

PRESS RELEASE

November 4, 2005

FOR IMMEDIATE RELEASE:

All Saints Church of Pasadena, California, notified by the IRS that it intends to conduct an examination for possible violation of its non-profit status, denies that any regulations were broken, and affirms its First Amendment freedoms of speech and religion.

The IRS cited a sermon delivered by a guest preacher on October 31, 2004, the Sunday before the 2004 Presidential election, and a local newspaper story the following day reporting on the sermon, as evidence that an inquiry was warranted. The IRS has alleged that the sermon may have constituted “implicit” intervention in the 2004 Presidential election because it contained references to the two candidates’ positions on certain moral issues, and it reminded the congregation of the need to consider their values when voting.

All Saints Church’s rector, J. Edwin Bacon, said, “We’ve broken no rules. The IRS’s concerns are unsupported by the facts. They also infringe on religious freedom and freedom of speech, and threaten core values which the congregation holds dear. The sermon explicitly ended with ‘when you go into the voting booth on Tuesday, take with you all that you know about Jesus, the peacemaker. Take all that Jesus means to you. Then vote your deepest values.’ We have a diligently enforced policy against campaign

intervention and will continue to maintain our nonpartisan stance with commitment and integrity.

“We take pride in our long history of active involvement in the community and in our steadfast and theologically-based commitment to alleviate poverty and promote peace, equality and social justice. From this commitment, All Saints Church cannot and will not waiver.”

Federal tax law prohibits campaign intervention by organizations, including churches, that are exempt under section 501(c)(3) of the Internal Revenue Code. If proven, a single violation may be punishable by both an excise tax on political expenditures and revocation of an organization’s tax-exempt status.

“I don’t believe the law requires us to mandate that a preacher’s sermons may not discuss core moral values during worship,” said the Rev. Bacon. “Teaching moral values is, after all, one of the Church’s main functions, and to suggest that a preacher may not preach about the value of promoting peace simply because the nation happens to be at war during the election is in fact an affront to all who have given their lives to preserve just these liberties.

“The moral values expressed in this sermon include profound but simple truths that reflect our faith, and Church members should be able to acknowledge that without threatening the Church’s legal status. Jesus said, ‘Blessed be the peacemakers, for they shall be called the Children of God,’ and we strive prayerfully to make this a part of our everyday lives.”

Marcus Owens, tax counsel to the Church, member in Caplin & Drysdale’s Washington, D.C. office, and former director of the IRS Exempt Organizations Division,

adds, “the IRS’s concerns are based on a subjective determination that the guest preacher was *implicitly* opposing one candidate while endorsing another. Apparently, the Service has disregarded the fact that the guest preacher *explicitly* stated at the sermon’s outset, ‘I don’t intend to tell you how to vote.’”

The sermon at issue, entitled, “If Jesus Debated Senator Kerry and President Bush,” was delivered by the Rev. Dr. George Regas, 75, who retired as rector of All Saints Church in 1995. Regas made it clear that he was expressing his *personal* opinions, though his sermon reflected core beliefs held by members of All Saints Church regarding the immorality and sin of war.

FOR MORE INFORMATION:

For a press packet containing relevant background materials, and to schedule interviews with All Saints clergy, please contact Keith Holeman, All Saints’ Director of Communications, at 626.583.2739 or kholeman@allsaints-pas.org.