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Scientologists Report Assets of \$400 Million

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WASHINGTON, Oct. 21 — The Church of Scientology, the secretive and combative international organization that recently won a decades-long drive for Federal tax exemption, counts assets of about \$400 million and appears to take in nearly \$300 million a year from counseling fees, book sales, investments and other sources, according to documents filed with the Internal Revenue Service.

The financial disclosures are in documents the church was required to file with the I.R.S. in applying for tax-exempt status, conferred on 30 or more entities of the church early this month. The documents, 12 linear feet of them in eight cardboard boxes, formed the basis for the I.R.S.'s decision and became a matter of public record when tax exemption was granted.

A review of much of the material this week showed that while the group spends heavily on legal fees, advertising and commissions for fund-raisers — and is spending \$114 million to preserve the writings and tapes of its deceased founder that it calls its scripture — its top officials are paid salaries comparable to those of the leaders of Protestant denominations.

Salary of Top Officials

David Miscavige, who holds the highest ecclesiastical position in Scientology, is listed as being paid \$62,683.50 in 1991. His wife, Michele, was paid \$31,359.25. Although the organization typically pays fund-raisers 10 percent of what they bring in, the Miscaviges did not supplement their pay with commissions. Mark C. Rathbun, president of a major church unit, said in a telephone interview today.

The salaries challenge former members of the group and other critics who assert that Scientology is a sham religion run more as a business for the financial benefit of senior members.

The 8.9-million member United Methodist Church pays its leadership up to \$85,932, plus housing, Methodist officials say. Scientology officials say the church has eight million members, a figure that is disputed by many who have left the church and other critics. They say the church has no more than 700,000 members, and perhaps as few as 50,000.

The filings included three sets of church responses to follow-up queries by the I.R.S., dated April 1991, June 1992 and November 1992. Although the service would not elaborate on what

might have tipped its decision to grant tax exemption, the provision of salary data in the final round may well have been a crucial factor.

When asked whether the I.R.S. verified salary or other figures, Frank Keith, a spokesman for the agency, would not comment directly. But he called the salary information provided by the church "sufficient" for determining that "there were no issues of inurement that could have prevented" approval of the exemption. Inurement, or private enrichment, is barred under the tax law governing religious and other charitable organizations.

What Religion Is Based On

The files, which include doctrinal material and training manuals as well as financial statements, do not make clear the amount of Scientology's annual income. Revenues compiled for 18 of the 30 entities, including all the major ones, total about \$285 million. But Mr. Rathbun said the actual figure was "not anywhere near that." Mr. Rathbun said he could not provide an estimate of his own.

Mr. Rathbun said that the actual figure appeared larger than it was because the church often transferred money among its units and treated maturing certificates of deposits as revenue, at least temporarily.

According to church officials, Scientology is a religion based on the research of L. Ron Hubbard, a onetime writer of science fiction who died in 1986. His 500,000 pages of writings and thousands of taped lectures are the sole source of doctrine.

Spiritual salvation, the church teaches, can be achieved only by following the scriptural precepts, including participating in "auditing" sessions aimed at shedding painful experiences and to raise spiritual awareness.

Although leaders did not appear to make large salaries, some of them had relatives on the Scientology payroll. For example, Mr. Miscavige's father, stepmother, brother and sister-in-law are all employed by the church. In addition, his mother, two brothers-in-law and two sisters, while not employed by the church, earned commissions from time to time as fund-raisers.

The records showed a half-dozen or more people making hundreds of thousands of dollars a year in commissions in raising money for the church. But Mr. Rathbun said that many of these



William E. Sauro/The New York Times

The Church of Scientology appears to take in nearly \$300 million a year from counseling fees, book sales, investments and other sources, according to Internal Revenue Service documents. Visitors to a church center on 82d Street browsed through books in a reception area.

people had to share the compensation with a number of helpers and that they had to pay their own expenses.

The files showed one of the biggest fund-raisers was Barry Klein, who made \$217,694 in 1989, \$201,314 in 1990 and \$176,582 in a third year that was not listed. Mr. Klein is listed as a field staff member and "disseminator." Field staff members are not considered church members and are paid commissions based on donations raised from parishioners. Disseminators, also not considered employees, raise money for the International Association of Scientologists on a full-time or part-time basis, collecting 10 per-

cent of the money they raise.

Another big fund-raiser was Ken Pirak, who made \$407,052 in 1991. Steve Grant, working the Clearwater, Fla. area, as a fund-raiser, made \$339,978 in 1991.

Other disclosures in the filing showed that Scientology units spent \$30 million in legal bills during 1987 and 1988, \$7 million on bomb-resistant doors for one of three vaults in which Mr. Hubbard's writings are to be stored and \$6 million for an advertising campaign in USA Today.

The church's 440-foot yacht in the Caribbean, the Freewinds, is valued at \$15.2 million.