

The Sacramento Bee

SACRAMENTO, CALIFORNIA, Sunday, June 22, 1980

Guns, Profits Cloud Sect's Image



Bee photo by Michael Williamson

Srila Ramesvara Swami at Krishna Lake County farm.

The Hare Krishna movement preaches asceticism and nonviolence, but devotees have cached weapons in the sect's temples and stuffed its coffers with profits from crime and fraudulent moneymaking schemes, authorities here and abroad allege.

This record stands in sharp contrast to the movement's official position and to the common image of shaven-headed men and sari-clad women chanting, dancing and seeking donations on street corners and at airports.

The ranks and hierarchy of the tightly regimented Hindu sect that formally is known as the International Society for Krishna Consciousness (ISKCON)

This is the first of a four-part report on the Hare Krishna movement. It was compiled following a three-month investigation by Bee staff writers Paul Avery and Joe Quintana and Lake County Record-Bee reporter Peter Knutson.

include devotees suspected, accused or convicted of serious crimes.

Law enforcement officials on at least four continents have arrested Krishna devotees for crimes ranging from drug trafficking and burglary to kidnapping and illegal weapons possession. Other devotees — the movement's term for its followers — are fugitives, commonly traveling with assumed names and false identification.

Authorities in several states and countries say that guns and ammunition have been stockpiled in Hare Krishna temples. Some of the guns are alleged to



KRISHNA FILE

be fully automatic weapons, which are illegal to possess. In one case, a group of devotees allegedly stole weapons and stored them at an ISKCON farm in Lake County.

A Bee investigation also has found that the Krishnas have hustled an unsuspecting public for millions of dollars, often using disguises to conceal their affiliation with the movement and employing fraudulent solicitation tactics.

The movement has stashed its fortune in a complex web of financial holdings managed from its world headquarters in Los Angeles, The Bee also learned.

ISKCON usually denies that its members are involved in fraudulent fundraising or criminal activity. When it does not deny charges of unethical or illegal solicitation, it almost invariably attributes such activity to the "over-zealous" actions of individual devotees. And in virtually every instance in which a sect member has been charged with a serious crime, ISKCON has disavowed the devotee, explaining that the individual was a "former," "expelled" or "deviant" member.

Despite such denials and disavowals, the list of people clearly associated with the Krishna movement who are in legal trouble is extensive. In the last year:

- Dutch authorities imprisoned a Hare Krishna swami for smuggling heroin.

- Seven Southern California devotees were convicted of charges involving an international conspiracy to smuggle hash oil, a liquid derivative of hashish.

- Federal agents in Honolulu booked a devotee for possession of a pound of morphine base.

- Pretrial proceedings continued for a devotee accused of smuggling 30 kilos of hash oil in England.

- Orange County charged two devotees with possessing more than \$1 million worth of cocaine.

In the last two months:

- A devotee crossing from Canada into the United States was charged with transporting marijuana and thousands of dollars of undeclared cash.

• Pennsylvania police apprehended a devotee wanted in Germany for kidnapping, assault, larceny and failure to complete a prison term, and in California for possession of stolen property.

- One Berkeley devotee has pleaded guilty to passport fraud while another awaits trial on a charge of possessing a submachine gun.

The devotee with the phony passport also obtained a federal firearms license and manufactured bullets in a Bay area garage. The submachine gun was among numerous weapons — one traced to a Hare Krishna guru — found by police in Berkeley. These discoveries stemmed from an ongoing investigation into a theft and weapons ring allegedly involving members of the Krishna movement's temple in Berkeley and its farm in Lake County.

- And last Thursday, Sacramento County sheriff's deputies seized four rifles and four shotguns stashed by a Krishna devotee in a storage locker.

Members of the Hare Krishna movement in previous years also have been convicted of such felonies as trafficking in heroin and cocaine, kidnapping and theft.

While numerous followers of the Krishna faith have recently been apprehended or tried, others are fugitives.

Three devotees accused in the hash oil smuggling case are still at large; Japanese authorities are searching for a devotee accused of robbing a Tokyo jewelry store, and Berkeley police want that same man for assault, theft and fraudulent use of credit cards; three of seven devotees accused of burglary and grand theft in Mendocino County have not been apprehended; federal agents are after a devotee who allegedly smuggled expensive cars into the United States; Richmond police are hunting for a devotee accused of armed robbery and auto theft.

Law enforcement agencies investigating the sect have had difficulty tracing some Hare Krishna fugitives because in addition to their given and "spiritual" names many devotees have assumed new or false identities.

However, there has been an investigative breakthrough — police recently discovered that devotees have changed their names in Washington State courts. Prosecutors are considering perjury and false identification charges against some of them, The Bee learned.

But even after apprehension of fugitives, unusual prosecutorial problems sometimes persist. A confidential police document notes of one Berkeley devotee slated for deportation that, "Subject carried so many identification documents alleging he was born in so many different countries it was not possible to figure out who he was."

The Krishnas have devoted much of their time and effort to activities in California, and one of the most notorious criminal cases involving Krishna devo-

International, a Southern California firm that laundered millions of dollars of drug smuggling profits, according to federal court records.

Founded by ISKCON followers in 1976, Prasadam quietly went about its illicit business until August 1977, when cocaine dealer Steven Bovan kidnapped Prasadam partner Alexander Kulik and collected \$100,000 ransom. In retribution, three ex-Mafia soldiers Prasadam had hired as "muscle" murdered Bovan, according to trial testimony.

The day after the killing, police arrested Kulik after finding him sleeping in a car that contained \$1 million worth of "China white" heroin.

The seven devotees found guilty early this year of conspiracy to smuggle hash oil also were associated with Prasadam, as were the three others indicted in the case who are fugitives.

An ISKCON spokesman said the devotees involved in Prasadam had been excommunicated long before they were arrested. However, Kulik testified at his trial that he had given more than \$2 million of the drug ring's profits to ISKCON founder A.C. Bhaktivedanta Swami Prabhupada.

Furthermore, Roy Christopher Richard had been a Prasadam partner at the same time he was president of ISKCON's Laguna Beach temple.

Additionally, Kulik, Richard and other Prasadam associates attended ISKCON functions and Prasadam conducted business with ISKCON after Prasadam's owners had supposedly been excommunicated. And some witnesses at the hash oil trial testified that the money that funded Prasadam came from the Hare Krishna movement.

Kulik's brother, David, arrested April 5, 1979, in London for allegedly possessing 65 pounds of hash oil, is awaiting trial. David Kulik is identified in the confidential intelligence files of a California law enforcement agency as being a member of the Los Angeles ISKCON temple, The Bee learned.

More recently, Steven Boman and William Shoaff, also identified by police intelligence agents as members of the Los Angeles temple, were arrested April 17 in Santa Ana on drug and conspiracy charges. Responding to reports of a disturbance in a home at Dana Point, police found Boman handcuffed and suffering from multiple head injuries and severe burns on the back of his legs. A search of the house turned up \$249,500 in cash and three kilograms of cocaine which police estimated was worth \$1 million. Four other persons at the scene were arrested.

Closer to home, Northern California authorities in the last three months have charged 11 devotees with 18 felonies.

Five of those 11 devotees are fugitives. The charges for which warrants have been issued include armed robbery, burglary, theft, auto theft, possession of a submachine gun, passport

fraud and possession of false identification.

Other crimes under investigation that allegedly involve Krishna members include automobile smuggling, forgery, false identification, aiding and abetting fugitives, perjury and fraud.

Two Berkely temple devotees illegally in the country are scheduled for deportation, including the man authorities so far have been unable to positively identify.

Currently most wanted among Krishna fugitives is 25-year-old Michael Ralph Pugliese, who until last February, investigators say, was the "personal servant" of Srila Hansdutta Swami Maharaja, at that time the guru in charge of ISKCON's operations in Northern California, the Pacific Northwest and Southeast Asia, a position from which he was recently deposed.

Warrants have been issued in California charging Pugliese, who has fled the country, with grand theft, forgery, credit card fraud and felony battery. He is also sought by Japanese authorities for a \$43,000 jewel robbery.

In their search for Pugliese, investigators have found a trail of differing identities. In January 1978, Pugliese appeared in court in Hawaii and changed his name to Dino Bhandu. In July 1979, Dino Bhandu appeared in court in Washington State and became Lance Presley. Since then, police say, he has variously used all three names.

At least seven other devotees under investigation have also taken new identities in the Washington court. One of those seven is a German national who falsely swore he was an American citizen.

Another is Hansadutta, born Hans Kary. He became Jack London in King County Superior Court in Seattle on May 22, 1979. After legally becoming Jack London, Hansadutta has continued using the name he gave up, including at least four occasions on which he purchased guns. Hansadutta was one of the sect's 11 ruling "spiritual masters." He was stripped of his powers by the movement's governing board shortly after police found weapons and stolen goods stored on ISKCON's Mount Kailasa farm in Lake County and began probing allegations of other crimes in which Krishna devotees in Northern California and elsewhere are suspects.

Another high-ranking member of the Krishna movement, Gregory Martin Gottfried — known in the sect as Guru Kripta — was arrested by Dutch authorities last April 10 attempting to smuggle two kilograms of "Asian white" heroin through the Amsterdam airport. He and another Krishna devotee convicted in the same case are now serving prison terms in Holland.

Police intelligence sources told The Bee that Gottfried once served as presi-

dent of the ISKCON temple in Tokyo and most recently had held a high position in the movement's operations in Southeast Asia.

In the last decade, hundreds of Hare Krishna members have been arrested while soliciting money for the movement. Accusations include assault, accosting and deceptive solicitation practices.

San Francisco District Attorney Arlo Smith summarized the position of many police authorities and prosecutors when he charged in court that ISKCON solicitation is "misdemeanor organized crime."

And though authorities view it as less serious than the many felonies with which Krishna members have been charged, it is exceedingly lucrative, providing the financial foundation of ISKCON.

NEXT: Weapons and allegations of cover-up.

The Sacramento Bee

SACRAMENTO, CALIFORNIA, Monday, June 23, 1980



Krishna Leader Disclaims Prophecy

Story Below

Cover-Up Alleged

Arsenal Hidden, Sources Say

□ Pictures and additional articles on the Hare Krishna sect appear on pages A6 and A7.

For more than three months now, Srila Hansadutta Swami Maharaja and other Hare Krishna leaders have repeatedly denied that they had even the slightest inkling that an arsenal of guns — including illegal automatic weapons — was being stockpiled at the movement's Mount Kailasa farm in Lake County.

They have labeled as "preposterous" allegations that leaders of the International Society for Krishna Consciousness, as the sect is officially known, were aware that weapons and stolen goods were cached at the farm.

They deny statements Krishna members have given to police alleging that the guns were to be used by devotees in the aftermath of an impending holocaustal war, which Hansadutta purportedly prophesied will soon occur. Hansadutta disclaims ever making such a prediction.

In fact, Hansadutta insisted during an interview with The Bee, that the 400-acre farm that sits in a high valley in the Mayacamas Mountains west of Lakeport is not in any way connected with ISKCON.

And, Hansadutta emphasized, he personally had no ties to the Mt. Kailasa farm that law enforcement officers raided March 4.

He described himself as nothing more than a "visiting guru" who occasionally

came to the farm to preach and to "instruct" the residents on "how to, you

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know, maintain a spiritual standard, keep themselves clean, keep themselves from getting into intoxication."

In sharp contrast with what Hansadutta told The Bee concerning Mt. Kailasa and his relationship to it are various public records, statements by law enforcement agencies investigating the sect, and accounts from dismayed devotees and former devotees who, in increasing numbers, are coming forward to talk about the direction they fear the religion has taken.

According to Bee sources and confidential law enforcement documents, certain Mt. Kailasa and Berkeley temple leaders and devotees engaged in a cover-up effort intended to dissociate the movement from various Krishna members now sought by police.

These sources and reports allege that Krishna devotees hid weapons, 50 sticks of dynamite and numerous stolen items the night before police searched the farm.

These sources also say that ISKCON funds were used to transport several devotees out of the Bay area just before the raid. Felony warrants have been



KRISHNA FILE

issued for three of these devotees and others are sought for questioning.

From law enforcement sources and through interviews with present and former Krishna devotees, The Bee has obtained the following account of the alleged cover-up:

The events that led to the Mt. Kailasa raid began at 6:30 a.m., Feb. 2, when William Benedict, one of the sect's first members in California, emerged from the Berkeley Hare Krishna temple after attending devotional services.

He discovered that his car had been burglarized. Missing was a briefcase containing his credit cards and checks.

Benedict was the unlikely victim of a crime that police say involved several of his fellow devotees.

Benedict, 31, founded the Hare Krishna temple in San Diego and had once been president of the Berkeley temple. In 1976, ISKCON provided Benedict the seed money to start a lucrative business called Balarama's Enterprises, Inc., which wholesales incense and scented oils to "tail outlets."

Benedict reported the theft to Berkeley police that same day. The report was routinely filed and, for 18 days, all but forgotten.

But by Feb. 20, dozens of businesses in Northern California had reported being bilked out of an assortment of

Sources reported stolen dynamite and horses on farm

merchandise by one or more individuals using Benedict's credit cards and checks.

More than \$11,000 worth of items had been fraudulently purchased, including nine guns, floor tiles, bolts of cloth, horse saddles, cameras, ladies sportswear, sewing machines and farming and household tools.

Investigators quickly focused their attention on the Berkeley Hare Krishna temple after Benedict told them a number of devotees at the temple were "into guns."

On March 2, Benedict told police he thought he had located \$1,700 worth of black and white tile and some of the cloth that had been purchased with his stolen checks.

Benedict said that while worshipping at the Mt. Kailasa temple he had noticed that the altar statues of sacred Krishna deities had been outfitted in garb that matched police descriptions of the stolen cloth, and that the temple floor had recently been covered with squares of black and white tile.

Benedict told investigators that he had gone to Berkeley and confronted temple president Ricardo D'alessandro with what he had seen at the farm. He said that D'alessandro, an Argentine national whose Krishna name is Hai Haya, had then informed him that several "incorrigible and undesirable" devotees no longer in good standing were most probably responsible for the briefcase theft and the fraudulent purchases.

Benedict said that D'alessandro then asked him not to cooperate with the police investigation, and that he had replied he would not take part in "any cover-up" and intended reporting what he had learned.

According to Bee sources and law enforcement documents, the alleged cover-up began as soon as Benedict left that day.

The officials who allegedly ordered the cover-up assumed, correctly as it turned out, that police would probably search the farm, several devotees later told investigators.

These sources also told police that the farm then contained not only much of the merchandise fraudulently purchased under Benedict's name, but a number of illegal weapons, a box of stolen dynamite and two stolen horses and horse-trailers as well. It was also believed that police would soon be seeking several devotees in connection with the Benedict case investigation.

According to Bee sources, one of those devotees, Hartwig Heinrich Dalldorf, 34, a German national whose Krishna name is Harinamananda, was supplied with money from the Berkeley ISKCON treasury and told by temple president D'alessandro that he must immediately leave the country.

"Hai Haya (D'alessandro) told me that he gave Harinamananda (Dalldorf) the money for an airline ticket and told him to get out, right now, and fly to Japan," one source recounted.

Dalldorf, various sources say, was personally close to Hansadutta and had served under him in Germany when Hansadutta headed ISKCON's operations there. Dalldorf was also second in command at Mt. Kailasa and the person in charge of the weapons arsenal at the farm, the sources said. He is believed to be in the Far East now.

Mendocino County authorities have issued a warrant for Dalldorf, charging him with burglary and grand theft in connection with an unrelated case involving stolen furniture that occurred near Hopland last September.

Another devotee, Michael Ralph Pugliese, 25, whose Krishna name is Goverdhan, had already left the country when the raid took place.

From photographs, merchants subsequently identified Pugliese, whom Bee sources said was Hansadutta's "special servant," as the person who allegedly used Benedict's credit cards and checks to make fraudulent purchases. Alameda County authorities have since charged Pugliese with four felonies. Pugliese also is sought by Japanese police for the grab-and-run theft of a \$43,000 diamond ring from a Tokyo jewelry store on March 9.

Two other devotees, Walter Bernstengel, 32, the president of Mt. Kailasa, whose Krishna name is Vrndavan Candara, and Peter Kaufmann, 29, the farm's schoolteacher and weapons instructor, whose Krishna name is Chakavartry, were also supplied with ISKCON funds and given orders to leave California, sources said.

Mendocino County has charged Bernstengel and six other devotees with the same felonies that Dalldorf faces in the 1979 furniture theft case.

Kaufmann was Hansadutta's right-hand man in 1974 when the guru headed ISKCON operations in Germany, England, and the Scandinavian countries. In 1978, after Hansadutta took up residence in Berkeley as guru in charge of ISKCON operations in Northern California, the Pacific Northwest and Southeast Asia, Kaufmann arrived in the United States and was assigned to duties at the Mt. Kailasa farm.

Those alleging the cover-up said that on March 3, a Berkeley devotee was ordered to drive Bernstengel and Kaufmann to the farm to retrieve their personal belongings, and then drive them to the ISKCON temple in Seattle.

En route to the farm, the station wagon carrying Bernstengel and Kauf-

Stolen items were allegedly moved night before raid

mann broke down on Highway 101 near Cloverdale. It was abandoned and later found by police.

Bernstengel and Kaufmann registered at a nearby motel. The devotee who had been chauffeuring them was instructed to hitchhike to the farm, pack their belongings, and return with another vehicle for the journey to Seattle.

The Bee's sources also say that two other Berkeley devotees, Vladimir Panasenka, 41, whose Krishna name is Vipra and who was in charge of the temple's motor pool, and Harold Wilson, 29, whose Krishna name is Bharata and who serves as ISKCON's spokesman in the Bay Area, were instructed to go to the farm, collect the fraudulently purchased merchandise and illegal weapons, and transfer them to another location.

Several members of the movement later told police that on the night of March 3, Panasenka and Wilson arrived at the farm in Panasenka's car and, with the help of farm devotees, loaded an ISKCON van with merchandise and numerous handguns and combat-style rifles. Police said that Panasenka and Wilson then drove the van to Berkeley where, with the aid of devotee Dennis Lee Richardson, 24, they hid the merchandise.

Richardson's arrest last week led to the discovery of eight rifles and shotguns cached in a Sacramento storage locker that police say was rented under a false name. Richardson told police the locker had been rented to store ISKCON religious supplies.

Richardson, The Bee learned, was one of several devotees involved in a bullet-making operation called "Sgt. Pepper's Guns" that ISKCON members had set up in a Bay Area garage.

On March 4, Berkeley police and sheriff's officers from Lake and Mendocino counties raided the Mt. Kailasa farm.

Although 17 rifles and shotguns, a grenade launcher, ammunition clips, and cases of ammunition were found, the search turned up none of the nine illicitly purchased rifles and handguns that police were looking for.

They also failed to find numerous other stolen items they believed were at

Devotees were told a 'holocaust' was coming in future

the farm. Only later, investigators said, were they told by Krishna sources that these items had been spirited away the night before.

The day after the raid, Panasenکو delivered a carload of loot to Berkeley police. Several days later he turned over seven of the nine guns purchased with Benedict's credit cards and checks. The remaining two weapons are still missing.

Devotees questioned during the raid gave similar accounts when asked why weapons were being stockpiled at Mt. Kailasa. According to police documents obtained by The Bee:

- John Charles Johnson said that he and other devotees had been told of an impending "holocaust" — and that not only Mt. Kailasa, but other Krishna farms in the United States as well, were preparing for that "holocaust."

- Francois Menard described the "holocaust" as being a "war (that) is coming soon," and that weapons were going to be needed to protect the farm from attack and women devotees from being raped.

- Laura Shapley said that the children of devotees living on the farm had been instructed in the use of weapons to prepare themselves for the predicted war.

- Frank Robert Brown said that the "holocaust" had been forecast by a "pure devotee" of the Krishna faith.

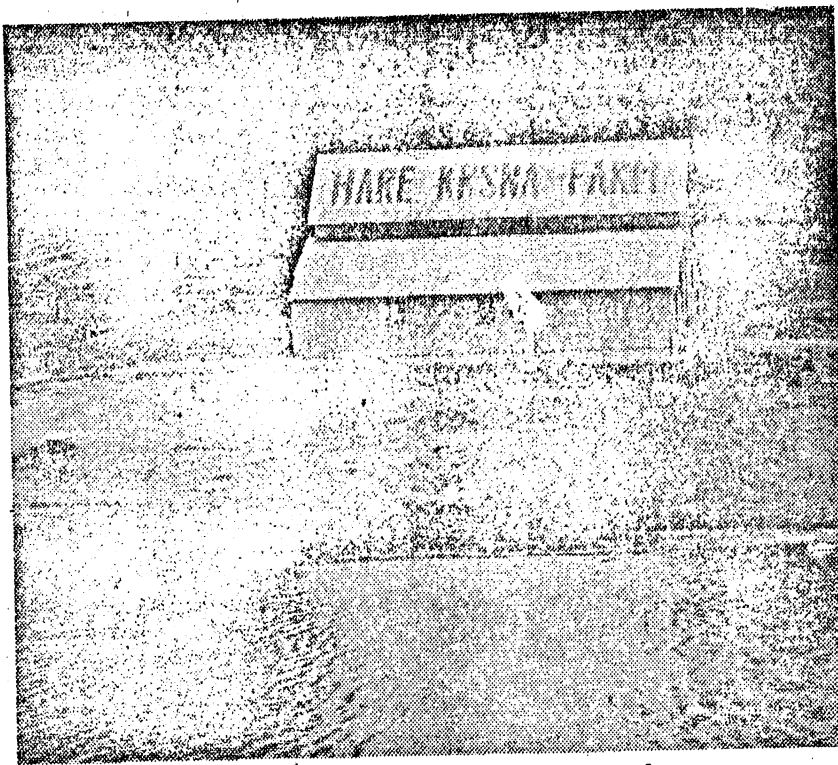
According to other ISKCON members who subsequently gave statements to police, and a former follower of the movement who was interviewed by The Bee, Hansadutta is the "pure devotee" who allegedly prophesied that a "holocaust" will occur.

"He (Hansadutta) had the devotees all hyped up. He said that the war is coming, very soon ... World War III, the nuclear blast, the nuclear holocaust," the former devotee told The Bee.

Krishna devotees accepted that purported prophesy, The Bee's source explained, because "he (Hansadutta) was the guru. He knows past, present and future."

When interviewed by The Bee, Hansadutta denied having ever predicted such a holocaust. But a police document obtained by The Bee indicates that last May 11 Hansadutta told an investigator that the sect "really believed there will be a war and that Krishnas will need guns to defend themselves."

In the interview with The Bee, Hansadutta also stated flatly that Mt. Kailasa had no direct connection to ISKCON, and that ISKCON funds had not supported the farm. "That would be totally illegal," said Hansadutta. "We cannot fund anything which is outside our corporate papers. They (persons living at the farm) were funding their own thing."



Barn at rural center with name of sect

Sources knowledgeable about the operation of Mt. Kailasa, however, have told both police investigators and The Bee that the Berkeley ISKCON temple sent between \$15,000 and \$25,000 a month, usually in cash, to the farm.

Additionally, legal documents and the movement's own literature clearly tie ISKCON to the New Hrisikesa Foundation, the name under which the farm was incorporated.

Hansadutta further told The Bee that he had made only infrequent visits to Mt. Kailasa, and that he was unaware that weapons were being stockpiled at the farm.

Present and former devotees, however, have said that Hansadutta divided his time between the Berkeley temple and Mt. Kailasa, and added that a house trailer located at the farm was reserved for his exclusive use. These devotees also said that Hansadutta not only was aware that arms were being cached at Mt. Kailasa, but that they had seen the guru firing weapons on numerous occasions.

And in an affidavit in support of a search warrant, a Berkeley police officer stated, "I have been informed directly by seven members of the Berkeley Hare Krishna temple that ... Hansadutta Swami is the man personally responsible for the accumulation of firearms by members of this group, and that he encourages these persons to accumulate and possess assault-type combat weapons and ammunition."

And a confidential police document obtained by The Bee says that on May 11 Hansadutta allegedly told an investi-

gator "that all of the ISKCON centers in the U.S. have substantial amounts of firearms for defensive purposes."

In the interview with The Bee, Hansadutta described the farm's president, Bernstengel, as being a Krishna devotee who had been "thrown out of the temple" prior to Hansadutta's becoming guru for ISKCON's Northern California, Pacific Northwest and Southeast Asia zone.

"He came to me ... and I found him (to be) a nice boy, and, you know, he had some attraction to Krishna, so I encouraged him, 'Yes do it, start a farm, if you think you can do it, do it,'" Hansadutta said of Bernstengel.

Hansadutta acknowledged that his relationship to Peter Kaufmann dated back to when both were serving the Krishna movement in Germany. "He's the most straight person you would ever want to meet," Hansadutta said of Kaufmann.

Hansadutta also contended that Kaufmann had no connection with the arsenal found at Mt. Kailasa.

"He (Kaufmann) wasn't involved at all because he was, day and night, this boy was involved in the teaching of children," Hansadutta said.

Kaufmann and Hansadutta were leaders of the German ISKCON temple headquartered in a castle near Frankfurt when German authorities in 1974 found an arsenal there.

According to The Bee's sources, Kaufmann's teaching duties included training devotees — children as well adults — in the use of weapons. And in search-

ing the farm, police found several guns and bullet-punctured targets in the building that served as the schoolhouse.

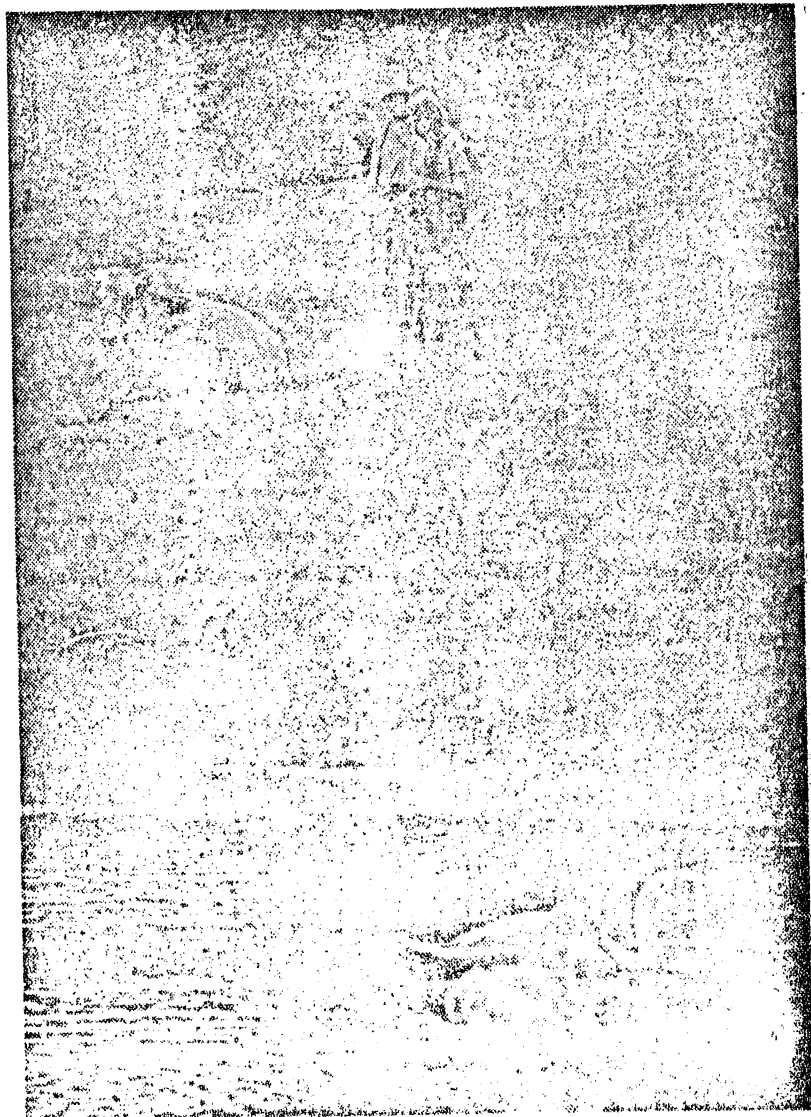
Hansadutta also emphatically denied that Michael Ralph Pugliese, the devotee being sought on felony warrants in connection with the briefcase theft and the subsequent fraudulent purchases, had ever served as his "personal servant."

Hansadutta described Pugliese as being an unsophisticated and none too bright "misfit." The guru said he had taken pity on Pugliese and had briefly allowed Pugliese to stay with him.

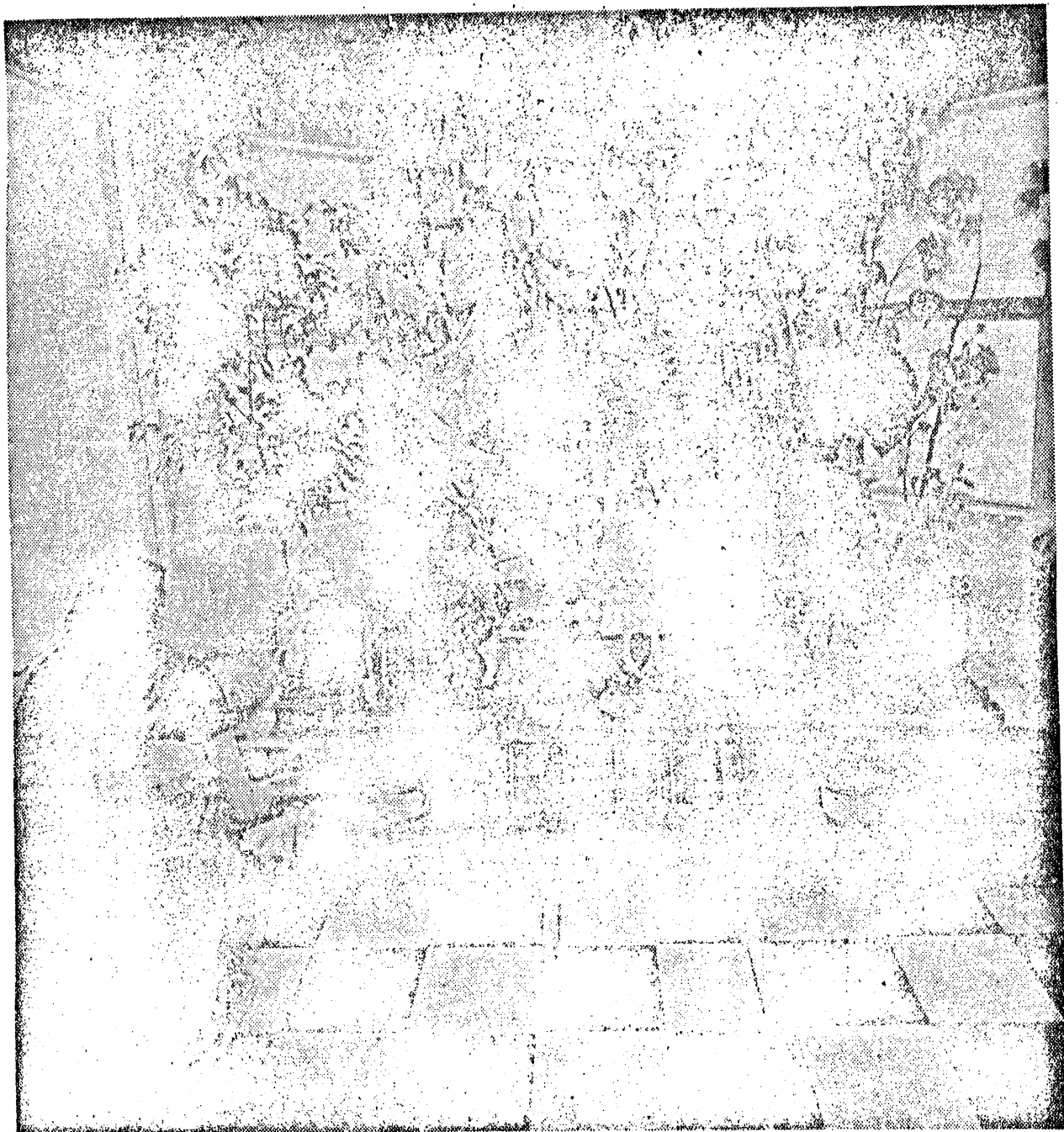
"I just didn't have time to take care of a basket case," said Hansadutta, "so I told him (Pugliese), go to the farm. Just take care of the animals or do something, but I don't have time to take care of you."

Police sources contradict Hansadutta's assessment of Pugliese. Investigators told The Bee that Pugliese, using a variety of aliases, carried out special missions for the sect that involved traveling to various countries in Asia, and that for at least a year, until he dropped out of sight in February, he was Hansadutta's personal servant.

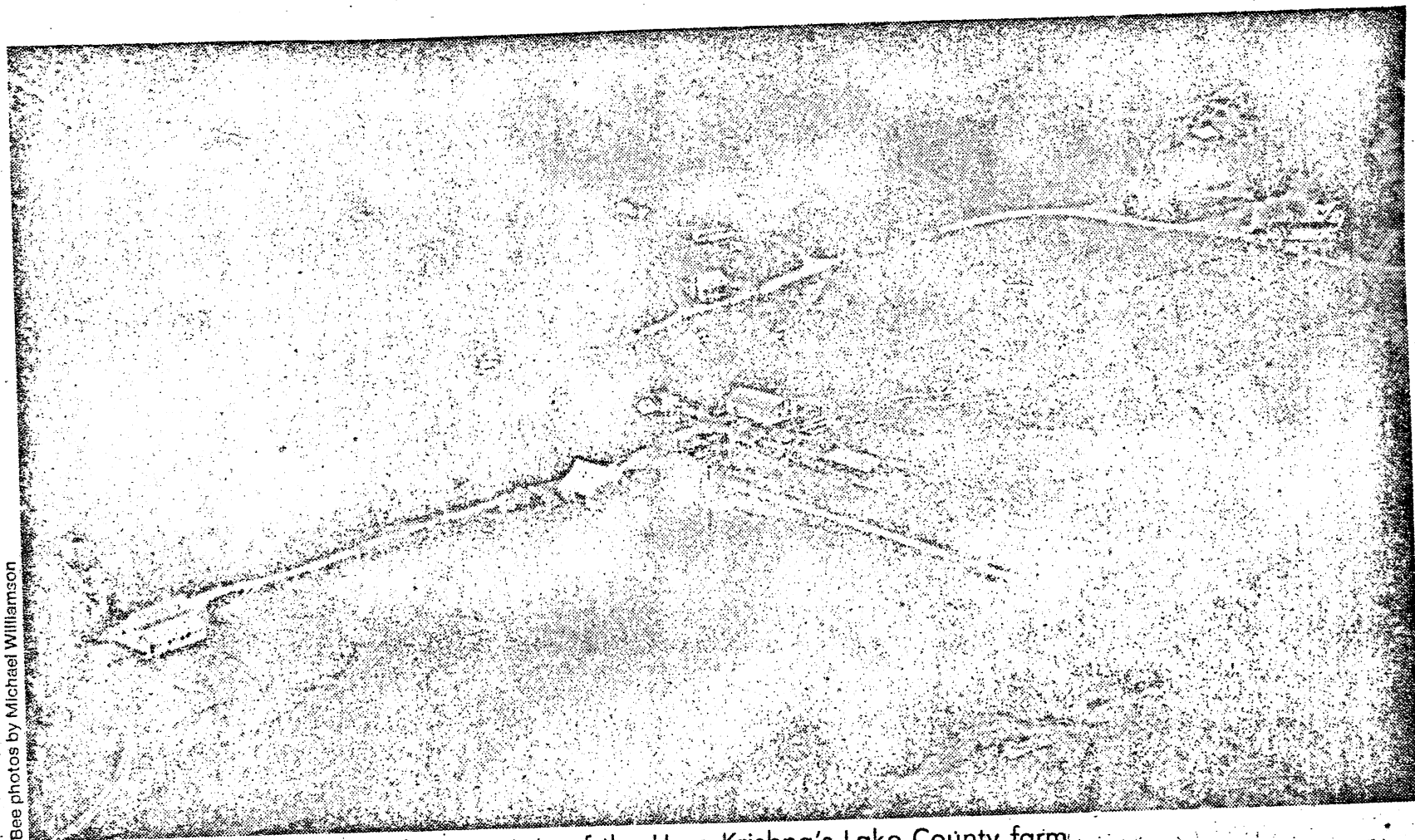
NEXT: Collecting for Krishna



Devotees enjoy pastoral scene on grounds



Woman devotee visits temple room at Krishna farm



Bee photos by Michael Williamson

Bird's eye view of the Hare Krishna's Lake County farm

Response

Master Portrays Sect As Peaceful

Srila Ramesvara Swami, one of 11 ruling spiritual masters of the Hare Krishna sect, was angry:

"You never read our scripture. You never find out what our actual beliefs are. And you've painted this hysterical picture that we are violent. And that we are building up arsenals.

"And not only that we are violent but, like some fanatical pentecostal group, we are expecting the world to end any day and we want to have our guns.

"This is all so misrepresentative. It's not in-depth reporting. It's just inflammatory. Maybe it sells newspapers, but it doesn't serve a public service."

Interviewed by The Bee at his headquarters at the Los Angeles temple, Ramesvara reacted bitterly to news accounts of Berkeley police finding arsenals of weapons on Hare Krishna property in Northern California. He was adamant that the discoveries in Northern California were not representative of the sect.

"The movement doesn't have an official policy" on weapons, he said.

"This is an international movement with scriptures that go back thousands and thousands of years. If there's an incident in some part of the world and a man is allowed to defend himself, and that can be done in a very simple way, I mean that's as far as anything could ever go with this movement and guns. That's as far as it could ever go.

"And I don't know what happened in that (Lake County) farm. It appears from the newspaper reports that those people are way off. They've deviated.



KRISHNA FILE

And created a great embarrassment for our religion. And, as I said, some of them, if these things are true, are facing excommunication."

Embarrassment led to a special meeting in Los Angeles on April 10 of the Hare Krishna's international policy board, the Governing Board Commission (GBC), which decided it would be best for Srila Hansadutta Swami, Ramesvara's Northern California counterpart, to give up the United States part of his zone of authority and resettle in Asia.

It was pointed out to Ramesvara that the Lake County incident is not the first time guns were reported in a Hare Krishna temple, that it has long been

known there were weapons on the sect's farm in West Virginia.

"In West Virginia ... is a place where, when we first moved there, we were attacked, very viciously," he responded. "Our temple was attacked. Our altar was defiled and the devotees' lives were threatened at gunpoint by crazy ... I don't know how to characterize them. I mean, in the newspapers they would be characterized as rednecks ... or a motorcycle gang, or whatever.

"So, for that reason, they had a right to make it known they were purchasing guns. And they deliberately made it known. They didn't hide it. They made it very well known so that people would leave them alone.

"But that is not a statement about our policy or about our philosophy or about our beliefs. We are very peaceful. We believe in following God's laws — thou shalt not murder. We're strict vegetarians. We won't even harm an animal."

West Virginia authorities give a differing account of the incident that Ramesvara described. In 1973, authorities told The Bee, the father of a 15-year-old girl devotee, accompanied by a friend who was a member of a motorcycle club, did invade the Krishna farm in an effort to retrieve his daughter. The two men were armed with shotguns. A fight broke out in which four devotees were wounded. The two men were arrested, but a grand jury refused to indict them.

Ramesvara continued:

"So the light that's been cast on our movement is that we are violently ori-



Srila Ramesvara Swami calls press reports misrepresentative.

ented, which goes completely against ... the vows that every member has to follow.

"It's not easy being a vegetarian. It's not easy not harming any living entities. We're not allowed to harm insects. We're not allowed to harm animals. These are our religious beliefs. And it's been completely misrepresented in the papers."

Ramesvara insists the gun stockpiles and illicit activities of Hansadutta's devotees were due to the guru's neglect. So, he reports, were the findings of a special GBC committee.

"Obviously it was neglect. He just

didn't realize what was going on. Anyway, he's not going to be there in that position. At this time, he has a lot of work to do. Actually, his main work is in Southeast Asia, where our movement is flourishing.

"Now that assignment (supervision of Northern California) has been given to me and I intend to clean it up fast. I assure you by the end of the month the whole matter will be completely cleaned up."

Ramesvara was asked whether there are weapons at the Los Angeles temple. Contrary to the findings of The Bee, Ramesvara replied:

"No, not to my knowledge, no. Absolutely not. This temple would not buy arsenals."

He was then asked about temple members having their own handguns.

"I don't know. There may be a handgun. I mean ... I'm not going to tell you exactly what's going on. I don't know exactly myself to the T."

"But I assure you, if there are any handguns it is no more than any American has when he feels there is some reason to have a handgun. I mean it wouldn't be more than that. It's like for very simple basic defense."

"I bet you churches all over the country keep a handgun in their safes."

One Of 11 Top Gurus

Photographer Becomes A Movement

"To see a big man you have to see his secretary. I am a kind of secretary for God." — Srila Hansadutta Swami Maharaja.

Before he embraced the ancient religion that worships Krishna as the creator and eventually rose in rank to become Srila Hansadutta Swami Maharaja, he was Hans Kary, a 25-year-old, German-born, naturalized U.S. citizen struggling as a free-lance photographer in New York City.

The year was 1967, and the fundamentalist Hindu sect, transplanted from India to the United States less than two years earlier, had attracted only a small number of American devotees.

Little is known of Kary prior to his joining the Hare Krishna movement. He was born May 27, 1941, in Germany. In 1950, he emigrated to America with his parents, settling in the Bronx borough of New York City where he attended public schools and was awarded U.S. citizenship.

After a tour of enlisted military service in the Navy, Kary embarked on his short-lived career as a photographer that ended when he became a member of the International Society for Krishna Consciousness (ISKCON).

In 1968, Hansadutta was appointed one of the sect's missionaries. Over the next several years, he traveled the world serving ISKCON. He claims credit for initiating publication of the sect's literature in a number of languages, including French, Dutch, Swedish, German, Russian, Yugoslavian, Hungarian and Arabic.

In 1974, Hansadutta was in charge of ISKCON's operations in Germany, England and the Scandinavian countries. His headquarters was Rettershof, a castle in the Taunus mountains that ISKCON was renting for \$1,800 a month.

That year, German authorities arrested Hansadutta and other sect leaders on the charge of "begging under false pretenses." The German prosecutor accused ISKCON of having fraudulently solicited \$1.1 million cash in just seven months under the guise that it was to be used to "feed starving children in Biafra and Bangladesh."

In a search of the castle at the time of the arrests, German police found an arsenal of guns that they alleged had been collected by the sect.

Convicted in 1978 on the false pretenses charge, Hansadutta and eight other devotees were ordered by the German court to pay stiff fines. Later that same year, Hansadutta became one

of the ruling gurus of the Hare Krishna movement.

With the passing of A.C. Bhaktivedanta Swami Prabhupada, the 82-year-old founder of ISKCON, Hansadutta and 10 other devotees were anointed as "spiritual masters" of the sect. Only these 11 gurus carried the authority to initiate devotees into the faith.

That became the basis of Hansadutta's unquestioned power. Within the sect, a "spiritual master" is a god-like figure whose word is law and whose orders must be obeyed.

Shortly after Prabhupada's death, ISKCON's Governing Board Commission divided the world into 11 "zones" — one per guru.

In early 1978, Hansadutta established his residence in Berkeley and took charge of the ISKCON zone that includes Northern California, the Pacific Northwest and Southeast Asia.

Hansadutta attracted little public attention until last March, when police

Leader

raided the sect's Mount Kailasa farm in Lake County in search of stolen property and discovered a cache of weapons.

Since the March incident, various crimes allegedly linked to Krishna devotees in Hansadutta's zone have been under investigation by various law enforcement agencies.

And ISKCON recently announced that Hansadutta had been stripped of his managerial responsibilities and henceforth would serve the movement only as a traveling preacher of "Krishna consciousness."



Photo Special To The Bee

Srila Hansadutta Swami Maharaja lost his job

Riot Shotguns, Handguns, Other Weapons Stockpiled In Temples, Carried By Devotees

"It is against the policy of the International Society for Krishna Consciousness to keep any stockpile of weapons or ammunition for any reason." — official ISKCON statement, June 11, 1980.

But in addition to the recent discoveries that Hare Krishna devotees have stockpiled weapons and ammunition in Northern California, consider:

- Eleven Bengali villagers in 1977 were wounded in the back with buckshot as they fled gunfire from an ISKCON ashram that the villagers had been stoning, angry that Hare Krishna devotees had beaten a neighbor, Indian authorities told the U.S. State Department. Nine Krishnas were arrested on charges that included firing on an unarmed crowd and unlicensed possession of firearms.

- German police in 1974 found an arsenal of weapons in a castle near Frankfurt that served as an ISKCON headquarters.

- "Reports from reliable sources indicate that the Hare Krishna members of the Berkeley temple as well as the Los Angeles temple have for several years purchased and stockpiled large quantities of firearms, ammunition and other military equipment. Weapons known to be in possession of sect members include semi-automatic assault rifles, riot guns and fully automatic weapons," states a confidential report by the intelligence arm of a California law enforcement agency.

- At the ISKCON temple in Denver and at a farm in Delta County, Colo., ISKCON followers have cached numerous weapons — some of them fully automatic — according to a Krishna devotee who said he was there until December. "At the farm, they showed you how to use the weapons, how to take them apart and maintain them . . . We would practice firing at targets about three days out of seven," the source said. Police in Denver refused to discuss the situation; Delta County law enforcement officers could not confirm the report.

- At its New Vrindavan commune in West Virginia, the Hare Krishna movement has its own guard force that patrols the area armed with riot shotguns and combat-style AR 15s, according to Sgt. Thomas Westfall of the Marshall County Sheriff's Department. "Weapons have been a very big part of this commune for several years. They're attempting to downplay that at this time," Westfall told The Bee. A devotee on the farm with a federal firearms license has even sold riot guns and rifles to a local police force, Westfall added.

- An ISKCON devotee wounded a 16-year-old boy after the teen-ager and two joy-riding companions allegedly harassed a Krishna farm in Mississippi. The devotee, who said he was trying to shoot out a tire, was arrested, but a grand jury declined to indict.

- A number of rifles have been stockpiled at the ISKCON temple in Boston, a former, longtime member of the sect told The Bee.



Bee photo by Leo Neibaur

Weapons seized are recorded by clerk in sheriff's office

- The president of the Gainesville, Fla., temple sold guns through classified newspaper ads, according to Lt. Bob McClendon of the sheriff's department there.

- Two armed bodyguards stood beside ISKCON founder A.C. Bhaktivedanta Prabhupada when he delivered a lecture to devotees in Los Angeles in 1976, according to a former devotee who said he saw the guards loading the handguns and hiding them under their robes.

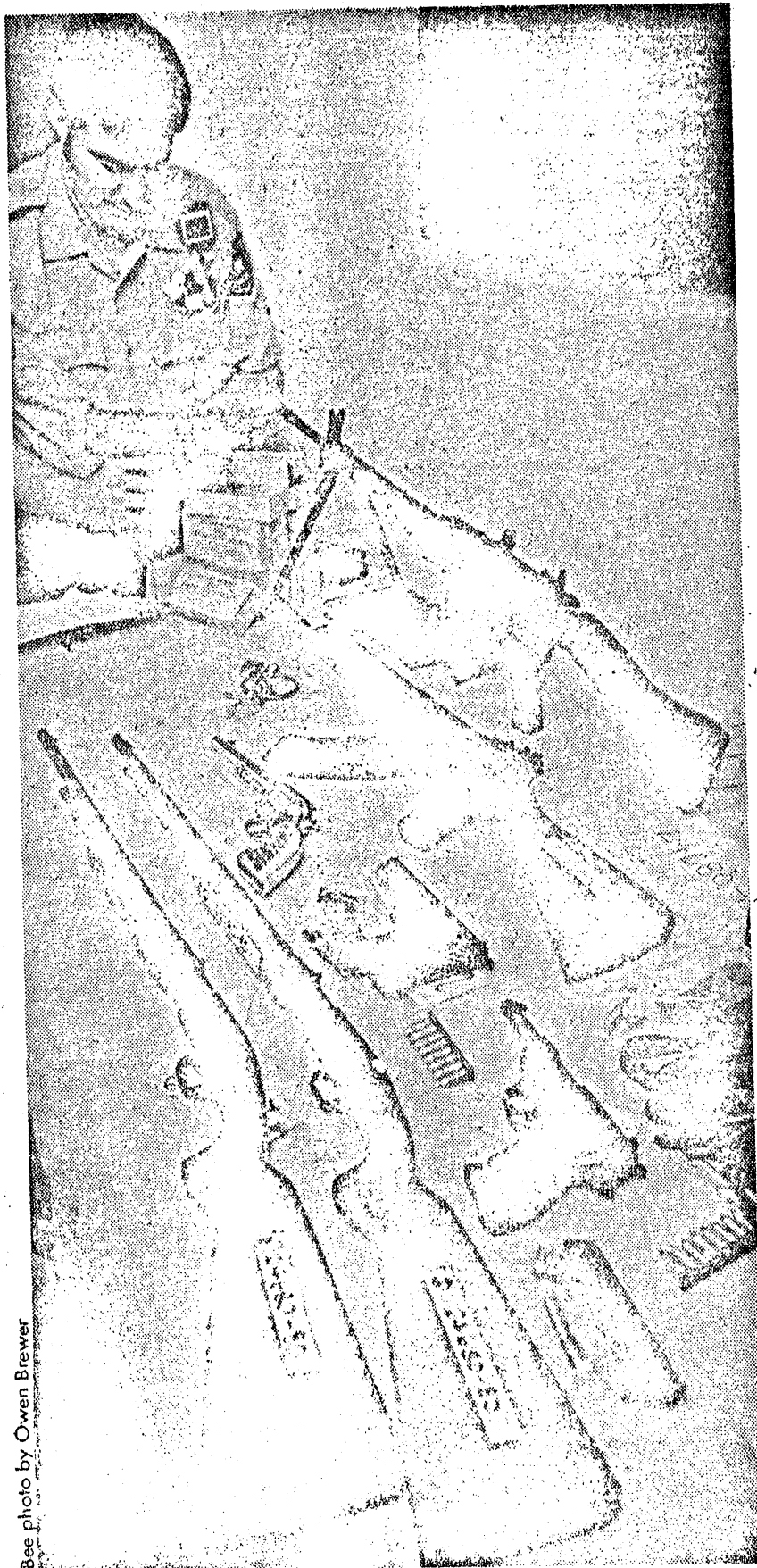
- The Los Angeles Sheriff's Department in 1977 charged David Rooke Schomaker, who gave the L.A. ISKCON temple as his address, with carrying concealed weapons. Among the dozen weapons confiscated from his automobile was a semi-automatic rifle.

- Los Angeles police in 1976 arrested Randolph Victor Neibergs, who also gave the L.A. ISKCON temple as his address, after stopping him for a routine traffic check and finding a holstered pistol hidden under his Krishna robe.

- A member of the Los Angeles temple who moved to Northern California last November had 23 handguns registered in his name, according to a confidential law enforcement source.

- Chief Deputy Sheriff Roy Cunningham of Moore County, Tennessee, told The Bee he knows there is at least one riot gun on the ISKCON farm there.

- At the New Orleans temple, at least one Krishna guard sleeps with a pistol at his bedside, an ex-devotee told The Bee.



Bee photo by Owen Brewer

Weapons confiscated on arrest of Hare Krishna guru.

The Sacramento Bee

SACRAMENTO, CALIFORNIA, Tuesday, June 24, 1980

Fund-Raising Lawsuits

Critics Term 'Sankirtan' A Hustle

The Hare Krishna movement has hustled an unsuspecting public for untold millions of dollars by routinely employing disguise, deception, lies and a devious technique known as "the change-up" while selling trinkets and soliciting cash in public places, according to Bee sources.

Krishna spokesmen deny the accusations, which have been lodged by past

This is the third of a four-part report on the Hare Krishna movement. It was compiled following a three-month investigation by Bee staff writers Paul Avery and Joe Quintana and Lake County Record-Bee reporter Peter Knutson.

and present sect members; local, state and federal authorities and in public records and news reports.

The spokesmen for the International Society for Krishna Consciousness (ISKCON), the movement's official name, say Krishna devotees seek donations honestly while distributing religious literature and preaching "Krishna consciousness."

They also disavow connection with devotees arrested for crimes and blame unethical solicitation tactics on "over-zealous" Krishna believers.

If a devotee does something illegal or unethical, the church cannot be blamed, ISKCON spokesmen argue. "I mean I never hear Catholic robbery, Catholic fugitive, Jewish fugitive. All I hear is Krishna fugitive and that's unfair," said one high-ranking Krishna.

Ex-devotees, on the other hand, say ISKCON and the actions of its devotees cannot be separated because ISKCON leaders totally control their members.

If you belong to ISKCON, the gurus and their designated lieutenants decide whom you marry, when you eat, how long you sleep, what clothes you wear and whether your children can live with you, former devotees told The Bee.

Devotees allow their lives to be controlled, sources explained, because they believe they can only approach divinity through the good graces of a guru, that is, a "spiritual master."

Police and prosecutors also scoff at ISKCON denials that its solicitations — known within the society as "sankirtan" — are part of an evangelical mission.

San Francisco District Attorney Arlo



KRISHNA FILE

Smith, in a suit in which he challenges the ISKCON contention that its solicitations are protected by constitutional guarantees of religious expression, asks, "What is 'sankirtan' today? (It is) a euphemism for hustling the public for money."

Courts dealing with ISKCON solicitations are facing "misdemeanor organized crime of harassing pedestrians," Smith argues.

"By their (ISKCON's) own admission, the solicitation techniques are not novel inventions of each devotee seeking her own individual way to divine reality. The solicitation techniques are the

product of years of experience handed down through Big Sister coaches who supervise and provide very specific training in solicitation methods."

These methods, Smith and officials from Miami to Portland agree, include a "pitch tailored to appeal to the prospective donor ... To a mother, the pitch is for orphanages, food for starving children in Bangladesh, or just over-seees generally, etc. ... To a young serviceman, the pitch is drug rehabilitation or funds for student teachers or anything that will appeal to him.

"The pitch limits are only the imagination and gall of the Krishna solicitor."

Smith argues that cultural hostility toward the Hare Krishna movement cannot explain "the incessant flood of complaints about Krishna devotees that have been received by authorities wherever tourists congregate, particularly airports. The complaints range from the standard accosting, intentional disrupting of free passage, misrepresentation, to shortchanging and battery."

He also rejects the argument that ISKCON devotees are preaching religion.

"Without exception (prosecution witnesses) stated that the Hare Krishna solicitors never identified themselves as such or even as members of ISKCON in their initial pitch for money.

"Only at the very end, if at all, when money is received or it is clear that none is forthcoming, do they identify their religious purpose and/or affiliation. Even then the thrust is exclusively mercantile, requests to donate more money for their beautiful book."

Portland officials, in a suit alleging "fraudulent and deceptive" ISKCON solicitation practices, went even further in their study of the assertion that sankirtan devotees ask for donations while distributing religious literature and spreading "Krishna consciousness"

In interviews with 154 persons selected at random who had been approached by devotees at the airport, nearly 90 percent said there was no discussion of religion, according to public reports that attributed the information to Lloyd Anderson, Port of Portland executive director.

Prosecutors in almost every major city in the nation have, like Portland and San Francisco, tried to prevent or limit Krishna soliciting.

They all assert essentially the same point — disguising their affiliation to ISKCON with wigs, street clothes and costumes, Hare Krishna solicitors try to increase cash collections by almost every conceivable means.

The lawsuits have met with marginal success. Courts have enjoined ISKCON solicitors from already illegal actions, but have been near unanimous in ruling that, however obnoxious, ISKCON has a constitutional right to try to spread its faith in public.

Examples of ISKCON sankirtan activities that concern authorities all over the world:

- One devotee in Germany received a six-month probated jail sentence and nine others were heavily fined in 1977 for "begging under false pretenses." Prosecutors showed that devotees headquartered in a castle near Frankfurt collected \$1.1 million in seven months, primarily by telling donors the money would be sent to an ISKCON temple in India to help feed starving children. Only \$6,900 was forwarded to India and the German prosecutor alleged that no money ever benefitted hungry children.
- San Diego's KFMB-TV last December video taped an ISKCON devotee in a Santa Claus costume soliciting donations and telling contributors the funds were intended for UNICEF.
- The Japanese Ministry of Justice announced in 1975 that it would not allow ISKCON devotees to enter the country. The Justice Ministry cited its review of reports that devotees extorted money from a child, slapped an old woman who criticized the sect, and strong-armed Tokyo commuters.
- Evanston, Ill., police last year apprehended four devotees taking 250 flowers from the city garden. Police had staked out the garden after 2,000 roses were missed. ISKCON solicitations often begin with the presentation of a flower.
- Argentina's military government in 1977 outlawed the Hare Krishna movement, saying its activities flaunt customs, morals and the principles of nationhood.
- A devotee two years ago reportedly solicited thousands of dollars in the Bay Area, allegedly by telling potential donors she would use the money to pay for plastic surgery to repair her disfigured face and body, badly burned in an

automobile accident. However, sources told The Bee, the devotee had already received — and then turned over to ISKCON — more than \$50,000 from an insurance settlement that was to have paid for the surgery. And, they added, to this day the scars remain.

• Los Angeles officials, in a suit awaiting trial, obtained affidavits from 23 witnesses who say devotees deceived, intimidated and shortchanged contributors at Los Angeles International Airport. An airline mechanic swore that a devotee who objected to his telling contributors the solicitor belonged to the Krishna movement kicked out three of his teeth and beat him with what appeared to be brass knuckles. The suit also alleges that devotees told donors they were soliciting for, among other things, the Catholic Relief Mission and the Christian Scientists.

One of the most widely used methods to increase the size of a donation, according to witnesses in court cases and past and present ISKCON members, is "the hange-up."

ISKCON sources, who told The Bee they had "changed up" for ISKCON, describe a typical solicitation this way:

A man on his way to catch an airplane is stopped by a young woman who pins a button on his lapel. The attractively dressed woman — an ISKCON devotee on a sankirtan — asks for a contribution to help the starving children of India.

She wears a card identifying her as a member of ISKCON, but the man has no idea what ISKCON is.

He agrees to donate a dollar. He reaches for his wallet. The devotee displays a wad of \$1 bills.

She asks the contributor to trade her ones for a \$20. The man agrees. The change-up begins.

Once the \$20 is in hand, the devotee tries to convince the donor to part with the whole \$20.

The technique, say Bee sources, is based on persistence. Repeatedly, the devotee will put off returning the change with pleas like, "Sir, please give the \$20. The children need it so much."

Many donors succumb to the sheer persistence, become exasperated and leave, or don't have the time to argue about getting their change. One source said the chief reasons airports are favored as sankirtan sites are that tourists usually have larger-than-normal amounts of cash and little time to waste.

Variations of "the change-up" include shortchanging donors, misstating the rate of exchange to foreign tourists, and never coming back after telling donors they will return with change, according to suits against ISKCON and other sources.

The solicitation of Hare Krishna solicitation does not stop with "the change-up," sources said. ISKCON businesses have been built around sankirtan, they said.

For example, one former, longtime ISKCON member said temples from all parts of the country order buttons from an ISKCON business in Los Angeles known as Pin Up the World. These buttons often are used in soliciting, but many times are sold outright, the source said.

He said devotees sold "Go Orioles" buttons at the 1979 World Series in Baltimore; at the World Series of Rock that same year they sold buttons advo-

'Sir, please give the \$20. The children need it so much'

cating the reform of marijuana laws and wherever Pope John Paul II went during his tour of the United States last year, devotees "were hustling pope buttons for whatever price they could get."

The source said caravans of sankirtan devotees drive throughout the country to sell buttons at a major event. "I mean they would drive like 10, 20 hours straight just to get to an event, unleash a carload of women with these buttons and (daily) they would collect horrendous sums of money — \$400, \$500, \$600, \$700 apiece," the source said.

There might be 20 female devotees at a major one-day event selling for dollars buttons that cost ISKCON pennies, he said. (Women are favored as solicitors, all sources agreed, because they collect more than men.)

The Bee in several days of trying could not reach an ISKCON spokesman who would comment on the allegations that Pin Up The World sells buttons promoting non-ISKCON activities.

The button manufacturing company is not the only ISKCON business that allegedly feeds, and is fed by, sankirtan activities, sources told The Bee. For example, the sources said, there are candle factories in Boston and Denver that are used much the same way the button factory is employed.

Additionally, the Los Angeles-based Bhaktivedanta Book Trust publishes the Krishna literature used by all temples in the worldwide movement. The publishing effort is an integral part of the effort to spread "Krishna consciousness," according to ISKCON.

Los Angeles County officials, however, have tried to prove that the book trust is run primarily for profit and thus is not entitled to tax exempt status.

A 1978 hearing in federal court revealed that the book trust earned more than \$4 million from 1973 to 1976, but the judge in that case ruled that the "very substantial profits" did not transform the trust from a religiously oriented publisher to an organization solely operated for profit.

The same judge, however, criticized ISKCON devotees for using "unscrupulous" solicitation tactics.

How much ISKCON has made from its solicitations since it was founded in a New York City storefront in 1965 is unknown. Because ISKCON legally is a religion, it is exempt from most financial reporting and disclosure laws and most taxes as well.

But an indication of the sums involved is provided by the Berkeley-based ISKCON chapter, which reported sankirtan income of \$1.1 million in 1977 and \$877,325 in 1978, according to its applications for property tax exemptions in Alameda County. Scattered reports indicate the sankirtan take ranges from \$500,000 to more than \$1 million at each of the 28 other ISKCON temples and seven farms in the United States.

And this does not include income from more than 60 temples in other countries or from the dozens of businesses that ISKCON owns and controls.

NEXT: The financial maze.

The Sacramento Bee

SACRAMENTO, CALIFORNIA, Wednesday, June 25, 1980

Dozen Different Firms

Fortune's Size Obscured In Maze

The Hare Krishna movement has a fortune stashed in a maze of intricate financial holdings, The Bee has found.

In California alone, the International Society for Krishna Consciousness, also known as ISKCON, and its devotees do business under at least a dozen different names.

Among those California businesses are a publishing company, the nation's

This is the last of a four-part report on the Hare Krishna movement. It was written following a three-month investigation by Bee staff writers Paul Avery and Joe Quintana and Lake County Record-Bee reporter Peter Knutson.

largest manufacturer of incense and essential oils, a separate incense and oils distribution company, a bullet-manufacturing operation, a 24-track recording studio, a warehouse equipped to supply 45 artists, a catering service and a travel agency.

Additionally, ISKCON and its followers in California own at least 1,100 acres on three farm-ranches and millions of dollars in developed urban property, including almost all of four square blocks in Culver City and most of two adjoining blocks in Berkeley.

The Hare Krishna movement in California also operates a fleet of owned and leased vehicles that range from a tractor to a Mercedes and two Porsches that the U.S. Customs Service recently seized because the vehicles allegedly were smuggled into the country.

Perhaps the best illustration of the intricacy of ISKCON finances begins with the activities of three ISKCON devotees — James Immel, William Benedict and William Duryea.

On Jan. 6, 1976, Immel, Benedict and Duryea met in Berkeley to establish two corporations.

The first was ISKCON of the Bay Area Inc., a Berkeley-based, non-profit corporation that is tax exempt because it legally is a religious organization.

The second was a private, profit-making incense and oils wholesale distribution company, Balarama's Enterprises Inc.

Incorporated this way, Balarama's legally is not part of ISKCON of the Bay area. However, The Bee has learned



KRISHNA FILE

that Benedict, Balarama's president since its inception, has told police that the corporation is in fact controlled by ISKCON.

Benedict said Balarama's profits — it grossed about \$400,000 last year — and most of his salary are turned over to ISKCON; that the corporation bought a \$60,000 airplane primarily for use by Srila Hansadutta Swami Maharaja, the guru who headed ISKCON of the Bay Area until he was deposed in April; that Hansadutta ordered him to give stock in the corporation to two devotees; and that the guru put himself and the two devotees on Balarama's board of directors.

Benedict revealed this to police investigating the Feb. 2 theft of his briefcase, credit cards and checks. The police investigation, in turn, revealed that weapons and \$11,000 worth of goods acquired with the credit cards and

checks stolen from Benedict were stored at Mount Kailasa, an ISKCON farm near Lakeport.

During the investigation, police also discovered that one of the devotees the guru reputedly imposed on Balarama's, Walter Berstengel, was the president of the Mount Kailasa farm, which police raided. Berstengel disappeared before the raid. He is a fugitive wanted for questioning and for an unrelated Mendocino County burglary.

In the meantime, the second incorporator, Duryea, had his own troubles with the law.

In a trial early this year, Duryea testified that the one-time president of ISKCON's Laguna Beach temple re-

The best illustration begins with three ISKCON devotees

cruited him as a courier for a drug-smuggling ring that allegedly laundered illicit profits through Prasadam Distributing International — a company created and operated by ISKCON devotees.

Although ISKCON spokesmen insisted that the devotees involved in Prasadam and drug smuggling were disavowed, one convicted heroin dealer said he had funneled more than \$2 million to ISKCON's now-deceased founder and some witnesses said they understood that Prasadam was funded by the Hare Krishna movement, according to federal indictments and related court documents.

Additionally, some of the Prasadam associates were seen at ISKCON functions after they supposedly had been excommunicated.

While Duryea and Benedict went their ways, the third incorporator, James Immel, became one of the Krishna movement's 11 ruling gurus and took over ISKCON operations in London.

But before he left, Immel established the basic framework of ISKCON's complex financial structure in Califor-

nia. It is a network exemplified in many ways by the tandem creation of ISKCON of the Bay Area and Balarama's Enterprises.

On June 5, 1975, Immel helped incorporate Spiritual Sky Scented Products Inc., an incense and oils manufacturing company that had been a division of ISKCON Inc., a New York-based corporation under whose charter the Hare Krishna movement legally existed in California at the time.

As part of the arrangement, ISKCON Inc. of New York loaned Spiritual Sky \$282,000 and negotiated royalty agreements that entitled ISKCON Inc. to 7.5 percent of Spiritual Sky's net sales.

Spiritual Sky as a separate entity, however, did not begin doing business until January 1976 and on Nov. 13, 1975, Immel helped incorporate ISKCON of California Inc., a religious, non-profit corporation based in Los Angeles and Culver City.

One of the first major moves of ISKCON of California was to acquire by deed of gift the interests in Spiritual Sky held by the New York-based ISKCON Inc.

The advantage of such an arrangement is that Balarama's buys a considerable portion of its goods from Spiritual Sky. Thus, under the arrangement described by Benedict, ISKCON of the Bay Area profits by taking Balarama's earnings and ISKCON of California gains by taking a percentage of Spiritual Sky sales to Balarama's.

A federal judge in Los Angeles noted, "Spiritual Sky was and is undercapitalized; substantial funds are siphoned off from the incense corporation to the plaintiff ISKCON of California in the form of royalties, donations, interest, etc."

The judge also concluded, "Net sales of the Spiritual Sky incense operation during the years 1972 and 1976 averaged in excess of \$2 million per year, gross profit on sales averaged close to \$1 million per year, although net income has fluctuated because of very unusual financial transactions between Spiritual Sky and ISKCON of California."

Immel also began expanding ISKCON real estate holdings in California, an expansion continued by his successor, Robert Grant.

By 1979, ISKCON of California owned almost all of the four blocks surrounding its headquarters in the area where

Culver City and Los Angeles come together.

In this area, according to the Los Angeles Times, are several apartment buildings and facilities to house ISKCON's recording studio, artists' warehouse and the Bhaktivedanta Book Trust. According to the Culver City business licensing division, there is also a display button manufacturing company.

The recording studio operates as a subdivision of the tax-exempt book trust, "but (ISKCON of California) also has rented its recording facilities to third parties for profit," according to a federal court decision.

The artists' warehouse, called FATE Studios, also is a subdivision of the book trust, financing statements filed under provisions of the Uniform Commercial Code indicate.

The book trust itself is another tier in the ISKCON financial complex. It is a division of ISKCON of California Inc. and publishes Krishna literature for the worldwide movement.

Little is known about its financing, but in a 1978 tax case in Los Angeles it was revealed that the trust earned more than \$4 million during the years 1973-76. The net worth of the trust in those years increased from \$1.2 million to \$4 million, the court said.

The Bee could find no record that hinted at the sales or worth of the button manufacturing company, known as Pin Up The World. The company, according to Bee sources, manufactures buttons that Krishna devotees sell or use when soliciting money from the public. Some of the buttons reputedly advocate non-religious activities, such as the reform of marijuana laws.

The Hare Krishna movement did not confine itself to acquiring urban property.

On Nov. 19, 1979, the Dey Memorial Trust, a non-incorporated association that "intends to be an integrated auxiliary of ISKCON of California Inc., and the international Krishna movement," was established. The trust purchased a 374-acre ranch in Tulare County for about \$800,000 and has taken out building permits for more than \$400,000 in improvements, according to sources in the Tulare County tax assessor's office and building inspection department.

According to Franchise Tax Board records, "The trust has received a contribution from ISKCON of California Inc. in the amount of \$98,500. It is

anticipated that a similar sum will be contributed next year and during future years."

As an example of how secretive ISKCON can be about its wealth, Grant, the current ISKCON of California guru, told The Bee he never had heard of Dey Memorial Trust. However, The Bee later learned that Grant was a Dey Memorial trustee. His signature appears on a grant deed conveying the Tulare County ranch to City National Bank of Beverly Hills, the new trustee.

The Bee also learned that in April Robert H. Lindberg, an ISKCON devotee who heads Three Worlds Travel, a travel agency located near ISKCON's Los Angeles-Culver City complex, recorded the purchase of 377 acres in Tulare County under the name Panarama Farms Inc. Lindberg would not reveal the price of the land nor the names of stockholders in the corporation. One Bee source said the property cost about \$347,000.

The names of stockholders or officers of Panarama Farms had not yet been filed with state authorities, but The Bee learned that Benedict, the president of Balarama's Enterprises, is part of the corporation.

In Northern California, devotees on March 28, 1978, incorporated the New Hrisikesa Foundation, the corporate name of the 400-acre Mount Kailasa farm that police raided March 4. The farm cost about \$300,000, according to sources familiar with the transaction.

Because of the guns found at Mount Kailasa and recent alleged weapons violations by ISKCON devotees, law enforcement officials investigating the Hare Krishna movement are disturbed by the recent discovery of yet another business owned by an ISKCON follower.

On March 25, Berkeley police searched a Bay area garage rented to ISKCON devotee Ronald Roy Walters. They discovered that Walters, whom they previously had arrested for allegedly obtaining a false passport by using the name of a dead child, was operating a business called Sgt. Pepper's Guns.

Found in the search were bullet-making equipment and supplies to make 50,000 rounds of ammunition.