

D. Scientology Operations in Clearwater

1. General description

Clearwater, Florida, and Los Angeles, California, represent the two largest Scientology headquarters in the world. Scientologists refer to their Clearwater operation as "FLAG". It is generally considered to be the home of the "Sea Org", which is supposedly Hubbard's elite corps of Scientologists complete with uniforms and paramilitary type training. The foregoing discussions about Scientology sales, practices, organizational structure, Guardian's Office activities, and enforcement policies, uniformly apply to Scientology activities in Clearwater. In fact, Clearwater and Los Angeles are the two central communications links for all Scientology activities, whether legal, illegal, fraudulent or criminal. The subtle brainwashing techniques of Scientology heretofore discussed which are set forth at length in the Australian and the English inquiries, are practiced daily in Clearwater. The deceptive and fraudulent sales practices including the breach of confidentiality of auditing information, and the "bait and switch" scheme which is a fundamental part of Scientology operations, are all practiced daily in Clearwater. The enforcement policies, including "Fair Game", "Attack the Attacker", "Disconnect", "Freeloaders' Debt", and "Security Checks", are practiced daily at the Clearwater facilities. The Guardian's Office activities which have been well publicized in the Clearwater media, including the incredible pattern of criminal burglaries, larcenies, infiltrations, harassment, and frame ups were all either formulated or implemented within the City of Clearwater, or Clearwater always remained the central communications link for all such criminal activity. XII

2. Scientology Origins in Clearwater

Intrusion into Florida occurred at Daytona Beach during October of 1975. Approximately 500 persons from Hubbard's primary ship, the Appollo, moved there and rented several hotels. A covert search was conducted in Florida at this time by the Guardian's Office to locate suitable headquarters for Hubbard and Scientology. This operation was called "Operation Goldmine". The controversial nature of the organization, and worldwide investigations by various nations required Hubbard to locate a quiet, non-controversial location. XII

Under the guise of "United Churches of Florida", Hubbard began purchasing buildings in Clearwater, Florida, through the Southern Land Development Corporation, a Scientology "straw" corporation. The purchase of these buildings in Clearwater was discussed in a letter dated November 25, 1975, to L. Ron Hubbard, by Henning Heldt, U.S. Guardian's Office chief. In that letter, Heldt writes:

"Available funds: I do not have all of the C of S of C (Church of Scientology of California) figures up to date here, but will shortly. Preliminarily, I have excellent news on covering the indebtedness. PER lola, C of S of C Lux Account balance is: \$7,100,000.00 approximately. Defense Funds for C of S of C total \$2,535,563.33 as of 30 September, 75. Subtracting \$3,100,000.00 for Fort Harrison, Bank Building, cars and various costs, the remainder is in excess of \$6,500,000. This leaves funds for purchase of Building #3 and the covering of Marty's 14 November figure.

.....Since U.C.F. (United Churches of Florida) is a subsidiary of C of S of C, it can be funded by C. of S. of C. as to its P.R. activities, and since its a part of C. S. of C., it may lease, rent, and use C. of S. of C. space for its religious purposes. Also personnel may transfer freely back and forth, a factor which can prevent logistic difficulties.

Yet, to the outside world and Clearwater, U.C.F. may represent itself as the user of Harrison and even that C. of S. of C. is a member. It can keep doing what it's doing, which is from all reports quite successful. From the outside, the whole operation can be made to appear to be U.C.F., and its members. Yet corporate distinctions that could make these appearances difficult to maintain, (personnel, income), can be very loose.

U.C.F. can phase out, or not, when C. of S. of C. is ready to surface....."

Once the purchase of the first buildings in Clearwater, Florida, was accomplished, Hubbard moved his base of operations to that area. This occurred in November and December of 1975. Although the Scientologists moved into the Fort Harrison Building, Hubbard established a secret headquarters for himself in Dunedin. To prevent persons from finding Hubbard, and his secret base at Dunedin, the Scientologist Guardian's Office maintained tight security at Hubbard's base. Guardian Program Order #156, (G.P.g.m.O. 156), entitled, P.G.M. LR.H. Security: Code Name Power, explains how this process was to take place, and what persons were responsible at the "FLAG" base in Clearwater. Some of the following are persons reviewed in that report:

Milt Wolf, Laura Wolf: "FLAG personnel with experience on PR lines. Laura, former legal research U.S. Short mini-hatting - internship, Dick Jones at WW for training for over a year, not A/G PR calibre, per WW."

B-1: "Randy Winmond and S.C. Covert Mission in CW (Clearwater). S.C. to be replaced by Cindy, Randy's wife. Both are very experienced in covert collection and ops. On Garrison M.O.S."

The Scientologists' clandestine presence in Clearwater, was shortlived since reporter Betty Orsini of the St. Petersburg Times initiated an investigation of United Churches of

Florida, and/or Southern Land Development and Leasing Company on or about November 24, 1975. Later, in a letter dated March 8, 1976, the Guardian's Office penetrated the St. Petersburg Times and stole numerous notes and memoranda of her investigation dated between November 24, 1975 and January 30, 1976. After the Scientologist's presence in Clearwater had been discovered, Hubbard fled Dunedin. The local media responded at the time with an investigation into Scientology which prompted the Guardian's Office to locate all persons both public and private "attacking" the organization. In a Guardian's Office letter dated March 12, 1976, entitled "Prediction in C.W." (Dick Weigand) wrote:

"Dear Duke (Snider), you asked for a chart of enemy lines used up to this point for C.W. (Clearwater) attack after research of the files was done. Attached is this chart. It looks complete to me. From this I see the areas of priority to infiltrate are:
1) S.P.T. 2) Mayor 3) Channel 13 T.V.
4) Snider 5) Florida Attorney General
6) Florida State Attorney (Russell).

As things have been quite hectic with me the last two days, I wanted to send this to you to go over. Any changes or additions you want to make would be fine".

The operations against the Mayor in the preceding paragraph were carefully orchestrated by the Scientology Guardian's Office over a period of time. During this period, the Mayor, Gabriel Cazares, had publicly responded to Scientologists' presence in Clearwater. As a result, the Church of Scientology's Guardian's Office ran a covert campaign to "ruin Mayor Gabriel Cazares' political career

by spreading a scandal about his sex life broadly." To achieve this, the Scientologists Guardian's Office wrote: "Get the C.W. Democratic Political Machinery, the local press, and some of the local Cazares supporters and Sen. dissidents to turn against Cazares as a political candidate". The actual operations against Cazares are found at the end of this report in Appendix XII.

The Church of Scientology's Guardian's Office in Clearwater went to great lengths to prevent Mayor Cazares from "attacking the church". Secret Guardian operation "Keeler" set in motion a mailing to responsible public persons in Clearwater by forging Washington Post news articles. The program called for Scientologists to purchase a faunt, (a typeset like the Washington Post), and produce a forged Washington Post newspaper article. Additionally, the Guardian's Office prepared an operation to send false and unsigned letters, false information using threats, to the Clearwater City Commission regarding Cazares. The letters to be sent to the attention of Karlene Deblaker. Apparently Ms. Deblaker was chosen by the Guardian's Office since "an unsigned letter is to go to the City Commission. Pick one person who would show it to the Mayor. A female Commissioner".

Protection against "attacks" from the Florida Attorney General, and the Florida State Attorney (Russell), mentioned in the above letter was accomplished by placing Scientology FSMs (Scientology covert agents) in the State Attorney's office and in the local District Attorney's Office in

Clearwater. Evidence of this infiltration is found in Guardian Program Order #158 dated December 5, 1975, entitled: Project Early Warning System: B-1. The purpose of the operation was to protect Hubbard. It stated:

"Maintain an alerting EARLY WARNING SYSTEM throughout the G.O. Network so that any situation concerning governments or courts by reason of suits is known in adequate time to take defensive actions to suddenly raise the level on LRH personal security very high."

The Guardian's Office infiltrated, with FSMs, the local U.S. Marshall's Office, the State Attorney General's Office, the local District Attorney's Office, and local I.R.S. District Office.

The increase in investigations of Scientology at this time led to a massive program by the Scientologists' Guardian's Office to silence its critics. A Scientology Guardians' Office document entitled DGUS Outstanding Orders into B-1 reveals a Log Entry #74 concerning "FSMs in the CW area. Debug the area". Included in these operations were the Clearwater Sun, the St. Petersburg Times, the Sertoma Club, the Clearwater Chamber of Commerce, the Easter Seals of Pinellas County, representative Culbreath, Dr. John Winter, Steve Advokat, the Executive Committee of the Pinellas County Democratic Club, St. Petersburg Junior College, Ron Stewart, the Clearwater City Departments of Health, Education, Sanitation, and the Fire Department. Scientology Logs of these operations are found in Appendix XII of this Report.

3. Clearwater, Communications Link for Criminal Activities

There is overwhelming evidence, particularly in the form of internal Scientology documents, to support the conclusion that Clearwater is a central communications link throughout the world for the many criminal activities in which Scientology is involved.

The aforementioned documents and others primarily came from the documents seized by the Federal Bureau of Investigation at the Washington and Los Angeles Guardians' Office in 1977. There may be many thousands of documents still on file in Washington relating to Scientology operations in Clearwater which have not yet been released or procured by the media or this firm.

The criminal operations which were conducted in the United States using Clearwater as a base of operations are absolutely staggering. These crimes include infiltration and theft of documents from many prominent private, national, and international organizations, law firms, newspapers; the execution of smear campaigns and baseless law suits to destroy private individuals who had attempted to exercise their First Amendment rights to freedom of expression; the framing of private citizens who had been critical of Scientology including the forging of documents which led to the indictment of at least one innocent person; violation of the civil rights of prominent private figures and public officials, and the overall criminal activity against the United States and other nations code named "Operation Snow White".

Prior to the sale of the Apollo and Scientologists' purchase of buildings in Clearwater, Operation Snow White was conducted primarily between the Apollo, the Worldwide Guardians' Office in England, and Los Angeles. Flag headquarters was

on the Apollo before it was located in Clearwater. One former defector from Scientology who worked for Hubbard for a period of years, described the actual "Snow White Room", next to Hubbard's bedroom on the Apollo as being a continual source of coded communications concerning their criminal operations throughout the world. Later when Scientology purchased Fort Harrison, this defector personally observed Hubbard control the operation of Scientology worldwide, through the use of coded messages both sent to and transmitted by him. At this time Hubbard used approximately 15 codes to conceal his operations, programs and policies. This particular defector personally delivered, in Clearwater, coded communications concerning Operation Snow White, Operation Freakout, Operation Goldmine and other Scientology secret and illegal activities.

The documents seized by the F.B.I. contain thousands of papers pertaining to the aforementioned criminal activities of the organization, most of which were routed through Clearwater, and many of which went through Mitchell Hermann, whose code name was Mike Cooper, who was in charge of the Guardian's Office for "SEVS-SEC" (Clearwater) after Hubbard left the area in early 1976.

For example, "Operation Freakout", dated April 1, 1976, which was "To get P.C. incarcerated in a mental institution or jail, or at least to hit her so hard that she drop her attacks," was routed through Clearwater. "Project Owl", which was an operation to steal documents either by burglary or

infiltration from private individuals in Boston, private law firms in Boston, the Suffolk County District Attorney's office in Boston, and the Massachusetts Attorney General's office originated in Clearwater by Mitchell Hermam. Hermam was one of the 11 Scientologists who has been convicted in Washington, D.C. for a whole panorama of crimes including the massive conspiracy against the United States government.

In addition to the larcenies and burglaries which took place in Boston cited above, the Guardians' Office, using Clearwater as a communications link, implemented burglaries of the American Medical Association, the American Psychiatric Association, various psychiatrists' offices throughout the United States, the apartment of Paulette Cooper in New York, a law firm in Vancouver, Canada, law firms in Washington and Chicago, and numerous government agencies including the I.R.S., the Justice Department, the Attorney General, the Food and Drug Administration, the Coast Guard, and various newspapers including the Washington Post, The Washington Informer, The Boston Globe, St. Petersburg Times, the Clearwater Chamber of Commerce, the American Telephone and Telegraph Company, the organization known as EST, and many other government agencies throughout the United States.

Since Hubbard has maintained a small secret base with the use of telexes to control Scientology, he has relied on Clearwater as the central communications link with it. For example, two individuals who were deceived into joining

Scientology through a number of false representations, were told that they were going to be involved in film making with Hubbard, and that they were going to live in Clearwater where the filming was taking place. All of their contacts and routing information came through Clearwater, but they actually ended up being blindfolded and taken to a base in Indio, California. At the present time, it is fair to conclude that most of the Guardian's activities are cleared through the Guardian's Office in Clearwater, before being implemented. These activities currently include operations against attorney Michael J. Flynn, Gene Methvin of the Reader's Digest, James Calderbank, Martin Cohen, the Internal Revenue Service, Raymond Banoun, and many private individuals who have sought legal redress against Scientology.

Clearwater is also a major mailing center for Flag and Scientology publications. Virtually every one of these mailings constitutes mail fraud, because the organization has never complied with the decree in the case of United States v. Article or Device, requiring the Scientologists to warn in each and every one of its publications, that Dianetics, Auditing, and Scientology, are not capable of improving the health of anyone. Therefore, any Scientology activities in Clearwater which are designed to sell courses and material without complying with the decree in the Article or Device case constitute a fraud on the public not only in Clearwater but on those outside Clearwater who receive the materials.

4. "Clearwater RPF" - Physical and Mental Abuse of Individuals

The history of Scientology's abuse of private individuals in Clearwater, primarily at the Fort Harrison, is equally staggering. One Scientology defector who was in the "Rehabilitation Project Force", (RPF), at the Fort Harrison in 1976 and in 1977, has described many individuals on the verge of

insanity, some of which were "chained to pipes in boiler room" for long periods of time. This individual, although a minor, did not receive any education while at the Fort Harrison in violation of Florida law, and her living conditions were both deplorable and in violation of the fire and health laws of Florida. She slept on floors, hallways and storage areas which were concealed when the Scientologists learned, somehow, that officials were going to inspect the premises. Another Scientology defector described the RPF and security checks (r/s handling) as follows:

"I must have run dozens of these evil purposes, then we turned to my r/s handling. By now it's somewhere around the beginning of 1978, I think. I really have very little sense of time here-for one thing, one day was just like the next. There was no variation week-ends were the same as weekdays. It is all sort of one big lump to me- especially after I started on my expanded dianetics and my brain really started to come apart. I was in sort of a cloud or daze most of the time, that's the only way I can describe it.

"My r/s handling I think to the point where my brain wasn't just falling apart, but it started to get fried. I was running out all these evil purposes connected to the rs's and I started spouting out and running out the weirdest things like, "to be somebody else", "to blow up a planet", "commit suicide", "to never grow up", "to kill myself", "to destroy bodies". The list was endless. My brain was just getting fried in all of this. I mean I had to have been the most evil and craziest that ever existed. I don't know how to describe what happened other than my brain was frying right up. I felt like I was in a daze half of the time."

This individual later escaped, was brought back and placed under guard. She was finally released after her luggage and personal belongings were thoroughly checked and searched and she was made to execute affidavits and documents without reading them. Shortly after she left Fort Harrison, Jonestwon occurred and she states that "I realized that if at any point LRH (Hubbard) had handed me a glass of poison and told me to drink it, I would have, with no questions asked, and no second thoughts. At that point, I think I got "shocked" out of Scientology." The authors of this Report have encountered numerous individuals who have come back from Clearwater after receiving extended periods of Scientology processing in extremely crippled states emotionally, and sometimes physically debilitated. One former member became gravely ill when a hepatitis epidemic broke out in the childrens' area of the Fort Harrison in 1979. Unqualified Scientology officials distributed drugs and gave shots to persons to prevent the epidemic from spreading. The person designated the "medical officer", who had no qualifications as a medical doctor was placed in charge of this problem. This individual returned from Clearwater and underwent a complete physical and blood analysis. It was discovered that he had liver damage and evidence of mononucleosis.

Other defectors have reported instances where Scientology courses in Clearwater promised miraculous results for cure of headaches, anxiety attacks, cerebral palsy, heart trouble, and other illnesses. Shortly after a Scientologist committed suicide in Clearwater by throwing herself into the bay, the Guardian's Office conducted a program to "guard" all individuals who were under psychological strain as a result of

Scientology processing. In fact, some individuals were removed to other states, under the company of a guard, because of local media attention to the suicide.

The Fort Harrison also serves as a sanctuary for Scientologists involved in civil proceedings. Scientology considers Clearwater to be free of effective government monitoring at this time, and therefore uses it to hide witnesses who have been involved in similar criminal activity on behalf of Scientology. For example in 1980, a Scientologist from Boston attacked and assaulted a Psychologist on the streets of Boston. The Scientology agent was hidden for a period of time and then flown to Clearwater where he remained for a short period. This operation is typical of Scientology attempts to conceal witnesses pursuant to an operation code name "Project Quaker". This policy states:

"It may be deemed necessary for all the DC staff who could be pulled in for questioning to suddenly leave. US B-1 sec. is to insure that all concerned are ready to leave at any time and that all cycles-finance, 2D, bills, are completely up to P.T. and there no PTPS or stops to immediate departure."
"US B-1 seusec (Clearwater) is to immediately do up a confidential s-w for finances for this project. This is for seven or eight people so the amount should be about \$10,000.00 for staffers."...seusec US B-1 is to set up "early warning" system. ..."

The notations in the foregoing project Seus sec US B-1 refer to Clearwater. As previously stated, there are literally thousands of documents involving the commission of crimes such as the foregoing attempt to obstruct justice with the use of Clearwater as a sanctuary.

5. Commercial Activities of Scientology in Clearwater

The Church of Scientology in Clearwater, Flag, provides the most expensive Scientology processing in the world. Prices range from hundreds of dollars for many courses, to tens of thousands of dollars for high level processing. Rooms at the Fort Harrison cost up to \$650.00 per week in 1980. Master Charge and Visa credit cards are accepted at Flag. Customers are solicited throughout the world by "Missionaries". Missionaries are the sales force sent to the local "organization" throughout the world to solicit customers. Scientology salespersons operating at the local level in cities throughout the world, solicit persons off the street to take Scientology processing. As stated throughout this Report, grandiose promises are made to cure physical or mental ailments through Scientology processing. VI

Once the sale is closed, Scientologists at the local level methodically review the person's financial history. Information on wealthy customers is immediately sent up "lines" to Scientology operations at Flag. If the customer has sufficient wealth, "Flag representatives" from Clearwater fly to the local "org" to close the sale, and send the person to Flag for processing.

The Scientology "processing" at "Flag" emphasizes the most expensive courses including expanded dianetics and OT III. Expanded dianetics involves "auditing" of past lives and OT III involves a description of the supposed origins of Hubbard and Scientology. For example, an individual at Flag taking OT III, for which he has paid thousands of dollars to reach over a period of time, is presented with "secret" materials which state that he is a specially chosen person with superhuman powers who came to earth after surviving a galactic explosion engineered by

Xemu, the evil ruler of Helatrobos, 40 trillion years ago. The price for this course at Flag is \$9,021.78. The price for seven (7) levels of "OT" processing is \$26,614.32, which according to some medical doctors, causes the mind to undergo a process of "dissociation", eventually leading to permanent degenerative mental illness .

For example, one individual undergoing a divorce, had turned to "EST", (a self-improvement type technique) to help him through this traumatic period. Scientology had infiltrated EST and this person ended up buying Scientology processing after being "guaranteed" a host of cures for his problems, and having been told extravagant representations about Hubbard's background. He expended approximately \$75,000.00 in Scientology processing after being enticed by "Flag reps" to "come to Flag" and take the OT III course. His mind and personality gradually became so "dissociated" that he gave up his job as a CPA and spent three (3) years of his life taking Scientology "processing". He is now in the process of initiating suit against Hubbard and Scientology.

Another individual, from Boston, the beneficiary of an inheritance, was approached one day by the regular street solicitors of the Boston "org". After numerous promises were made to this person to lure him back to the org, a complete financial "rundown" was performed. After discovering the person's financial status, Flag representatives flew to Boston and extracted over \$14,000.00 from him within one week. Shortly thereafter, this person met with the authors of this Report and the monies were eventually returned to him.

Another victim was not as lucky. This person was recently the beneficiary of an inheritance when her husband died. Since

Scientology's primary marketing "targets" are the emotionally distraught, the loss of her husband left this woman particularly vulnerable. Flag reps from Clearwater met with her and defrauded her of \$33,000.00 in the course of a few weeks.

Flag representative salemen move as rapidly as possible to drain all funds from their victims. When all available funds are drained, some are allowed to "join staff" in order to continue in Scientology. The normal period for these individuals is 12 to 18 hours per day, 7 days per week. Their pay, if any, is generally under \$15.00 per week. There are many individuals working in Clearwater today in violation of the minimum wage laws.

There are many instances where individuals have paid tens of thousands of dollars to Flag under the deceptive sales techniques engineered by Hubbard and his "Flag reps". Many of these individuals subsequently realize they have been defrauded and seek their money back.

Prior to the media exposure of Scientology practices, it was virtually impossible for someone to get his money back because Scientology would first cajole, then subtly frighten, then overtly threaten the person. Since many of Scientology's fraudulent practices have come to light, more and more persons are gaining the courage to stand up to Scientology and demand refunds. Moreover, in the past, most lawyers were reluctant to take on Scientology clients because of First Amendment problems, the expectancy of harassive litigation, and the knowledge that Scientology might expose in the courtroom some of the hidden details of the client's life. The cases heretofore set forth suggest that this may be changing.

Another Hubbard method of channelling funds from churches throughout the world to Clearwater is through the use of management fees. The "Flag" representative at each local "org" ensures that these managements fees are allocated and sent to Clearwater. These fees range between 10 and 20% of the gross income of each local "org". Between the "management fees" and the courses and materials sold in Clearwater, one former Scientologist who worked close to Hubbard as Material Marketing Secretary, reported gross income from Flag to \$1,000,000.00 per week in 1979.

All of the commercial activities of Scientology previously discussed are practiced on a daily basis in Clearwater.