

Question 3a

a. Is the attached copy of "Command Channels" up-to-date with respect to the current hierarchical management structure? If not, please provide either an up-to-date version or an explanation of how this copy differs from the hierarchical management structure as of the date of this letter.

To the extent that there are currently anticipated or planned corporate actions that would modify this hierarchical management structure over the next 5 years, please also describe these modifications (except to the extent already described in response to question 1).

In general, the booklet entitled, THE COMMAND CHANNELS OF SCIENTOLOGY, and its fold-out COMMAND CHANNELS CHART remain unchanged. A copy is included as Exhibit II-3-A, for your convenience.

However, there is an important non-substantive change that is needed in the COMMAND CHANNELS CHART which will make it easier to follow. The existing chart has WATCHDOG COMMITTEE ("WDC") in a grey band across the top and in a box which includes Executive Director International ("ED Int") and International Management Executive Committee ("IMEC"). This would appear to incorrectly combine WDC and ED Int/IMEC and their functions.

In actuality WDC ensures that management bodies exist. It does so through information gathered by and programs executed through Commodore's Messenger Organization International ("CMO Int") and external CMO units. See the response to Questions 3(ii) and (ix) for a more complete explanation of WDC and CMO Int.

ED Int and IMEC, on the other hand, are responsible for planning and for Church expansion programs that are executed at the Flag Command Bureaux level. See the response to Question 3(vii) for a more complete explanation of ED Int and IMEC.

In order to clarify the relationship between WDC and ED Int/IMEC, the chart has been re-drawn as per Exhibit II-3-B to more properly position WDC and CMO Int as ensuring that effective management bodies are established and functioning. WDC and CMO Int are now in the upper left hand side of the chart below Religious Technology Center. The dotted lines to management bodies is the observation and program execution line to ensure that management is in place.

ED Int and IMEC are now directly above the Flag Command Bureaux with a heavy line connecting them to show the proper command channel management line.

There are a few other minor modifications that should be noted to bring the "Command Channels" up to date:

Class IV Orgs have been renamed Class V Orgs. Wherever the term "Class IV Org" appears in the booklet, it should be read as "Class V Org". This change was made to align with the level of auditor training delivered at these orgs. In the last version of the SCIENTOLOGY CLASSIFICATION GRADATION AND AWARENESS CHART, New Era Dianetics auditor training is classed as "Class V." As this training is delivered by what were formerly Class IV orgs, they have been renamed as Class V orgs.

On page 15 of the booklet there is a section on the Central Marketing Unit within Golden Era Productions, an ecclesiastical organization within Church of Scientology International. The name has been changed to Planetary Dissemination Organization in order to more properly align its name with its functions; but otherwise it remains as described in the booklet.

The above changes bring the "Command Channels" up to date.

The Scientology religion is continuing to expand and this expansion creates a process of continual reevaluation and evolution of its hierarchical structure. There are no other changes currently contemplated but that is no guarantee that certain improvements and modifications may not be necessary in the future to meet the needs of its continuing growth.

* * * *

Question 3 b

Describe the management structure of the following entities or organizations and list the names of all the individuals involved in the management of such entity or organization. Where the organization or entity is a committee, please list all members thereof.

This list should be as of December 31, 1989, and should include any changes that have occurred up to the date of your response. In addition, please name the organization(s) to which these individuals report or are immediately responsible to.

The list provided under this question 3.b. should include the following entities or organizations:

(i) Sea Organization

QUESTION 3b(i)
SEA ORGANIZATION

The Sea Organization is a religious order consisting solely of members who have pledged themselves to one billion years of service to Scientology.

The Sea Organization is not incorporated, nor is it an unincorporated association, and it has no formal or informal ecclesiastical or other management structure. Despite its name, the Sea Organization is not an "organization" or "entity." It has no income, disbursements, assets or liabilities.

The Sea Org is, in effect, more of a commitment than an organization. Sea Org members receive a small weekly allowance, uniforms, medical care and occasional performance bonuses, live in Sea Org berthing accommodations, eat in a communal dining room, and work seven days a week with a day off every two weeks or so. They dedicate their lives to the goals and purposes of the religion.

The Sea Organization was formed in 1967. In its earliest beginnings aboard the ship Apollo, the Sea Organization and the organizational pattern of the ship were identical. However, soon after the Sea Organization was formed its members branched out to staff other Scientology ships and land-based organizations. In doing so, they became subject to the organizational and management pattern of the particular organization they staffed. For example, those Sea Org members sent to Advanced Organization of Los

Angeles or the station ship Excalibur (which was berthed in Long Beach, California to train new Sea Org members) or Flag Operations Liaison Office Europe were staff of their respective ecclesiastical organizations and participated in the hierarchical church from that capacity.

During the early 1970s, there were a number of ships operated by Sea Org members. The Apollo was the largest of five Sea Org vessels, and also the location of senior ecclesiastical management up until 1975. It was the Flagship of the Sea Org Flotilla and was home to L. Ron Hubbard who held the title of Commodore of the Sea Organization. Aboard the Apollo there were three separate ecclesiastical organizations: Flag Crew, which operated the ship itself; Flag Bureaux, which provided management services to churches of Scientology; and Flag Service Organization which ministered Scientology auditing and training.

The organizations aboard the Apollo and certain other organizations around the world staffed with Sea Org members are known as Sea Org orgs. Specifically, all church management organizations and all church organizations that minister the upper level services of Scientology (above the level of Class V) are called Sea Org orgs. There are also some Class V churches that have Sea Org members on staff positions within them, but these are not Sea Org orgs. It is the functions of a church organization that determines whether it is a Sea Org organization or not.

In the mid-1970s the church organizations aboard the Apollo outgrew its physical capacity and moved to a land base in Clearwater, Florida. This became known as the Flag Land Base. The organizational pattern aboard the Apollo was substantially retained with Flag Service Org delivering religious services to parishioners, Flag Bureaux providing management services to churches of Scientology and Flag Crew maintaining the physical plant and also operating religious retreat facilities for parishioners. The term "Flag" was common to all three organizations as they had all originated on the Flag Ship Apollo.

In 1984 the Flag Bureaux was moved from Clearwater to Los Angeles to free up space so an increasing number of parishioners could receive religious services at the Flag Service Org. From that time there has been no management functions at the Flag Land Base, it was and remains solely a religious retreat to deliver Dianetics and Scientology auditing and training. However, the Flag Bureaux retained the name "Flag" from its origins aboard the Apollo. Thus, the Church now has a Flag Bureaux in Los Angeles and a Flag Service Organization and a Flag Crew in Clearwater.

Although the Sea Org itself does not have an organizational or management structure, it does have Officer Selection Boards who review and decide on applications for rankings. These Boards also award special insignia or acknowledgements for participation in select projects or accomplishments such as establishment of a new advanced Church of Scientology, participating in a large successful dissemination campaign or completing high-level training as a Scientology auditor. Sea Org rankings are a carry-over from the original Sea Org, whose members adopted a maritime system of ranks and ratings and maritime uniforms which have since become tradition. The maritime-style ranks and ratings which are awarded by the Officer Selection Boards are a recognition of accomplishment and service and command respect amongst Sea Org members.

Certain senior church positions within Sea Org orgs carry a brevet rank which is held by a Sea Org member so long as he or she occupies that position. For example, WDC members hold the brevet rank of Commander and the WDC Chairman holds the brevet rank of Captain. In these instances, the brevet rank is commensurate with the level of ecclesiastical authority and responsibility of the position. These brevet ranks are set by policy and are not determined by Officer Selection Boards.

There is an Officer Selection Board at each Continental office which reviews applications for rank and rating promotions and then passes them on to the International Officer Selection Board. The International Officer Selection Board is comprised of officers in the Commodore's Messenger Organization International who themselves hold high Sea Org rank. Religious Technology Center maintains its own Officer Selection Board for its staff.

* * * *

Question 3b

Describe the management structure of the following entities or organizations and list the names of all the individuals involved in the management of such entity or organization. Where the organization or entity is a committee, please list all members thereof.

This list should be as of December 31, 1989, and should include any changes that have occurred up to the date of your response. In addition, please name the organization(s) to which these individuals report or are immediately responsible to.

The list provided under this question 3.b. should include the following entities or organizations:

(ii) Watchdog Committee

QUESTION 3b(ii)
WATCHDOG COMMITTEE

The Watchdog Committee ("WDC") is a committee within Commodore's Messenger Organization International (CMO INT) which is an ecclesiastical body located within the corporation Church of Scientology International. WDC is not an "organization" or an "entity."

WDC's responsibility is to monitor the Church's ecclesiastical management bodies (such as the International Executive Strata, Flag Bureaux, Scientology Missions International, etc.) to ensure they are properly established and functioning in accordance with Church policy.

Each member of the Watchdog Committee is responsible for overseeing the management of a sector of the religion (Scientology Missions, Class V Churches, Sea Org Churches, Flag Service Org, Flag Ship Service Org, Celebrity Center Churches, Publications Organizations, Office of Special Affairs, Golden Era Productions, etc.).

WDC utilizes CMO INT and other CMO units as its observation and execution arms to ensure that management bodies are established and functioning. (See the response to Question 3b(ix) for a detailed discussion of CMO INT).

For example, there is a WDC member for Golden Era Productions ("WDC GOLD") responsible for the establishment and effectiveness of Golden Era Productions ("GOLD") which produces the many audio-visual and other dissemination products that are used in the

proselytization of the religion. If WDC received a report that GOLD had not recently completed the expected number of religious training films, the WDC member that oversees GOLD would seek to find out why. This matter would be looked into by staff of the Commodore's Messenger Organization unit attached to GOLD by going into the Cine Division of the organization and making inquiries to discover the cause of the problem.

Assume, for example, it was concluded there were insufficient trained cine personnel to carry out all of the needed functions of making religious training films. GOLD's Executive Council had not taken steps to form up the department that is responsible for recruiting new personnel for the organization. Once the reason for the problem has been isolated by WDC GOLD, he will do the necessary planning that will resolve the problem. This would include requiring the Executive Council of GOLD to study the applicable Scientology policy they had failed to apply. The Executive Council of GOLD might then organize a Sea Org mission to establish the Personnel Department that will then recruit the needed personnel for the Cine Department. WDC GOLD would utilize CMO to follow up and ensure that the planning was carried out so that the necessary volume of religious training films is being produced and sent to churches for their use in training auditors.

The Watchdog Committee holds daily meetings chaired by the WDC Chairman. Pursuant to Scientology ecclesiastical policy, the WDC Chairman also serves as the Commanding Officer of CMO International.

The WDC members attend daily meetings prepared to offer proposals or briefings concerning their areas of responsibility. The proposals are adopted, rejected or modified by the committee depending on whether or not they further Scientology's broader religious purposes. The WDC Chairman serves as the final arbiter only if there happens to be any disagreement among the committee members that they cannot resolve.

WDC does not report to an organization. It is the highest ecclesiastical authority in the Mother Church.

As of December 31, 1989 and at present the WDC Chairman is Mark Ingber.

As of December 31, 1989, the members of WDC were:

Cheryl Azevedo
Gregory Hughes
Pablo Lobato
Elizabeth Miscavige
Thomas Bucher
Lawrence Byrnes
Carmen Cenador
Ian Cunningham
Marie Deleonibus
Jacqueline Kavenaar
Barbara Newton
Susan Price

At present, the members of WDC are:

Cheryl Azevedo
Gregory Hughes
Pablo Lobato
Elizabeth Miscavige
Phillip Anderson
Thomas Ashworth
Daniel Barram
William Lindstein
Amy Mortland
Kurt Weiland
Thomas Woodruff

* * * *

Question 3b

Describe the management structure of the following entities or organizations and list the names of all the individuals involved in the management of such entity or organization. Where the organization or entity is a committee, please list all members thereof.

This list should be as of December 31, 1989, and should include any changes that have occurred up to the date of your response. In addition, please name the organization(s) to which these individuals report or are immediately responsible to.

The list provided under this question 3.b. should include the following entities or organizations:

(iii) Central Reserves Committee

QUESTION 3 b (iii)
CENTRAL RESERVES COMMITTEE

The Reserves Committee is a committee of senior church staff members who are concerned with the financial health and vitality of the religion of Scientology. This Committee has the responsibility for authorizing the expenditure of Church reserve funds on projects that will benefit the religion. They are also charged with the duty of ensuring that authorized expenditures do not exceed available funds. This Committee is not an "organization" or an "entity."

The Reserves Committee for the Scientology religion has been variously constituted since it was formed. Since the late 1970s it has consisted of the senior Church officials working in finance as well as areas of the most concern to and usage of reserves. Membership in the Reserves Committee is determined by staff position. The Committee is chaired by WDC Chairman.

As of 31 December 1989, the Reserves Committee consisted of three senior finance officials, WDC Reserves and WDC Chairman. These posts were:

WDC Chairman
WDC Reserves
International Finance Director
International Management Flag Banking Officer
Sea Org Reserves Chief

In December 1991, the Reserves Committee expanded to add Executive Director International and the International Landlord.

Executive Director International is responsible for the management and expansion of the religion internationally, which necessarily involves finance. The International Landlord is responsible for the design, planning, care, renovation, construction and acquisition of Church realty. Also, at that time it changed its name from Central Reserves Committee to the International Reserves Committee.

The International Reserves Committee has no fixed management structure but instead functions as a Scientology ecclesiastical committee. Each Committee member comes to Committee meetings prepared with proposals or briefings concerning his or her particular area of responsibility. The Reserves Committee meets and reviews proposals weekly. (As a routine matter, the full Committee meets only when there is a need for everyone's input and participation).

The committee reviews and passes upon plans which require expenditure of Church Reserves. For example, the International Landlord Office would submit a proposal to expand the facilities for ministering Church services at the Advanced Org in Denmark to the Reserves Committee with the overall planned expenditure, projected monthly costs and information concerning the importance of the project to the accomplishment of the overall purposes of the religion. In this instance, the committee would consider such factors as the number of parishioners that the new facility could minister to; the concurrent expansion plans of the organization in terms of additional auditors, course supervisors and administrative personnel; the rate at which the religion is growing in that continental area; how this project might affect other plans; the availability of funds; and so forth. Upon approval by the Reserves Committee (and any corporate body or trust, if necessary), the funds for the implementation of the project are made available.

The Reserves Committee meets and reviews proposals weekly.

WDC Chairman serves as the final arbiter of any disagreement Committee members cannot resolve among themselves.

The International Reserves Committee does not report to any organization. It contains within it the highest ecclesiastical officials in the Mother Church.

On December 31, 1989, the members of the Reserves Committee were:

Mark Ingber
Jonathan Epstein
Elizabeth Miscavige
Andrew Stevens

At present, the members of the International Reserves Committee are:

Mark Ingber
Jonathan Epstein
Thomas Ashworth
Veronique Gouessan
Guillaume Lesevre
Sabine Peschken
Linda Stuart

* * * *

Question 3b

Describe the management structure of the following entities or organizations and list the names of all the individuals involved in the management of such entity or organization. Where the organization or entity is a committee, please list all members thereof.

This list should be as of December 31, 1989, and should include any changes that have occurred up to the date of your response. In addition, please name the organization(s) to which these individuals report or are immediately responsible to.

The list provided under this question 3.b. should include the following entities or organizations:

(iv) Inspector General Network

QUESTION 3 b (iv)
INSPECTOR GENERAL NETWORK

The Inspector General Network ("IGN") is a part of Religious Technology Center. It is not an "organization" or "entity."

Religious Technology Center ("RTC") was formed in 1982 to be the protector of the religion as the owner of the religious marks of Dianetics and Scientology. The need for RTC is evident if one considers the history of the Church up to that point in time. As covered separately in the response to Questions 3d and 10a, during the 1970's the Guardian's Office had become an autonomous and unsupervised splinter group, portions of which engaged in questionable and often illegal activities in serious violation of Church policy and the law. Sea Org management bodies had been unable to detect and handle this situation before it got out of hand. Two highly placed individuals in Church management were supporters of the GO. The then Commanding Officer of CMO INT attempted to block an internal investigation into the GO and Laurel Sullivan formulated plans to revise the Church's corporate structure to place the GO in control of the religious marks.

Further, Mr. Hubbard was not actively involved in Church affairs at that time; having decided to devote his time and energies to completing his researches into the highest levels of spiritual awareness. Thus he was not in a position to monitor the use of the religious marks. In addition, he was looking to the future and planning his gifts to the religion, the essence of which

was providing for the continued survival and practice of the religious philosophy and technologies that were his life's work.

Scientology had come through a difficult period and RTC was formulated as the solution to prevent a recurrence of these events and to protect the pure application of Scripture into the future.

Thus RTC was formed with highly dedicated and trusted Sea Org members to receive the religious marks from Mr. Hubbard as a gift. It then proceeded to register these marks and to license them to CSI which sublicenses them to Scientology organizations around the world. Examples of the marks are the words Scientology, Dianetics, Mr. Hubbard's name and signature, the Scientology cross and the S and double triangle.

RTC, through receipt of reports and direct inspections, ensures that those utilizing the marks are ministering orthodox Scientology religious services. If they are not, RTC sees that any misuse is corrected. If some entity refuses correction, RTC can legally enforce them to cease and desist calling whatever they are doing "Scientology." This assures the quality of the application of Scientology to parishioners around the world.

On several occasions RTC has obtained court injunctions and damages against individuals improperly using the Scientology religious marks. By way of example, one such injunction was against a former mission holder in Elmira New York who sought to deliver a grossly distorted alteration while still calling it Scientology. Another was against a hypnotist who tried to defraud the public by using a Scientology mark to somehow lend credence to his practice. This trademark enforcement function aligns directly with RTC's ecclesiastical function, which is to directly inspect the standard application of Scientology Scripture and see that misapplications are corrected.

RTC receives reports and conducts inspections completely independent of any Scientology church management entity for the sole purpose of verifying the standard application of Scripture. Where RTC finds a misapplication, it immediately seeks to correct the situation, according to Scientology Scripture, both to the offending Scientology organization or mission and to CSI, as the Mother Church. In this way, RTC keeps the technology available and applied purely and protects the parishioners from any attempts to misuse Scientology or misrepresent Scientology Scripture to the public.

Any alteration of Scientology is considered a violation of the marks. However, if somebody or some entity was honestly attempting

to apply Scientology and was simply erring, that would be handled internally through Ethics handling, correction or study of the Scriptures. Only when there is intentional misapplication or misrepresentation would legal means be used to uphold the integrity of the marks. RTC is not involved in the day-to-day affairs of Churches. Its concern is protecting the technology of Dianetics and Scientology so it is properly applied.

As part of RTC, IGN assists in assuring the purity of the Scripture and their orthodox application. IGN does not itself manage Church organizations. Nor does it duplicate the function of the WDC, which has the duty of establishing church management. If a church organization is organized in such a way that it misrepresents Scientology through its own disregard for Scientology Scripture, RTC will alert the appropriate staff of CSI and require that CSI act to solve the problem. This is in alignment with RTC's concern for maintaining administrative orthodoxy and allowing those responsible to correct their errors. If the situation warrants it, RTC will act directly at any echelon of Scientology to remedy a gross misapplication of Scripture.

Because of the exacting technical application required in the ministration of the Advanced Courses material (upper level Scriptures) and the confidentiality required in their handling and delivery, RTC owns exclusive rights to the use of the Advanced Course materials. RTC directly licenses the FSSO, FSO, and the Sea Org advanced organizations that deliver Advanced Courses. In the delivery of Advanced Materials, RTC also takes measures to inspect and see that the material is kept in good hands and is properly used by those who have travelled on the road to spiritual betterment.

The most senior staff positions in IGN are called "Inspector Generals," of which there are three: Inspector General for Ethics, Inspector General for Technical and Inspector General for Administration. Each Inspector General is responsible for ensuring orthodoxy in a particular area of religious concern. These three Inspector Generals and their staffs comprise the Inspector General Network.

The primary concern of Inspector General Ethics is summarized as ensuring the standard application of the Scientology ethics technology as contained in Scripture. He is also concerned with keeping the religion secure and free from adverse external influences.

Inspector General Technical is responsible for ensuring orthodoxy in the ministration of Scientology religious services

and that any technical materials released by the Church are faithful compilations and reproductions of the written and recorded words of L. Ron Hubbard.

Inspector General Administration is responsible for ensuring that all levels of Church management and all Church organizations function in accordance with Scientology Scripture. Through a subordinate division within RTC, Authorization, Verification and Correction International (see response to question 3(b)(v)), Inspector General for Administration and his staff are responsible for authorizing and verifying the evaluations, strategies, programs and issues developed by Church management to ensure they conform to Scripture.

Each of the Inspector Generals and their respective staffs communicate regularly with individuals involved with Church management or operations depending on the area of concern. Each of the Inspector Generals would be interested in an area for different reasons. For example, if a new religious service were being proposed to be delivered by missions, the Inspector General Technical and his staff would be interested to ensure it conformed exactly with Church Scripture. If there were reports received concerning constant misapplication of ethics and justice procedures affecting the well-being of a mission, reported by a mission staff member to RTC, the Inspector General Ethics would require reports from WDC for Scientology Missions International and management as to how the situation was dealt with to ensure correct application of the ethics technology of the Church. If WDC SMI wrote an issue concerning management of the mission network he would clear it through AVC International (a facility under Inspector General for Administration) to ensure it was in conformance with policy. In each instance the Inspector General's primary concern would be the standard application of the relevant Scientology Scripture.

This oversight function extends well beyond the senior management bodies of CSI. Any staff member or any parishioner in Scientology can report departures from Scripture to the IGN. Depending on the area of concern, the appropriate Inspector General or his staff will take action to alert the appropriate management personnel in CSI and follow through so that the situation is handled. In this manner, the IGN ensures the continued purity and standard practice of the Scientology faith. It safeguards and enforces the trade and service marks of Dianetics and Scientology to the end that parishioners receive the full spiritual gains of the religious services in which they participate.

Each of the three Inspector Generals is directly managed by and reports to the Chairman of the Board of Religious Technology Center, the highest ecclesiastical position in the religion. David Miscavige has held this position continuously since prior to December 31, 1989. At one time IGN also included the position of Inspector General, which served as the immediate senior of the three Inspector Generals and reported directly to the Chairman of the Board. However, this position has been eliminated from RTC's organizational structure. Gregory Wilhere was the Inspector General, and he served from prior to December 31, 1989 to June 1990.

Management of IGN is the responsibility of the Inspector Generals. The divisions comprising the IGN are supervised by and report to their particular Inspector Generals. Each Inspector General is responsible for his specific area of responsibility and does not make decisions concerning the areas of responsibility of the other Inspector Generals. The current Inspector Generals have held their positions since prior to December 31, 1989 and consist of Mark Rathbun (Inspector General for Ethics), Raymond Mithoff (Inspector General for Technical), and Marc Yager (Inspector General for Administration).

* * * *

Question 3b

Describe the management structure of the following entities or organizations and list the names of all the individuals involved in the management of such entity or organization. Where the organization or entity is a committee, please list all members thereof.

This list should be as of December 31, 1989, and should include any changes that have occurred up to the date of your response. In addition, please name the organization(s) to which these individuals report or are immediately responsible to.

The list provided under this question 3.b. should include the following entities or organizations:

(v) Authorization, Verification and Correction International.

QUESTION 3 b (v)

AUTHORIZATION, VERIFICATION AND CORRECTION INTERNATIONAL

Authorization, Verification and Correction International ("AVC INT") is a division within Religious Technology Center. It is not an "organization" or "entity."

AVC INT's principal function is authorizing and verifying the evaluations, strategies, programs, promotional materials and issues developed by Church management to ensure they conform to Scientology Scripture.

AVC INT is part of the Inspector General Network and is subordinate to Inspector General for Administration. It directly assists him in ensuring the standard application of third dynamic administrative technology within the Church. It does not verify or authorize technical scriptural materials as these come under the province of Inspector General for Technical.

AVC International has a staff of seven. The most senior staff position is AVC Aide, who is responsible for managing the entire division and has discretionary authority on matters within her responsibility. The principal function of AVC Aide and two other staff is, as above, authorizing and verifying the evaluations, strategies, plans and issues from Church management to ensure they conform to Scripture.

For example, someone from WDC or IMEC or some other management person might submit a plan which calls for certain actions to be

taken at one or more of the Churches. AVC would review the proposal, compare it for compliance with applicable Scripture, verify that it did not conflict with other management strategies and that it had been approved by appropriate personnel. If the program passed all these tests it would be authorized by AVC Int. If it were deficient in some respect, the originator of the program would be handled as below.

The remaining four staff members of AVC International are responsible for correcting staff members who have not applied policy to ensure it is not a repeating pattern. Where the authorization and verification functions discover an individual misapplying Scripture, AVC correction staff ensure that he or she studies areas of the administrative policies and Scripture where knowledge or understanding is deficient.

As of December 31, 1989, the person serving as AVC Aide was Norman Newton. At present, this position is held by Mariette Lindstein.

* * * *

Question 3b

Describe the management structure of the following entities or organizations and list the names of all the individuals involved in the management of such entity or organization. Where the organization or entity is a committee, please list all members thereof.

This list should be as of December 31, 1989, and should include any changes that have occurred up to the date of your response. In addition, please name the organization(s) to which these individuals report or are immediately responsible to.

The list provided under this question 3.b. should include the following entities or organizations:

(vi) International Finance Office

QUESTION 3b (vi) INTERNATIONAL FINANCE OFFICE

The International Finance Office is an office within Commodore's Messenger Organization International, which is an organization within Church of Scientology International. (See (ix), below). The International Finance Office is not an "organization" or "entity."

The International Finance Office functions as the head of the International Finance Network which extends from Church of Scientology International down the hierarchical Church structure into Class V churches. (CST, RTC, Missions and social betterment groups do not participate in the International Finance Network).

The Scripture contains a very exact system of ecclesiastical financial policy which is designed to see that parishioners' contributions are correctly channeled to assist the religion as a whole, and that local churches are able to meet their financial obligations without becoming embroiled in monetary difficulties. The Church's financial system has rules regarding control of expenditures, accounting and the use of funds in order to best benefit the religion.

The function of the International Finance Network is to see that financial policy is strictly adhered to, that the financial health and integrity of each Scientology Church is maintained, and that the contributions of the many Scientologists around the world are used to build a better civilization.

The International Finance Office reviews the overall state of financial matters in Scientology churches, formulates plans and then implements these plans to obtain orthodox application of Scientology finance policy. As reflects its position within CMO Int, The International Finance Office does not directly work with Churches - instead it is responsible for seeing that the Flag Finance Office, located within the Flag Command Bureaux, operates in accordance with Scripture.

The Flag Banking Officer (FBO) represents the local Church in the Finance Network, and is a staff member of that church. As more fully described in the responses to questions 1(x) and 4a, the FBO is the person responsible for the financial affairs of the local church.

As described fully in the response to Question 4(b), the International Finance Network is also responsible for the integrity of church financial records.

The International Finance Office also has a separate internal office (the International Landlord Office) that is responsible for helping Church organizations best utilize their facilities to minister religious services to their parishioners, while avoiding unnecessary overcrowding.

The International Landlord Office, which is staffed by individuals trained in architecture and design, in some cases prepares designs itself and in other cases gives overall direction to personnel engaged by the local Church. For example, with respect to the building which houses Church of Scientology Celebrity Centre International, staff of the International Landlord Office actually prepared the various designs and the planning for all renovations.

The International Landlord Office also advises on the feasibility of proposed rental spaces to ensure that they either are or can be made suitable for church operations. It also supervises the purchase, renovation or construction of church buildings to ensure that they are best suited and utilized for the delivery of Scientology religious services, including room for expansion as the number of parishioners grows.

Also located within the International Finance Office is the International Management FBO. He is part of Reserves Committee and has similar duties to the FBO of a local Church with respect to approval of financial expenditures by management organizations.

The International Finance Office also has the function of monitoring the size of central reserves, keeping track of

all central reserves expenditures, and advising the Reserves Committee of this information.

The International Finance Office has 34 staff, 17 of whom work in the International Landlord Office. For the most part the most senior staff position in the International Landlord Office -- the International Landlord -- manages her own office and reports to the International Finance Director. The International Finance Director, in turn, manages the entire International Finance Office through daily meetings with her staff (other than those under the International Landlord).

The International Finance Director reports the activities of the International Finance Office to WDC Reserves.

As of December 31, 1989 the International Finance Director and the International Landlord were, respectively:

Andrew Stevens
Arthur Medieros

At present the International Finance Director and International Landlord are, respectively:

Sabine Peshkin
Linda Stuart

* * * *

Question 3b

Describe the management structure of the following entities or organizations and list the names of all the individuals involved in the management of such entity or organization. Where the organization or entity is a committee, please list all members thereof.

This list should be as of December 31, 1989, and should include any changes that have occurred up to the date of your response. In addition, please name the organization(s) to which these individuals report or are immediately responsible to.

The list provided under this question 3.b. should include the following entities or organizations:

(vii) International Management Executive Committee

QUESTION 3 b (vii)
INTERNATIONAL MANAGEMENT EXECUTIVE COMMITTEE

The International Management Executive Committee (IMEC) is the most senior ecclesiastical management body in the Church of Scientology.

Whereas WDC is responsible for ensuring that management units are in place and performing, IMEC actually directs, and is responsible for the performance of the Church in its various activities and functions. IMEC is a committee, it is not an "organization" or "entity."

The Executive Director International ("ED Int") is the most senior management position in Scientology. He has overall responsibility for seeing the Church continues to expand internationally. ED Int is the head of the International Management Executive Committee which is composed of executives who are well-versed in Scientology management procedures. Each of these "Executives International" is assigned responsibility for one of the eleven functions necessary to the expansion of an organization such as the production of religious scriptural material, dissemination, establishment of Church organizations and so forth. These functions span all sectors of Scientology, and each Executive International is responsible for ensuring his or her function is accomplished standardly across the world. These Executives formulate broad planning and provide programming to Scientology organizations to carry out.

For example, the Books Executive International is directly responsible for the widespread distribution of Scientology religious materials. She devises planning to accomplish this in Class V Churches, Sea Org Orgs, the FSO, Scientology Missions, Field Groups, the Publications Orgs, individual Scientologists and public bookstores. This planning is provided to the respective posts in the Flag Command Bureaux management orgs to be executed. The concerned Flag Command Bureaux personnel send the planning out to individual Missions, Orgs, and groups -- the persons who actually carry out the activities of distributing the books. The Books Executive International receives regular reports on the progress in enacting her planning and acts based on these reports to increase the distribution of LRH books.

Each Executive International operates in a similar fashion. They also receive letters from both staff and Scientology parishioners informing them of progress and accomplishments and asking for advice and direction in their field of specialty. This is an invaluable source of information used to develop planning to address situations which may be hindering the expansion of the religion, or to increase reported successful activities through inclusion in subsequent planning.

ED Int has a deputy known as Deputy Executive Director International ("D/ED Int") who helps him to administer his office. Collectively, ED Int, his deputy and the eleven Executives International comprise the International Management Executive Committee ("IMEC"). The committee meetings are held daily and are chaired by ED Int.

IMEC functions as a committee of equals. Each committee member has a specific area of responsibility and comes to IMEC meetings prepared to offer proposals or briefings concerning his or her area. Other members are entitled to respond to such proposals only with respect to their own particular area of responsibility. The proposals are adopted, rejected or modified by the committee depending on whether or not they further Scientology's broader religious purposes. ED Int serves as the final arbiter only if there happens to be any disagreement among the committee members that they cannot resolve.

The regular meetings ensure coordination of activities. For example, the executives responsible for establishment, books and the activities of Scientologists in reaching out to new people, would coordinate planning concerning Scientology beginning in a new country. Each would provide the planning for his or her function with all necessary steps thought through so the activity would be a success resulting in Scientology beginning and expanding in a new area of the world.

Priorities of action and allocation of resources is an important function performed by this Committee. Their plans provide direction for the entirety of Scientology.

The sum total of their management actions adds up to growth of the Scientology faith and ultimately a cleared planet.

The activities of IMEC are reported by ED Int to the WDC Chairman.

As of December 31, 1989 and at present the persons managing IMEC, the ED Int and D/ED Int, respectively, are:

Guillaume Lesevre
Jens Uhrskov

On December 31, 1989, the other IMEC members were:

Kenneth Delderfield
Katherine Lemmer
Ronald Miscavige
Sherry Murphy
Sandi Wilhere
James Byrne
Linda Stanton
Gretta Touretelotte
Clive Rabey

At present the IMEC members are:

Kenneth Delderfield
Katherine Lemmer
Ronald Miscavige
Sherry Murphy
Ellen Prager
Diana Hubbard
Barbara Tompkins
Barbara Widmar
Myles Mellor
Debbie Hughes

* * * *

Question 3b

Describe the management structure of the following entities or organizations and list the names of all the individuals involved in the management of such entity or organization. Where the organization or entity is a committee, please list all members thereof.

This list should be as of December 31, 1989, and should include any changes that have occurred up to the date of your response. In addition, please name the organization(s) to which these individuals report or are immediately responsible to.

The list provided under this question 3.b. should include the following entities or organizations:

(viii) Flag Network Coordination Committee

QUESTION 3 b (viii)
FLAG NETWORK COORDINATION COMMITTEE

The Flag Network Coordination Committee is an ecclesiastical committee comprised of the different heads of the management organizations and networks within the Flag Command Bureaux. It is not an "organization" or "entity."

As covered in the response to Question 3(i), there originally were various ecclesiastical organizations aboard the Flag Ship Apollo that included the term "Flag" in their names. This included the Flag Service Org, Flag Crew and Flag Bureaux. In 1975, when the Flag Land Base in Clearwater, Florida was established, these organizations retained the term Flag in their names. In 1984 the management org, Flag Bureaux, moved to Los Angeles, leaving Flag Service Org and Flag Crew in Clearwater. Neither Flag Service Org nor Flag Crew have any management function; they exist to minister or support the ministry of religious services to parishioners coming to the Flag Service Org from around the world. Thus while all three organizations have the term Flag in their names due to their origins aboard the Apollo, only the Flag Bureaux is involved with the ecclesiastical management of churches.

In the late 1980's, as part of a review and simplification of Command Channels, the Flag Command Bureaux was formed within Church of Scientology International in order to facilitate coordination of activities. This is an umbrella ecclesiastical organization which contains within it management organizations for the various sectors of Scientology. It includes the Flag Bureaux, Scientology Missions

International ("SMI"), World Institute of Scientology Enterprises International ("WISE Int"), the Publications Organizations, Association for Better Living and Education International ("ABLE Int") and the heads of the church networks -- LRH Communicator, Flag Representative, Finance and Office of Special Affairs.

While these individual organizations and networks have differing functions, ultimately each contributes to the expansion of the religion and their activities often dovetail one with another.

In order to facilitate coordination, the Flag Command Bureaux was formed. It is headed by the Commanding Officer of the Flag Command Bureaux (CO FCB) who is held responsible for coordinating the different management organizations and networks at the Flag Command Bureaux echelon.

The CO FCB chairs the Flag Network Coordination Committee ("FNCC") which is composed of the heads of each of these organizations and networks. FNCC meets daily to coordinate actions and reach agreement on how to proceed in accomplishing specific objectives. For example, through FNCC meetings the FNCC members may decide to make a concerted push against drug abuse and for drug rehabilitation. Bridge Publications would participate by distributing and publicizing Mr. Hubbard's book, Clear Body Clear Mind, which contains his drug rehabilitation technology; ABLE would encourage Narconons to join in the campaign by stepping up their promotional efforts with events and drug education activities; Flag Bureaux would encourage Class V churches to disseminate the Church's Purification Rundown as the solution to the debilitating effects of drugs; OSA Int would step up its "Say No to Drugs" campaign and so forth.

Another example of this coordination occurred following the recent riots in Los Angeles, when members of this Committee coordinated the actions of their different sectors in helping the community recover in the aftermath of the disturbances. The Flag Bureaux provided guidance to the local churches with respect to food and clothing drives; OSA Int organized trauma centers and clean-up campaigns; SMI Int coordinated the activities of the Missions in assisting the food and clothing drives in their local areas; ABLE activated volunteers to help educate people on Mr. Hubbard's moral code for society; WISE International rallied Scientology businessmen to contribute to the clean-up efforts and so forth.

FNCC functions as a committee of equals and therefore is not managed per se. Each committee member has a specific zone of responsibility and comes to FNCC meetings prepared to offer proposals or briefings concerning his or her area. Other members are entitled to respond to such proposals only with respect to their own particular zone of responsibility. The proposals are adopted, rejected or modified by the committee depending on whether or not they further Scientology's broader religious purposes. The Commanding Officer Flag Command Bureaux serves as the final arbiter only if there happens to be any disagreement among the committee members that they cannot resolve.

The members of FNCC are:

- a. The Commanding Officer Flag Command Bureaux.
- b. The Commanding Officer Flag Bureaux, the management organization responsible for overseeing plans written for local churches to help them better minister to the spiritual needs of their parishioners and religious communities. The Flag Bureaux coordinates with Scientology Churches around the world, Class V, Celebrity Centers, Advanced Orgs, Saint Hills, the Flag Service Org, and the Flag Ship Service Org.
- c. The Flag Flag Representative, a position within the Flag Bureaux which supervises the staff positions of Flag Representative in local Churches (excluding missions) who are responsible for carrying out plans issued by the Flag Bureaux and reporting on the state of affairs of their church.
- d. The Deputy Commanding Officer Flag Command Bureaux for Continental Liaison Offices ("CLOs"), who supervises Continental Liaison Offices throughout the world and is responsible for ensuring the CLOs themselves are established and functioning.
- e. The Commanding Officer Office of Special Affairs International, who is described in (x), below.
- f. The LRH Communicator International who supervises the staff position of LRH Communicator in local churches and who is responsible for ensuring that Scientology Scripture is followed in the local Church and that local church issues are in conformance with Scripture.
- g. The Flag Finance Director who is the senior staff member in the International Finance Network at this echelon. (See (vi) above).

In addition, the senior staff member (either the Commanding Officer or Executive Director) of WISE Int, SMI, ABLE Int, and Bridge Publications Incorporated, also serves on the Committee. New Era Publications International provides a representative to the Committee.

On December 31, 1989 the Commanding Officer of the Flag Command Bureaux and Chairman of the FNCC was:

Mariette Lindstein

At present, the Commanding Officer of the Flag Command Bureaux and Chairman of the FNCC is:

Rita Schwarzgruber

The Chairman of the FNCC reports to Executive Director International.

As of December 31, 1989 the members of the FNCC were:

Lis Astrupgaard
Henry Brandle
Jean Discher
Brooke Owen
Sabine Peschken
Maria Robb
Val Rollins
Kurt Weiland
Rena Weinberg
Jamie Woeltjen

At present, the members of the FNCC are:

Lis Astrupgaard
Kendra Bogacz
Thomas Dainat
Claire Edwards
Stephen Hagemeyer
Bettina Henderson
Simon Hogarth
Brooke Owen
Marina Pezzotti
Steve Wills

* * * *

Question 3b

Describe the management structure of the following entities or organizations and list the names of all the individuals involved in the management of such entity or organization. Where the organization or entity is a committee, please list all members thereof.

This list should be as of December 31, 1989, and should include any changes that have occurred up to the date of your response. In addition, please name the organization(s) to which these individuals report or are immediately responsible to.

The list provided under this question 3.b. should include the following entities or organizations:

(ix) Commodore's Messenger Organization International

QUESTION 3 b (ix)
COMMODORE'S MESSENGER ORGANIZATION INTERNATIONAL

The Commodore's Messenger Organization originated on the Apollo in the late 1960's and early 1970's. It was originally comprised of messengers who assisted L. Ron Hubbard as Commodore of the Sea Organization.

In the late 1970's, Commodore's Messenger Organization International ("CMO Int") evolved to take on a supervisory function, and in 1979 the Watchdog Committee was formed as part of CMO Int to oversee church management at all echelons. At present, CMO Int's primary role is to assist WDC by helping it establish effective management bodies in lower Church organizations and by gathering information.

CMO Int and WDC do not manage individual churches. Instead, they are responsible for ensuring that management bodies such as the International Executive Strata, Flag Bureaux, Scientology Missions International, etc. are properly established and functioning effectively.

For example, the Watchdog Committee member responsible for Class V Churches might determine that local Churches are not receiving sufficient guidance from Church management. He may find that there is an insufficient number of staff in the Flag Bureaux to efficiently supervise all the Churches. CMO Int would then carry out a project to locate and train the personnel necessary to solve the problem.

CMO Int also contains three separate offices, each of which oversees some specific religious function of the Church. One is

the office of Senior Case Supervisor International ("Senior CS Int"), which is responsible for the technical quality of auditing and training throughout the Church. Another is the office of LRH Personal Public Relations, which is responsible for maintaining and improving the image of the Church's Founder and the public relations of the Church itself. The third is the International Finance Office, which has been described in response to question 3b(vi).

CMO Int is organized as a Scientology "organization" and is managed as one, i.e., it is managed on a day-to-day basis by its Commanding Officer (who also serves as WDC Chairman) and its "Executive Council," which meets at least several times a week. The Executive Council consists of seven of CMO INT's most senior staff.

Specifically, the members of CMO INT's Executive Council are its: Commanding Officer, three Deputy Commanding Officers, Chief Officer, Supercargo and LRH Personal Public Relations Officer International.

In meetings of the Executive Council each council member makes proposals or briefings concerning his or her particular area of responsibility. Other members respond to such proposals only with respect to their own particular area of responsibility. Final decisions are made in light of set priorities and the overall goals of the Church. The Commanding Officer serves as the final arbiter of any disagreement that Council members cannot resolve among themselves.

As CMO Int contains within it the highest ecclesiastical positions in the Mother Church, it does not report to any organization.

The Commanding Officer CMO INT at December 31, 1989 and at present is Mark Ingber.

The LRH Personal Public Relations Officer International as of December 31, 1989 and at present is Michael Rinder.

As of December 31, 1989 the other members of the Executive Council, CMO International were:

Craig Wilson
Sharon Houck
Mickey Lipton
Bettina Posten

At present, the other members of the Executive Council CMO INT
are:

Craig Wilson
Cheryl Azevedo
Laurence Barram
Stephanie Horwich

* * * *

Question 3b

Describe the management structure of the following entities or organizations and list the names of all the individuals involved in the management of such entity or organization. Where the organization or entity is a committee, please list all members thereof.

This list should be as of December 31, 1989, and should include any changes that have occurred up to the date of your response. In addition, please name the organization(s) to which these individuals report or are immediately responsible to.

The list provided under this question 3.b. should include the following entities or organizations:

(x) Office of Special Affairs International

QUESTION 3 b (x)
OFFICE OF SPECIAL AFFAIRS INTERNATIONAL

Office of Special Affairs International (OSA Int) is a part of the Flag Command Bureaux. It is headed by its own Commanding Officer.

Its purpose is to ensure that legal and other external matters affecting the Church are successfully resolved, and to see to it that Scientology Churches comply with all legal requirements in their area. It also directs certain of the Church's social reform and community outreach activities to change conditions in the society and to create a better environment for the churches to operate in.

OSA Int functions both as a management body as well as directly handling legal situations of broad concern to the Church.

On the management side, OSA International functions similarly to the other parts of the Flag Command Bureaux, with respect to its own specialized functions. Each church has a Director of Special Affairs ("DSA") who is responsible for seeing to it that the local Church meets all legal requirements and also for handling all external situations affecting his or her Church. The DSA may have juniors depending on the size of the Church. Each CLO has a Continental Office of Special Affairs which supervises the DSAs for that Continent.

OSA International sees to it that the Continental Offices are established and that DSAs are on post in the Churches.

As an example of how OSA International functions as a management body, there is a program called the "Legal Rudiments Program" which lists all of the legal requirements for a Church, as well as other safeguards. This rudiments list includes such things as proper enrollment forms in use for church services, compliance with city building codes, payroll and property tax returns timely filed and paid, corporate minutes and board book complete and up to date and so forth. There are different versions of the program in use throughout the world to fit different legal systems. Through the Continental Office, OSA International encourages each DSA to get the program done so that his or her Church is fully protected.

The other major activity of OSA International is to assist church attorneys on all lawsuits to which CSI is a party. OSA Int personnel also oversee and assist in significant litigation affecting individual churches around the world.

OSA Int also provides management guidance to social reform groups and activities. An example of a situation affecting CSI directly which OSA Int was involved in was the recent Los Angeles riots. OSA Int staff helped organize a trauma center to assist riot victims. OSA Int also organized clean-up efforts of destroyed businesses and has participated in efforts with other churches and community groups to rebuild the community such as the recently held "Hands Across LA" event.

As of December 31, 1989 and at present the Commanding Officer OSA Int is Kurt Weiland. Kurt Weiland holds the position of WDC OSA but is temporarily holding the position of Commanding Officer OSA Int. He reports to WDC Chairman.

* * * *

Question 3c

c. Name the individuals who held the following offices as of December 31, 1989, and include any changes up to the date of your response: (i) International Finance Director; (ii) International Finance Ethics Officer; (iii) International Landlord; (iv) Commanding Officer OSA International; (iv) Commanding Officer Flag Command Bureaux; and (v) Executive Director International.

(i) The person who held the position of International Finance Director at December 31, 1989 is Andrew Stevens. This position is currently held by Sabine Peshkin.

(ii) The post of International Finance Ethics Officer was vacant at December 31, 1989. The person currently holding this position is Andrew Stevens.

(iii) The person who held the position of International Landlord at December 31, 1989 is Arthur Medieros. This position is currently held by Linda Stuart.

(iv) The person who held the position of Commanding Officer OSA International at December 31, 1989 and who currently holds this position is Kurt Weiland.

(v) The person who held the position of Commanding Officer Flag Command Bureaux at December 31, 1989 is Mariette Lindstein. This position is currently held by Rita Schwarzgrubber.

(vi) The person who held the position of Executive Director International at December 31, 1989 and at the present date is Guillaume Lesevre.

* * * *

Question 3(d)

3(d). Did the Guardian's Office exist on December 31, 1989, or any date since then? During that period, has there been a Guardian? If the answer is yes to either or both of these questions, please list the name(s) of the Guardian(s) and describe the role of the Guardian and the Guardian's Office. If no, is there any entity that performs functions or operates in a manner similar to the former Guardian's Office?

Introduction:

In this question and question 10(a), the Service seeks information concerning the Guardian's Office. Because of the close relationship of this question with question 10(a), we answer both questions fully here.

There are straightforward answers to these questions. The Guardian's Office ("GO") was disbanded in 1982 and 1983. A thorough purge of Guardian's Office staff was conducted at that time: those convicted of illegal acts were dismissed and are prohibited from ever returning to Church of Scientology staff in any capacity. During 1981 through 1983 the Church conducted its own internal investigation and dismissed from its employ anyone found to have been in any way involved with or condoning similar activities. Such individuals are also barred from ever again serving on staff in any Church of Scientology. There is no Guardian currently and there has not been one for over a decade.

No entity replaced the GO. However, certain functions the GO was originally formed to conduct are now carried out by the Office of Special Affairs ("OSA"), the International Finance Network, the LRH Personal Public Relations Network and the Association for Better Living and Education ("ABLE"). Specifically, OSA deals with legal matters; the International Finance Network sees that Church organizations maintain proper financial records and accounts; LRH Personal Public Relations Office International handles public relations; and ABLE deals with the community outreach social betterment programs of drug rehabilitation (Narconon), criminal rehabilitation (Criminon), education (Applied Scholastics) and raising moral standards in society (The Way to Happiness Foundation).

As discussed in greater detail below, none of these activities operate in a manner similar to the old Guardian's Office.

Background:

The Guardian and Guardian's Office were first established in March of 1966 because legal and other external facing matters were consuming the time and resources of churches of Scientology. In particular, church leaders were being distracted from their primary functions of ministering to the spiritual needs of their expanding religious communities and building their organizations.

The first Guardian was Mary Sue Hubbard. Over the next several years, Guardian's Offices were formed at local churches of Scientology around the world. These local GOs assumed responsibility for each church's external affairs, with the purpose of freeing their executives and staff to practice and proselytize the religion without distractions. In January of 1969, Mrs. Hubbard appointed Jane Kember as Guardian Worldwide, the highest position in the Guardian's Office, and Mrs. Hubbard assumed the position of Controller, which was senior to the Guardian's Office.

In 1966, when the GO was formed, the ecclesiastical management headquarters for the Church of Scientology was located in England, at Saint Hill Manor. The highest ecclesiastical body at that time was Executive Council Worldwide. The office of the Guardian was then physically located with the rest of Church management. Mr. Hubbard resigned his position as Executive Director of the Church in September 1966, in order to devote his time to researching the upper levels of spiritual awareness and establishing a base where these levels could be delivered to Scientology parishioners. Needing an environment free from the workaday distractions of Saint Hill, Mr. Hubbard along with his family and a few trusted Scientologists relocated aboard a ship in the Mediterranean. This marked the beginning of the Sea Organization.

The Executive Council Worldwide and the Guardian's Office Worldwide remained in England and continued to perform their functions from Saint Hill. Within a couple of years it became clear that Executive Council Worldwide was not adequately performing its functions and that the Church was experiencing a decline. In August 1971, after various attempts to correct the perceived problems, the Executive Council Worldwide was disbanded and the ecclesiastical management of the Church was taken over by Sea Org members in the recently formed Flag Bureaux aboard the Sea Org ship Apollo.

While the Executive Council Worldwide was disbanded in 1971, the Guardian's Office Worldwide ("GO WW") continued to be headquartered in England where it was managed and directed by Jane

Kember. By the 1970s then, GO WW was physically separate from Scientology ecclesiastical management. The reporting and command lines in the GO were also entirely separate. GO offices were locked and off limits to non-GO staff. The GO thus had become an autonomous network, separate from the rest of Church management. Within the GO there was yet a further segregation -- a group called the Intelligence Bureau ("BI") kept its activities confidential even from other parts of the GO, particularly those activities it considered sensitive.

During the middle 1970s, the Scientology ecclesiastical management structure continued to evolve with the formation of the Commodores Messenger Organization, the move of the Flag Bureaux from the Apollo to a landbase in Clearwater, Florida, in 1975, and other changes. Throughout this period GO WW remained in England, becoming more and more distant from Church management. The Guardian's Office was not Sea Org. Their operations, activities and premises were inaccessible to Sea Org members in Church management -- or anyone else not in the GO.

Guardian's Office Illegalities:

In July of 1977, the FBI conducted massive raids on offices of the GO in Los Angeles and in Washington D.C.. Michael Meisner, who had worked in the Information Bureau of the GO, both in D.C. and Los Angeles, had gone to the FBI and provided detailed information about infiltration of government offices by GO staff and/or volunteers, for the purpose of obtaining documents those offices had on the Church. Litigation over the legality of the raids commenced immediately. Criminal indictments were returned against eleven individuals, including Mary Sue Hubbard and Jane Kember.

Because of the autonomy of the Guardian's Office, and the secrecy within its Intelligence Bureau, the truth about GO misconduct remained unknown to the rest of the Church and even to other segments of the Guardian's Office for several reasons. The GO executives involved with the criminal activities suppressed this information within the Church and characterized the raids and criminal prosecutions as simply the latest in a long history of attacks on the religion. This explanation was supported by the fact that government (especially FBI and IRS) disinformation about the Church was rampant in the 1960s and 1970s and Scientologists

had become somewhat inured to it.^{1/} Church management and staff were concerned with the practice of the religion and were not involved with the GO indictees. This combination of circumstances made it possible for someone like Jane Kember to hold herself out as a martyr being unjustly persecuted and yet remain credible with Scientology management.^{2/}

Indeed the Government Prosecutor in the D.C. criminal trial testified in deposition that only a small percentage of the people within the GO even knew about the illegal acts that were committed by the GO staff.

Church Investigation of the Guardian's Office:

In late 1979 and throughout 1980 Church management began to receive indications that there were problems within the Guardian's Office:

1. The Mission network which was the responsibility of the GO (and which was its primary source of funding) was experiencing an ethical decline. One of the largest missions became embroiled in litigation and a number of mission holders were found to be involved in unethical activities when they arrived at the Flag Service Organization for auditing.

2. Instances of GO staff opening businesses and employing Church staff to the detriment of local churches were reported. When this situation was reported to GO WW and to Mary Sue Hubbard, the response was a GO investigation and intimidation of the Sea Org staff who had received the reports.

1/ For example, internal FBI and IRS documents from this period falsely accused the Church of trafficking in illegal drugs and weapons, promoting rampant drug use and promiscuity, conducting paramilitary operations and plotting civil insurrection.

2/ Mrs. Kember recently testified at a trial in Canada that she and her Deputy Guardian for Intelligence, Mo Budlong, confronted with attacks that they believed threatened the very survival of the religion, decided on their own to use illegal intelligence measures to locate the sources of the attacks and defend the religion. She confirmed that these activities were only known to a small number of people within the GO because she knew that these activities would not have been condoned by Church management.

3. In the Fall of 1980, after having had no communication with the Church for several months, Mr. Hubbard wrote to the Commodore's Messenger Organization International ("CMO INT") about a wide range of subjects including an inquiry about whether there were any lawsuits against him that he should know about.^{3/} When asked about this subject, Mary Sue Hubbard gave only a terse response that there were a number of suits, it would take years to resolve them and that the GO did not welcome anyone's help or inquiries.

The above, combined with the always bothersome general secretiveness of the GO, were interpreted by CMO INT as very alarming behavior. Accordingly, a full time Special Project was initiated by CMO INT to investigate legal matters and the GO's ineffectiveness in dealing them and the extent to which the GO had departed from its original purpose and design.

The Special Project's attempts to get information were thwarted by Mrs. Hubbard. She informed the Special Project that she did not appreciate their investigation of the GO and that if one were needed she would do it. In March 1981 she cut all communication lines to the GO except through herself. It must be noted that Mary Sue Hubbard believed her position as Controller and as the Founder's wife to be unassailable and beyond reproach by anyone but Mr. Hubbard - who was not around at the time. This, plus her absolute control of the GO made it difficult for the Special Project to get anything done.

In April 1981, in an unprecedented move and without Mrs. Hubbard's knowledge, Special Project sent a mission to GO WW to inspect the Legal Bureau under the guise that they had been authorized by Mrs. Hubbard. What the mission found confirmed their worst suspicions. They found the Deputy Guardian for Legal involved in unethical sexual activities, not doing his job and desiring to leave the GO to go into private practice as an attorney. An inspection of files showed the legal suits to be severely neglected with overdue motions and pleadings. There was almost no evidence of standard Scientology administrative policy being applied.

^{3/} As discussed in the response to Question 10(d), in early 1980, Boston attorney Michael Flynn initiated a series of duplicative personal injury lawsuits against the Church and Mr. Hubbard. Part of the Flynn litigation strategy was to name Mr. Hubbard in these suits in the belief that he would not personally appear and thus force the Church to settle or alternatively face default judgments.

During May 1981 the Special Project's investigation of the GO intensified. The original mission to the Legal Bureau GO WW brought back a great deal of damaging information. Mary Sue Hubbard, in order to save face, could not admit to her staff that she had not authorized the mission. A second mission fired to GO WW in May and removed the Deputy Guardian for Legal, Charles Parselle, from post and put other GO WW executives and legal staff through Scientology ethics procedures in an effort to correct them and make them more productive.

With increased access to the legal area, in June, 1981 the Special Project discovered startling information. Appended to pleadings by plaintiffs suing Scientology were documents detailing GO criminality which had been seized in the 1977 raid. These documents contained appalling evidence of GO criminality - infiltration of government agencies and harrassment campaigns against those the GO considered enemies. When further investigation proved the documents to be authentic, CMO INT decided that it would have to take charge of GO WW and the GO network until it could be reformed and corrected.

CMO INT planned a complete take-over of the GO.

There were a number of obstacles. Mary Sue Hubbard was still asserting her position as Controller. Mrs. Hubbard and other GO executives suborned the then Commanding Officer CMO INT, Dede Reisdorf, to call off the investigation. Mrs. Hubbard also befriended Laurel Sullivan who was working on a corporate sort out project for the Church and convinced her to restructure corporate affairs so that she and others in the GO would own the trademarks of Scientology. Sullivan was encouraged and assisted by Gerry Armstrong, who sought a position in B1 as his reward.

Sullivan's mission was immediately terminated and she was put on menial physical work pending ethics and justice actions. Reisdorf was removed from post by her peers. Armstrong was investigated for having falsified documents within the Church. These GO sympathizers later left the Church and became government informants and witnesses against the Church in civil litigation as set forth in detail in the response to question 10d.

David Miscavige gathered a couple dozen of the most proven Sea Org executives from around the world. He briefed them on what had been discovered in investigating the GO. Together, they planned a series of missions to take over the GO, investigate it and reform it thoroughly. The stakes were high because they faced expulsion from Scientology if they were unsuccessful and the GO prevailed.

Accordingly, on July 13, 1981, with no advance warning to the GO, a coordinated series of five CMO missions were sent out to take over the Guardian's Office.

The first of these missions, headed by David Miscavige, met with Mary Sue Hubbard to convince her to resign. This was essential as the GO consisted of around 1,500 staff who were loyal to Mrs. Hubbard. During a stormy meeting she refused to cooperate. She finally relented when Mr. Miscavige told her that regardless of what authority she attempted to invoke, when both public and staff Scientologists were briefed on the crimes of the GO they would demand the GO leadership step down. It would result in a war of wills involving the entire congregation. She would lose, and there would be a lot of bad blood created to the detriment of the religion. Realizing the outrage that would ensue and that the GO would lose any such struggle, she wrote her resignation.

The other missions were then sent out as soon as this resignation was obtained. One mission was sent into the Intelligence Bureau with its principal objective to uncover any and all illegal activities and the persons responsible. Another mission was sent into the Office of the Controller, comprised of assistants under Mrs. Hubbard for each of the areas of Legal, Intelligence, Public Relations and Finance. The Deputy Controller and the Controller Assistants for these areas were all removed from post. They, along with Jane Kember and a number of the individuals who were directly involved in the criminal proceedings were then turned over to another separate ethics mission. This mission, aptly titled the Crim (criminal) Handling Mission, commenced internal ethics and justice actions on these individuals and began the process of removing them from Church employ. Any staff determined by any of the missions to have been involved in any illegalities were put under the charge of this ethics mission to determine more fully each person's situation and to remove them from staff.

The fifth CMO mission sent at that time went to GO WW to organize that area as most of the executives who had been over it had been removed.

Within a day of Mrs. Hubbard's resignation, senior Guardian's Office officials including Jane Kember and the head of Intelligence, Jimmy Mulligan, secretly met with Mrs. Hubbard and conspired to regain control of the GO. Mrs. Hubbard signed a letter revoking her resignation and condemning the actions by the CMO. Scores of GO staff responded, locking CMO INT Missionaires out of their premises and were intending to hire armed guards to bar access to the Sea Org. Mr. Miscavige confronted the mutineers,

and persuaded Mrs. Hubbard to again resign which ended the last vestige of resistance. While the GO still existed, it was now operating under the direct supervision of CMO missions.

In early August 1981 a Scientology ecclesiastical justice action was convened concerning eleven Worldwide and U.S. Guardian's Office senior executives who had been removed from their positions, including Jane Kember and three of the other persons who had been charged in the criminal case. In early October each of these individuals formally resigned their staff positions.

It was not until September 1981 that Mr. Hubbard was informed about what had taken place with the Guardian's Office, when he again contacted the CMO requesting to be updated on current activities in Scientology. He expressed shock at what had been found in the Guardian's Office and praised those in the CMO who took action on their own initiative.

CMO INT missions and investigations into GO WW in England and the United States Guardian's Office in Los Angeles continued through the end of 1981 and into 1982, weeding out anyone found to have had any part in anything that appeared to have been illegal or who had knowledge of and condoned the GO's illegal acts. Anyone found to be in this category was removed from Church employ.

Beginning in October of 1981 missions were also sent to the other continental Guardian's Offices, such as Canada and Europe, to find out what, if any, illegal activity had occurred there. This process continued throughout 1982 with missions going to virtually all GO offices around the world. Any GO staff who had taken part in criminal activities as well as any staff who believed the GO should operate autonomously and without regard to Church policy were dismissed. During this period the staff of the GO network was reduced by hundreds. Directives were issued that required all orders or communications affecting churches of Scientology originating from the GO to go through the Watchdog Committee of CMO INT.

After the completion of over 50 Sea Org missions into all echelons of the Guardian's Office, in early 1983 it was decided that cleaning up and maintaining the Guardian's Office was not workable and that it needed to be disbanded altogether. This was accomplished by a new series of CMO Int missions sent to GO offices around the world. The pattern of the missions was to remove all GO staff from their positions and put them on estates work and physical labor around the Church. Concurrently, each person was

required to make a full confession of past misdeeds (not limited to illegal acts but also any other violations of Church policy) as part of his or her ethics handlings. Depending on what was found, the person was either dismissed from staff or put on a rehabilitation program. In some cases if the person was relatively clean and willing to abide by Church policy, he or she was retained on church staff but in a lower position on a probationary status. All GO directives and issues of any kind were cancelled across the boards.

Before being disbanded the GO's Finance Bureaux had monitored some aspects of the Church's finances, including the production of and maintenance of accounts and financial records. With the disbanding of the GO, this function was taken over by the International Finance Network where it remains. Public relations activities were put under the direction and supervision of the LRH Personal Public Relations Officer International and his staff. All GO social betterment functions - drug rehabilitation, criminal rehabilitation and education reform, were taken over by a new organization known as Social Coordination. Later this function was assumed by Association for Better Living and Education ("ABLE"). To administer legal affairs, the Office of Special Affairs (OSA) was formed from a mixture of Sea Org staff who had been on one or more of the missions that had disbanded the GO, new staff recruited to work in the area and some former GO staff who had survived investigation and scrutiny and had undergone ethics clean-ups relating to their former affiliation in the GO.

The Office of Special Affairs is not an autonomous group. OSA International is part of the Flag Command Bureaux and the highest OSA management position is that of CO OSA INT. The Watchdog Committee has a WDC member, WDC OSA, whose sole job is to see that OSA INT effectively performs its functions and operates according to Church policy. Continental OSA units are part of the Continental Liaison Offices and local OSA representatives, called Directors of Special Affairs, are staff at their local church subject to the supervision of its Executive Council.

These measures guarantee that the office handling legal matters for the Church will never be autonomous.

Since the disbandment of the GO further steps have been taken to make sure that the negative influences of the GO that were eradicated can never again arise. In 1986 the Church instituted firm policy which makes it mandatory for any former GO staff member to request and get permission from the International Justice Chief before being allowed employment. Any staff who were dismissed

because of involvement in illegalities are not permitted to return to staff under any circumstances. In 1987 another policy was implemented governing the eligibility of Ex-GO staff for advanced level Scientology religious services as parishioners. Such parishioners are required to request permission from the International Justice Chief and must demonstrate to him that they have been rehabilitated, completed their ethics handlings, are leading ethical lives and that they have made significant contributions toward the overall welfare of the Church.

Summary:

The illegal acts of the GO and its perversion and abandonment of Church policy were not taken lightly by Church management once they became known. It required many months of investigation and severe measures by dedicated members of CMO INT to finally cleanse the Church of this corruption. There are no longer any autonomous groups or networks within the Church. All staff are measured against a standard of compliance with church Scripture and against their performance in advancing the religion in terms of ministering to the Scientology religious community and in attracting new members.

In early 1983, the Service was advised, in response to a similar request, that none of the eleven individuals convicted of involvement in criminal activities was then on staff at any church of Scientology, nor was any of them eligible to be on staff in the future.

This continues to be true today and will remain so. Additionally, the Church dismissed a number of others who were determined to have had some part in illegal activities and, although never charged or convicted, are not eligible to be Church of Scientology staff members in the future.