

I. INTRODUCTION

Within the framework of limited time and cost, this preliminary report is intended to provide the Clearwater City Commission initial research and review of legal questions relating to the authority of the City, as a Florida municipality, to regulate organizations operating within the City and claiming tax-exempt status. The Report also provides the City Commission relevant and material facts concerning the operations of the Church of Scientology within the City. The Church of Scientology has been investigated by this firm in connection with numerous law suits presently pending in many state and federal courts in the United States. The facts established by our investigation support the position that Scientology is engaged in systematic, widespread violations of state and federal, civil and criminal laws.

Since the Report is preliminary in nature, it is designed to give the City Commission an initial grasp of the legal authority and factual basis to begin drafting regulatory measures or to begin planning for the institution of appropriate legal proceedings. Any decision of the Commission to enact specific regulatory measures, or to pursue specific avenues of legal redress, should be based upon a more particularized analysis of the specific measures or procedures. The Report does, however, provide the basis, if the Commission so chooses, to proceed to the drafting, preparation and implementation stage. Although preliminary examples of proposed ordinances are con-

tained in the Report, it is recommended that a more thorough and exhaustive analysis, and a more detailed drafting process should be followed, before actual enactment of such ordinances.

This Report is divided into three Sections. Section I contains a general legal analysis of applicable statutes and case precedents in seven primary areas of public domain. These areas are:

1. Solicitation of funds by purported "religious", "charitable", or "non-profit" organizations;
2. Unfair and deceptive practices by purported "charitable", "religious", or "non-profit" organizations;
3. Taxation of organizations claiming tax-exempt status;
4. Zoning regulation of "Church facilities" in a "Downtown Development Area";
5. The unlicensed practice of psychology or psychotherapy by a purported "religion";
6. Education
7. Public health, safety, lodging, fire and building.

The legal analysis of these areas is based upon Florida statutory and municipal codes, Florida case decisions, and where deemed appropriate state, federal and United States

Supreme Court decisions and state and federal statutes. Since the Report required preparation within very limited time and cost constraints, the legal analysis is not intended to be exhaustive in either citation of authority or factual analysis. It is, however, a preliminary survey with recommendations and conclusions based upon the most applicable decisions and statutes.

Section II of the Report contains a general description and analysis of the creation, structure, policies and purposes of Scientology. The history of Scientology involvement in the Judicial process, consisting mostly of failure, abuse, delay, harassment and attack, is recited together with a detailed outline of Scientology's tax litigation history. An historical outline of the background of Hubbard, the founder of the Organization, is included along with a description of his sales techniques and enforcement policies including "Disconnect", "Fair Game", and "R-2-45".

The "schizophrenic" nature of Scientology which exists between the image it presents to the public that it proselytizes, and in most instances deceives, and its internal operating goals and policies is also discussed. The doctrinal or belief structure of Scientology is presented in the perspective of its confrontation with traditionally accepted mental health techniques and treatments. The commercial vis-à-vis religious motivation and operation of Scientology is briefly discussed. Finally, the actual operations of Scientology within Clearwater are set forth.

Again, this Section of the Report is not intended to be either exhaustive or comprehensive in fact or analysis, but merely serves to highlight those areas which have become a matter of public concern and arguably fall within the domain of municipal review and regulation. The facts presented have been collected from thousands of documents, publications, and the eyewitness testimony of hundreds of individuals. The documents and publications are primarily internal materials of Scientology, many of which reveal a systematic pattern of criminal activity, harassment, abuse, breach of confidentiality, fraud, extortion, suppression of free speech, and deprivation of human rights and dignity.

Similarly, the eyewitness accounts of Scientology activities and policies disclose and illustrate a sustained scheme of commercially motivated, anti-social, deceptive and fraudulent practices which compellingly warrant community review and regulation.

Section III of the Report provides a limited analysis of the applicable law contained in Section I as applied to the factual basis of Scientology policies and practices contained in Section II. The rational basis for the conclusions and recommendations made in the Report are to a limited extent set forth in this Section. A preliminary analysis of proposed ordinances and possible proceedings to regulate and prohibit specific policies injurious to the public welfare is presented in this Section.

The Report is summarized with final conclusions and recommendations including an opinion concerning the projected im-

pect of enacting regulatory measures and anticipated litigation.

The various appendices to the Report contain miscellaneous materials in support of those portions of the Report where references were deemed necessary. References are made to the appendices by numerical correlation of the material in the Report to the appropriate appendix. Thus, a footnote number such as I-3 refers to Appendix I, item 3.

II. ISSUES PRESENTED AND CONCLUSIONS

A. Issue 1:

Does the City of Clearwater have the legal authority to regulate the solicitation of funds or property by a purported religious organization where there is evidence of systematic, unfair, deceptive and fraudulent practices in the solicitation of said funds?

Conclusion:

1. The City has the authority, under state and federal law, to enact an ordinance regulating the solicitation of funds by a purported religious organization through the enactment of a narrowly drawn ordinance with specific regulatory measures. The ordinance must meet the requirements of the recent United States Supreme Court case of Schaumburg v. Citizens, Etc. The Florida Court of Appeals has upheld a more broadly drawn ordinance enacted by the City of Jacksonville than that recommended by this Report.