

Ex-Scientologist testifies of 'insulation' effort

By FRED LEESON
of The Oregonian staff

The Church of Scientology started making plans in 1980 to "insulate" church founder L. Ron Hubbard from legal attack and to protect his secret church-related income in advance of his disappearance from public view, a former Scientologist testified Friday.

Laurel J. Sullivan, who used to work on Hubbard's personal staff, said she learned in February 1980 that Hubbard planned to go into hiding. She said she was assigned to a special mission "to insulate L. Ron Hubbard and his income lines and to protect him from any attack."

Although she was not in personal contact with Hubbard at the time, Sullivan told a Multnomah County Circuit Court jury that Hubbard sent several instructions concerning the mission to conceal his income and involvement with church management.

"I was told at the time that Hubbard knew I was going to be doing it," Sullivan said of her leadership role on the project.

Sullivan, who left the church late in 1981, testified that Hubbard's attempt to collect \$10 million for his role in the production of several church films in 1979 prompted a re-evaluation of corporate entities within the church.

Sullivan said Hubbard received at least a "few" \$700,000 monthly payments toward the \$10 million from the Europe-based Religious Research Foundation for his work on the films, although the films were being made by the Church of Scientology of California. She testified earlier that the foundation was the repository of funds from all non-U.S. Scientology organizations and that payments were made to Hubbard's personal accounts from the foundation.

Sullivan said questions arising about the film payments to Hubbard and the fair-market value of his script-writing and film-production work prompted the special mission to "disentangle and

clarify this relationship."

Besides concealing his church-related income, Sullivan said the project also was intended to conceal Hubbard's direct management of the church.

Previous publicly issued church policies declared that Hubbard received only minimal income from church activities and that he retired from church management in 1966.

Sullivan said one goal of the plan was to remove the appearance of any connection between Hubbard and the Church of Scientology of California, which was the primary management entity. "He wouldn't be receiving money directly from CSC, and thus wouldn't be open to investigation," she said.

Sullivan ended her direct testimony Friday on behalf of Julie Christofferson Titchbourne, a Portland woman suing Hubbard and CSC for civil fraud arising from her involvement in Scientology in 1975 and 1976.

Sullivan said she was given a "completely unreal" time schedule of six weeks to complete the plan of setting up new corporations to insulate Hubbard's income and to funnel his instructions for church management.

Although Hubbard disappeared later in 1980 and has not been seen publicly since, Sullivan said she and others worked on the special mission for 16 months. She said the mission was ended in June 1981 although not all of its goals had been completed.

She said Hubbard sent a memo to David Miscavage, a high-ranking Scientology official, saying that Hubbard wanted to establish a separate legal bureau and terminate the mission on which Sullivan had been working.

Sullivan said she subsequently was accused by the church of improperly working with Hubbard's wife, Mary Sue Hubbard, and the intelligence branch of the church on the special mission. Mary Sue Hubbard was removed from her role as head of the intelligence branch in 1981.