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Churches Join Scientology Fight Challenge IRS Denial of Group's Tax-Exempt Status

By **RUSSELL CHANDLER**
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The Church of Scientology, a frequent focus of controversy, has new and unlikely allies in its court fight with the Internal Revenue Service over Scientology's tax-exempt status: mainline church groups.

Officials representing 40 major U.S. denominations with a combined membership of 67 million, while not approving Scientology as a religion "in a theological sense," nevertheless say that constitutional issues important to the survival of all religious groups are at stake in the case.

The coalition of mainline groups have submitted a legal brief challenging IRS denial of the Scientologists' tax-exempt status in portions of California and Florida during the tax years of 1970-72.

The friend-of-the-court brief was prepared last month by the New York-based National Council of Churches and the Baptist Joint Committee on Public Affairs of Washington, D.C., and submitted to

the U.S. 9th Circuit Court of Appeals in San Francisco.

Removal of tax-exempt status for the California branch of the church, according to the brief, was based on an "unprecedented assertion" that a religious organization's tax-exempt status depends on following what IRS Commissioner Jerome Kurtz called "accepted public policy."

The mainline church groups charged the government agency with seeking "virtually unfettered discretion to cut off the livelihood of churches and religious organizations with whom they disagree."

The Church of Scientology claims a worldwide membership of more than 5 million, including 500,000 in California, and is based in Los Angeles. It is not a member of either the National Council of Churches or the Baptist Joint Committee.

Scientology, according to its founder, one-time science fiction writer L. Ron Hubbard, is "an applied religious philosophy, a combination of both Eastern and Western religions."

The church council and the Bap-

tist committee said, "Free exercise of religion cannot survive if religious organizations must comply with some vague notion of public policy, uncodified and undefined, that exists in the head of the (IRS) commissioner and his agents."

The mainline church groups' petition also challenged the government's contention that it has the right to impound internal church documents for evidence to present at trial concerning alleged violations of public policy.

A trial, expected to last a month, will be held on the matter in the U.S. Tax Court in Los Angeles. Hearings will begin Nov. 10, according to IRS personnel.

In an unexpected and apparently unrelated move this week, the IRS granted tax-exempt status to the San Diego congregation of the Church of Scientology. Fourteen of the 22 separately incorporated Scientology organizations in the United States have now been given tax exemption by the IRS.

Dean Kelley, religious liberty expert

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SCIENTOLOGY FIGHT

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Executive of the National Council of Churches, said in an interview that the court brief about removal of tax-exempt status for the California branch of the Church of Scientology—which is separate from the San Diego congregation—opposed "mandatory disclosure to government agencies."

Called Retaliation

In Kelley's opinion, the IRS demands were made in retaliation for "the acts of nine Scientology leaders convicted of purloining federal documents."

Between 1973 and 1976, Scientology members broke into government offices and stole copies of thousands of documents, including classified ones, according to evidence presented last fall in federal court.

Last October, U.S. District Judge Charles Richey found nine Scientologists—including some of the church's highest-ranking officials—guilty of conspiracy in the infiltration scheme.

Kelley said persons guilty of crimes should be convicted individually, but "the Church of Scientology itself has nothing to do with it."

The IRS, on the other hand, insists that tax exemption can be lost if a church conducts activities against public policy.

"We are not questioning the religious beliefs of Scientology, the sincerity of those who hold them or the

status of Scientology as a church," said Laura Meyers, a public affairs specialist for the IRS in Los Angeles.

Meyers said four questions are at issue in the case:

—Whether the Church of Scientology of California was operated exclusively for religious purposes.

—Whether its activities were contrary to public policy.

—Whether "impermissible private inurement" of funds has occurred.

—Whether the organization has been operating to serve private rather than public interests.

Scientology teaches that humans previously existed as "thetans" in outer space. Some psychological troubles in the present life can be traced to a person's previous existence, and these troubling experiences, called "engrams," may be embedded in the subconscious, preventing full enjoyment of life.

With the help of a "guide" and an electronic device called an E-meter, a person can progress through various stages to a "clear" state and thus rid himself of the handicaps of the past, the church teaches.

Called 'Auditing'

The process is known as "auditing" and may cost from \$50 to \$75 an hour; seekers often spend thousands of dollars in efforts to become "clear."

In their friend-of-the-court brief, the mainline church groups said: "The fact that this case involves a controversial and unorthodox religious group only adds to the suspicion that the power claimed (by the IRS) is not and will not be asserted against mainline religious bodies but against the unpopular minority who lack the imprimatur of conventional religious respectability."

But the NCC and Baptist Joint Committee added that the case could jeopardize the tax-exempt status of all religious organizations:

"What may happen to a single controversial religious organization represents a threat to all."