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Times File

The late L. Ron Hubbard's works are being safeguarded to survive a nuclear war.

Papers detail church's finances

■ Scientology documents filed with the IRS include \$114-million expenditure to preserve founder L. Ron Hubbard's writings.

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WASHINGTON. — The Church of Scientology, freed of its income tax obligations by the IRS this month, is spending \$114-million to preserve the voluminous writings of deceased founder L. Ron Hubbard, the group says in newly released documents.

The works will be etched into steel plates and printed in book

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form on natural cotton and linen fabric, according to documents. Some will be stocked in an underground vault in California that is designed, Scientologists hope, to protect the writings during a nuclear war.

"Stored well, they will last indefinitely," the Scientologists' lawyers wrote in papers filed with the Internal Revenue Service.

Hubbard wanted it that way. The former science fiction writer bequeathed \$30.3-million to archive his Scientology work. After his death in 1986, the writings were gathered from 85 locations in 19 countries.

The elaborate plans are just one of the eccentricities laid out in documents the group filed with the IRS as part of its successful, four-decade battle to win tax-exempt status. The victory culminated this month after a set of negotiations that started at the IRS' request in 1991.

The documents reveal the

Church of Scientology as a warren of dozens of organizations from Denmark to Clearwater. Some of them push "social betterment" in places like south Los Angeles and Russia. One group tracks the royalties from Hubbard's estate, right down to his sculptured busts. Another "safeguards" the church from persecution. Yet another oversees sales of Hubbard's "Scriptures" — 500,000 pages of writing, 3,000 taped lectures and 100 films.

And the money flows. The Scientologists own a cruise ship with a book value of \$15.2-million, and they spent \$8.5-million on legal expenses in a single year, \$6-million for an ad campaign in *USA Today*, and \$2.125-million for uniforms worn by members of its "Sea Org" division.

The documents indicate that personnel costs are low. The staffers are paid \$50 a week, live in a communal setting and spend 14½ hours a day on religious work. High-level Scientologists appear to collect a modest salary: David Miscavige, the top official of the church, was paid \$34,779 in 1992 and \$62,684 a year earlier by the Scientology-affiliated Religious Technology Center, the records show.

Where does the money come from? Most of the 30 or so organizations granted tax-exempt status this month reported collecting money from church members for religious services, from the sale of Scientology books and from investment income.

The parishioners' donations are key. Scientologists pay up to thousands of dollars for counseling in a process known as auditing that is supposed to rid the mind of negative thoughts and improve their lives.

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Critics call it a scam, but lawyers described the Church of Scientology's method of charging for its services this way: "All prices and rates are set to enable churches of Scientology to provide the services, Scriptures and other materials of the religion to more and more members of the general public so that everyone eventually can achieve spiritual salvation."

The Clearwater-based Church of Scientology Flag Service Organization reported \$74.3-million in total revenue last year and expenses of \$75.9-million. One big expense: the Clearwater affiliate transferred some \$24.3-million back to the "mother" church in Los Angeles.

Its lawyers say the Clearwater organization is the largest Church of Scientology in the world, with 750 staff members and a "distraction-free, wholly supportive environment."

Less orthodox religious activities are detailed in the documents as well.

Scientology's 440-foot yacht, the *Freewinds*, is valued at \$15.2-million and cruises mainly in the Caribbean under the operation of Majestic Cruise Lines. Church lawyers wanted to make clear, however, that it is not a place people come to relax.

There is a swimming pool on board, but it is used only "sporadically" four or five hours a day. The volleyball court might be used only an hour, the lawyers told the IRS.

Passengers stay only a week at a time, unless they came aboard to get the Key of Life. That might require staying six weeks.

The *Freewinds*, after all, is the only place in the world where the highest level of auditing is permitted, through 1-on-1 sessions. The nautical setting recreates the Sea Organization of the 1960s and 1970s, the IRS was told, when Hubbard was aboard a ship called the *Apollo*.

The documents also shed light on the church's new electronic accounting system. The IRS wanted to know more about it.

The church's answer included an explanation of its faith in statistics: "Over the years, a very precise system has evolved whereby each function in a Church is given a statistic which is recorded weekly, plotted against time and reported each week to CSI (Church of Scientology International). The statistics give a complete picture of whether a particular Church is performing its duties in accordance with Scripture."

The attached exhibits are graphs showing dollar income.

Explaining still another operation, church lawyers told the IRS that a unit called Guardian had been responsible for the illegal activities that did so much to sully Scientology's reputation, and that the unit was disbanded.

The lawyers also said a new unit was established about the same time. The International Association of Scientologists was founded to stand apart from the church's ecclesiastical hierarchy, free of its board of directors, but drawing members from church rolls.

The association charges dues of \$300 a year, but raises most of its money from "membership tours." Fund-raisers receive commissions of from 4 to 10 percent of donations. Donors, in turn, are offered the honor of "special statuses," with gifts ranging from \$5,000 to \$1-million.

In 1991 the International Association of Scientologists spent \$6-million on advertisements in *USA Today* and by the end of the following year could still report net assets of \$92-million. More than half that amount was in cash. Three-million was in gold bullion.