

Witness tells of income of Scientology founder

Scientology libel suit dismissed

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LOS ANGELES — A U.S. District Court judge Monday dismissed a \$2 million libel suit by the Church of Scientology of California against a Boston lawyer because of the failure of Scientology founder L. Ron Hubbard to appear at a court-ordered deposition.

Lawyers for the Church of Scientology had argued that they had no way of contacting Hubbard, who was last seen in public in 1980 while living near Hemet, 70 miles east of Los Angeles. Hubbard, 74, had been ordered to appear for a deposition in Los Angeles on March 20.

Judge Manuel L. Real, in dismissing the libel suit against Boston attorney Michael J. Flynn, challenged the claims that Hubbard cannot be contacted as he waved a Scientology advertising supplement from the Los Angeles Times at the Scientology lawyers.

The Scientology advertisement, which Real said he noticed in his Sunday newspaper, proclaimed, "You can always write to L. Ron Hubbard," and quoted Hubbard as saying:

"I am always willing to help. . . . Any message addressed to me and sent to the address of the nearest Scientology church or mission listed in the back of this booklet shall be given prompt and full attention in accordance with my wishes."

Real introduced the Scientology advertising supplement into the court record after John G. Peterson, an attorney for Scientology, had repeated his position that Hubbard was not available to be deposed by Flynn's attorneys in connection with the libel suit.

The Church of Scientology of California filed the libel suit in 1983, charging that Flynn had implied in a speech that church members had tried to kill him.

By FRED LEESON
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A former Scientologist who said he helped manage L. Ron Hubbard's bank accounts testified Monday that the Scientology founder collected income of \$200,000 to \$1 million per week during a six-month period in 1982.

Howard D. Schoemer, who left the Church of Scientology in December 1982, told a Multnomah County Circuit Court jury that the money was routed to Hubbard through Author Services Inc., a corporation that "supposedly had nothing to do with the church."

Schoemer said the income to Hubbard came from book royalties from Hubbard's Scientology writings as well as from Hubbard's science-fiction books which are not related to the church. Other income came from the use of copyrights and trademarks on Scientology material owned by Hubbard and from the purchase by the church of some of Hubbard's personal possessions for a church museum.

"Scientologists do not know this is happening," Schoemer said at one point.

Schoemer appeared as a witness on behalf of Julie Christofferson Titchbourne, a Portland woman who has accused Hubbard and two Scientology organizations of fraud arising from her involvement with Scientology during 1975 and 1976.

Titchbourne has alleged that Scientology officials represented to her that Hubbard received little money from sums paid for Scientology courses and books.

Schoemer, who said he became finance director of Author Services Inc. after it was formed in March 1982, said Hubbard's net worth rose from \$10 million to \$44 million during the six months Schoemer worked for the corporation. Schoemer said he prepared weekly financial statements for Hubbard and had a power of attorney to transfer funds in Hubbard's accounts among banks in Switzerland and Luxembourg and among American brokerage company accounts.

Schoemer said he frequently received messages back from Hubbard concerning the financial statements. He said Hubbard's code on the documents was an asterisk because Hubbard did not want other people to know of his involvement with the reports.

Hubbard's whereabouts has not been known since 1980.