# 1986

First groups in Chile and Kenya formed. (CofS)

# 1986, Early

The 1978 case of Founding Church of Scientology v FBI director Webster is dismissed.

The Church took the position that LRH was no longer a managing agent.

However, the FBI produced evidence that LRH was still a managing agent. The court found that despite LRH's formal resignation from all management positions in Scientology, in fact he maintained control of Scientology's finances and policies through his position in the Sea Org and other covert means. "Ultimate control, we have no doubt, he possessed until his death."

The court dismissed the case after the Church had defied a court order to produce LRH for deposition.

<u>Vicki Aznaran</u> was aware that certain IRS indictments were about to be handed down against LRH. <u>David Miscavige</u> was under an IRS-CID investigation himself for conspiracy to commit tax fraud. Miscavige said, "the only way to stop it now is if the old man dies." (Criminal Time Track: Issue III, (38))

<u>David Miscavige</u> likely knew where LRH was living because the sister of his wife was working directly with LRH as his personal maid at Creston. <u>Vicki Aznaran</u> got word from <u>Annie Broeker</u> that LRH was sick and not doing well. Vicki Aznaran says that Ron summoned <u>Ray Mithoff</u> and <u>Pat</u> and <u>Annie Broeker</u> just prior to his death and only them.

Jesse Prince says that just before Ron died, that it was known he was dieing. Certain people disappeared for 3 or 4 days prior to Ron's death.

<u>David Miscavige</u> disappeared. <u>Ray Mithoff</u> was woken up in the middle of the night, given a Ford Bronco and told to go there. When Ray got back he said he was auditing LRH. (Criminal Time Track: Issue III, (40))

#### 1986, 19.1.

On 19 January 1986, Scientologists around the world received their last message from L. Ron Hubbard. In Flag Order number 3879, headed 'The Sea Org and The Future', he announced that he was promoting himself to the rank of Admiral. Alongside the proclamation, in a Scientology magazine, was a colour photograph of the grey-haired Commodore in his Sea Org peaked cap. (Miller: "Bare-faced Messiah", pg. 372)

#### 1986, 22.1.

# LOS ANGELES TIMES (LT) - WEDNESDAY January 22, 1986

A Los Angeles federal judge, breaking with a series of recent court rulings and a magistrate's recommendation, said Tuesday that she has no plans to dismiss a Church of Scientology lawsuit simply because church founder L. Ron Hubbard has failed to appear for a deposition.

In a Scientology suit against members of a splinter group accused of using stolen church documents for their own financial gain, U.S. District Judge <u>Mariana R. Pfaelzer</u> tentatively rejected a recommendation by U.S. Magistrate <u>Volney V. Brown</u> that the case be dismissed because of Hubbard's failure to appear at a scheduled deposition last month.

While Pfaelzer agreed to delay a final ruling on the request that the Scientology lawsuit be dismissed, she strongly indicated a belief that Hubbard's testimony would be irrelevant to the question of whether Scientology documents had been stolen and should or should not be used by rival churches and counseling centers.

'Planning to Try Case'

"I'm not planning to set up this case for default," Pfaelzer said. "I'm planning to try this case."

Pfaelzer's comments came at a hearing on a Scientology lawsuit against a former Scientologist, Robin Scott, who is accused of stealing secret church instructional materials from a Scientology group in Denmark.

The Church of Scientology contends that the stolen materials were passed to another former Scientology member, David Mayo, now president of the <u>Church of the New Civilization</u>, also known as the <u>Advanced Ability Center</u>, in Santa Barbara.

<u>Earle C. Cooley</u>, a Boston lawyer representing the Church of Scientology, urged Pfaelzer not to dismiss the lawsuit because of Hubbard's absence at the deposition, saying Hubbard has nothing to do with current management of the church and cannot be reached by church officials.

"This is a matter that has ripened into a national strategy," he said. "It's what I call the strategy of the easy victory--to move to depose L. Ron Hubbard.

We are looking at this strategy around the country--the power to decimate the Church of Scientology."

#### Recent Rulings

Cited Arguing that Pfaelzer should have agreed with Brown's recommendation to award a default judgment against the Church of Scientology, Santa Barbara attorney <u>Gary Bright</u>, representing <u>Mayo</u>, cited recent rulings against the church by other federal judges in cases where Hubbard also failed to appear at scheduled depositions.

Bright's references were to rulings against the Church of Scientology in Portland and Washington as well as to a default judgment awarded last year by Chief U.S. District Judge Manuel L. Real in Los Angeles after Hubbard failed to be deposed in connection with a libel suit against a Scientology critic, Boston lawyer Michael J. Flynn.

"I've spent more time with it than the other judges," Pfaelzer responded. "I came at it with a totally open mind, that's the problem." Commenting on Pfaelzer's remarks outside the courtroom, the Rev. <u>Heber C. Jentzsch</u>, president of the Church of Scientology International, praised the judge for looking at the case without emotion.

#### 1986, 23.1.

The day before Ron died, LRH allegedly signs a new <u>last-minute will</u>. The new last-minute will was drafted by attorney <u>Sherman Lenske</u>. The new will replaces <u>Pat Broeker</u> as Executor and assigns <u>Norman Starkey</u> as <u>Trustee and Executor of LRH's estate</u>. All of Ron's intellectual property is given to a trust called <u>Author's Family Trust-B</u>. Starkey's duties mainly concern transferring the vast number of copyrights from Author's Family Trust-B, to the <u>Church of Spiritual Technology</u>. (Criminal Time Track: Issue III, (40, 53))

#### 1986, 24.1.

Whispering Winds Ranch:... on the evening of 24 January 1986 there seemed to be cars coming and going all night...

The telephone was already ringing when Irene Reis, co-owner of the Reis Chapel in San Luis Obispo, arrived for work on the morning of Saturday 25 January. A voice at the other end of the line identified himself as Earle Cooley, an attorney, and asked if they did cremations. Mrs Reis replied that they did, although the crematory was usually closed at weekends. Special arrangements could be made if necessary. Cooley then asked if a body could be collected from the Whispering Winds Ranch on the O'Donovan Road in Creston. Irene's husband, Gene, drove the hearse out to Creston, not imagining it was anything but a routine job.

Cooley accompanied the body back to San Luis Obispo. At the Reis Chapel, a tasteful white adobe building with a red pantile roof on Nipomo Street, he asked Mrs Reis if arrangements could be made for an 'immediate cremation'. He presented a death certificate signed by a Gene Denk of Los Angeles certifying the cause of death as cerebral haemorrhage and a certificate of religious belief forbidding an autopsy. It was not until Mrs Reis looked at the documents that she realized the body lying in her chapel was that of L. Ron Hubbard.

Mrs Reis knew enough about Hubbard to insist on informing the San Luis Obispo Country sheriff-coroner. Deputy coroner Don Hines arrived at the Reis Chapel within a few minutes. No one had had any idea that Hubbard was in the vicinity and Hines wanted to make sure that everything was done by the book - it was not every day that a 'notorious recluse' turned up in San Luis Obispo. Hines said that no cremation could take place until an independent pathologist had examined the body. He also ordered the body to be photographed and fingerprinted to ensure positive identifications. (Later the fingerprints were revealed to match those on file at the FBI and the Department of Justice.) It was three-thirty in the afternoon before Hines was satisfied and agreed to release the body for cremation. On the following day, the ashes of L. Ron Hubbard were scattered on the Pacific from a small boat. (Miller: "Bare-faced Messiah", pg. 374)

L. Ron Hubbard departed this life at his ranch near San Luis Obispo, California, leaving a legacy of his life's work that lives on around the world. (CofS)

<u>Vicki Aznaran</u> was aware that certain IRS indictments were about to be handed down against LRH. David Miscavige was under an IRS-CID investigation himself for conspiracy to commit tax fraud. Miscavige said, "the only way to stop it now is if the old man dies." (Criminal Time Track: Issue III, (22))

Hubbard was found dead at 8:00 PM, <u>Vaughn Young</u> was told at 10:00 PM. Vaughn went to the death site that night along with <u>David Miscavige</u> and some attorneys. They left LA at 1:00 AM and arrived at 4:00 AM. Vaughn says, since none of them had been there, including Miscavige, Pat Broeker met them at a restaurant and escorted them to the ranch. (Criminal Time Track: Issue III, (23))

<u>Vicki Aznaran</u> also went to the Creston Ranch. When she arrived Miscavige said that Ron is dead and he did not want to see "any grief bullshit about it." (Criminal Time Track: Issue III, (22))

The coroner's report says Ron died of a stroke. He had Vistaril (a psych drug) in his blood. He had needle puncture wounds in his left buttock, under a band aid. The coroner was suspicious of Ron's new-last-minute-will because it had been signed by Ron just prior to his death (with drugs in his body also.)

Ron's physician, <u>Gene Denk</u>, was gambling in Nevada when Ron had his stroke.

<u>Gamboa</u>, Miscavige and wife and the Aznarans had taken Denk on this gambling trip a couple of weeks before the death and were there with Denk. By the time Denk returned, there was nothing he could do. (Criminal Time Track: Issue III, (53))

The impression the coroner got was that Denk was at Ron's side when he had his stroke and died. Denk signs the death certificate as the physician attending to Hubbard and then disappears for a year. (Criminal Time Track: Issue III, (23))

Note: Denk is gagged from talking about the year he spent with LRH prior to his death. Why is that Miscavige? What does Denk know that you are hiding from the rest of us Scientologists by gagging Denk?

<u>Earl Cooley</u> had a document, signed by Hubbard, <u>forbidding an autopsy on religious grounds</u>. Miscavige and Earle Cooley give this to the coroner, so no autopsy is done and Ron's body was cremated 24 hours after his death.

The Coroner's report states that the Coroner terminated his investigation when DM and Dr. Denk arrived and showed him the 1982 and 1986 wills then convinced the Coroner there was no material difference between the two wills.

What Miscavige and Dr. Denk concealed from the Coroner was the following:

- 1. There was no disclosure of the change of executor less than one day before death.
- 2. There was no disclosure of the change in provisions regarding MSH and the last minute abrogation of her community property interests in the 26.5 million dollar estate.
- 3. There was no disclosure of the last minute change in the 1986 will regarding the copyrights, which comprised 95% of the estate.
- 4. There was no disclosure that two weeks before the death, LRH's constant medical attention had been withdrawn when DM and others took Dr. Denk on a gambling trip to Reno, Nevada.
- 5. There was no disclosure of the last minute will's inclusion of a new provision anointing David Miscavige, (the architect of the will and circumstances surrounding the death), as a trusted servant and friend. (Criminal Time Track: Issue III, (45))

Creston was where the story was put together that LRH had moved on to the next level of research. (In other words, for PR purposes, they concocted a lie.)

The execs applied the PR policy of "an acceptable truth" to LRH's death. They wanted to protect the idea that Hubbard was cause over life and death. They had to protect the myth at all costs, so they fed the myth by saying he was doing research. (Criminal Time Track: Issue III, (23, 30))

#### 1986, 27.1.

The news of the death of the founder of Scientology was broken to 1800 of his followers hastily gathered in the Hollywood Palladium on the afternoon of Monday, 27 January. David Miscavige made the announcement that Ron had moved on to his next level of research, a level beyond the imagination and in a state exterior to the body: 'Thus, at 2000 hours, Friday 24 January 1986, L. Ron Hubbard discarded the body he had used in this lifetime for seventy-four years, ten months and eleven days. The body he had used to facilitate his existence in this universe had ceased to be useful and in fact had become an impediment to the work he now must do outside its confines. The being we knew as L. Ron Hubbard still exists. Although you may feel grief, understand that he did not, and does not now. He has simply moved on to his next step. LRH in fact used this lifetime and body we knew to accomplish what no man has ever accomplished - he unlocked the mysteries of life and gave us the tools so we could free ourselves and our fellow men...'

At a press conference later that day, it was revealed that Hubbard had made a will on the day before his death leaving the bulk of his fortune, 'tens of millions of dollars', to the church. Generous provision had been made, it was said, for his wife and 'certain of his children'. Nibs, predictably, got nothing. Nor did Alexis, the daughter he denied was his. (Miller: "Bare-faced Messiah", pg. 375)

Los Angeles Times, Welkos, Robert; Sappell, Joel

#### SCIENTOLOGY CHURCH SAYS FOUNDER HUBBARD IS DEAD

L. Ron Hubbard, the reclusive science fiction writer who founded the controversial Church of Scientology, has died of a stroke, church officials announced Monday night.

Hubbard, according to \*Scientology\* lawyer <u>Earle Cooley</u>, died in his sleep last Friday on a ranch outside San Luis Obispo, where only a handful of his most trusted aides knew he was living. He was 74.

Cooley told a crowd of reporters who had been summoned to Scientology's Los Angeles headquarters that Hubbard was cremated. The ashes of the man known to his followers as "The Commodore" were scattered at sea, Cooley said.

Neither Cooley nor Church of Scientology President <u>Heber Jentzsch</u> used the word death to describe Hubbard's passing.

No Need of Body

"He no longer had need of the encumbrance of the physical identity we have known as L. Ron Hubbard," Jentzsch said.

With Hubbard at his retreat Friday were his personal physician, <u>Gene Denk</u>, and his constant companions for the last several years, <u>Pat and Anne Broeker</u>.

Hubbard had not been seen publicly since 1980.

His followers insisted that he went into seclusion so he could continue writing science fiction and research spiritual matters.

His critics, however, contended that Hubbard went into hiding to avoid mounting legal problems, including a series of civil lawsuits against Hubbard and the church by ex-members. At the time his death was announced, Hubbard was under criminal investigation by the Internal Revenue Service, which, among other things, had been trying to determine whether millions of dollars of church funds were diverted to his personal use.

...

"Don't ever defend. Always attack.... Only attacks resolve threats," Hubbard advised his organization in 1960.

Attacks Psychiatry: Hubbard attacked psychiatry, the FBI, the Central Intelligence Agency and the Internal Revenue Service.

Cooley said that Hubbard, in his will, left "a very generous provision" for his wife, Mary Sue Hubbard, and "certain of his children."

Hubbard was estranged from his eldest son, Ronald de Wolf. In 1983, De Wolf contended in a highly publicized legal action that Hubbard was either dead or incapacitated and that a trustee should be appointed to administer church funds. A Riverside County judge ruled that Hubbard was alive and capable of handling his own affairs.

Cooley said the remainder of Hubbard's estate--"tens of millions" of dollars--will go to the Church of Scientology, with a membership estimated by its officials of 6 million.

Washington Post, Macdonald, Katharine

Church of Scientology Reports Death of Founder.

LOS ANGELES, Jan. 28

L. Ron Hubbard, the Church of Scientology founder who had not been seen publicly since 1980, died Friday at age 74, church officials announced Monday night. A coroner said today he is trying to establish that the body was Hubbard's.

<u>Earl Cooley</u>, chief counsel for the church, said Monday night that Hubbard died in his sleep of a stroke, on a ranch in San Luis Obispo.

<u>George Whiting</u>, the sheriff and coroner of San Luis Obispo County, said today in a telephone interview that the body was photographed and fingerprinted. He added that he is working with <u>other government agencies</u> to find a set of Hubbard's fingerprints for matching.

Whiting said county authorities had been barred from performing an autopsy by a "certificate of religious belief." A state law passed last year forbids autopsies if the deceased signed such a statement.

Whiting said the certificate presented to him stated that "I, Lafayette Ronald Hubbard, declare... (that) based upon my religious beliefs I object to any and all post-mortem anatomical dissections.... " The certificate was dated eight days ago and witnessed by <u>Patrick D. Broeker</u>, <u>Anne M. Broeker and Stephen J. Pfauth</u>.

Cooley said Monday that the Broekers are Scientologists who were "close personal friends" of Hubbard and his companions in recent years. Cooley said the couple was with Hubbard when he died, along with his personal physician, <u>Gene Denk</u> of Los Angeles. Pfauth was not immediately identified.

Denk signed the death certificate, which attributed cause of death to "cerebral vascular accident." Cooley said Hubbard died at 8 p.m. Friday. <u>Don Hines</u> of the San Luis Obispo coroner's office said he was informed of the death at 7:30 a.m. Saturday.

The body was cremated, Whiting said. Cooley said in his announcement that the remains were scattered at sea Sunday or Monday.

Church officials said Hubbard's will left "a very generous provision" for his widow, <u>Mary Sue</u>, who was his third wife, and for <u>"certain of his children."</u> The remainder and bulk of the estate, estimated by Cooley to be "in the tens of millions," is to go to the church.

Cooley said that by leaving the bulk of his estate to the church, Hubbard had "confirmed his faith in the future of Scientology and its management."

One of Hubbard's sons, Ronald de Wolf, tried in 1983 to have his father declared dead or incapacitated. A judge in California's Riverside County ruled that Hubbard was alive and able to handle his affairs.

<u>Michael Flynn</u>, a Boston attorney representing de Wolf, said he thinks that the report of the death "warrants further scrutiny." Flynn said Hubbard had put "millions of dollars" of church funds into private Swiss bank accounts and had not reported the income to the Internal Revenue Service.

"Hubbard was about to be indicted by the Justice Department," Flynn said. "It was imminent, I mean, within the next few days.... the timing of this death is remarkable, especially since there is no body left to do an autopsy on."

Critics of Scientology have said Hubbard was in hiding to escape growing legal problems, including battles with the <u>IRS</u> and several civil lawsuits filed against the church and its founder by former members. Cooley said the legal actions had "passed from this earth with Mr. Hubbard's body. There is no cause of action left."

Hubbard's followers have contended that the reclusive science-fiction writer who invented "DianeticsThe Modern Science of Mental Health," was in seclusion to further his writing and spiritual research, not to avoid legal trouble.

San Luis Obispo is a sparsely populated coastal county 200 miles north of Los Angeles, and Cooley said Hubbard was there because "that was where he was surrounded by serenity, peace and calm."

Whiting said the ranch where Hubbard is said to have died is about 35 miles northeast of San Luis Obispo, "an area of rolling hill property, three to four acres with a home, stables, horses...."

Asked why Hubbard's death was not announced until 9 p.m. Monday, Cooley said, "We were resolved that Scientologists would hear about it from the lips of their leaders before they heard about it from the press." Cooley said Scientologists nationwide were told of the death by a satellite hookup.

## 1986, 30.1. (excerpt)

# Los Angeles Times, Welkos, Robert; Sappell, Joel - HUBBARD'S SON PLANNING TO SEEK INQUEST, CONTEST WILL

TEXTA Boston attorney representing the estranged son of Scientology founder L. Ron Hubbard said Wednesday that he will request a coroner's inquest into the death of the reclusive multimillionaire and plans to contest the will Hubbard signed the day before he died.

....

Hubbard's will was dated one day before his death, according to Whiting. Flynn said he will attempt to have the will invalidated on grounds that Hubbard may have been coerced or mentally incompetent.

....

Denk, according to Whiting, determined that Hubbard had suffered a "cerebral vascular accident"--a stroke. Hubbard's body remained at the ranch for 11 1/2 hours before being transported to Reis Chapel, a San Luis Obispo mortuary. The mortuary, in turn, notified authorities.

Los Angeles Times, 1986, 30.1. - ap (excerpt)

# FINGERPRINTS MATCH; 'CASE IS CLOSED' - CORONER CONFIRMS IDENTITY OF BODY AS \* SCIENTOLOGY\*' S HUBBARD

.... "Yes, we have verified fingerprints taken from the body," said San Luis Obispo County Sheriff-Coroner George Whiting.

"We confirmed them with three sources, the FBI in Washington, the Department of Justice in Sacramento and from cards supplied to us from another source," he said.

Whiting said fingerprints were verified to allay any doubts, but Hubbard's death occurred in the presence of a physician and, as far as the sheriff is concerned, "the case is closed."

## 1986, February

Hubbard's Death Announcement Event at the Flag Land Base Presided over by <u>David Miscavige</u>, <u>Pat and Annie Broeker</u> and Attorney <u>Earl Cooley</u>.

Note (FZeV): This announcement was NOT at FLAG Land Base, but at the Paladium in Los Angeles.

Their invented public relations story:

Pat and Annie Broeker say they were with LRH several days before his death and LRH said that he had to continue his research into the upper OT levels without his body. Pat says he was assisting LRH with his research into the upper levels and was privy to them. Pat Broeker says LRH left completed OT levels up to OT XV. Pat says he was personally in charge of them and was now a loyal officer under LRH's absent auspice. And that he and RTC were to decide when to release them.

Cooley says he saw LRH's body at Creston Ranch and found nothing wrong with it. (Criminal Time Track: Issue III, (23, 13))

The Estate of L. Ron Hubbard is subject to the control of the Trustee, Norman Starkey.

He is a junior of DM. DM and Starkey make an 800-page inventory list of all of LRH's copyrighted works, close to 20,000 individual works.

DM says the probate of LRH's estate was important to him. Fulfilling Hubbard 's final wishes meant seeing that Scientology Scripture passed to the Church of Spiritual Technology. (Criminal Time Track: Issue III, (37))

Miscavige had <u>Mary Sue Hubbard</u> under "house arrest" in Hollywood Hills in LA. She had two Sea Org members living with her and they went with her everywhere and reported daily to Miscavige what she did every day.

Under duress, MSH made an agreement to waive her rights to her community share of the Estate of LRH.

This is how Miscavige swindled Hubbard's heirs out of an inheritance worth 400 million. Soon after LRH's death, Miscavige takes <u>Jesse Prince</u> and over a dozen other Sea Org execs and invaded the house of Mary Sue Hubbard. She was recovering from lung cancer surgery and was in a wheelchair. Some of the other Sea Org members were <u>Lyman Spurlock, Norman Starkey</u>, Vicki Aznaran, Marc Yaeger, Ray Mithoff and <u>Marty Rathbun</u>.

<u>Larry Heller</u> was one of the attorneys there representing Miscavige. MSH was unrepresented. (Criminal Time Track: Issue III, (40))

Note: (He is one of the secret "Special Directors" of Church of Spiritual Technology.) (Criminal Time Track: Issue III, (59))

Mary Sue was made to sign an agreement wherein she was paid \$100,000 to relinquish any kind of claim on the copyrights, trademarks, and bank accounts. Ron's children were given \$50,000 each. She did not want to sign and Miscavige started screaming at her "You are going to sign it!"

Miscavige threatened to sec check Mary Sue and she said "No, I'm going to sec check you to find out what the hell you are trying to do to me."

Miscavige said they were running the church, its got nothing to do with her and she was lucky to get what she's getting. Miscavige said "Everything LRH did, he did for the church. We are the church, not you. Therefore, everything is staying right here with us."

The moment when she relinquished and signed the document, was when Mithoff made her feel that LRH did not care about her. She was sad that Ron died, because they had been separated and had not talked for a long time. She asked Mithoff, with tears in her eyes, if Ron had said anything, or asked about her before he passed. Mithoff said, "No, he didn't mention your name."

At that, she bowed her head and they stuck the papers underneath her hand and she started signing. Mithoff bragged with great glee afterwards about how he got to her by telling her that.

Ron's children had already been similarly handled prior to meeting with Mary Sue, and they had already signed, getting \$50,000 each. (Criminal Time Track: Issue III, (40))

## 1986 (IRS-attacks)

In fact; after LRH left in 1986, they thought the time was right to wipe out the Church and everything LRH stood for. All they had to do was put the finishing touches on LRH's best friends. They just didn't understand what we were all about. After infiltrating LRH's funeral service, IRS CID wrote up a final report to the <u>Department of Justice</u> to prosecute all the leaders of the Church.

In total this report was several thousand pages long. During the course of this investigation, the IRS had amassed 125,000 pages of documents on myself. To put that in perspective, no one in the history of the United States of America has a bigger government dossier - not even Martin Luther King Jr. I won't deny I've led an interesting life. But, nor that exciting. The IRS alleged that we had committed a huge crime and needed to be put in jail for 21 years. And what was that crime? Asking to be recognized as a religion and bona-fide Church by the IRS! That's right. They wanted to put us in jail just because we wanted them to treat us like every other religion. And there was one other sinister thing they did. It is fairly common knowledge that the IRS has various press people on their payroll. It's a neat partnership - they promise not to go after the journalist on his taxes, and the journalist in turn helps out the IRS agent when he needs it. The LA CID is well-known for being the pros at this trick and they assigned their star journalist to a story on Scientology. You may have heard of the reporter.

His name is Richard Behar. The same SP who later wrote the "Time" article. Only then, he was writing for "Forbes" magazine. Just when it looked like the investigation was waning, Behar was brought on the scene to write a total hatchet job article accusing us of all manner of crimes. The plan was to fan the flames so that senior law enforcement officials would be pressured to make a move.

But when the report was received by the <u>Department of Justice</u>, it was rejected out of hand with a refusal to prosecute. The Department of Justice even refused to initiate a grand jury which is a government fact-finding body that reviews evidence to determine if an investigation should go forward. In other words. The Department of Justice cut off this inquisition in its tracks.

...Aside from the fact that <u>IRS CID</u> was accusing us of doing something that is not even a crime. They alleged that I was the mastermind of a worldwide conspiracy to defraud the IRS from 1966 to the present. One small problem - I was six years old and in first grade in 1966. We finally did get a copy of the IRS report requesting prosecution. You can see it on the screen!

Now isn't that odd looking? You see. The government has it all rigged so you can't see their crimes. Under the law, they are allowed to delete portions of documents they feel are

damaging if released. They call this "withholds." No kidding! What they do is delete anything they feel is incriminating. So, when you get a portion of a document that isn't blacked out; you can be sure it is the most mild portion of the document.

In fact they didn't black out their entire report on us. Knowing that these are the least incriminating portions of the document should tell you something. The report reveals the true purpose of their investigation - the same purpose that the IRS has had for Scientology from day one. And it wasn't to enforce the tax law. In their words:

'This prosecution will result in the final halt and ultimate disintegration of the Church of Scientology"

They weren't so lucky. Not even close. We lived and are here to tell the story and, when their tactics were exposed and investigated by Congress, it resulted in the dismissal of several staff of the CID and the head of the Los Angeles IRS office was removed in disgrace. His name was Bill Connett. The top IRS officials were so worried about him testifying before Congress - due to all the criminal acts carried out under his command - that they sent him overseas to their European office, so he could not be subpoenaed and forced to testify. His fall from grace was a bitter-sweet victory for us. Because, if you've been wondering why all the attacks started in Europe in the mid-60's - you have your answer. In fact, we have since uncovered documents that prove this same individual, Bill Connett, was behind the raid in Spain. And what of the raids in France? Bill Connett was in Paris when they occurred. And what about Germany? Where have they been getting the information on Scientology? That's right - Bill Connett. He even went so far as to see the immigration officials in American embassies overseas to stop foreign staff members from gaining visas to do training at Flag. Nonetheless, when the CID investigation folded at the end of 1986, we knew the IRS had run out of reasons to harass us.

Even their trumped-up allegations weren't standing up within the government itself. From our perspective, we thought we had survived the worst they could throw at us. And the church was expanding. But there was still one remaining problem with the IRS. They may not have found anything wrong with us, but they still refused to recognize our churches as bona fide. You see, even when the IRS can't get you overtly, they can still smear you by slating you don't live up to their qualifications to be recognized as a bona-fide church or religion. (David Miscavige's IAS speech, 8 October 1993)

#### 1986, 18.2.

LRH's last will and testament is admitted to the probate court, Superior Court of the County of San Luis Obispo probate case # 20885. The will appointed Norman Starkey as executor of the estate and also named Norman Starkey as Trustee of Author's Family Trust-B, An Inter-Vivos Trust established January 23, 1986.

Note: There were 14 separate legal challenges to LRH's estate: (Criminal Time Track: Issue III, (37))

California Superior Court, County of San Luis Obispo, Case No. 20885, Ex Parte Petition For Stay of Proceedings in Estate of L. Ron Hubbard. This is fraudulent and criminal transfer of LRH's copyrights, trademarks, and other property through Norman Starkey to RTC and CST. 1986 & 1987 In the months after Ron's death, Vaughn Young spent a lot of time with Pat Broeker and they became friends. Vaughn learned a lot about LRH's life while he was in hiding the last few years. (Criminal Time Track: Issue III, (13))

A power struggle erupted over the next 18 months over who would take control of Scientology. A key element in the struggle was LRH's last message to the rank and file. It was a message from Ron issued as a Sea Org Directive. It said good bye, wished them well and establishing a new rank/position called Loyal Officer. Pat was LO 1 and his wife Annie was LO 2 and it basically turned the management of the Sea Org over to them. And since the Sea Org ran Scientology that meant they were at the top of the heap. David Miscavige was not mentioned in the Directive.

So, Pat slowly started to take control. There was a power struggle and DM won and quickly purged the Sea Org of Broeker supporters as he consolidated his power. Vaughn was sent to RPF for 16 months & had 3 escape attempts.

While in the RPF a directive came out from Miscavige saying that the final message from LRH was a forgery by Broeker and was cancelled. That same day Annie appeared in the RPF, a completely broken person. She was kept under guard, just to be sure.

With the cancellation of the message from Ron there was now two things missing: a goodbye message and a hat turn over. So if the Directive was a forgery, where was the real goodbye message and hat turn over? Where were Ron's wishes, in writing?

David Miscavige never provided anything and everyone was afraid to ask for fear of being sent to the RPF. Pat Broeker disappeared. (Criminal Time Track: Issue III, (23))

## 1986, 13 March

The <u>Road to Freedom music album</u>, which set to music many basic principles of life, was released internationally. All songs and lyrics were written earlier by Mr. Hubbard. (CofS)

# 1986, April

<u>RTC</u> won its injunction against <u>AAC</u> and Mayo is shut down. His group of people went to another group and continued on. (Criminal Time Track: Issue III, (27))

# 1986, June

<u>Jesse Prince</u> was in the room when <u>Miscavige</u>, <u>Rathbun</u> and <u>Gene Ingram</u> were planning a black intelligence operation to physically beat up <u>Charles O' Reilly</u>. He was also in the room a few days later when they were celebrating having pulled it off. (Criminal Time Track: Issue III, (38))

#### 1986, 19 June

Church of Scientology Celebrity Centre of Portland, Oregon founded. (CofS)

#### 1986, summer

Clearwater: Summer -- Scientology purchases an apartment complex to house staff members, serving the existing tenants notice to leave when their leases expire. (Brief History of Scientology in Clearwater)

# 1986, July

A Los Angeles jury awards <u>Larry Wollersheim</u> \$30 million in damages. The court found the Church guilty of practicing <u>"Fair Game"</u> against him (they destroyed his business) and awarded damages. One of the intelligence black operations run on him by <u>Miscavige</u>, <u>Rathburn</u> and <u>Ingram</u>, was a fake bomb placed on the doorsteps of his parents. Another was approaching his sister in a supermarket and telling her that Larry will not live to collect any money. Another was physically beating up his attorney, <u>Charles O'Reilly</u>. (Criminal Time Track: Issue III, (42))

The Church appealed the decision.

Just prior to this court decision, <u>Stacy Young</u> is working in the FREEDOM Magazine department of the PR division of OSA US. She is told it looks like Wollersheim was going to win his suit against CSC. Therefore, CSC had to be gutted of all of its assets before the decision was handed down.

All that would be left of CSC would be a corporate shell consisting of a treasury office and the FREEDOM office. So, the FREEDOM office and the Treasury Office of OSA US were moved across the street. Treasury Secretary, <u>Rhea Smith</u>, tells Stacy that all assets of CSC had been taken out of CSC accounts. (Wollersheim later says they transferred 500 million out of CSC reserves.) (Criminal Time Track: Issue III, (29, 41))

## 1986, August

August -- Scientology settles four lawsuits out of court:

- Gabe and Maggie Cazares sue the Church of Scientology for invasion of privacy and malicious prosecution (a slander lawsuit which was thrown out of court as frivolous).
- Tanja Burden sues for "fraud, breach of contract and intentional infliction of emotional distress."
- The McLeans sue, alleging invasion of privacy and malicious prosecution (as in the Cazares case, a slander suit filed by the church was dismissed as frivolous).
- Margery Wakefield sues, claiming the church "fraudulently promised to cure her mental illness and instead mentally abused her."

The files were sealed over the plaintiffs' objections. (Brief History of Scientology in Clearwater)

## 1986, September

September -- Scientology purchases the Boheme cruise ship and sails it away, leaving St. Petersburg's small port facility tenantless. (Brief History of Scientology in Clearwater)

## 1986, 16 September

The Sea Organization Motor Vessel Freewinds purchased. (CofS)

#### 1986, 28.9.

On September 28, 1986, <u>Gillaume Leserve</u>, the Executive Director International ("ED Int"), put out an order binding on all Sea Org members. Within the Sea Org, these binding orders were called Flag orders. The September 28, 1986 <u>Flag Order No. 3905</u> forbade Sea Org members from having any more new children. The reason given by ED Int. was that the Sea Org simply did not have the time, money and resources to raise children properly. In the event Sea Org members elected to disobey this Flag Order, they would be exiled to a non Sea Org Scientology organization of the Class IV level until the Child reached 6 years of age. Once the unauthorized child achieved 6 years of age, the parents could return to the Sea Org. (Mary Tabayoyon)

Library of Congress records show that: CSI copyrights their squirrel version of the LRH book Problems of Work. (Criminal Time Track: Issue III, (68))

# 1986, 7 October

#### 1986, 16 October

Church of Scientology of Nuoro, Italy founded. (CofS)

#### 1986, 24.10.

Library of Congress records show that: CSI copyrights their squirrel version of the LRH book The Fundamentals of Thought. (Criminal Time Track: Issue III, (68))

## 1986, Late

<u>Michael Flynn</u> is representing dozens of clients in a suit against Scientology. He settles the suit but cannot obtain agreement for one of his clients to be silent, <u>Scott Mayer</u>, who was Hubbard's Fleet Captain. The reason is that Mayer is working for the IRS as a paralegal and the IRS still has pending litigation with C of S. When Scientology located Mayer living in Laguna, Ca., his car mysteriously exploded in a fire ball. (Criminal Time Track: Issue III, (13))

#### 1986, December

December -- More than 400 current and former Scientologists file a \$1-billion class-action suit against the church alleging that the church tried to compromise or pay off two Florida judges and divert \$100-million to foreign bank accounts.

The suit contends that church officials or their representatives committed fraud and breached fiducary duties. It alleges further that information obtained from members during "auditing" (confessional-like, purportedly private church 'service' sessions costing thousands of dollars) is used for "purposes of blackmail and extortion."

The suit also alleges that in April of 1982, David Miscavige (Chairman of the church's Religious Technology Center) ordered the payment of \$250,000 to "set up" and frame US District Judge Ben Krentzman (of Clearwater) in a scheme to compromise his integrity with drugs and prostitutes. It similarly contends that thousands of dollars were ordered spent to "pay off" Florida Circuit Judge James Durden, who was presiding over a Scientology-related case. (Brief History of Scientology in Clearwater)

The church reached out-of-court settlements for undisclosed amounts with at least fourteen former members, and settled a suit brought by Gabe and Maggie Cazares. (Brief History of Scientology in Clearwater)

