

**CHURCH OF SCIENTOLOGY INTERNATIONAL**

---

**EXEMPTION APPLICATION**

**FORM 1023**

**ATTACHED STATEMENT**

---

---

Church of Scientology International  
6331 Hollywood Boulevard  
Los Angeles, California 90028  
Form 1023, Attached Statement  
Page 63

SCIENTOLOGY?, Exhibit 9, for an explanation of the E-Meter and its use in auditing.)

As noted above, Gold is an ecclesiastical body housed within CSI. A more detailed description of some of Gold's dissemination products is contained in the attached catalogue, The Path To Truth, Ron's Recorded Legacy of the Tech. (Exhibit 16.)

D. Social Betterment Organizations

Though Mr. Hubbard is best known for founding the religion of Scientology, he also authored very effective technologies for handling society's ills and bettering the lot of mankind as a whole. Over time these technologies have developed into four general social-betterment programs, each addressing a specific area of current social concern: Narconon, a drug rehabilitation program; Applied Scholastics, an educational program; Criminon, a criminal rehabilitation program; and a program for improving public morality in general based on a nonreligious moral code called "The Way To Happiness." The public has come to associate the

---

Church of Scientology International  
6331 Hollywood Boulevard  
Los Angeles, California 90028  
Form 1023, Attached Statement  
Page 64

four names Narconon, Applied Scholastics, Criminon and The Way To Happiness with highly effective and successful programs to better society.

For many years CSI and other churches of Scientology have conducted highly-successful social reform programs based on Mr. Hubbard's technologies. They conducted these programs either directly or in close conjunction with charitable and educational organizations formed to help them bring Mr. Hubbard's technologies to the secular world. In addition to these technical organizations churches of Scientology support and work closely with several other charitable organizations that are active in various fields of public interest, particularly combatting psychiatric abuse and governmental corruption.

1. Association for Better Living and Education

The bulk of CSI's social betterment program is carried out under the supervision and direction of Association for Better Living and Education ("ABLE"), a California nonprofit public benefit corporation formed in

---

Church of Scientology International  
6331 Hollywood Boulevard  
Los Angeles, California 90028  
Form 1023, Attached Statement  
Page 65

November 1988. ABLE's sole purpose is to improve society through the application of Mr. Hubbard's social betterment technologies. In general, ABLE promotes, funds and provides assistance to organizations that use L. Ron Hubbard's technologies in education, in rehabilitating drug abusers and criminals, and in raising public morality in general.

ABLE accomplishes its goals primarily by providing technical and financial assistance and general promotional support to the international social-betterment organizations that work in ABLE's four areas of concern: Narconon International (drug rehabilitation), Applied Scholastics (education), The Way To Happiness Foundation (public morality) and, though not yet incorporated, Criminon (criminal rehabilitation). These four international organizations, in turn, assist organizations that work in their respective fields at the local level.

ABLE is responsible for ensuring that the programs that use the names referring to Mr. Hubbard's

---

Church of Scientology International  
6331 Hollywood Boulevard  
Los Angeles, California 90028  
Form 1023, Attached Statement  
Page 66

social-betterment technologies -- Narconon, Applied Scholastics, The Way To Happiness and Criminon -- meet the high standards of quality with which they have come to be associated. ABLE discharges this responsibility by permitting the international social-betterment organizations and local organizations to use the names subject to ABLE's ultimate supervision.

ABLE assists social-betterment organizations in other ways. It provides technical assistance when necessary to help them better achieve their program goals. It helps raise funding to support their charitable programs. It promotes their programs throughout society through the printed media as well as radio and television. It also will provide social-betterment organizations the physical facilities necessary to house their charitable and educational programs. A representative sample of an ABLE publication, INROADS MAGAZINE, is included as Exhibit 64.

---

Church of Scientology International  
6331 Hollywood Boulevard  
Los Angeles, California 90028  
Form 1023, Attached Statement  
Page 67

ABLE is filing an application for recognition of its exemption under section 501(c)(3) concurrently with this application.

a. Narconon International

Narconon International is a nonprofit corporation that gives overall guidance and technical assistance and support to local organizations that use Mr. Hubbard's technology to rehabilitate drug users. Narconon -- meaning "non-narcosis" or "no drugs" -- started in the mid-1960s when a prisoner in the Arizona State Penitentiary applied principles expounded in one of Mr. Hubbard's books to solve his drug problem as well as the drug problems of many of his fellow inmates. This one-man crusade flourished into a grassroots movement that eventually moved from penal institutions out into society as a whole.

Today, the Narconon program has developed into a two-pronged assault on the world's drug problem: it encompasses an extraordinarily effective residential rehabilitation program as well as an objective, hard-

---

Church of Scientology International  
6331 Hollywood Boulevard  
Los Angeles, California 90028  
Form 1023, Attached Statement  
Page 68

hitting public education program. At present, there are 33 residential Narconon centers in various countries, including the United States, Canada, Spain, Italy, Switzerland, France, Germany, Holland, Sweden, Denmark, and England. Current plans are to establish a Narconon center near each of the 100 largest cities in the world. The Narconon program of activities is described in detail in the attached booklets, Narconon, Drug Rehabilitation and Education Services, Narconon Chilocco New Life Center, and Narconon Drug Prevention & Rehabilitation Services 1992 Annual Report. (Exhibits 65, 66 and 67). Also see pages 407-417 of WHAT IS SCIENTOLOGY?, (Exhibit 9), for further information on the Narconon program.

Narconon International was formed in 1970 to formalize what was then a loose, grassroots movement, to help establish Narconon programs throughout the world, and to provide local centers the same sort of guidance and technical assistance and support that ABLE provides it. Narconon International also permits local centers to use the name Narconon. In exchange, local centers support Narconon International's program by providing it

---

Church of Scientology International  
6331 Hollywood Boulevard  
Los Angeles, California 90028  
Form 1023, Attached Statement  
Page 69

with ten percent of the funds they receive in connection with their Narconon activities. Narconon International also runs a 26-bed rehabilitation center in Los Angeles under the name Narconon Los Angeles.

Narconon International has a group exemption ruling under section 501(c)(3) dated January 20, 1975, and the four Narconon centers now operating in the United States are exempt under this group ruling.

b. Applied Scholastics

Applied Scholastics has overall responsibility for furthering the application of Mr. Hubbard's educational technology throughout society as a whole. This technology consists of a number of very basic yet powerful principles of learning that Mr. Hubbard developed into a methodology for grasping any subject of study. This technology already is bringing about remarkable results throughout the world in improving the ability of individuals to learn and to apply what they learn. The technology has been translated into 12 languages and is in use in schools and by tutors in the



---

Church of Scientology International  
6331 Hollywood Boulevard  
Los Angeles, California 90028  
Form 1023, Attached Statement  
Page 70

United States, Canada, Russia, China, Pakistan, Australia, South Africa, Latin America and much of Europe. More than 30 schools ranging from pre-school to high school are using this technology in the United States. A description of this educational program is contained in the attached booklet Applied Scholastics International -- Achieving Quality Education In Communities Around the World, (Exhibit 68) and also pages 422-431 of WHAT IS SCIENTOLOGY?, (Exhibit 9), for further information on Applied Scholastics.

The schools and other local educational organizations that use the name Applied Scholastics in their educational programs do so pursuant to the authorization of Applied Scholastics, Inc., a nonprofit educational organization located in Los Angeles, which provides the schools overall guidance and technical assistance and support. In exchange, the schools support Applied Scholastics' program by providing it ten percent of the funds they receive in connection with their Applied Scholastics' activities.

Church of Scientology International  
6331 Hollywood Boulevard  
Los Angeles, California 90028  
Form 1023, Attached Statement  
Page 71

The IRS recognized Applied Scholastics' exemption under section 501(c)(3) by determination letter dated December 22, 1972.

c. The Way to Happiness Foundation

The Way To Happiness Foundation takes its name from Mr. Hubbard's book, The Way To Happiness, a very basic, non-religious moral code of fundamental principles and values for living an ethical and happy life. (A copy of The Way To Happiness is attached as Exhibit 69.) Since it was first published in 1981, tens of millions of copies of The Way To Happiness have been distributed throughout the world, and it has served as the genesis of thousands of community and school programs to combat moral decline and juvenile delinquency. To date, most of the community service projects based on The Way To Happiness have come about through the work of The Way To Happiness Foundation (the "Foundation") or Concerned Businessmen's Association of America (the "Association"). See pages 432-439 of WHAT IS SCIENTOLOGY?, Exhibit 9, for further information on the Foundation and the Association.

---

Church of Scientology International  
6331 Hollywood Boulevard  
Los Angeles, California 90028  
Form 1023, Attached Statement  
Page 72

The Foundation is a nonprofit California public benefit corporation formed for the purpose of raising the moral standards of society through the dissemination of The Way To Happiness moral code. It is funded primarily by contributions from the general public and churches of Scientology. The Association is a nonprofit California public benefit corporation formed for the purpose of bringing together business people with an interest in raising social values. While the Association works closely with CSI and other churches of Scientology, it is an autonomous organization wholly independent of the Scientology ecclesiastical hierarchy. (None of its directors or officers serve on the staff of a Scientology church or organization.) The IRS has recognized the Association's exemption under section 501(c)(3) by letter dated December 17, 1981. The Foundation is filing an application for recognition of its exemption under section 501(c)(3) concurrently with this application.

d. Criminon

Criminon (meaning "no crime") is a social-betterment program using Mr. Hubbard's technologies to rehabilitate

Church of Scientology International  
6331 Hollywood Boulevard  
Los Angeles, California 90028  
Form 1023, Attached Statement  
Page 73

criminals in the penal system. It currently consists of a system of several independent and supervised courses and drills, including an extension course based on The Way To Happiness, that has been carried out as special projects between Narconon International and interested volunteers. Although the Criminon program is just beginning to get underway, already The Way To Happiness extension courses are being delivered in 57 prison facilities in the United States and in Canada. As Criminon programs become better established, they will work within the penal system to provide needed assistance and help bring about necessary reforms and also will work closely with Narconon programs to address drug use in prisons, a major problem in criminal rehabilitation. (See pages 418-421 of WHAT IS SCIENTOLOGY?, Exhibit 9, for further information on Criminon.)

Narconon International currently is assisting in the formation of the first formal Criminon program to take place in the Los Angeles area. An international Criminon to supervise and coordinate the activities of local Criminon programs will be formed in the future as a

Church of Scientology International  
6331 Hollywood Boulevard  
Los Angeles, California 90028  
Form 1023, Attached Statement  
Page 74

nonprofit corporation that will qualify for tax-exempt status under section 501(c)(3). Once it is formed and obtains exemption, ABLE will license it the right to use the Criminon name under the same arrangements as those for Narconon and Applied Scholastics. The international organization, in turn, will be supported by the local organizations and will permit them to use the name Criminon in their rehabilitation programs under its general supervision.

## 2. Citizen's Commission on Human Rights

Citizen's Commission on Human Rights ("CCHR") is a research and educational organization dedicated to investigating, publicizing and eradicating violations of human rights committed through the guise of psychiatric "treatments" and to recommending viable alternatives to such practices through an extensive program of objective educational and outreach activities. (Educational brochures CCHR published based on its research are included as Exhibit 70 and CCHR is further described on pages 384-393 of WHAT IS SCIENTOLOGY?, Exhibit 9.) It works in close liaison with a social reform program