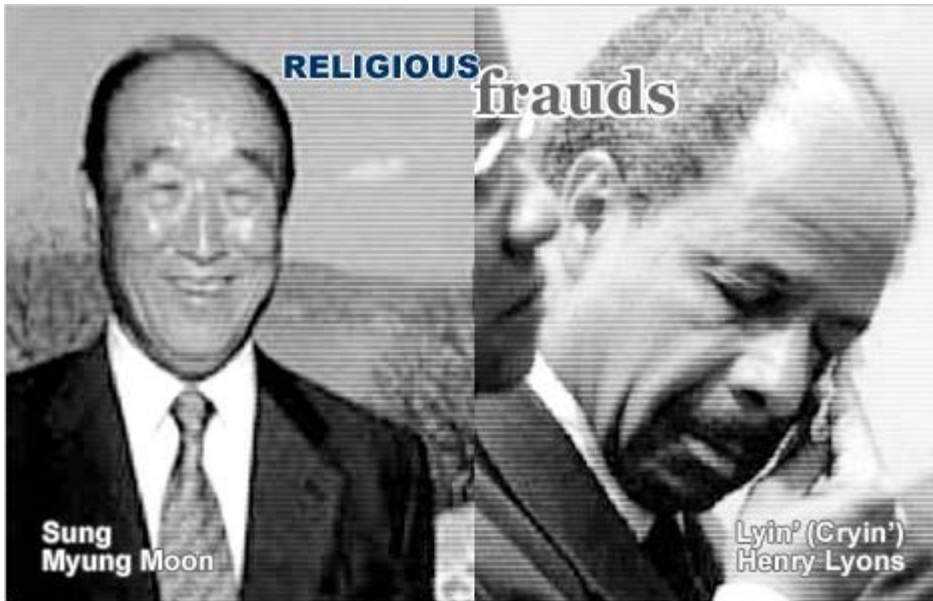
*Literary fraud* has occurred in some of the nation's most prestigious outlets. The *New Republic*, the *Washington Post*, and the *New York Times* have all had their share of notoriety.

In book publishing, the fabricated story of the *Autobiography of Howard Hughes* found author Clifford Irving convicted of grand larceny and sentenced to a term in prison.





*Religion is certainly one of the most fundamental cultural institutions.*



According to **mainstream social theories**, religion is a major source of social cohesion. The erosion of public trust probably damages religion more than most other social institutions since it is based, by definition, on faith.

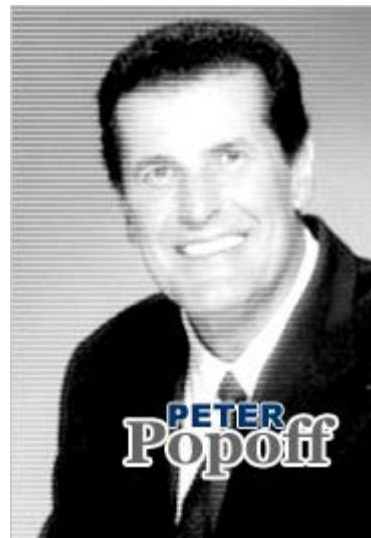
» *Since the 1980s there have been a series major frauds involving religious figures in the United States. The cases of Sun Myung Moon and the Unification Church, and Henry Lyons and the National Baptist Convention USA, are but two striking examples of fraud by religious leaders.*

Phony faith healers have also allowed white-collar crime to affect large numbers of believers.

Peter Popoff and his **Miracle and Blessing Crusade** was perhaps *the most dramatic example of the practice of phony faith healing.*

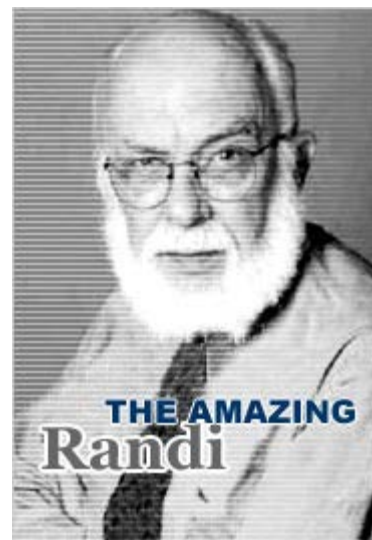
» His show was televised on 50 television stations, and in 1986 he admitted to having \$550,000 per month operating expenses. He had devised a number of bizarre plans for raising cash, including one to float Russian Bibles into the Soviet Union attached to balloons.

One elderly woman sent him her entire life savings of \$21,000. Another scheme, which involved selling "Holy Shower Caps," netted him \$100,000 (a failure by his standards).



Popoff's faith healing was exposed in a sting set up by **James Randi**, known professionally as "**The Amazing Randi.**" Randi, a veteran magician, is one of the foremost debunkers of paranormal claims.

When Randi played a tape proving the hoax on *Johnny Carson's Tonight show*, the nation (and Mr. Carson) were stunned. Incredibly, Popoff and his crusade were back on the air in 2002. Right now, the most lucrative faith healing ministry in the country is that of California-based Benny Hinn.



The misappropriation of funds by *televangelists*

has received much attention in the media.

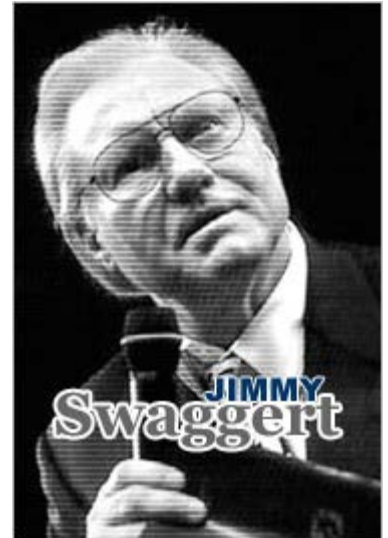
***The revenues in these ministries can be enormous.***

Oral Roberts oversaw a \$500 million complex in Tulsa, Oklahoma. Many others have millions of subscribers, and congregants. Although their salaries are modest, their opulent lifestyles seem to be far in excess of their reported incomes.

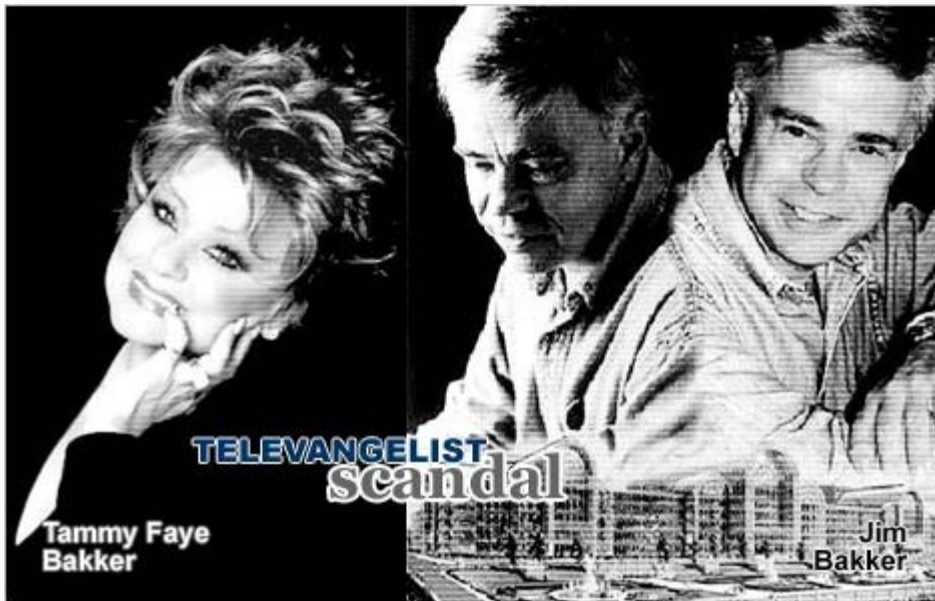


Televangelist **Jimmy Swaggert** had ***one of the most conspicuous salary***-lifestyle discrepancies.

Swaggert was brought down after it was revealed (and he later admitted to) **longstanding obsessions with prostitutes, pornography, and voyeurism**. Because of his intolerant tirades against such subjects (*as well as against Catholics, Jews, secular humanists, mental health professionals, gays, liberals, and intellectuals*), his flock was naturally conditioned not to forgive sin — including his.



The most highly publicized televangelist scandal involved Jim and Tammy Faye Bakker of the PTL (Praise the Lord) ministry.



Jim Bakker got his first real start as a **preacher on Pat Robertson's Christian Broadcasting Network**, and became a rising star. In a short time, he was hosting the *700 Club* evening show.

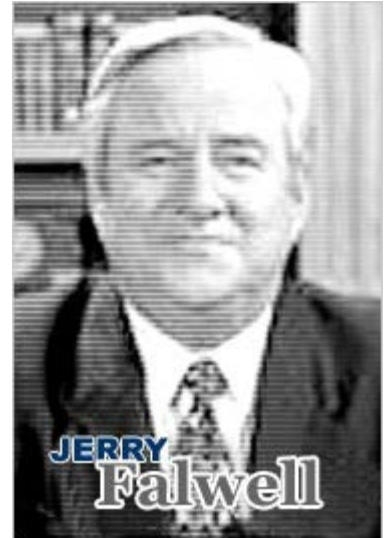


Soon Bakker was hosting his own show on the *Trinity Broadcasting Network in Southern California*, and then moved his ministry to North Carolina. At the height of his career, Bakker's show was aired on 70 stations and 28 cable systems in the United States alone.

It all fell apart when Bakker was accused of fleecing investors (his congregants) in a **"religious"** real estate venture, and was involved in a sex scandal with Jessica Hahn, a former church employee.

Things got even worse when he entrusted his ministry to **Jerry Falwell**. Falwell later turned on Bakker, calling him a liar, a sexual deviate, and an embezzler. Bakker in turn claimed that Falwell was merely a thief trying to steal the PTL from him.

As Bakker's criminal case began, Falwell countered with the statement that Bakker had created **"probably the biggest scab and cancer on the face of Christianity in 2,000 years of church history."**



**Bakker** was *convicted in federal court of fraudulently raising more than \$158 million in contributions, and was handed a stunning 45-year prison term.* It was later reduced to 18 years, still a rather stiff penalty.



**Bakker was released on parole in 1994.** His contributors, who numbered in the thousands, had nothing returned to them. Bakker announced his plans to write inspirational books to help people who had suffered great losses in their lives. Perhaps he should have started with his former contributors.



The **religious scandals of the 1980s** caused an immediate *decline in teleministries*. Jimmy Swaggert lost over 80% of his former audience. Oral Roberts lost half his viewers and revenues. Even Jerry Falwell suffered losses.

The scandals also affected other ministries not directly tainted by these crimes. The one exception here appears to be Billy Graham.

» These crimes also appear to have **weakened organized religion overall, as witnessed by church membership, which went down in the late 1980s**. As a result, the *National Religious Broadcasters* approved a stronger code of ethics to restore faith in financial and fund-raising activities and other matters.

Passing the code is one thing. Enforcement and compliance are others.

Since the codes were enacted, other evangelists have already violated them.

# Forum *discussion*



"to post your reply, select OUTLINE from the TOOLS menu and enter the FORUMS area"



What do you think should be done to **prevent religious frauds?**

**Why?**

» Write two paragraphs on this topic.

# Summary

>> a brief overview of what you learned



» The **corruption of the media** can have major effects on how we think about others, society, and the world. The quiz show and payola scandals that rocked the United States in the middle of the last century fueled national cynicism.

» Since the 1980s there have been a series of **major frauds involving religious figures in the United States**. Phony faith healers, notably Peter Popoff, have also allowed white-collar crime to affect large numbers of believers.

» The **misappropriation of funds by televangelists**, including Jimmy Swaggert and Jim Bakker, has received much attention in the media. The religious scandals of the 1980s caused an immediate decline in teleministries, and was accompanied by a decline in regular attendance.