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Tampa jury may get sect documents

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WASHINGTON—Thousands of top-secret Church of Scientology documents now in the hands of the federal government will be used in widespread probes of the sect by the Internal Revenue Service, prosecutors in several states and grand juries in Tampa and New York, a top U.S. prosecutor said Wednesday.

Scientology attorneys have filed

four separate appeals requesting the return of the documents, which were the basis of recent conspiracy convictions of nine high-ranking church officials. Today, government attorneys are expected to ask a federal court of appeals to void the Scientologists' requests on grounds that the documents will serve as evidence for charges against the sect nationwide.

"Our pleadings will show that

grand juries in Tampa and New York need the material, that the IRS is conducting intensive investigations and that a number of state prosecutors will use the documents," Assistant U.S. Attorney Raymond Banoun said in an interview. Banoun was the chief prosecutor in the case of nine sect officials found guilty Oct. 26 of conspiring to plant spies in government agencies, break into federal offices and bug

IRS meetings.

U.S. District Judge Charles R. Richey, who rendered the guilty verdicts based on thousands of church documents seized in a July 1977 FBI raid, Tuesday blocked further public release of the confidential sect correspondence and "Guardian" policy orders until the Scientology appeals are decided.

Sect attorneys have filed four petitions seeking the return of the

thousands of documents or a seal on their public dissemination, according to Assistant U.S. Attorney Steven Talbakman. He said it will take one or two days for a court of appeals to rule on the petitions.

Banoun indicated IRS probes might include an examination of the United Churches of Florida group, which seized documents show was created in Clearwater to serve as a

Scientology tax shelter. Those documents show that in the fall of 1975, sect founder L. Ron Hubbard planned the creation of United Churches and similar front groups in case of IRS seizure of Scientology assets for back taxes. The sect contends it is a nonprofit religious group, although the IRS has ruled in the past that Scientology revenue personally benefits Hubbard.

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Banoun also indicated that Pinellas-Pasco State Attorney James Russell is involved in the Tampa grand jury probe of Scientology, but Russell has been unavailable for comment in Clearwater. On Wednesday afternoon, Russell called Banoun, but Banoun would not discuss the nature of the call.

Florida Attorney General Jim Smith might also be conducting an investigation of alleged Scientology espionage in state agencies, Banoun said.

One confidential Scientology document on file in the U.S. Courthouse in Washington shows that in December of 1975, sect officials considered planting agents in the Florida Department of Revenue to ensure approval of United Churches' exemption from state sales taxes.

The document, a letter between two Scientology "Guardians" named "Brian" and "Jackie," notes that Marvin Dyal, a State Department of Revenue official, was asking "too many questions about United Churches" when the organization requested exemption.

The letter states that Hubbard, apparently while staying at the Fort Harrison in Clearwater, intervened and "pulled off getting the exemption in 24 hours . . . and (it) normally takes six weeks."

The letter adds that Hubbard said "Dyal will do all

possible to stop any future exemptions, and Dyal is our only barrier to this.

"We are going to be working on legal lines to get several state and local exemptions for both United Churches and the Church of Scientology," the letter continues. "Therefore, Dyal should be gotten out of the picture."

The letter calls for a plan to "handle" Dyal, stating, "Of course it would be most optimum to put someone in the Department of Revenue for both long and short term handling."

Dyal, contacted in Tallahassee Wednesday, said he wasn't surprised when he learned Scientologists had set out to "handle" him.

"I have come in contact with the Scientologists before because of the nature of my work," he said. "This is not the first time I have been threatened."

In Clearwater, local Church of Scientology spokesman Nancy Reitze denied that sect officials ever engaged in espionage tactics to "take over" the city, as Hubbard policy statements, sifted from government-held documents, indicate.

"If there was anything of interest in Clearwater area, or any wrongdoing, the government would have prosecuted long ago," she said. "If indictments come out now from a Tampa grand jury, then I will know for a fact that they are strictly political in nature. They would be perfectly timed with the government's . . . propaganda campaign in an effort to wipe out the church."

She also said recent Clearwater Sun stories linking the Clearwater Scientology branch to wrongdoings of "Guardians" nationwide are aimed at creating "another Nazi Germany in Clearwater" and are "the workings of confused minds."