UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : Mr. J. Edgar Hoover
Director
Federal Bureau of Investigation

DATE: December 7, 1966

MISanders-lw
154-226-61

FROM: Mitchell Rogovin
Assistant Attorney General
Tax Division

SUBJECT: The Founding Church of Scientology v. United States
(Ct. Cl. No. 226-61

This is in response to the memorandum from your office, dated August 24, 1966, in reply to our letter dated August 15, 1966. The FBI memorandum indicated that your files contain considerable information concerning the above-captioned organization and its affiliates, as well as Lafayette Ronald Hubbard, the founder and prime benefactor of the organization.

The principal issue in the above-stated case is whether the alleged church was exempt from federal income taxation as a religious organization within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954. As we view it, there are essentially two questions involved in our case. The first is whether scientology is a "religion". The second is whether the alleged church is really a profit-making organization for certain individuals.

The organization was founded by L. Ron Hubbard, a science fiction writer in 1955. The alleged church is located at 1812 19th Street, N.W., Washington, D.C., with branches in almost every large city in the United States. It is part of one international organization with headquarters in England and branches in Paris, France, Australia, New Zealand and South Africa.

[redacted] b7C During the taxable years in issue, the organization promoted an electrical device called the E-Meter for the "auditing" of individuals who paid $22 an hour for this service. As in a lie-detector, an electric current was passed through the subject resulting in certain neurophysical effects. It also promotes and sells various pills to be used in scientology processing.

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1 ENCLOSURE

It appears that the Founding Church claims the ability to cure diseases, including cancer, having discovered the ultimate secrets of life and the universe. Recently, the [redacted] b7c

In January, 1963, approximately 14 deputy marshals and several Food and Drug Administration inspectors seized at least 100 packages and boxes of pamphlets and several dozen boxes of electrical gadgets as the Government moved against the Washington headquarters of the world-wide cult of scientologists. Additional complaints as to the Founding Church's operations have been made by individuals to the New York City Police Department; State of New York, office of Attorney General; and the Health, Education and Welfare Department.

We have attached a list of organizations believed to be controlled by [redacted] along with names and addresses of individuals known to be active in the scientological cult. b7c We would appreciate it if you could secure permission for Michael I. Sanders, Trial Attorney assigned to this case, and Norman Hoffman, also working on the defense of this lawsuit, to examine the files of the organizations and individuals designated hereto. We believe that if we can determine the exact nature of the organization's operations, it will be of great assistance to our defense.

Mr. Mitchell Rogovin
Assistant Attorney General

December 16, 1966

Director, FBI

1-Mr. Gillespie

THE FOUNDING CHURCH OF SCIENTOLOGY VERSUS UNITED STATES
COURT OF CLAIMS NUMBER 226-61

Reference is made to your memorandum dated December 7, 1966, captioned as above, referenced MISanders-lv, 154-226-61.

Inasmuch as the principal issue in this matter is a determination as to whether the captioned organization is subject to Federal income taxes and as prior investigation was conducted by other Federal agencies, it would be inadvisable for this Bureau to enter the inquiry at this stage to make arrangements with the twenty-eight listed organizations for Department representatives to review their files. Accordingly, no further action is being taken by this Bureau and it is suggested the Department make other arrangements for the desired contacts.

TG:gka
(4)

NOTE: According to the Tax Division memorandum dated 12/7/66, the principal issue in the captioned suit is whether the alleged church was exempt from Federal income taxation as a religious organization within the meaning of the Internal Revenue code. The Tax Division has requested us to contact 28 foundations and 65 individuals to secure permission for two Tax Division trial attorneys to examine the files of these organizations and individuals.

We have conducted no active investigation in this matter although we did furnish the Tax Division by memorandum dated 8/24/66, with the results of a name check on organizations and individuals apparently affiliated with the captioned alleged church. According to the Tax Division, this organization was recently investigated by the U. S. Army Intelligence as well as the Food and Drug Administration. It is felt tha

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the request of the Tax Division is not within the scope of our investigative jurisdiction and we would actually be conducting an inquiry which should be more properly handled by the Tax Division attorneys through correspondence or through Internal Revenue Service representatives.

DJ-139
2-25-61

UNITED STATES GOVERNMENT

Memorandum

DEPARTMENT OF JUSTICE

TO : Mr. J. Edgar Hoover
Director
Federal Bureau of Investigation

DATE: April 28, 1967

MR:PRM:MISande
154-226-6

FROM : Mitchell Rogovin
Assistant Attorney General
Tax Division

SUBJECT: The Founding Church of Scientology
v. United States (Ct.Cls. No. 226-61)

93-2361
62-94080

This is in response to the memorandum from your office dated December 16, 1966.

In earlier correspondence (August 24, 1966) you were good enough to advise us of information contained in your files concerning the above-captioned organization. We do not desire that the Bureau initiate an independent inquiry into the operations and activities of "cult". Rather, we request permission to review the "considerable information" in your existing files referred to in your August 24, 1966, memorandum. As you can appreciate, a full understanding of the organization's operations will be of great assistance in the preparation of our defense.

Ltr to Mr. Rogovin from Sec. Gen.
CFB:MKW
5-10-67

REC 73
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EX 106

11 MAY 15 1967

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NAME CHECK

83-2261-2

Mr. Mitchell Rogovin
Assistant Attorney General

May 10, 1967

Director, FBI

EX 106

1 - Mr. DeLoach
1 - Mr. Rosen
1 - Mr. Malley
1 - Name Check
1 - C. F. Brown

The Founding Church of Scientology
v. United States (Ct.Cls. No. 226-61)

Reference is made to your letter, dated April 28, 1967, your reference MR:PMH:MISanders:ee, 154-225-61. In referenced letter, you requested permission to review the files of this Bureau concerning the information set forth in my memorandum of August 24, 1966.

Information set forth in my memorandum on page one was extracted from the December 5, 1950, issue of "Look" magazine. This article is not now available at the Bureau. Information set forth in paragraph one of page two was obtained from a letter received from the [redacted] dated March 14, 1951. A copy of this letter is enclosed for you. Information set forth in paragraph two of page two was obtained from a newspaper article appearing in the May 4, 1951, issue of the Wichita "Beacon." A copy of that newspaper article is enclosed herewith. Information contained in paragraph three of page two was taken from the April 24, 1951, issue of the "Times Herald," Washington, D. C., a copy of which is enclosed. Information set forth in paragraph four of page two is taken from correspondence of the Hubbard Association of Scientologists, which was made available to the [redacted] Copies of this material are enclosed herewith. The originals were returned to [redacted]

As for paragraph five of page two, the pamphlet "Brain-Washing, A Synthesis of the Russian Textbook on Psychopolitics," from the Silver Spring, Maryland, Hubbard Dianetic Research Foundation, Box 242, was

See NOTE, page 3.

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6-C.F. Brown

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Mr. Mitchell Rogovin

provided this Bureau by the following people:

[redacted]

b7C
b7D

A copy of this pamphlet is enclosed herewith. As for information contained in paragraph six of page two, enclosed herewith are nine letters received by this Bureau from Hubbard and his associates.

Page three paragraph one concerns merely inquiries by various individuals as to the nature of Hubbard and the various organizations headed by him, which provided no pertinent information. Paragraphs two and three were taken from articles concerning the investigation conducted by the Food and Drug Administration. Information concerning the pamphlet "What Everyone Should Know About Scientology" was made available to the Little Rock Office of this Bureau by [redacted] had become involved with the Scientologists in Washington, D. C. A copy of the pamphlet is enclosed.

Page four paragraph one as set forth contains information received from the Defense Communications Agency, which received it from [redacted] of the U. S. Air Force. You may desire to contact either [redacted] or Defense Communications Agency for details not provided the FBI.

Mr. Mitchell Rogovin

As shown, information in paragraph two was obtained from the [redacted] and you may desire to contact them for details concerning their investigation of the homicide. b7D

Enclosed herewith are copies of the following items which may be of interest to you: b7C

[redacted]

No other pertinent information is available concerning the Founding Church of Scientology.

As you are aware, investigations of captioned organization have been conducted by the Food and Drug Administration, the Army, and the Internal Revenue Service and you should check with those agencies for pertinent information in their files.

Enclosures (18)

NOTE: By memorandum, dated August 15, 1966, the Department asked for information concerning the Founding Church of Scientology, inasmuch as the Tax Division is involved in litigation as to whether or not the alleged Church of Scientology was exempt from Federal income taxation as a religious organization. Pertinent information contained in Bureau files was provided the Department by memorandum, dated August 24, 1966. By memorandum, dated December 7, 1966, the Department requested this Bureau to make arrangements for the Department to review the files of 28 organizations. By memorandum, dated December 16, 1966, the Bureau suggested that the Department make other arrangements for the desired contacts, since this Bureau had conducted no investigation of the organization. By memorandum, dated April 28, 1967, the Department asked for permission to review Bureau files, wherein information concerning the Founding Church of Scientology is located This memorandum provides them with all pertinent information availab in Bureau files including copies, where feasible, or referring them to the original sources. It would not appear to be desirable to hav the Department review the raw files of this Bureau. Department has previously advised that captioned organization has been investigate by Food and Drug Administration, Internal Revenue Service, and Army