

2. Lawsuits by private citizens against
the Scientologists

Over the years the Scientologists have regularly engaged in tortious and criminal acts against members, former members, and critics who have never been members. Many of these plaintiffs have been horribly damaged and are seeking large compensation. The following is an illustrative list:

- (i) Allard v. Church of Scientology of California, et al.
120 Cal. Rptr 797 (1976)

The plaintiff sued for abuse of process alleging that the Scientologists had maliciously caused a criminal complaint to be issued against him. The criminal complaint was filed pursuant to the "Fair Game" doctrine but lacked any basis in fact. The jury awarded damages against Scientology in the amount of \$300,000 for abuse of process.

- (ii) Christofferson v. Church of Scientology
Civil Action 7704-05-184, Portland, Oregon

Jury awarded approximately 2 million dollars to former member who had only been in the organization for 7 months and only expended \$3,000. Jury awarded punitive damages for fraud, violation of the Oregon Deceptive Trade Practices Act, and outrageous conduct. Case is now on appeal.

- (iii) McLean v. Church of Scientology
Tampa Federal District Court

Former member suing for fraud, intentional infliction of emotional distress and other damages.

- (iv) Florida Physician
In late 1980, a Florida physician received a \$165,000 punitive damage award against the Church of Scientology in a libel case.

- (v) La Venda Van Schaick v. Church of Scientology of California, Church of Scientology of New York, Church of Scientology of Florida, L. Ron

Hubbard, Mary Sue Hubbard,
United States District Court, Boston
Civil Action No. 792491-6

Plaintiff is a named part in a \$200,000,000 class action filed on behalf of thousands of class members nationwide who have been victimized by a pattern of racketeering activities perpetrated by the corporate defendants. Plaintiff alleges various individual causes of action, to wit: fraud, intentional infliction of emotional distress, breach of contract, violations of Fair Labor Standards Act. She was kidnapped and imprisoned for a period of time. She was forced to divorce her husband. After she left Scientology, she was pursued and harassed, and her confidential auditing information was disclosed to the newspapers.

(vi) Tonja Burden v. Church of Scientology of California, et al,
Civil Action No. 80-501 T-K.
United States District Court, Tampa

Plaintiff relied on various representations pertaining to the philosophy and nature of the Scientology organization. Defendants promised plaintiff an education, a salaried position, comfortable living quarters, and that auditing benefits were scientifically guaranteed. Plaintiff alleges damages for breach of contract, fraud, emotional distress, conversion, false imprisonment, violations of Fair Labor Standards Act and Racketeer Influenced Corrupt Organizations Act. Tonja was subjected to the "R.P.F.", a humiliating and degrading prison type environment at the Fort Harrison where she saw one person "chained up", and others in various stages of mental and emotional deterioration. Tonja, from the age of 13 to 17, served as Hubbard's personal slave, decoding telexes for criminal operations, received no education, worked 80 hour weeks without pay, escaped, was kidnapped, given a \$60,000 "Freeloaders' Debt", subjected to "Fair Game", and has had confidential information disclosed to the media.

(vii) Paulette Cooper v. Church of Scientology of Boston, et al
Civil Action No. 81-681-MC
United States District Court, Boston

Plaintiff's suit alleges damages for intentional infliction of emotional distress and for invasion of privacy. Defendants engaged in a

nationwide conspiracy to attack, defame and destroy the plaintiff. This conspiracy included burglarizing the office of the Boston Globe; planting covert agents in the Attorney General's Office and in the Better Business Bureau, and burglarizing her psychiatrist's office.

The plaintiff's motion for substituted service upon L. Ron Hubbard was allowed by the court. This was the first court order allowing service upon Hubbard. The court allowed plaintiff's motion for a real estate attachment in the amount of \$300,000. The court ordered all discovery to be completed by December 31, 1981.

Paulette Cooper is also suing the Church of Scientology in California and New York. These actions relate to a frame-up on federal charges which the Scientologists carried out against Ms. Cooper after she wrote a book critical of Scientology. They subjected Ms. Cooper to years of burglary, harassment, anonymous smear campaigns, and other vicious tactics specifically designed to drive her insane, and at one point succeeded in having federal indictments brought against her, which were subsequently dismissed.

(viii) Dr. Lawrence Stifler v. Church of Scientology of Boston et al,
Civil Action No. 44706
Suffolk Superior Court

Plaintiff, a 40 year old psychologist, specializes in physical exercise as a therapy for emotional problems. As he returned from work one evening, he was battered by an employee of the Church who had been frustrated in his attempt to induce the plaintiff to return for a "free personality test". Defendant jumped upon plaintiff's back and began choking him. Plaintiff, a marathon runner, fell to the ground and tore the medial meniscus in his knee. Plaintiff faces a prognosis of knee surgery, and has been unable to engage in his regular activities. The defendant's motion to dismiss was denied. The court allowed plaintiff's motions for real estate attachments totalling \$60,000. On request of the Plaintiff, the court set an early trial date for December, 1981

(ix) Ernest and Adelle Hartwell v. Church of
Scientology of Nevada
Nevada District Court No. A196800

The Hartwells counterclaimed against the Scientologists, who originally sued them for civil rights violations. The Scientologists' motion to dismiss was denied by the court. The Hartwells were induced by false promises to leave gainful employment in Las Vegas, sell their belongings, and go to work for Scientology. They were promised salaried positions with luxurious accommodations in Clearwater at the Fort Harrison. They were sent, instead, to a secret desert location and given a vermin infested shack to live in. Hubbard was present at the desert ranch, attempting to make films. After the Hartwells left they were viciously attacked in an attempt to keep them quiet about Hubbard. The Scientologists attempted to break up their marriage, threatened to accuse them of crimes, libeled and slandered them in the public media, and threatened them with death. Ernest Hartwell was called a murderer and an extortionist.

(x) James Gervais v. Church of Scientology of
Boston, et al
Civil Action No. 40906.
Suffolk Superior Court

Plaintiff counterclaimed against the Church for fraud, breach of contract, emotional distress, invasion of privacy, and other causes of action. Plaintiff purchased \$12,000 of auditing and was promised that auditing was scientifically guaranteed to confer miraculous benefits. Plaintiff was recruited by the Guardians' Office to engage in covert activities in Boston, to wit: investigation and intelligence gathering on Mayor Revin White, Senator Joseph Timilty and other individuals. Plaintiff seeks damages for breach of contract, invasion of privacy, breach of fiduciary duty, unfair and deceptive trade practices, fraud, intentional infliction of emotional distress. The defendant's motion to dismiss was denied by the court and the suit is proceeding through the discovery stage.

- (xi) Stephen Garritano v. Church of Scientology of Boston, et al
Civil Action No. 40906
Suffolk Superior Court

Plaintiff counterclaimed against the Church for fraud, emotional distress, breach of contract, violations of Fair Labor Standards Act, and other causes of action. Plaintiff worked seven days each week for approximately two years. Plaintiff became gravely ill when he was instructed to cure his illness through auditing. Plaintiff contracted hepatitis at the Fort Harrison which required hospitalization and a protracted period of convalescence, and was not allowed to see a doctor while he was there. During his time in Scientology he was subjected to intensive brainwashing routines.

- (xii) Peter Graves v. Church of Scientology of Boston, et al,
Civil Action No. 40906
Suffolk Superior Court

Plaintiff counterclaimed against the Church for fraud, emotional distress, violations of Fair Labor Standards Act, breach of contract and other causes of action. Plaintiff rendered services for approximately 4 1/2 years as a staff member. Plaintiff was subjected to the "Disconnect" and "Fair Game" policies. The defendants' motion to dismiss was denied.

- (xiii) Marjorie Hansen v. Church of Scientology, Inc., Church of Scientology of California, Inc.
Civil Action No. 41074
Suffolk Superior Court

Plaintiff is a twenty-one year old woman who fell prey to a typical "bait and switch" scheme on the street. Defendants fraudulently represented the nature of various Scientology courses; made fraudulent statements to the plaintiff's mother; subjected the plaintiff to the "Fair Game" and "Disconnect" policies. Plaintiff invested \$3,000 in Scientology processing and paraphernalia and provided services per contract agreement for five weeks working sixty hours per week. Defendants disclosed plaintiff's auditing materials and forced her to engage in sexual activities with her auditor. The defendants' motion to dismiss was denied by the court. The defendants refused to produce requested documents asserting the First Amendment right. The Supreme Judicial Court

found no privilege and the defendants were defaulted for failing to produce the documents. Subsequently, the plaintiff stipulated for a removal of default.

- (xiv) Lucy Garritano v. Church of Scientology of Boston, et al.
Civil Action No. 40906.
Suffolk Superior Court

Plaintiff counterclaimed against the Church for fraud, emotional distress, violations of the Fair Labor Standards Act, breach of contract, and other causes of action. Plaintiff rendered services for approximately seven years. Plaintiff was subjected to Disconnect policy and Fair Game doctrine. The defendants' motion to dismiss was denied by the court, and the suit is proceeding through discovery.

- (xv) Janet Troy v. Church of Scientology of Boston, et al.
Civil Action No. 41073
Suffolk Superior Court

Plaintiff, a professional woman, was induced to join Scientology at a time when she was emotionally troubled. Defendant subjected the plaintiff to Disconnect policy, and insisted she disconnect from her therapist and family. Defendants told plaintiff that auditing would cure her emotional problems. Defendants conspired to defraud plaintiff's father. Defendants forced plaintiff to quit her job and work on the Church staff. Plaintiff purchased auditing for \$4,100. Plaintiff sues for breach of contract, invasion of privacy, violations of Fair Labor Standards Act, intentional infliction of emotional distress, unfair and deceptive trade practices, deceit, breach of fiduciary duty.

The defendants' motion to dismiss was denied by the court and the case is proceeding through discovery.

- (xvi) Jane Lee Peterson v. Church of Scientology of California, et al.
Civil Action No. CV-81-3259 (CBM) (KX)
United States District Court, Central District of California

Plaintiff was induced to join the Scientology organization in reliance upon numerous

misrepresentations concerning the organization and the benefits of auditing. The plaintiff has alleged numerous tortious counts for which she has suffered severe emotional and psychological distress.

The case was recently filed and the court has not acted on the defendants' motion to dismiss.

(xvii) Carol A. Garrity v. Church of Scientology of California, et al
Civil Action No. CV-81-3260 (WMB) (MX)
United States District Court
Central District of California

The plaintiff was defrauded of her time and money after relying on numerous misrepresentations concerning the Scientology organization and the benefits derived from the auditing process.

(xviii) Richard J. Peterson v. Church of Scientology of California, et al,
Civil Action No. CV-8103251 (CBM) (KX)
United States District Court
Central District of California

The plaintiff sued for intentional infliction of emotional distress, fraud, violation of Fair Labor Standards Act and numerous other actionable wrong. The case was recently filed and discovery has just been initiated.

(xix) Paul Garrity v. Church of Scientology of California, et al,
Civil Action No. CV-81-3260 (WMB) (MX)
United States District Court
Central District Court of California

The plaintiff sued for damages after suffering severe emotional and psychological distress. The plaintiff relied upon numerous false representations concerning the nature of Scientology and the benefits of auditing. The case was recently filed and the court has not ruled on the defendants' motion to dismiss.

(xx) Thomas Jefferson v. Church of Scientology of California, et al
Civil Action No. CV-81-3261 (RMT) (JRX)
United States District Court
Central District of California

The plaintiff sued for breach of contract, fraud, intentional infliction of emotional distress, invasion of privacy, breach of fiduciary duty and additional actionable torts. The plaintiff was defrauded in excess of \$60,000. The case was recently filed. The plaintiff was a professional golfer, P.G.A. member, and a family man prior to entering Scientology. As a result of his involvement in Scientology, he lost his P.G.A. standing and his marriage was intentionally destroyed. He was declared "Fair Game".

(xxi) Smith v. Church of Scientology of California et al
Suffolk Superior Court

Plaintiff sued for breach of contract, fraud, intentional infliction of emotional distress, invasion of privacy, breach of fiduciary duty, and deprivation of civil rights. The defendants motion to dismiss has been denied by the court.

(xxii) Kim Varchal v. Church of Scientology of California et al
Civil No.
Suffolk Superior Court

Plaintiff sued for breach of contract, fraud, intentional infliction of emotional distress, invasion of privacy, breach of fiduciary duty, and deprivation of civil rights. The defendants' motion to dismiss has been denied by the court.

(xxiii) Peggy Bear v. Church of Scientology of New York, et al,
New York Federal District Court

Mrs. Bear was fleeced of \$35,000 in less than two weeks. She is suing for return of her money, and for damages for fraud, infliction of emotional distress, etc. The Scientologists intentionally solicited her during a period of bereavement.

(xxiv) Dana Lockwood v. Church of Scientology of California, et al
Civil Action No. 81-4109-KN (JRX)
United States District Court
Central District of California

The plaintiff filed suit alleging breach of contract, fraud, unfair and deceptive trade

practices, invasion of privacy, breach of fiduciary duty, intentional infliction of emotional distress, violations of Fair Labor Standards Act and violations of the Racketeer Influenced Corrupt Organizations Act (for extortion and mail fraud). The plaintiff suffered severe emotional distress. The court has not acted on the defendants' motion to dismiss.

(xxv) Jose Baptista v. Church of Scientology Mission
In Cambridge
Civil Action No.
Middlesex Superior Court

The plaintiff sued for fraud, intentional infliction of emotional distress, unlicensed practice of medicine, invasion of privacy and other actionable wrongs. The court allowed the defendants' motion to dismiss five of the six counts but failed to write an opinion supporting its decision, which conflicts with written opinions of four Massachusetts Superior Court judges in eight other cases. The decision will be appealed.

3. Litigation between the Scientologists and Government agencies.

(a) Tax Litigation History of Scientology

The Church of Scientology is no stranger to state and federal taxing authorities. In fact, the Church of Scientology's tax status has been challenged in more courts than any other cult of similar vintage. Scientology has lost every challenge.

In 1969, the Church of Scientology of California became the "mother church" of Scientology and has continued to hold said position. Prior to the California corporation's ascendancy, the Founding Church of Washington, D.C. held the titular position. In 1961, the Founding Church filed suit