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6 Ex-Scientologists File \$1-Billion Suit Over Funds, Secrets

By JOEL SAPPELL and ROBERT W. WELKOS, Times Staff Writers

Former members of the Church of Scientology filed a \$1-billion class-action lawsuit against the organization Wednesday, accusing its late founder, L. Ron Hubbard, and a cadre of his most trusted aides of plundering church coffers, intimidating critics and breaching the confidentiality of sacred confessional folders.

The lawsuit was filed in Los Angeles Superior Court at a time when the church had hoped that its legal wars with its critics had been put largely to rest. Two weeks ago, the organization reached settlements reportedly amounting to millions of dollars, ending litigation brought against the controversial group by former members across the nation.

The church is appealing a Los Angeles Superior Court jury verdict in a case earlier this year that awarded former Scientologist Larry Wollersheim \$30 million. Wollersheim claimed that the organization had driven him to the brink of insanity and financial ruin for his criticisms of the group.

The latest suit was filed by six former members and Freedom for All in Religion, an organization that claims to speak for as many as 400 one-time Church of Scientology followers.

Their action, charging fraud and breach of fiduciary responsibility, represents perhaps the broadest condemnation of the church to date, incorporating some of the same allegations raised in the settled cases while raising some new ones:

• Between 1972 and 1982, more than \$100 million of church money was "illegally and secretly diverted" for Hubbard's personal use into overseas bank accounts he controlled. Part of that money allegedly was siphoned to Hubbard through a profit-making corporation in Hollywood known as Author Services Inc., Hubbard's literary representative, which is staffed by Scientologists.

The suit charges that Author Services "embezzled" church money by submitting "overtly false or exaggerated billings" to Scientology organizations. Hubbard defrauded his followers by claiming that he received only a small amount of money for his Scientology work and research, according to the suit.

These and similar allegations of skimming had been under criminal investigation by the Internal Revenue Service. Church attorney Earle C. Cooley told The Times,

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however, that the Justice Department refused a recent IRS request to impanel a grand jury on the matter. This, Cooley maintained, meant there was no substance to the allegations, and he would not comment further. The IRS has indicated that civil litigation may still be pursued against Hubbard's estate.

 Scientologists were deceived about Hubbard's background and achievements. The misrepresentations, contained in church publications written by Hubbard or others, include statements that he had been a war hero and a nuclear physicist, that he had traveled extensively throughout the Far East and that he was in good

Illegal Operations

• Church funds have been used to bankroll illegal operations. The money allegedly was ordered paid by Author Services and a highranking Scientologist, David Miscavige, neither of whom had corporate authority to do so. The suit alleges, for example, that \$250,000 of Scientology money was ordered paid by Miscavige and Author Services to "frame" a federal judge """ in a scheme to compromise him with drugs and prostitutes."

Church officials have denied that

any such effort occurred.

 Beginning as early as 1969, church leaders had a "secret written policy" of extracting confidential information from the confesfiles of sional individual Scientologists suspected of being enemies of the organization, according to the suit. This information, which contains intimate material on Scientologists' lives and thoughts, was then used "for purposes of blackmail and extortion."

The suit seeks to force the church to return these files to the former members and to prohibit Scientology from reproducing or

disseminating information contained in them.

Named as defendants in the lawsuit, which seeks \$1 billion in punitive damages and unspecified general damages, are Hubbard's estate and his widow as well as numerous Church of Scientology entities and their officers. Also named are two attorneys and Author Services and its key execu-

Neither representatives of Author Services nor Miscavige could be reached for comment.

The Rev. Ken Hoden, president of the Church of Scientology of Los Angeles, issued the following statement:

The real fraud is that a handful of disgruntled former members who were asked to leave the church over three years ago because they were unwilling to lead moral lives are attempting to use the courts and the media to extort money from a religion. It's sad, but not surprising, that they have now turned around and hired a church-busting mercenary in an unconstitutional attempt to hurt those who tried to help them years ago." Hoden said he was referring to attorney Lawrence Levy, who filed the suit, which still must be certified as a class-action by a iudge.

Former church member Mary Maren, a driving force behind the latest litigation, called Hoden's response "absurd."

"The people who are suing have been damaged by the church practicing its immoral, unethical and abusive tactics against dissidents or people considered to be a threat or potential threat," said Maren, one of the plaintiffs in the suit.

Too many of us had been harassed, sued by the church, threat-ened by the church," she added. They sent their private investigators to our homes, our places of work, and we had to do some-thing."