

Cults Get Millions in Tax

By John Berthelsen

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SACRAMENTO, Dec. 21—Bizarre occurrences over the past two months involving two major cults—the Peoples Temple and Synanon Inc.—have led to investigations by California officials which reveal that members of the organizations are receiving millions of dollars of taxpayer money through a variety of government programs.

The concern was aroused by the discovery that Happy Acres, a Mendocino County home for mentally retarded young men, was funded through government programs. Albert C. Brown of the California Department of Health Services said that, from all government sources, Happy Acres had received \$137,000 annually.

That home, run until recently by Peoples Temple member Richard Claire Janero, cared for 13 persons between the ages of 20 and 35. The men, all of them "developmentally disabled," were removed from the home immediately after it was learned that more than 900 temple followers of the Rev. Jim Jones had died in mass suicide-murder in Guyana.

In addition, according to Mendocino County Welfare Director Dennis Denney, 150 California children were sent to foster homes run by Peoples Temple members. California averages \$280 per child per month for foster children programs, according to Masako Dolan, a consultant to the California Assembly. If Denney's estimate is correct, members of the Peoples Temple were receiving more than \$40,000 a month through foster children programs.

It has also been learned that Synanon, a West Coast drug rehabilitation program that has taken on the trapping of a religious cult, is caring for more than 200 young people in two camps on an isolated ranch in Marshall, a village in western Marin County.

Officials in the state Department of

Health Services say the care of these young people is paid for by probation departments and other government agencies in California cities and counties, as well as other states in some cases.

The official investigations into the use of tax money are being spearheaded by the state Department of Justice and the state Department of Social Services. Unofficial investigations are also being conducted at the local level.

Officials point out that the Peoples Temple and Synanon programs had been in existence for years—six for the temple and over a decade for Synanon—and had not been questioned until the vents of the last few weeks.

In fact, almost everyone agrees that the Peoples Temple facilities, at least, were well run. According to Kurt Firestone, the director of an agency which oversaw Happy Acres, "We knew it was happening, [that members of the temple were receiving public support], we had always known it was happening."

"We also knew we had an excellent program there," said Firestone, "a program we were proud of because it has done a lot of good for the clients."

According to Edwin Sarsfield, the director of social services for the city and county of San Francisco, the amount of money paid by local governments is not excessive if it goes to professionally run community care facilities.

His department, he says, pays up to \$1,425 per month for some disturbed children, "and that doesn't go very far."

Government programs, says Peter Breen, the assistant director of the Marin County Department of Health and Human Resources, provide an average of about \$1,000 per month per person for the care of such wards, some of whom suffer from problems of alcoholism, juvenile delinquency or drug dependency, according to Synanon documents.

In an affidavit filed last fall, Synanon listed 217 children in different programs at the Marshall ranch.

If each averages \$1,000 from government sources, that means that the Synanon-sponsored camp could be receiving as much as \$2.6 million annually.

However, officials say they are unable to determine how many children are benefiting from state-paid programs, according to Breen.

At one point, after criticism of the programs, Synanon threatened to place all of the organization's children in a small school district in western Marin County.

One Synanon official told a newspaper, the Point Reyes Light, "If we are forced to close our schools, we will have no recourse but to place the burden of educating our 300 school-age children, some of them vicious juvenile delinquents, on the Marin County school district and the Marin County taxpayers."

The drug rehabilitation program, headed by Charles Dederich, has been under fire for months. About two months ago, two young men, one of them the son of band leader Stan Kenton, were arrested on attempted murder charges stemming from allegations they put a poisonous snake in the mailbox of Los Angeles critic Paul Morantz, who was bitten but survived. Dederich later was arrested on at-

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Dollars, Inquiries Show

tempted murder charges stemming from that incident.

The state Department of Justice almost immediately afterward opened an investigation of Synanon.

According to one prober, records in the Charitable Trust Division of the department show Synanon grossed \$13 million last year. Of that \$7 million was described by the investigator as "net revenues" — excess of gross revenues over expenses. It is unclear how much of that gross — or net, if any — came from government sources.

Synanon has fought fiercely against any inspection of its camps. On May 16, the department obtained a warrant to inspect the Marshall facilities. On May 23, a five-person team arrived to inspect the premises but left after Synanon leaders said they would tape record any interviews carried on by the inspection team.

Seven months later, Synanon has still managed to keep the camps closed to inspection. At one point, state Assemblyman Herschel Rosenthal (D-Los Angeles) introduced legislation which would have exempted Synanon from all state laws governing licensed care facilities. That bill died near the end of the session, after having passed the lower house and one committee of the Senate.

No one knows how many such facilities. New York City, Chicago, Minnesota and

Arizona.

Because of the current publicity surrounding the behavior of Dedrich and other top Synanon officials, these homes may be in trouble. Marin County, for instance, stopped placing youths in the Marshall camp in April.

But other agencies still do. "We're getting reports of kids coming from all over the United States," the Justice Department agent said. These referrals come from probation departments and other government agencies who had heard of Synanon's success in treating the disturbed.

Synanon's own literature describes "Chris," a 13-year-old girl referred to Synanon's ranch from the juvenile division of the Las Vegas, Nev., police. Others come from as far away as Virginia, the brochure says, to have their "lives saved" by Synanon.

The child care and residential care programs are not the only sources of funds, the investigators say.

For instance, an agent says, all of the approximately 900 persons who inhabit the Marshall camp renounced their earthly possessions and turned them over to Synanon when they joined.

Then, since they had no possessions, they went on Medi-Cal, California's version of Medicaid, for medical care. Synanon's own doctors, in a clinic at Marshall, care for those members and submit bills to the government.

Among those medical bills, the investigator said, bills for vasectomies point by Dederich in a quasi-religious ritual.

"They know where the power handles are in the bureaucracy," the investigator said. "They know where to get surplus property, free food, free warehouse facilities."

It is unknown what other organizations besides Synanon and the Peoples Temple receive funds for similar programs.

"Many . . . children are going into foster homes run by fundamentalist Christian families," said Steven M.

Thompson, a Sacramento health-care specialist. "They aren't doing it for the cash, but as a way to proselytize the heathens."

Some questions remain. Marceline M. Jones, who died with her husband in the Guyana settlement of Jonestown, worked for the state department of health on and off from 1965 through July of 1977, when according to records in the State Comptroller's office she "quit to stay home."

Social Services Department officials will not describe Mrs. Jones' duties, saying her records are in the hands of the department's attorneys pending possible litigation. But, it has been learned, Mrs. Jones ended up her career in the community care section of the state-run Sonoma State Hospital, a facility for the mentally retarded.

An investigation is under way to see if she had anything to do with referring youths from the hospital to facilities run by the Peoples Temple.

At least one ward died in the Jonestown massacre. He was Vincent Lopez, a 15-year-old Oakland youth referred to Hilltop Home in Mendocino County by the Alameda County courts in the San Francisco Bay area.

That home was operated by Peoples Temple members. Walter Jones, the operator, received \$200 a month from Alameda County to take care of young Lopez. It is not known how the boy got to Guyana.

San Francisco's Sarsfield describes the tremendous need for facilities to take care of children and adults as "an enormous problem" because of the breakdown of families and because many traditional religious groups no longer run homes.

In San Francisco, "we have 1,540 kids that we must place in homes," Sarsfield said.

The county has farmed them out all over the state, and they cost \$10 million a year, he said. However, as far as he knows, none have been placed in cult-run facilities.