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Scientology: A collapsing empire?

Church says it's stronger now, while some ex-leaders say end is inevitable

By Dale Maharidge
Bee Staff Writer

A hot wind blows through the masts of the \$565,000 clipper ship "docked" on a rocky plateau in the middle of a Southern California desert. Down the hill, a

car nears a gate guarded by young men in brown shirts.

As if with the snap of unseen fingers, members of the elite Sea Org pour from buildings around the ship with cameras in hand, furiously taking photographs of the visitors.

First of two parts

The Church of Scientology has always been suspicious of outsiders.

But these days, outsiders don't pose the only threat. Greed, lies and power struggles have crippled Scientology to the point where it may be dying, say former leaders, members and critics.

The Church of Scientology, founded in the 1950s by science fiction writer L. Ron Hubbard, grew to be one of

the richest and most prominent of the new religions by the mid-1970s. It was built not on a belief in God, but on self-awareness and increasing human potential.

Although the church maintains it is stronger than ever with a membership of 6 million, former top officials say the beginning of the end of Scientology in Sacramento and around the world began in 1982 after a coup by youthful leaders of the Sea Org, a ruling branch of the church.

Hubbard's former theological second-in-command, David Mayo, told The Sacramento Bee in his first interview with an American newspaper that these new leaders are "fascists."

"The whole splinter movement is against the behavior

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Scientology

Two points of view: collapsing empire or a strengthening church?

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of the current management," he said.

According to former insiders and church documents, whole branches have split away, income has dramatically fallen and members have left in droves — to the point where one former leader says there are only 30,000 remaining. Former church leaders and critics outlined some reasons for the apparent decline:

□ Many say collapse is now inevitable because the church was built on a lie — a "front for making money," said Marvin Price, the former head of the Stockton mission and a Sacramento businessman. Hubbard's own letters prove this lie, former church archivist Gerry Armstrong charged in Los Angeles Superior Court last Thursday. In a trial now under way, the church is suing Armstrong to regain these letters. Armstrong said their release will doom Scientology.

□ Some say the church scuttled itself from the start by issuing directives condoning bribery, blackmail and covert activities, which were carried out in the 1970s.

□ Other dissidents say the church will perish because it got too money-hungry. The cost for Scientology courses and therapy has risen from \$40 an hour in the 1970s to \$307 an hour, effective last week in Sacramento. Hubbard, in a 1972 directive, established the church's policy in capital letters: "MAKE MONEY ... MAKE MONEY ... MAKE MORE MONEY."

□ And much of that money — tens of millions of dollars, according to church critics and former members — has vanished into a myriad of domestic investments and foreign bank accounts.

□ The church says it is a religion and the Internal Revenue Service agrees. The IRS, however, has ruled that the Church of Scientology of California Inc. is not tax exempt, which could cripple it financially. A ruling on the church's appeal of that decision is expected any day.

If it loses the tax ruling, Scientology "will just shift over" to a new corporation to avoid losing its non-profit status, Armstrong said. And John Nelson told The Bee in his first American interview that such plans were in the works when he was a member of Hubbard's inner circle.

Whatever the reason for the continuing breakup, numerous people have fled the church. Some have quit altogether, but others have started 40 new churches worldwide, offering similar courses and therapy at lower prices.

For 34 years the church has made headlines as a powerful and mysterious cult — an erroneous image fostered by government harassment and bad press, the church maintains.

Throughout these years, the church has been challenged because it is unlike traditional "old" religions, said Scientology spokeswoman Kathy Gorgon. "A person is entitled to whatever religious beliefs they want," she said. A number of courts have agreed that Scientology is a religion.

Gorgon said the dissidents, whom scientologists call "squirrels," made up a tiny portion of the total church membership — "one-thousandth of 1 percent. Their only intention is to make money."

"We've been involved in a cleanup campaign" and have gotten rid of not only dissidents but the "criminal element" responsible for some of the earlier illegal church activities, she said. The church is stronger than ever, Gorgon insisted, with a worldwide membership of 6 million.

A statement issued in 1983 by Hubbard himself, however, said membership was 2 million.

Nelson, a former top church official, said membership in the peak years was never more than 100,000. Today, he said, it's probably between 30,000 and 40,000.

That figure may be high, according to the Center For Personal Achievement, a former Scientology mission in Stockton. Center spokesman Alan Jones said he conducted a phone survey of all Scientology churches in the country last year and found there were no more than 6,600 people actively taking courses.

In addition to Stockton, other major missions that broke away are in Riverside and Palo Alto, which dropped out seven weeks ago. Splinter groups have formed in places such as San Diego, Seattle, Omaha, Santa Barbara, Australia and Israel.

In the United Kingdom "the amount of disaffection is great" and many people are leaving, said Jay Hurwitz, a former church executive now living in East Grinstead in southern England.

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Several former members have formed "mini-groups" and are offering services in Sacramento. The church missions in Davis, Fresno and South Lake Tahoe are a mere remnant of what they used to be, said Price.

"There has never been such an all-out assault against Hubbard," said Michael Flynn, a Boston attorney who has made a career out of legal battles with the church. "You're dealing with a bunker mentality. They are in deep trouble."

All this had its beginning in 1950 when Hubbard published his best-selling book, "Dianetics: The Modern Science of Mental Health."

A secretive religion that promised to save the world was soon born.

Why the mystery? The man who could answer that question — Hubbard — has been a recluse since 1976. And Commander David Miscavige, 24, considered by defectors such as Armstrong and Nelson to be one of Scientology's top leaders, declined to be interviewed for this story.

Much of what The Bee was able to learn about Scientology came from church documents. Some of these documents were seized in an FBI raid in 1977. Others were church bulletins mailed to members or internal memos supplied by former church leaders. Others came from court files.

Photos by Michael Williamson

After Hubbard dropped from public view, the elite Sea Org began to take control of church operations, according to many former top church officials.

Hubbard formally transferred control of the church to leaders of the Sea Org in 1982, according to a church document. Miscavige is Scientology's link to Hubbard, Armstrong said.

The Sea Org was named after the time in the early 1970s that Hubbard ruled Scientology from a 300-foot yacht called the Apollo as he sailed around the world. Many Sea Org leaders were the children who grew up on the boat and ran errands for Hubbard.

"They're a bunch of spoiled brats," said Armstrong. "They're still acting like children, at the top of Scientology."

In October 1982, shortly after Sea Org leaders officially were given control, they consolidated their power and outlined how they intended to protect themselves from the IRS at a conference of the church mission holders in San Francisco.

"Before we came along and did this overhaul, you couldn't tell whether you were dealing with a 7-Eleven store or (the) Church of Scientology ... because the purpose expressed in the corporate papers was purely commercial," said church Warrant Officer Lyman Spurlock, according to a church transcript of the conference.

Just a few months before this meeting, Spurlock was named principal officer in a new corporation called the "Church of Spiritual Technology." According to a church document, if anything "hostile" threatens Scientology, all trademarks are to be sold for \$100 to this new church.

Flynn said the Church of Scientology could declare bankruptcy if it lost the IRS tax case and reopen for business as the Church of Spiritual Technology.

Nelson said while he was still in Scientology he and his co-leaders talked about the creation of such a "shelter" organization.

Spurlock also said at the October meeting that the new structure of the church would make Scientology "impregnable, especially as regards to the IRS," according to the transcript.

Church Inspector General Steve Marlowe then went on to say that factions and schisms would "never occur to this church, never. The fact of the matter is you have a new breed of management in the church. They're tough, they're ruthless ... they don't get muscled around

"The current management has decided to use more and more force," said Mayo, Hubbard's former second-in-command until he either resigned or was thrown out

last year. (Mayo says he resigned and the church says he was expelled.)

Many members have grown disenchanted with continued tactics of "fascism," Mayo said. He predicted the church could collapse within two years.

Mayo's 8,000-member Advanced Ability Center in Santa Barbara is the largest of the spinoff groups and is staffed by what used to be the leaders of Scientology. "There are 200 years of experience here," said Nelson, who works there. Before joining the splinter movement, Nelson admitted to federal investigators that he carried out a covert operation to entrap a judge for the church, according to court documents.

Scientology also appears to be losing money. Financial records published by the church showed that in early 1982 the church's worldwide missions were earning up to \$789,000 a week. By the end of 1982, after the Sea Org coup and the mission holders' conference, those earnings dropped to \$273,000 in the last week records were released.

Estimates of the mother church's assets run as high as \$300 million, but it is probably more like \$110 million, said Nelson.

Former church inner circle member Nelson said a lot of the money had been shipped overseas. "You will never find where the money is going," he said.

Gorgon said Hubbard does not get money from the

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church, other than from book royalties. (Hubbard resigned from the church in 1966 and now is listed as an adviser.)

Church expenses eat up a lot of money, said Nelson. In 1982, for instance, the church spent millions on attorneys' fees, said Nelson. The church itself boasts that it likes to sue.

Flynn said it is probably the most "litigious organization" in America. He said there are literally "truckloads" of court documents that have been generated over the years. In one government case alone, there were 44 five-drawer file cabinets of documents presented, said Flynn.

The complexity is compounded because each individual church is incorporated separately and there are a maze of subchapters, such as the Sea Org, the Flag Service Org, the Advanced Org, the American Saint Hill Org and on and on. Separate from the "Orgs" (short for "organizations") are missions. The missions were franchises, much like fast-food chains, until the church seized greater control of the operations in 1982.

Church spokeswoman Gorgon scoffed at the suggestion that Scientology is in trouble in a recent interview in front of the national headquarters in Los Angeles. While she spoke, a group of 50 marchers paraded in front of the building carrying signs that read, "All they want is your money" and "Freedom from harassment."

Gorgon said the church does good things, such as fight for religious freedom, and that it has disclosed government cover-ups under the Freedom of Information Act.

"Our membership is higher now than two years ago," said Gorgon. "The church is interested in total freedom for mankind. We have always stood for that. There are people who oppose that."

"For the church to say they are expanding is ludicrous," said Price, the former Stockton Mission owner. Price owns the Delta Queen and Union Restaurants in Old Sacramento. Price was an influential local member of the church until he quit after 15 years in 1982.

The church sued to stop the new church from using any of Scientology's religious techniques but lost last December in San Joaquin County Superior Court.

After Price quit, the church's international justice chief lambasted him for "lowering prices at his mission ... to pull people into his squirreldom," court documents show.

Price said the Stockton group charges \$30 an hour, compared to the \$307 an hour charged by the church.

Though Price remains a member of the board at the new center in Stockton, he said, "I can't even say I support Scientology now. I will fess up to my mistakes. There was something wrong in what we belonged in. We tried to make the church saner, to reform it from within. But it was a front for making money. I was naive."

Hubbard still has control of the church and its money, said Armstrong. The nerve center is in Riverside County, where the ship in the desert is located, said Bent Corydon, the head of the Riverside mission that has split away from the church.

The site at Gilman Hot Springs is 50 miles east of Los Angeles. The church calls it "Golden Era Studios," a movie studio. A field of dead grass that was once the greens of a golf course surrounds the numerous buildings at the site.

"It's odd there is a clipper ship in the middle of the

California desert," said Nelson. "Building it was my last official act in the church."

Nelson said Commander Miscavige ordered him to build the boat on a "whim." Armstrong was living at Gilman Hot Springs at the time.

Armstrong said when he was on the ship it was an armed camp. "About half of us had guns," he said. "I had a .45 (pistol), and they had M-16s."

Armstrong was assigned by the church to gather material for a book on the life of Hubbard. In the course of his research, he came across numerous personal letters to Hubbard's wives, parents and business correspondence.

In an affidavit, Armstrong said, "I collected thousands of pages of documents, many of which are in the personal handwriting of L. Ron Hubbard, and which prove that Mr. Hubbard had continually misrepresented himself, his accomplishments, qualifications, credentials, and physical and mental health history."

In 1979, there was a rumor that there was to be an FBI raid at Gilman Hot Springs, similar to the one in Los Angeles on July 8, 1977.

"They rented a paper shredder, and ran it night and day for two weeks," said Armstrong. "They were shredding all materials about Hubbard's control of bank accounts."

Armstrong said he rescued a batch of documents from the shredder and moved them to Los Angeles. The raid never came. Armstrong said he never intended to take the documents for any other reason than the biography.

"I was still a good Scientologist then," said Armstrong, who added he has since "de-brainwashed" himself. "I sought throughout 1980 and 1981 to get the church to correct itself. I thought Scientology was decent. I felt anything good about Scientology was wasted unless the man (Hubbard) would be honest about himself."

The church demanded the documents be returned

and sued Armstrong to get them back. One of his attorneys is Flynn. The trial is currently under way in Los Angeles Superior Court. The 15,000 pages of documents have been ordered sealed by the court.

Gorgon said the church is suing because "they are very private documents written by a man to his wife. I don't see where they have any business on the front page of a newspaper. It's another case of manufactured allegations. Flynn's intent is to increase defection."

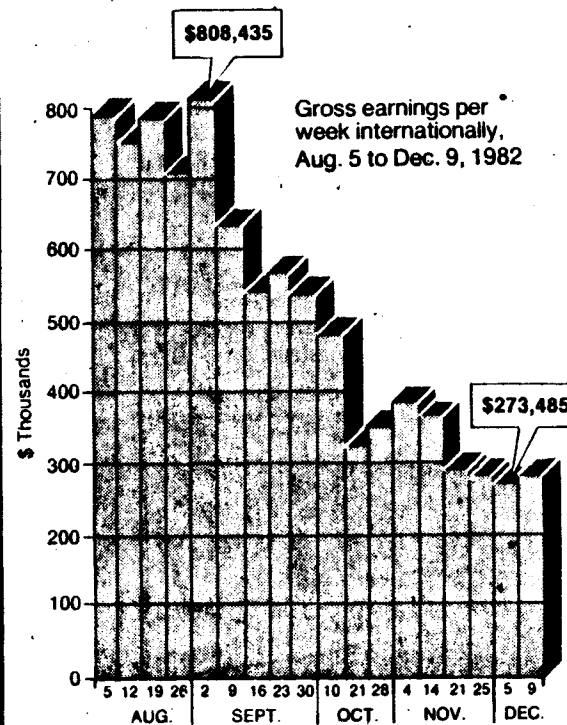
Said Armstrong, "If it becomes known he (Hubbard) lied, there will be countless fraud complaints. If those documents come out, it will be the end of Scientology."

Some former Scientologists don't agree. The church, they say, has an uncanny ability to survive all assaults.

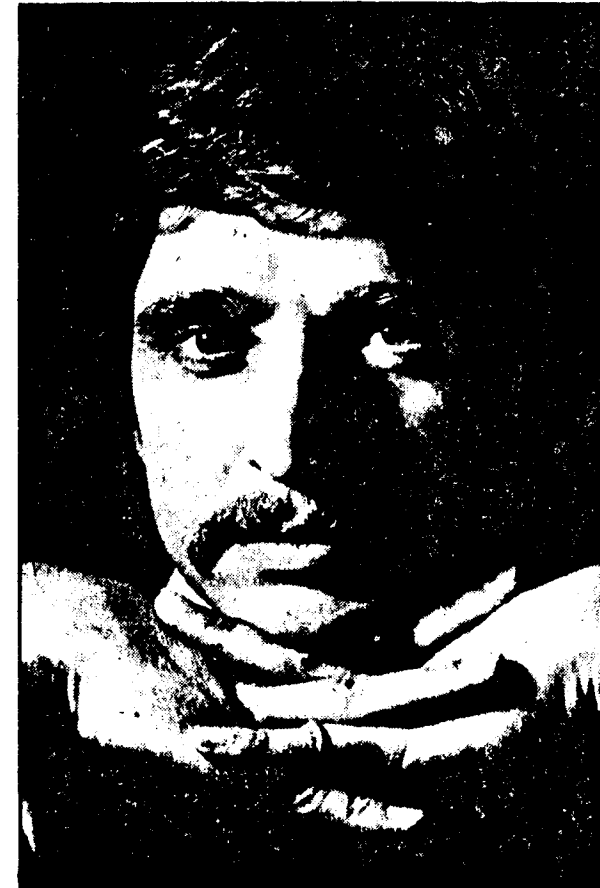
"The nastiest article you can ever imagine has always gotten us new members," said Gorgon. "Anytime we have a legal case, we sell more books."

Monday: Scientology in Sacramento

The decline of Scientology missions



Former church archivist Gerry Armstrong, right, is being sued by Scientology over some documents he took.



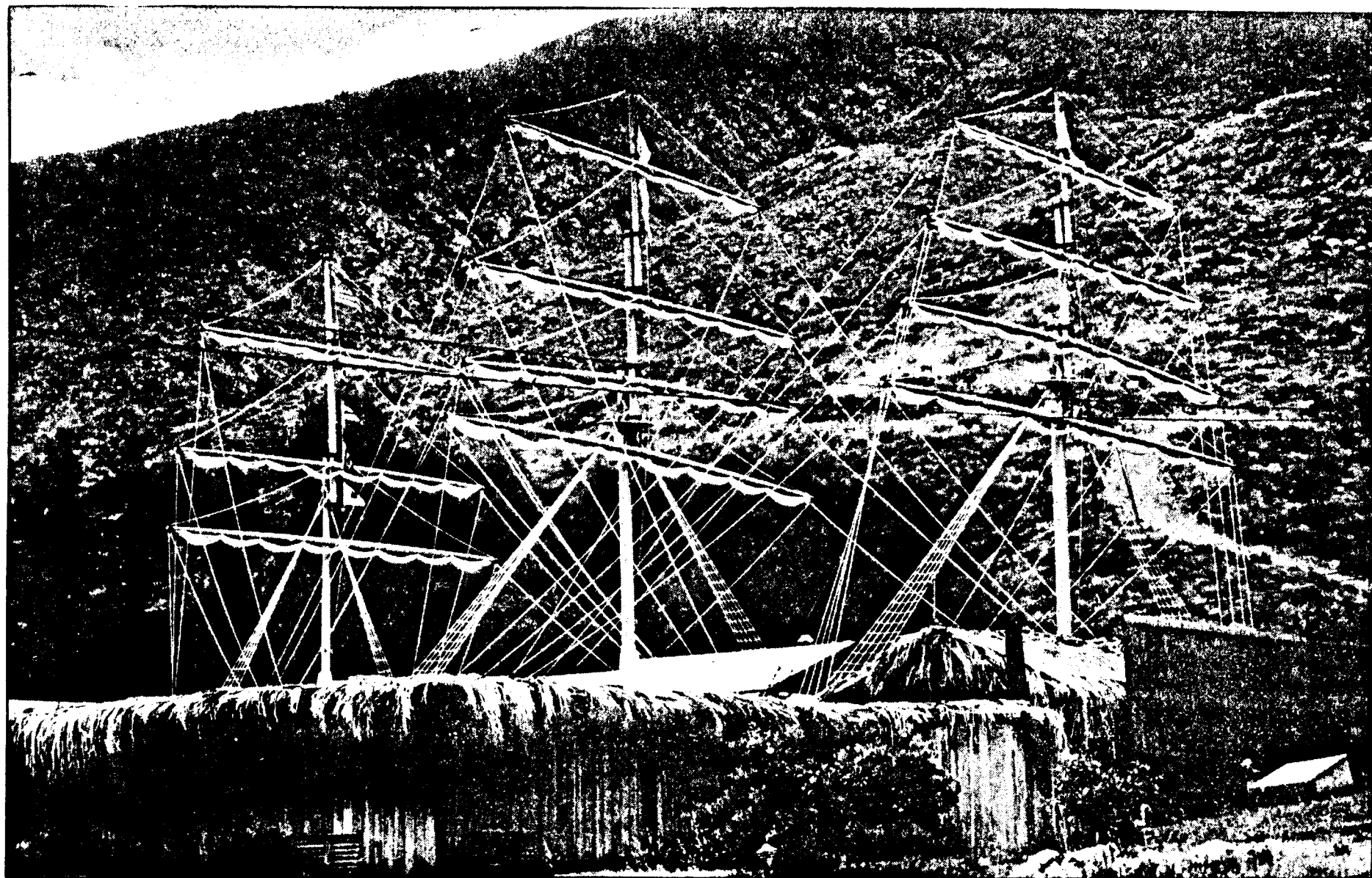
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Bee/Michael Williamson

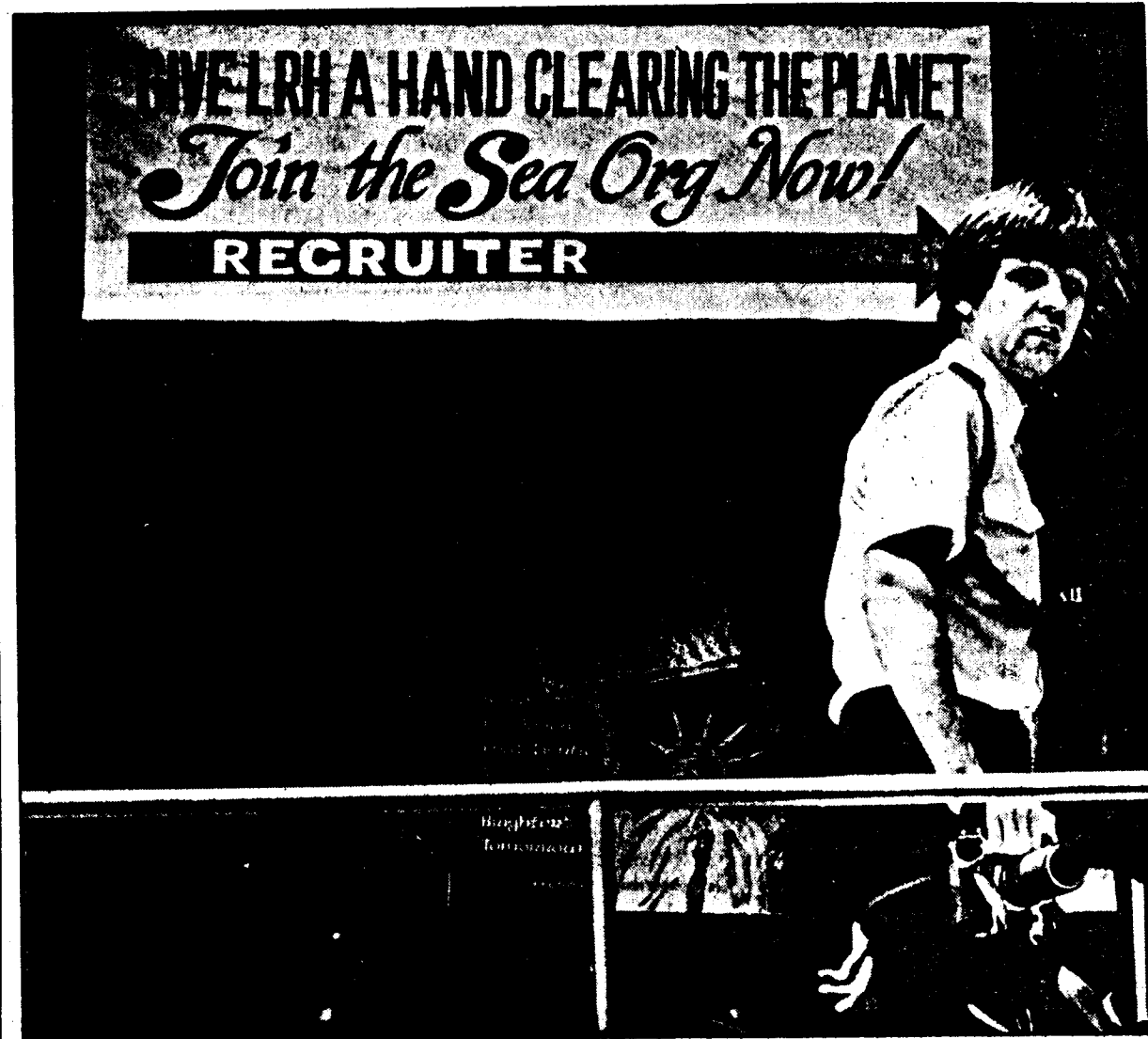
The Church of Scientology's massive national headquarters on Sunset Boulevard in Los Angeles is an impressive sight.

The clipper ship "docked" at the church's compound near Palm Springs is an unexpected spectacle against the dry, barren landscape of the Southern California desert.





A member of Scientology's elite Sea Org, left, walks down the street outside the church's Los Angeles headquarters. Below, a Sea Org photographer turns as his picture is taken just after he snapped a picture of a photographer.



The Sacramento Bee



Two men examine papers at the Church of Scientology's Gilman Hot Springs compound in

the Riverside County desert while a guard watches a Bee photographer through a window.



A church security guard at Gilman Hot Springs is constantly on alert.