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Property appraiser studies sect records

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CLEARWATER—The Church of Scientology complied Tuesday with a court order directing the sect to allow Pinellas County Property Appraiser Ron Schultz to examine records relating to the controversial organization's tax status.

Schultz, accompanied by a county accountant and an attorney, began examining the sect's financial records Tuesday morning on the top floor of the former Fort Harrison Hotel, which is the organiza-

tion's world headquarters.

"In effect, we are doing a financial audit," of the Church of Scientology's Flag Service Organization, Inc., a Florida corporation which owns sect property in Pinellas County, Schultz said during a break.

The examination, part of an agreement hammered out by Pinellas County Circuit Judge B.J. Driver, gives the county access to about 10,000 receipts, bills, vouchers, checks and other documents to aid in determining whether the world-wide sect

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* Records

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is, in fact, a non-profit organization.

The financial question has been the center of a bitter court battle between the county and the sect, with county officials claiming the Scientologists owe \$251,000 in back taxes from 1982 and another \$237,000 from 1983.

Although sect spokesman refused to comment Tuesday, the organization has, in the past, refuted those claims, insisting they are tax exempt.

"This has been at issue since 1976, and this is the first time we've been allowed to get at this documentation," Schultz said. But citing a court order, he said he could neither reveal the specifics of the material nor discuss his findings until the court has examined the case.

"Under the lawsuit, we asked for all kinds of documents relating to their not-for-profit status," which has been at issue since the sect arrived in Clearwater nearly 10 years ago.

The sect, which owns 10 properties in Clearwater appraised at more than \$11 million, has argued its religious status in refusing to pay taxes beginning in 1978. But after losing court decisions over about

\$500,000 in taxes from 1970 through 1980, it began payment of back taxes.

Last January, the Church of Scientology paid \$115,598 tax bill for 1978, and in March paid \$129,339 for 1979 taxes. In May the Pinellas tax collector was paid \$292,939 for 1980 taxes plus interest.

Currently Schultz is looking at documents regarding the sect's financial activities in the year's 1981 and 1982, a job the property appraiser said may take "several months."

"For the first time I've had an opportunity to visit the Fort Harrison and try and get a feel for these documents," he said. "There are a lot of documents there and hopefully we will end up with an understanding of the finances of that organization."

But understanding what has been supplied, Schultz said, will not be easy.

"Most of the organizations we deal with are small, and we understand what they are in a short period of time. But these records are so voluminous, this may take several months.

"With something this complex, we'll need a computer, so we'll have to create a (computer) program which will allow us to understand and correlate this data."