

Church accused of spying on, stealing from IRS

NEW YORK NEWS

WASHINGTON — An obscure church group which had tax problems with the federal government successfully infiltrated and bugged the Internal Revenue Service, stealing hundreds of confidential documents, the Justice Department admitted yesterday.

WASHINGTON — The church also repeatedly broke into offices at the U.S. District Courthouse where the famed Watergate trials were held, stealing tax records, the Justice Department said.

ALTHOUGH SECURITY has been tightened in federal buildings since a spate of bombings in the early 1970s, church members had easy access to the courthouse and other buildings by using IRS credentials obtained by a man who had been recruited to infiltrate the IRS.

The most daring operation against the government was the bugging of an IRS conference room at Washington headquarters. The church members were able to tune in to a high level session called specifically to discuss the Church of Scientology and future government plans for dealing with the church.

Michael Meisner, a church member who is cooperating with the government, said that two other members were able to slip into the headquarters to plant the listening device without any difficulties.

several members repeatedly broke into the office of an IRS attorney and copied every record concerning the audit, the government affidavit alleged.

ONE MEMBER broke into a Justice Department annex in Washington four times and carried out a thick pile of documents on tax matters relating to the Church.

The FBI raid was made to uncover what the Justice Department described as documents involved in a conspiracy to steal from the government. There were no arrests made yesterday but last May, Gerald Wolfe, who had obtained the job as a clerk-typist, pleaded guilty to false use of a government seal.

Among the documents the FBI allegedly recovered were correspondence between members of the International Police Organization, INTERPOL, which has been conducting a wide ranging probe of the church, as well as numerous tax records and State Department cables.

Shortages, demand cited

Gas prices zoom 20-40% in 5 years

WASHINGTON (UPI) — Fuel prices paid by homeowners who burn natural gas have risen by 20 to 40 per cent in each of the past five years, largely because of chronic shortages, according to a new survey covering 41 states.

Last winter's bitter cold drove prices up even more sharply in some cities, says the study by the National Association of Regulatory Utility Commissioners. It says Dallas was hit the hardest with a 52.6 per cent price hike from February, 1976, to February, 1977.

GORDON POZZA, director of economics for the association, said yesterday that despite the steep yearly price increases, natural gas remains the nation's cheapest fuel. The new study is the first conducted on retail-natural gas prices by the quasi-governmental, nonprofit association. It covers every state but Alaska, Arizona, Massachusetts, Mississippi, Montana, Nebraska, New Mexico, Oklahoma and Wyoming, where officials did not reply to an association survey.

The association's report said fuel shortage caused by excess demand was the chief culprit in driving up prices. It said, however, the higher prices also reflect increased exploration, production, transmission and distribution costs, wellhead price hikes allowed by the Federal Power Commission and costly emergency purchases of gas or propane in some areas last winter.

"THE COST OF natural gas for house heating and other residential uses has been increasing rapidly since the early seventies," said the report. "In most major gas consuming areas of the country, residential gas prices are increasing at annual rates ranging from 20 per cent to as high as 40 per cent."

The report surveyed residential gas heating costs for each of the past five heating seasons in 20 metropolitan areas and found average annual increases during the period were at least 15 per cent in every city.

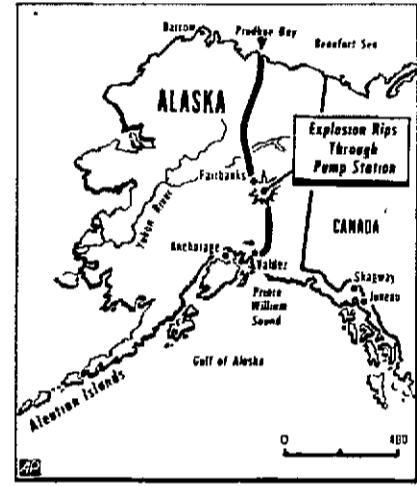


An Air Force firefighting unit from Eielson AFB sprays water on the still smoldering ruins of the main building at Pump 8 on the trans-Alaska pipeline south of Fairbanks. An explosion and fire of undetermined origin destroyed the building yesterday, halting the flow of oil. Newsmap below shows the location of the fire. (AP)

Smoldering pipeline ruins

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Explosion rips through Pump Station

Governors question Carter in bids to aid their states

WASHINGTON (UPI) — President Carter, striving for a national consensus on energy policy, faced questions today from 44 of the nation's governors — most of them concerned with the particular needs of their region.

OFFICIALLY, the agenda was geared to

"state-federal relations in implementing national energy policies." The topics ranged from enforcing the 55 mile per hour speed limit and motor fuel taxes to solar energy and educating the public on conservation.

"I still believe that the energy plan before Congress is very shortsighted on the production side and that we're simply leading the country into a shortage," Oklahoma Gov. David Boren said yesterday.

"SOMETIMES believe there is a deliberate policy being followed to discourage exploration with the belief oil and gas should be left in the ground," he said.

Kansas Gov. Robert Bennett told reporters: "One thing I intend to push for and have pushed for previously is deregulation of new oil and new gas and hopefully allowing the marketplace to arrive at its own level."

NEW ENGLAND governors, for instance, are concerned about adequate supplies of heating oil, since demand is high during their cold winters and few refineries are located in the area.

World news in brief

Ex-Capone guard has heart attack

CHICAGO (UPI) — Anthony J. "Big Tuna" Accardo, a onetime bodyguard for crime czar Al Capone and reputed head of the Chicago crime syndicate, is recuperating from a severe heart attack, the FBI said.

UMW chief ready for talks

CHARLESTON, W. Va. (UPI) — United Mine Workers President Arnold Miller says he's better prepared than ever, though he has no research staff, to open talks with the coal industry to replace the three year contract that expires Dec. 6.

New York OKs Lake Erie drilling

ALBANY, N.Y. (AP) — New York State, which banned drilling for natural gas in Lake Erie during the first years of the environmental movement, is repealing the ban in keeping with the new concern over energy.

UMW pledges aid to Ky. miners

STEARNS, Ky. (UPI) — The United Mine Workers will "spend whatever is necessary" to help win a fight for union representation at the Stearns Coal Co., a top union official said yesterday.

Manure spreader gets probation

SYRACUSE, N.Y. (UPI) — The town justice in suburban Salina and Henry Kindt had somewhat different views of Kindt's spreading horse manure around the town hall lobby in a nearby community.

Gives up in Georgia

Gunman hijacks bus in S.C.

ATLANTA (UPI) — A gunman with a whiskey bottle hijacked a Continental Trailways bus near Anderson, S.C., last night, threatened to kill passengers and flogged a 14-year-old girl while holding a revolver to her face.

RICKY BROWN, 21, of Chester, S.C., then surrendered to authorities without incident and the bus was allowed to proceed to Atlanta. None of the 18 passengers was injured.

Manson girl's retrial goes to jury

LOS ANGELES (UPI) — Almost 8 years after the Manson "family's" most notorious murder spree, a jury must again decide whether one of the "Manson girls" is guilty of two of the murders.

MISS VAN HOUTEN has never denied that she helped Charles "Tex" Watson and Patricia Krenwinkel in the killings. She said she held the struggling Mrs. LaBianca while Miss Krenwinkel knifed her, and then stabbed the woman herself.

The prosecution emphasized there was no

Cabbit?

For all practical purposes, the photo on Page 1 is a cat, but on closer examination and in watching it hop as it moves, it looks like a rabbit. According to Val Chapman, Escrito, N.M., who says he found the animal while hunting treasure in Southern New Mexico, it is a Cabbit, half cat and half rabbit. It eats lettuce and hops like a rabbit but meows like a cat. The female is currently on display at the Los Angeles Treasure and Rock, Gem and Mineral Show at the Great Western Exhibit Center. (UPI)



Penthouse: Copley News provided CIA agents

NEW YORK NEWS

WASHINGTON — Penthouse Magazine claims 23 news employees of the San Diego-based Copley News Service were paid by the CIA to provide intelligence from Latin America.

Joseph Trento and David Roman wrote in the magazine's August issue the late James Copley volunteered his news service as "the eyes and ears against the Communist threat in Latin and Central America" in a 1953 meeting with President Eisenhower.

THE AUTHORS said their information was obtained from secret White House and CIA documents now in the hands of CIA officials. The writers declined to name the supposed CIA agents or discuss how much they were paid.

Charles Ohl, Copley executive news editor, said it was "conceivable" part-time reporters in Latin America might have received money from the local CIA station chief without the

knowledge of company executives. But he said in the 13 years he has been with Copley he knew of no instances where any Copley employees received any money from the CIA.

Ohl pointed out Trento, 29, lost a primary election for Congress last year on the Democratic side. Copley traditionally backs Republican candidates.

VICTOR KRULAK, a former Marine general who retired as president of the news service after nine years in June, also denied the charges. Penthouse said, but he qualified it "by stating that he could not speak for individuals or stringers who worked for" Copley News Service.

Krulak, one-time liaison between the Joint Chiefs of Staff and the intelligence services, is one of the numerous top military men and federal officials who have joined the Copley organization. Currently holding top posts with Copley are Richard Capen, a former assistant secretary of defense, and Gerald Warren, a former White House press spokesman.

A CIA spokesman had no comment, his usual response when asked about agency activities.



Fatal movie stunt

Hollywood stuntman Vic Rivers (left) removes the survivor from a pick-up truck shortly before driving the truck off a ramp at 55 mph nose first into Malibu Lake yesterday on the Paramount Ranch. The truck flipped over, however, trapping the stuntman for 25 minutes underwater.

ter. He died about 2 1/2 hours after being pulled from the submerged truck. The scene was being filmed for a crash-filled movie "High Rider." (AP)