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News Service of the Southern Baptist Convention

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May 1, 1970

**Mid-City Pastor Indicted
By New Orleans Grand Jury**

NEW ORLEANS (BP)--The pastor of financially-insolvent Mid-City Baptist Church here and four other persons have been indicted by the Federal Grand Jury on 13 counts of alleged conspiracy, fraud in the sale of securities, and mail fraud.

The charges stem from the sale of more than \$12 million worth of church bonds over a period of several years, and the issuance of new bond sales in order to pay off bonds that became due.

The grand jury returned a "true bill" indictment on J. Paul Driscoll, pastor of the Mid-City Baptist Church; Jessie Muriel Ray, the church's bond director; Hugh E. McGee Jr., an attorney from Houston; and Paul D. McMillan and Clyde L. Rabun, both identified as Houston church bond brokers.

Federal District Judge Lansing L. Mitchell, who will hear the case, set bond for Driscoll and McGee at \$1,000. Judge Mitchell set arraignment in the case for May 20, at which time the defendants will enter their pleas and their attorneys will file motions before the court.

Driscoll was unavailable for comment, but he is expected to plea not guilty to the charges.

U.S. Attorney Daniel J. Markey, who presented the case to the grand jury, said he expected a lengthy trial with numerous motions and counter motions.

"This was the hardest decision (to prosecute) I've had to make in my career," Markey said. "It was not something we did with relish, but under the law, we felt we had to prosecute."

According to the indictment, the first count charges fraud in the sale of securities, counts two through 12 allege separate instances of mail fraud, and the last count charges a general conspiracy.

Markey said that over \$4 million in bonds on behalf of Mid-City Baptist Church were sold between Aug. 1, 1962, and Nov. 30, 1967, the period covered by the indictment.

On Nov. 8, 1967, the United States Securities and Exchange Commission filed an injunction with the U.S. District Court in New Orleans, enjoining Mid-City Baptist Church and seven other defendants from issuing any further bonds and from "further violations" of the Securities Act of 1933.

No criminal charges, however, were filed at the time against the church, the pastor, or the other defendants.

Driscoll, Ray, McMillan and Rabun were among those named defendants in both cases. McGee, an attorney who represents Rabun and McMillan, was not listed in the 1967 indictment.

The indictment issued by the grand jury charges that Rabun, McMillan and McGee, through the corporations they head, facilitated the diversion and conversion of proceeds received from the sale of Mid-City bonds.

Rabun and McMillan were identified as operators of Southland Church Funds, Inc., in Houston. Rabun and McGee allegedly organized the Rabun Corp., and Rabun also was named as head of Southland Church Contractors, Ind., and Southland Building and Lumber Co.

The indictment charges that the defendants repeatedly caused the church to issue new series of bonds in order to conceal sinking fund deficits, knowing at the time that the church would not and did not have sufficient revenue to retire the bonds as they matured.

It further charges that in order to conceal the actual intended use of the proceeds from the bond sales, the defendants falsely stated that the proceeds would be used for the construction of additional church-related facilities.

Further charges state that the church issued purported "repurchase agreements" in agreeing to purchase an investor's bonds prior to maturity, and allege that the defendants knew at the time that Mid-City did not have and would not have sufficient funds to repurchase.

The church currently is in a "Chapter Ten" bankruptcy proceeding before Federal District Judge James A. Comiskey. A. P. Claudet of New Orleans is the trustee in bankruptcy.

A few days after the indictment was handed down, student's at the Mid-City Church's elementary school, deacons and church members showed their support of the pastor in a devotional and testimonial meeting attended by more than 500 persons.

Driscoll, who founded the church in 1943 at a barbershop, said that he and the members had worked for more than 25 years to build the church to what it is today. The church has a membership of more than 4,250 and property valued at \$7½ million. Last year, the church reported more than 246 baptisms (conversions).

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Church Music Secretary W. Hines Sims to Retire

NASHVILLE (BP)--W. Hines Sims, secretary of the church music department at the Southern Baptist Sunday School Board, will retired August 31 after 24 years of service.

Before joining the board's church music department as associate secretary in 1946, Sims was minister of music for churches in Tennessee, Louisiana and Arkansas. He became secretary of the department in 1952, succeeding B. B. McKinney.

He is responsible for directing the editorial work in publishing the department's music, periodicals, church study course books and in organizing and promoting the church music program of the Southern Baptist Convention.

Editor and compiler of hymnals and music published by Broadman Press, Sims is also editor of the monthly magazine, The Church Musician, and of Baptist Hymnal, published by Convention Press. He is author of the Broadman book, The Work of the Minister of Music, and the Convention Press books, Instrumental Music in the Church, Church Music Manual, Song Leading and You Can Lead Music.

Director of music conferences at Southern Baptist Convention assemblies, clinics and schools, Sims has served as director of music for a number of convention-wide annual meetings and other national meetings. He served as director of music for the 11th Baptist World Congress in Miami in 1965. In 1969 he traveled in the orient as a music consultant under the auspices of the Southern Baptist Foreign Mission Board.

A native of Louisiana, Sims earned the bachelor of music degree from Centenary College, Shreveport. He holds the bachelor of arts degree from Hardin-Simmons University, Abilene, Tex., and the master of arts degree in music education from George Peabody College for Teachers, Nashville. He has done additional study at Southwestern Baptist Theological Seminary, Fort Worth.

Following retirement, Sims said he plans "to fish, golf and will continue to be available for crusades, revivals and music consultation." He will reside at 53 Meigs Drive, Shalimar, Fla.

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