First groups in Ghana and Dominican Republic formed.

A project is launched to discredit California lawyer Charles O'Reilly, who represented Lawrence Wollersheim in his winning case against the church; according to former Church lawyer Joseph Yanny, plans were made to steal O'Reilly's confidential files from the Betty Ford Center and other substanceabuse treatement centers. Yanny said the Scientologists figured that such records could be used to blackmail O'Reilly.

In an article in the business section of the St. Petersburg Times on 1 July 1987, a Largo shredder dealer talks about his business.

"I've sold the Church of Scientology several shredders," said Becklund. "They shred everything. As a matter of fact, when the city of Clearwater was investigating them they bought shredders from us. They'd bring in 15, 20 4drawer legal files and they'd shred them. Oh, yeah. Lots of maintenance."

The Times reports that every year since 1982, Scientology has sought a tax exemption and Pinellas County property appraiser Ron Schultz has denied it.

"The Church of Scientology ... was the first instance in my office where I found an institution calling itself a church that the courts agreed was not a not-for-profit institution," Schultz said.

A representative of CoS hand-delivers a letter to the St. Pete Times that threatens to sue the newspaper if it writes a story about the book L. Ron Hubbard: Messiah or Madman? by Bent Corydon. The letter accuses the paper of intending to "attack and denigrate the Church through any vehicle you find available."

The letter, signed by Scientology lawyer Timothy Bowles, threatens action against the Times for libel, slander, conspiracy and violation of civil rights if it should "forward one of [Corydon's] lies." The letter concluded with "we know a lot more about your institution and motives than you think." (Brief History of Scientology in Clearwater)

Jesse Prince says <u>Miscavige</u> has a lifestyle that far exceeds his <u>\$40,000</u> <u>annual salary</u>. One day DM showed Jesse his safe with stacked up gold and silver brick bars, rare coins and jewelry. He owns 4 new cars, and he and his wife have lavish wardrobes, such as DM having closets full of tailor made suits valued at \$2,000 each. They have a \$20,000 stereo system and all handmade furniture valued around \$40,000. They take 4 expensive vacations per year, each one taking between 2 and 3 weeks. They have 15 to 20 servants. Jesse estimates DM's lifestyle is costing about \$750,000 a year.

Meantime, Sea Org members are being paid \$30.00 a week.

Jesse says that DM has access and control over all Scientology reserves and he could blow and take it all with him. (Criminal Time Track: Issue III, (39))

Note:

Jesse Prince says during the time that he was in RTC, from 1982 to 1987, that the Sherman Lenske law firm was paid 7 to 8 million and the Heller firm 4 to 5 million. All they were doing was giving advice to Miscavige. Later in time Jesse was asked about the theory that the attorneys control Miscavige and Miscavige controls Scientology. Jesse was asked if he saw anything that the real control exists with the attorneys and that they have enough on Miscavige to take Miscavige out.

Jesse said yes, but he thinks that their hands are so dirty and that blood drips from all of their hands that they protect each other. They all go down together and so they all survive together. He says he thinks the attorneys were being paid, not for their work, but because they have a piece of the pie. (Criminal Time Track: Issue III, (40))

The Times reports that every year since 1982, Scientology has sought a tax exemption and Pinellas County property appraiser <u>Ron Schultz</u> has denied it. "The Church of Scientology ... was the first instance in my office where I found an institution calling itself a church that the courts agreed was not a not-for-profit institution," Schultz said. (Brief overview of Scientology's interaction with Clearwater Florida)

1987 (applic. IRS)

So at the beginning of 1987, we again applied for recognition to the IRS.

There is a full administrative procedure that one goes through and which we cooperated with in detail. To put this in perspective, usually an application for religious recognition gets a total review of 2 and 1/2 hours by the IRS, at which point it is granted. But the rules were different for Scientology: throughout the next year and a half, we were forced to submit over a million pages of documents. The IRS was still unable to find anything wrong, or any reason to legitimately deny our exemption. So they had one final request. Allow them to do what they called a "limited financial review". This had the purpose of assuring them that the money in Scientology was all being used for legitimate purposes and that the records were in order. Apparently having no choice, we agreed. Their limited review turned into the most extensive examination of any organization in history. In fact; they spent 6,240 hours reviewing our records.

This is the equivalent of one person working 40 hours a week, 52 weeks a year, for three years. At the end of that review, they stated they could find

nothing wrong. Just as we were expecting to receive our letters of recognition in 1988, probably the most bizarre twist in this tale occurred. The IRS promptly shut down all communication with us and the next day issued a denial of tax exemption.

Their reason?

"We had failed to cooperate in making our records available to them!"

... The IRS' communication literally said we refused to turn over any documents to them. And here we had actually produced over a million pages worth as well as all of our financial records. We were later to find out through the freedom of information act that this very letter refusing to recognize us had actually been drafted 6 months earlier, before they even began their financial review. They never intended on granting recognition but instead wanted to illegally gather information from us that they could then use in a new round of assaults.

Just 3 months later all of the top church corporations received full audit requests from the Internal Revenue Service. These were unlike any ever issued in history to anyone.

- They requested every single document in our possession.
- They wanted all of our financial records.
- They wanted all of our bank records.
- They wanted all of our canceled checks.
- They wanted every internal church issue.
- They wanted every PC folder.
- They wanted every student file.

They wanted full lists of all our parishioners including the exact amounts they had donated and when.

They wanted all the social security numbers of all of our parishioners.

But why go on?

In effect, we would have had to build the biggest vacuum cleaner that has ever existed and attach it to the top of our building and turn it on to provide them with everything they were asking for. The first action required per law was for us to respond to these requests. According to the IRS rules, you are allowed to give your response to their request before they can force you to produce your documents. Church staff and attorneys worked around the clock to get these responses to the IRS within the allowed time period. And by the way, that happened 'to be during the Christmas season. Nonetheless, we did get them our replies. But when the IRS responded, we found their answers were dated 4 days before we had even replied. We asked the IRS how they could do this. They said, "Per law you have the right to respond. That doesn't mean we have to read it!"

This started a huge round of battles in the courts. And the odds were definitely not in our favor. In fact, the IRS had never lost on this issue in court. But then again, they hadn't faced the Church of Scientology. We were to soon find out that this was only the first part of their assault.

IRS agents from around the country gathered for a <u>conference in Atlanta</u> to strategize our total destruction. And the second phase of this assault was to go after you. That's right. They worked out how they would start auditing the tax returns of individual Scientologists. They even worked out how they would deal with you when you received their requests. IRS agents around the country were ordered not to listen to any of your explanations, but to hit you with every penalty in the book, and they were to start at least two new audits every single week. This strategy was activated resulting in thousands upon thousands of audits on Scientologists across the United States. And they were desperately trying to get the church to comply with their requests so they could find out the rest of your names and go after each and every one of you. (David Miscavige's IAS speech, 8 October 1993)

1987, March

Pat Broeker sends a mission to remove David Miscavige from post.

Missionaires are <u>Vicki Aznaran</u>, <u>Jesse Prince</u> and <u>Spike Bush</u>. They go to <u>Gilman Hot Springs</u> to remove DM from post and take over command of Scientology. The mission failed and that results in LRH's closest aide, Pat Broeker, being removed. The power was taken over by Miscavige who purged the Sea Org of anyone friendly to Broeker.

Jesse Prince is removed from RTC and put under armed guard at <u>Happy</u> <u>Valley</u>, a few miles West of Gold. After a few months he was put to work at Gold under watch, until he escapes in 1992.

Miscavige removes Vicki Aznaran from the post of Commanding Officer of RTC.

He appoints himself Chairman of the Board of RTC. Thus, he moves the seat of power from ASI to RTC because it was more defensible to run Scientology from a non-profit corporation. (Criminal Time Track: Issue III, (29))

In an affidavit dated 24 Sept 1999, Miscavige gives his cover story for why he removed Vicki Aznaran, Jesse Prince and Pat Broeker: (Criminal Time Track: Issue III, (37))

"Their duties, of course, were to see to the purity of the religion.

....I soon learned this individual (Broeker) was pretending to have special data concerning Scientology and had begun a project to change the Scientology Grade Chart. This chart is central to the practice of the religion. As such, it is sacrosanct. This, of course, was entirely contrary to the authority vested in RTC. Alteration of Scripture is what RTC is charged with preventing. The manner in which this person (Broeker) attempted to gain a position of Source was by claiming to know things Mr. Hubbard wished to be done, that Mr. Hubbard had never articulated or written down. Mr. Hubbard wrote a policy letter called Hidden Data Line, outlawing this practice in the Scientology religion.."

Note:

In 1999 Miscavige makes a change in the Grade Chart. He orders the Happiness Rundown put on the Grade Chart, instead of off to the side where LRH had it. Also, as COB RTC, he has allowed over a 1000 LRH issues (Scripture) to be altered.

Also, RTC hands out verbal data that they have followed LRH handwritten originals. But they deny any requests from the public or common staff to see the handwritten originals. This violates the HCOPL Hidden Data Line.

RTC/Miscavige have altered the Grade Chart and Scripture, & violate Hidden Data Line.

Therefore, these were not the real reasons he removed Aznaran, Prince and Broeker. The real reason he removed Aznaran, Prince, and Broeker was politics.

Vicki is ordered to the RPF "Running Program" at Gilman Hot Springs. This involved running around an orange telephone pole from 7:00 AM to 9:30PM with ½ hour breaks for lunch and dinner. She was kept there by armed guard, but finally escaped down a riverbed.

<u>Vaughn Young</u> did not know that Pat was planning to oust Miscavige. But, Miscavige thinks that Vaughn was one of Pat's infiltrators in ASI. They went after Vaughn for weeks and broke him. Then they did it several more times over the next year and a half. (Criminal Time Track: Issue III, (29))

Richard and Vicki Aznaran leave the SO and return to their home in Dallas, Texas. DM says this is when he became COB RTC. He leaves the post of ASI and takes over RTC. (Criminal Time Track: Issue III, (22, 33))

1987, 12 March

Church of Scientology Celebrity Centre of Dallas, Texas founded. (CofS)

1987, 17.9.

<u>Norman Starkey</u>, as Trustee of Author's Family Trust-B, enters into a License Agreement with RTC, wherein LRH's estate allows RTC use of the Advanced Technology. (Criminal Time Track: Issue III)

1987, 7 October

<u>IAS Freedom Medals awarded</u> to Scientologists <u>Peter Schless, Andrik</u> <u>Schapers, Philippe de Henning</u> and <u>Dennis Clarke</u> at the annual convention in Paris, France. (CofS)

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