

A STATEMENT OF FACTS

A. On October 29, 1969, a man who called himself 'Jack Lundin' approached the Panamanian Consul in Casablanca, Mr. Romulo Zappi Pere, in reference to the TSMY APOLLO, a vessel under Panamanian Registry and owned by the Panamanian Company, Operation and Transport Corporation, Ltd., a duly incorporated and registered company of Panama.

This 'Jack Lundin' represented himself to the Panamanian Consul, Mr. Zappi, as a reporter from the "Manchester Guardian", a British newspaper and stated to the Consul that he wanted information about the TSMY APOLLO, a vessel under Panamanian registry.

Mr. Zappi answered the queries of this 'Jack Lundin', but became alarmed when 'Jack Lundin' stated to him that the TSMY APOLLO was suspected of smuggling hashish from Morocco to France and South America, that the TSMY APOLLO was under investigation by INTERPOL (International Criminal Police Organization) for drug smuggling and that the finances of the Panamanian Company, Operation and Transport Corporation, Ltd. which owns the TSMY APOLLO were also under investigation by unnamed persons because of suspected smuggling of hashish.

Mr. Zappi then requested of Mr. Peter Warren, Ship's Representative and Public Relations Officer of the TSMY APOLLO, that he grant an interview to this 'Jack Lundin' as per his letter of October 29, 1969, a copy of which is enclosed and marked "A".

B. As these allegations of 'Jack Lundin' to the Panamanian Consul contained slander and libel and false criminal charges, it was decided that the interview must be conducted with an official of the police present. Mr. Warren duly contacted the Chief of Port Police, and Mr. Ayhett, directly under the Chief of Port Police, and Mr. Zappi, Panamanian Consul, both attended the interview given to 'Jack Lundin' by Mr. Warren aboard the TSMY APOLLO on October 31, 1969. A tape recording was made of this interview, although not a

complete one as the shore electricity failed about half way through the interview. Mr. Ayhatt was given this tape immediately after the interview was finished.

'Jack Lundin' was very careful during the interview not to repeat the slander and libel he had stated to Mr. Zappi. 'Jack Lundin's' questions mainly concerned what the ship was doing in Casablanca; when it would leave Casablanca; how many vessels were owned by Operation and Transport Corporation, Ltd., and where were they; and where would the TSMY APOLLO go after leaving Casablanca. 'Jack Lundin' did state during the interview that one of Operation and Transport Ltd., clients, The Scientology Organization in England had been long closed down by the British Government. This is quite untrue as proven by the enclosed article in the GP, a newspaper for General Medical Practitioners in England. It is marked "B".

C. On November 3, 1969, Mr. Ayhatt of the office of the Chief of Port Police contacted Mr. Warren and informed him that 'Jack Lundin' had contacted the editor of "l'Opinion" and had suggested to the editor of "l'Opinion" that the editor should do a story on the TSMY APOLLO. Mr. Ayhatt stated that he knew about this because the editor of "l'Opinion" had telephoned him to ask for information regarding TSMY APOLLO. Mr. Ayhatt stated that the editor was all right and suggested we grant an interview.

Mr. Warren was also informed by Mr. Ayhatt that 'Jack Lundin' was not really a true reporter, that he had no visable means of support, that he was from Tangiers and that he had stayed at the British Consulate while in Casablanca. This information led us to believe that 'Jack Lundin' was perhaps an agent of British Intelligence trying to make trouble for our firm and our ship in Morocco as they did in Greece, full documentation presented with regard to this, marked "C".

D. The editor of "l'Opinion" was given an interview on November 5, 1969 and Mr. Ayhatt again kindly attended. The editor was given a copy of the attached story marked "D".

The editor of "L'Opinion" asked what the date of the dinner given the contractors who had done repair and construction work on the TSMY APOLLO; how crew for the TSMY APOLLO were recruited; and what work the women aboard the vessel did.

After the interview, Mr. Ayhatt stated that he thought the editor would print a good story. Again the interview was taped and the tape of the interview was given to Mr. Ayhatt.

E. On November 6, 1969 a story appeared in "L'Opinion". The article which was printed made it seem that no interview had occurred as yet. This article contained many false, libelous and slanderous statements.

It stated the following:

1. That young men and women never go ashore. This is quite untrue and can be proven by the passes which have been issued, by the Surete Nationale Guards aboard the vessel and by those guarding entrances to the port.
2. That no data coincides with any other concerning life aboard. The reporter never asked about life aboard.
3. That students aboard are mainly those who have decided to quit their studies. All except the few young children aboard have finished the required schooling of their respective countries and many have attended or have graduated from universities.
4. That the crew has strict orders to speak to no one. There is no such rule. This can be shown to be false by asking any workmen, contractors, and any shopkeepers in Casablanca.
5. That out of a crew of 90 there are 60 women. This is proven false by the crew list attached, marked "D1".
6. That Scientology was founded in England one year ago. Scientology organizations are a very famous client of Operations and Transport Corporation, Ltd. Scientology has been in existence for approximately

years, has many organizations around the world and an estimated membership of more than three million people in the United States alone.

7. That Scientology is based on an absence of emotion and interest. If this were the case, then it would certainly have no members and would not be a client of ours as it could not pay any management fees to us.

8. That Scientology is banned in England. This is totally false -- refer again to the exhibit marked "B".

9. That the Moroccan police have been on this affair from the beginning but secrecy surrounding the vessel has permitted them to discover nothing. This is quite untrue. The guards stationed aboard as with any vessel in the port are from the Surete Nationale; and when the Panamanian Consul first indicated the possibility of trouble, we immediately contacted and called in to see the Chief of Port Police who kindly had Mr. Ayhatt look into the matter.

10. That car fulls of money went to the bank with heavy motorcycle escort. This can easily be proven false by checking with any bank throughout Morocco.

E. On November 7, 1969 "l'Opinion" published two articles, one attempting to link us with something called Bahai and which inferred that "boats must come and go in Morocco ports without anyone knowing their identity or nature". See attached marked "E" and "El".

F. On November 7, 1969 when Mr. Barry Watson, an officer of the TSMY APOLLO with our agent visited the Chief of the Port Police, Mr. Nusi, he, Mr. Nusi, referring to the article of November 7th in "l'Opinion" requested to know who had left the vessel permanently, who had left the vessel and returned, and who had newly arrived aboard. A crew list and all passports of all aboard the vessel were presented to Mr. Nusi.

G. Also on November 7, 1969, the Governor of the Port requested to see Mr. Warren. The Governor was understandably concerned about the three articles appearing in "l'Opinion".

Later that same day the Secretary to the Governor of the Port had the Chief of Port Police call on Mr. Warren and bring him to an interview. At the interview it was stated that the Chief of Port Police was to handle and clear the whole matter up.

H. On November 7, 1969 we contacted a lawyer, Mr. Marrakchi in Rabat to demand a retraction and the publication of the truth concerning the TSM APOLLO.

The retraction and truth were printed in an article in "l'Opinion" on November 10, 1969. It is attached, marked "H".

I. On the evening of November 12, 1969, the Chief of Port Police called Mr. Warren and asked him to call upon him.

At the meeting was Mr. Nusi and Mr. Hamiani, who was introduced as being from Surete Nationale.

Mr. Nusi was shown the letters from INTERPOL which INTERPOL had given us when we queried them with regard to the facts of whether the TSM APOLLO or our clients, the Scientology organizations, were under investigation by them. The two letters are enclosed marked "I" and "II".

Mr. Hamiani did most of the questioning. He wished to know why there was so much difference between the bad articles in "l'Opinion" and their article of retraction; what the ship was doing, what companies Operation and Transport Corporation, Ltd. owned; what were the nationalities of the people aboard the vessel; what transport arrangements were made with regard to people aboard the vessel; what our financial arrangements are; how long before hand we had planned to come to Casablanca; why we had sought to get publicity in "l'Opinion".