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## Promise of Kiosk Deal Became Pain for Churches

By Catherine Ho  
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The computer kiosks sounded like a great idea to dozens of Los Angeles pastors. Paid by corporate sponsors, the machines would rake in revenue for the church and hook up parishioners with discounts at local businesses.

But the machines never worked as promised, sponsors never came through, and churches got stuck with the bill or slapped with a collection lawsuit some up to \$30,000.

More than 20 Southern California churches said they were scammed out of thousands of dollars for broken computer systems by an interfaith group accused of defrauding hundreds of churches in at least eight states, according to court documents and lawyers representing the churches.

"We feel very violated and betrayed," said Pastor Donald Wilson of True Way Missionary Baptist Church, a 75-member African American congregation in South Los Angeles. "It seems like the last place you'd try to pull a scam on is the church. We're trying to serve the community."

True Way is now suing the group, Urban Interfaith Network, saying church leaders were tricked into paying for a computer system they were told would be free. The suit, filed in Los Angeles County Superior Court on June 3, seeks to invalidate a lease that would require the church to pay more than \$28,000 for a computer system that allegedly never worked as promised.

Urban Interfaith Network officials did not return calls or emails seeking comment and have not yet responded to the complaint. An answering service said the network's parent company, Television Broadcasting Online, left no forwarding information. Wilmer R. Ticer, the attorney representing UIN in a lawsuit in Washington, D.C., said he could not comment on either case.

**Church representatives unwittingly signed a contract that included a lease agreement with United Leasing that allowed the company to debit funds directly from the church's bank account.**

**- Brandon Fernald  
Fulbright & Jaworski LLP  
who received the case through Public Counsel**

On its Web site, Urban Interfaith Network said it "facilitates mutually beneficial, community based partnerships between enlightened corporate partners and the African-American church in America."

UIN representatives approached True Way last year with an offer to install a "no cost" computer kiosk that would download coupons and advertising from local

businesses, said True Way's attorney, Brandon Fernald of Fulbright & Jaworski, who is handling the case through Public Counsel. The group told the church that the system would be paid for through corporate sponsorship, and that the church would get a cut of advertising dollars, of at least \$250 every three months.

When the machine was delivered to True Way, it would turn on, but did not download the programs that UIN said it would, Pastor Wilson said. Several other churches reported similar defects with the software.

In its pitch for the computer system, Urban Interfaith Network never mentioned that the church would have to pay a leasing company for the computer, Fernald said. But church representatives signed a contract that included a lease agreement with United Leasing that

allowed the company to debit funds directly from the church's bank account.

Unbeknownst to the church, the interfaith group sold the computer equipment to United Leasing, which began debiting funds directly out of True Way's bank account. About \$3,000 was taken out of the account before the church shut the account down, Fernald said. United later sued True Way, and a judge ordered the church to pay the leasing company more than \$30,000 in unpaid lease payments and interest on the desktop monitor encased in a mahogany podium. The value of the kiosk was no more than a few thousand dollars, according to the Washington, D.C. lawsuit.

"It appears that Urban Interfaith Network completely misrepresented the facts," Fernald said. "They didn't even mention the lease. Our folks didn't sit down and go through each document separately. They trusted UIN because it was a purported religious organization."

The Maryland-based Urban Interfaith Group is accused of using the same tactic to secure lease agreements from churches in California, Michigan, Wisconsin, Washington, D.C., Ohio, Texas, Maryland and Indiana.

In April, the Washington, D.C. Attorney General's office filed a lawsuit against Urban Interfaith Network and its parent company, Television Broadcasting Online, Inc., along with three leasing companies United Leasing, Balboa Capital and Chesapeake Industrial Leasing. The 16-page affidavit said that since 2004, the five companies conspired to illegally obtain hundreds of thousands of dollars from churches in the Washington area alone. The case is now in the U.S. District Court for the District of Columbia.

John R. Griffin of Hartman & Egeli in Maryland, who is representing Chesapeake, said the company acted properly.

"I can say that Chesapeake was not knowingly involved in any scam," Griffin said. "They certainly weren't involved in any wrongdoing."

Wisconsin-based United Leasing "denies participating in any fraudulent transaction," said Stephen Morgan of Murphy Desmond S.C. in Madison, Wis. Morgan

represents United in cases brought against, or filed on behalf of the company in Wisconsin.

"ULA also denies that there was any kind of agency agreement with TVBO, the company alleged in lawsuits to have made the false statements with the churches," according to a statement from United. "As is typical in most true lease situations, there were three parties involved. The churches were one party and they wanted to acquire the kiosks for business purposes. The churches made their decision after meeting with TVBO, a sales company that is alleged to have engaged in similar sales to many churches. The third party was the leasing company...In this case, the churches all signed a standard lease agreement with ULA so that the churches could acquire the kiosks."

It's unclear how much the 23 Southern California churches collectively lost in the deal. Leasing companies debited more than \$11,000 from the bank accounts of at least three churches. Some churches shut down their accounts or moved banks after noticing the withdrawals. Some successfully asked their banks to stop authorizing the withdrawals.

Many churches said they are still receiving monthly bills from leasing companies. New Testament Church of Christ Holiness in Los Angeles has made about \$10,000 in lease payments to protect its credit.

"I should have known you don't get something for nothing," said Mary Edwards, executive director of the Tower of Faith Community Development Corporation, the nonprofit group affiliated with the Tower of Faith Baptist church in Compton. The church began using the computer system in 2005. Edwards said the system was paid for by a sponsor for more than two years. But since their sponsor went bankrupt last fall, the leasing company has been asking the church to pay on the lease, worth about \$30,000, she said. The church already lost about \$3,000 when the leasing company debited funds from their bank account.

"They send a bill every month," Edwards said. "I get phone calls. I told them, 'You're not getting our money.' They'll have to go after UIN."

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