

YOUR LOCAL NEWSPAPER

ClearwaterSun

65th Year—No. 188 Clearwater, Florida, Wednesday, November 7, 1979

Daily 15¢

Sect front started to launder cash

By RICHARD LEIBY
Sun Staff Writer

WASHINGTON—United Churches of Florida, the Scientology front group established in Clearwater in November 1975, was designed to be a tax shelter that could launder sect revenue nationwide, top-secret Scientology documents show.

Sect founder L. Ron Hubbard wrote in September 1975 that United Churches was being created "to preserve the assets of Scientology... in case of a total wipeout of the Church of Scientology by IRS."

The secret correspondence between Hubbard and

highest-level Scientology "Guardians" show that the founder feared that persistent government probing would cause "cessation of Scientology due to high payment to IRS."

United Churches purchased the old Fort Harrison Hotel and Bank of Clearwater buildings in December 1975 for \$2.3 million cash from another Scientology front group, Southern Land Development and Leasing Corp.

Hubbard's policy statements show that creating the non-profit United Churches organization was part of a series of "corporate moves" planned if the IRS continued to void Church of Scientology religious tax exemptions.

Letter indicates Hubbard visited Clearwater to 'save operation,' 9A.

"... We must be fully prepared... to go right on operating throughout the U.S. and work until we get a straightjacket on IRS," he wrote. "The ultimate objective of IRS is to knock out all Scientology organizations in the U.S. on the pretext of tax. Thus newly operating under new corporate status that does not connect (with Scientology) is the obvious last-ditch effort."

"A full U.S. switchover could be programmed, and should be just as an emergency measure," he wrote.

Hubbard considered the survival of the Clearwater base essential because it was—and still is—the headquarters for the "Sea Organization," whose members are eternally pledged to serving and protecting Scientology. There are about 400 Sea Organization members in Clearwater.

The Clearwater base, now including five other office buildings and hotels, is generally known as the "Flagship

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Clearwater Sun

Pinellas County's fastest growing newspaper

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Land Base"—"Flag" for short.

Hubbard correspondence, apparently following unfavorable IRS action in Los Angeles, where the "mother church" is based, says "the present corporate moves" were designed "to continue Flag training and processing" and "to continue Flag management services." The United Churches group would allow the Flag to "function, financed and effective."

After Hubbard's order, U.S. Deputy Guardian Henning Heldt ordered assistant guardians at the "Flag" and nationwide to carry out the following:

✓ "Work out what the cash assets, real property assets and personal property assets of each U.S. (Scientology) corporation are." (Marked "D," presumably for "done" on Jan. 3, 1976.)

✓ "Investigate means of safeguarding cash reserves from IRS seizure or wipeout, to include increase of funds to Trustee Account via special assessments, percentage increases etc.; increases of funds to overseas Defense Funds." (Marked "D" Jan. 19, 1976.)

✓ "Work out whether it would be possible or advisable to sell all or some of the U.S. Church property on a lease-back basis... with options to renew lease or repurchase such that we would not be liable to losing a desired location." (No Mark.)

✓ "Consider the transfer of assets to newly forced corporations created for this purpose and report results." (No mark.)

Specific orders regarding the preservation of the Flag were to "establish back-up corporations to deliver the Flag's services should the Church of Scientology of California have difficulty in gaining exemption, or IRS takes some savage action." They included:

✓ "Complete formation of a dormant corporation for Flag." (Marked "D," Dec. 24, 1975.)

✓ "Complete formation

of a 'Mother Church' corporation separate from the dormant (corporation), for possible use re management functions." (Marked "D," Dec. 29, 1975.)

Later church correspondence shows United Churches did obtain Florida non-profit status, but this was no longer "vital" since the group was later declared a part of the Church of Scientology of California—but only after media investigations began to uncover the link.

A letter dated July 26, 1976, from Deputy Legal Guardian Worldwide named "Larry," states:

"Dear Charles:

"I needed your approval on my plans to protect United Churches of Florida, considering the IRS could someday take over their assets for back taxes... if proven in the courts that UCF is legally not exempt."

Larry notes that with Bank of Clearwater and Fort Harrison Hotel property names now recorded under the Church of Scientology of California; "the planned vital role of UCF was not carried out."

But he cautions "Charles" that the United Churches group must continue to prove a profit status or it will affect the Scientology status. He says this can be done by maintaining "corporate integrity regarding accounts," adding: "Do not get into any profit activities."

The Church of Scientology of California—the Mother church which owns the Clearwater operation—currently lacks IRS exemption, an IRS spokesman in Los Angeles said recently.

In Clearwater, the church is still fighting for county property tax exemption, as it has for four years. The sect has been ordered by judges and by the county to pay more than \$240,000 in back taxes because of failure to prove it is a non-profit corporation.

The rulings have been based on the refusal of church officials to release financial records of the mother church in Los An-

geles. The latest ruling by the county also denied tax exemption because founder Hubbard allegedly profits from the church.

The Guardian correspondence concerning the Clearwater "Flag" base is contained in a 4-inch-high stack of letters relating to "Guardian" orders by Hubbard. Those and thousands of other documents now available for public inspection were the basis for the conviction in U.S. District Court Oct. 26 of nine top sect officials and Guardians, including Mary Sue Hubbard, Ron Hubbard's wife.

She and the others were found guilty of conspiracy against the government through breakings and buggings of many federal agencies including the IRS.

A Guardian Order on file here shows top church officials believed the "ideal scene" in the IRS would be: "IRS with no false reports in their files on Scientology, uninterested in Scientology taxes other than as a routine matter... busy elsewhere with the usual red tape... with the psychotics removed and their influence eliminated."

Henning Heldt, who ordered action on the creation of Scientology tax shelters was among those convicted of conspiracy against the federal government.

Of grudges and lies

"Maybe it is time to stop harping on past grudges but instead work toward the goal of a safer and more charitable world...This is our plan, our purpose, our goal and has always been." —Nancy Reitze, Scientology spokesman, Clearwater.

THE ABOVE is a recent quote by Ms. Reitze, following the unmasking of Scientology's plans to dominate everyone from Taco Bill (former Clearwater mayor Gabe Cazares) to international financiers, mental health leaders, Clearwater Sun Editor Ron Stuart and Pinellas-Pasco State Attorney Jim Russell.

Let's analyze the statement by Ms. Reitze, who seems to have become the most audible, if not the most powerful, Scientologist in these parts.

"Maybe it is time to stop harping on past grudges..." We can understand Ms. Reitze's wish to let bygones be bygones. If only Clearwater can be made to forget the lies, insults, coverups and general hostility with which the cult of Scientology made its entrance in Clearwater in 1975, the cult's current leadership will have a much easier time of it today and in the future.

...but instead work toward the goal of a safer and more charitable world... This sounds pretty, but it begs the question, safer and more charitable for whom? The Scientologists, or the people of Clearwater?

"This is our plan, our purpose, our goal and has always been." That statement is a palpable lie, and the Scientologists' track record proves it so.

THE GOAL of the cult of Scientology is money and power.

Most of the money is taken from young, well-to-do, alienated men and women who are looking for meaning in life, for authority figures and for a

sense of belonging.

The cult relieves new members of their money and some of their anxieties. The recruits are given attention, soothing words, encouragement and slick mumbo-jumbo about engrams and mind-clearing.

The instruction and indoctrination last as long as the student's money lasts, and not an hour longer.

(We wish the Scientology students would seriously consider an alternative: any of the dozens of churches and temples that Clearwater boasts. Their teachings go back a lot farther than L. Ron Hubbard's dianetic dreamings, and there's absolutely no charge.)

If the Scientologists came straight out and admitted that their chief goal is money, the world could accept them.

Instead, they pretend to be a church. They take refuge behind our most cherished laws, the ones protecting freedom of religion.

NOW THE cult's own files are on display and the world can determine for itself just what sort of people Scientology leaders are.

Ms. Reitze's primary tactic today is to wash her hands of the conspiracies and other wrongdoing of her fellow Scientologists.

We wonder why Ms. Reitze didn't deplore the illegalities of the other members before this. Anyone as high-ranking as Ms. Reitze surely must have been aware of the cult's actions and plans.

Now that the guilty pleas have been entered and the despicable and frightening evidence is open to the public, Ms. Reitze turns her back on all of it and says, "Let's move on to a safer, more charitable world."

This newspaper doesn't intend to forget, forgive or turn its back on the the past history (or the future plotting) of the Scientologists in Clearwater.

We hope our readers' memories will be just as long and intractable as our own.

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Clearwater Sun

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Letter indicates Hubbard came to city to 'save the operation'

By RICHARD LEIBY
Sun Staff Writer

WASHINGTON—L. Ron Hubbard, founder of the Church of Scientology, was so concerned with the success of his newly formed Clearwater headquarters that he visited there in late November 1975 to "save the operation."

A letter Hubbard sent one of his top-level "Guardians" shows the founder wanted to make sure "this scene stays cool" while his United Churches of Florida front group established itself in the old Fort Harrison hotel and Bank of Clearwater buildings.

The letter is included in a group of church documents and papers released by a federal judge last week in Washington, D.C.

How long Hubbard stayed in the area is uncertain, although the correspondence dated Nov. 26, 1975, indicates he spent a few days setting up an office in a Dunedin condominium, doing a photo-essay of "beautiful Clearwater" and lecturing Scientology students at the Fort Harrison.

Hubbard was visiting after a Caribbean cruise that included some trouble with the CIA, the nature of which is not specified. He apparently was concerned about reports of United Churches receiving bad publicity in the area and that the top staff members at his new base were not functioning efficiently.

"If I were not on lines (meaning in the area), this U.S. base would go to blazes in a hurry," Hubbard wrote Guardian Henning Heldt. "I save the operation once or twice a day by rounding up bad goofs and make my year's pay two or three times a week. Not an exaggeration."

"I am actually operating also as Assistant Guardian office U.S. base almost single-hand. You do not really have an AG office here, I hate to say . . ."

Expressing concern about the press discussing his visit, Hubbard made a "strenuous effort to be low-profile. My name is not being used in the area."

But he apparently expected to make more visits, writing: "Probably my best layout is to get very well-known in the Clearwater area with a camera in my hand and my Universal News Press card, taking pictures of 'beautiful Clearwater.'"

"They (city residents) hate tourists and also retired persons," he noted.

One goal of the visit was to enhance public relations in the area—undercover. Traveling to the Fort Harrison from his office in Dunedin—apparently at King Arthur Courts—"is easy, as I just drive in the garage and enter up the third-floor garage elevator," he wrote. "There will possibly be a personal office at the bank building if they get it clean. This is rougher as one has to step out of a car and walk to the door."

Apparently informed of opposition to United Churches by former Clearwater mayor Gabriel Cazares, Hubbard devised a plan—probably in jest—to take the mayor's picture.

"I think the exact plan will be that I play operations above security, slide in on personal PR as that well-known photographer, very visible with a whole camera crew living in a nearby town. Not push it. Just let it seep in. My

portrait of the mayor will hang in city hall, never fear."

But it appears doubtful the scheme was unsuccessful.

Cazares said Tuesday he has no knowledge of a color photograph of himself ever hanging in city hall.

Explaining his Caribbean cruise—apparently on his own vessel—the letter quotes Hubbard as writing: "In the Caribbean I didn't get tit and actually fronted for the operation and so did Scientology to smash the CIA thing. But the CIA thing won."

Hubbard said that if any problems arose in Clearwater about his presence,

"We count on your (Heldt's Guardian office) to very quickly pre-alert any trouble so I can go fishing while you handle (it)."

He also congratulated Heldt and others because "you guys seem to have the IRS under heavy control." He added in capital letters: "AND WE CAN COUNT ON YOU GUYS TO MOW DOWN IRS AND WIN ACROSS THE BOARDS."

Heldt was convicted here Oct. 26, along with other top Scientology Guardians, in a conspiracy scheme against the federal government that included bugging an IRS meeting

about the sect's tax exemption.

Hubbard said his plans for the Clearwater base—the headquarters of this "Sea Organization"—included "a really fine local Guardian Order office so this scene stays cool and stays off . . . my plate. Love Ron."

Clearwater and Washington Scientology spokesmen will not comment on whether the Guardian organization is still in existence today. These spokesmen also say Hubbard has not been actively involved in Church affairs since he retired as executive director in 1966.

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65th Year—No. 189 Clearwater, Florida, Thursday, November 8, 1979

Tampa jury may get sect documents

By RICHARD LEIBY
Sun Staff Writer

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."

NOV 10 1978

Licence to perform marriages sought for Scientology minister

The Church of Scientology says the time has come for The Government of Ontario to let its clergymen perform marriages.

In the past, the church's applications to have its ministers licenced as marriage officers have been turned down by the office of the registrar-general on the grounds that the religion was not in existence for 25 years — one of the signs required by the province that new groups are permanent and serious.

In a 262-page submission to the registrar-general, Ernest Pike, the Scientologists have proposed that Rev. Raymond Rockl, the newly appointed resident minister in the Toronto headquarters, be given a licence to conduct marriages. A certificate of Mr. Rockl's ordination in January, 1973, is included.

In a telephone interview,

Mr. Pike said he had received the request and when he had read it he would pass it on to the Minister of Consumer and Commercial Relations. Mr. Pike refused to speculate on the outcome. "I haven't the foggiest. It's a lot of literature and I don't know how busy the minister is."

In a press release the church said it expected the Government to "dream up some new excuse" for refusing the application.

There are about 100 ordained Scientologists in Ontario, 15 of whom are active in Toronto.

A press officer, Earl Smith, said yesterday that Mr. Rockl's application could be regarded as a test case but eventually the church will be asking for more. They will be performing the marriages of Scientologists mostly, Mr. Rockl said, but if somebody else wanted a Scientology

wedding ceremony, he could see no reason why the request would not be granted.

Scientology clergymen are ordained from the ranks of counsellors after a course lasting two to three months, said Carol Young, a leading Scientologist in Toronto. Counsellors would already have taken a course lasting a year or two, she said.

Ministers wear a clerical collar when they are counselling and are paid a salary. Mrs. Young said she did not know what their salary was except that it varied, depending on the amount of time they spent working for the church.

A letter from Professor John Meagher, director of the Institute of Christian Thought at the University of St. Michael's College, accompanies and supports the Scientologist's application.

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ST. PETERSBURG, FLORIDA, SATURDAY, NOVEMBER 10, 1979

20 CENTS A COPY

Scientists got secret files of Times, lawyers

Secret letters and memos from the personal files of *St. Petersburg Times* editors and its attorneys were obtained and analyzed by members of the Church of Scientology shortly after the church moved to Clearwater four years ago.

The letters and memos were used by the church in calculating its response to news media reports revealing its purchase through a front organization of the Fort Harrison Hotel, How the Church of Scientology or its agents got access to the locked filing cabinets in the offices of *Times* executives or the newspaper's lawyers is not certain.

A Scientologist "raw data report" was among 48,000 documents in church files seized by the FBI in raids on church headquarters in 1977. Some of those church documents were released to the public after the conviction of nine Scientology leaders two weeks ago on con-

spiracy charges.

The "raw data report" is 13 single-spaced typewritten pages long. Each paragraph is a summary of a *Times* document or a document from a *Times* attorney. These documents were most sensitive and secret and were never released to the public.

Scientology spokeswoman Nancy Reitze was asked Friday how and why the church obtained confidential *St. Petersburg Times* files.

Ms. Reitze called back with a statement that did not respond to the question. The statement accused *The Times*, the late *Times* chairman of the board Nelson Poynter, and reporter Bette Orsini of acting as part of an FBI conspiracy against the church.

St. Petersburg Times Washington correspondent Charles Stafford found the Scientologist report Friday and filed this report:

BY CHARLES STAFFORD

St. Petersburg Times Washington Correspondent

WASHINGTON — It feels strange digging through the boxes of documents that once occupied file cabinets in Church of Scientology offices in Washington and Los Angeles.

File envelope 417.

You rifle through an inch-high stack of papers. One strikes your eye. Just one of the 48,000 seized by the FBI in raids on church offices in 1977.

Suddenly you feel that you are peering over the shoulder of a fellow reporter, tiptoeing into the big boss' office while he is at dinner and rummaging through his desk.

Tom, a church functionary with the title of Collections Officer Flag, is writing to Joe, AC Info Flag. Copies are marked for 13 other church officers. Flag is the Scientology headquarters in the old Fort Harrison Hotel in Clearwater.

IT'S DATED MARCH 7, 1976, marked secret, and states at the top: "Re: C of S (meaning Church of Scientology) v. Times Publishing. Baynard, McLeod, Lang and Ballard."

It's called a "raw data report." Each paragraph is a summary of a document. Those are no longer attached, but the summary is explicit about what they are.

The report begins: "William Ballard of Baynard, McLeod, Lang and Ballard, the attorney for the *St. Pete Times*, is working off of the following data in their case against us."

Suddenly you know: This information he is describing is information belonging to your employer, *The St. Petersburg Times*, information that once was in *Times* files or the files of its attorneys. Either way, it was confidential information.

Tom writes: "In an undated memo *St. Pete Times* reporter Bette Orsini sends a copy of *Today's Health* article to Eugene Patterson, Bob Haiman, Andrew Barnes, and Gene Ingle of the *St. Pete Times*. Apparently then Haiman sends a copy of the article to their attorney Bill Ballard. (pg. 6)"

There are 13 single-spaced typewritten pages summarizing *Times* memoranda, correspondence, reporters' notes.

"On 26 Jan. '76," Tom writes, "Paulette Cooper was contacted for an interview." Ms. Cooper was the author of a 1971 book entitled *The Scandal of Scientology*. She was interviewed by reporter Orsini for stories about the church. (She is the "PC" in the Scientologist's memo.)

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Church's Covert Activity Told

Papers Show Scientology Infiltration of Government

BY ROBERT RAWITCH

Times Staff Writer

Covert operatives of the Church of Scientology infiltrated and stole copies of documents from at least three California state or local agencies and had plans to "penetrate" at least a score more in their quest to eliminate any negative references to Scientology, newly released church documents revealed Friday.

The internal church documents seized by the FBI in July, 1977, pursuant to a search warrant from Scientology's U.S. headquarters in Los Angeles, disclose a sweeping program of covert intelligence gathering even more pervasive than previously believed.

Nine of Scientology's highest leaders were convicted Oct. 26 in Washington, D.C., federal court on charges stemming from a four-year effort to burglarize and bug various federal offices and then to cover up the church's involvement when two members were arrested.

Hundreds of pages of church communications outlining an elaborate campaign to infiltrate more than 130 federal agencies were released in Washington, D.C., when the Scientologists were convicted.

But Friday U.S. Dist. Court Judge Charles Richey released hundreds of additional pages of other previously sealed church documents seized by the FBI that disclose:

—Scientology agents successfully got jobs working in the California attorney general's office, the Los Angeles district attorney's office and the state Department of Consumer Affairs. The Scientologist working with the Department of Consumer Affairs sent to church officials all the files on Scientology kept by the California Board of Medical Examiners which had received complaints of the

church practicing medicine without a license.

—The church had operatives gain access to the intelligence files of the IRS office in Los Angeles where personal data on persons such as Gov. Brown, Mayor Bradley and singer Frank Sinatra was obtained. Plans to infiltrate the U.S. attorney's office in Los Angeles apparently were never accomplished.

—Private groups successfully infiltrated by Scientologists included the National Council of Better Business Bureaus; Volunteer Parents of America, an anticult group; the American Medical Assn. and the American Psychiatric Assn. All the groups have been critical of Scientology.

—Intelligence sections of the church were rewarded under an elaborate point system for information gained about people or agencies Scientology perceived as its enemies. Five points were awarded for every week an agent was in place on an assignment and two points were given for every document obtained clandestinely. Fifty points could be lost if an agent's "cover" was blown and 200 points could be taken away if the blown cover "causes a legal threat" to Scientology.

In the past and again Friday Scientology spokesmen have insisted that, despite written orders authorizing such activities by the highest officials of the church, any "illegal" actions were those of individuals and not condoned by the church itself.

Scientology President Kenneth Whitman issued a statement that read: "This release of remaining documents is a relief. Hitherto, the government has selectively leaked anything considered of use in its war of attrition on the church. They shot

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NEW SCIENTOLOGY DOCUMENTS

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their bolt and failed. Now perhaps, we will see how far the agencies' secret and covert activities and false reports corrupted the First Amendment."

Whitman went on to criticize bureaucrats who act as though they are "above any laws" and said he hoped a full investigation of the documents released will result in corrupt government officials being brought to justice.

Scientology spokesmen in the past have asserted that U.S. government agencies and Interpol, the international police organization, have been responsible for circulating false and critical data about Scientology throughout the world that has caused the church problems and slowed its growth.

Scientology, which now claims 5½ million members worldwide, describes itself as an applied religious philosophy that attempts to help people improve their lives through one-to-one counseling sessions called "auditing." Reputed claims as to what can be gained from such sessions or courses, and the prices charged for them, have brought scores of complaints to various agencies alleging fraud.

Such complaints and legal questions raised in the past by the Internal Revenue Service about the tax-exempt status of Scientology have been viewed by the church as a form of harassment. Though 10 Scientology churches have tax-exempt status from the IRS, 140 others have so far failed to gain such exemptions.

Documents seized by the FBI from Scientology make it clear the infiltration and theft of government documents had three primary purposes:

- To determine what negative data on Scientology existed so that it could be countered.
- To provide an "early warning system" to alert the church if there were any threats of government action against Scientology founder L. Ron Hubbard or his wife, Mary Sue, currently listed as the highest official in Scientology.
- To obtain any data that reflected negatively on Scientology's critics so that it in turn could be used to discredit the critics.

First indications that Scientology had infiltrated the state attorney general's office became known in September, 1977, when church member Linda Ann Polimeni was arrested leaving the Los Angeles office of that agency af-

ter business hours with a pile of copied documents she had taken from the office of a deputy attorney general who was handling a tax matter relating to the church.

State agents had left the documents out as "bait" for Miss Polimeni and had observed her actions through a window of a nearby building.

Though she was formally charged with theft of government documents, the charges against her were dismissed in a pretrial hearing by the judge who ruled that since the data relating to Scientology had only been copied, nothing actually had been stolen.

Miss Polimeni, who worked for the Los Angeles district attorney's office before moving over to the attorney general's office, is not referred to by name in the internal church documents.

But the memoranda are replete with references beginning in 1975 of Scientology covert agents being employed with the local district attorney and in the attorney general's office.

Just prior to placement of the agent in the attorney general's office on Oct. 24, 1975, "compliance report" states:

"The Sacramento A/G files, the Los Angeles Police De-

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REVELATIONS ON SCIENTOLOGY

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partment bunco files and the L.A. city attorney's files are with the L.A. A/G office. Obtaining the L.A. A/G files and the LA D/A files will probably provide most all the data existing on California justice lines. We should be in a position to obtain these within about two weeks."

Stating he was not familiar with the content of the documents, Rev. Heber Jentzsch, a public spokesman for the California section of the church, would only say that the church, like an attorney, has the right to have investigators.

He went on to assert that the attorney general's office had infiltrated the church and then subsequently circulated false reports to other law enforcement agencies that Scientology was involved in narcotics activities.

He said the attorney general's office and the district attorney's office were secretive agencies which offer "no means for a citizen to find out what is going on."

Though orders to covertly obtain data about the church came from Scientology's worldwide headquarters in England, the means of obtaining the data appear to have been left to local operatives.

When a Los Angeles church official wrote a superior that a confidential source was able to obtain a worker's keys that opened the doors to the office where the attorney general kept Scientology files, the senior official responded:

"Methods have historically been comm'd (communicated) between B1 (the intelligence or information bureau as it is now called) people directly. Seniors do not need to know this data generally."

Sue Hall, a Scientologist who belongs to the church's

mission in Davis, Calif., on her own in July, 1975, turned over to Scientology leaders the entire file on the church kept by the California Board of Medical Quality Assurance, then known as the Board of Medical Examiners.

Church communications state that Hall worked for the California Department of Consumer Affairs, which supervises the medical board, and came upon the church's request for data kept on it by the state agency.

A handwritten, signed and notarized affidavit by Hall states "the files I took and Xeroxed from the Board of Medical Examiners were taken on my own determination (sic), not on the determination of an outside source."

Summaries of the files prepared by Scientologists reflect that most of the material consisted of complaints from individuals who wrote the board that members of Scientology were "practicing medicine, psychiatry or psychology without a license."

Some of the complaints date back to 1969, and those board investigators thought could be sustained were sent to the state attorney general or local prosecuting agencies.

The summary also asserted that because Scientology is a religion, it therefore needs no license, but that some investigators for the medical board refused to accept that fact and try to "get us."

As with the other documents about which he was questioned, Jentzsch said he was not familiar with the material and did not know of Miss Hall or where she could be contacted.

A July 22, 1976, memorandum from the Los Angeles head of covert operations listed 29 state and local agencies apparently earmarked for "penetration" by Scientology

agents. Part of a sentence on the document is crossed out on the original, but FBI agents who seized it wrote in the margin the blacked out word appears to be "penetration."

An accompanying letter states "if a good monitor point is placed in a key agency, it would be possible to get the data from the smaller agencies. Thus you get one LAPD and then all PDS, one AG and then all AGs—this eliminates 150 people to monitor."

The attorney general's office in Los Angeles and Sacramento was listed as second in priority only to the "US AG LA," an apparent reference to the U.S. attorney's office in Los Angeles.

Other agencies listed as top priorities included the Los Angeles police and sheriff's departments, the district attorney's offices in Yolo, Sacramento and Los Angeles counties, the California State Franchise Tax Board, the California Department of Consumer Affairs and the California Department of Health.

It was reported last year that a lieutenant on the San Diego police department was discharged because of lying about certain inquiries he made to the FBI on behalf of Scientology.

A March 7, 1976, Scientology plan to establish an intelligence network in Sacramento outlines other agencies to be covered by agents including the California Mental Health Assn. and the office of former Lt. Gov. Mervyn Dymally, who was said to have a special interest in Scientology because of efforts by some groups to pass legislation that would restrict the growth or activities of cults.

Sprinkled throughout the church documents is correspondence reflecting Scientology's knowledge of information in various files of governmental agencies, despite disavowals by those agencies of having data beyond that which they already had turned over to Scientology.

Whether the church's knowledge is the result of infiltration of agencies as diverse as the Los Angeles City Fire

Department and the California Youth Authority or because documents from those agencies were in the files of the attorney general or Los Angeles district attorney's office is not clear.

Though the plans for infiltration of local, state and federal agencies appear grandiose, nowhere in the documents is there any indication how many individuals Scientology might have had available for covertly obtaining governmental and other data on Scientology.

One source intimately familiar with the church's intelligence-gathering program estimated that as many as 50 persons may have been involved in various illegal acts, with scores of others possibly processing material the origin of which they did not know.

Scientology spokesmen have pointed out that the Guardian's Office, the section of the church which carried out the intelligence operations, has an estimated 800 to 1,000 persons, only 11 of whom have been indicted. Two persons living in England are still fighting extradition to face the criminal charges against them.

A common method of attempting to obtain information about Scientology when infiltration of a group or agency was not possible appears from the documents to have been through the use of so-called "suitable grassees."

There are numerous references to Scientologists acting as free-lance writers who approach governmental officials and others with the stated purpose of doing stories on Scientology.

In one instance in 1972, church documents disclose, a Scientologist posing as a free-lance writer "working with

SCIENTOLOGY COVERT ACTIVITIES

Continued from 21st Page

the Los Angeles district attorney's office" tape-recorded conversations with a U.S. Postal Service official who worked in that agency's fraud section.

The postal official, Charles Miller, is said to have indicated that the services had looked at Scientology over the past decade or so, but had never been able to make a mail fraud case against the church.

Four years later, church documents state, Scientology leaders wanted to get an agent into the U.S. Postal Service's investigation section in Los Angeles and the U.S. Customs office in Los Angeles because the church believed its incoming mail was being opened by those two agencies. It could not be determined whether such infiltration efforts were ever carried out.

The Internal Revenue Service was a particularly favorite target of Scientology apparently because of the agency's constant scrutiny over Scientology's tax-exempt status and the church's knowledge that the IRS believed huge sums of money were being improperly diverted to founder Hubbard's personal use or control.

Church officials have publicly asserted that Hubbard no longer controls the church, but merely is a consultant who continues to do research and write material used by Scientology. Hubbard is believed to be living under an assumed name, in an undisclosed location under tight security precautions.

One 1977 church document indicates Scientology had covert agents in place at the IRS's office of international operations in Washington, D.C., and the IRS' Los Angeles

investigating the church so that the data could be released surreptitiously to discredit those agencies.

For years Scientology has attacked various IRS policies, particularly the service's own controversial intelligence-gathering techniques and attempts by the Nixon Administration to use the IRS to harass its political enemies.

Much of the church correspondence was either from or to Scientology's Pacific Director of the intelligence section, Sandy Cooper, who also was known as Sherry Canvarro and Sherry Hermann.

Although she never has been charged with any criminal offense, Mrs. Hermann, her married name, had previously worked for the American Medical Assn. in Chicago and the Council of Better Business Bureaus in Washington, D.C. Both organizations were victimized by thefts of material from their files relating to Scientology and the public release of material that reflected negatively on the organizations.

The newly released documents reveal Scientology also had covert agents who worked with such private organizations as The American Psychiatric Assn. and the Volunteer Parents of America, an anticult group.

All of the groups have been critical of the church.

To help direct the intelligence bureau's actions, in 1977 the elaborate point system was developed by Jane Kember, the church's worldwide guardian based in England. Kember is one of those indicted for the burglaries and thefts of government documents in Washington, D.C., but she and an associate have so far been able to avoid extradition to face the charges.

The 10-page directive outlines all the ways points can be gained or lost obtaining intelligence data sought by Scientology.

The documents do not make clear what benefits, if any, would accrue to those agents receiving points for covert intelligence gathering activities, nor what was the effect of

losing points.

"Files obtained or documents obtained covertly or clandestinely, including ripped off Sci (Scientology) materials recovered are worth two points per document, according to the order.

Twenty points could be earned for "a complete data collection cycle" in which "discreditable" data or documentation is gathered to handle the "enemy." Fifteen points could be gained with a partial prediction, usually based on a covert interview, of an impending attack on Scientology.

If an enemy of Scientology became unable or unwilling to attack further, 100 points would be given to the responsible section of the intelligence bureau.

But points could also be lost.

If an agent's cover was blown, and he or she was traced back to the church, it could result in a loss of 50 points, and if the action caused a legal threat to Scientology, 200 points would be subtracted. Fifty points would be subtracted if Scientology encountered an "unpredicted attack."

Jentsch denied any knowledge of such a point system, but said he could understand why one would exist to encourage persons to ferret out wrongdoing by government agencies.

Scientology Documents Reveal Plot to Frame Author Writer of Book Critical of Church Was to Get Blame for Threat Against Kissinger

BY ROBERT RAWITCH

Times Staff Writer

Church of Scientology members plotted in 1976 to frame church critic Paulette Cooper on charges of sending a bomb threat to former Secretary of State Henry Kissinger, newly released Internal Scientology documents revealed Friday.

The elaborate plan was set forth in a 12-page document dubbed "Operation Freakout" in which Miss Cooper, a New York author who wrote a critical book about Scientology in 1971, is referred to as "Lovey," "Lovely" and "P.C." Nowhere does her name actually occur, but federal authorities have in the past verified that P.C. was the church code for Paulette Cooper.

Operation Freakout and hundreds of other Scientology memoranda were seized from the church's Los Angeles headquarters two years ago by the FBI pursuant to a search warrant. Some of the documents were made public last month when nine church officials were convicted on charges related to infiltration and

burglaries of government offices. However, Operation Freakout and other documents had remained sealed until a federal appellate court in Washington, D.C., Wednesday approved their release.

There is no indication in the documents whether any part of the proposed plan actually was carried out, but federal authorities in New York for several years have been delving into a prior instance in which Miss Cooper believes she was set up by the church on charges of sending bomb threats through the mail to Scientology.

A Scientology spokesman in Los Angeles Friday said he was unfamiliar with Operation Freakout and therefore could not say whether any of the planned actions against the 37-year-old author were carried out.

A church spokesman in Washington, D.C., added, "This situation is not in perspective until one examines the extent to which Miss Cooper was covertly working with the FBI and other federal agencies" to investigate the church.

But both church spokesmen, as they have done before when Scientology leaders have been accused of illegal acts, repeated that the church "does not condone" any illegal activity.

In 1973, Miss Cooper was charged by a federal grand jury with sending threats through the mail to the New York branch of Scientology, but the charges subsequently were dropped after she passed a "truth serum" test and authorities became convinced she had nothing to do with the threats.

Operation Freakout, whose stated purpose was "to get P.C. incarcerated in a mental institution or jail," outlined a plan for which the first step was to get Miss Cooper's fingerprints on a blank piece of paper.

Upon accomplishing that, a threat to Kissinger, seemingly written by an enraged psychotic, was to be typed on the paper and sent to Kissinger "from the mail box nearest Lovey's place."

The letter, accusing Kissinger of being a traitor and threatening "I'M GOING TO KILL YOU I'M going to BOMB YOU," was to be signed "The

Arab." Scientologists planning the frameup apparently hoped to lead federal authorities to Miss Cooper by using a woman who resembled her to stage a confrontation in a laundry not far from Miss Cooper's apartment, but not one she actually used.

The double, ordered to wear clothes similar to Miss Cooper's and her hair the same style as the author, was to enter the laundry acting confused.

The plan then suggested the following scenario after the covert agent states, "I'm P.C. Do I have any clothes here?"

"Clerk says no. FSM (field staff member, the church's code name for a covert agent) demands clerk checks (sic). Clerk comes back. Says no again. FSM screams You're crazy, my name is P.C. check again! When clerk says no or whatever he does, FSM . . . (says) You're one of them! I'll kill you. You're a dirty Arab. You fucking bastards (sic). I'll bomb you. I'll bomb the Arabs. I'll bomb the President. I'll kill that traitor Kissin-

gner (sic). You're all against me." The woman posing as Miss Cooper is then instructed to leave the laundry immediately.

But a second Scientologist is then instructed to immediately go into the laundry and comment how "crazy" the previous customer seemed and that the clerk probably should call the police and report the threat against the President.

Yet another Scientologist, apparently to make sure authorities learned of the threat, was instructed to call the FBI and tell the bureau of what had happened in the laundry.

Operation Freakout instructs that the caller to the FBI should disguise his voice because all such phone calls are tape recorded, but also urges that the Scientologist agent making the call not be made aware of the FBI practice.

Other phone calls were to be made to Arab consulates stating that "a writer named P.C." had recently returned from Israel and she actually worked for "Israel (sic) Intelligence" and was insane. The caller was also instructed to tell consulate officials that Miss Cooper lately had been "talking about bombing your embassy."

It could not be determined whether any of the phone calls had been made or whether anyone posing as Miss

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Cooper went into a laundry near her apartment.

Miss Cooper, in an interview Friday, after she reviewed Operation Freakout, said she was instructed not to comment in any detail because "the matter is before a federal grand jury."

But she said she does recall a stranger coming up to her in circumstances similar to those outlined in the plan as the means of getting her fingerprints on a blank piece of paper. Further, she said she knows of three instances in which friends called her insisting that she had previously called them when in fact she made no such phone calls.

She now believes the calls made to her friends were efforts by someone to duplicate her voice.

Scientology and Miss Cooper have been involved in litigation against one another since shortly after her book "Scandal of Scientology" was released in 1971. She has accused the church of harassing her and the church has accused her of spreading lies about Scientology.

The author has been sued by the church 14 times, including in England, where her book was never formally distributed.

Scientologists Kept Files on 'Enemies' Inventory of Seized Documents Shows Memos on Congressmen and Judges

By Ron Shaffer

Washington Post Staff Writer

The Church of Scientology, in its efforts to investigate and attack its "enemies," kept files on five Washington federal judges, Sen. Edward M. Kennedy, other congressmen, Jacqueline Onassis, the Better Business Bureau and the American Medical Association, according to Scientology documents in the possession of federal investigators.

The Scientologists' files, summarized in a 525-page inventory filed in court by the federal government, were in many cases marked "Eyes Only," "Top Secret," "Enemy Names" and "Battle Plans." Their contents were

coded with phrases like "Operation Cut Throat," "Espionage" and "Operation Big Mouth."

The documents, which were seized under subpoena by federal agents in raids of Scientology offices here and in Los Angeles last summer, include orders from top Scientology officials to investigate and attack certain government agencies, private businesses and individuals.

Among other Scientology property seized in the raids were memos on how to obtain false identities and tap telephones, a lockpicking kit, electronic eavesdropping equipment, two .22-caliber pistols and a leather blackjack, according to the govern-

ment inventory filed in federal court in Los Angeles.

Federal investigators studying the thousands of pages of seized Scientology papers also have found secret CIA documents, "apparently original" Internal Revenue Service documents, and confidential letters between presidential Cabinet members, including one letter that apparently was drafted but never sent.

Federal prosecutors are submitting some of the seized documents to a federal grand jury here that is investigating the Scientologists. A government affidavit filed in connection with last summer's searches quoted a former high-ranking Scientology official who said the Scientologists were wag-

ing an "all out attack" on the government through infiltration, burglaries, theft of government documents and buggings.

The Church of Scientology has answered that it has broken no laws and has in fact been the victim of a government conspiracy to destroy it. Government documents in its possession, according to Scientology officials, were legally obtained through the Freedom of Information Act (FOIA). Some of the documents seized by the government had been marked by the Scientologists "FOIA," according to the inventory, while others were marked "non-FOIA."

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Church Kept Detailed Files on 'Enemies'

SCIENTOLOGY, From A1

Last night a spokesman for the Scientologists accused the FBI of "leaking erroneous data" in an effort to influence ongoing court proceedings in which the Scientologists are fighting to have their documents returned.

"They [FBI] are twisting facts to attribute to the church dirty tricks which they [FBI] have specialized in for years, which continues to this day," the spokesman said. "The Washington Post is allowing itself to be used as a mouthpiece for these lies and half truths."

The Washington Post reported recently that, according to informed sources, some of the seized Scientology documents indicate that church members staged a bogus hit-and-run accident in Rock Creek Park here in an attempt to compromise a visiting mayor who had opposed the Scientologists in Florida. The Post also reported that, according to those same sources, the church had forged a rough draft of an embarrassing news story under a Florida reporter's name to undermine his credibility and had faked a bomb threat to frame the author of a book critical of Scientology.

According to both the government affidavit and its inventory of the seized Scientology documents, top Scientology officials were aware of and participated in the campaign to silence critics of Scientology.

These officials, according to the court documents, include Henning Heldt, head of the Church of Scientology's Guardian Office in this country, and Mary Sue Hubbard, wife of Scientology founder L. Ron Hubbard and the second-ranking person in the Scientology hierarchy.

According to the government affidavit, the Guardian's Office, one of the two major divisions of the Church of Scientology, is responsible for carrying out covert operations to acquire government documents and "to discredit and remove from positions of power all persons whom the Church considers to be its enemies."

According to the government inventory of the seized documents, Scientologists gathered information on the personal habits and courtroom conduct of U.S. District Court judges Oliver Gasch, Gerhard A. Gesell, Joseph C. McGarraghy and John J. Sirica, and U.S. Court of Appeals judge Carl McGowan, all of whom have handled some aspect of cases brought by or against Scientologists here.

Some of the information was obtained from the judges' private files, according to the inventory. Other bits came from interviews in which Scientologists masqueraded as students or reporters, a tactic that Scientology documents refer to as "suitable guise" interviews.

The material gathered ranges from assessments of the judges' reactions to various legal tactics to Judge Gasch's real estate transactions.

The files also include, according to the inventory, a five-page "investigation" of Sen. Edward M. Kennedy (D-Mass.) and references to an acquaintance of Kennedy's named Helga Wagner.

Kennedy's spokesman, Tom Southwick, said yesterday that the Scientologists might have been interested in Kennedy because they oppose portions of his criminal code revisions that would allow judges to refer defendants to psychiatrists.

Southwick said the Scientologists might have been interested in Kennedy because they opposed portions of his criminal code revisions that allowed judges to refer defendants to psychiatrists.

The same memo that mentions Kennedy and Helga Wagner, according to the government, also says that "Wagner and Jackie Onassis (sic) have known each other for approximately eight years," and says that telephone conversation with Onassis to interest her in the church.

A spokesman for the scientologists said the files on the judges "are nothing more than the files which would be maintained on judges in every law office in the United States."

According to the government inventory, the Scientologists kept extensive files on the American Medical Association, the Better Business Bureau and the American Psychiatric Association, all of which had investigated Scientology or published articles about it.

The Scientologists' investigation included, according to documents, the infiltration of several Scientologists into the AMA as employees. One, a secretary, had access to meetings of the AMA's board of directors.

During 1975, confidential AMA documents were leaked to the press by then unknown sources, one of whom was nicknamed "Sore Throat" by the press. The leaked information led to investigations of the AMA by the Internal Revenue Service, U.S. Postal Service, several congressional committees, Ralph Nader and the press.

An AMA spokesman characterized the leaks as "like death by a thousand cuts." The organization frantically searched for the sources and ultimately accused the Church of Scientology. Scientology spokesman dismissed the accusation at the time, calling it "illustrative of an incredibly corrupt organization grasping in the dark to cofer their own crimes."

A team of 20 FBI agents has spent weeks cataloging the thousands of Scientology documents. According to the government inventory, they have found file folders and operations with the code names "Billis' Baby," "Vanguard," "Hunter," "Fleece," "Starpoint," "Amber," "Pink In," and "Lantern."

One church document, dated Jan. 20, 1977, is entitled, "The Correct Use of Codes." There is no further elaboration in the government summary.

The Scientologists kept files on

scores of people and dozens of Congressmen, according to the inventory.

Folders included files on such disparate institutions as the Glendale City Council, Letterman's Army Medical Center, Folsom Prison, the Albany Chamber of Commerce, Carnegie Hall, the Pasadena Department of Finance and the King County, Wash., Department of Public Safety.

In the organization's files are memos, letters, documents and teletypes, many of them confidential, dealing with intelligence matters involving the Justice Department, the Internal Revenue Service, the Treasury Department, and the Bureau of Alcohol, Tobacco and Firearms, according to the government inventory. One item seized is a draft of a letter from a former attorney general to a former secretary of the Treasury marked "Not Sent."

Also there are references in seized Scientology memos to "D.C. Police Plant Debriefs," and "FDA Plant Debriefs, 1959," according to the inventory. The "debriefs" notations are references to reports filed by informers for the FDA and D.C. police that subsequently were obtained by the Scientologists, according to informed sources.

The government has possession of the organization's files dealing with several men who were D.C. policemen and with local law firms, including Williams and Connolly, and Feldman, Ginsburg and Bress, according to the inventory. Both have had some connection with Scientology court cases.

The government inventory includes brief descriptions of a number of documents, with words in quotation marks taken directly from the documents, according to the government. In most cases the descriptions are brief, with no elaboration.

The inventory also includes the following:

- A one-page confidential executive directive bearing the stamp "highest priority" and dated April 13, 1976, listing agencies "toward which our attack vector should be aimed." The list includes the State Department, Interpol, the FBI, Post Office, Justice Department, IRS, CIA and Treasury Department.

- A one-page document dated Nov. 6, 1975, entitled, "IRS: Zapping Them."

- A four-page memo on obtaining false identification.

- A three-page memo on obtaining false birth certificates.

- A memo on the "Vetting Hat Addition" which deals with the penetration of nongovernment organizations and the tapping of phone conversations.

A nine-page report designated priority regarding "Operations on enemies Sableman, Orsini and Bob Snyder." Reporters with these names wrote stories critical of Scientology.

- A seven-page memo dated Dec. 2, 1974, entitled "The Tailing and Following of Agents: What To Do."

A manila folder entitled Operation Cut Throat containing six documents regarding the infiltration of the Better Business Bureau of Greater St. Louis.

- A confidential Better Business Bu-

reau report entitled "The Church of Scientology of Boston."

Raymond Banoun, an assistant United States Attorney and the chief investigator in the government's probe into Scientology, declined to elaborate on the church documents beyond what is in the inventory.

Scientologists have contended in court documents, press releases and interviews that they are victims of a 20-year campaign of harassment by the federal government, which is attempting to suppress their religion.

After recent articles in The Post about their alleged activities, scientology spokesmen held rallies and put out news releases announcing that the organization had been "monitoring" government activities in order to find "government illegalities and cover-ups" and make them public.

The spokesmen announced the formation of a new group, American Citizens for Honesty in Government, and called on "every honest government employee" to report improprieties to the "ACHG Ethics Committee."

Scientology has been the subject of controversy since its founding in the late 1940s. It has been called quackery, and endorsed as a means to peace of mind.

The movement was founded by L. Ron Hubbard, a former science fiction writer who spread his gospel in a best-selling book, "Dianetics: The Modern Science of Mental Health."

Scientology professes to be a religion in which people can be "cleared" of troubling experiences through sessions with "auditors" or counselors. Fees for this auditing and courses in the movement's philosophy can cost thousands of dollars.

Government interest in Scientology files increased last year after a high-ranking organization official, Michael Meisner, began telling the FBI and prosecutors about Scientology covert operations and documents. Meisner had been sought by the FBI in connection with his alleged illegal entry into the U.S. District Courthouse here. He has since become a key government witness and is under protective custody, according to informed sources.

Meisner has told the government that Scientology officials hid him while he was a fugitive and then placed him under 24-hour guard when he tried to return to Washington. At one point, he has said in an affidavit, he was moved from one building to another while handcuffed and gagged.

According to the government inventory of Church documents, a number of top Church officials, including Henning Heldt and Mary Sue Hubbard, talked about Meisner's situation while he was a fugitive. One memo, found in Heldt's desk, begins, "Dear Mary Sue, Herb is threatening to return to D.C." "Herb," Meisner has sworn, was a code name for him. Other documents, with cross references to Herb and Meisner, confirm that, according to informed sources.

According to Meisner's sworn statement, organization officials believed it was essential for the operation and security of Scientology to keep detailed records.

Detroit Free Press

NOVEMBER 25, 1979

1979

Scientology 'dirty tricks' bared

Washington: Court documents show the Church of Scientology put together a scheme to blackmail the Internal Revenue Service into doing a favorable tax audit on the church.

According to documents released Friday, the church stole secret IRS files on famous Americans and planned to threaten to release them unless the audit was favorable. There was no indication any blackmail threat against any individual was made.



Miss Cooper: framed

The documents were among thousands of files seized from the church in 1977, and ordered released Friday after nine church leaders were found guilty of a massive plot to steal government files about the church.

The memos indicated the church had files on ex-Gov. Edmund Brown of California; his son Edmund Jr., the current governor; Los Angeles Mayor Tom Bradley, and singer Frank Sinatra.

Also revealed in the documents was a scheme by the church to silence a New York writer by framing her as the prime suspect in a series of bomb threats.

Patti Cooper, 37, said the church began harassing her in 1969 when it learned she was working on a book called "The Scandal of Scientology." Shortly after the book was published in 1971, she was indicted on charges she sent a bomb threat to church offices. The charges finally were dropped in 1975.

Scientologists Infiltrated Forbes Magazine Also Tried to Get 3 Florida Reporters Fired, Documents Reveal

BY ROBERT RAWITCH
Times Staff Writer

LOS ANGELES — The Church of Scientology successfully infiltrated Forbes magazine but failed in its attempt to get three Florida reporters fired from their jobs because of critical stories about Scientology's establishing a headquarters in Florida, newly-released internal church documents disclosed Monday.

The infiltration of Forbes came as a shock to editors there, but spokesmen for the three Florida media outlets were not surprised at the plot to harass their reporters. They said the documents only confirmed what they already knew.

None of the three reporters was fired, though management at one small radio station discontinued the talk show of one newsmen for one month because of legal threats made against it.

The disclosures were contained in the last set of church documents released in Washington, D.C., after an appellate court order unsealing the data.

Thousands of church documents were seized by the FBI from the church more than two years ago resulting in the indictment of 11 Scientologists on charges of conspiring to burglarize and bug various federal government offices. Nine have been found guilty of charges relating to the conspiracy while two more are fighting extradition from England.

Shelly Salaznik, managing editor of Forbes, a business-oriented magazine with a circulation of more than 600,000, said he had no idea why Scientology would want to infiltrate the magazine and he knew of no influence on the magazine's editorial content by the unnamed "researcher-reporter" who apparently got a job on the magazine in 1977.

But a June 24, 1977, memo to a Scientology official in Los Angeles said the agent was "in a position to originate articles and has a perfect excuse for interviewing people in depth, plus a prestigious magazine to back up his work."

The memo from a man identified only as "Allen" states that the researcher had been supplied with negative information about the American Medical Assn. so that the material could be fed to Forbes' editors who were planning an article tentatively entitled "Medicine: The Last Unregulated Monopoly."

Salaznik said Forbes did do a story about the state medical care and costs entitled: "Prescription from Washington: Physician, Heal Thyself, or Else!" which appeared in the Oct. 1, 1977, edition.

The memo went on to state the name of the "FSM," the

Critical stories about secret property purchases brought howls from church.

abbreviation for field staff member, or covert agent, according to the government, would start appearing in the magazine's masthead on July 15, 1977.

A check of the masthead of that date, the managing editor said, did not reveal any newly added employees.

A Scientology spokesman in Los Angeles said he saw nothing improper about having a Scientologist hired by Forbes to assist in the publication of the story about the AMA.

"We have to get the information out," said the Rev. Heber Jentzsch, "to expose the criminality of the AMA."

The medical association has long been an opponent of Scientology because of claims made in the past about the healing effects of practicing Scientology.

Critical stories about Scientology's secret purchase of several million dollars in property in Clearwater, Fla., brought protests from the church to the local media in late 1975 and early 1976.

A historic hotel and a nearby bank were bought for \$2.3 million in December, 1975, by Scientology for advanced training headquarters, but publicly two front organizations were said to be the owners of the property. When the news media finally uncovered the true owners, the church admitted it.

Scientology, which claims 5½ million adherents, calls itself an applied religious philosophy that aims through counseling, or so-called "auditing" of individuals, to improve an individual's abilities.

Former Clearwater Sun reporter Mark Sableman and St. Petersburg Times reporter Betty Orsini did the most extensive reporting on the land transactions and Scientolo-

gy's future plans. Editors of both papers said the reporters were the object of much criticism by the church and sudden harassment from anonymous sources.

Sableman, now a lawyer in Chicago, had his apartment broken into and his typewriter was used to write a phony story linking some state legislators with Florida Mafia figures. The story was then anonymously circulated around the state's capital as a draft of a story Sableman planned to publish.

Mrs. Orsini's husband was the target of an anonymous letter to the St. Petersburg newspaper charging him with embezzling money and mismanagement of the local Easter Seal organization he headed. Investigations by the newspaper and local authorities found no improprieties in the organization.

A Jan. 26, 1976, Scientology letter, labeled "Priority A," discusses "operations on enemies Sableman, Orsini and Bob Snyder," a local radio talk-show host.

In the case of Sableman, the plan called for an elderly Scientology agent from outside the area to go to the editors of the Clearwater Sun and accuse Sableman of molesting the woman's son.

Throwing a lurid magazine in the face of the editor, the woman was instructed to scream: "Look what he gave my son, not to mention what the pervert did . . . sob, sob, to my Johnny. I'm going to the police, if you can't do something about that pervert Sableman I will see they do something to you."

A male agent was then to call the police and the newspaper asserting that the woman planned to sue Sableman and take the story to other newspapers.

Ron Stuart, now editor of the Sun, said no such incident did occur.

YOUR LOCAL NEWSPAPER

ClearwaterSun

65th Year—No. 208 Clearwater, Florida, Tuesday, November 27, 1979 Daily 15¢

Cult sought to shield \$8 million from IRS

By RICHARD LEIBY
Sun Staff Writer

WASHINGTON—The project was so top secret and top priority that L. Ron Hubbard himself christened it. He called it "Goldmine."

At stake was more than \$8 million in Scientology money that the Internal Revenue Service might get if top-level sect "guardians" didn't work quickly and vigorously to pro-

tect Scientology from unfavorable IRS audits.

The scheme was based in Clearwater, where in November 1975 the sect had just established its phony United Churches group. But top Scien-

tologists around the country were prepared to battle the IRS, with tactics that ranged from incriminating Frank Sinatra and Los Angeles Mayor Tom Bradley to getting the

- Cult schemed to get reporter fired
- Elaborate sabotage struck Cazares campaign
- Spies lost cover, came in from cold

—Page 4A

paid payroll and property taxes from 1963 through 1974. The 1975 bill could come to another \$2 million, he calculated.

The plan Hubbard ordered was to use millions in overseas Scientology accounts to cover the debt, and to create the United Churches group to ensure that Scientology could continue operations tax-free, the documents show. The procedure was de-

signed to appear legal.

"IRS has fully viewed our flow of funds out of the United States in the California and Hawaii audits," a sect financial officer, Mary Rezzonico, wrote in December 1975.

"If we do not change this procedure, and I don't expect that we will, they really couldn't... construe that we See CULT, Page 4A

are getting rid of the assets or placing them beyond control of the IRS—to avoid taxes."

The Scientology money, however, would go into well-planned front corporations such as Southern Land and Leasing Development Corp. and United Churches of Florida, based in the Fort Harrison Hotel and Bank of Clearwater buildings.

"Since UCF is a subsidiary of (The Church of Scientology of California) can be funded by C of S of C as to its PR (public relations) activities. 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," guardian Henning Heldt wrote in November 1975.

"Yet to the outside world in Clearwater," he added, "the whole operation can be made to appear to be UCF and its members. Corporate distinctions that could make these appearances difficult to maintain... can be very loose."

After reading of the scheme, Hubbard wrote on the top of the letter: "Very, very well done. Love, Ron."

In December 1975, Henning added this opinion: "I believe the Goldmine handling will result in lead pipe... protection for the Fort Harrison and Bank Building from the fact that even in the event of a (IRS) seizure of the Bank buildings, would not be due to the fact that the title to these properties is recorded in (Southern Land Development Corp.'s) name."

Timed with the start of "Goldmine" was another top-level plan, "IRS: Zapping Them." This would use covertly obtained IRS documents, related to alleged investigations of Sinatra and Bradley, to distract attention from the sect's tax problems.

The sect correspondences talks of Sinatra's alleged ties to Mafia members and his investments in Caesar's Palace, a Las Vegas casino. It states that an IRS agent was "assigned to check out the allegations that Sinatra has unreported income for years 1962-65" and that "Sinatra uses Caesar's money, not his own, when he gambles."

There is mention of a "juicy" file on Bradley, but no specific allegations are included in the documents, which the IRS never made public.

Another public relations campaign, dubbed "IRS-Reciprocal," would be carried out—based on the contention that the agency was using "totalitarian action... to destroy" Scientology's well-timed exposure of IRS "crimes."

"The major product being full tax-exempt status for all U.S. Churches of Scientology, PR's target, in the event IRS tries to deny our exempt status, will be to resume... using IRS documents and data to attack the agency unmercifully, thus backing them off any hostilities toward the church," a public relations guardian, Larry Wilber, wrote in December 1975.

The plan included finding "the best congressional committee" that could act as a vehicle for the attack, "with such good timing that we get some support," Wilber stated.

Specifically, Scientologists should "approach Sen. Kennedy and see what we can get him to do for us... Ideal scene would be a criticism of IRS abusive intelligence practices regarding the Church of Scientology and an appeal to them to open their files."

In 1974, Scientologists did provide information to a congressional committee probing the IRS. Kennedy, the committee's chairman, thanked them for their "imaginative, investigative reporting in uncovering alleged IRS abuses."

Heldt also suggested in late 1975 that the Scientologists push for a proposed Taxpayer's Bill of Rights "that would severely reduce IRS's power in jeopardy actions and greatly increase the security of our operation," documents show.

A Scientology spokesman in Los Angeles said Monday that the planned public relations campaigns against the IRS were not related to the "Goldmine" project, which would have transferred millions from Luxembourg banks to preserve Scientology.

"Saving money to guard against abusive and discriminatory tax practice is a good idea," said spokesman Lee Thoburn. "That a church would have to take such measures to protect itself says a great deal about the IRS."

In Clearwater, spokesman Nancy Reitze said: "The Church of Scientology has battled the IRS for 21 years, so we can be considered experts on how the IRS operates. During those 21 years, we have seen every IRS dirty trick in the book."

"They are politically motivated. And when we find examples of that, you can bet we'll bring them to public attention."

Sect documents show the "Goldmine" project never was fully carried out because media investigations disclosed that Scientology was behind United Churches. Thus, the hotel and bank properties were put under the sect's name.

The Church of Scientology currently does not have tax exemption, according to the IRS.

Plan was to make Times reporter appear to be taking money from Mafia

Scientology files: Frame reporter

BY CHARLES STAFFORD

St. Petersburg Times Washington Correspondent

WASHINGTON — Bette Orsini was writing articles in *The St. Petersburg Times* about the Church of Scientology in the winter of '76, articles church officials did not like, and Joe — a Scientologist in Clearwater headquarters — devised a plan to get her fired.

His plan, in a nutshell, was to make it appear

she was taking money from a member of the Mafia.

At the same time, Joe worked out schemes designed to cost two other reporters their jobs — Mark Sableman of the *Clearwater Sun* and Bob Snyder of radio station WDCL, Dunedin (now WWQT).

THE SCHEME was revealed in church documents that were released Monday by the

U.S. District Court for the District of Columbia in connection with the recent trial of nine church leaders.

Church spokesman Nancy Reitze of Clearwater told *The Times*, "A very distorted picture can be painted if one leaves out the fact that the coverage of Scientology by these people had been so one-sided that a public climate was

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The files also show the Scientologists:

- ✓ Tried to infiltrate *The Times*
- ✓ Obtained secret grand jury testimony
- ✓ Tried to discredit a cartoonist
- ✓ Devised a plan to protect sensitive documents

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Reporter from 1-A

created where church members in Clearwater faced daily harassment and even bomb threats. It was not unlike the frenzy stirred up by the CIA and FBI in their attacks on minorities and my opinion is that you can't rule out some direct relationship.

"When compared against the loads of released documents which show massive (government) agency campaigns against one religion, these Halloween pranks which were not all carried out only tell part of a much larger story."

The plans to deal with Orsini, Sableman and Snyder were set forth in a letter from Joe, assistant guardian of information at Flag (church headquarters in the old Fort Harrison Hotel) to Dick, deputy guardian for information U.S. The letter, dated Jan. 26, 1978, was headed, "Re: Operations on Enemies."

"I AM ATTACHING three different operations that I have mocked up for immediate implementation," Joe said.

In his plan for Mrs. Orsini, Joe said he had determined that St. Petersburg Times officials were very protective of information they had gathered and "would not like it if their guarded information were given out by an employee."

Step one was to determine what Times official had the authority to fire Mrs. Orsini. Step two was "to determine who this person hates. IE: If it's the editor Joe Jones and he hates . . . (a local Mafia) that's what we want." Step three: To bring in a church agent from out of town. Step four: To provide him with \$100 in cash in an envelope. The agent would visit the office of the editor and,

"looking very suspicious," throw the envelope on the editor's desk. The agent was to tell the editor, "This is for Bette Orsini and it's for the file she gave (the name of the person found that he hates). He/she really appreciates the favor."

AT THIS POINT, the plan said, the editor would look puzzled and ask the visitor for identification. The agent was to reply that he was just a messenger boy for the Mafia member and leave.

In Sableman's case, Joe's plan was to "have a woman (elderly) go into the office and in grief and misemotion (sic) start screaming she wants to see Sableman's boss. She goes in and sees this man and screams and cries about Sableman sexually assaulting her son, or grandson. The woman takes a magazine which is lurid and perverted and throws it into the face of the man/woman and screams 'Look what he gave my son, not to mention what the pervert did . . . sob, sob, to my Johnny. I'm going to the police. If you can't do something about that pervert Sableman I will see they do something to you.'"

A THREAT of a slander suit was the weapon Joe chose to use against Snyder. He said he had determined that the manager of WDCL "has a button on being sued for slander . . . Snyder's agreement with the station is to do his thing without slander in his format with his guests."

During Snyder's show, in which he accepted calls from listeners, a church agent was to call and accuse Snyder of slandering him in a recent show.

The documents do not disclose whether any attempt was made to carry out these plans. However, Snyder was fired by WDCL after the church threatened to sue the station. He was later rehired.