

# Letter asserts Trump power

Lawyers contend he's protected from subpoena by special counsel

NEW YORK TIMES

WASHINGTON — President Donald Trump's lawyers for months have quietly waged a campaign to keep the special counsel from trying to force him to answer questions in the investigation into whether he obstructed justice, asserting that he cannot be compelled to testify and arguing in a confidential letter that he could not possibly have committed obstruction because he has unfettered authority over all federal investigations.

In a brash assertion of presidential power, the 20-page letter — sent to the special counsel, Robert Mueller, and obtained by the New York Times — contends that the president cannot illegally obstruct any aspect of the investigation into Russia's election meddling because the Constitution empowers him to, “if he wished, terminate the inquiry, or even exercise his power to pardon.”

Trump's lawyers fear that if he answers questions, either voluntarily or in front of a grand jury, he risks exposing himself to accusations of lying to investigators, a potential crime or impeachable offense.

*Trump continues on A13*

# How did old box of evidence reappear?

By Keri Blakinger

The double-barreled derringer sat waiting for police at Love's Lounge, a seedy dance hall on the outskirts of Houston.

It was 1978, and Tommy Brown lay dying from a shot to the heart after a late-night brawl over a girl.

The gunman — known as Bubba — fled in his Thunderbird, leaving behind the weapon.

But that morning, before detectives even finished interviewing the witnesses, Bubba returned, his face still bloody from the fight. He was arrested on the spot and eventually sent to prison for manslaughter.

Forty years later, the derringer showed up on a vacant floor of the flooded-out courthouse. No one seems to know how it got there, or how it ended up in a box full of bloody

*Guns continues on A6*

# THE PREACHER'S SON

## JOEL OSTEEN AND THE MAKING OF A MEGACHURCH



Lakewood Church pastor Joel Osteen leads his congregation in prayer during a recent service.

First of three parts

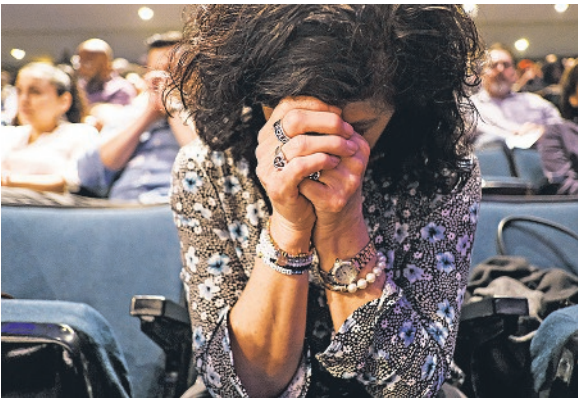
By Katherine Blunt

The divorce papers took Vickie McGinty by surprise.

Distraught and alone after 22 years of marriage, she turned to friends and family — and to a stranger with a soothing voice and a sunny message.

She had discovered Joel Osteen's sermons a few months earlier. Now, she set her television and car radio to his broadcasts. His voice became a constant presence, urging her to focus on a bright future instead of the clouded past.

“God is arranging things in your favor,” she



Vickie McGinty moved to Houston from Wichita, Kan., to worship at Lakewood Church.

heard him preach from the stage of Houston's Lakewood Church.

“You have a backbone made of steel.”

“All you have to do is believe.”

Listening to a sermon titled “Tame Your Tongue,” she felt as though Osteen was

lashed out at her husband for putting work above their marriage.

McGinty booked a room at a La Quinta on the Southwest Freeway, a few blocks from Lakewood, and drove south for more than 10 hours to see Osteen in person on a balmy May Sunday. Again, she felt a connection, even in an arena full of unfamiliar faces. She knew she'd be back.

This is how Osteen has become the nation's most ubiquitous pastor and one of its wealthiest. He has earned the allegiance of the hopeless, the doubtful and the downtrodden with a credo of beguiling simplicity: Don't dwell on the past. Think positive. Be a victor, not a victim.

A self-described “en-

*Osteen continues on A14*

# House mulls Agent Orange aid bill

Excluded since '02, offshore vets would be covered

By Bill Lambrecht

WASHINGTON — Navy veterans who served offshore during the Vietnam War appear close to winning a final battle as Congress prepares to force the Department of Veterans Affairs to restore benefits to thousands of sailors who claim exposure to Agent Orange.

The \$1 billion-plus price tag — to be borne by veterans themselves through fees on VA loans — is another of the unanticipated costs of war measured both in dollars and toxic wounds.

Gulf War Veterans also are pressing the VA to compensate them for exposure to nerve agents and other toxins. The Government Accountability Office is preparing a report on allegations of Agent Orange use in Guam during the Vietnam era, which could open the door to awards of benefits to veterans stationed there.

With little fanfare, the House Veterans' Affairs Committee last month advanced legislation that restores disability pay and care for Blue Water Navy

*Veterans continues on A13*

# Permian employers battling headwinds

Oil field firms find hiring, retention a costly challenge

By Jordan Blum

Josh Garcia found himself in a position familiar to many energy workers when he was laid off from Houston's C&J Energy Services during the recent oil bust. Unemployed for months and short on options, he went back to school, earned an MBA and tried a different industry before finding another opportunity in energy with a Louisiana chemical supplier in the booming Permian Basin.

The company, Centurion Technologies, offered a six-figure salary, free housing for a year, and a company car. But Garcia, 33, still hesitated, unsure about moving far from the state's population centers and the diversions they offer to young professionals.

“I knew how remote it is out here,” Garcia said. “There's not another industry out here if things go south. It's either sink or

*Housing continues on A11*

SPORTS

Astros fall to Red Sox

AL Pitcher of the Month Justin Verlander gets a no-decision as Boston rallies for a 5-4 win.

PAGE C1

HEROES OF HARVEY

Presented by CenterPoint Energy

CenterPointEnergy.com/Harvey

Recovering from mold exposure, volunteer has no regrets. PAGE A20

SCHOOL REPORT CARD

SPECIAL SECTION

School report card

See what grade your child's school gets as we crack the books open to study the area's schools.



THE PREACHER’S SON



Elizabeth Conley / Houston Chronicle

Lakewood pastor Joel Osteen prays with a congregant during a recent service. “I know what my gifts are and where God has blessed me,” Osteen says.

Osteen’s influence transcends boundaries

Osteen from page A1

courager,” he rarely addresses or even acknowledges the fundamental mysteries of Christianity, let alone such contentious issues as same-sex marriage or abortion. Instead, he exhorts listeners to take charge of their destinies and confront whatever “enemies” they face — debt collectors, clueless bosses, grim medical diagnoses, loneliness.

In an era of bitter cultural and political divisions, he has redefined what it means to be evangelical by dispensing with the bad news and focusing solely on the good. His vanilla creed has proved irresistible, especially to those down on their luck.

Lakewood is the nation’s largest church, attracting as many as 50,000 people a week to its cavernous sanctuary, the former Compaq Center where the NBA’s Rockets once played.

Broadcasts of its thunderous, music-filled services reach an estimated 10 million U.S. viewers each week on television — and more via websites and podcasts. Many of them go on to buy Osteen’s books, devotionals, CDs, DVDs and other merchandise.

A 24-hour Sirius XM station, launched in 2014, expanded his domain to include people commuting to work or running errands.

He has taken Lakewood on the road with monthly Night of Hope events, lavishly produced spectacles of prayer and song that fill stadiums across the country at \$15 a ticket. Attendees post branded photos from the events on Facebook and Twitter, where Osteen has amassed a combined 28 million followers.

His 10 books, self-help manuals filled with homespun wisdom about the power of positive thinking, have sold more than 8.5 million printed copies in the U.S. alone, according to NPD BookScan.

It’s religion as big business, run by a close-knit family that excels at promoting Osteen as an earnest, folksy everyman. He is Lakewood’s most valuable asset, the embodiment of the message itself.

Not everyone is sold. Some religious scholars and church watchdogs say Osteen’s wealth clashes with Christian teachings about the corrupting effects of worldly riches, and that Lakewood’s high-powered marketing exploits the vulnerable.

“There’s always the question of how much money is too much for a pastor to earn,” said Carl Trueman, a pastor and professor of church history at the Westminster Theological Seminary in Pennsylvania. “When you’re looking at his lavish private lifestyle, I’d say that’s too much.”

Pete Evans, a licensed private investigator, has spent 20 years examining church misconduct for the Trinity Foundation, a donor-supported group in Dallas known for exposing financial

abuses by televangelists. Evans said Osteen stays on the right side of the law.

But he views Osteen’s message, with its promise that God will fulfill the needs and desires of the faithful, as misleading.

“He’s a pitchman, selling congeniality and empty promises in the name of God,” Evans said. “All you get is an empty box of hope for a better life someday.”

Osteen responds that building a personal fortune is not in conflict with his belief that God wants all who worship Him to prosper. He casts Lakewood’s expert use of marketing and media as the contemporary equivalent of shouting from the mountaintop. And he notes that millions of people find solace and strength in his sermons.

“I’ve outlasted the critics and figured out what I feel like I’m supposed to do,” he said in one of two lengthy interviews with the Houston Chronicle. “If you have a message to get out, there has never been a better day.”

Osteen, the son of televangelist John Osteen, Lakewood’s founder, became head pastor after his father’s death nearly 20 years ago. Since then, he has overshadowed virtually all his contemporaries, avoiding the sorts of embarrassments that have toppled other TV preachers.

His influence transcends political, economic and religious boundaries. His is a church that finds its followers, no matter who or where they are.

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Osteen doesn’t flaunt a life of luxury, but he does enjoy one. He and his family live in a \$12 million River Oaks mansion with 13 rooms, a pool, an elevator and five fireplaces, public records show.

He and his wife Victoria, also a best-selling author, stopped taking salaries from the church in 2005. They live instead on book royalties. Unlike some other televangelists, they have not declared their home a parsonage, which would make it tax-exempt. They paid nearly \$250,000 in Harris County property taxes last year, records show.

Yet the cost of operating the church and showcasing Osteen on its many platforms does not come out of their pockets. It is paid almost entirely by his millions of followers.

Lakewood took in about \$89 million during the fiscal year that ended March 31, 2017, according to its financial statement. Of that total, nearly 93 percent was donated — via mail, the internet or collection buckets — in response to an understated yet persistent message that God will bless those who support the church’s mission.

The church spent 70 percent of its budget on television broadcasts, weekly services and programs and Night of Hope events. Almost all the rest went to administration and fundraising, leaving little for humanitarian



Vickie McGinty says that now she’s “one of those people, hands up, singing loudly” during services at Lakewood Church.



McGinty has lined her bathroom mirror with notes inspired by Joel Osteen’s sermons.

efforts such as feeding the homeless or helping at-risk youth. Lakewood spent less than \$1.2 million on missions and community service that year.

The numbers reflect the high priority Osteen puts on expanding the church’s reach and finding new adherents.

“That’s what we feel like the media does,” he said. “I know what my gifts are and where God has blessed me, and I’m trying to be a good steward of that.”

Osteen’s TV and radio shows bring in donations and promote sales of his books and spinoff products. But the exposure generates little direct income for the church. As a result, the cost of buying airtime, paying production personnel and other expenses has to be underwritten by the congregation.

Lakewood’s teleministry alone cost about \$25 million in the 2017 fiscal year. Royalties from both TV and radio, by comparison, totaled less than \$1.2 million that year.

Still, growth in followers creates its own momentum. The bigger Lakewood’s audience, the larger its financial base for further expansion.

Its TV broadcasts end with an appeal for “your faithful and

consistent monthly support.” Lately, they’ve included advertisements for the “You Are Healed Kit,” a set of messages and Scripture cards available in exchange for donations of any size. Those who send in \$125 or more receive a deluxe version with a Bible and an Osteen-branded journal.

At joelosteen.com, sermons can be ordered on CD or DVD in return for “a gift of any amount.” An accompanying message suggests that donations will bring more than just a CD in the mail: “Our hope is that you see God do more in you and through you than you ever dreamed possible!”

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Amid the din of Lakewood’s 16,000-seat sanctuary, congregants weep, shout in exultation or sit in quiet anonymity. The audience is black, white, Latino and Asian in roughly equal proportions. All have come to hear assurance that God has something better in store for them, that life’s many obstacles are surmountable and that investing in themselves and their church will unlock the shackles of debt, addictions, bad luck or bad attitudes.

Setbacks, even painful ones, are the Almighty’s way of bringing out the best in people, Osteen says.

“God wouldn’t have allowed it if it was going to keep you from your destiny,” he declared on a recent Sunday. “Shake off a victim mentality and have a victor mentality.”

At the start of the service, the arena’s overhead lights fade to a soft glow. The choir fills the risers flanking the stage. An in-house band rides an orchestra lift to appear behind the pulpit.

The music swells as the last of thousands of congregants choose their plush seats. Osteen climbs the stage, raising a fist to rally the congregation in worship. He looks straight into the camera to welcome those watching online or listening on Sirius XM.

He invites congregants in need to come forward to pray with prayer partners lined up in front of the stage. The rich tones of a grand piano sound a gentle hymn as he takes his place within the line.

Then comes the offering — a standard church practice on an enormous scale. Osteen doesn’t personally solicit the donations, in keeping with the church’s meticulous, risk-averse management of his image. Instead, he cedes the stage to his wife Victoria or his sister Lisa, who remind the church’s “cheerful givers” that God “will bless those who tithe 10 percent of their income or otherwise donate.”

On cue, dozens of volunteers file into the sanctuary to pass beach-pail-sized plastic buckets down hundreds of rows.

Osteen returns to deliver a half-hour sermon, the highlight of the service.

At 55, he is a lithe 5-foot-9 with thick, dark hair that he slicks into waves. He wears muted suits with bright but conservative ties and speaks with a soft Texas twang.

Addressing the hushed audience, he appears both relaxed and rehearsed, emphasizing each point with a well-practiced gesture. He begins with a joke, then recounts stories about ordinary people in difficulty — at work, in relationships, in struggles with addiction or illness.

“Maybe you’re facing a Goliath today,” he tells the congregation. “You have to know that on the other side of that Goliath is a new level of your destiny.”

From the first word to the last, he never stops smiling.

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In some Christian traditions, repentance is a process heavy on reflection and confession.

In Osteen’s church, it’s condensed to a single moment. At the end of each service, he asks those willing to accept Jesus Christ as their savior to “take a step of faith.” Hundreds stand to recite a simple prayer.

“The moment you stood up, God washed away all of your  
*Osteen continues on A15*



THE PREACHER'S SON

Osteen from page A14

sins, your mistakes, your failures,” he tells them. “You are starting with a fresh, clean slate.”

The scene encapsulates a key aspect of Osteen’s appeal. He asks little in the way of tradition and formality, and there’s no threat of judgment.

He challenges his followers to consider not a godly vision for humanity but rather how to make the most of their individual circumstances. His sermons are for problem solving, not contemplation.

Phil Cooke, a theologian and media consultant who worked with Lakewood for years, said he didn’t fully understand Osteen’s appeal until the day the pastor took live calls on Sirius XM for the first time. It was 2014. Osteen had asked Cooke to call in and ask the first question, a softball to ease his nerves.

Cooke lingered to hear the second question. It was from a woman who had lost her job, her relationship and her savings. She didn’t know how she would take care of her children. She asked Osteen what to do.

“You just have to keep getting up in the morning,” he replied.

Cooke was irked at Osteen’s seemingly vapid response. Then he heard the woman begin to cry. She thanked Osteen for the best advice she’d ever received.

“Then it hit me,” Cooke said. “A theologian would have never reached that woman in that moment, but Joel was able to.”

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On stage, Osteen is commanding. In unscripted settings, he is shy and cautious, seemingly wary of straying off-message.

He is thoughtful and matter-of-fact in talking about the church’s finances and operations. But he will not take firm positions on fraught topics such as same-sex marriage. Nor does he readily share reflections on the persistence of suffering or other enigmas of the faith. Asked his perspective on such matters, he can seem at a loss for words. His sentences trail off. He glances at the ceiling. Often, he says simply, “I don’t know.”

Though raised in a preacher’s household, Osteen did not seem destined for the pulpit. He did not pursue religious studies. His interest was broadcasting and developing his father’s TV ministry.

Pressed into service when the elder Osteen fell ill in January 1999, he showed an unexpected flair for preaching. His father died that month, and Osteen became head pastor within a year.

John Osteen had been an ordained Southern Baptist minister who parted ways with the denomination to preach a blend of charismatic Pentecostalism, born-again Christianity and the prosperity gospel — the notion that those who donate generous-



Elizabeth Conley / Houston Chronicle

Lakewood’s broadcast crew films Joel Osteen’s sermon for his TV program, which has an estimated 10 million U.S. viewers weekly.

ly to their churches will reap rich rewards.

The son reshaped that creed for a new century, emphasizing self-help and positive thinking. Attendance more than doubled in his first year, and it kept growing.

Running what has become a multimedia empire requires about 400 staff members (the church had fewer than 30 when Osteen took over) and a bevy of outside consultants. Still, Lakewood remains very much a family affair.

Osteen’s mother, Dodie, 84, is the matriarch, occasionally preaching and holding prayer services for the sick and disabled. His wife, Victoria, serves as his co-pastor.

Her brother, Don Iloff, a former Republican campaign strategist who served in the White House under President George H.W. Bush, is an adviser and spokesman for the church.

Osteen’s older brother Paul, a surgeon, oversees the church’s many pastoral ministries and leads medical missions to Africa and the Middle East. Paul and his sister, associate pastor Lisa Osteen Comes, often teach Monday night Bible study. Her husband, Kevin Comes, is Lakewood’s chief financial officer.

Family members and church staff handle traditional pastoral duties for Joel — weddings, funerals, counseling — so he can preach, write and travel.

They run the church with a focus on shielding his reputation from even a hint of impropriety.

Appeals for donations are edited out of Lakewood’s TV broadcasts, and the church takes pains to minimize any appearance of overlap between its finances and Osteen’s personal wealth.

Under an arrangement devised by Lakewood’s attorneys, the church keeps royalties from Osteen’s books if they’re sold through its in-house bookstore or Joel Osteen Ministries. Osteen keeps royalties from sales through outside retailers such as Amazon.

Lakewood’s marketing messages reflect that distinction. Ads for Osteen products do not refer customers to traditional retailers. They include only a phone number and website for Joel Osteen Ministries.

Yet Lakewood can’t fully separate its financial interests from Osteen’s. By broadcasting his sermons and funding his Night of Hope extravaganzas, the church inevitably promotes his brand and his books, wherever consumers choose to buy them.

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The careful curation of Osteen’s image extends to social media. In that free-wheeling arena, detractors are ready at all hours to deride his message as corporatized Christianity, condemn his wealth as sacrilegious or post satellite images of the mansion, guesthouse and pool on his 1.8-acre property.

BrandStar, a marketing firm in Deerfield Beach, Fla., manages Osteen’s social media feeds

and crunches data to determine which messages resonate.

The company tracks fluctuations in his millions of followers and responds to some of the thousands of comments that flood his accounts. Each month, its analysts send Lakewood a detailed report examining audience engagement and the tenor of the online conversation.

“There is always someone talking about Joel, for good or for bad,” said Forrest Haag, BrandStar’s executive vice president of digital marketing. His smartphone buzzes any time someone mentions Osteen in a post.

Haag and his team were especially busy late last August, when Osteen’s reputation took a rare hit.

As Hurricane Harvey barreled across the Gulf, Lakewood’s staff did not make preparations to open the huge building as a shelter. Afterward, they said they had been concerned that high winds and driving rain could have shattered the church’s tall glass windows or flooded its lower level.

The storm stalled over the Houston region on Saturday night, Aug. 26, inundating wide swaths of the city. On Sunday morning, Lakewood posted on social media that severe flooding had made the church inaccessible and listed places that were accepting evacuees.

It was not a popular message in a city under water. The blowback was harsh and aimed squarely at Osteen.

“Joel Osteen won’t open his church that holds 16,000 to hurricane victims because it only provides shelter from taxes,” one Twitter user wrote in a post that generated 114,000 likes and 45,000 retweets.

BrandStar’s social media experts lived in their operations room for days, monitoring a wall of TV screens showing CNN, Fox News, Google trends and other metrics of social sentiment. They stayed in constant contact with the church’s communications staff, detailing the extent of the outrage and crafting a response.

On Monday, the church hurriedly bought cots and supplies and opened as a shelter the following morning, housing as many as 450 people for several days.

“Victoria and I care deeply about our fellow Houstonians,” said a message that BrandStar posted to Osteen’s Twitter account. “Lakewood’s doors are open and we are receiving anyone who needs shelter.”

The company also posted videos of scenes from the shelter — Victoria hugging a young girl on

her birthday, Paul and Dodie sorting donations — while Osteen took to national television to try to repair the damage.

When the floodwaters receded, Lakewood collected more than \$1 million in donations for Harvey victims and organized more than 7,200 volunteers to gut 800 homes. The church has since rebuilt 20 of them with help from Samaritan’s Purse, a Christian relief organization.

For Osteen, the social-media furor still stings, even months later. He can handle criticism for being wealthy, he said. But not for being heartless.

“It bothers me for people to think we weren’t there to take care of the city,” he said.

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In his books and sermons, Osteen offers general advice for overcoming life’s many challenges: Improve your habits. Change your thinking. Have faith that God will open doors.

Yet to his followers, it’s a deeply personal message. Like Vickie McGinty, 56, many feel as though he has the answers to the very problems that keep them up at night.

For months last year, McGinty drove from Wichita to Houston every few weeks to hear him preach. She prayed for her husband to change his mind about the divorce and come back home. He didn’t. So she decided to move to Houston.

She found an apartment down the street from Lakewood and put her divorce settlement toward the rent.

One day while settling in, she paused a sermon playing on a CD. She grabbed a Post-it and jotted down a phrase she wanted to remember: “Complain, and you’ll remain; praise, and you’ll be raised.”

She stuck it to the bathroom mirror.

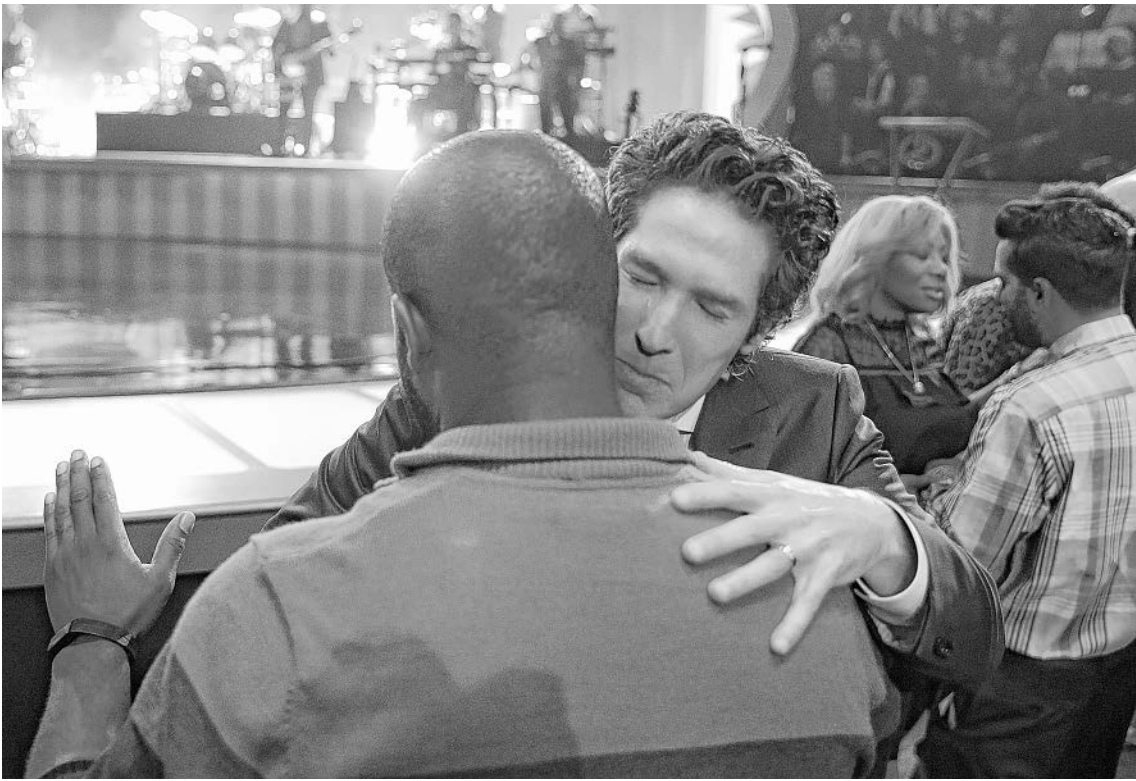
The Post-its have multiplied. They line the kitchen cabinets, the refrigerator and the doorways.

She attends five services a week, walking from her apartment to the church’s wall of glass doors.

“Now I’m one of those people, hands up, singing loudly,” she said. “I think this is the best church in America.”

At the end of March, when her six-month lease expired, she faced a choice: Move back to an empty house in Wichita or stay in Houston, close to Lakewood. She renewed for six more months.

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Osteen takes his place within a line of prayer partners who pray with congregants at each service. The Lakewood Church congregation is black, white, Latino and Asian in roughly equal proportions.

How this was reported:

In researching this series, Chronicle staff writer Katherine Blunt conducted two extended interviews with pastor Joel Osteen and numerous interviews with members of his family. She also spoke to current and former Lakewood staffers and consultants and Lakewood followers in Houston and elsewhere, as well as church watchdogs, religious scholars and publishing industry experts. She obtained and reviewed the church’s audited financial statements for the 2016-17 fiscal year and, for comparison purposes, the 2003-04 fiscal year. In addition, she attended a Night of Hope event in Los Angeles and numerous local services, read most of Osteen’s books and watched or read transcripts of his sermons dating to 1999.

About the reporter



Katherine Blunt came to the Chronicle in August 2016 as a business reporter covering the retail industry. She has since joined the energy team, writing about refining and petrochemicals during a surge in Texas oil and gas production. She previously covered transportation at the San Antonio Express-News, where she investigated the bankruptcy of the state’s first public-private toll road in a story that won first place in business reporting from the Texas Associated Press Managing Editors in 2016 and an EPPY Award for best business reporting in 2017.

This series explores the origins and spectacular growth of Houston’s Lakewood Church under pastor Joel Osteen.

**Today, Part 1:** Osteen has built a media empire on a simple message devoid of sharp edges or ambiguities: Don’t dwell on the past. Think positive. Be a victor, not a victim.

**Wednesday, Part 2:** Osteen found his niche working behind the scenes, editing his father’s sermons for television. Then he was called to deliver a sermon of his own. No one knew what to expect.

**Next Sunday, Part 3:** Preaching from his Houston pulpit, Osteen keeps money matters at arm’s length. When he takes Lakewood on the road, it’s a different story.



# Cost of ER visit has nearly doubled, study finds

In a dramatic shift, facilities are billing more cases at highest levels of severity

**By Jenny Deam**

Even though the number of insured emergency room visits has stayed about the same in recent years, the cost to step in-

side the door has nearly doubled, according to new data released by a health care policy group.

In 2016, the average amount spent nationally by insurers and patients for emergency room visits was \$247 per insured person.

In 2009 it was \$125, the Health Care Cost Institute research shows.

The reason for the spike appears to be a dramatic shift in how emergency visits are coded by facilities, with many more designated at the highest levels of severity and therefore billed at steeper prices, said John Hargraves, a researcher and co-author of the report.

The Washington, D.C.-based nonprofit group analyzed 40 million health-care claims for those with employer-sponsored plans between 2009 and 2016. The insurers included United HealthCare, Aetna and Humana.

"Since the population of insured people in emergency rooms is not changing, the only logical explanation is a change in how things are being coded," Hargraves said.

When a patient arrives at an emergency room — either a traditional one attached to a hospital or a free-standing emergency center located in a retail center — the visit is assigned a procedure code ranging from 1 to 5 for

*Cost continues on A12*

## Harvey report details impact

Flooding affected all 4.7 million county residents

**By Mike Snyder**

In the weeks and months after Hurricane Harvey, the evidence of its historic scope and intensity trickled out bit by bit: Record rainfall totals. Record reservoir levels. Record destruction.

Now, nine months after the storm, a report by the Harris County Flood Control District combines and analyzes all the available data about Harvey and its aftermath, distilling the numbers into a single message: By every conceivable measure and in every imaginable context, Harvey caused the most disastrous flooding in the nation's history. And it could have been worse.

"All 4.7 million people in Harris County were impacted directly or indirectly during the flood and after the floodwaters receded," states the 32-page memorandum by two flood control district officials, Jeff Lindner and Steve Fitzgerald.

The compilation of all the data into one document provides a useful backdrop for ongoing policy discussions about recovering from Harvey and strengthening the region's resilience to future floods. On Tuesday night, county officials hosted the first of 23 planned public meetings on a \$2.5 billion August bond issue for flood control

*Report continues on A13*

» The first public meeting on a bond proposal for flood control is held. **Page A3**

## ‘A PERSON OF DESTINY’

STEP BY METHODOICAL STEP, JOEL OSTEEN MADE HIMSELF THE EMBODIMENT OF A GUILT-FREE GOSPEL



A production crew monitors audio and visuals as Joel Osteen preaches during a tour stop in Los Angeles.

*Second of three parts*

**By Katherine Blunt**

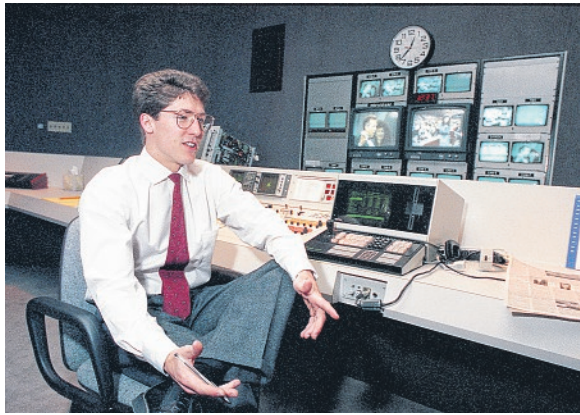
He stumbled through sentences. He shuffled his notes. He shifted nervously in an oversized suit.

Joel Osteen had never delivered a sermon before.

Steadying himself, he directed the congregation to verses from 1 Corinthians. As several thousand worshippers at Houston's Lakewood Church flipped the pages of their Bibles, he read aloud: "Run your race with purpose in every step."

Then he offered his own gloss on the Scripture.

"You have value," he said.



In 1990, Joel Osteen worked behind the scenes, editing his father's sermons at Lakewood Church.

"God has a purpose and a plan for you."

"You've got to realize that you are a person of destiny."

Those ideas would vault him from obscurity to the height of religious celebrity within

the next few years. But on that January morning in 1999, he was just a stand-in for his father, televangelist John Osteen, who lay dying in a hospital bed.

His mother, Dodie, didn't know how long

he'd last onstage. Maybe 10 minutes, she thought.

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From that faltering start, Osteen went on to become Lakewood's new leader and visionary, and the church grew to become America's largest.

His rise is a rarity in the history of American religion. Seldom has the son of a famous evangelist eclipsed his father.

At first, few would have thought him capable of it. A college dropout, he lacked his father's theological training and mastery of Scripture. He had no experience as a preacher. But he had an intuitive feel for television and,

*Osteen continues on A10*

## Mexico strikes back on trade

U.S. products hit with tariffs as NAFTA talks dim

**By Ana Swanson**  
NEW YORK TIMES

WASHINGTON — Mexico hit back at the United States on Tuesday, imposing tariffs on around \$3 billion worth of U.S. pork, whiskey, cheese and other goods in response to the Trump administration's steel and aluminum levies, further straining relations between the two countries as they struggle to rewrite the North American Free Trade Agreement.

The tariffs came as the Trump administration threw yet another complication into the fractious NAFTA talks by saying it wants to splinter discussions with Canada and Mexico and work on separate agreements rather than continue three-country discussions to rewrite the 1994 trade deal.

Larry Kudlow, President Donald Trump's chief economic adviser, said Tuesday that Trump's "preference now, and he asked me to convey this, is to actually negotiate with Mexico and Canada separately."

Kudlow, speaking on "Fox & Friends," said pursuing separate deals might allow an agreement to be reached "more rapidly," adding: "I think

*Tariffs continues on A12*

**Trade wars**

» Baytown steel plant seeks tariff exemption. **Page B1**

» China offers to buy U.S. goods if tariffs halt. **Page B2**

# Delays, cancellations jeopardize three NASA missions

Moon rover is scrapped for parts; 2 telescope projects are threatened

**By Alex Stuckey**

NASA spent \$100 million on a lunar rover before deciding to scrap the program for parts, the third space project now in limbo because of delays and cancellations.

That rover, called Resource Prospector, was abruptly canceled in April, with officials saying it no longer suited the agency's

exploration campaign. The decision stunned scientists and researchers alike, especially given the recent push by President Donald Trump's administration to return Americans to the moon as a stepping stone for a mission to Mars.

The space agency has since announced it will be relying on commercial companies for future ro-

botic missions to the lunar surface — missions that will use parts from the canceled rover, such as its ice drill, a system to search for hydrogen below the lunar surface, and a tool to quantify water extracted from the moon.

But the decision to scrap the rover for parts wasn't made until the agency had spent more than four years and almost half of the project's \$250 million budget. The rover was being built to find water on the moon.

The work on Resource

Prospector "will help inform future missions," Cheryl Warner, a NASA spokeswoman, told the Houston Chronicle.

Along with the rover, two telescopes also are in limbo, faced with repeated delays, growing costs and threatened cancellations. Those telescopes are the James Webb Space Telescope, the successor to Hubble, and the Wide-Field Infrared Survey Telescope (WFIRST), meant to follow the Webb.

*NASA continues on A13*



Bill Bluethmann, a NASA engineer at Johnson Space Center, with the Resource Prospector rover.

### NATION

#### Kate Spade dies

The fashion designer known for her sleek handbags is found hanged in the bedroom of her Park Avenue apartment in an apparent suicide, police say. She was 55. **PAGE A2**

### WORLD

#### Policy condemned

The Trump administration's practice of separating children from migrant families violates international law, the United Nations human rights office says. **PAGE A7**

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THE PREACHER’S SON

Osteen had to transform himself to reshape church

Osteen from page A1

later, social media. He understood that he could use both to reach large numbers of people and forge intimate connections at the same time.

He recognized that corporate-style marketing could make Joel Osteen a national, even a global, brand synonymous with his particular creed of personal empowerment through God. One of his earliest hires was a branding expert.

In his sermons and his personal appearance, he focused intently on the details — on finding the memorable word, the emphatic gesture, the right color combination, neither too bold nor too quiet.

To transform his church, he had to transform himself. Shy and private by nature, he learned to be ebullient, funny and self-deprecating before a crowd. He succeeded so well that in time, his closest friends barely recognized the man they saw on stage.

His father had filled churches with avid followers. He would fill whole sports arenas.

□ □ □

John and Dodie Osteen founded Lakewood Church in 1959, in an abandoned East Houston feed store.

The son of a cotton farmer from Paris, Texas, John had been working at a Fort Worth movie theater 20 years earlier when a friend introduced him to Jesus. He went to college to study religion and was ordained as a Southern Baptist minister.

He moved to Baytown, where he met and married Dodie Pilgrim. He preached at Houston-area churches before deciding to establish his own.

About 90 people gathered to hear his inaugural sermon at Lakewood.

Paul Osteen, the oldest of the couple's five children, swept the floors of the church as a young boy. They were so worn that dirt disappeared through the cracks.

"You didn't have to really have a dust pan," he recalled.

The church grew quickly in an era of healing revivals and miracle-making that gave rise to the prosperity gospel, the belief that God would reward his truest followers with material wealth so long as they invested in their churches. The notion had mass appeal and turned many fledgling ministries into megachurches.

By 1979, the little church in the feed store had moved into a new building next door with seating for 5,000. They called it the Oasis of Love.

□ □ □

The Osteens and their children lived in Humble in a ranch house on Mustang Trail. Joel filled his childhood days riding his bike and playing Little League baseball. He spent summers in the mail room at Lakewood, filling orders for his father's books. Eventually, he learned to operate the boxy cameras the church used to film services.

He played basketball at Humble High School, never making varsity. But he did stand out for a quality that would prove useful years later.

During his senior year, he was voted "best dressed" along with classmate Kerrie Outlaw. They appeared together — he in a suit, she in a white dress — at an awards ceremony that spring of 1981.

She remembers him as kind and well-liked. He was also quiet and introverted. That he would someday stand before thousands of people preaching the gospel would have been unimaginable.

"I could never have seen him doing that," she said. "He would never bring attention to himself."

He enrolled at Oral Roberts University to study broadcasting but dropped out after his freshman year. He returned to Houston, saying he felt God's calling to help his father start his own TV ministry.

He mastered camera angles that showed the congregation's size and racial diversity. While editing videotape of his father's sermons, he sometimes watched with the volume



Elizabeth Conley / Houston Chronicle

Behind Joel Osteen's visionary leadership, Lakewood Church grew from humble beginnings to become the biggest church in the U.S.



Courtesy of Lakewood Church

The first building Lakewood ever occupied, an abandoned feed store in East Houston.

turned low to appreciate how much could be communicated by facial expressions alone.

The smallest details consumed his attention. He arrived at his parents' house every Saturday to pick out a suit, shirt and tie for his father to wear at the next day's service. Dodie recalled purchasing ties for her husband at Foley's, only to return them when he admitted he preferred the ones Joel picked.

Phil Cooke, a theologian and media consultant who helped produce John's TV programs, watched the younger Osteen's pursuit of perfection with astonishment as they shot openings and transitions. Gentle but determined, he would cajole his father to do another take. Then another. And another.

"I'd have to be the referee," Cooke said. "He had a vision in his mind of how he thought that scene should be like, and he would not let it go."

As the prosperity gospel gained influence, some televangelists rattled their collection tins on television, beseeching the audience to "sow more seed" in anticipation of a rich harvest.

John Osteen's approach centered on overall well-being rather than financial riches. He never asked for money on television, an example followed by his son.

As sexual improprieties or financial scandals disgraced other TV preachers, Lakewood thrived. In 1988, the congregation moved into an 8,200-seat building in northeast Houston. Ten thousand people packed the sanctuary for the dedication. John delivered a fiery sermon that would usher in another decade of growth.

"The greatest day of the church is just ahead of us," he proclaimed. "Hallelujah!"

□ □ □

Joel's behind-the-scenes role perfectly suited his personality. He seemed to have found his

*"I realized I wasn't like my father," Osteen said. "He was more of a traditional pastor. I'm more of an encourager."*

niche within the family business.

By the time the church moved into its new sanctuary, he was married. He had met Victoria Iloff in 1985 when he walked into her family's jewelry store and saw her behind the counter. He wanted to buy a watch battery. She persuaded him to buy a new watch.

The couple sought challenges to tackle together, sometimes buying old houses to fix and flip.

"It was just fun," Victoria recalled of their early years. "Through that, we learned how to work together."

Their son Jonathan was born in 1995, followed by a daughter, Alexandra, in 1998.

Not long after, the Osteen clan faced a crisis. Their 77-year-old patriarch was gravely ill with heart and kidney disease, and he had never designated a successor.

By January 1999, he was in the hospital, too weak to preach. To Dodie's surprise, her husband called Joel to ask if he would fill in for him that Sunday. He agreed, reluctantly. Family members didn't know what to expect.

He spoke for 35 minutes, and for all his jitters, he had an unmistakable presence.

The elder Osteen died a few days later. At his memorial service, Dodie told a packed house that the family had discovered a new preacher in its ranks.

"Guess who asked me if they could preach again Sunday," she said. "Would you think it'd be Joel Osteen?"

He stared at his shoes as the audience rose to applaud him.

Victoria helped calm his doubts about whether he could carry the mantle. After his father's death, he called Lakewood's TV agent to cancel its Sunday night program on the Family Channel.

His wife persuaded him to call back and reclaim the time slot.

"I always knew Joel had something else in him," she said.

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His earliest sermons had an edge. He spoke of Satan's deceit, the evils of temptation and the degeneration of a secularized society. He sounded like his father.

A few weeks after the Columbine massacre — the 1999 shooting that killed 13 people at a Colorado high school — he pointed to the tragedy as evidence of Satan's power.

"That is the devil and demon forces at work," he said. "We must realize who our enemy is."

He soon developed a style of his own, relying less on the Bible and more on stories about people who had triumphed over great hardship.

Victors, not victims, as he began to say.

"I realized I wasn't like my father," Osteen said. "He was more of a traditional pastor. I'm more of an encourager."

He began assembling a stable of metaphors to draw on. One Sunday, he told the congregation that psychologists had identified two main memory files in the mind, one to store successes, the other failures.

"They tell us that a person's outlook on life usually is dependent on which file cabinet you go back to," he said. "Don't you go back to that negative file."

He became more life coach than theologian, extolling the power of positive thinking in revealing God's plan. Interpretations of the Scriptures, with

their wrenching dramas and divine mysteries, became simpler and fewer.

He began to craft sermons with the same meticulousness he had shown as a TV producer, retreating on Wednesday and emerging on Saturday with seven single-spaced pages that he had committed to memory. He rehearsed them until the delivery seemed effortless. After Sunday's service, he edited the recording for broadcast, frame by frame.

"He was extraordinary in the sense that he was all about details," Cooke said. "And he always had the long view in mind."

□ □ □

Osteen knew that the church's growth depended on exposure. His father's sermons had aired on one national cable channel and several local stations. Now, Lakewood bought airtime in each of the 25 largest TV markets.

As his fame grew, the church had to add another service, then another, to accommodate all who wanted to hear him.

In 2003, the church took in nearly \$50 million in revenue, a five-fold increase since Osteen became head pastor. Almost all of it was in the form of donations from people moved by his message. Lakewood's attorneys trademarked his name and the church's.

Early the following year, Rolf Zettersten, senior vice president of Hachette Nashville, a publisher of Christian books, heard that Osteen had an idea for one and flew to Houston to discuss it. A Sunday lunch ended with a deal for "Your Best Life Now."

Osteen appeared at an annual convention for Christian booksellers to talk about the project. Company representatives formed lines around the hall to hear him.

"We knew we had lightning in a bottle at that point," Zettersten recalled.

The book, a seven-step guide to making the most of the moment with a little help from God, was an instant bestseller. At one of Osteen's first book signings, the store sold out of copies.

"People were bringing him stacks of Bibles and asking Joel to sign," recalled Victoria's brother, Don Iloff, an adviser and spokesman for the church.

The book became a board game. Players start on the "Today" space at the base of a mountain and ascend to the "Choose to Be Happy" space at the summit by answering questions about their goals and successes.

Along the way, they recite their positive attributes while looking into a palm-sized mirror.

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Sophisticated marketing helped power the church's rise. Soon after taking over, Osteen

*Osteen continues on A11*





Elizabeth Conley / Houston Chronicle

Once-shy Joel Osteen developed an onstage persona that has allowed him to fill sports arenas, including in Los Angeles for one of Lakewood's Night of Hope events.

Osteen from page A10

hired Duncan Dodds, an ordained Southern Baptist minister who was also a branding specialist.

Dodds served as executive director of the church and helped guide its growth. He preached the importance of building Lakewood's name the way corporations promote their products.

"We wanted to be on the leading edge," he said. "What better thing to market than the Gospel?"

Dodds saw no ceiling on Osteen's popularity. With the right marketing support, he thought, Osteen could match the name recognition achieved by no less a figure than Billy Graham, the 20<sup>th</sup> century's pre-eminent evangelist.

"I became a believer during the Billy Graham crusades," Dodds recalled. "I saw that there was that potential."

He developed a strategy designed to deliver on that ambition. It had four elements: "Jerusalem," an effort to become the dominant congregation in Houston; "Judea," a regional strategy to draw visitors from Dallas, Austin and San Antonio; "Samaria," national outreach through television, radio and traveling shows; and "Uttermost," a worldwide effort to attract followers through television, crusades and missions.

Dodds emphasized that all of the church's "brand touch-points," from sermons to letterheads, had to work in unison to reinforce Lakewood as the ultimate religious brand and Osteen as its embodiment.

No detail was too small: When Osteen preached in Houston, the pulpit was adorned with an "L" for Lakewood; on the road, it bore an "O" for Joel Osteen Ministries, a better-known name outside the city.

Dodds often cited "Mickey's Ten Commandments," the famous set of principles written by then-Disney executive Marty Sklar. They included knowing your audience, communicating with "visual literacy" and creating interactive settings for guests to "exercise all



Courtesy of Lakewood Church

Joel Osteen became the spiritual leader of Lakewood Church after the death of his father, John.

of their senses."

The focus on branding and user experience would shape one of Osteen's boldest undertakings, an audacious project he had conceived shortly after succeeding his father.

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The church was outgrowing its 8,200-seat sanctuary, and a bigger building, one of the biggest in Houston, would soon become available.

City officials were looking for a new tenant for Compaq Center. The Rockets would leave after the 2003 NBA season for the new Toyota Center.

Osteen was confident he could draw enough people to fill the arena's 16,000 seats and collect enough donations to pay for the necessary renovations, which were expected to cost \$80 million or more.

Lakewood marshaled well-connected lobbyists and two teams of lawyers to negotiate a 30-year lease with the city, paid in a lump sum of \$11.8 million. Dave Walden, a political insider who was Mayor Bob Lanier's chief of staff in the 1990s, led the



Courtesy of Lakewood Church

John Osteen founded Lakewood Church in 1959.

effort.

A separate fleet of consultants helped Lakewood craft a plan to transform the arena, adding indoor waterfalls, an orchestra lift for musicians, and 5,500 holders for offering envelopes.

The church hired René Lagler, an Emmy Award-winning

production designer who had worked on the Academy Awards, Olympics ceremonies and other high-profile events, to construct a curved stage with a spinning golden globe in the background and giant video screens framing the pulpit. The goal was to keep congregants transfixed from the moment they chose a plush stadium seat.

Osteen asked his congregation to help shoulder the cost of the overhaul through a three-year fundraising campaign. The appeal depicted donations as obligations to God, investments in a spiritual legacy. Cash, property, jewelry and stocks were all accepted.

"Trust God to provide what He lays on your heart to give, even if the amount is more than your current resources can readily identify," a solicitation read. "Remember, these gifts are above and beyond your regular tithes."

By the end of 2004, donors had given about \$35 million for renovations, according to church estimates. Subsequent contributions and the sale of a church-owned TV station gen-

erated another \$60 million. The project ultimately cost \$115 million. The church closed the gap with \$20 million in bank loans, which it is still paying off.

Lakewood moved into its new home in 2005 (it later bought the building from the city for \$7.5 million, in addition to its earlier lease payment). By then, weekly attendance had grown to more than 30,000.

Osteen would never again enjoy anonymity. The family had vacationed at Disneyland for years, but when they returned in 2005, they found themselves under siege.

"All of a sudden, it's like, 'Why does everyone know who you are, and why does everyone want a picture?'" recalled Osteen's son, Jonathan, then 10.

Osteen eventually went back to the hotel for a hat and sunglasses.

□ □ □

In 2006, Lakewood hosted a ministries conference that offered the religious community the chance to learn, for a small registration fee, how the church had more than quadrupled its audience under Osteen's leadership. Dodds held a session on branding.

Phillip Sinitiere, a professor at Houston's College of Biblical Studies and author of a book about Lakewood called "Salvation with a Smile," was in the audience. He described the presentation in a recent interview and shared handouts he had saved.

He recalled his wonder at the boldness of Lakewood's marketing strategy, one that few churches at the time could rival.

Dodds asked the assembled church leaders to identify luxury car brands. BMW and Lexus came to mind. When he asked about coffee, most people thought of Starbucks.

Then, Sinitiere recalled, Dodds brought up the Lakewood pastor.

When Americans thought of religion, Dodds said he wanted them to think of Joel Osteen.

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How this was reported:

In researching this series, Chronicle staff writer Katherine Blunt conducted two extended interviews with pastor Joel Osteen and numerous interviews with members of his family. She also spoke to current and former Lakewood staffers and consultants and Lakewood followers in Houston and elsewhere, as well as church watchdogs, religious scholars and publishing industry experts. She obtained and reviewed the church's audited financial statements for the 2016-17 fiscal year and, for comparison purposes, the 2003-04 fiscal year. In addition, she attended a Night of Hope event in Los Angeles and numerous local services, read most of Osteen's books and watched or read transcripts of his sermons dating to 1999.

About the reporter



Katherine Blunt came to the Chronicle in August 2016 as a business reporter covering the retail industry. She has since joined the energy team, writing about refining and petrochemicals during a surge in Texas oil and gas production. She previously covered transportation at the San Antonio Express-News, where she investigated the bankruptcy of the state's first public-private toll road in a story that won first place in business reporting from the Texas Associated Press Managing Editors in 2016 and an EPPY Award for best business reporting in 2017.

This series explores the origins and spectacular growth of Houston's Lakewood Church under pastor Joel Osteen.

**Part 1:** Osteen has built a media empire on a simple message devoid of sharp edges or ambiguities: Don't dwell on the past. Think positive. Be a victor, not a victim.

**Part 2:** Osteen found his niche working behind the scenes, editing his father's sermons for television. Then he was called to deliver a sermon of his own. No one knew what to expect.

**Sunday, Part 3:** Preaching from his Houston pulpit, Osteen keeps money matters at arm's length. When he takes Lakewood on the road, it's a different story.



SPORTS  
Triple Crowning  
moment for Justify  
Late-blooming colt who didn't  
race as a 2-year-old earns his  
place in history as horse racing's  
13th Triple Crown winner. **PAGE C1**



**HEROES  
OF  
HARVEY**  
Presented by  
**CenterPoint  
Energy**  
CenterPointEnergy.com/Harvey  
St. John Vianney's priest  
and parishioners put  
others first. **PAGE A8**

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## Trump rejects G-7 joint statement

U.S. allies defiant at summit in face of trade threats

By Michael D. Shear and Catherine Porter  
NEW YORK TIMES

QUEBEC CITY — President Donald Trump refused Saturday to sign a joint seven-nation statement negotiated during the Group of 7 summit this weekend, saying in tweets from Air Force One that Justin Trudeau, the prime minister of Canada, had made false statements and was “very dishonest and weak.”

Trump abruptly upended two days of global diplomacy after Trudeau announced broad agreements by the seven nations but pledged to retaliate against U.S. tariffs on steel and aluminum products.

“Based on Justin’s false statements at his news conference, and the fact that Canada is charging massive Tariffs to our U.S. farmers, workers and companies, I have instructed our U.S. Reps not to endorse the Communiqué as we look at Tariffs on automobiles flooding the U.S. Market!” Trump wrote as he flew to Singapore for a summit with Kim Jong Un, the North Korean leader.

“PM Justin Trudeau of Canada acted so meek and mild during our @g7 meetings,” Trump added in a second tweet, “only to give a news conference after I left saying that, ‘US Tariffs were kind of insulting’ and he ‘will not be pushed around.’ Very dishonest & weak. Our Tariffs are in response to his of 270% on dairy!”

Earlier, Trump said he had brought up with the United States’ closest allies the dramatic prospect of completely eliminating tariffs on goods and services, even as he threatened to end all trade with them if they didn’t stop what he said were unfair trade practices.

The other six leaders

**U.S. continues on A22**

## THE PREACHER’S SON NOT-SO-HARD SELL WHEN JOEL OSTEEN HITS THE ROAD, EVENTS ARE FILLED WITH MERCHANDISE, DONATION REQUESTS



Attendees at a Night of Hope event raised their arms and their voices in worship during a music-filled show last year at the Forum in Inglewood, Calif.

Last of three parts

By Katherine Blunt

LOS ANGELES — A crew of technicians worked through the night to prepare the arena. They emptied three tractor-trailers packed with production equipment, lined the venue with stacks of merchandise and assembled giant screens to magnify Joel Osteen’s smile for the nosebleed seats. It took them 10 hours to build the pulpit.

By noon, more than 6,000 rapturous fans had filed in to The Forum in Inglewood, Calif. They had paid \$15 each to experience a traveling spectacle called the Night of Hope, 2½ hours of song and sermon designed to raise the celebrity pastor’s profile still higher and bring more followers into the fold.

Audience members settled in to their seats as a church spokesman touted copies of Osteen’s latest book, “Blessed in the Darkness,” for \$15 each.



Joel Osteen released his 10th book, “Blessed in the Darkness,” shortly before a book signing at Vroman’s Bookstore in Pasadena, Calif.

Tables near the popcorn stands were stacked with other Osteen bestsellers and “Night of Hope” shirts. Program inserts advertised \$15 audio devotionals by the preacher’s wife, Victoria, \$20 limited-edition crew necks and \$39 branded tote bags filled with Osteen books, a CD and a shirt.

Offering envelopes tempted givers with still more stuff: An Osteen-branded journal and his annotated “Hope for Today” Bible for anyone who pledged at least \$30 a month to Joel Osteen Ministries.

At his home pulpit in Houston’s Lakewood Church, Osteen keeps solicitations and marketing at a minimum. Appeals for donations and book promos are subdued. There is no admission fee, and merchandise sales are generally confined to a bookstore on a different floor.

When he hits the road, however, many of the restraints come off. Ads for merchandise and requests for donations are pervasive. The monthly events are saturated with messages promoting Osteen’s Sirius XM channel, his

mobile app, his social media platforms.

Religious scholars and church watchdogs have long faulted Osteen for peddling what they consider a simplistic, feel-good version of the Gospel. But it is the barnstorming Osteen who evokes their deepest reservations. They depict the Night of Hope as the epitome of hollow, consumer-focused Christianity aimed above all at drawing in more donors.

“We are seeing religion commodified to an extreme,” said Albert Mohler, president of the Southern Baptist Theological Seminary in Louisville, Ky. “The simple gospel of Jesus Christ has been transformed into a massive business that is now exemplified by charging admissions to events.”

To Osteen, the Night of Hope crowds testify to the overwhelming success of his church’s media-savvy evangelism. He describes the events as a way to forge a connection with people outside Houston, the books and merchandise as a means to

## Power prices jolting buyers

Costs surge amid fear of shortages in blazing summer

By L.M. Sixel

Consumers hoping to find better deals when their electricity contracts expire are in for a shock as retail prices have soared in anticipation of hot weather, potential power shortages and spikes in wholesale electricity prices.

The low teaser rates for consumers available just a month ago have disappeared, making it impossible for buyers who average about 1,000 kilowatts a month to lock in a three-month rate for less than 18 cents a kilowatt-hour, according to PowertoChoose.org, the price comparison tool run by the Public Utility Commission of Texas. A year ago, Texans shopping for a three-month contract could find rates that were less than 7 cents a kilowatt hour while earlier this spring, bargains were still available for less than a nickel a kilowatt hour.

“It’s harder to find a good deal,” said Fred Anders, founder of Texas Power Guide in Houston, a website that calculates the cost of retail electricity plans.

Prices on longer term plans of a year or more have also risen significantly. Retail electricity providers are reluctant to discuss their prices — especially rising ones — but the Association of Electric Companies of Texas, a trade group, estimated that the

**Consumers continues on A22**

### By the numbers

**20%** Estimated retail rate increase on one-year fixed price offer over the past year.

**\$200** Average wholesale price for a megawatt hour of electricity during peak demand so far this year.

**\$55** Average wholesale price for a megawatt hour of electricity last summer.

## Zero tolerance policy packs McAllen court with migrants

Parents fearful for children separated from them are among the hundreds prosecuted

By Lomi Kriel

MCALLEN — Like hundreds of other illegal border crossers last week, Santiago Choc Chomo piled into the downtown federal courtroom, focused not on his misdemeanor charge but on his 10-year-old daughter. There’s a new law, he said. Border Patrol agents told him when they found the two near the Rio Grande. She’s going to a federal shelter.

But they did not tell him where. Along with Choc Chomo, as many as six dozen immigrants at a time filled nearly all the wooden benches in this eighth-

» New policy allows feds to investigate, arrest families who host children found at the border. **Page A19**

floor court, still wearing the same jeans and hooded sweatshirts from when they were apprehended days before.

Under the U.S. government’s new “zero tolerance” strategy of prosecuting every migrant entering illegally, many were parents separated from their children after the adults were imprisoned for the alleged crime. Most had never been in the United

States before and sat, shackled and terrified, with one overriding concern.

“All I could think about was my daughter,” Choc Chomo said.

The Rio Grande Valley is the epicenter of President Donald Trump’s latest controversial immigration policy, a hardline approach to curbing illegal immigration that has met resistance from even some Republicans. About 60 percent of all migrant families and children apprehended at the southern border wade across the river near McAllen and since mid-May, public defenders here said, more than 430 parents were parted from their children after facing prosecution.

**Border continues on A12**



Migrants show Santiago Choc Chomo, a Guatemalan father, how to charge his electronic ankle monitoring bracelet.

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THE PREACHER'S SON

Osteen knew ‘this is bigger than I realized’ in 2004

Osteen from page A1

maintain that bond. “Every city we go, the arena is filled up,” Osteen said. “The thing I’m most proud of is the lives I’ve been able to touch.”

The exposure inevitably re-dounds to his personal benefit as well as the church’s. His publisher often organizes book signings to coincide with Night of Hope shows. Though the events aren’t marketed jointly, one drums up excitement for the other, and Osteen followers often attend both.

Osteen also uses the Night of Hope to draw attention to charitable causes.

Lately, he and his wife have appealed to arena audiences to support World Vision, a non-profit that finds financial sponsors for children in developing countries. The couple sponsors four children through the organization, and after each show, Osteen shakes the hand of everyone who commits to sponsor a child.

Osteen said he first realized the immense potential of the Night of Hope events when the church held the first one in Atlanta in 2004. The 21,000-seat Philips Arena overflowed with fans.

“That’s when it really hit me,” he said. “When I pulled up to the arena that night, I thought, ‘Wow, this is bigger than I realized.’”

Since then, Lakewood has staged more than 180 Night of Hope shows in 83 cities, including some abroad. Osteen has sold out Madison Square Garden seven times.

□ □ □

The shows are loss leaders. Ticket proceeds rarely cover the cost of renting an arena, paying Ticketmaster fees and transporting truckloads of equipment and dozens of crew members.

In the fiscal year ending March 31, 2017, Lakewood spent nearly \$6.7 million on Night of Hope, according to the church’s financial statement for the year. Ticket sales brought in less than \$1.8 million.

The difference was paid from the church’s budget, nearly 93 percent of which came from individual donations gathered online, by mail or in collection buckets. In other words, Osteen’s followers pay to send him and his supporting cast on the road in pursuit of still more followers.

He and his wife don’t take that backing for granted.

When he returned from a Night of Hope event in Albany, N.Y., in April, he told the Houston congregation how pleased he’d been to fill an arena in a city with relatively few churches per capita. Victoria thanked the audience for the financial support that enabled Lakewood to spread its message there.

At every show, Osteen tells the story of Lakewood’s remarkable growth since his parents founded the church in an abandoned feed store in 1959. He recounts his own modest beginnings working in the wings as a cameraman and producer for his father’s television ministry.

God cleared a path to his destiny, he tells the audience — just as He will for them.

He keeps a tissue in his pocket for when the spotlights catch his tears. In the darkened rows of seats, fans dab at their eyes.

□ □ □

Despite a long decline in American religiosity, the nation’s megachurches have continued to expand under the leadership of charismatic pastors like Osteen — television personalities, bestselling authors and radio hosts who tap



Elizabeth Conley / Houston Chronicle

Joel Osteen keeps a tissue in his pocket for those moments onstage when the spotlights catch his tears, as was the case when he was talking about his brother during a Night of Hope event.



Tables displaying Joel Osteen merchandise line the outside of The Forum in Inglewood, Calif. Ticket prices don’t come close to covering Lakewood Church’s cost for putting on the events.

their followers for funding.

“Big churches of that kind, they really look like large corporations,” said Carl Trueman, a pastor and professor of church history at the Westminster Theological Seminary in Pennsylvania. “Are they really using that money for the benefit of the people in the church and in the community?”

Unlike other tax-exempt nonprofits, churches are not required to file annual disclosures of revenue, expenditures and executive compensation with the Internal Revenue Service.

Calls for transparency picked up in the 1980s, when a string of famous televangelists fell from grace. Jim Bakker served prison time for funding a lavish lifestyle with millions of dollars in donations. Sexual trysts toppled Jimmy Swaggart’s ministry. Oral Roberts warned viewers that he’d die if a multi-million-dollar fundraiser fell short (it didn’t and he didn’t).

The new millennium brought a fresh spate of scandals, and renewed scrutiny.

In 2007, Sen. Chuck Grassley, R-Iowa, launched a three-year inquiry into some of the country’s wealthiest televangelists. He investigated Joyce Meyer for a pricey furniture purchase, Creflo Dollar for allegedly spending church funds on two Rolls Royces, and Kenneth Copeland for his use of a \$20 million jet. The effort ended without determining whether the preachers had run afoul of IRS standards for maintain-

*God cleared a path to his destiny, he tells the audience — just as He will for them.*

ing tax-exempt status.

Some churches have sought to earn public trust by joining the Evangelical Council for Financial Accountability, founded in 1979 by Billy Graham and others. Members commit to appoint independent boards and release financial statements, among other requirements.

Lakewood has taken steps to separate its nonprofit operations from Osteen’s personal fortune, and it has never been publicly accused of misappropriating funds.

Its financial operations, however, are mostly shielded from view. The church is ineligible to join the Evangelical Council because its board is controlled by Osteen, his wife Victoria and his sister Lisa. Unlike many council members, Lakewood does not routinely make its financial statements public or post them on its website. (It did provide the Chronicle with a portion of its most recent financial statement upon request.)

Osteen said he’s comfortable releasing some details of the church’s finances but sees no need to go further. He added that Lakewood’s board will re-

main family-run.

“It’s been family since my dad, and I’ve felt good keeping it like it is,” he said.

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Ninet Jacob arrived at Vroman’s bookstore in Pasadena, Calif., at 7:30 a.m. so she would be first in line when Osteen arrived to sign copies of his 10th book, “Blessed in the Darkness.” It was the last Friday in October — the day before the Night of Hope at The Forum — and she had 4½ hours to wait.

In 2004, the year Osteen released his first book, “Your Best Life Now,” Jacob was at the end of her rope — so desperate, she said, that she contemplated suicide. Her husband had opened a Subway restaurant, but the numbers hadn’t worked. They lost the business and had to sell their house.

“It was the lowest point in my life,” she said.

A chance visit by two door-knocking Jehovah’s Witnesses prompted her to connect more deeply with her faith.

Born an Orthodox Christian in a God-fearing Iranian household, Jacob spent most of her life believing He doled out nothing but punishment. That changed when she saw Osteen on TV, preaching about God’s love and generosity.

She began watching his sermons every weekend. Soon, she purchased his books and set her car radio to his Sirius XM channel.

She once heard him tell a story about a farmer whose don-

key had fallen into a deep well. To put the donkey out of its misery, the farmer began to fill the hole. The donkey shook off each shovelful of dirt, which settled beneath its feet. Gradually, the dirt filled the well shaft, and the donkey walked free.

Jacob repeated that story to herself as her family suffered one hardship after another. She thought of herself as the donkey, shaking off each shovelful of dirt.

At last, she walked free. Three years ago, she used \$5,000 in savings to go into business as a mortgage broker.

Her business, located in a small Glendale, Calif., office lined with Osteen’s books, has tripled in size since then. She donated \$5,000 to Lakewood’s Hurricane Harvey relief fund, the same amount she had invested to start her company.

“I owe everything to Joel,” she said.

Just before noon, he appeared at Vroman’s to find Jacob and about 100 others waiting. Many had bought multiple copies of his new book, at \$26 each.

Osteen, wearing dark jeans, a gray button-down and a muted plaid blazer, worked his way up the line, pausing to shake each person’s hand before taking his place at the signing table.

When her turn came to approach the table, Jacob implored him to continue preaching. He smiled as he signed her four copies of “Blessed in the Darkness,” as well as the Bible she had brought from home.

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Saturday’s Night of Hope matinee at The Forum had the trappings of a modern-day tent revival. Fans raised their arms in worship. They echoed “Amen.” Almost everyone sang.

Osteen told the audience of more than 6,000 that their dreams were not dead, just asleep. Victoria encouraged them to stir up the goodness deep inside them, like chocolate settled at the bottom of a glass of milk.

Backstage, the church’s social media manager sat in the shadow of the curtain, trying to hide the glow of her computer screen as she saved snippets of Osteen’s sermon for Lakewood’s Twitter and Facebook accounts.

The Osteens spotlighted local pastors and closed with an altar call that moved hundreds of people to stand for a born-again blessing.

They had just a few hours before the evening show. Osteen retreated to his dressing room to recharge, a silent period that could not be interrupted.

He emerged for the second show looking as fresh as before. This time, there were more than 10,000 people. He repeated the same jokes and stories, gesticulating exactly as he had hours earlier.

Osteen urged the audience to strive for an A instead of settling for a C in their jobs, relationships and aspirations.

Giving in to an addiction? “That’s a C!” Osteen said, pointing a finger high above his head for emphasis.

Doubting your ability to get in shape or overcome an illness? Also a C.

Staying with that guy, even though he treats you poorly?

“That’s an F!” Osteen exclaimed, drawing laughter from the depths of the arena.

Jacob took it all in from a seat at the end of the eighth row. With a cross around her neck and her hands in her lap, she wore a smile that mirrored his.

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How this was reported:

In researching this series, Chronicle staff writer Katherine Blunt conducted two extended interviews with pastor Joel Osteen and numerous interviews with members of his family. She also spoke to current and former Lakewood staffers and consultants and Lakewood followers in Houston and elsewhere, as well as church watchdogs, religious scholars and publishing industry experts. She obtained and reviewed the church’s audited financial statements for the 2016-17 fiscal year and, for comparison purposes, the 2003-04 fiscal year. In addition, she attended a Night of Hope event in Los Angeles and numerous local services, read most of Osteen’s books and watched or read transcripts of his sermons dating to 1999.

About the reporter



Katherine Blunt came to the Chronicle in August 2016 as a business reporter covering the retail industry. She has since joined the energy team, writing about refining and petrochemicals during a surge in Texas oil and gas production. She previously covered transportation at the San Antonio Express-News, where she investigated the bankruptcy of the state’s first public-private toll road in a story that won first place in business reporting from the Texas Associated Press Managing Editors in 2016 and an EPPY Award for best business reporting in 2017.

This series explores the origins and spectacular growth of Houston’s Lakewood Church under pastor Joel Osteen.

**Part 1:** Osteen has built a media empire on a simple message devoid of sharp edges or ambiguities: Don’t dwell on the past. Think positive. Be a victor, not a victim.

**Part 2:** Osteen found his niche working behind the scenes, editing his father’s sermons for television. Then he was called to deliver a sermon of his own. No one knew what to expect.

**Today, Part 3:** Preaching from his Houston pulpit, Osteen keeps money matters at arm’s length. When he takes Lakewood on the road, it’s a different story.