

CHAPTER THIRTEEN

CLOSING THE BOOKS

Everyone but the ones who helped
build the Temple is getting the
money.

-- Elderly claimant
against Peoples
Temple

Reports about the wealth of Peoples Temple surfaced almost simultaneously with the news of the Jonestown deaths. A few hours after the suicides, Guyana police arrested three Temple members in the tiny village of Port Kaituma, five miles from Jonestown. Mike Prokes, and Tim and Mike Carter told police they had been asked to carry jewels, gold and cash out of Jonestown. A few days later, Tim Carter showed police where they'd stashed over a quarter million U.S. dollars in the jungle. Guyana authorities eventually recovered \$634,867 U.S. from Jonestown as well as 57,000 Guyanese dollars. Police also found a large quantity of U.S. Treasury checks that had been paid to Social Security beneficiaries living in the community.

Former Temple members living in the States quickly spread stories of the Temple's opulence. According to Terri Buford, a financial secretary who left Jonestown one month before the suicides, the church had eight million dollars in Swiss bank accounts. Buford said the money had been set aside for a "Last Stand Plan" which would finance assassinations of political leaders and Temple critics. Tim Stoen, another ex-member, upped the ante to \$20 million, and added that the church planned to channel money to the Palestine Liberation Organization.

Still other church critics said income averaged \$250,000 a month. Debbie Blakey claimed she processed \$65,000 in SSA checks each month while in Guyana -- almost double Social Security Administration estimates of what it paid to Temple members living in Jonestown.

It wasn't until mid-December 1978 that the true picture of Temple wealth began to emerge. At the Guyana inquest into the deaths in Jonestown, police produced the letters Mike Prokes and the Carter brothers tried to get to the Embassy of the Soviet Union in Georgetown. The letters, signed by elderly church member Annie Jane MacGowan, instructed two of the Temple's banks in Panama to send cashier's checks to the Soviet Embassy. The Swiss Bank Corporation in Panama City had over two million dollars in Temple deposits, while the Union Bank of Switzerland's Panama City branch held almost \$5.25 million.

By the end of 1978, almost all Temple assets had been located:

Money hidden by Carters	\$ 296,500
Cash found in Jonestown (U.S. currency)	634,867
Cash found in Jonestown (Guyana currency converted to U.S.)	22,400
Swiss Bank Corporation	2,043,000
Union Bank of Switzerland	5,241,536
Cash on hand in San Francisco (turned over by Temple members to their attorney, Charles Garry)	295,000
TOTAL	<u>\$8,533,303</u>

This \$8.5 million figure did not include any of the church's capital investments, like heavy machinery or medical equipment. It didn't include any real estate holdings, either, like the property in Los Angeles, San Francisco or Redwood Valley.

It was enough to unleash a flood of lawsuits against the Temple, however. By mid-January, a dozen legal actions had been filed. The U.S. Department of Justice sued the Temple for \$4.3 million in an attempt to recover government costs incurred during the bodylift. The five children of Congressman Leo Ryan filed a wrongful death suit and asked for one million dollars each. One man who lost eleven relatives in Jonestown made a claim for \$51 million.

Early in December, Temple lawyer Charles Garry formally asked the San Francisco Superior Court to dissolve the Peoples Temple Corporation. The next month, Superior Court Justice Ira Brown agreed to the dissolution, and named local attorney Robert Fabian to act as Receiver of Temple assets. Judge Brown also ordered all claimants against the Temple to petition the court within four months. The number of claims exploded to 709.

In Guyana, the government and the government-owned Guyana Airways also filed suit against Peoples Temple and two of its members. The Attorney General froze Temple assets in Guyana banks in February 1979, while the government claimed breach of contract on the Jonestown lease and sought reimbursement for the expenses arising from the clean-up operation. Guyana Airways wanted to recover the cost of damages incurred on its twin-engine Otter airplane at the Port Kaituma airstrip. Temple members still living in Georgetown filed a countersuit, claiming the money belonged to them.

Most of the Temple money in Guyana banks had been deposited after November 18. In fact, it became an embar-

rassment to the government of Forbes Burnham. The prime minister's wife, Viola, and Deputy Prime Minister Ptolemy Reid flew out of Port Kaituma November 20 in a plane loaded with over a million dollars in currency, jewels and gold collected in Jonestown. When The Washington Post reported the incident in late December, the government angrily produced evidence that the money was on deposit at the Bank of Guyana.

Around the time the Post article appeared, the American Embassy also began inquiring about Temple deposits in Guyanese banks. The Barclays Bank in Georgetown informed the Embassy that it needed a court order to comply with a request which would violate its policy of confidentiality. By April 1979, the U.S. Department of Justice decided not to sue either the banks or the Guyana government. Instead, it turned all Guyana affairs over to the Temple Receiver. A Guyanese barrister represented Fabian as the courts worked to untangle Temple finances.

Fabian and his counsel met with little success. Guyana ultimately returned only 36% of the \$1.45 million it held in Temple funds.

The million dollars in Guyana banks didn't look like much beside the seven million located in Panama. As far as Peoples Temple was concerned, the Central American country had several advantages over Guyana. For one thing, freer currency regulations made large deposits and withdrawals far more convenient. For another bank policies protecting client confidentiality surpassed those of Switzerland, according to Terri Buford. Combined with its ideal proximity, Panama became the banking center for the Temple.

The seven million on deposit at the Panama City branches of the Swiss Bank Corporation and the Union Bank of Switzerland turned up almost immediately after the suicides. It took nearly two more years, however, to locate an obscure safe deposit box at the Banco Unión of Venezuela in Panama City. On August 13, 1980, \$60,050 in cash was found in safe deposit box number 110. Carolyn Layton had rented the box.

The path to Box 110, and the last major cash deposit unearthed by the Receiver, led directly through the heart of the Temple's complicated financial structure. Fabian pieced together the international banking picture by taking depositions of principals involved, and by interviewing others. He discovered a system in which several individuals knew a little, and no one knew much.

Tim Stoen, the church's legal advisor, set up the

initial bank accounts in Panama, creating dummy corporations into which he and others channeled Temple funds. Check transfers and donations from Peoples Temple went through legitimate routes into the account of the Asociación Evangelica de las Americas at the Banco Mercantile. The Banco Mercantile then made a deposit into the Asociación's account at the Union Bank of Switzerland for the same amount. The inter-bank transfer eliminated the connection between the Temple and its dummy corporation.

In addition to establishing the Asociación Evangelica's account, Tim Stoen started an account for Briget, S.A. at the Swiss Banking Corporation in Panama City. "That was more of a private account," Terri Buford said in a deposition she made with Fabian.

As I told the Grand Jurors, Tim Stoen carried a lot of cash down to there and that money wasn't, technically, Peoples Temple's.

Tim incorporated Briget November 7, 1975, and opened its bank account with a \$500 deposit. He incorporated Asociación Evangelica almost a year later, on August 13, 1976. Terri Buford, Debbie Blakey and Maria Katsaris became signatories to both the Briget and Evangelica accounts at that time.

According to Terri Buford's deposition, Tim carried half a million dollars strapped to his body on that August 1976 trip to Panama City. Tim denies this charge. "I never smuggled any money out," he told a reporter for The San Francisco Examiner.

The money was transferred by bank transfer. It's perfectly legal to set up a church corporation in Panama.

The three young women staying in Panama City knew something was going on, although they didn't know exactly what. Debbie told the Receiver that:

The head of the bank was a little bit nervous because he asked me and Maria what the name of the account was and I didn't even know what the name of the account was... He looked at our passports and then we signed various papers which were all in Spanish; I guess they were signatory and opening of the account cards.

Gene Chaikin and Carolyn also traveled to Panama that month to help set up the accounts and signatures. These six people -- Stoen, Chaikin, Carolyn, Buford, Blakey and Katsaris -- controlled most of the Temple's international finances. Deborah Touchette handled a Temple account in Grenada. Marceline Jones had a \$17,000 account in Nassau. Maria and Carolyn managed other accounts in Panama, Curaçao, and Venezuela.

Peoples Temple hid its wealth by putting individuals' names on its bank accounts. However, the system worked only as long as those individuals remained loyal. So when Tim Stoen left the church in 1977, all the accounts had to be changed. Since everyone in the church had signed hundreds of sheets of blank paper, Temple leaders assumed Tim purloined a few for his own use.

As a result, Terri Buford changed Briget to a numbered account, and closed out Evangelica after she set up a new corporation: Asociación Religiosa Pro San Pedro. "Where did that name come from?" asked lawyers at Buford's deposition. "Just made it up," she replied.

[Temple attorney in Panama City Señor]
Tapia suggested saying Asociación Religiosa
and he said, 'Name a saint.'
I said, 'Saint Peter.'
He said, 'San Pedro.' No great science
to this.

After Tim's departure, Terri also took about \$1.5 million from the Panamanian accounts and set up a numbered bank account at the Union Bank of Switzerland in Zurich.

Debbie Blakey accompanied Terri from Panama to complete these transfers. From there they traveled together to London to study banking laws, and to Zurich, to set up the new account. Tim had suggested banking in Geneva. They selected Zurich instead. Terri told Debbie she planned to go to Rumania or Albania to set up accounts in those countries as well. They separated, but Terri did not travel any further.

More financial juggling followed Debbie's defection in May 1978. Terri, Debbie, and Maria Katsaris had remained signatories to the accounts in Panama. Debbie was also a signatory to the Zurich account for San Pedro. This meant everything had to be changed all over again.

Jim Jones no longer trusted anyone. Tim and Debbie had defected, and Gene Chaikin was under suspicion. The Temple financial group, reduced to Carolyn, Maria and Terri, tried a new tactic. For a time, Carolyn -- whom Terri identified as "Jim's most trusted individual" --

became sole signatory to new accounts established in Panama. In June 1978, they instructed both the Panamanian and Zurich branches of the Union Bank of Switzerland to transfer all accounts and deposits for Asociación San Pedro into a single account in Panama City. Terri Buford then confirmed the transfers by letter that September, closing the old accounts in Zurich and Panama. The new account, 121-00.123-A, was signed by Esther Lillian Mueller, a senior who lived in Jonestown. Devoted to Jim, Mrs. Mueller wasn't likely to leave the Temple anytime soon. And, in fact, she died with the others on November 18.

Although over five million dollars flowed into Mrs. Mueller's account at the Union Bank of Switzerland in Panama City, it flowed out again fairly quickly when Terri Buford fled in September. Another defection from the inner circle meant more changes. The money shifted to another account. On November 18, 1978, the bequests to the Soviet Embassy carried the signature of another elderly Temple member, Annie MacGowan. Maria Katsaris probably typed the letters over MacGowan's signature. She also typed the Soviet Embassy a note about her own account at the Bank of Venezuela in Caracas. It held about \$19,000. She gave the letters to Tim Carter, along with the suitcase full of cash.

The difficulty in locating Temple assets lay in pursuing a complicated trail of dummy corporations, numbered accounts, cash deposits, and individual signatures. Robert Fabian tried to find a master ledger which might list all foreign financial transactions. Terri Buford believed that:

Carolyn should have this all written up someplace in Guyana. Carolyn had the practice of always having one sheet, and I never saw it, but she told me, one sheet with the name of every account and safe deposit box, since she was the only one who had the information and Jim couldn't remember numbers...

Q. Did she give copies to anyone that you know of?

A. There is no one she would have -- it's possible. She was the top of the line. There was something she knew that just nobody knew.

Terri also told Fabian that Carolyn controlled the ownership interest in Briget, and the other corporations, by holding all the bearer stock certificates.

"All I know," she admitted, "when I got these stock books, I just ripped the pages out and gave them to Carolyn." A chance remark that she saw Carolyn putting the certificates into a safe deposit box in Panama prompted Fabian to begin a search for it.

Q. When was the last time you saw the Briget certificates...?

A. Four or five years ago [1974-1975], Carolyn was putting them in. She has her own safe deposit box.

Q. In the United States?

A. No, Panama, which was independent of anything that she and I both signed on. It was just her.

It took Fabian close to another year to find Carolyn's safe deposit box. Although it didn't contain the master list he'd hoped to find, it did hold stock certificates, a few statements of account with different banks, and various documents relating to the Temple's corporations. And \$60,050 in cash.

When the Receiver's office notified John and Barbara, as Carolyn's heirs, of the money in Box 110, they weren't surprised. Earlier that year we learned of her involvement in another facet of the Temple's financial organization: real estate. In March 1980, an attorney for the Receiver told us about a \$12,000 piece of property in Los Angeles to which Carolyn and former Temple member Mike Cartmell held title. The Receiver claimed the property belonged to Peoples Temple. We agreed. Mike Cartmell released his interest in the property. We wanted to sign a release as well, but Carolyn's marriage to Mike Prokes posed a problem. Technically, Carolyn's estate went to Prokes, and after his suicide in March 1979, to his heirs. That meant that John and Barbara couldn't legally assign any part of Carolyn's estate.

John told an attorney working with Fabian that the marriage was "a Peoples Temple" marriage -- that is, in form only. John wrote to his lawyer about the problem, noting that Mike Prokes and Carolyn never lived together.

When we signed the license, I presumed that at some time we would face the decision of a public acknowledgement. Whenever our family tells its story, this will be included. The question ... was one of time, not of disclosure.

The Receiver succeeded in having the marriage declared invalid, thus eliminating any claims that might have come from Prokes' heirs. And John and Barbara assigned their interest in the vacant lot in Los Angeles to the Receiver, "because of the understanding of the undersigned that this property belonged to Peoples Temple and decedent held only bare legal title." Similarly, they signed over the contents of Box 110.

Peoples Temple derived much of its wealth from real estate holdings. Investigative reporters uncovered over thirty real estate transactions involving the church from 1967 through 1977. Members donated property when they joined. At the time the New West article appeared in August 1977, six pieces of Temple property were up for sale in Mendocino County. The total value came to \$1.25 million.

Other sources of income for Peoples Temple included the social security checks of older members, state welfare payments for the Temple care homes, and salary donated by working members. Ex-members estimate the Temple collected between ten and twenty thousand dollars from offerings each weekend. A group of 110 former Temple members who sued the Receiver for Temple assets claim they gave \$30,000 to \$40,000 apiece in exchange for life care from the institution. One of the elderly claimants said she sold her home and turned over the proceeds to the church. She believes she donated between \$30,000 and \$38,000 while she was a member. One young black man says he gave the church about \$56,000 in a seven-year period.

We assume both Carolyn and Ann signed over their paychecks to Peoples Temple when they lived and worked in San Francisco. Between the two of them, they probably supplied over \$20,000 a year. They also contributed family heirlooms: an antique dining room set, some jewelry, sterling silver. We frequently wonder where it all went, who has it now? We never asked them about it.

All these gifts, donations and offerings added up to a great deal of money. But the cost of running Peoples Temple was high. The Albatross, the church's trawler cost \$19,500. The dozen buses, \$89,400. Grace Stoen, a former Temple member and vocal critic, admits paying out \$30,000 to \$40,000 each month in Temple funds for auto and bus garage bills. The auction of Temple property in March 1979 disposed of four tons of wheat, a complete printing shop, the buses, and medical equipment. It took enormous amounts of money to maintain church buildings, residential care facilities, and a children's home.

Finally, the Temple gave over a million dollars to its parent denomination, the Disciples of Christ, during its lifetime in California.

And then there was Jonestown. The community needed lots of capital. At the end, it still remained far from its goal of self-sufficiency. The group had to import food, despite the amount of acreage under cultivation. The equipment required a huge investment: a backhoe, an x-ray machine, trucks, a generator. From lumber to drugs, to chickens and pigs, the needs of Jonestown never abated. The community relied heavily on the California operation, since Temple members in Guyana drew no salary.

The ever-present possibility of expulsion from Guyana meant Jim had to consider the cost of resettlement as well. He wanted to have ready cash. At times it seemed probable that all 900 residents would have to relocate. Despite the need for immediate access to cash, the Temple had to keep it sufficiently removed to prevent both U.S. and Guyanese authorities from getting suspicious.

At the Guyana inquest in December 1979, the prosecutor argued that Jim Jones planned to leave Jonestown with Temple assets after the suicides. A jealous, or angry Temple member killed him to thwart the plan, according to the prosecutor. But Jim Jones didn't want money to buy himself luxury. He didn't drive a Cadillac. He didn't wear expensive clothes. A letter that appeared in The Washington Star after November 18 noted that most cult leaders dine on "steak and champagne". This did not characterize Jim. He wanted power over people, and fame. He used money to achieve those ends.

With over six million dollars actually recovered, the Peoples Temple Receiver proposed a plan in May 1980 to settle the \$1.8 billion in claims against the church. While Fabian denied legal liability for most categories of claims, he did extend compromise offers to all but a minority of claimants. In his 236-page proposal, Fabian gave the greatest share of "Receiver's Certificates" -- prorated shares of Temple funds -- to the 403 plaintiffs in wrongful death suits. These claimants included heirs of those who were shot and killed at the airstrip as well as those who died in Jonestown. He offered \$45,585 total to the Ryan children.

Fabian also allowed claims for burial expenses, at the rate of \$540 per decedent. Since he had earlier persuaded the court to pay for the interment of indigent Temple members, he wrote in his plan that he "believes that the heirs or other interested persons who stepped forward to shoulder burial expenses should be treated

similarly with those who were reimbursed by order of the court."

Fabian wasn't as generous with other categories of claims. He offered \$175,000 in Receiver's Certificates to ten of the 58 individuals who made bodily injury claims. The majority of the ten had been hurt at the airstrip. Of the 220 people who claimed they gave property to Peoples Temple, the Receiver proposed a total settlement of \$8171 to the fifteen who could document their assertions.

Still other claims he disallowed entirely. He rejected all defamation, false imprisonment and emotional distress suits. He denied federal rights violations, as well as attorneys' fees and related costs. He refused to reimburse San Mateo County for the cost of the special election it held to fill Leo Ryan's Congressional seat. And he threw out all claims for donated services, and all claims for life care contracts.

According to Fabian's compromise plan, administrative expenses took first priority. At the rate of \$100 an hour, the Receiver projected \$1.5 million in expenses over a three-year period. Meanwhile, the church's investment income, derived primarily from Certificates of Deposit, totaled about \$150,000 per quarter, at the time of the Receiver's report. By May 1980, the Temple earned about \$1600 a day.

The Justice Department also tried to recover Temple assets until Fabian agreed to give the government first crack at the money he collected. In United States v. Peoples Temple, the department claimed the government spent some \$4.3 million on the bodylift. The Internal Revenue Service added another government claim when it revoked the Temple's tax-exempt status and sought back taxes for the last thirty months of the church's existence. In late 1981, both Justice and IRS agreed to settle out of court for \$1.7 million. The settlement reduced Temple assets to \$7.9 million. At the same time, the agreement released \$260,000 in Social Security checks which the government agreed to honor. In 1983, the final settlement figure was \$1.4 million.

In spite of the big chunk the U.S. government grabbed, Temple investments were earning \$315,272 per quarter -- \$3000 per day -- in about 17 C. D. accounts at the time of the settlement. The social security money, as well as a \$460,000 payment from the Temple's insurance carrier and the \$60,000 from Carolyn's strongbox bolstered the Temple's assets. The auction of Temple furnishings pulled in \$75,000. The San Francisco Geary Street headquarters sold for \$300,000, while two Redwood

Valley properties brought in \$266,000. Guyana turned over more than \$60,000 in Social Security checks.

Judge Brown approved the Receiver's compromise plan. Despite grumbling and disappointment about the size of their shares, over 400 claimants accepted the offer. Lawyers involved agreed that litigation would eat up the assets. Nevertheless, about 200 claimants refused to settle. According to The Western Law Journal, the largest group of intervenors consisted of 110 aged Temple members who maintained they had lifetime care contracts with Peoples Temple. They rejected the Receiver's offer of three per cent of the claimed value.

Judge Brown appointed former Superior Court Justice Francis McCarty to arbitrate the disputed claims. Although McCarty successfully solved most of the problems, the Receiver himself had to deal with another set of unhappy litigants: those injured at the Port Kaituma airstrip, and the heirs of those who died there. Initially the Receiver extended those who suffered bodily injury no more than the highest award in the wrongful death actions. He offered Jackie Speier, Leo Ryan's aide, \$23,000, and NBC soundman Steve Sung, \$16,000. Additionally, Fabian proposed giving airstrip heirs roughly the same amount as heirs of deceased Temple members.

Marvin E. Lewis, attorney for many of the airstrip claimants, advised his clients to refuse these offers. According to Lewis, these were comparatively small wrongful death and bodily injury settlements. After all, no one at the airstrip voluntarily chose to be injured or killed, as had those who died in Jonestown. Lewis threatened to take his cases to trial to let a jury decide.

Fabian took the threat seriously. Two years after his initial compromise proposal, he announced new settlements for Lewis' clients that totaled \$1.575 million, over a tenth of the Peoples Temple pie. Less than a month later, McCarty accepted the agreement.

Then in August 1982, Judge Ira Brown gave final approval to the Receiver's plan for distributing Peoples Temple assets. Within the next ten days, over \$4.5 million in checks were mailed out.

The individual checks came to far less than the amounts initially suggested by the Receiver. With \$14.7 million in compromised claims, and \$9.5 million in assets, Fabian paid out about 64 per cent on each Receiver's Certificate, according to the Associated Press.

Fabian himself came very close to his projection of \$1.5 million in legal costs over the three years he

worked as Receiver for Peoples Temple. From March 1979 to March 1983, he earned almost \$500,000. And his law firm, Bronson, Bronson and McKinnon, collected a million dollar fee.

Fabian managed Peoples Temple finances far more profitably than the Temple ever did. With little more than the information Terri Buford, Debbie Blakey and other ex-members provided, he ferreted out what he believed were most of the Temple's secret bank accounts. And he tried to disperse the money in a fashion he considered equitable. At the very least, his original compromise plan seemed to favor no single group or individual.

The airstrip claimants, whose involvement was accidental, received the largest settlements. Jackie Speier got \$360,000; the five Ryan children, \$135,000, or \$27,000 each. The largest total amount of money, however, \$7.9 million, went to relatives of the victims. Fabian estimated the payments at \$328 per year, based on the life expectancy of the deceased.

Former Temple members were awarded a total of one million dollars. One woman complained that, "Everyone but the ones who helped build the Temple is getting the money." This group of claimants saw its money offered to individuals who had worked against the church, or who left the church at the very end. One member wrote Judge Brown:

I beg you to please consider the total picture... the injustice of now having our hard-earned assets go to people who cared nothing for us when we were alive.

The dispute over money mocked the sacrifices members made throughout the years. At the end of 1972, Annie wrote:

I don't mind sacrificing things to help change the society because there's not much in this world to offer anyway. I don't see how anyone can find happiness or satisfaction or whatever until the whole world is free of oppression and people are totally equal, honest and unselfish.

In November 1983, a few days before the fifth anniversary of the Jonestown deaths, Superior Court Judge Ira Brown signed the order which formally terminated Peoples Temple as a non-profit corporation.

The court had paid out over \$13 million.

Robert Fabian also obtained the court's permission to destroy the list of survivors and relatives he had compiled during his five year tenure as Receiver. He curtly informed Mac, "I didn't want them being harassed."