

## Bloomberg Businessweek

### Global Economics

#### Edir Macedo, Brazil's Billionaire Bishop

By [Alex Cuadros](#) on April 25, 2013

<http://www.businessweek.com/articles/2013-04-25/edir-macedo-brazils-billionaire-bishop>

Edir Macedo is 5-foot-6, slight, and 68 years old. He has deformed fingers, a sparse crown of graying hair, and more than 5 million followers, whose donations over the last 36 years have made him a billionaire. In Brazil, where he was born and raised, he is a major national figure, the subject of dozens of criminal inquiries, and the owner of Rádio & Televisão Record, a media conglomerate that runs the country's second-largest television network. He is known to most everyone by the title he created for himself: He is *O Bispo*—"The Bishop." Macedo is the founder of the Universal Church of the Kingdom of God, a Pentecostal denomination specializing in prosperity theology, which links faith to financial success. He preaches twice a week, often in two different cities, and the sermons are fervently watched on church websites, his Facebook page, and the miniature TV sets that Brazilian taxi drivers like to keep on their dashboard. Now and then he holds outdoor events that draw crowds of half a million. In February he addressed 5,000 of his parishioners at one of his churches in Belo Horizonte, in southeastern Brazil. High overhead, a stained-glass cross lit by fluorescent bulbs took up most of the ceiling while a theater-size screen blew him up for the pews in the back. He paced back and forth on the stage, explaining the intersection of God and money. "Which is the largest country in the world, economically speaking? It's America, the United States. Do you know why? Because way back—this is history, you can look it up on the Internet—the colonization was done by men who believed in the word of God. And they were tithers," he said. "That's why you see on the dollar bill: 'In God we trust.'"

In Macedo's teaching, tithing, or giving 10 percent of your income to the church, is a mandate from God. Tithing was never part of Brazil's Catholic tradition, and, for Macedo, that explains many of the country's problems. In Belo Horizonte that day, he quoted Malachi, a favorite of prosperity theologians, pointing to 3:10, where the Lord promises to the faithful tither that He will "pour out so much blessing that there will not be room enough to store it." A man of humble beginnings, Macedo offered his own success as proof. "Our culture is retrograde, a stingy culture, a culture with no view of the future," he said. "Only you can change this situation. Tithing is you on God's altar, just as Jesus was God's tithing for humanity."

Silvio Luís Martins de Oliveira, a prosecutor in São Paulo, says that Macedo's promise of riches amounts to fraud. In a 2009 case that is just now being tried, he accuses Macedo and three high-ranking church members of conspiracy, money laundering, and undeclared international cash transfers. "The preachers make use of the faith, desperation, or ambition of [their followers] to sell the idea that God and Jesus Christ only look upon those who contribute financially to the church," Oliveira wrote in a criminal complaint. In his description, the Universal Church enriches its leaders far more than its faithful.

Macedo is proud of his success, but turns questions about his wealth into questions of the spirit. He declined an in-person interview; in an e-mail, he writes: "From the point of view of my faith in Jesus Christ, I am the richest man in the world."

Whatever the semantics, he has prospered. The Bloomberg Billionaires Index estimates his wealth at \$1.2 billion,

entirely because of his ownership of Rádio & Televisão Record. The conglomerate's namesake TV network produces standard commercial fare: *telenovelas* (sometimes Biblical), sex-infused reality shows, and journalism that dwells on grisly crimes. Record also runs a cable news channel, a handful of radio stations, three newspapers, a film-production company, and even a small bank, as well as cable and satellite units scattered around the world.

Macedo purchased Record, then just a debt-ridden TV network, in 1989 for \$45 million. The transaction led to an investigation by Brazil's tax agency, which found that he'd used interest-free loans from the Universal Church to fund it, and fined him for failing to declare the loans as income. In his defense, Macedo said he'd bought Record on behalf of the church to create the country's first evangelical TV network. The argument failed to convince tax inspectors and led prosecutors to file suit in 1997, seeking to strip Record's broadcasting license on the grounds that Brazil's constitution forbids religious institutions from owning radio or TV stations. In testimony for that case, Macedo acknowledged the loans, while changing tack to say that he had acquired Record for himself. The case dragged on for more than a decade until a federal judge, Leonel Ferreira, ruled in Macedo's favor in 2011. In his decision, Ferreira wrote that the church's transfer of cash to Macedo could imply that, far from being frontmen for the church, he and his deputies "control the church absolutely and use it for their own benefit." But, he said, such speculation fell outside the limits of the case at hand.

Record grossed \$1.1 billion in 2011, a good chunk of which came from the Universal Church. The church buys up to six hours of airtime each day, almost always after midnight, when advertising sales are scarce; during Record's more profitable hours, the church runs its sermons on other networks. Silas Malafaia, one of Brazil's best-known televangelists (and the wealthy leader of a different Pentecostal denomination), says he used to buy time at the going market rate in the 1990s, until one day the network raised its price tenfold. "The church pays millions to Record, way more than the programming is worth, so that he can expand his TV network," Malafaia says. "He uses a legal artifice for something unjust." Neither party has disclosed how much their arrangement is worth today, but in 1999, Record's then-chief executive officer, Demerval Gonçalves, told the *Folha de S.Paulo* newspaper that the church provided 15 percent of the company's overall revenue. The church also pays Record's publishing arm to print most of the 2.5 million copies of its weekly newspaper.

Douglas Tavolaro, Record's news chief, says Macedo's goal is to make the network No. 1 in Brazil, breaking the dominance of Rede Globo, which he sees as a tool of Brazil's Catholic establishment. Macedo, he says, "thinks Brazil has suffered for decades because of this media monopoly."



Photograph

by Marco Antonio Teixeira/Globo/TybaMacedo's events, such as this one in Rio, can draw half a millionThe church owns much of its real estate but doesn't maintain direct media holdings apart from its newspaper and websites. Documents filed with Brazil's telecommunications agency and local commercial registries show that high-ranking pastors in Macedo's church own 12 local TV broadcasters, three dozen radio stations, and a slew of private companies that provide the church security, accounting services, and even health insurance. In a report that forms part of the 2009 case, investigators at Brazil's finance ministry found that, including Record, these companies received as much as \$1.9 billion from the church from March 2002 to November 2003.

Renato Parente, the church's head of press relations, refused to comment on the pastors' business interests, referring broadly to a detailed list of questions, including requests to shed light on public documents and Macedo's own net worth, as "lies." As proof of Macedo's indifference to the rewards of this world, Parente says he has never taken a salary or a dividend from Record.

Macedo's success derives in no small part from a generational shift in how Brazilians practice religion. In 1980 evangelical Christians made up just 6.6 percent of Brazil's population; in 2010, they made up 22 percent, according to the national census. That's 42 million people, mostly from Brazil's poor and working class, and they are a powerful voting bloc. An alliance of evangelical congressmen, several from Macedo's church, lend their support to the ruling coalition, and in return they get to weigh in on issues like gay rights, to which they're mostly opposed. "Because we have this very weird multiparty system, sometimes you have these 'blackmail parties' that become the balance that tips the scale," says David Fleischer, a political analyst at the University of Brasília. Macedo's nephew, Marcelo Crivella, a successful gospel singer and longtime Universal Church pastor, is the minister of fishing and agriculture. Macedo himself travels on a diplomatic passport, a perk previously reserved for Brazil's Catholic cardinals.

Macedo boasts of having congregations in close to 200 countries, and he's constantly hopping between them on the church's fleet of private jets; in his authorized biography, he is described flying on a Dassault Falcon model

that can cost more than \$20 million. Just in Angola, he has half a million faithful.

Macedo also has a significant presence in the U.S., where he's built a following of some 60,000, largely among Latin American immigrants, and the church is a regular advertiser on the Spanish-language cable channel Telemundo ([CMCSA](#)). In a mortgage petition filed with the New York State Supreme Court in 2007, the church said it had annual revenue of \$50 million in the U.S. In Brazil, court records show that the church declared donations of \$750 million in 2006.

Macedo's memoir, *Nothing to Lose*, finished 2012 as Brazil's best-selling nonfiction book. That owes a lot to the fervor of his followers, but the church has also lent a direct boost to his sales. At the official U.S. release in February, the line stretched several blocks from the McNally Jackson bookstore in downtown Manhattan, and journalists at Record trumpeted that 72,000 copies sold that day. According to Javier Molea, a McNally Jackson employee, most of those books were bought in bulk by the U.S. branches of the Universal Church.

Over the years, Macedo has faced more than 20 criminal investigations for accusations ranging from slander to using false documents. He has never been convicted and was jailed just once, for 11 days in 1992, on charges of fraud, charlatanism, and *curandeirismo*, which roughly translates as witchcraft. The charges were dismissed for lack of evidence, like most that have been leveled against him. Justice, however, is slow in Brazil: At least five cases exceeded the statute of limitations and were thrown out. The current money laundering case brought by São Paulo prosecutor Oliveira alleges that in the early 1990s pastors began delivering parishioners' donations to black-market currency operators known as *doleiros*—a common resource for Brazilians who need to spirit undeclared funds abroad. Two of these *doleiros*, testifying as part of a plea bargain in an unrelated case, described the bills they handled as “crumpled, torn, taped together, sweaty, and scribbled upon,” sometimes fouling up their counting machines. After taking their fee, they would deposit the equivalent amount in dollars in accounts outside Brazil. From 1999 to 2005, Oliveira alleges, they moved millions through five New York banks, including JPMorgan Chase ([JPM](#)) and HSBC ([HBC](#)). Both banks declined to comment.

In previous years, the complaint alleges, the cash often traveled to two shell companies the church leadership had set up in offshore tax havens: Investholding in Grand Cayman and Cableinvest on the island of Jersey. Those entities in turn lent the money back to pastors in Brazil. Oliveira declined to comment for this story, but in his criminal complaint against Macedo and his three deputies, he wrote: “This is how money donated by the followers of the Universal Church of the Kingdom of God ... through deceitful financial engineering, ultimately became shares in radio and TV companies.” Oliveira's complaint details investigations into loan contracts, payment orders, and bank accounts, building on the work of prosecutors who had failed to convict Macedo. It doesn't say how much money may have been diverted from the church's coffers over the years. But in 2007, a former pastor and Rio de Janeiro city councilman, Waldir Abrão, gave a sworn statement saying it was common for the church to report as little as 10 percent of its intake to authorities. Six days after his deposition, he fell down a stairwell and died. No one was charged in Abrão's death.

The church has also run into legal trouble in the U.S. Last year a Manhattan judge convicted its U.S. treasurer, Regina DaSilva, of lying in applications to take out \$22 million in mortgages on church property, a felony. Although she didn't use the money for her personal benefit, she told the New York State Charities Bureau that local parishioners had voted to approve the mortgages when in fact they hadn't. DaSilva pled guilty, receiving probation.

Parente, the church spokesman, declined to comment on any of the charges, though Macedo has often chalked them up to a crusade by Brazil's Catholic establishment, working in concert with the media. In his memoir he compares his persecution to that suffered by Jesus. It's an important part of his personal narrative: The cover of his authorized biography, *O Bispo* (written by Tavolaro), shows him reading the Bible behind bars during that brief spell in 1992. And as Macedo is fond of pointing out, none of it has put a dent in his following. "If someone comes to the church and is exploited," Macedo says in the book, "she would never come back."

Born in 1945, Macedo was one of seven children. His father had joined a wave of migration from the rural northeast to Rio de Janeiro. His parents weren't poor by Brazilian standards, but his home didn't have a TV or a refrigerator, and he quit school at 11 to work at his father's bar. At 16 he got a job at the Rio de Janeiro State Lottery.

Macedo says he was the ugly duckling of his family. Born prematurely, he was always short and scrawny, with a genetic deformity that left his fingers long and gnarled, almost alien-looking. Sometimes, he wrote, his father beat him. He lost his virginity in a brothel at 16 and went on to pursue dalliances he describes only as "spicy, heated, full of lasciviousness." But he couldn't shake a perpetually empty feeling. He found no solace in the loose Umbanda practiced by his family, a Brazilian hodgepodge of Catholicism, religions that were brought over by African slaves, and the mystical philosophy known as spiritism.

He was 18 when he started attending the services of a Canadian preacher at one of the many Pentecostal churches then sprouting up across Brazil, mostly in new working-class neighborhoods, far from the established Catholic churches of the city center. Macedo felt an immediate connection. He baptized himself not once but three times. He describes feeling the Holy Spirit enter him; he danced, sang, and spoke in tongues. "I would leave the service walking in the clouds," he writes in *Nothing to Lose*. "The feeling is indescribable. Peace, security, confidence, cheer. ... As if a light turned on inside of me, illuminating my whole body." He wanted to share this feeling.

He met his wife, Ester, at the church. At 30, shaken by his second daughter's birth with a cleft lip and palate, Macedo quit his job to dedicate himself full time to Jesus. He started hauling sound equipment to a gazebo at a public park and slowly built up a following. In 1977 he rented space in an old funeral parlor, thus creating the first Universal Church. A picture from those days shows him in a pinstriped blazer and white slacks. People called him the bossa nova pastor because of his passionate gestures and then-voluminous hair. His services reflected his influences: the ritualism of the Catholics, the prosperity gospel and miracle cures of the Pentecostals, and a taste of the Afro-Brazilian religions, whose spirits he rebranded as Biblical demons. By the 1980s he was opening two churches a month across Brazil.



## Edir “The Bishop” Macedo

estimated wealth: \$1.2 billion



Leads

Owns



Click to

enlarge.

Today, Macedo’s churches follow a standard schedule. Each day of the week carries a different theme, with as many as five services a day. On Fridays the theme is liberation, with parishioners arriving to seek cures for aches, pain, infertility, and even cancer. Pastors wear T-shirts that read “The Miracle Hour.”

The main Universal Church in São Paulo takes up most of a city block. With stained-glass windows two stories tall, lit from inside by fluorescent bulbs, it is a beacon amid the bleak cement of a working-class neighborhood not far from the stinking, black Pinheiros River. At a recent liberation service there, under an expansive stained-glass cross much like the one in Belo Horizonte, one of Macedo’s deputies led the hall in songs and prayer when shrieks erupted from the back. An overweight, middle-aged woman was led to the stage to undergo an exorcism. The pastor held a microphone near her mouth, and she spoke in a low growl she claimed to be the voice of a demon. Then an assistant grabbed her head with both hands, shaking it violently back and forth as 6,000 parishioners stomped their feet and called for Jesus’s help. Eventually the woman’s arms slackened, and she relaxed in the assistant’s arms. The exorcism had apparently succeeded. Afterward, she looked dazed.

The most popular night is Monday’s Congress of Winners. It begins with testimonials. One by one, crisply dressed parishioners describe a litany of humiliations: how they used to slide under the turnstile, or ate discarded food, or failed to provide milk for their children. Some speak of debts that had piled up to \$100,000 or more. But they took what little they had left and gave it to Jesus, by way of the Universal Church.

On a Monday in February, Shanilda, a dark-skinned woman with dyed-blond hair, took the stage to describe arriving from the northeast with nothing but the clothes on her back and enduring abuse as a dishwasher at a local bar. Now, she said, she owns the bar. It’s never clear how exactly these people climb from rock bottom to prosperity, but in *O Bispo*, Macedo explains why the transaction works. “An offering is an investment,” he says. “He who gives everything receives everything from God. It’s inevitable. It’s *toma lá, dá cá*”—a give-and-take with the Lord. Three times in a service of an hour and a half, the pastor called on the faithful to “honor God.” This is the cue to donate. As parishioners lined up, volunteers in brightly colored ties took cash donations in velvet sacks. Others carried portable credit-card machines for those who preferred to charge their offering.

Andrew Chesnut, a professor at Virginia Commonwealth University who has studied Brazil's Pentecostal movements, tells a joke about the Universal Church that was going around in the '90s, when he lived in the country: "The tithe is no longer 10 percent," the joke went. "It's 10 for the father, 10 for the spirit, and 10 for the son." Still, Chesnut says, Macedo introduced a brand of common-sense instruction that resonated with poor Brazilians. "There are a lot of people who feel they have been able to turn their lives around, and they gladly donate or tithe," says Chesnut. For others, the pressure to donate can prove ruinous. A 2000 bankruptcy case in the U.S. showed that a parishioner in Brooklyn had handed over almost \$80,000 in three years—40 percent of her gross income during that time.

In *O Bispo*, Macedo describes an unusual gift. One day in the mid-1980s, a woman came to his church in Rio de Janeiro with a 14-day-old baby in her arms. She offered the child to Macedo and his wife, who legally adopted the baby, giving him the Biblical name Moisés. He remains mostly out of public view, though in 2008, *Folha de S.Paulo* reported that Moisés had sung the vocals for songs featured in Record's current telenovelas under the stage name Mikefoxx. For the most part, Macedo's family is intimately involved in his life's work. Both daughters are married to high-ranking pastors who own stakes in radio and TV broadcasters. His eldest daughter and her husband, Cristiane and Renato Cardoso, also present a couples-therapy program on Record and co-authored a book, *A Bulletproof Marriage*, which has lately been on sale during the church's so-called Love Therapy services on Thursdays.

Jorge Coelho da Cunha became a Universal Church pastor in the mid-'80s. Speaking by phone from his home outside Rio, where he now has churches of his own, he says Macedo's drive to expand turned into an obsession with increasing revenue. "He's one of these people who is never satisfied with what God has given them," Cunha says. As a lead pastor in Brazil's northeast, part of Cunha's job was to close down "unprofitable" churches that spent more than they brought in. He says Macedo started offering bonuses of as much as \$10,000 for pastors who met revenue targets during special "campaigns"—say, \$500,000 in a single day. He even gave out cars as prizes. "It wasn't about saving people and bringing them to God anymore," Cunha says. "It was about extracting as much as possible from people." He quit a decade ago and is now suing to recover investments in radio stations that he claims were transferred to current church leaders without his knowledge after he left. He declines to say where he got the money in the first place. It's one of a handful of similar suits.

The church's aggressive fundraising has long been notorious in Brazil, but never more so than in July 2005. That month, João Batista Ramos da Silva, a high-ranking pastor in the Universal Church then serving as a national congressman, was aboard one of the church's private planes in Brasília when police demanded to search the aircraft. Inside, they seized suitcases stuffed with about 10 million reais (\$5 million). Although he was never charged with a crime related to that cash, Batista is now one of three others fighting money laundering and conspiracy accusations with Macedo—"the same old reheated charges," as he puts it.

Like Macedo, Batista is a diminutive man. He's 69 years old, with white hair, and wears a button-down shirt tucked into his jeans. Trained as an economist, he served as Record's chief executive in the 1990s and later as the church's administrative president. He's still part of the church's inner circle. Sitting in the small, spare office he keeps as a city councilman in a São Paulo suburb, he offers rare perspective on Macedo's journey from pastor to billionaire.

"The Universal Church is like a company for saving souls," Batista says, describing Macedo as its chief executive officer. The secret to its global expansion is that Macedo entrusts great responsibility to his deputies, allowing

him to focus on the big picture. He's also rough on the competition. After acquiring Rio de Janeiro's Radio Copacabana in 1984—the first brick in his media empire—Macedo's first step was to cancel the programs run by evangelical pastors of other denominations, Batista says. More recently, in a video posted to a church website last year, Macedo staged a public exorcism, channeling a demon that said it was working through a former pastor, Valdemiro Santiago, who had set up a copycat denomination: the World Church of the Power of God. Record followed that up with a half-hour exposé on the ex-pastor's personal wealth, allegedly built on the tithes of his followers, and public prosecutors opened an investigation into the claims. Santiago denies the allegations.

On the wall of Batista's office is a sun-faded certificate commemorating the pilgrimage he took to Jerusalem years ago. The experience inspired him to team up with another pastor and invest in Monte Sinai Turismo, a tour agency that takes Universal Church pilgrims to Israel. Of this and the other companies set up by his fellow pastors, he says: "Why pay outside people to do something that we could put together?" Batista is sanguine about the church's seeming luxuries. "In the 21st century, if Jesus were here today, he'd be wearing fine leather shoes," Batista says. "He'd have a shirt of French silk, perhaps, or Japanese, with a suit of the best quality, a Pierre Cardin or whatever. And he'd travel by helicopter or private jet. And all of this—for what?" he asks. "To better preach the word of God."

Prosecutor Oliveira argues that the Universal Church, Record, and the businesses orbiting the two are all part of the same conglomerate, controlled by Macedo. Batista's vision isn't all that different, though he might add what he calls the church's "battalion" of politicians. And for him, the returns are not economic, but spiritual. As proof, he points to the church's greatest single project yet: a replica of the Biblical Temple of Solomon, now under construction in São Paulo and built in part with stones imported from Israel. The four main pillars have already been erected, and each one is taller than Rio de Janeiro's iconic *Christ the Redeemer* statue. The total cost is projected at more than \$150 million. Even the seats are expensive—each of the 10,000 that will fill the hall costs \$1,100. "If Macedo's thing is money, why invest in this temple?" Batista asks. "Why throw money away?"

On a Wednesday night in February, Macedo is leading the services at the Universal Church's current flagship in São Paulo, and a computer graphic of the massive project plays on the wall behind him. Right now, Macedo says, they need to put the roof on this temple. "I don't even know how much that's going to cost, but it's a lot of money," he says. So the faithful line up to donate. After each parishioner makes her offering, she walks across the stage, and The Bishop places his hands on her head in blessing. "I want you to be rich," he says. "Just don't let money be your master. Let it always be your servant."

©2013 Bloomberg L.P. All Rights Reserved. Made in NYC