

Scientology's Changing Strategy...**Confront Controversy, Gain Converts,  
And Make Money**By Stephen Koff  
St. Petersburg Times

CLEARWATER, FLA. - After years of sparring with the townsfolk and veiling itself in secrecy, the Church of Scientology has succeeded in turning Clearwater into its spiritual mecca. Scientologists quietly run teen nightclubs, schools, day-care centers, management consulting firms and other businesses, records and interviews show.

Now the strategy of the organization, longtime observers say, is to confront controversy, gain converts and make money - lots of it. Scientology's Clearwater operation brings in \$1.5-million to \$2-million a week, say church watchers who include Clearwater police, former Scientology security chief Richard Azneran and former Scientologist-turned-author Bent Corydon.

Fee schedules show how the dollars add up: 12 1/2 hours of basic Scientology counseling in Clearwater costs \$8,000, not counting meals and accommodations.

Scientology brochures boast that Clearwater has the "largest community of Scientologists in the world," with more than 1,000 Scientologists served by "several hundred" staff members.

Authorities cannot confirm those numbers, but the claim itself is a dramatic change from the secretive Scientology of 1975, when the organization used an assumed name - United Churches of Florida, Inc. - to buy the Fort Harrison Hotel for \$2.3-million in cash. Armed guards ringed the downtown hotel, and for weeks the church would not reveal its true identity.

The stealthy move was followed by deep suspicion between the Scientologists and community leaders. Church documents seized by the FBI later would show that Scientologists tried to frame then-Mayor Gabe Cazares with a hit-and-run accident, and Bette Orsini, a St. Petersburg Times investigative reporter, was targeted as a Scientology "enemy" and harassed.

But some things have changed in 13 years - among them the way Scientology presents itself.

"It's obvious that there's some effort to be less visible, in terms of either making attacks on people or in terms of making more of a splash around here," said Jim Sheeler, Clearwater's community development manager.

"They want to be part of the community," said C. David Carley, Jr., chairman of the Citizens Bank of Clearwater. "And you cannot blame them for that."

Scientology officials, most notably spokesman Richard Haworth, are frequent guests on local radio shows and a prime-time staple of Vision Cable's

community access channel. "They have a public relations campaign to present themselves as the person you work with, your friend, or the person next door," said Randy Kabrich, programming director for Q105-FM, a station on which Haworth has denounced Scientology's detractors. "And I am not aware of any other religious group, cult or non-cult, that has gone to that extent."

Scientology officials and their lawyers would not comment for this series of articles. Asked again for comment (after last week's story first appeared) chief Scientology counsel Earle C. Cooley of Boston said, "The article that appeared... is the most vicious and malicious perversion of the truth that I have seen in 32 years."

Surprised  
by sponsors

Sometimes, it's hard to tell when the Scientologists are involved in an event or promotion. Some visitors say they were invited to Clearwater by innocuous-sounding groups that turned out to be promoting Scientology principles or programs.

*For instance, leaders of American Indian tribes were brought to the Fort Harrison in February (1988) by the Concerned Businessmen's Association of America. Their invitations mentioned programs for drug and alcohol abuse prevention, but said nothing about Scientology, according to Indians who received them.*

*The Concerned Businessmen's Association, based in Glendale, Calif., is a group of Scientologists.*

*"I thought it was going to be a group of concerned businessmen who had money to help Indian tribes," said Raymond Reyes, then executive director of the Coeur d'Alene tribe in Idaho and now director of Indian education at Gonzaga University. "I thought it was going to be a group of fundees who could meet funding sources. Instead, it was all this L. Ron Hubbard stuff."*

The Concerned Businessmen's Association did not respond to repeated calls and a letter from the St. Petersburg Times.

U.S. Rep. Floyd Flake, D-N.J., accepted a trip to attend a black history and arts seminar at the Fort Harrison last year. He said he thought the sponsoring group was called Celebration of the Arts.

"We did not know it was Scientology," said Flake's press aide Edwin Reed, who also attended. "We didn't really realize that, but with L. Ron Hubbard's (pictures) all around, (we thought), 'What in the heck is this?'"

Taxes and  
public relations

That's a question many Clearwater residents are still trying to answer, despite Scientologists' attempts to fade into the mainstream. Former mayor Cazares said, "Just the fact that they're

quiet doesn't mean that they're not active. The nature of the beast has not changed."

Longtime residents "still believe that something is going on," said current Mayor Rita Garvey. "The general public is still leery and would like to see them out of town, which of course is not a reality, but the public's still concerned."

So are Pinellas government officials. The City of Clearwater and the church are in the midst of a five-year legal fight over an ordinance that, if enforced, would require Scientology to disclose extensive information about its finances. The church says the law is unconstitutional.

Then there's Scientology's tax bill; with more than \$21-million in assessed property, the Church of Scientology is the biggest property owner in downtown Clearwater. Since moving to Clearwater, the organization has assembled 12 properties on nine parcels of land. It hasn't paid property taxes since 1981, and its tax bill to date stands at \$2.84-million, said O. Sanford Jasper, Pinellas tax collector.

Pinellas Property Appraiser Ron Schultz argues that Scientology should have to pay the taxes. To that end,

CONT.

County Attorney Susan Churuti said in court documents that the church's Clearwater operation is merely an "alter ego" of California-run Scientology operations - which, according to a federal judge, helped enrich the group's founder, L. Ron Hubbard. The Pinellas tax battle may be settled in court in 1989, said Circuit Judge Howard P. Rives.

Several years ago, the church offered to pay its tax bill in a display of public spirit - as long as the money was considered a "gift" rather than a tax. But Schultz said he was in office to assess taxes, not gifts. He declined the offer, and insisted on calling taxes just that: taxes.

#### Community Influence

While the church presses its tax case in the courts, it continues to extend its influence in the community and court public opinion. The church's own publications reinforce the theme of a community-minded public relations strategy.

The Scientology magazine Impact recently recycled this message from group founder Hubbard: Hit for the key sports by whatever means, the head of the women's club, the personnel director of a company, the leader of a good orchestra, the president's secretary, the advisor of the trade union - any key spot. Make a good sound living at it, drive a good car, but get your job done, handle and better the people you meet and bring about a better earth."

Scientologists hold key spots in a variety of ventures around Pinellas, and several private businesses in Clearwater - Snow Software, Arlene's Child-care and Making Magic, Inc., a distributor of velvet art, among them - are run by church members, according to a Scientology directory. These businesses' owners would not talk to a reporter, saying their religion has no public relevance.

Three Clearwater enterprises, however, have stronger ties to the church: True School, Jefferson Academy and Singer Consultants.

True School, at 1831 Drew St., and Jefferson Academy, 1740 N. Highland Ave., are "private "Hubbard Method" schools that use an approach developed by Scientology's founder.

Vivian Godfrey, one of two teachers at Jefferson, said that "Hubbard educational technology deals only with education... The school has absolutely no connection with the Church of Scientology."

Ms. Godfrey and the other teacher, Sandy Mesmer, are listed as "participating members of the Church of Scientology" in Who's Here?, a directory of church members around Tampa Bay.

As for True School, an advertisement in Who's Here? lists "child auditing" among the school's programs. Auditing, a form of counseling, is the

basis of Scientology practice. True School officials did not respond to a reporter's requests for an interview.

Singer Consultants, 1001 S. Myrtle Ave., is a management consulting firm catering to chiropractors. Like California-based Sterling Management Consultants (dentists) and Uptrends of New Hampshire (computer professionals), Singer is licensed by Scientology to teach Hubbard "management technology." Marketing, billing and staff development are emphasized and clients say Scientology is touted as a self-improvement option.

Singer managers did not return a reporter's calls, but last year said they don't recruit for the church. However, a recent Singer advertisement in a directory of Scientologists said that "more people have been moved onto and up the Bridge" - a term referring to fulfilling Scientology's goals - "by this group than any other in history, and this is just the beginning."

#### Elsewhere

##### around Clearwater:

Muriel McKay, once a Scientology public affairs official, serves on the executive committee of the Pinellas County Republican Party and represents a Clearwater voting precinct.

"She conducts herself admirably," said Edric Kennedy, the GOP's parliamentarian. "She is officious, she is not pushy, she is a really good member." Ms. McKay did not respond to several telephone messages from a reporter seeking her comment.

The teen nightclubs Off Limits, in Clearwater and Brandon, are owned and operated by a partnership of at least two Scientologists. Off Limits serves no alcohol and "provides a safe place for kids to have fun," said part owner LaVonna Applebaum.

County licenses and state corporate records show that the partnership that owns the clubs is named Tone 40 Limited. "Tone 40" is a term distinctive to Scientology: it is the ultimate level on Scientology's "tone scale" of existence, which runs from 0.1, for dying, to 40, for "serenity of beingness," according to the Dianetics and Scientology Technical Dictionary.

"The church has absolutely no connection with the business, just as the Catholic Church has no connection with businesses owned by members of that church," said Ray Cassano, listed on state records as the sole director of Tone 40 Limited.

Richie Stone, 18, is a former bouncer at the Clearwater club, 14100 U.S. 19 S. He said Ms. Applebaum used to tell employees, "Why don't you all go to the classes with us? It's good for your attitudes. It's good for your tempers."

Ms. Applebaum said, "Quite frankly, if I can find a way to help somebody, I try to help - if they ask for it. If they did not ask for help, I would not offer it."

Stone said he did not seek that advice.

An Overview Of L. Ron Hubbard's Cosmology

\$6,500.00 Course...

Xenu's Cruel Response To Overpopulated World

By Stephen Koff St. Petersburg Times

ST. PETERSBURG, FLA., - It was like something out of a science fiction script - but L. Ron Hubbard, the founder of Scientology, claimed it was fact.

"Xenu," he called the central character. Xenu ruled the 90-planet Galactic Confederation 75-million years ago, when overpopulation was a problem.

So Xenu solved the problem: He trapped selected beings and flew them to volcanoes on Earth, then called Teegeeach. He then dropped powerful H-bombs on the volcanoes.

The beings were destroyed in a wall of fire. However, their spirits, or "thetans," weren't. Gathering them into clusters, Xenu trapped the thetans in frozen alcohol and glycol.

Then he finished his cruel plan: He electronically implanted the thetans so they would reproduce in subsequent generations of man and cause sexual perversion and other abnormal behavior.

The implants are in us - each of us - today.

Though such beliefs may seem far-fetched, Scientology documents show they are part of upper-level Scientology training known as OT III, short for Operating Thetan III. OT III is the third of 15 steps on Scientology's advanced ladder, climbed by believers after reaching the state of "clear." OT III training, which is supposed to remove the implants by revisiting the Xenu incident and breaking through the wall of fire, is offered in Clearwater at a cost of \$6,500, according to a

fall 1988 rate sheet.

Details of OT III are considered confidential. When church documents describing Xenu surfaced during a 1985 trial in Los Angeles, Scientology lawyers tried unsuccessfully to immediately seal them. Gerald Armstrong, a former Scientologist who discovered that many of Hubbard's credentials and claims were false, described in a court document why the group so closely guards Xenu.

"In Scientology, people are told that if they read even part of the story before they have progressed through all the various lower Scientology steps, at the cost of tens of thousands of dollars, their subconscious minds will be restimulated, and they will 'free-wheel, ...'" Armstrong said, "Their mind will go out of control, they will not be able to eat or sleep and they will die."

A Hubbard memo obtained by Clearwater police said pneumonia may also result, as the implants are calculated to kill by pneumonia anyone who tries to "solve" them - sort of like a pharaoh's curse, Hubbard noted. That's why only properly applied training would succeed, Hubbard said.

Armstrong said the Xenu story was identical to the screenplay for Revolt in the Stars, a film written by Hubbard. The film never got commercial financing and was not released.

(Above story is reprinted from the St. Petersburg, Fla., Times, Dec. 23, 1988 with permission. It is one of several published reports reflecting the same incident - all reports are essentially the same in content.)

# Mayor Bilger... 'They Totally Misrepresented What Was Going On'

By Scott McCartney  
Associated Press Writer

NEWKIRK, OK. (AP) Crews chip away old paint and hack at knee-high weeds at the abandoned Chillico Indian School, seemingly unaffected by the leapest brewing in this remote corner of Oklahoma.

When a California group received state permission for a 75-bed drug and alcohol treatment center, Newarkirk thought the project on the reservation six miles away would solve local economic troubles brought on by oil and farming slumps.

But the initial euphoria, like the old paint, has chipped away, replaced by distrust, frustration, even fear.

Townspesople say Narconon International hasn't been honest about its affiliation with the Church of Scientology, its financing, its medical credentials and its plans for the project, which will draw mostly out-of-state clients.

They say Narconon denied the project had anything to do with Scientology until Newarkirk officials turned up a Scientology magazine with a story headlined "Trained Scientists to Staff Huge Oklahoma Facility."

And the mayor says Narconon tried to dupe locals at a staged ceremony, where a \$200,000 check and a glowing study were presented to Narconon by a group that turned out to be part of Narconon itself.

Now the town fears it could earn a "cult image" because of the project's ties to Scientology, which follows the teachings of the late science fiction writer L. Ron Hubbard. Former members have accused Scientology of fraud and mental abuse, and the Internal Revenue Service has challenged its tax-exempt status as a religion.

"People interested in coming to this town will see the Church of Scientology thing - the cult thing - and I think

that that image will hurt our possibilities for growth and development," Mayor Gary Bilger said in an interview last month.

Some townspesople say they worry about the kind of people the project will attract and that the stately 80-building campus, built of native Oklahoma stone and tucked more than a mile off the nearest road, will become a Scientology recruiting station.

"I don't think any of us are against drug abusers getting rehabilitation," said Mike Clifton, pastor of the First Christian Church. "(But) there's a lot of concern in the community because we really don't know what these folks are exactly about. What really worries us is what they're not saying."

In the basement of the First Baptist Church, pastor Mark Jones is making copies of a videotape of a British Broadcasting Corp. documentary on Scientology, which he showed to his congregation at a worship service.

The tapes, along with Scientology literature, have been circulating in this town of 2,400. There have been town meetings and public forums, including a sometimes heated session with state officials who approved the Narconon project before the town knew it was supported by Scientology.

"The town got the shaft," said insurance agent Charles Eisenhauser. "I don't think anybody can undo anything that's been done so far." The center is scheduled to open in September.

Narconon officials say Newarkirk's concern is inflated and unwarranted. Narconon is a legitimate, worldwide drug and alcohol rehabilitation program with 23 years' experience and an 86 percent success rate, they assert. Narconon spokesman Gary Smith said he tried to reassure the town that Narconon's "sole intention is to get people off drugs." He said the town has been misled.

"There's fear being put into the town

by false information being fed in there by someone who's in favor of drug abuse. They're either connected to selling drugs or they're using drugs," Smith said.

Smith declined to be more specific about the identity or whereabouts of these "outside sources with criminal motives."

"Trust me, I know," he said.

Another Narconon attempt at persuasion provoked an angry response. In a letter printed May 18 on the front page of the weekly Newarkirk Herald Journal, Narconon president John Duff wrote: "There will be those that will not want Narconon to succeed at Chillico because they are for drugs and are on the other side in the battle against drugs."

Jones, the Baptist minister, responded the following week, writing he "resented the implication, or more accurately the accusation, that was made by Narconon's Mr. Duff. He accused me of supporting illegal drug use in our area if I did not swallow his program hook, line and sinker."

Bilger said he had been so optimistic about the promise of a revitalized Chillico that last December he wrote Oklahoma health officials supporting Narconon.

But the mayor said his winter hope turned to disillusionment by spring when he learned of Narconon's history, and he came to believe he had been misled when Narconon held an emotional ceremony April 8 in which the Association for Better Living and Education presented a glowing study of Narconon and the \$200,000 check.

Later Bilger learned that ABLÉ shared a street address in Los Angeles with Narconon, and is identified in a Scientology magazine as part of Narconon.

"They totally misrepresented what was going on," Bilger said.

"I came away with the impression that we had an independent group here interested in mankind and they had researched the Narconon process. Then I find out ABLÉ and Narconon are part of the same organization," he said.

"I try to be straightforward, and when somebody doesn't do that, I wonder why."

In late June, Narconon's Smith used a copy of Bilger's December letter of support to suggest to The Associated Press that the mayor supported Narconon.

Bilger says the December letter no longer reflects his feelings.

"I imagine if I was in his shoes I'd use it, too," Bilger said. "I just think now it (Narconon) is a problem and if all the facts were out at the time, things might have been done differently."

The Chillico Indian School closed in 1980 and was declared surplus property by the Bureau of Indian Affairs, which turned control over to five Indian tribes - Ponca, Kaw, Pawnee, Otoe-Missouria and Tonkawa.

Last year, Narconon invited representatives of tribes throughout the country to a meeting in Clearwater, Fla. Narconon touted its program and said it was looking for a site for a treatment center. Currently, Narconon's only U.S. inpatient center is a Los Angeles clinic with 12 beds.

A Ponca representative told Narconon about the Chillico site. The 25-year lease eventually drawn up offers the tribes a percentage of gross earnings, up to \$16 million. The tribal leadership remains enthusiastic about the Narconon project.

In January, the Oklahoma Health Planning Commission gave Narconon approval for an initial 75 beds. The group seeks 150 beds with growth projected to 400.

Robert Lobsenz, publisher of the weekly Herald Journal, was by then becoming curious about Narconon. In Newarkirk's tiny library he found ar-

icles about ties to Scientology and past run-ins with officials. His first story, published April 27 under the headline "Chillico Drug Treatment Center May Be Part Of Notorious Religious Cult," set the town abuzz.

Townspesople said they have repeatedly asked Narconon what medical credentials they have, and so far, have received no answer.

"My first question is, do they think that everyone down here is stupid? said Jones. "People around here are not world travelers, but they've got a lot of common sense and they ask a lot of questions."

"We've encountered deceit from the beginning," he said. "There have been smoke screens everywhere, and there have been flat-out lies."

In May, state officials told residents they believed Narconon was a legitimate enterprise and would be inspected by the state once operating.

"A lot of people want to get their church (Scientology) involved and the way state law is written... church affiliation has nothing to do with it. The state of Oklahoma shouldn't get involved in discussions of church affiliations," said Leroy Bridges, Department of Mental Health spokesman.

Sheriff Glenn Guinn says he and others are not reassured by the state, or by the Narconon officials with whom he has met. He said he was originally told the alcoholism and drug abuse center would be for local Indians but now has learned only 75 percent of the beds have been promised to indigent Indians.

Narconon, like Scientology, has had a somewhat turbulent history. In Spain last year, authorities charged Narconon with swindling clients and during them into Scientology. Seventy-one people were arrested, including Scientology president Heber Jentzsch. Hundreds of documents were seized, and a Spanish judge froze bank accounts holding

\$900,000 while an investigation continues.

Scientology, founded by Hubbard in 1954, has grown into an international religion that at its mid-1970s peak claimed 6 million members and \$100 million in annual earnings. The faith is based on Hubbard's concepts of mental health through which members can achieve a "clear state."

Critics have labeled Scientology a cult. Scientists have battled the IRS and fought lawsuits filed by former members. In June, the Supreme Court ruled that "fixed donations" made by Scientology members are not tax-exempt contributions.

Narconon is supported financially by Scientology, spokesman Simon Hogarth acknowledged, but the group maintains it has no "direct ties" to Scientology.

Narconon says its rehabilitation program is based on Hubbard's methods, using withdrawal, diet supplements, exercise and sauna sessions to treat addicts.

William Mehajah, chairman of the Kawas, said the tribes would not allow Scientology activities at Chillico and would hold Narconon to its contract.

"We are attempting to provide service to people who need it," Mehajah said. "This is our way of combating (society's) drug problem. This is our stand."

Hogarth said Narconon has "had a very good response" from Newarkirk, which he said had eagerly embraced the idea of a drug and alcoholism treatment center.

But Bilger said he did not think Hogarth changed any minds. "I am still concerned and I think most people in town feel that way," the mayor said. "Nobody wanted that thing to be a success more than me. Now I'm disappointed. I still hope there's a way it can work for everyone. But right now, I'm disappointed."

# Judge holds up Scientology auction

## Court to decide whether church has to pay taxes

By TERESA BURNLEY

Times Staff Writer

**CLEARWATER** — A judge has decided to stop the auction of Church of Scientology property until a court can decide whether the church has to pay the taxes.

The church and the Pinellas County property appraiser have disagreed for years about whether the church, which has its spiritual headquarters in Clearwater, must pay taxes on the property it owns in the county.

The property appraiser's office has sent the church tax bills every year and the church has refused to pay them.

The church has taken the property appraiser to court, saying that it is a religious organization and, therefore, exempt from paying property taxes.

"They have to prove two things to be exempt," said Chief Assistant County Attorney Helen Hobbs, "That they are a religion and that they are non-profit."

In June, the county told the church that if it did not pay its tax bill for 1986, five of its

properties in downtown Clearwater would be auctioned to the highest bidders.

Scientology lawyer Paul B. Johnson of Tampa asked Circuit Judge R. Grable Stoutamire to stop the sale of the property until the church's

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— Helen Hobbs, chief assistant county attorney

case against the county is decided. Stoutamire heard the request July 5.

"I announced at that hearing that I would sign such an order," Stoutamire said.

Johnson did not return the *Times*' telephone call Thursday.

The county says that the church owes \$3.4-million in property taxes since 1982. The church owns 122 properties in Clearwater worth

\$21.5-million, according to the property appraiser's office.

When property taxes are not paid, the tax collector files liens, or legal claims, against the property. The liens are sold each year at auctions in which investors bid an interest rate they want in return for paying the tax.

Investors make their money when the property owner pays the taxes and interest to the county, and the county in turn pays the investors. If two years pass, and the property owner still hasn't paid the taxes, the investors can ask the county to auction off the property.

Court injunctions kept the county from selling tax certificates on Scientology property for several years, but in 1986 those injunctions were lifted.

Two Seattle investors, Walter D. Palmer and John G. Ritchie bought the liens on five pieces of property owned by the Church of Scientology. When the two-year time limit was up they asked the county for their money on May 30.

That's when the county told the church that if it did not pay \$51,058 it owed for 1986 taxes on the five parcels, the land would be auctioned to the highest bidder.

— Staff writer Stephen Kotl contributed to this report.

# Oklahomans Question a Drug Project

NEWKIRK, Okla., July 16 (AP) — When a California group received Oklahoma's permission to open a 75-bed drug and alcohol treatment center on an Indian reservation, people in nearby Newkirk thought the project would ease local economic troubles brought on by slumps in the oil and farming businesses.

The initial euphoria has been replaced by distrust, frustration and fear.

Townspeople say the California group, Narconon International, has not been honest about its affiliation with the Church of Scientology, its financing, its medical credentials and its plans for the project, which is to attract mostly out-of-state clients.

Narconon officials denied that the project had anything to do with Scientology, the townspeople say, until Newkirk officials produced a Scientology magazine with an article titled, "Trained Scientologists to Staff Huge Oklahoma Facility."

And the Mayor, Garry Bilger, says Narconon tried to dupe this town of 2,400 people at a ceremony where a group presented Narconon with a check for \$200,000 and a study praising its work. The presenter turned out to be part of Narconon itself.

Scientology, founded in 1954 by L. Ron Hubbard has grown into an international religion that at its peak in the mid-1970's claimed six million members and \$100 million in annual earnings. The faith is based on Mr. Hubbard's concepts of mental health through which members can achieve a "clear state."

## Concern for Town Growth

Its critics have labeled Scientology a cult, and Scientologists have battled the Internal Revenue Service and fought lawsuits filed by former members charging the group with fraud and mental abuse.

In an interview last month, Mayor Bilger said, "People interested in coming to this town will see the Church of Scientology thing — the cult thing — and I think that that image will hurt our possibilities for growth and development."

Some townspeople say they are worried about the kind of people the project will attract and that the 80-building campus will become a Scientology recruiting station after it opens

in September.

"I don't think any of us are against drug abusers getting rehabilitation," said the Rev. Mike Clifton, pastor of the First Christian Church. But there was concern in the community, he said, "because we really don't know what these folks are exactly about."

"What really worries us is what they're not saying," he added.

## Legitimate, Narconon Says

Narconon officials say Newkirk's concern is unwarranted. They say Narconon is a legitimate, worldwide drug and alcohol rehabilitation program with 23 years' experience.

A Narconon spokesman, Simon Hogarth, acknowledged that Narconon is supported financially by Scientology, but he added that the group has no "direct ties" to Scientology.

Narconon says its rehabilitation program is based on Mr. Hubbard's methods, using withdrawal, diet supple-

## Problems arose after a reported link to Scientology.

ments, exercise and sauna sessions to treat addicts.

Another Narconon spokesman, Gary Smith, said he tried to assure the town that Narconon's "sole intention is to get people off drugs."

"There's fear being put into the town by false information being fed in there by somebody who's in favor of drug abuse," Mr. Smith said. "They're either connected to selling drugs or they're using drugs."

## 'Trust Me, I Know'

Mr. Smith declined to be more specific about the identity or whereabouts of these "outside sources with criminal motives."

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them into Scientology.

Seventy-one people were arrested, including the Scientology president, Heber Jentzsch. Hundreds of documents were seized, and a Spanish judge froze bank accounts holding \$900,000 while an investigation continues.

## Indians' Leaders Invited In

Last year, Narconon invited representatives of Indian tribes nationwide to a meeting in Clearwater, Fla. It touted its drug-treatment program and said it was looking for a site for a center. Currently, Narconon's only in-patient center in the United States is a Los Angeles clinic with 12 beds.

The result of the Florida meeting was a 25-year lease drawn up to use the site of the Chilocco Indian School, which the Bureau of Indian Affairs closed in 1980 and declared surplus property. The bureau turned control of the property to the five Indian tribes that share the reservation, the Ponca, Kaws, Pawnee, Otoe-Missouria and Tonkawa. The lease with Narconon offers the tribes a percentage of gross earnings, up to \$16 million over the 25 years of the lease.

The tribal leadership is enthusiastic about the project.

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On April 27 the Herald Journal published its first article about Narconon. The the headline was "Chilocco Drug Treatment Center May Be Part of Notorious Religious Cult."

## 'State Shouldn't Get Involved'

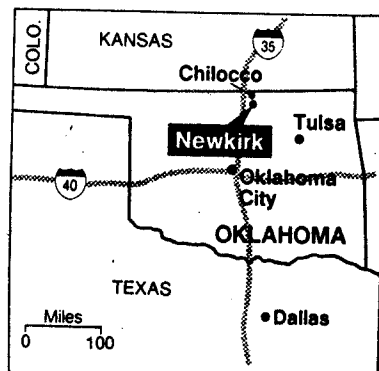
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and they ask a lot of questions."

In May, state officials told residents they believed that Narconon was a legitimate enterprise and that it would be inspected by the state after it began operations.

"The State of Oklahoma shouldn't get involved in discussing church affiliations," said Leroy Bridges, a spokesman for the Department of Mental Health.

William Mehojah, chairman of the Kaws, said they would not allow Scientology activities at Chilocco and would hold Narconon to its contract. "We are attempting to provide service to people who need it," he said.



The New York Times/July 16, 1989

Newkirk residents thought the center would help the economy.

# \$30-Million Award in Scientology Case Cut

By JOEL SAPPPELL, Times Staff Writer

The state Court of Appeal has slashed a jury's award of \$30 million to a disaffected member of the Church of Scientology, who contended that the Hollywood-based organization drove him to the brink of insolvency and insanity.

In an opinion released this week, the appellate court reduced to \$2.5 million the huge award, which was rendered in 1986 after a bitterly fought trial in Los Angeles Superior Court. The justices concluded that the assessment of \$5 million in compensatory damages and \$25 million in punitive damages against the Church of Scientology of California was "excessive," "preposterous" and "grossly disproportionate" to the emotional injuries suffered by ex-Scientologist Larry Wollersheim.

"We completely annihilated the opposition on this," exclaimed Herbert Jentsch, president of the Church of Scientology International. "As far as we're concerned, it's a total victory. . . . We're the anvil that will break all hammers."

The ruling was bittersweet for the controversial church. Although the appellate court drastically reduced the award, it rejected Scientology's claims that the religion had been unconstitutionally placed on trial and that the verdict therefore should be overturned.

In an opinion laced with blistering language, Justice Earl Johnson Jr. wrote that "Scientology leaders made the deliberate decision to ruin Wollersheim economically and possibly psychologically."

"Such conduct," he said, "is too Please see CUT, Page 4

## CUT: Scientology Case Award

Continued from Page 1

outrageous to be protected under the Constitution and too unworthy to be privileged under the law of torts."

It was passages such as these that made the court ruling easier for Wollersheim to swallow.

"I feel wonderful," he said Wednesday. "The key precedents we wanted, we won. These precedents will help contain Scientology's barbaric practices."

Wollersheim filed his lawsuit in 1980 after spending 11 years in Scientology, which was founded by the late science-fiction writer L. Ron Hubbard.

### Dark Depressions

Wollersheim contended that Scientology's courses and rites robbed him of his ability to think independently and plunged him into dark depressions, for which the church failed to seek professional help for him.

Wollersheim said, moreover, that after he broke with the group, he was subjected to Hubbard's "fair game" law, which states that troublesome defectors "may 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."

Wollersheim alleged that Scientologists pushed his novelty store business into bankruptcy by quitting their jobs with him, boycotting his products and refusing to pay for merchandise they ordered.

After five tumultuous months of testimony in 1986, attended by

such Scientology celebrities as John Travolta and Kirstie Alley, the 12 jurors unanimously sided with Wollersheim.

In affirming the verdict, if not the damages, the appellate court disagreed with the church's claim that its religious practices are fully protected by the Constitution from judicial interference.

The court said that in Wollersheim's case, the practices were "conducted in a coercive environment."

"Thus, none of them qualified as 'voluntary religious practices' entitled to the First Amendment religious freedom guarantees," the court said.

# Court Affirms Ruling Against Scientologists

By William Vogeler  
Daily Journal Staff Reporter

Giving and then taking away, a state appellate court affirmed a judgment against the Church of Scientology for coercive practices that forced a former member to the brink of insanity, but then reduced by \$27.5 million an award against the church.

The 2nd District Court of Appeal held Tuesday that the Los Angeles-based church does not have constitutional protection for practices it employed during the 1970s to destroy the business and cripple the mental stability of Larry Wollersheim, who tried to leave the religion. The court concluded that the church leaders deliberately tried to ruin Wollersheim economically and possibly psychologically, and therefore ruled he could sue the church for intentional infliction of emotional distress.

However, the court also determined that the jury award of \$5 million in compensatory damages was "grossly disproportionate," and that \$25 million for punitive damages was "preposterous," reducing the total award to \$2.5 million in *Wollersheim v. Church of Scientology*, B023193.

Rev. Heber Jentsch said the decision was a victory for the church.

## 'Victory' for Church

"We consider it a complete and total victory," he said. "We couldn't be more pleased at the enormous loss that they suffered on this. It cost them more to put it on than they won."

Jentsch said the church may appeal the decision on the constitutional issues.

Lawrence Heller, who represented the church in the appeal, said he could not comment because he had not read the opinion by press time.

Charles O'Reilly, who represented the plaintiff before the 2nd District, said he could not comment on the case because he is no longer representing Wollersheim. However, he said the court had not accurately described the practices of the church.

"The decision euphemizes Scientology akin to calling a malignant tumor benign," he said.

Wollersheim had been a member of the church for most of the 1970s, but tried to leave the religion when he was convinced the church was causing him psychological problems. After Wollersheim quit the church, Scientology leaders orchestrated a campaign to destroy his photography business.

Thursday, July 20, 1989

## Campaign by Church

Church members who were employed with Wollersheim quit, told others not to do business with him and to renege on debts owed to Wollersheim. He then filed suit, alleging fraud, and intentional and negligent infliction of emotional injury.

Wollersheim, who had been an incipient manic depressive most of his life, proved at trial that the church had inflicted severe emotional injury on him through certain practices. In addition to showing that the church had intentionally destroyed his business, he proved that he had been forced to remain with the church through coercive counseling.

During this time, Wollersheim's mental condition worsened, and he contemplated suicide.

A jury found the church liable for intentional and negligent infliction of emotional injury and awarded \$30 million in compensatory and punitive damages. On appeal, the 2nd District affirmed except as to the finding of negligent infliction of emotional distress, and reduced the award to \$2.5 million.

Harking back to the Inquisition of the Middle Ages, the appeal court said no church has religious freedom to torture and execute heretics and miscreants.

"(S)hould any church seek to resurrect the inquisition in this country under a claim of free religious expression, can anyone doubt the constitutional authority of an American government to halt the torture and executions?" wrote Justice Earl Johnson Jr., joined by Presiding Justice Mildred Lillie and Justice Fred Woods. "And can anyone seriously question the right of the victims of our hypothetical modern day inquisition to sue their tormentors for any injuries — physical or psychological — they sustained?"

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