

Witness says Scientology founder veiled income

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A former personal secretary to L. Ron Hubbard, the founder of the Church of Scientology, told a Portland jury Thursday about a secret system Hubbard used in the 1970s for collecting personal income from church organizations.

Laurel J. Sullivan, who said she worked closely with Hubbard until he disappeared from public view in 1980, also testified that Hubbard held managerial control over numerous Scientology organizations despite his publicly announced "retirement" from church management in 1966.

Contrary to a 1972 church policy statement in which Hubbard declared that he refused to accept income from Scientology organizations, Sullivan said Hubbard used a Liberian corporation to collect fees sometimes as high as "in the tens of thousands of dollars" per month from Scientology reserves.

Sullivan told a Multnomah County Circuit Court jury that Scientology organizations in Europe and Africa sent their reserve funds to the Liberian corporation, Religious Research Foundation, through banks in Luxembourg and Liechtenstein.

She said Hubbard then billed the foundation for services he performed on behalf of Scientology and that the foundation sent funds to Hubbard's personal bank accounts in Switzerland and Liechtenstein.

Sullivan said she was not aware of the total amounts transferred to Hubbard but said she was aware of some months when the payments were in the tens of thousands of dollars. She said she also recalled a \$150,000 payment for 1973, when she said Hubbard was hiding in New York to avoid a fraud trial in France.

Thursday's testimony did not address whether Hubbard received money from American Scientology missions and organizations.

Hubbard and two Scientology organizations are accused of defrauding a Portland woman, Julie Christofferson Titchbourne, during her involvement with Scientology during 1975 and 1976. Hubbard is not expected to appear in court despite his standing as a defendant.

Sullivan said Hubbard issued a church policy letter in 1972 disavowing any personal gain from the church. "This was written to handle a P.R. (public relations) flap," she said. She added that Hubbard did not want others in Scientology to know of his church-related income.

Sullivan said she joined Hubbard's personal

staff in 1973 and often worked with him on a daily basis until 1978. She also rejoined his personal staff in 1979 until he went into hiding in 1980. She said she last saw Hubbard in October 1979 and last received a memo from him in May 1981.

Asked by Portland attorney Garry P. McMurry whether Hubbard remained in control of church management during those years, Sullivan replied, "I was in his office almost every day discussing one aspect or another of it."

She said Hubbard wanted to conceal his managerial role from government agencies and from people trying to sue the church. She said only his close staff members were to know that he was in charge.

Asked what authority numerous Scientology corporations and organizations played in running the church, Sullivan said, "In actuality, very little." She said Hubbard personally issued "thousands and thousands" of orders and directives while she worked for him, and that he had a network of messengers to deliver his messages and to keep him informed of internal church matters.

Sullivan, who left the church after more than 13 years, also described a two-day meeting she attended with Hubbard in 1975 in which he discussed biographical information, much of which she said she later learned was "nonsense."

"He told me a lot of it was true, a lot of it was legend and some of it was rumor," Sullivan said.

"The guy is a colorful guy, and he has done a lot of things," she added. "How he did them is not generally known. A lot of things he said were true turned out not to be true."

Sullivan said Hubbard ordered in 1976 that only one biographical statement about him was to be used in church materials, which she identified as being written in his handwriting. "It contained a great deal of false information," she said.

Titchbourne testified last month that she relied on some of Hubbard's representations about his education, professional standing and the declaration that Scientology training could help her poor eyesight as reasons for becoming involved in Scientology.

As part of her public relations work for Hubbard, Sullivan said he instructed her "very clearly" on what his image was to be. She said no one other than his closest staff members were to be aware of his control over the church, and that he was to be identified in public as a writer, consultant and "benevolent leader."