

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

# Memorandum

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

DATE: December 7, 1966

FROM: *MR* Mitchell Rogovin  
Assistant Attorney General  
Tax Division

MISanders-lw  
154-226-61

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]*  
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.

*see copy*

*[Vertical stamp and handwritten notes on right margin]*

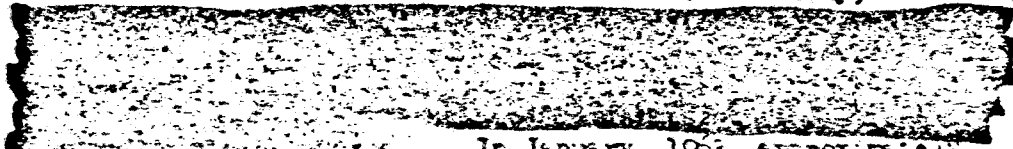
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ENCLOSURE  
*Let to...*  
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*[Handwritten signatures and notes at bottom right]*

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



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In January, 1983, 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. 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.

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