TORONTO GLOBE & MAIL 27 JULY 1992 :

Church of Scientology found guilty BY THOMAS CLARIDGE

Courts Reporter

TORONTO — An Ontario prosecution sparked by police raids in California during the 1970s has led to the conviction of the Church of Scientology of Toronto and three of its members on breach-of-trust charges.

A jury that deliberated for two days after a two-month trial also acquitted the Toronto organization of three charges and found two other

members not guilty.

Despite the verdicts, which will lead to a sentencing hearing Aug. 12 and 13, the legal battle over espionage activities by Scientologists for the organization's secretive Guardian's Office is likely to continue for years.

Proclaiming the acquittals on three charges and earlier acquittals on theft charges a victory, Rev. Earl Smith, president of the Toronto organization, said the two convictions

will be appealed.

The prosecution and a libel suit that followed it already have cost Scientology at least \$10-million. Mr. Smith said yesterday that legal bills in connection with the criminal charges already had reached \$7-million before the trial began in April. The government-funded libel action by a senior Crown attorney led to an award of \$1.6-million in damages a Canadian record — that with interest will cost the organization more than \$2-million, not counting legal fees of both parties.

One of the major issues expected to face the Ontario Court of Appeal relates to the propriety of charging the Scientology incorporation as well as individual members in connection with illegal activities that were of no apparent benefit to the or-

ganization.

Although evidence produced during the long trial showed conclusively that Guardian's Office members had infiltrated offices of the Ontario government and three police forces and had passed information to their superiors, there was never any indication what use, if any, was made of it.

The criminal charges were laid in 1984, a year after an estimated two million documents were seized in a raid on the Toronto Scientology headquarters. That raid followed the discovery of information in files seized at Scientology's world headquarters in California that appeared to have come from Scientology "plants" in Ontario.