

Friend cleared of Scientology kidnapping

THE DAILY TELEGRAPH

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I feel insulted, says woman as jury decides that she was brainwashed

Reports by John Steele
Courts Correspondent

A MAN who tried to remove a woman from the Church of Scientology was cleared of attempted kidnapping yesterday after arguing that "brainwashing" by the cult had turned her into a robot without the ability to decide whether she consented or not to leaving.

Stephen Cooper's "victim", 23-year-old former shoe shop worker Miss Kathleen Wilson, told the jury that she was happy to be at the cult's headquarters at Saint Hill Castle in East Grinstead, East Sussex, and did not consent to being removed.

The court also heard he had admitted to police he intended to "snatch her" against her will.

But Cooper, 27, who runs a newsagent's shop, was cleared at Lewes Crown Court of the charge by a jury which retired at 12.53pm, began their lunch at 1pm and returned with unanimous verdicts at 2pm.

His counsel, Mr John Tanzer, argued that, even though she claimed in court she did not consent to removal, it was possible her free will had been removed by the processes she had undergone in the cult and she did not have "sufficient intelligence and understanding" to decide if she consented.

After the verdict, a delighted Cooper said: "I wasn't confident. I thought the evidence was against me, but the jury was fantastic. In my eyes, British justice has won today."

Scientology officials took a different view, warning the verdict would act as a "green



Picture: JOHN CONNOR

Family at odds: Kathleen Wilson with her mother Margaret outside Lewes Crown Court

home." As court officials, lawyers and reporters listened, Mrs Wilson said: "You have made me ill."

"Why don't you visit your father (Ian, 75, who is separated from Mrs Wilson). He is ill through not seeing you. You've been brainwashed. You don't know what you've put me through."

"All the trouble. Don't you care?" Miss Wilson: "Of

cult: "It is not good that they keep a daughter away from her mother. You were all I lived for and now I've got nothing. You've thrown your life away. Why?"

Miss Wilson: "I have not." She insisted that she would visit her mother if she would not be kidnapped. Her mother retorted: "Who'd want a kidnaper? You're not a millionaire's daughter." Outside

her mother further apart.

Mother says sect has bewitched daughter

A REUNION between scientist Kathleen Wilson, 23, and her 62-year-old mother, who had not seen each other for more than two-and-a-half years, took place during the trial of Stephen Cooper.

Last Friday, Mrs Margaret Wilson and her daughter met in the well of the court and hugged briefly.

But rather than sharing an emotional moment, Mrs Wilson told her daughter she had been "brainwashed" by scientologists. Her daughter, in turn, accused "instigators and enemies of the church" of duping Mr Cooper into believing she needed to be rescued.

The mother and daughter did not see each other over the weekend — despite, Mrs Wilson said, her attempts to contact her daughters at the cult's headquarters at East Grinstead.

A saddened Mrs Wilson left court on Monday evening, planning to return to her Cleveland home early yesterday, not knowing if her daughter would keep her promise to visit her.

The exchanges between them were witnessed by Cooper, who said: "At least, if I haven't done anything else, I've brought them back together."

Mrs Wilson, who lives at Boosbeck, near Saltburn, told her daughter last Friday: "I haven't seen you for more than two years. You have been saying you will visit for two years. Why don't you come and see me?" Miss Wilson replied: "I will come

being contacted by her mother — and the judge ruled he could not offer a defence of lawful excuse because that would require a belief that she faced physical danger.

But the judge ruled that there could be a possible defence on the grounds of consent, even though Miss Wilson testified that she did not consent.

This enabled Mr Tanzer to tell the jury some of the evidence suggested a regime in which she was effectively enslaved and robbed of her free will.

"Kathleen Wilson was a victim. She was deprived of her own free will and Stephen Cooper sought to rescue her. She never said she wanted to be rescued but we say, simply, that is because she couldn't."

"If a member of our society is turned into a robot, turned into a slave, is that person consenting? A robot is programmed as to what to say. The person underneath has been suppressed and enslaved."

Cooper, he said, was not a "malign kidnapper using unwarranted force to take away a damsel manifestly not in distress." Rather, he wanted to "put her in a position" to make her own free choice.

Outside court, Cooper, from Saltburn, Cleveland, said the last two years had been a nightmare. He planned to marry Miss Lorna Bowden, 23, the one-time close friend of Miss Wilson.

"I was only interested in the welfare of Kathleen. We felt she had changed after joining them. Lorna said she was always easily-led and that she had to look after her at school."



Free: Cooper yesterday

light" to those who wanted to remove members from sects. Miss Wilson, a former flatmate of Cooper, said: "I am outraged."

"I feel insulted by the verdict. Instead of judging Stephen, they judged me. I said I wanted to stay at Saint Hill and I meant it. I was not brainwashed."

Mr Justice Hadden told the jury that Scientology was not on trial and that they did not have to decide if it was a cult or a religion.

The issue was Stephen Cooper's acts and intentions when he went to Saint Hill with another man on the night of Nov 6, 1992.

To prove attempted kidnapping, the Crown had to establish four elements — an attempt to remove her, that it was by force, that it was without lawful excuse and that she did not consent.

The first two elements were not challenged — Mr Cooper admitted to police he went to snatch her, "probably against her will", after

Cult's hopes of improving its image takes a knock

THE acquittal of Stephen Cooper is a major setback for the Church of Scientology in its efforts to dispel its image as a sinister and manipulative cult.

The decision will go down in the demonology of the cult — or, in its own terminology, on the ever-lengthening list of anti-scientology "suppressive acts" — alongside a bench-mark case in the family division of the High Court in 1984.

In that hearing Mr Justice Latey decided a custody dispute between a father who was a committed scientologist and a mother who had left the cult by removing two children from the father and giving them to the mother.

After a three-week trial in which he heard evidence about scientology and its late founder, the science fiction writer turned spiritual guru, L Ron Hubbard, he said: "Scientology is both immoral and socially obnoxious. In my opinion it is corrupt, sinister and dangerous."

"It is corrupt because it is based on lies and deceit and has as its real objective money and power for Mr Hubbard, his wife and those close to him at the top."

"It is sinister because it indulges in infamous practices, both to its adherents who do not toe the line unquestioningly and to those outside who criticise or oppose it."

"It is dangerous because it is out to capture people, especially children and



Ron Hubbard: 'charlatan'

impressionable young people, and indoctrinate and brainwash them so that they become the unquestioning captives and tools of the cult, withdrawn from ordinary thought, living and relationships with others."

The cult, which offers endless press releases and glossy brochures to the media, has denounced the Latey hearing as a "travesty of justice" in which it was not allowed to defend itself.

Scientology was created by Hubbard more than 40 years ago. In essence, he suggested humans are reincarnated from the beginning of time and inside everyone there is a thetan — or spirit — trying to help the human improve.

But the thetan is handicapped by engrams — bad thoughts or past misdeeds — which have to be cleared by the processes of scientology known as dianetics, to guide

the individual human towards spiritual enlightenment.

The central tool of dianetics is "auditing with an e-meter", a machine which is used when scientology members are quizzed by "auditors" about their innermost thoughts.

Auditing, the theory goes, enables members to confront and overcome engrams.

Within the cult there is a cadre of dedicated members known as "Sea-Org" whose recruits sign a contract to work for a billion years and they audit their way "up the bridge" of spiritual improvement towards the levels of "clear" and Operating Thetan".

As evidence in the Cooper trial showed, cult members wear uniforms and the East Grinstead castle is patrolled by guards with handcuffs and heavy torches.

The jury heard of "ethics officers" and "ethics penalties" for those committing harmful acts. The "rehabilitation project force" was a euphemism for an internal disciplinary body.

Cooper's lawyers were unable to adduce the Latey judgment in his case but the detailed evidence before the judge in 1984 convinced him that Hubbard, who died in 1986, was a "charlatan and worse" who had lied about his background and war record to promote himself and had created a quasi-religion to make money for himself and his cohorts.

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EDITION

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RIVERSIDE, CALIFORNIA

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In Whose Hands?

How Allstate Applied Scientology Methods To Train Its Managers

**Led by a Church Member,
Classes Elevated Profits
Above 'Reasonableness'**

Copyright: L. Ron Hubbard

By ROCHELLE SHARPE

Staff Reporter of THE WALL STREET JOURNAL

Two years ago, an Allstate agent stood up at Sears's annual meeting to ask what then seemed a bizarre question.

"To what extent," he inquired, "are the teachings of L. Ron Hubbard's Church of Scientology present today in Allstate and in Sears?"

Edward Brennan, chairman of Sears, Roebuck & Co., and Wayne Heden, then-chairman of Sears's Allstate Insurance Co. unit, both appeared bewildered. Mr. Brennan said he had no knowledge of any relationship at all. Mr. Heden said he didn't even know any Scientologists. "I'm a Roman Catholic myself," Mr. Brennan added. Shareholders laughed, and the board moved on to apparently more serious concerns.

But today, the influence of Scientology at Allstate is no joking matter. Between 1988 and 1992, it turns out, the Good Hands company entrusted the training of workers coast to coast to a consultant teaching Scientology management principles.

Mr. Hubbard's Course Book

The consultant says more than 3,500 Allstate supervisors and agents participated in the nearly 200 seminars conducted by his firm, which was licensed by a Scientology institute to teach such classes. The course materials — which preached a rigorous, even ruthless devotion to raising productivity — were developed by Mr. Hubbard, founder of the religion that some critics claim is a cult.

One of the purposes of teaching Mr. Hubbard's management program, a Scientology pamphlet states, is to instill "the ethics, principles, codes and doctrines of the Scientology religion throughout the business world."

Though the company recently banned and repudiated the courses, their reverberations are still being felt — and may even be growing. Some employees continue to use Mr. Hubbard's techniques, while other workers weave conspiracy theories about an alleged Scientology plot to infiltrate the highest levels of the company. Some agents believe they have been harassed and, despite repeated denials, the insurance giant has been unable to put all the speculation to rest. Recently, agents in Florida have launched a drive to unionize the work force — and they are using the Scientology issue as a centerpiece of their attack on management.

Allstate employees who took the classes say an important, although hardly exclusive, theme of the training was an uncompromising commitment to the bottom line — even if that meant treating poor performers harshly. The course materials warned managers never to be sympathetic to someone whose productivity numbers, or "statistics," were down.

Introducing the Tone Scale

"We reward production and up statistics and penalize nonproduction and down statistics. Always," the training booklet said. "Don't get reasonable about down statistics. They are down because they are down. If someone was on the post, they would be up." The course underscored this point by advising that "reasonableness is the great enemy in running an organization."

The program also taught psychological concepts such as the "tone scale," which catalogs emotions and, Scientologists believe, can be used to influence behavior. Illustrated with cartoon characters, the scale contains 41 levels, ranging from death, apathy and grief near the bottom to exhilaration, action and "serenity of beingness" at the top. All of the levels are numbered: Covert hostility is 1.1, boredom, 2.5.

Allstate managers learned to find a person's place on the scale by analyzing the individual's favorite style of conversation. "If you wish to lift the person's tone, you should talk at about half a point above their general tone level," the course book advised.

While such ideas appealed to some employees, others were amused or offended. David Richardson, who took the course in 1990, remembers exchanging startled glances with a colleague and muttering: "If they turn off all the lights and start singing John Denver music, I'm walking out."

Intentions Were 'Honorable'

Allstate initially responded to questions from this newspaper with a brief written statement: "There is absolutely no connection between the Allstate Insurance Company and the Church of Scientology." If any Scientology materials were included in training sessions, it was "a blip on the screen . . . a very inconsequential, one-shot situation," a spokesman said.

But later, Jeff Kaufman, a regional vice president who participated in Allstate's decision to use the Scientology consultant, acknowledged that the controversial courses were taught to agents and managers nationwide. Mr. Kaufman described the employment of the consultant as "an accident."

"I feel like our intentions were very honorable," Mr. Kaufman says. But now, he adds, the matter "is biting at me

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In Whose Hands?

Allstate and Scientology

Continued From First Page

personally." He emphasizes that he didn't know at the time of the training that Scientology principles were involved.

Many Allstate employees, though, did know the connection. For one thing, the introduction to their course book declared the materials "were researched and written entirely by" Mr. Hubbard, who died in 1986. Some trainees recognized the name instantly; others learned who he was from colleagues taking the course.

Mr. Hubbard is best known not as a management guru but as the science-fiction writer who founded the Church of Scientology International in 1954. Since its earliest days, the church has been a target of anticult activists who say it exploits its members and harasses opponents. Church members counter that their organization has been systematically misrepresented, even persecuted, by the media and government. Scientology, they say, is "an applied religious philosophy" that helps people develop spiritual awareness. Members seek perfection by exorcising bad memories, or "engrams," from past lives through a counseling process called "auditing."

Over the years, Scientology has been aggressive in its efforts to attract new members—including such celebrity adherents as Lisa Marie Presley, Tom Cruise and John Travolta—and to build an efficient, well-financed organization. Along the way, members credit Mr. Hubbard with developing a comprehensive management system for church operations using Scientology principles.

The system came to Allstate through a circuitous route that began in 1979, when church members formed a not-for-profit religious group, the World Institute of Scientology Enterprises, to market Mr. Hubbard's techniques to business. In its book, "What Is Scientology?" the organization boasts that its courses have been taught at a number of the nation's largest companies, including General Motors Corp., Mobil Corp., Volkswagen AG—and Allstate. Except for Allstate, all these companies say they can't find any evidence that their workers took such seminars.

MANY ALLSTATE EMPLOYEES would come to rue the Scientology connection and to blame it on the company's top executives. Yet, ironically, it was a group of agents, rather than anyone in top management, who sought out Scientology management training in the first place. The impetus was a companywide restructuring of agents' jobs in the mid-1980s. Under the new system, agents had more responsibility to run their own businesses, hire staff, manage expenses and attract new clients.

The change put enormous new pressure on employees, many of whom had previously sold insurance in Sears stores and had no entrepreneurial experience. (Sears, which once owned all of Allstate, sold a 20% stake to the public in 1993 and plans to spin off the rest of the company later this month.) The pressure prompted a group of about 10 agents from the Sacramento area to band together in late 1987 to search for ways to sharpen their business skills.

One member suggested at a monthly meeting in early 1988 that the group consider hiring outside consultants to help in the effort. Karen O'Hara, a relatively new agent based in the tiny town of Galt, Calif., replied that she had a client who was a management trainer, three people at the meeting recall. But they say Ms. O'Hara didn't point out that she knew the trainer, Donald Pearson, through a Scientology communications class she had taken. Ms. O'Hara confirms she took such a class but won't comment further.

Soon Mr. Pearson, then 39 years old, was meeting with the group to present his ideas. Before long, he was lecturing on organizational development to more than 40 Allstate employees gathered at the Sheraton Hotel in Sacramento. Agents say Mr. Pearson didn't hide his religion or the origin of the training program but stressed that the sessions had nothing to do with Scientology.

Employees who produced so-called up statistics weren't to be questioned, no matter how they behaved. "Never even discipline someone with an up statistic. Never accept an ethics report on one—just stamp it 'Sorry, Up Statistic' and send it back," the consultant's materials advised.

"It was a management program, not a religious promotional program. . . . They didn't buy Scientology, they bought courses," Mr. Pearson says now. "What's my religion got to do with whether I'm a good consultant?" A Scientology spokeswoman adds that the same principles that are religious within the church can be viewed as secular when applied outside the church.

Mr. Pearson, though, was a top trainer for a firm called International Executive Technology Inc., which was devoted to teaching the Hubbard management system. Materials Mr. Pearson distributed in his classes included Mr. Hubbard's copyright notice at the bottom of many pages. And all of Mr. Hubbard's written words, including his management pronouncements, are considered religious scripture by the church, according to the Scientology pamphlet, "The Corporations of Scientology."

One Scientology brochure predicts that as businesspeople use the L. Ron Hubbard technology and "win with it, they will reach for and apply LRH technology in other aspects of their lives and may become Scientologists."

Mr. Pearson steered clear of these issues in his Sheraton talk, agents say, and hewed to the subject of how insurance agents and managers could do a better job of running their businesses. By all accounts, he was a huge success; agents later described the tall, sandy-haired speaker as confident, direct, down to earth and authentic. The employees who heard him were so impressed that they invited him to deliver the keynote address that fall at a meeting of Northern California managers, held at a posh Lake Tahoe resort. After that presentation, requests poured in from managers for further assistance from Mr. Pearson.

One high-ranking Northern California manager says he persuaded executives at Allstate headquarters in Northbrook, Ill., to pay for intensive seminars for his employees. For more than two months in late 1988 and 1989, about 50 managers and agents in the region spent two to three days each week in classes at Mr. Pearson's Sacramento office, which was decorated with Mr. Hubbard's vivid paintings of spaceships and moonscapes.

The seminars gave loads of tips on office organization and goal-setting. Filled with Mr. Hubbard's special terms, the materials discussed ways not to waste "attention units"; what "hats," or duties, workers had; and how to construct an "org board," a chart of the organization's functions. The classes also showed how employees could be divided into three categories: "the willing," "the defiant negative" and "the wholly shiftless."

To help managers understand their own personalities, consultants administered a 200-item questionnaire similar to the ones Scientologists pass out on street corners. The Allstate employees got back graphs that rated them on 10 counts, including stability, certainty and composure. They also practiced staring at colleagues and examining their facial features in an effort to like the co-workers more.

But the seminars focused mostly on management by statistics, a concept that involved charting income and production on weekly graphs. Employees who produced so-called up statistics weren't to be questioned, no matter how they behaved. "Never even discipline someone with an up statistic. Never accept an ethics report on one—just stamp it 'Sorry, Up Statistic' and send it back," Mr. Pearson's materials advised.

Workers with declining production had to be investigated immediately, the course taught. "A person with low statistics not only has no ethics protection but tends to be hounded," the training manual said. It also quoted Mr. Hubbard's writings blaming the Depression, the failure of communism and even the decline of ancient Greece on people's willingness to reward or excuse so-called down

statistics. The Allstate classes included Mr. Hubbard's statement that about 10% of the population was "nuts" and that "2½% are the chief nuts."

Rather than resist the course, many who took it appeared grateful for the lessons and eager to apply them. "It was invaluable," says Edmund Kramer, who took the classes when he was a marketing sales manager in California. "I know some people are afraid of it because they think it has religious connotations. But once you touch it, you're going to carry something with you from it forever. It's very powerful in its simplicity."

The first wave of managers to try the course, all from California, appear to have focused primarily on how to chart their business fortunes—and to react quickly to any downward trend. It is unclear whether any of the California managers followed Mr. Hubbard's harsh rhetoric on poor performers. In any event, by the end of the year, sales and profits were up significantly, managers say.

So many managers outside the region clamored for information about the training program that Mr. Pearson and Allstate manager Lindal Graf were invited to promote it in Southern California, Tennessee and Kentucky. Mr. Pearson also spoke to 130 Allstate managers from all over California who had gathered in the city of Ontario for a conference. Six weeks later, in November 1988, he had his debut

at Allstate's corporate office, leading a seminar for 30 sales managers from throughout the country.

Within months, corporate executives who had heard the favorable reviews were seeking Mr. Pearson's participation in a series of three-day sessions for managers nationwide.

Before they offered him that pivotal assignment, though, they asked him to conduct a tryout session at corporate headquarters for visiting managers. That is when executives first heard complaints about Scientology, says Kenneth Rendeiro, a former sales manager who was in charge of setting up the training programs. Two California managers, scheduled to participate in the sessions, refused to take part because, they explained, Mr. Pearson was affiliated with Scientology. "It concerned a lot of us," Mr. Rendeiro says.

Corporate executives then convened a series of meetings to discuss whether it was a mistake to hire a Scientologist, and Mr. Pearson reassured officials that his training program was separate and distinct from the religion. As a result, William Henderson, then vice president of sales, decided to give Mr. Pearson the job, Mr. Rendeiro says. However, Mr. Henderson, now retired, denies any involvement. He says the company is trying to blame it "on the old guy who retired."

There's no dispute, however, that Mr. Pearson ended up traveling around the country with two other trainers unaffiliated with Scientology, giving seminars to managers in about half the company's 28 regions. Mr. Pearson says these seminars, for which Allstate paid him \$4,500 per three-day session, were given from 1989 to 1992. The classes became so popular that many regional managers invited Mr. Pearson back, at \$5,000 a day, to do special sessions geared toward agents.

Allstate's Mr. Kaufman says he had specifically forbidden trainers from selling any books at the advanced-management seminars. But once Mr. Pearson began teaching large numbers of agents, questions arose about whether he was abiding by the rules.

"He snuck in about a half-hour on the promotional literature," says John Softye, a New York agent who took Mr. Pearson's Agent Prosperity Seminar in 1989. "He said: 'You buy these books and you can see how to benefit yourself and improve your thinking.'" The seminar materials also advertised a series of books available from Mr. Pearson and his company: Mr. Hubbard's "Science of Survival" for \$50, his "How to Live Though an Executive" for \$31.25, and a three-pack of his "Money and Success" tapes for \$145.

BY THIS TIME, SEVERAL other consultants who worked with Mr. Pearson were also training Allstate agents in Scientology management practices. At least one of the consultants pitched another book to agents: "Dianetics," Mr. Hubbard's seminal book on Scientology. Mr. Pearson says he told the consultant to stop the practice, since Allstate had banned the sale of religious materials at the seminars. Mr. Softye claims, though, that Mr. Pearson also sold copies of "Dianetics" at his seminar, an allegation that Mr. Pearson denies.

In this phase of the training program, reports from the field began to grow less favorable. In Arizona, for example, workers say they noticed a disturbing change in a key supervisor's management style after their Hubbard training in July 1990.

After taking the classes, territorial-sales manager Jeffrey Swanty talked constantly about management by statistics, says David Richardson, the former Allstate manager who attended the course with him.

To apply the ideas, Mr. Richardson says, Mr. Swanty developed a system under which the worst-performing agent and the worst-performing manager in his territory would be required to reach a series of daily, weekly and monthly goals. Frequently, Mr. Richardson says, the goals were unreachable, requiring that business be doubled or tripled within a short period.

"It allowed management by intimidation. It was vindictive—a way to try to remove people," Mr. Richardson says. "We would harass agents" by calling them constantly and visiting them repeatedly. (Mr. Richardson had his own run-ins with Mr. Swanty and was reprimanded at least once.)

One incident that employees still talk about involved William Wesler, a 35-year-old Phoenix manager, who was suffering from lymphatic cancer in 1990. Everyone in the office knew about Mr. Wesler's condition and his efforts to reduce stress as part of his treatment, Mr. Richardson says. Nonetheless, a month after taking the Hubbard training course in July, Mr. Swanty placed Mr. Wesler on a rigorous program to improve his performance.

During the following 120 days, Mr. Wesler was supposed to double his district's sales, hire at least one female and one minority agent, attend public-speaking classes and enroll in a college course on interpersonal skills, his August 1990 job evaluation states. He also had to meet with Mr. Swanty every other week to receive an evaluation of his progress.

"It was a workload for three people," says Mr. Wesler's widow, Sherry Scott. She says her husband completed most of the work but quit in October 1990. He died in May 1992. "When I saw Jeff Swanty at the funeral, I turned and walked away," says Greg Peterson, who had worked for Mr. Wesler and says he watched Mr. Swanty's behavior change after the management classes. "I feel his actions worsened Bill Wesler's health," he adds.

Mr. Swanty acknowledges that he was impressed with the Hubbard course materials but says he didn't implement much of the program because he feared it would create too

much paperwork. He says he didn't know at the time that Mr. Hubbard was connected to Scientology. He knew Mr. Wesler was ill, Mr. Swanty adds, but denies he treated him unfairly in light of his declining performance.

"We treat people with dignity," says Edward Moran, an in-house Allstate lawyer who also denies that Mr. Swanty was unfair. He says Mr. Wesler was having serious problems with managing and communicating with agents for some time before he received his negative evaluation in August 1990. In addition, Mr. Moran says, Mr. Swanty began drafting the evaluation in June, before he took the Hubbard lessons. However, the performance review is dated Aug. 14.

"It allowed management by intimidation. It was vindictive—a way to try to remove people. We would harass agents" by calling them constantly and visiting them repeatedly.

—David Richardson,
a former Allstate manager

ACROSS THE COUNTRY, a number of agents were making complaints similar to those voiced in Arizona. Lawsuits and Equal Employment Opportunity Commission complaints were proliferating; more than two dozen have alleged fraud, harassment or discrimination by Allstate, often in connection with wrongful-discharge cases. One manager joked about forcing so many to quit that they would have to bring in "body bags" to cart them away, while others described agents with low productivity as below the "scum line," workers said in pretrial statements related to these lawsuits.

The company says the number of suits isn't unusual for a firm its size. The allegations reflect the failure of some agents to prosper under the more entrepreneurial system Allstate set up in the mid-1980s, it adds. The agents are falsely blaming Scientology and company officials for their own shortcomings, Allstate says. "Bless their hearts, they wish it were still 1965," says Michael Simpson, Allstate's recently retired vice president of sales.

The company would never condone harassment, Mr. Simpson says, though he adds the firm couldn't be aware of the actions of every single worker. "Allstate has always been extremely ethical and right-treating of its employees," he says.

Yet given the philosophy espoused in the Hubbard training program, many agents became convinced, rightly or wrongly, that the hardball tactics they saw many managers adopting were inspired by the Scientologists' training methods. Many knew that the church has been accused repeatedly of spying on and harassing its opponents.

Under its "Fair Game Law," written by Mr. Hubbard in 1967, an enemy of Scientology is "fair game" and can "be deprived of property or injured by any means by any Scientologist, without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed." The church says Mr. Hubbard rescinded this law in 1968, although critics contend that only the term, not the concept, was discontinued.

By 1990, many agents were concerned enough to confront their supervisors about the use of the Hubbard materials. In some instances, employees protested the implementation of management-by-statistics programs in Allstate offices. In South Florida, a Catholic agent balked at participating in a program linked to another religion. His opposition caused such a furor that the Hubbard-inspired program was curtailed, agents say.

In 1992, without acknowledging any past problems, the company scaled back its reliance on Mr. Hubbard's teachings. By 1993, Mr. Pearson had stopped giving any seminars at the company. But fear of Scientology persisted at Allstate, and the brief Scientology discussion at Sears's 1993 annual meeting did little to ease agents' concerns about the Scientology link.

One reason was that agents were still finding elements of Mr. Pearson's training program in Allstate management seminars. That fall, for example, some agents participating in a new training program, the Agency Development Process, noticed two pages, titled "Statistics Graphs, How to Figure the Scale," that were identical to those found in the Scientology material. The references to L. Ron Hubbard had been deleted.

Allstate's new companywide Better Prospecting Seminar also had some similarities to Mr. Hubbard's program, focusing on statistical analyses of performance and describing employees' various tasks using the Scientology term "hats." The new program offended some agents, who say they felt they were being taught to deceive and confuse their customers.

In May 1994, New York agent Mr. Softye, who describes himself as a devout Catholic, refused to take a test that preceded participation in the Agency Development Process, which he believed was related to Scientology training. He initially received a "job-in-jeopardy" reprimand, though it was rescinded when he complained to corporate headquarters that the test conflicted with his religious values. The incident fueled agents' drive to uncover their company's apparent links to Scientology.

The National Neighborhood Office Agents Club, NNOAC, a group of Allstate agents who are critical of management, began printing special reports outlining what it knew about the Scientology connection. In addition, the group sent Hubbard training materials that had been used at Allstate to each member of the board of directors. Someone also mailed an anonymous letter to the company's investment bankers at Lehman Brothers Inc. claiming a Scientology connection. These actions finally grabbed the attention of top management.

Allstate senior vice president Robert Gary flew three NNOAC agents to Atlanta last August and met with them in a tiny Delta Air Lines conference room at the airport. Mr. Gary says he acknowledged the company's involvement

with the Hubbard management training. He told the agents the seminars were "initially embarked on in innocence," but he agreed they were a mistake. The senior vice president promised the company would write to employees admitting the error and would order that all the Scientology material be deleted from Allstate's training books.

Later that month, Allstate President Jerry Choate wrote the three agents a letter disavowing the Hubbard management materials. "The inclusion of these materials was unfortunate

because the ideas and views expressed in them were clearly inconsistent with Allstate's values," Mr. Choate wrote. "The people who were responsible for screening the consultant's training materials failed to recognize that they were inappropriate and remove them."

He promised a complete review of the process that led to the hiring of Mr. Pearson. He also said the Hubbard materials hadn't been distributed for several years and that, in March 1994, he had ordered instructors to stop using any of the old texts, even if they weren't objectionable.

But last October, an incident in Florida showed that speculation among Allstate agents about the influence of Scientology on the company is far from dead. On Halloween, 16 agents from Orlando were called into a brief meeting, where territorial-sales manager Daryl Starke reprimanded agents for failing to sell enough life insurance. "This is serious business, folks; wake up!" one agent quoted Mr. Starke as saying. He told workers that unless they produced six life-insurance policies within 90 days, their jobs would be in jeopardy, three employees at the meeting say.

Within a few weeks, many of these workers happened to hear about the Scientology issue for the first time. They suspected that Mr. Starke had taken the Hubbard course, as Allstate now says he had. One agent was so disturbed that he talked to his priest about the matter. In recent months, he and another agent filed religious-discrimination claims with the EEOC. Allstate denies the charges. The cases are pending. ♦

Los Angeles Times

THURSDAY

MARCH 23, 1995

CC†

Allstate Admits Training Was 'Unacceptable'

■ **Insurance:** Company hired consultant who taught Scientology management principles between 1988 and 1992.

From Associated Press

NORTHBROOK, Ill.—Allstate Corp. acknowledged Wednesday that it hired a consultant who taught "unacceptable" Church of Scientology management principles to the insurance company's agents and supervisors between 1988 and 1992.

The company denied allegations some workers were hounded, intimidated and wrongfully fired as a result of the training program.

Scientology is a religious-scientific movement founded in the 1950s by the late author L. Ron Hubbard that recruits new members aggressively. Critics contend it is a cult.

More than 3,500 Allstate workers participated in seminars that taught them to disregard ethics in the quest for greater productivity, the Wall Street Journal reported in a front-page story Tuesday.

That component of the training "was wholly unacceptable and inconsistent with our standards," Allstate spokesman Al Orendorff said.

"We dropped the ball," he said. "We should have managed that part of it better and didn't."

Scientology, based in Los Angeles, said the Journal story was the result of a "controversy being created by what appears to be a few disgruntled employees of a huge corporation."

Scientology said the Hubbard management technology is a proven method for clarifying business goals and increasing efficiency and productivity that is used in more than 40 countries.

More than two dozen agents have filed lawsuits or Equal Employment Opportunity Commission complaints alleging fraud, harassment or discrimination by Allstate, often in connection with wrongful-discharge claims, the Journal reported.

Orendorff denied the allegations. The company told the Journal the agents' claims reflect their failure to prosper under the more entrepreneurial system Allstate set up in the mid-1980s.

Letters to the Editor

Scientology in the Workplace

One thing was undisputed in your March 22 page-one article, "How Allstate Applied Scientology Methods to Train Its Managers," about management seminars delivered to agents at Allstate Insurance Co.: the management technology developed by L. Ron Hubbard works.

As one of the sales managers who took the seminar summed it up, Mr. Hubbard's management technology is "very powerful in its simplicity." This sentiment is echoed by hundreds of thousands of business owners, executives, employees and professionals around the world.

It seems the "controversy" in the Allstate story began years ago when a handful of insurance agents with a grievance against their management concocted the reddest of herrings out of these seminars—making Scientology an issue to forward their own agenda. And in the process of reporting on this manufactured controversy, you forwarded misconceptions about Scientology.

L. Ron Hubbard—writer, philosopher and founder of the Scientology religion—discovered and made broadly available principles about such fundamental subjects as communication, education and ethics that are applicable to any person or endeavor. Just as these principles are embraced by the millions of members of the Scientology religion, they are used by millions more in entirely secular settings. This concept is certainly not new. The civilizing forces of ethics and morals brought to races by religions in centuries past have held through to the present with scarcely a mention of their religious heritage.

Mr. Hubbard's administrative technology places strong emphasis on maintaining high ethical standards and productivity in the business world. In today's commercial environment, where unscrupulous practice is increasingly prevalent, most would agree these elements are necessary to successful and prosperous organizations and employees.

Mr. Hubbard's writings on the religion of Scientology also place high importance on ethics, as do many religions. Scientology is a religion that recognizes that man is basically good and offers tools anyone can use to become happier and more able as a person and to improve conditions in life for himself and others.

Of all the information available to you about Scientology, you used none. Instead, you included one twisted interpretation of several sentences taken out of context from millions of words that comprise the subject, and that one mention—an unwarranted, sweeping accusation concerning the church's supposed reaction to criticism—was conjectured to be the inspiration for management practices at Allstate that the disgruntled agents found objectionable. Such one-track treatment of the subject occluded and misrepresented the full story.

Mr. Hubbard long ago realized that people need a helping hand with their lives—from their personal decisions to their jobs and their relationships—and he gave them tools to help themselves. Through Scientology religious counseling, called auditing (from the Latin word *audire*, meaning "to listen"), millions of people have improved their ability to handle their lives and achieve higher levels of spiritual awareness and well-being.

REV. HEBER C. JENTZSCH
President

Church of Scientology International
Los Angeles

* * *

Your article on the introduction of the principles of Scientology through training courses in the workplace at Allstate Insurance was thoughtful, and it raised the curtain on a serious problem of significant dimension throughout American businesses today.

Use of mandatory training programs based upon religious premises is a practice that has been proliferating for a period of time at the expense of employees' freedom of religion. We recently read of such programs in the FAA that are claimed to have violated employees' rights. Mandatory participation in Scientology-based training programs was found to presumptively violate the freedom of religion of two employees in a physical therapy clinic in New York State who were fired because they refused to take part in such programs.

Compelling employees to submit to training programs selected by the employer requiring conformity to the employer's religious beliefs and that require conduct inconsistent with the beliefs of employees has been deemed improper by regulations adopted by the EEOC. In our striving to increase productivity in the workplace in the recent past, employers have often reached out for magical solutions without regard to the rights of their employees.

A program solely based upon the principles of Scientology is widely imposed as

a required training program in professional offices of veterinarians, dentists and podiatrists, among others.

Respect for religious freedom compels us to deplore these abuses of power. Employees are often afraid to speak up fearing that taking action to protect their religious freedom will cost them their jobs. I applaud The Wall Street Journal in raising the rock so we can look underneath it and hope the inquiry continues and spreads to other like abuses.

HERBERT L. ROSEDALE
President

American Family Foundation
Bonita Springs, Fla.

(The American Family Foundation is a nonprofit whose job purpose is to educate the public about the dangers of destructive cults in our society.)

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"The influence of Scientology at Allstate," as you wrote, "is no joking matter." It has been and remains a serious matter for many concerned employees. Removing Scientology material from Allstate's training books does not purge it from the minds of those who underwent the training, incorporated it in their management philosophy, and openly practiced its tenants until such time as Allstate was forced to declare them to be inconsistent with its values.

I know, for I am the agent who two years ago at the Sears annual meeting asked the question, "To what extent are the teachings of L. Ron Hubbard's Church of Scientology present today in Allstate and in Sears?" The question was asked as a private citizen and as a Sears stockholder, as is this letter written; for to do so as an employee contravenes corporate policy and could result in termination.

Although I knew what the answer would be at the time, I was searching for the truth. Thanks for helping to end the search.

RICHARD C. LARKIN, CLU
Herndon, Va.

* * *

My wife and I have used the business and management technology of L. Ron Hubbard in our art business for the past 15 years. It has enabled us to create an art market in the Washington, D.C., area and has been instrumental in selling thousands of art lithographs.

HOUSTON HANCOCK
Artist

Rockville, Md.

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Thank you very much for your recent excellent article detailing the Church of Scientology's training programs provided to Allstate. This is only one example of how cults are marketing themselves to businesses, causing havoc to both individuals and the organizations involved.

As one who has been concerned about cults for nearly 20 years, I appreciate your concern about this very important issue.

MARCIA R. RUDIN
Director
International Cult Education Program
New York