

■ High Court to Rule on Scientology Case

The U.S. Supreme Court has agreed to hear a government appeal in a **Los Angeles** case involving the Church of Scientology in order to decide how far the Internal Revenue Service can go in obtaining and using confidential documents in tax-fraud inquiries.

The government launched an investigation in 1984 of the tax returns of L. Ron Hubbard, the church's founder who died Jan. 24, 1986. The IRS said it suspected that millions of dollars in church funds were transferred to Hubbard in the late 1970s and early 1980s in an apparent scheme to protect the church's tax-exempt status and avoid paying taxes on the money.

In October of 1984, the IRS sought 13 confidential documents held by the Los Angeles Superior Court in connection

with a lawsuit filed against the church by a former member. A federal judge ordered five of the documents turned over to the IRS, but only on condition that they not be disclosed to any other agency.

The judge refused to let the IRS have the other eight documents, which included taped conversations in a meeting between church members and lawyers for Hubbard and Scientology. The judge ruled that the conversations were confidential lawyer-client communications.

The 9th U.S. Circuit Court of Appeal upheld the judge's ruling in 1986. The Justice Department appealed that decision on behalf of the IRS.