



BRAINED

Mentally impaired Raul Lopez was \$1.7 million richer
as the result of an accident settlement
- until he joined the Church of Scientology.
By Ron Russell

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The ostrich eggs should have been a tip-off. But Raul Lopez wasn't worried, even though he had paid \$30,000 for two of them. The eggs were going to make him rich. After all, his lawyer, Brent Jones, whom he trusted more than his own mother, had convinced him. Jones came highly regarded as a member of the Church of Scientology, the Los Angeles-based church in which Lopez had invested his hope of getting cured of irreversible brain trauma resulting from an auto accident. Never mind that medical experts had concluded that little could be done about his nervous tremor and inability to reason and interact with others the way he did before a big-rig crossed the center line of a Ventura County highway and slammed head-on into his pickup truck in 1985. Without exception, doctors advised him to adapt to his limitations and move on with his life.

But that was before Lopez, 34, stumbled upon a Scientology booth at a Ventura County flea market. The Scientologists, he concluded, had what he wanted. "They were going to make me whole again," he recalls once believing, referring to the technology as well as the expensive training known as auditing that are the mainstays of Scientology's late founder, science fiction writer L. Ron Hubbard. According to attorneys Dan Leipold and Ford Greene, Lopez also had something the Scientologists wanted: \$1.7 million that was their client's share of the court settlement stemming from the accident.

As part of a potentially explosive case wending its way toward trial in Los Angeles superior court -- in which L.A. Police Commission President Gerald Chaleff is among the battery of lawyers representing the church -- Lopez's attorneys contend that the church and individuals associated with it swindled their brain-damaged client out of up to \$1.3 million. "They picked him clean, and we have the documentation to prove it," Leipold says.

For their part, Scientology lawyers deny that there was any wrongdoing, portraying Lopez as a willing participant during years of involvement in the church. Robert Amidon, a Burbank attorney who is among the legal team representing the church, calls Lopez's claim "bogus," characterizing the case (scheduled for trial next May) as an attack on religious expression: "It's as if Lopez [were Catholic and] were to say, 'Please stop all confessionals in the Catholic Church because it hurts my brain to listen to the priest.'"

Regardless of the outcome, the case provides a rare glimpse into the controversial church's internal operations and associated commercial enterprises, including alleged hardball tactics it is accused of employing to promote Hubbard's teachings for maximum profit. Critics, including former members, have long asserted that Scientology resembles a sprawling collection of business enterprises more than a religion and say it is controlled by an unincorporated paramilitary-like organization known as the Sea Organization, or Sea Org. "It's a seamless structure that has made the enterprise of Scientology and its individual components almost impregnable and immune from liability judgments," says Leipold, who has frequently battled the church in court. "We think this case is going to make that abundantly clear." Leaving aside its structure and practice, which have prompted attempts at governmental intervention in France and Germany, Scientology beliefs have also fueled controversy. Founded by Hubbard in 1952, Scientology teaches that people are immortal spiritual beings, called thetans, who were banished to earth some 75 million years ago by an evil galactic ruler named Xenu. A pulp fiction writer who had served in the Navy, Hubbard hit it big in 1950 by coming up with the concept of Dianetics, which he dubbed a modern science of mental health. Dianetics remains at the core of Scientology practice. One of its staples is a simplified lie detector called an E-meter, which is supposed to measure electrical changes in the skin while subjects discuss intimate details of their lives. Scientologists swear by it, among them actors John Travolta, Tom Cruise, and Kirstie Alley, jazzman Chick Corea, and soul singer Isaac Hayes. Hubbard believed that unhappiness sprang from mental aberrations, called engrams, and that counseling sessions with the E-meter could help get rid of them. Scientologists refer to the

extensive (and expensive) process of clearing the mind in order for this to occur as "auditing."

But it was another kind of auditing in the 1970s, conducted by the Internal Revenue Service, that raised suspicions that the church has had trouble dispelling. The IRS accused Hubbard of skimming millions of dollars from the church, laundering it through dummy corporations, and stashing it in Swiss bank accounts. What's more, FBI raids on Scientology offices in Los Angeles and Washington, D.C., uncovered plans to take over parts of the federal government. Hubbard died before the case was adjudicated, but his wife and 10 other former church leaders, whom Scientology leaders have since portrayed as a rogue group within the church infrastructure, went to prison in the early 1980s after they were convicted of stealing government documents to cover up church activities. Since then, the church has been embroiled in numerous lawsuits, usually brought by former members claiming abuses, and has spent millions of dollars defending itself, often successfully.

What makes the Lopez case different to most, his lawyers contend, is that not only did Lopez exhibit diminished capacity during years of surrendering huge sums to the church and its affiliated entities, but that his Scientology handlers were well aware of his condition after having obtained copies of his medical and psychiatric records. One psychiatrist who examined Lopez after he was injured and reexamined him last year found that he was "damaged [by the accident] intellectually, damaged interpersonally, and damaged with regard to his emotionality." Dr. Leonard Diamond's report, a copy of which was obtained by New Times, concluded that the auditing Lopez received from the church provided "absolutely no benefit," adding, "In fact, the data strongly point to the fact that these experiences have served to create additional disturbance so that [Lopez] has reached a point at which he is barely functioning." Contends Greene, Lopez's lawyer, "With Raul, it was like shooting fish in a barrel.... In a sense, [the Scientologists] passed him around the way the Hell's Angels might pass around a teenage girl."

By all accounts, Raul Lopez should be dead.

After viewing what was left of his mangled pickup truck following the horrible early-morning collision in August 1985, which left him disabled, even his mother has a hard time reconciling how he survived. "[The truck] looked like a smashed soda can ready to recycle," Alicia Lopez recalls. "That it never exploded was some kind of miracle." It took an emergency crew using the jaws of life more than an hour to extricate the unconscious Lopez from the wreckage.

At the time, Lopez was 19 and had the world on a string. After graduating from Channel Islands High School in Oxnard the previous year, he had spent six months in naval training in San Diego, and had just enlisted in the U.S. Navy Reserves at nearby Port Hueneme. With rugged good looks, he was popular and studious in high school, lettering in basketball and playing drums in the marching band. His career ambition was to be an architect or an engineer. But first, family members say, Lopez wanted to satisfy a long-held fascination with ships and the military. After coming home from San Diego, he took a job with a company that services swimming pools in order to save money for college in the fall.

Lopez doesn't remember the accident. His last precrash recollection is driving en route to an appointment to clean a pool near the community of Fillmore. The accident happened in an instant. The big-rig's 18-year-old driver, who wasn't seriously injured, dozed off momentarily, long enough for his truck to veer onto the wrong side of county Route 126 and into Lopez's path. Lopez's recovery was long and grueling. He spent seven months in hospitals before being released to begin physical therapy to help him walk again.

While undergoing therapy in the summer of 1987 he hobbled into the swap meet held at a former outdoor movie theater near Oxnard, where for the first time he encountered Scientologists. Using a cane to get around, he stopped to rest in front of a booth advertising Dianetics. A woman attending the booth struck up a conversation, and Lopez accepted her offer to receive a free personality test. A few days later, he was contacted by Jim Hamre, a local Scientology registrar, whom he says told him the test results indicated that Scientology principles could, indeed, help him with his mental and emotional distress, as well as get rid of his tremor. Hamre signed him up for a bundle of Scientology services, including auditing.

"They told me they had what I needed; that if I followed the program I could be cured of the tremor, and I could be my old self again, which is all I ever wanted," says Lopez, echoing a main contention of his lawsuit. During Hamre's visit, the registrar made repeated inquiries as to how much money Lopez had in the bank, how much interest it earned, and how Lopez could gain access to it, Lopez says. Although he was aware that he possessed a large sum of money, Lopez says, he had left the details of his finances to his mother. Alicia Lopez's name was listed jointly with that of her son on each of their several bank accounts. Her signature was not required in order for Raul Lopez to obtain funds from the joint accounts. Alicia Lopez says she became curious as to why her son began asking her, up to five times a day, how much money he had. But she says she thought little of it until the week after Hamre's visit, when Raul let it slip that he had given money to the Church of Scientology. When she asked him how much, he implied the amount was \$3,000. "I really hit the roof," she recalls. "I said, 'Raul, those people can't do anything for you. They're just out after your money.' In the end I thought, oh well, his losing \$3,000 wasn't the end of the world."

But during an emotional confrontation in his parents' living room several days later, Raul Lopez acknowledged that he had really given the Scientologists \$30,000.

The next day, Alicia Lopez stormed into the church's Buenaventura Mission in Oxnard and, accusing Hamre and others of taking advantage of her son's vulnerable mental state, angrily demanded that the money be returned. Church representatives refunded about \$28,500 and let Raul Lopez know they never wanted to see him again. Leipold, the Lopez attorney, contends that the people from the church knew from the outset that their new recruit was a millionaire. And, Leipold contends, church officials were also well aware of his client's condition, having with Lopez's cooperation obtained his medical and psychiatric records.

That Lopez had ever been permitted to manage his newfound riches without supervision was the result of a separate injustice, his attorneys say. Following the accident, Alicia Lopez had turned to a lawyer named Michael Haley to prosecute the personal injury lawsuit on her son's behalf. Haley obtained the opinions of several medical experts, including Dr. Charles Fretheim, a neuropsychologist, who concluded that Lopez was incompetent to act responsibly on his own behalf. Fretheim strongly recommended that a conservator be appointed. Yet Lopez and his mother say that Haley never discussed the doctor's recommendation with them, and never pressed for the appointment of a conservator. Thus, when Lopez's personal injury claim was settled for \$2.5 million, there was no mechanism in place to prevent him from accessing the funds, even though family members say he was not competent to manage money. Haley was later disbarred, and a judge ultimately appointed Alicia Lopez as conservator.

But the lawsuit contends that Raul Lopez was without a conservator at the time Alicia Lopez marched out of the Scientology mission, cashier's check in hand, believing that she had succeeded in snatching him away from financial predators. Not until many months later did she learn that within weeks of giving him back the money and booting him out of the church, Scientologists were again on his trail. Without her knowledge, they had once more persuaded Raul

Lopez to buy expensive church literature, courses, and auditing as his best chance of regaining his pre-accident mental and emotional condition. Only this time, the lawsuit maintains, church officials told him that the only way they would allow him to return to Scientology was if he kept it secret from his family. Lopez cut off all meaningful contact with his parents and sister, convinced that they were "suppressive," the term Scientologists use to describe outsiders deemed to be opposed to Hubbard's teachings. His mother says her son "drifted off in his own direction, gradually separating himself from us almost entirely.... He would talk to us but it was on a superficial level, and he let us know that any discussion about Scientology was off-limits." She and her husband, Elaiser Lopez (a quiet retired ranch worker who defers to his wife in speaking publicly about their son), say they didn't learn until 1997 that Raul's assets were depleted. "He finally came to me one day and said, "Mom, there's no more money in the bank."

In the intervening years, Leipold and Greene claim, their client was "systematically looted" of his wealth at the hands of the church and individuals associated with it. Between 1987 and 1996, their complaint says, Raul Lopez spent nearly \$600,000 for Scientology products and services that can be documented. Much of the money went to pay for months of auditing sessions at Oxnard, which took place up to six times a week, before he was passed up the bridge for more advanced auditing at both the church's Celebrity Centre International in Hollywood and at its sprawling Flag Service Organization (commonly referred to within the church as Flag Land Base) in Clearwater, Florida. He says he passed out during auditing on at least three occasions and that each time church representatives attributed it to personal inadequacies that they said only pointed up the need for more intense auditing. In addition, the lawyers contend that their brain-impaired client forked over hundreds of thousands of dollars to people connected with the church for other purposes.

"They isolated him from his family and took control of every aspect of his life," says Leipold. "They squeezed him until there was nothing left." Lopez relates how on several occasions church representatives escorted him to an Oxnard bank and waited in the car after instructing him to go inside and withdraw huge sums -- ranging from \$10,000 to \$50,000 at a time -- in the form of cashier's checks, which he would then hand over to them. "Some of the money was for loans [to other Scientologists], and some of it was for what they said I owed," says Lopez. "I can't tell you what all it was for. I know I never got much of the [lent] money back."

Whenever Lopez needed legal advice, people from the church sent him to a Scientology lawyer, the lawsuit contends. They arranged for his taxes to be prepared by a Scientology tax preparer. They even arranged to have his auditor -- the Scientologist in charge of his expensive indoctrination sessions -- move into his Oxnard house with him for 18 months. In hindsight, he says, he knows this "was just to keep an eye on me...They really had me under their control. I know that now. But at the time I was thinking they were going to help me." Lopez describes his years inside the church as a time when he "shut everybody and everything else" out of his life, submitting to the exhortation from church officials that people outside the church weren't good associates because they would distract him from achieving his goal.

That control, he says, extended to his interest in women. He says his Scientology handlers dismissed his inability to relate to women as an indication of difficulties with them in a past life, even suggesting that perhaps in an earlier life he had been a rapist. "I met this one girl who worked at a yogurt shop, and I really wanted to ask her out and I know she would have gone out with me...but [my Scientology associates] said she wasn't good for me, and so I didn't try to pursue anything," he says. Meanwhile, the suit says, church officials encouraged him to refinance both a three-bedroom home and a condominium that he had owned "free and clear," each time persuading him to use the proceeds for Scientology-related purposes. (He was later forced to sell

each property at a loss.) "If [the money] wasn't for something that they said I needed, then it was for someone else," Lopez recalls. "You're taught that it's your duty and responsibility to help a fellow Scientologist in need." One such person was an Oxnard man whom Lopez met through Hamre in 1993. At Hamre's urging, Lopez says, he lent the man \$50,000. The man defaulted after one payment and never repaid the loan, Lopez says.

If Lopez trusted his Scientology colleagues, it was in no small part because he had come to believe their continual reminders that Scientologists "were the most ethical people on the planet." He says he kept believing that, even as he watched his nest egg disappear.

In 1991, for example, he says Hamre introduced him to Michael Zetner, a Scientologist who along with two other church members, Robert and Toli Cefail, persuaded him to invest in a company that they pitched as having great investment potential. The firm, RC&A Group, purports to install pay phones in jails to be used by inmates. RC&A is a Scientologist-owned and -operated company licensed by the World Institute of Scientology Enterprises, or WISE, a religious corporation with headquarters at the church's Clearwater operational base. Church critics say it is merely another entrepreneurial extension of the church, pointing out that RC&A pays WISE 10 percent of its gross receipts as a licensing fee. Lopez invested \$300,000 in RC&A. His lawsuit contends that he was led to believe he would earn a payout of \$754,000 within several years.

There were three contracts, each containing details that Lopez says he found hopelessly indecipherable. When he expressed the desire to have a lawyer review the contracts on his behalf, he says Zetner and Hamre encouraged him to let a nonattorney Scientologist examine them instead. At their behest, he says, he took the contracts to a Scientologist ethics officer, who apparently found the language not quite to his liking in at least one of the documents. The officer's advice: The contract should specify that WISE -- the same Scientology entity linked financially with RC&A -- should resolve any disputes.

It didn't take long for disputes to develop. Weeks dragged into months, and the expected payments from the telephones he had bought as part of the RC&A deal failed to materialize. As the arbitration involving WISE turned into a royal runaround, Lopez says he began to privately have second thoughts about Scientology, even while holding out hope that somehow the investment would prove a winner. Still, he was irritated that his complaints to WISE were going nowhere while fellow church members were encouraging him to hang in there, reminding him that as a Scientologist it would be improper for him to take complaints against fellow members to court.

When Lopez continued to complain, church officials in 1993 finally referred him to a lawyer. Not surprisingly, his attorneys now say, that lawyer, Brent Jones, a Scientologist, advised Lopez that it was in his best interest to rely on the WISE arbitration procedure. (RC&A eventually refunded Lopez's \$300,000 principal, but attorney Leipold says that in failing to live up to its contract to pay his client more than double his investment, the entire RC&A experience "amounted to a huge money-shuffling exercise.... In RC&A, the enterprise of Scientology appeared to be giving him money back when in reality they were hitting him up for that same money as fast as it was coming in.") But Jones' involvement with Lopez didn't end with his RC&A advice. In the summer of 1994, Jones approached Lopez with a business pitch of his own. Jones was involved in breeding and selling ostriches and invited Lopez to join him. "He said it was a big chance for me to make a lot of money and that I ought to act real quick if I didn't want to miss out," Lopez recalls. He paid the \$30,000 for the two ostrich eggs, which were to be incubated on Jones' property near Ojai.

The deal turned sour quickly. Lopez says that when he went to the property to see his ostrich eggs, Jones told him that he couldn't say for sure which of several eggs belonged to Lopez. After

the eggs hatched, Lopez again visited, wanting to see his ostriches. Yet, of the several birds there, he says, Jones was unable to tell him which were his, but assured him that there was nothing to worry about. At Jones' request, Lopez says he even built an enclosure for the ostriches on Jones' property, using his own funds. But not long after the enclosure was completed in late 1994, Lopez's brief and befuddling ostrich-farming venture came to an abrupt halt. "I went out to [the farm] one day, and [Jones] tells me, 'Your ostriches died.' That was it. I never even got to know which ones were mine."

Jones, who is now associated with a company called Affinity Food Products, declined to be interviewed for this article. Similarly, Kurt Weiland, a high-ranking official within the church's Office of Special Affairs and a frequent Scientology media spokesman, also declined to comment. In fact, following a recent hearing before L.A. superior court judge Susan Bryant-Deason at which lawyers for the church argued unsuccessfully to have the Lopez lawsuit dismissed, Weiland abruptly interrupted lawyer Mark Givens as he talked with New Times. He then ordered Givens and three other attorneys representing the church to leave the hallway outside the courtroom as a reporter sought to interview them. Hamre also declined to be interviewed, referring questions to Amidon, the attorney representing the Buenaventura Mission. Amidon expressed reluctance to discuss the case, suggesting that the reporter submit a list of written questions, to which he would respond after talking to his clients.

However, Amidon didn't hesitate to take a swipe at Lopez's attorneys, Leipold, of Santa Ana, and Greene, of San Anselmo near San Francisco, saying they "like to think of themselves as cult busters," adding, "They seek that kind of notoriety." And in what may have been a hint as to how he intends to defend Hamre and the mission, he suggested that if there is a villain in the Lopez matter, it may be Alicia Lopez. "She's admitted to taking her son's money and using it for herself," he says, referring to a declaration related to the conservatorship by Alicia Lopez on file in Ventura County Superior Court. But in that declaration, a copy of which was obtained by New Times, Alicia Lopez asserts that the money she spent from her son's one-time fortune was for his benefit. Noting that her son had no medical insurance at the time of the accident, she says she put aside \$200,000 of the settlement as reserve in the event that he incurred additional medical expense.

She acknowledges that she used another \$100,000 of the settlement as a down payment on a \$384,000 home whose title listed her, her husband, and Raul as joint owners. She says that when her son later recovered enough to begin driving a car again, she and her husband were concerned about possible liability if he should become involved in an auto accident. Raul subsequently signed a quit claim deed transferring ownership of the house to his parents "to protect the residence," Alicia Lopez asserts in the declaration. In an interview attended by her son at the parents' home in Oxnard, Alicia Lopez said that "the idea that I would take advantage of my son is ridiculous," to which Raul Lopez added, "Absolutely ridiculous."

On the Scientology side, the legal team involved in the case has a familiar look. Several of the lawyers are longtime Scientologists, including Kendrick Moxon, representing the church's Celebrity Centre International, and Steven L. Hayes, the lawyer for the Cefails and RC&A Group. It was Hayes who, a few years ago, showed up unexpectedly in a Chicago courtroom to purchase -- for \$20,000 -- the logo, files, and phone number of the religion's former chief nemesis, the Cult Awareness Network, whose assets were auctioned off after litigation led by Moxon forced the group into bankruptcy. The original CAN gained notoriety for sounding the alarm about what it considered to be dangerous cults, including Scientology. Nowadays, the new CAN, which operates out of the Taft Building at the southeast corner of the famous intersection of Hollywood and Vine, is a propaganda arm of the church.

The team also includes several prominent outside attorneys, including Amidon, whose office is in Burbank; New York constitutional law expert Eric Leiberman; Gregory Long of the Los Angeles firm Sheppard, Mullin, Richter & Hampton, which represents WISE, and, perhaps most notably, Chaleff, the police commission president, who represents the church's Flag Land Base. It is an impressive assemblage of legal firepower that critics say fits a pattern. "The church not only pays for what it considers to be top-notch lawyers, there's a public relations aspect to it," says Frank Oliver, a former high-ranking Scientologist who quit the church, and who now works at the Lisa McPherson Trust in Clearwater. The trust, which has become a locus of Scientology opposition, is named for a young woman who died on church premises in 1995. Critics contend she had been held against her will at the church compound in Florida for 17 days, which church officials deny. Although the death was ultimately ruled accidental, McPherson's estate has filed a wrongful death claim against the church that is still pending. Says Oliver, "The church hires big-time lawyers to give it credibility, to try and paint Scientology to look like Mom and apple pie."

Chaleff is an experienced hand at representing the church. He was on board during the watershed legal battles that stemmed from a lawsuit brought by former church member Lawrence Wallersheim, who won a multimillion dollar judgment against Scientology in the late '70s and spent years trying to collect. Wallersheim, who remains an outspoken critic, went on to cofound F.A.C.T.NET, Inc. (which stands for Fight Against Coercive Tactics Network), a Colorado-based Web site providing information about cults and mind control. In 1995, the church sued F.A.C.T.NET for copyright infringement after it published hundreds of Hubbard documents that the church did not want circulated. The case, which reportedly cost the parties a combined \$7 million in legal fees, was settled last year when the firm agreed to stop publishing Hubbard's works.

Hubbard, who died in 1986, wrote prolifically, leaving more than 550 written works, nearly 3,000 hours of taped lectures, and more than 100 instructional films. Most of his work, including the best-seller *Dianetics: The Modern Science of Mental Health* are public. But in the 1960s he began generating material that he instructed be kept secret. Hubbard wrote eight levels of the secret materials, referred to as the Operating Thetan (OT) materials or Advanced Technology, during a 20-year span. Followers deemed spiritually and ethically fit to study the information pay dearly for the privilege, from a few thousand dollars for OT 1 materials to tens of thousands of dollars for all eight levels. After Hubbard's death, his estate licensed Advanced Technology to a Scientology organization called the Religious Technology Center.

The church takes extraordinary steps to keep the materials secret, and moves quickly when items it believes have been stolen surface outside its control. That was apparently the case earlier this year, sources say, when the church called in Chaleff to try to wrest away certain Scientology documents that turned up in the special collections department of UCLA's Charles Young Research Library. The disputed materials include five boxes of papers and internal church documents, many of them authored by Hubbard, that were given to the university by an anonymous donor in 1973. Four other boxes of documents were added to the collection later.

UCLA library officials declined to discuss the matter, saying they had been instructed by university legal counsel Patricia Jasper not to comment publicly. Jasper did not return phone calls. Sources tell *New Times* that Chaleff, on behalf of the church, met with Jasper twice last August to request that the documents be handed over to the church. During a second meeting, these sources say, he was accompanied by Neil Levin, who heads the Church of Scientology California, and who expressed the view that the only way the materials could have come into the university's possession was if they had been stolen. However, UCLA refused to surrender them, citing their value to scholars and saying there was no evidence of theft. Since then, sources say, extra precautions have been taken to secure the documents, housed in the basement of the campus'

main research library. Among other things, librarians have been instructed to devote increased scrutiny to anyone requesting to view them.

After his ordeal, Raul Lopez can't imagine what could attract anyone to Hubbard's musings. He says that the only thing he has to show for his Scientology experience is "an empty checkbook." He has had a few small jobs, such as detailing cars and delivering pizza, but has not been able to sustain them. The tremor makes it hard for him to hold a pencil or shake hands. He often feels confused, agitated, and depressed, he says.

Although he has an overwhelming desire to meet people his age and find a girlfriend, new relationships outside the family have been next to impossible since the accident. "Raul's a loner," Alicia Lopez says. "It's not by choice; it's just that he has trouble relating to people, which frustrates him a lot, because he's trying as hard as he can."

His retreat from the uncertain world around him is a six-acre spread near the Ventura County community of Somis, which he refers to as his ranchito. It is the only asset that has survived from when times were flush. While separated from his family, he built a barn on the property and lived in it for a time. With the family's help, the barn has been converted to a house. Raul sleeps at the ranch and spends most of his days with his parents, upon whom he relies for more than moral support. A \$488-a-month disability check is his only ostensible income. "Raul's been hurt badly," says his mother. "I want [the church] to give him back his money. But more than that, I wish he could just forget about what they did to him."