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Five Scientologists Freed of Loan Fraud Charges

RIVERSIDE (AP)—Charges against five Scientologists accused of grand theft and conspiracy in an alleged multimillion-dollar loan fraud scheme were dismissed by a Riverside Municipal Court judge.

Judge John H. Barnard made the

ruling Monday at the conclusion of a two-day preliminary hearing in which the five, all former high-ranking members of Scientology's Riverside Mission, had been accused of either lying or counseling others to lie on loan applications to nine banks and

loan companies.

The money assertedly was to go to the Church of Scientology.

Barnard's action erased the 12 felony counts brought last fall against former mission director Bent Corydon, 37; John J. Ruane, 28; Steven Barry Rothschild, 28; John Robert Mongiello, 29, and John Benjamin Henley, 27.

The judge decided that even though there was evidence the Scientologists had lied on loan applications, there was no evidence lenders that approved the loans paid any attention to the purportedly false information.

Church officials, celebrating their legal victory, said Barnard "can see the difference between allegations and facts." Scientology spokesman Heber Jentsch said prosecutors "simply acted on hearsay and gossip which aligned with their own prejudices."

Prosecutors, bitter over the judge's ruling, said Barnard asked for "too much proof" at a preliminary hearing. Generally, the prosecution in a preliminary hearing needs only to show probable cause that a crime was committed in order to get a trial in Superior Court.