

STATE OF FLORIDA
CITY OF CLEARWATER
PINELLAS COUNTY

CITY OF CLEARWATER COMMISSION HEARINGS RE:
THE CHURCH OF SCIENTOLOGY

Clearwater City Hall
Clearwater, Florida
Wednesday, May 5, 1982

RIZMAN COURT REPORTING
18 TREMONT STREET
BOSTON, MASSACHUSETTS 02108
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1 City of Clearwater City Commission:

2 Charles LeCher, Mayor
3 Thomas Bustin, City Attorney
4 Anthony L. Shoemaker, City Manager
5 Rita Garvey, City Commissioner
6 Paul Hatchett, Vice Mayor
7 James Calderbank, City Commissioner
8 James Berfield, City Commissioner

9 Louise Williams, City Clerk

10 Consultants:

11 Michael J. Flynn, Esquire
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13 Boston, Massachusetts 02109

14 Thomas Greene, Esquire
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20 Kevin Flynn
21 12 Union Wharf
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23 Also Present:

24 Paul B. Johnson, Esquire
25 Johnson, Paniello & Hayes
26 Exchange Bank Building
27 Post Office Box 3416
28 Tampa, Florida 33601

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1 Clearwater, Florida
2 May 5, 1982
3 Morning Session

4 MR. LeCHER: The hearing will come to order.

5 I'd like to ask you to rise for the Pledge of
6 Allegiance led by Police Chief Sidney Klein and remain
7 standing for the invocation led by Commissioner Jim
8 Berfield.

9 (Whereupon, the Pledge of Allegiance
10 was recited.)

11 MR. LeCHER: Mr. Berfield..

12 MR. BERFIELD: Our humble Father, we thank Thee
13 for this day, for the many blessings that this country
14 has bestowed upon us. We thank Thee for this opportunity
15 and may we be mindful of what our duties are here this
16 day and may we carry them out to the best of our ability.
17 May we be reminded of the rights of others and may our
18 duties and our responsibilities to our community be
19 forthwith, not neglecting the rights of others. This we
20 pray in Thy name. Amen.

21 MR. LeCHER: Thank you, Mr. Berfield.

22 Ladies and gentlemen, I have an opening statement
23 to read. We will then, after my statement is read,
24 introduce Mr. Flynn who will introduce the witnesses.

1 This statement is concerning, primarily, the rules
2 and procedures of these hearings.

3 The purpose of these public hearings is to investi-
4 gate alleged violation of criminal and civil laws, and the
5 alleged violation of fundamental rights by the Church of
6 Scientology, an organization which now conducts extensive
7 activities within our city. The purpose of the investi-
8 gation is to determine whether there is a need for
9 legislation to correct the alleged violations. It is
10 not our purpose to interfere with any of the beliefs,
11 doctrines, tenets, or activities of Scientology which
12 arguably fall within the ambit of religious belief or
13 activity in the broadest legal interpretation. It is not
14 our purpose to conduct a witch hunt and receive testimony,
15 documents, or any other type of evidence which is not
16 reasonably related to significant, vital areas of
17 municipal concern.

18 We are compelled to undertake this investigation.
19 There has been overwhelming, documented evidence pre-
20 sented to this Commission and attached to the report of
21 the city's Consultant, Michael J. Flynn, which demonstra-
22 bly indicates that the Church of Scientology has used
23 our city as a base to engage in widespread, local and
24 national criminal activities, pervasive fraud, and

1 deceptive non-religious, secular, sales and recruitment
2 practices, and to conduct vicious personal attacks on
3 members of our community, including our former Mayor
4 and other public and private agencies.

5 When faced with such probative evidence, as has
6 already been presented to the Commission, we feel obli-
7 gated to conduct open, public hearings to examine wit-
8 nesses, subject the evidence to the light of day, and
9 allow Scientology to present opposing or contradictory
10 evidence, if it so desires.

11 These hearings are not without precedent in
12 connection with the Church of Scientology. Many
13 foreign countries, including England, Australia, and
14 South Africa, have initiated formal inquiries into the
15 activities of this organization, and those countries have
16 published reports which contain an almost uniform
17 recitation of anti-social, deceptive, and harmful prac-
18 tices by Scientology. The reports of these countries
19 and that of our consultant relate to a consistent
20 pattern of abusive violation of fundamental legal rights
21 by Scientology. These violations have left a legacy
22 of victims who have turned toward government agencies
23 in many countries, including the United States, seeking
24 aid and legal redress. It is our purpose to examine the

1 non-religious, secular activities within our city of
2 Scientology and to consider municipal legislation
3 which may help to correct abuses and provide assistance
4 to victims of fraudulent, unfair, and deceptive practices.

5 We conduct these hearings motivated by a desire
6 to exercise fundamental fairness in dealing with the
7 substantial issues presented by the consultant's report
8 which are of compelling municipal concern. We open
9 the door to interested parties within the framework of
10 the rules and regulations adopted for these hearings
11 to present evidence to this Commission which directly
12 relates to the following areas of vital public interest.

13 Number one: The utilization of the City of
14 Clearwater as a base to conduct and perpetuate whole-
15 sale violations of state and federal criminal laws,
16 including larceny, breaking and entering, robbery,
17 perjury, conspiracy, kidnapping, extortion, and black-
18 mail, which is evidenced in the consultant's report.

19 Number two: The perpetration of fraud through
20 uniform, secular, non-religious written and oral mis-
21 representations for the purpose of inducing people to
22 pay money or provide labor or services, which is
23 evidenced in the consultant's report.

24 Number three: The utilization of charitable

1 tax-exempt status to conduct commercial, non-religious,
2 non-charitable, anti-social, sometimes criminal activities
3 within our city, without accountability to the proper
4 taxing authority and without payment of real estate,
5 meals, or lodging taxes.

6 Number four: The unlicensed practice of medicine
7 on a widespread basis, including the concealment of
8 epidemics and the treatment of actual diseases by
9 unlicensed individuals holding themselves out to be
10 medical practitioners, which is evidenced in the con-
11 sultant's report.

12 Number five: The implementation of written policies
13 of Scientology calling for flagrant physical and psycho-
14 logical abuse in order to coerce, deceive, and destroy
15 those who Scientology considers to be its enemies. These
16 policies and practices are evidenced in the consultant's
17 report.

18 Number six: The failure of the Church of Scien-
19 tology to meet minimal educational standards for
20 numerous school children living within our city in
21 Scientology-owned buildings and the intentional deception
22 of our education officials as to the education of said
23 children. This is evidenced in the consultant's report.

24 Number seven: The existence of overcrowded,

1 insect-infested conditions in Scientology-owned buildings
2 in violation of public health, safety, and welfare
3 requirements and in violation of existing fire and
4 building codes. This is evidenced in the consultant's
5 report.

6 The second part of this statement concerns the
7 rules and regulations for the conduct of the Commission
8 Hearings. The rules are as follows: Number one: The
9 Commission may make, amend, or cancel any rules or
10 regulations for all purposes relating to the conduct of
11 the hearings.

12 Number two: The Mayor, as Chairman of the hearings,
13 may remove or exclude from the hearings any person or
14 persons interfering with or disrupting the hearings.

15 Number three: The hearings shall commence, pro-
16 ceed, and terminate at such times and on such dates as
17 the Commission shall determine. The following schedule
18 is currently planned: May 5th, 6th, 7th, 8th, 10th,
19 11th, 12th, 13th, and 15th from the hours 9:00 a.m.
20 till 12:00 p.m. and 2:00 p.m. to 5:00 p.m.

21 Number four: The Commission may limit, extend,
22 or terminate the hearings at any time or any date as it
23 deems warranted.

24 Number five: The Commission may limit, extend,

1 or terminate the testimony of any witness as it deems
2 warranted.

3 Number six: The Commission shall receive such
4 testimony, documents, or materials as it deems warranted.

5 Number seven: There shall be no examination of
6 any witness by any person other than the Commissioners,
7 the City Manager, and the City Attorney.

8 Number eight: All witnesses shall testify under
9 oath under the penalties of perjury.

10 Number nine: The consultant under contract with the
11 City, Michael J. Flynn, shall submit documents and
12 affidavits of witnesses not in attendance to be received
13 and reviewed by the Commission. The consultant shall
14 make an opening statement not to exceed 45 minutes,
15 and said consultant shall proceed with the presentation
16 of witnesses, documents, and materials subject to Rules
17 4, 5, and 6 hereof.

18 Number ten: The consultant shall present evidence
19 on May 5 through the 8th. The Church of Scientology
20 shall present evidence, if it so desires, from May 10th
21 through the 13th. Two hours each shall be allocated to
22 the consultant and to Scientology on May 15. This
23 paragraph is subject, however, to Rules 4, 5, and 6
24 hereof.

1 Number eleven: No evidence shall be accepted or
2 received by the Commission except that presented by the
3 consultant or the Church of Scientology without receiving
4 prior consent of the Commission.

5 Number twelve: At the conclusion of the hearings,
6 the Commission shall determine whether further hearings
7 are necessary and whether there is a need to enact
8 legislation.

9 Number thirteen: The hearings are solely of an
10 investigatory nature to determine whether there is a
11 need for municipal legislation. The rules of evidence
12 in judicial proceedings are not applicable to these
13 hearings, but the traditional hearings process relative
14 to legislative investigations will be implemented. The
15 Commission shall endeavor to discriminate between hearsay
16 evidence and direct percipient evidence, but it may
17 utilize hearsay evidence to further its investigation,
18 without relying on such evidence in its final determina-
19 tion.

20 The third part is the format of the hearings
21 process, which is as follows: The consultant for the
22 city will make an opening statement.

23 Number two: The consultant for the city will
24 present a witness before the Commission who may give

1 a statement about matters relevant and material to the
2 areas of municipal concern previously outlined. During
3 the making of the statement by the witness, the con-
4 sultant may present documents or other materials relevant
5 and material to the areas of municipal interest.
6

7 Number three: The consultant may present affi-
8 davits sworn to under oath of individuals who do not
9 appear personally before the Commission, before, during,
10 or after the testimony of any witness.

11 Number four: The consultant may present docu-
12 mentary evidence before, during, or after the testimony
13 of any witness.

14 Number five: Each Commissioner shall have the
15 opportunity to examine the witnesses presented by the
16 consultant relative to any matters of municipal concern
17 as previously outlined.

18 Number six: At the conclusion of the presentation
19 of evidence by the consultant, the Church of Scientology
20 shall have the opportunity to present evidence relevant
21 and material to the areas of municipal concern pre-
22 viously outlined.

23 Number seven: There shall be no presentation of
24 any evidence by any person relative to matters which
relate solely to the religious belief, faith, or

1 convictions of any persons. There shall be no presenta-
2 tion of any evidence relative to the personal bias,
3 motives, conduct, or interests of the Mayor, the
4 Commissioners, the City Manager, the City Attorney, or
5 the City Consultant. The purpose of these hearings is
6 to inquire into the seven areas of municipal concern
7 previously outlined and not to allow any person to
8 utilize the hearings as a forum to attack personally
9 either the participants in the hearings or any other
10 person.

11 Number eight: At the conclusion of the presenta-
12 tion of evidence, the City Commission will deliberate
13 as to whether further hearings are necessary and/or
14 whether municipal legislation shall be enacted.

15 That concludes my prepared opening remarks. I
16 would like to, again, reiterate that this Commission is
17 here for very serious business and we're not going to
18 tolerate any yelling, screaming, hooting, or clapping.
19 If you do that, we're going to ask you to leave; if you
20 don't leave, you're going to be escorted out by an
21 officer.

22 Mr. Flynn.

23 MR. BUSTIN: Mayor, before you get started in the
24 pending process, I had a call from Mr. Johnson

1 representing the Scientologists. Mr. Johnson has
2 requested permission to make an opening statement,
3 which would be out of order in the format.

4 I bring it up now to find out what the pleasure
5 of the Commission is with respect to that request.

6 MR. LeCHER: Commissioners, the Manager has sent
7 Mr. Johnson a letter as of April 13th concerning the
8 schedule of these proposed hearings, and it is the
9 intent to allow representatives of the Church of
10 Scientology to have equal time for presentation which
11 is scheduled to commence on Monday, May 10th, 1982.
12 They will have an equal time on Monday; these are the
13 rules.

14 The rules, also, as stated, were sent to Hugh
15 Wilhere yesterday. He has had time to read the rules.

16 I would suggest that we adhere to the original
17 rules outlined as just stated by me; however, it would
18 take a four to one vote to overrule the Chair.

19 MR. HATCHETT: Mr. Mayor --

20 MR. LeCHER: Yes, Mr. Hatchett.

21 MR. HATCHETT: I move that Attorney Johnson's
22 request be denied.

23 MR. CALDERBANK: Seconded.

24 MR. LeCHER: All those in favor, say "Aye."

1 (Whereupon, the Commissioners voted
2 and the motion carried.)

3 MR. BERFIELD: Mr. Mayor --

4 MR. LeCHER: Yes, sir.

5 MR. BERFIELD: His request is for an opening state-
6 ment at this time?

7 MR. LeCHER: Yes.

8 MR. BERFIELD: But he would be allowed an opening
9 statement?

10 MR. LeCHER: He will certainly be allowed an open-
11 ing statement at another time when it is his time which
12 is next Monday. And that is the way we decided to do
13 it, and I don't think we should change the rules at
14 this particular time.

15 MR. JOHNSON: Mr. Mayor, I'm Paul Johnson.

16 I called Mr. Bustin and he told me I would be
17 afforded the opportunity to make an opening statement
18 to help you and to guide you in your presentation. I
19 think it would be only fair, as in any proceeding, that
20 both parties have a right to make a brief opening state-
21 ment for the guidance of the triers of fact or the finders
22 of fact.

23 And I'm here at what I understand to be the advice and
24 the authority of Mr. Bustin when I requested the right to

1 come and make a brief opening statement. He told me he
2 felt that you could afford me that right. And I'm here
3 and I will make a brief statement, if you will permit
4 me.

5 MR. LeCHER: Sir, I will not permit you. The
6 Commission has decided to adhere to the original set of
7 rules and, that is, that you will be afforded equal time
8 when it is your time and you can speak uninterrupted
9 and up to forty-five minutes at that particular time.
10 But this is the City Commission's time right now.

11 I ask you with due respect, sir, to sit down.

12 MR. JOHNSON: It will be too late to give my
13 advice to you. After the horse has gone, you can't
14 lock the barn door.

15 And what I want to say to you is very helpful and
16 very proper, and I --

17 MR. LeCHER: Sir, I've asked you to sit down, sir.
18 I appreciate your concern and your advice to me and this
19 Commission. I ask you again, once more, to please sit
20 down.

21 MR. JOHNSON: Does that mean that Mr. Bustin's --

22 MR. LeCHER: That means, sir, sit down.

23 MR. JOHNSON: -- advice is withdrawn?

24 MR. LeCHER: That means sit down.

1 Thank you.

2 Mr. Flynn, are you ready?

3 MR. FLYNN: I am, Mayor.

4 MR. LeCHER: Then, let the proceedings begin.

5 MR. FLYNN: Mayor LeCher, Mr. Bustin, Mr.

6 Shoemaker, Commissioner Garvey, Commissioner Hatchett,
7 Commissioner Calderbank, Commissioner Berfield, and
8 people of the City of Clearwater: I have been contracted
9 with by the City Commission as a consultant to present
10 evidence to this Commission relative to the matters that
11 have been set forth by Mayor LeCher in his opening
12 statement.

13 For the past three years, I have endeavored to
14 collect evidence pertaining to the operating, non-
15 religious, secular activities of the Church of Scien-
16 tology. I have made that endeavor in connection with
17 proceedings in cases that are not before this Commission.

18 Approximately a year ago, I was approached by
19 city officials relative to the collection of that evi-
20 dence, which was to some degree broadly known in the media
21 across this country. Those city officials examined some
22 of that evidence. Subsequently, they consulted with
23 you, the City Commission en bank, to determine whether
24 I should prepare a formal report relative to matters of

1 vital, municipal concern to the City of Clearwater.

2 And I did prepare such a report. And I attached
3 to that report approximately three to five thousand pages
4 of documentary evidence. That report set the initial
5 base by which this Commission could proceed to determine,
6 from a threshold level, whether further consideration
7 should be given to the issues raised in the report. And
8 this Commission did, in fact, consider that report and
9 decide in the early part of this year to conduct these
10 hearings for the purpose that Mayor LeCher has stated,
11 to subject that evidence to the light of the day, to
12 give you people the opportunity to examine the people
13 in part whose testimony and documents gave flesh and
14 validity to that report. So, instead of having a piece
15 of paper to read, you will have the opportunity to
16 examine the people, to look them in the eye, to determine
17 whether what they say is true, false, or to whatever
18 degree of validity what they say should be accepted by
19 this Commission.

20 The City Commission was compelled to undertake
21 these hearings, not only for the protection of the people
22 of Clearwater but for the protection of the Church of
23 Scientology and its members who are living in this
24 city and residing in Scientology-owned buildings and

1 receiving, in some measure, the benefits of the city, of
2 residing in the city, and are receiving the alleged
3 benefits of being a participant in the Church of
4 Scientology.

5 The reason that these hearings are compelled on
6 both counts for the people and for the Church is because
7 of the history of events that have taken place within
8 this city. And I do not intend in this opening to out-
9 line all of those events. I will simply point out to
10 the Commission and to the people of Clearwater that for
11 approximately seven years, since the latter part of
12 1975, when the Church of Scientology came into this city,
13 allegedly under a name or title that did not properly
14 describe the nature of their organization or their
15 purposes, the city began to question: Who was this large
16 group that had undertaken to purchase Clearwater build-
17 ings and what were these people doing within the city?
18 Your former mayor, to some degree, attempted to under-
19 take and find answers to those questions for the people
20 of Clearwater.

21 Thereafter, as many of the people of Clearwater
22 know and the Commissioners know, various alleged opera-
23 tions were conducted against your former mayor. And
24 since that period of time, there have been constant and

1 uninterrupted media attention and news items relative to
2 not only the matters pertaining to your former mayor
3 but other operations of the Church of Scientology across
4 the United States. We are all aware of the fact that
5 for seven years the media has raised these issues before
6 the people of Clearwater and before you as their elected
7 representatives.

8 The issues that have been raised by the media
9 warrant scrutiny. They warrant a legal, official body
10 of this city looking into them and determining whether
11 they're true or whether they're false, both for the
12 protection of the Church and for the protection of the
13 people.

14 You, as the elected representatives, who, for
15 the first time, have decided to undertake this task and
16 I, to some degree, have been subjected to representa-
17 tions in the media as to our purposes. And that type
18 of activity, as we all know, has gone on for seven years
19 with anyone who has undertaken in this city to vocally
20 speak about this subject in the media. There has also
21 been attendant with it rumors, allegations, and media
22 attention to the fact that there is harrassment, smear
23 campaigns, and things of that type. It is fair to say,
24 I believe, that that is what has been occurring within

1 the City of Clearwater.

2 The Church and the people of Clearwater deserve
3 to know whether such things took place, who did them,
4 and under what circumstances they were done. A factual
5 record that has legal validity with you people determining
6 whether or not those facts are true and what should be
7 done with those facts is a matter that should be set
8 forth in a public record that the people of Clearwater
9 can turn to and say definitively, "Our elected representa-
10 tives have decided whether such things have taken place
11 or have not taken place and this is what we intend to do
12 about it." For that reason, for both sides, these
13 hearings are absolutely necessary.

14 Attendant to or peripheral to some of these events
15 have been tax considerations which have been raised in
16 the media. It is not our purpose here, per se, to
17 determine whether or not those tax considerations in
18 the light of the factual evidence can be directly con-
19 fronted by this Commission. However, it is a matter
20 which is of importance to the people of the City of
21 Clearwater, and some of the evidence pertaining to some
22 issues relating to tax considerations can factually be
23 decided by this Commission and turned over to whatever
24 appropriate authorities the Commission deems they should

1 be turned over to.

2 During this entire period and right up to five
3 o'clock yesterday afternoon, I think it is fair to say
4 that there has been a response by the Church of Scien-
5 tology, both in the media and before this Commission and
6 prior Commissions to allegations made in the media about
7 the Church. In light of the evidence and factual testi-
8 mony that I am going to present, I would characterize
9 that response to be one of using a defense of religious
10 persecution to conceal the real nature of what the
11 evidence will show and what the facts will be, at least
12 out of the testimony of these witnesses and the documents
13 that will be presented. I believe it is a fair state-
14 ment to say that that defense has been proffered to this
15 Commission.

16 I also believe it is fair to say that in line with
17 that defense the Church of Scientology has characterized
18 itself as an unpopular religion and, therefore, there
19 are issues of religious persecution attendant to it.
20 I would throw out to the Commission that it is the Church
21 that says that it's unpopular.

22 The scrutiny will not be into popularity; the
23 scrutiny will be into conduct. And if the conduct, as
24 determined by this Commission, turns out to be of the

1 nature of the allegations that have been made in the
2 press and that have been taking place in various courts
3 across the country, then, the character of the des-
4 cription of saying that the Church is unpopular in light
5 of some of their conduct may be warranted.

6 Fundamental to American jurisprudence and American
7 lawmaking, of which this body is an inherent part, is
8 due process: the right of both sides to be heard. The
9 Church of Scientology will have an equal opportunity to
10 be heard and to present evidence that will rebut the
11 evidence that this consultant has collected and intends
12 to present to this Commission.

13 In light of the requirements of due process, and
14 having in mind what due process means, I hope and pray
15 that the Church of Scientology will produce testimony
16 and will produce witnesses and documents to rebut the
17 evidence that will be presented by this consultant. I
18 sincerely hope that the Church of Scientology will not
19 simply listen to the evidence presented and seek to
20 attack by whatever means, through whatever written
21 policies, the people who are presenting the evidence.
22 I sincerely hope that the Church will address the facts
23 and the issues that will be raised by the testimony and
24 will not attack the people who are raising the issues.

1 There is another right in the First Amendment in
2 addition to the right of free exercise of religion and
3 that right is just as vital. It is the right of free
4 speech.

5 There will be people who will be presented to this
6 Commission, based on the evidence that this consultant
7 is aware of, who have been denied that right by written
8 policies of the Church of Scientology. This Commission
9 should be as concerned about that right as they should
10 be of First Amendment rights of free exercise of
11 religion on both sides of the fence.

12 Approximately, nine months ago, as virtually
13 everyone in the city knows and the City Commission is
14 aware, the top eleven people, excluding L. Ron Hubbard,
15 of the Church of Scientology were convicted of a wide
16 variety of crimes which, in themselves - the convictions
17 in themselves - have no direct relevance to these pro-
18 ceedings. However, the facts that pertain to the indict-
19 ments that were brought by the United States government,
20 as they relate to the City of Clearwater in relationship
21 to alleged criminal activity, have direct relevance to
22 this Commission.

23 In those cases, the cases of Mary Sue Hubbard and
24 the other top eleven officials of the Church of

1 Scientology, the defense of First Amendment free exercise
2 of religion was raised. The cloak of concealment of
3 what those criminal activities were resulting in those
4 convictions was placed with the use of First Amendment.
5 free exercise of religion arguments; it was placed over
6 those activities. And I would like to read to you what
7 the District of Columbia Court of Appeals, the Federal
8 Court of Appeals just below the United States Supreme
9 Court, which denied relief to those individuals who were
10 convicted, said about that defense.

11 And I quote from the case of the United States v.
12 Mary Sue Hubbard: "The crimes charged here are not
13 ideological offenses. Those who formulate conspiracies
14 to obstruct justice, steal government property,
15 burglarize, bug, harbor fugitives from justice, and
16 commit and suborn perjury before the grand jury have
17 no constitutional right under the First Amendment to
18 conceal the documentary evidence thereof. Likewise,
19 none of the documents" - referring to documents seized
20 by the Church - "and freedom of religion is not endangered
21 but encouraged when criminal conspiracies are suppressed
22 that attempt to hide behind religion."

23 It is not the purpose of this Commission to
24 determine whether the Church of Scientology is or is not

1 a religion. It is none of your business; it is none of
2 my business in this proceeding. It may be other govern-
3 ment's business in other proceedings. But it is not the
4 purpose of this Commission to determine that fact.

5 It is the purpose of this Commission to open the
6 cloak that has been placed over alleged violations of
7 civil and criminal law in this city to determine whether
8 they've taken place and to determine whether or not that
9 cloak is being used to conceal. And in that way, free-
10 dom of religion will be encouraged.

11 The focus of the inquiry and the nature of the
12 evidence, very briefly, will not seek to vilify, hold
13 up to ridicule, or attack members of the Church of
14 Scientology or anyone else. It will seek to deal with
15 the corporate structure of the organization which has
16 policies which have to do with and are relevant to the
17 seven areas of municipal concern. We are not here to
18 find out whether members of the Church are good people
19 or bad people; that is none of our concern.

20 In fact, as a matter of opinion, I would proffer
21 to you people that I have many clients who are formerly
22 members of the Church, who are very idealistic, well-
23 motivated, well-intentioned people. As a matter of
24 opinion, I would proffer to you people that the

1 individuals residing now in your city are of the same
2 type: they are idealistic, well-motivated, well-
3 intentioned people.

4 We are not dealing, however, with just motivation
5 and intention. We're dealing with conduct. Our inquiry
6 is to determine whether the conduct of any individuals
7 has been such as to be in violation of standard civil
8 and criminal laws and fundamental human rights. We are
9 not going to inquire into the beliefs or faith of any
10 person. The evidence that will be introduced will be
11 intended to deal with secular, non-religious practices.

12 A stringent effort has been made to deal with
13 secular, non-religious practices. There is the con-
14 sideration of the fact that a cloak of First Amendment
15 protection has been placed around those practices. There
16 is a need to open that cloak, and it must be done
17 sensitively, and it must be done with all due caution
18 by this Commission. But it must be done as the Court
19 of Appeals in the District of Columbia did

20 The evidence will involve several fundamental
21 areas. It will involve, as I said, corporate policy as
22 opposed to individual conduct that is not related to
23 corporate policy. In that respect, there is one
24 individual whose background, credentials, qualifications

1 must be examined. They reason they must be examined is
2 not to vilify or hold up to ridicule that individual;
3 that, per se, is none of our concern. The reason this
4 particular individual's credentials must be examined is
5 because the evidence will be that the Church of Scien-
6 tology has held out that individual for more than two
7 decades in writing, consistently, uninterruptedly, to
8 have certain qualifications upon which people have come
9 to this city, paid money, provided labor, on the
10 representations of the Church of Scientology that those
11 credentials, qualifications, and background are accurate.
12 And there has been, as the evidence will show, specific
13 and trusted reliance on those credentials. And the
14 evidence will show that those credentials are not
15 accurate.

16 So, therefore, there must be an inquiry into
17 L. Ron Hubbard's background to determine whether the
18 written representations made about him by his organiza-
19 tion are true or false, because people have come to
20 your city and paid money, millions of dollars, for seven
21 years relying on those representations, as you people
22 will hear.

23 The nature of the evidence will essentially deal
24 with deceptive practices, misrepresentations concerning

1 Mr. Hubbard's background, misrepresentations concerning
2 the confidentiality of information given by Church
3 members to this organization on the representations to
4 them that it would be held in confidence and it would
5 not be used against them.

6 If you people decide, from the evidence, that there
7 are policies to not only use that information but to use
8 in an extortionate manner of blackmail, then, that
9 evidence will not only prove that there has been
10 deception of these people who have paid money but it
11 will prove that conduct has been engaged in by this
12 organization that is specifically in violation of funda-
13 mental laws dealing with fiduciary obligations, invasion
14 of privacy, and the sanctity of individual -- informa-
15 tion that is given in confidence.

16 There will be, briefly, evidence relating to the
17 conditions at the Fort Harrison and other buildings
18 owned by the Church of Scientology in this city. That
19 evidence will pertain to public health, safety, and
20 welfare factors; fire, building, and municipal code
21 factors; educational considerations relevant to whether
22 children who have been living in the city are obtaining
23 an education that is required under the laws of the
24 State of Florida and Pinellas County.

1 There will be evidence pertaining to purely
2 secular, legal, non-religious practices dealing with
3 the signing of promissory notes, legal releases, waivers,
4 and things of that nature that people who come into the
5 Church are required to sign that have nothing to do with
6 religion. They have to do with whether or not someone
7 can walk over to the Pinellas County Courthouse or the
8 Federal Court in Tampa and file an earthly lawsuit.
9

10 Finally, there will be evidence pertaining to some
11 very fundamental policies of the Church of Scientology
12 which are inherent in the very fabric of the organization,
13 which relate to this city and to the people in the city,
14 both inside the Church and outside the Church - that
15 relate to the citizens of this city both inside the
16 Church and outside the Church - in an area of absolutely
17 significant, substantial, vital, municipal concern. And
18 that is a policy that allows the Church of Scientology
19 to attack, lie, cheat, sue, and destroy its enemies.
20 It is, as the evidence will show, a real policy that has
21 been operating in the city for seven years, has been
22 applied to members of this Commission in the past and,
23 as the evidence will show, based on the nature of the
24 policy, is in all likelihood being practiced today.

I ask, ladies and gentlemen, that you question and

1 scrutinize the testimony of every witness in great
2 detail. Seek to elicit from each witness as much as
3 you can on all relevant matters. Do not hold back
4 questions that your conscience in whatever way says
5 should be asked. Subject the witness to a thorough
6 examination. Bring out the facts to the people of
7 Clearwater, and make a determination as to the accuracy
8 of those facts.

9 Thank you.

10 MR. LeCHER: Thank you, Mr. Flynn.

11 Is your witness --

12 MR. FLYNN: The first witness will be Edward
13 Walters.

14 MR. LeCHER: Please take Mr. Walters to the Clerk,
15 Mrs. Williams, who will swear Mr. Walters in.

16 Face the Clerk, sir.

17
18 EDWARD WALTERS, a witness herein,
19 having first been duly sworn by a Clerk for the City of
20 Clearwater, was examined and testified as follows:

21 MR. LeCHER: Take a seat.

22 I have a few standard questions I'd like to ask
23 you. I'm going to ask these same standard questions of
24 every witness, whether brought by the city or by the

1 Church of Scientology.

2 Sir, the first question is: Are you appearing
3 here today and testifying under oath voluntarily?

4 MR. WALTERS: Yes.

5 MR. LeCHER: Number two: Have you been paid by
6 anyone for your testimony, other than expenses for coming
7 to Clearwater?

8 MR. WALTERS: No.

9 MR. LeCHER: Three: Do you have a lawsuit against
10 the Church of Scientology?

11 MR. WALTERS: Personally, no.

12 MR. LeCHER: Does the Church of Scientology have
13 a lawsuit against you?

14 MR. WALTERS: Yes.

15 MR. LeCHER: Number five: Has anyone suggested
16 to you that you should state anything but the truth or
17 has anyone suggested that you change your testimony for
18 any reason?

19 MR. WALTERS: No.

20 MR. LeCHER: Okay, sir. Would you like to -- I
21 believe you have an outline to follow. Would you like
22 to --

23 MR. FLYNN: The practice, Mayor, will be the witness
24 will seek to deliver a soliloquy or statement that he

1 feels is pertinent to the matters of municipal concern
2 previously outlined and, then, the Commission will under-
3 take examination.

4 MR. LeCHER: Thank you.

5 Mr. Walters, would you like to proceed?

6 MR. WALTERS: All right.

7 I think it would be best, probably, for me to tell
8 you how I started in Scientology and my history and
9 record and experience so that you'll have some -- you'll
10 know where I'm coming from, otherwise, I'm sure some of
11 the things I tell you just won't be believed.

12 Excuse my nervousness; this is the first time I've
13 been in public.

14 MR. LeCHER: We're all a little tense here, sir.

15 MR. WALTERS: It's not easy to talk about this,
16 and you'll see why when I tell you.

17 Okay. Around 1970 in Las Vegas, Nevada, I was an
18 executive, casino executive, at the Sands Hotel. Through
19 an individual who I had known a few years earlier in Las
20 Vegas, Frank Freedman, who is here at Clearwater present-
21 ly - but at that time he was in Las Vegas - introduced me
22 to Scientology. He told me, you know, what it was,
23 that it was founded by this famous man who was a great
24 man, a nuclear physicist. He discovered the secrets to

1 life, happiness. And Frank, knowing that I was interested
2 in bettering my life, questioning the world around us,
3 asked me to come down to a mission that he had. A
4 mission is a small Scientology organization; it's the
5 lowest on the chain of command.

6 He gave me some auditing. Auditing is a process
7 where you sit in front of a Scientologist who uses a
8 meter, called an E-Meter, and you are told that this
9 E-Meter can detect whatever is wrong with you, the
10 reasons why they're wrong with you, and it can find a
11 thing called engrams, which, as Hubbard says, is the
12 sole source of all sickness and aberration. And I did
13 that for a few weeks.

14 I'd have to admit that the first introductions to
15 Scientology were nice; it usually is for most people.
16 I -- later, that mission closed and they went to Flag.
17 Flag was a ship that L. Ron Hubbard resides on. That's
18 the highest point in the Scientology organization, Flag.
19 Flag is now here in your City of Clearwater.

20 I was then transferred to the Las Vegas Organiza-
21 tion on Industrial Road in Las Vegas where it was
22 suggested that I continue studies. I was, myself,
23 interested in the technology. I had been, you know,
24 very impressed of Hubbard's degrees, his studies, and

1 that he was a sick man who made himself well, and that
2 he had found a way of doing this for everyone.

3 I, at the time, had back trouble and stomach
4 trouble, which I was going to Santa Barbara for, Santa
5 Barbara Clinic in California. That came up in this
6 auditing.

7 Anyway, at the organization in Las Vegas, the Las
8 Vegas Org., which is the next step up in the chain of
9 command -- you've got a mission, then, the Las Vegas
10 Organization was an organization called an org. At the
11 Las Vegas Org. I started a Dianetic course. Dianetics
12 was introduced to me as the first book that L. Ron
13 Hubbard read -- wrote. We were told to read it, and
14 this told us and convinced us that this was the erradica-
15 tion of all illness, the sole source of aberration. It
16 would make you well and happy, high IQ and total recall,
17 the supreme being, et cetera, et cetera.

18 While at the Las Vegas Org., within the first few
19 months, I was asked to -- my room was on the second floor.
20 I was asked to go down in back of the building in an
21 office back there called -- to meet some people in the
22 Guardian's Office. The Guardian's Office is a -- it was
23 explained to me -- well, I'll just tell you exactly how
24 it occurred.

1 I went down there and met -- I guess I can name
2 names.

3 MR. LeCHER: Yes, you may.

4 Will you put the microphone a little bit closer
5 to you? I'm just afraid there's somebody in the back
6 who doesn't hear you.

7 MR. WALTERS: All right.

8 I met Susan Reed. I don't know what her name is
9 now, but Susan Reed --

10 MR. LeCHER: Excuse me, sir.

11 If at sometime during your conversation you'd like
12 to take a break, do it, if you're getting a little worn
13 out. I believe you're going to be here for quite a bit
14 of time. So, if you need a break, let us know.

15 MR. WALTERS: No, I'll be fine. We've been waiting
16 a long time just to get here.

17 MR. LeCHER: Okay. Proceed.

18 MR. WALTERS: You'll just have to protect me when
19 I leave the building.

20 So, I met Susan Reed, who was the Assistant.
21 Guardian, called AG, Madeline Reese, Maddy Reese, who was
22 AGPRO, meaning Assistant Guardian Public Relations
23 Officer - you'll hear names like officer all the time;
24 I later found out it's a very Navy-oriented thing -

1 and Chuck Reese who was the Intell Officer for Intelli-
2 gence, later changed to be called Information.

3 They invited me in and asked me how I was doing;
4 they said they heard something about me - to this day
5 I don't know from who - but they said I was a sharp guy
6 and "We hear you're doing well" and "You're interested
7 in going clear," which is one of the early things that
8 you're sold on is to go clear. Clear would be free of
9 all the aberration and engrams that I mentioned earlier.
10 And as a clear, you would have, you know, genius IQ,
11 total recall, and free of illness, et cetera, et cetera.
12 And I was very much interested in doing that.

13 So, they invited me, actually, many times, two
14 or three times a week for a three-, four-week period.
15 And, generally, what occurred was telling me the
16 importance of the Guardian's Office, that it was an
17 organization set up by L. Ron Hubbard to protect the
18 Church of Scientology against the enemies that are out
19 there. Enemies in 1970 and '71 were psychiatrists,
20 doctors, government officials, mental health organiza-
21 tions; those are the ones explained to me at the
22 meetings.

23 It was explained to me how important it was that
24 Scientology was to clear the planet, meaning make everyone

1 clear in the City of Las Vegas and throughout the world,
2 that these enemies had to be stopped, that these enemies
3 were actually suppressive people. Suppressive, meaning
4 that they were out to destroy the Church of Scientology.
5 And these suppressives were people who were actually
6 criminals themselves and Ron knows this; they're actually
7 anti-religion, anti-spiritual, and they're connected
8 with the doctors and psychiatrists, et cetera.

9 So, it was approached to me from the viewpoint,
10 you know, "We have to fight this war, Eddie, and that
11 to possibly do the job we have to do and for you to go
12 clear, Eddie, we will need your help." At the time,
13 I'm embarrassed to say, I said, "Fine."

14 I had grown up -- I was not, as a normal citizen
15 is, most infatuated with public officials and didn't
16 really know much about them. So, whatever they told me
17 was believable.

18 Anyway, a short time after that, I was invited
19 down to the office and a fellow was standing there called
20 Bruce Raymond. Bruce Raymond, Susan Reed, and Maddy
21 Reese told me to go for a walk with Bruce Raymond. I
22 did.

23 Bruce Raymond told me that he was -- well, first,
24 he started talking to me again, constantly always telling

1 you, you know, "Are you going clear," how important it was
2 to beat the enemies, and that whole routine I had been
3 receiving for weeks. And I said, "Yes, I want to help;
4 I want to clear the planet; I'll do whatever we can do."
5 He told me that he was a special agent for L. Ron
6 Hubbard and Mary Sue Hubbard and that he works with the
7 Guardian's Office and that he works on the most sensitive
8 and secret operations. You'll hear that word a lot;
9 in short it's called ops. In fact, throughout Scien-
10 tology, terminology is like the Navy; they cut every-
11 thing into short terms.

12 He said -- he stressed to me the importance that
13 serious things must be done to stop these enemies, that
14 these were vicious people, and that -- so, I said,
15 "Fine," you know, if there was any way I could help, I
16 would.

17 He told me -- he was bragging to me about, again,
18 the technology of L. Ron Hubbard and that L. Ron Hubbard
19 had this mental technology so that, being the genius he
20 was, he had developed the technology of espionage,
21 intelligence, ferreting out the enemy, and -- so, I
22 said, you know, "Fine, if this is what it takes to go
23 clear, you know, and they're going to stop L. Ron
24 Hubbard from helping all of us, I'll do what I can."

1 He told me that -- I asked him about the technology
2 because I was interested. I was very technically
3 oriented then and still am. He told me about the
4 Guardian's Office technology, such as, "I'm sure you've
5 heard, you know, people who go to a lawyer and try to
6 cause trouble for Scientology," and I said, "Yeah, I've
7 heard that." He said, "What we do is, you know, we
8 investigate them and if we have to, we" -- he bragged,
9 you know, "We just plant dope on the individual, and
10 someone calls the police and the guy gets arrested and,
11 then, it's broadly publicized, and the lawyer usually
12 drops the case," and stuff like that.

13 And he impressed upon me two things: one, that
14 anybody talking or criticizing the Church was connected
15 to major operations to suppress the Church and, two,
16 that anything will be done to stop these people. And
17 that L. Ron Hubbard has the means and the technology to
18 do it.

19 He said that -- all right, anyway, we talked a
20 while. And in the coming weeks, he made me what we
21 called an FSM for the Guardian's Office. I was an out-
22 side intelligence operator. I was given a code name.
23 Any operations that were done were written up and sent
24 back to headquarters in Los Angeles at that time.

1 Anyway, so, I did that. And I got involved in
2 and also overheard and watched many covert operations
3 done against the City of Las Vegas, against the city
4 officials, a legislator, the director of mental health,
5 psychiatrists, the Better Business Bureau, newspapers,
6 the district attorney's office, infiltrations. I don't
7 know how specific to get with you, if you're interested
8 in me now answering questions.

9 Anyway, I'm embarrassed to say, at the time I
10 thought it was all something you had to do to fight and
11 to destroy the vicious enemies of the Church. I believed
12 what they were telling me about the city officials, that
13 they were connected with the government, that the govern-
14 ment was connected with the psychiatrists, who were
15 connected with doctors, who were connected with some
16 mysterious voodoo from outer space, who were always
17 trying to get Hubbard. It's embarrassing now, but at
18 the time I thought, you know, this man's a nuclear
19 physicist, he's an expert on the mind; he must know
20 what he's talking about.

21 All right, anyway, I then went on to continue my
22 training. Briefly, I can tell you I did every course
23 offered in Scientology on the training side, meaning the
24 side that teaches you the technology of Scientology. I

1 did the Communications course, Dianetic course, the
2 Minister's course, which -- I know, you know, it's easy
3 to say now, I remember at the time I did the Minister's
4 course, and I can remember talking to the GO people,
5 you know, "Why are we doing the Minister's course?"
6 They were telling me, you know, "The government thinks
7 we're not a religion, so we'll make you and some others
8 a minister. We want you to get a collar, a white collar,
9 and a black thing." And I asked, "Why?"

10 And they said, "Well, that's what the public" -
11 they're called WOGS, you people are called WOGS - "that's
12 what the WOGS think a minister looks like, so Ron has
13 very cleverly -- never underestimate Ron, Eddie. We will
14 give a presentation that will -- they want ministers,
15 we'll show them what a minister looks like." Well, I
16 can tell you, in nine years, I wore that minister's
17 thing three times.

18 And it's very interesting to know the three times.
19 The first time I wore it, they called me up to wear it.
20 It was very important; the Guardian's Office wanted me
21 to wear it because the district attorney's office was
22 coming down. I didn't know for what, if somebody had made
23 a complaint or they were checking something about city
24 licenses at the time.

1 I wore it again shortly after that because it was
2 explained to me that, to make us look like a religion,
3 we had to have services. Ron had discovered just what
4 the government really wants, which is, you had to have
5 services, parishioners, and things like that. And so,
6 they would start giving -- this was in '72 or '73, they
7 would start giving Sunday lectures, and they'd call that
8 the services. And they wanted me to give a lecture and
9 wear this, and they were going to invite some news media
10 down there, which I did.

11 Anyway, in my career in Scientology in Las Vegas,
12 I did the Dianetic course and became a Dianetic auditor,
13 the Dianetic CS course. I did, above that, the auditing
14 grades, which are given to the public who come in. I
15 became a Class 1 Auditor, Class 2 Auditor, 3, and a
16 Class 4 Auditor. I went to Los Angeles in my quest
17 for more technology. I became a Class 5 and Class 6
18 Auditor. As a Class 6 Auditor, I was at ASHO, American
19 Saint Hill Organization, Los Angeles, where you study
20 from 8:30 in the morning until eleven at night. You
21 listen to tape recordings and study L. Ron Hubbard's
22 bulletins all day long. You get a break at twelve and
23 again at six.

24 And a Class 6 Auditor was one who was totally an

1 expert in all the technology of the -- of Scientology.
2 I completed that course; I was down there a year and-a-
3 half, I think. I completed that course. I did the
4 Extended Dianetic course and the Clearing course. The
5 Clearing course, as I told you earlier, is the thing
6 where people go clear.

7 After the Clearing course, I was back in Las Vegas;
8 after a year and-a-half, I was back in Las Vegas. Things
9 were still the same. I had not seen the progress that I
10 had hoped I'd see, and I thought I would see more
11 auditors. I was hoping in Las Vegas that the Guardian's
12 Office was at least getting along with the city. And I
13 thought it would be nice -- you know, it would be easy
14 to audit and become friends and do all the things that
15 we're told that will happen.

16 You see, one of the mysteries that confronts you
17 as you go along is that you have what is preached by
18 Scientology and, then, you have what is practiced, which
19 is almost a dichotomy. It's hard to explain to you
20 unless you're in; it's a hard analogy to give you.

21 But I'll never forget seeing a TV program on
22 Reverend Jones in Guyana. If you'd listen only to
23 Reverend Jones' lectures, they weren't half bad. But
24 I wish some of the people in Guyana spoke up on what was

1 really going on there. I mean, that's the same thing
2 with Hubbard: the lectures aren't that half bad. Some
3 of the technology isn't that bad. It's what it's used
4 for, and I can get into that later.

5 Anyway, Las Vegas was just as, I thought, puzzling
6 to me as ever. I was still involved in covert activities
7 against officials. I was hearing the first mutterings
8 of now they were going to attack and destroy the federal
9 government. Jesus. I had heard in Los Angeles about
10 now the new enemy was Interpol, in '73. It was Interpol;
11 Ron had discovered that Interpol was the major suppressive.

12 Now, I get back to Las Vegas and they're into the
13 FBI and the government, the IRS. And I hear mutterings
14 that they're going to do something -- in Scientology,
15 the Guardian's Office do something to infiltrate, break-
16 ing and entering, get whatever evidence they need or
17 plant what -- it's a full-fledged operation, which I
18 can talk about later, if you're interested in it.

19 Anyway, God, it was just so untechnical to me, and
20 I was wondering how I, as this highly trained so-called
21 auditor, could clear people, bring peace to the world,
22 if there's this part of the Church that's doing psychotic --
23 and at that time, I just thought it was a bad part.

24 I was a Class 6 then around '75, '76. The only

1 higher level attainable above that was a Class 8, who
2 was promoted as the highest technical expert there is,
3 totally can solve all cases; he was the ultimate surgeon,
4 you might say, in a hospital.

5 So, I went down to do that course, figuring I would
6 find, maybe, the final answers to the technology and
7 insanity that I was starting to question in Scientology
8 and our source in the world. This Class 8 course
9 turned out to be a disciplinary and psychotic adventure,
10 more geared to make you into a Gestapo auditor than it
11 was to make you into a decent human being.

12 That explained to me why - when I did the Class
13 8 course - that was the highest you could go. And
14 I found no goodness or compassion or caring. But I
15 saw the actual teaching and hysterics of Hubbard. That
16 explained to me then why in Las Vegas a Class 8 and
17 others around the country could take the most intimate
18 confessions of individuals that were given in this
19 counseling, this auditing, and use it against them.

20 I never agreed with it. I saw it; I was involved
21 in it. And when I got to the top and found that that
22 not only is not -- it's not just Las Vegas that got into
23 a bad thing, but it's the actual policy and practices
24 of the Guardian's Office and the Church, so-called Church.

1 Well, I knew, then, the ending was -- it would soon be
2 over for me.

3 I went back to Las Vegas as a Class 8. I
4 audited in the field at my home for a while; I tried to
5 stay away from the Las Vegas Org. It wasn't easy because,
6 at that time, the public was becoming aware or, at least,
7 the FBI had broken into the -- you know, raided the
8 Church, and now the public was becoming aware that there
9 were burglaries and infiltrations into the federal govern-
10 ment.

11 I knew this to be true and, yet, the Las Vegas Org.
12 and Hubbard and the Guardian's Offices in Los Angeles,
13 Clearwater, Artie Maren, and others like him were telling
14 Scientologists that this was all false, this was lies,
15 this was further proof how suppressive -- I know it may
16 sound silly to you, it sounds silly to me. But at the
17 time I thought we would be proud of this, like, as if
18 we had broken in or exposed the FBI and exposed the
19 government. Now, the Guardian's Office is saying they
20 had nothing to do with it, these people were innocent,
21 and telling all Scientologists that this was more lies
22 and that you better get more auditing and spend more
23 money to protect yourself from these evil people.

24 And I'm thinking, "God, could it be that all these

1 years I've known of and participated in things like
2 this, and now they're even lying about that?" I mean,
3 it was just -- so, I intended to stay away from them;
4 they knew I was discontent with them.

5 Anyway, then, some people -- Hubbard, by this time,
6 was in hiding; we were, of course, always told that he
7 was in Clearwater getting along with you fine people.
8 Across the country we were told, you know, to come to
9 Clearwater and "Spend your money here."

10 Some people in Las Vegas -- a friend of mine
11 called me up and said he had a couple in Las Vegas who
12 had just left L. Ron Hubbard and I better talk to them
13 because I was a Class 8 and the senior tech person in
14 that whole area.

15 I talked to these two people and they told me
16 that they had -- they were in the Church of Scientology
17 for a short time, they were at this secret base in the
18 desert where L. Ron Hubbard was hiding out. They were
19 told to fake names and hold covert operation, which, of
20 course, was to me new. It just stunned me. It was just
21 further proof, as I was starting to see all along, that
22 the insanity and the criminal actions were coming directly
23 from Hubbard and his paranoia.

24 I brought these people, when they came to me that

1 day, to the Guardian's Office. I guess at the time I
2 was just being a good, brainwashed Scientologist. You
3 bring anybody who says anything wrong to the Guardian's
4 Office. And it was very interesting to watch the
5 Guardian's Office go beserk. And, then, I was thinking
6 that probably fifty percent to ninety percent of what
7 these people were saying was true. And, then, with the
8 lies and the criminal actions they were encouraging --
9 anyway, I threatened to go to the authorities to do some-
10 thing about it.

11 They expelled me the next day. Artie Maren, one
12 of the top Church officials who came down to Clearwater
13 many times, came and threatened me with the usual --
14 that I would be handled, and any trouble I cause L.
15 Ron Hubbard, I will be taken care of. "Others have done
16 it in the past, they're not around. Eddie, you will be
17 taken care of."

18 He would go from -- we had a three-hour walk. He
19 would go from threats to my life, and when I would get
20 mad and say, "Great, let's go down to the police station
21 right now, goddamn it" -- excuse my language. I would
22 say, "Let's go down to the police station." I was hot
23 and scared. And, then, he would back up and start
24 begging. And it was funny, he started telling me that if

1 he doesn't handle me, he'll be on the RPF and he'll be in
2 trouble. And now he's begging. Now, I'm telling him,
3 "Well, Artie, this is so nuts, why don't you tell the
4 truth? This thing's insane." And then, when you'd do
5 that, he'd switch again and be tough and tell me, "As
6 you know, Eddie, stuff in preclears' folders" -- preclear,
7 meaning a person who's not clear. Your folders are the
8 most sensitive and intimate things that you have told
9 your so-called minister, who, most of them are not even
10 ministers; they're young kids who took a week's course.

11 He told me, "Eddie, we will -- you know we've done
12 it before, and we will expose you," you know. Anyway,
13 he went through the typical threats and actions, that he
14 knew that I knew about the Guardian's Office participa-
15 tion for years, which I can go into later, if you're
16 interested.

17 Anyway, it was the make/break point in my life.
18 I either had to stay in Scientology, because if you're
19 in -- you're either in and you do these covert opera-
20 tions or whatever you want; you're a true believe or
21 you are the enemy.

22 So, I went to the FBI, me and about six or seven
23 others. And then -- anyway, then, I'm in Las Vegas
24 still the last few years under tremendous threats and

1 harrassment. For just speaking up, they sued me. They
2 threatened to sue me -- they'll sue me for talking to
3 you here today. I'll be sued in Las Vegas as part of
4 some grand conspiracy. They'll have me linked up with
5 you people; I've never seen any of you before. But
6 that's what it'll be.

7 Anyway, so, as far -- my training side was the
8 highest you could go, processing, I went clear to OT 4.
9 I'm familiar with all of the Church's highly technical
10 information. I'm entirely familiar with the Church's
11 organization and operation.

12 MR. FLYNN: One minute, Mr. Mayor.

13 MR. WALTERS: All right.

14 Should I go over some things that I found to be
15 not nice conduct?

16 MR. LeCHER: If the consultant feels they're
17 pertinent to --

18 MRS. GARVEY: Corporate policy.

19 MR. LeCHER: -- corporate policy in general or
20 Clearwater in particular, I believe we would like to
21 hear from you.

22 MR. HATCHETT: We would.

23 MR. LeCHER: We would like to hear from you any-
24 thing you'd like to add.

1 MR. BERFIELD: Mr. Mayor?

2 MR. LeCHER: Yes, sir.

3 MR. BERFIELD: I have an important question directed
4 to counsel.

5 Has he been given any immunity or been read his
6 rights, his Miranda rights, or anything like that, so
7 that anything he says here can't be used against him
8 elsewhere?

9 MR. FLYNN: Yes, Mr. Berfield, that has been
10 resolved. Immunity, no, but there have been discussions
11 with public officials, both within Pinellas County and
12 other places between Mr. -- with Mr. Walters, and those
13 issues have been addressed.

14 MR. CALDERBANK: In other words, criminal acts
15 that he would speak of that he participated in will not
16 be --

17 MR. FLYNN: That issue has been resolved; that's
18 correct.

19 MR. LeCHER: Well, let's hear from Mr. Walters now.
20 We can question Mr. Walters later on.

21 I'd like to have you finish your remarks, sir,
22 about the business activities of the Church relating to
23 Clearwater.

24 MR. WALTERS: All right.

1 As I became trained, it was evident to me that
2 everything you did was totally from policy. And if a
3 Scientologist tells you any different, I'm going to tell
4 you he's lying. Everything you did was written from
5 policy and policy had to be written by L. Ron Hubbard.
6 In fact, it was a major crime in Scientology with severe
7 penalties if you did anything except written by Source.
8 In fact, the word was "If it's not written by Source,
9 it isn't true." Source is L. Ron Hubbard; everybody
10 else is secondary.

11 Some of the policies that I found to be repugnant
12 were you would go into Ethics. There was a division in
13 every organization called the Ethics Officer. The Ethics
14 Officer is presented as an individual who is supposed
15 to help you clean up your transgressions so that you can
16 become a better person. Again, as with most of the things
17 in Scientology, what is presented and the actual opera-
18 tions are two different things.

19 Ethics, actually, is a place to help ferret out
20 the enemy, everything from penalties to degradation to
21 investigations on an E-Meter. They will put individuals
22 on an E-Meter and tell them that they must come up with
23 any crimes or anything they've ever thought bad about
24 L. Ron Hubbard or the Church of Scientology. It is not

1 for the protection of the individual; in fact, it's for
2 the protection of Hubbard only.

3 There are policies, such as, disconnect. Disconnect
4 is very important because Scientology professes to be --
5 help families, et cetera; it does not. The main thing
6 that Scientology is involved in is Hubbard's paranoia
7 and the enemies that are out to get him. He has formed
8 a money-making outfit that obviously has to be protected.
9 And in order to protect it, Ethics is used against
10 individuals.

11 A Suppressive Person is a person who criticizes or
12 is going to harm Scientology. Anybody associated with
13 any of those people is called PTS, Potential Trouble
14 Source. It's interesting even the term they give an
15 individual, Potential Trouble Source: not to themselves,
16 to Scientology.

17 You are taught per policy that all illness and
18 aberrant behavior, sickness, comes from being PTS,
19 meaning connected to suppressive people. So, when a
20 person in Scientology is sick or ill - and I was told
21 that we would treat them and make them well - Ethics
22 takes them and wants to know what Suppressive they're
23 involved with.

24 If that Suppressive is their mother or their

1 father or another individual -- and I know many, many
2 cases of this, thousands. An individual who's now feeling
3 bad about being on course because he's never home, he
4 talks different language than his mother understands,
5 she wants to know whether he's involved in a cult,
6 he now tells this in his confessional.

7 The confessional takes these private names and
8 gives them to the Ethics Officer. The Ethics Officer
9 calls this individual and says, "Has your mother been
10 criticizing the Church?" "Yes." "What questions is she
11 asking you?" "Who L. Ron Hubbard is and how do you
12 know he's this" and all this stuff. "So that she's
13 against the Church?" "Yes." "Then, can't you see she's
14 suppressive?" And the person will, you know, tend to
15 see this.

16 He is then told that he has to disconnect or
17 handle his parents, which means he has to handle them --
18 to handle them, they would have to become Scientologists.
19 If they don't become a Scientologist, he has to dis-
20 connect from them because he's connected to a Suppressive
21 Person. So, you have people continually becoming upset
22 and disconnected from their families.

23 Now, if the individual won't do this, because, you
24 know, leaving your parents and family is not the easiest

1 thing in the world, you get threatened with being expelled
2 from Scientology and things put against you, such as,
3 fair game.

4 Fair game is a policy written up in the Church of
5 Scientology. I've seen it. I know it's denied by the
6 Guardian's Office; it's denied by Artie Maren and all
7 these people. But I'm telling you that there is a policy
8 that's never been presented to the public. It's -- but
9 there is one; I've seen it, and it is practiced to this
10 very day.

11 Those are the lower Ethics conditions, meaning that
12 if you are dangerous to the Church or even if you've done
13 something wrong, like, this individual hadn't told
14 his family -- if he does not disconnect from his mother,
15 he can be put in Enemy.

16 Now, this may sound nutty to you, but, if you
17 realize that in Hubbard's thinking and in Guardian's
18 Office thinking, he is an enemy because he's siding with
19 his mother who is questioning the Church of Scientology.
20 And she probably has a doctor; most people do. To the
21 Scientologist, that's considered, like, earth shattering.
22 They will follow this woman around and if they find she
23 went to a doctor, "Ah, interesting." They can tie her
24 back to a doctor, doctors are tied to the government.

1 "Ron is right again. He's just brilliant, this man."

2 So -- now, these are taken very seriously. I
3 mean -- the wording there doesn't affect me that much,
4 but there was a time when, if you would put me in one
5 of those conditions, I would have been -- I would have
6 done whatever it took to get out of them.

7 MR. LeCHER: You were disgraced?

8 MR. WALTERS: What?

9 MR. LeCHER: Disgraced? You were --

10 MR. WALTERS: Disgraced? Other Scientologists will
11 then be put in Enemy if they talk to you.

12 MR. FLYNN: Mr. Mayor, may the record reflect
13 that we have posted on the easel a document, a blow-up
14 of a document, which will be introduced into evidence
15 as Exhibit 1, which is copyrighted by L. Ron Hubbard,
16 and which states on it, for the record, "Enemy, SP,
17 Fair Game, may be deprived of property or injured by
18 any means by any Scientologist without any discipline of
19 the Scientologist, may be tricked, sued, or lied to or
20 destroyed."

21 MR. WALTERS: Now, what he just read is true and
22 is practiced, even though a few years later they put
23 out an order saying that that was cancelled. If you
24 look at the exact order, it says it's cancelled. And

1 the second line says, "No actions or the way you handle
2 these people are changed." The name was changed because
3 the public has heard about it and don't like it.

4 This is very serious. A Fair Game person -- another
5 Scientologist can do anything to him. He can lie about
6 him, plant dope on him, use any of his confidential
7 things against him. He can be tricked, sued, whatever
8 is needed to be done to stop him.

9 I have seen this done to individuals. I've seen
10 individuals go into hiding over it; many are still out
11 there. The Church of Scientology lists them as part of
12 their rolls; these guys haven't been in the Church for
13 years, they're afraid for their lives.

14 These lower Ethics conditions are very degrading.
15 I mean, look at the names of them. They're not called
16 "You're A Bad Boy." Liability, Treason, Doubt. Can
17 you imagine a young man who spends two or three years
18 studying all day long, giving every energy to this
19 Church, and his mother doesn't like the Church so now
20 he's called the Enemy to L. Ron Hubbard? And he's told
21 that "The Enemy will be handled, and you'll either be
22 one of us or we'll handle you. And it'll be done."

23 MR. FLYNN: May I interrupt, Mr. Mayor?

24 MR. WALTERS: You can ask questions --

1 MR. LeCHER: Well, I wanted you to complete your
2 talk and, then, we will ask the questions. If you have
3 completed your scenario, as you know it, at this point,
4 then, I will --

5 MR. WALTERS: Well, let me just say this to you,
6 otherwise, a lot of what I say won't be understood:
7 Scientology, like everything, is not totally bad. There
8 is some technology that is good. They're not going to
9 have people like myself who are not complete idiots --
10 any of your sons or daughters, if they went into the
11 first few courses, I'll tell you, they would like it.
12 You're not asked to dress up in fancy robes, you don't
13 cut your hair, you don't go singing songs, you don't
14 go to the airport and elicit donations. In other words,
15 it's not the appearance of a cult.

16 It appears to be a very technical solution and
17 education on the theory of life, et cetera. The general
18 public is involved in that and they get fleeced for
19 their money.

20 The staff member who works on the staff, again,
21 is usually more brainwashed, more into working hard for
22 Hubbard. And a lot of them are good, decent people,
23 working very hard for practically no pay, working four-
24 teen, fifteen hours a day, doing the slightest thing

1 wrong and being beaten or thrown in the hold or many
2 other things that -- subject to degradation, financial
3 loss, suits, et cetera.

4 Anyway, they're just young, decent people who, if
5 they weren't in Scientology, I believe a lot of them
6 would be in the Peace Corps or something like that.

7 Then, you have the higher officials of the Church.
8 Some of them are decent people just brainwashed on
9 Scientology and Hubbard. Others are out and out
10 criminals who participated in criminal acts years ago
11 and, I believe, are probably doing it up to this day
12 and are probably here in Clearwater.

13 Then, you have the Guardian's Office, which is
14 a separate outfit, who is -- it's sort of on the outside
15 of Scientology, but it protects Scientology and actually
16 runs it. It's hard to explain it. The best example,
17 which is very real to me, is like Hitler and the troops,
18 which is the Sea Org., then, you have the Gestapo, which
19 is the Guardian's Office. And fear and the actual
20 running of Scientology is actually from the Guardian's
21 Office.

22 The Guardian's Office ranges anywhere from some
23 young, new individuals who really don't know very much -
24 some probably don't even believe that they did break into

1 the federal buildings or any of that stuff; they probably
2 believe I never was in Scientology or whatever they're
3 told about me - and, then, you have further above them
4 people who are inclined to become criminals and the type
5 of people that would go in the SS in Germany. Then, in
6 the higher-ups of the Guardian's Office, you have
7 people who, from my experience, turn out to be criminals
8 and people in hatred and fear of citizens throughout the
9 land.

10 MR. LeCHER: Are you prepared to answer or dis-
11 cuss questions about specific criminal activity?

12 MR. WALTERS: I'll answer any question you ask
13 me.

14 MR. LeCHER: Would you like to volunteer anything
15 specifically as to --

16 MR. WALTERS: I'll volunteer some. Do you want
17 it --

18 MR. LeCHER: Specifically relating to Clearwater,
19 if you know anything about that.

20 The Chair has the option to lead off or to yield,
21 and I'm going to go from my right on down, so everyone
22 gets a chance to speak.

23 MRS. GARVEY: This is something along with what
24 you're saying, really what we want to know is some of

1 the policies of the organization that you've been a part of,
2 et cetera.

3 Can you give us some idea?

4 MR. WALTERS: Well, there are policies like attack
5 the attacker; I forget the exact name of it. It's a
6 policy that we all studied. Scientology denies it; I've
7 seen it. And we are thoroughly indoctrinated on this,
8 that we are to totally attack, investigate any group
9 that dares criticize or investigate Scientology.

10 MR. LeCHER: Do you know anyone -- would this be
11 happening currently in Clearwater, not only to myself
12 but to others or any elected or appointed city officials?

13 MR. WALTERS: I can promise you it's occurring.
14 I will give you experiences, if you're interested, in
15 Las Vegas. I will tell you how the tech works, and I
16 can promise you that it's being applied here.

17 MR. LeCHER: For my own benefit, since I am one
18 of the principals here, I would like to know how it
19 works.

20 MRS. GARVEY: Good point.

21 MR. WALTERS: All right.

22 Hubbard believes that there are enemies out to
23 get him. He also believes that enemies that attack
24 Scientology are actually criminals themselves. As I

1 found out later, almost everything in Scientology is
2 in fear. It turns out that's exactly what they do.

3 Anyway, so that the technology -- the technology
4 of the Guardian's Office is this: Whenever somebody
5 criticizes or attacks -- and you'll always hear the words
6 like "attack." It's never, you know, speaks badly of;
7 it's always attack and destroy; it's very military.

8 When the Guardian's Office goes into operation,
9 the Guardian's Office has -- well, the three that I'm
10 familiar with, Hubbard Relations Bureau, the Intelligence
11 Bureau, and then the AG person himself. Their job is
12 to operate on two fronts: one, publically -- well, first,
13 the intelligence operation goes into effect. The city
14 official, for example -- I'll give you specifics. It
15 seems funny saying this.

16 MR. FLYNN: Do you want to take a break?

17 MR. WALTERS: No. I've started it, I better keep
18 going.

19 In Las Vegas, there's a fellow called Otto
20 Ravenholtz, who was the Director of Public Health, the
21 Director of Mental Health, something like that. He,
22 like you people, thought that the city ought to look
23 into Scientology. And who are these young kids giving
24 auditing? Are they trained counselors? You know, who

1 are they? Are they administering mental health, which is
2 the title of Ron's book, you know, Dianetics: The
3 Modern Science of Mental Health. Jesus, the Guardian's
4 Office went beserk.

5 So, they sent telexes and written coded messages
6 to Los Angeles, which was the headquarters then; now
7 their headquarters is here in Clearwater. They designed
8 a program to handle.

9 Another thing, everything done in Scientology is
10 written up as a program, first. That has since been
11 their downfall because, when the FBI raided, they got
12 all this. But none of this stuff is done because some
13 individual did it on his own; I don't care what Artie
14 Maren tells you or Hebert Jentz or one of these other
15 guys that will do whatever it takes -- will tell you
16 whatever Hubbard wants them to tell you about Scientology.
17 They don't do anything without the planned operation.

18 The operation then was to -- the first thing that
19 always happens is that you covertly investigate the
20 individual, the city official. The Otto Ravenholtz
21 thing was Chuck Reese. Chuck Reese then started follow-
22 ing him around day and night. He was to get information
23 to start a file on him. I promise you there are files
24 in the Guardian's Office here on every one of you

1 individuals.

2 You follow them around; you follow where they go,
3 what they -- if Otto Ravenholtz stopped to have a drink,
4 the guy sitting next to him was Chuck Reese. He'd listen
5 to his conversations and, because of L. Ron Hubbard's
6 technology, he listened for what they call buttons or
7 psychological things. Like, if Otto Ravenholtz would
8 tell a dirty joke or kid about girls, which is what I
9 understand, it's what he kidded about, and the next
10 operation is to use that against him. The operation was
11 to plant a girl on Otto Ravenholtz to get something --
12 indiscretions done and hold it in the folder to expose
13 when we need it.

14 MR. FLYNN: May I interrupt at this point, Mr.
15 Mayor --

16 MR. LeCHER: Yes.

17 MR. FLYNN: -- just to simply say that, rather
18 than interrupt the witness' testimony, we will be
19 introducing documents that pertain to the program the
20 witness has referred to, but I will wait until the end
21 of his testimony --

22 MR. LeCHER: All right.

23 MR. FLYNN: -- and the end of the questioning. And
24 we will be introducing those operations and programs

1 and putting them on the overhead projector, in some
2 instances. Those --

3 MR. LeCHER: I will start the questions, then, I'd
4 like to go on to my colleagues. I'll start off.

5 You have, apparently, taken a large chance to come
6 here today. You are obviously nervous and you are giving
7 information that they wouldn't like to have out.

8 How do you think that you'll be characterized
9 tomorrow by the Scientologists due to your presence here
10 today?

11 MR. WALTERS: The policy -- I will be Suppressive,
12 subject to Fair Game. To fit into the technology of
13 Scientology, I will be made a Suppressive, who is in
14 conspiracy with you people, and we are all in conspiracy
15 with the government and with some monsters from outer
16 space, whose real job is to do in Hubbard and all religion
17 in the world.

18 MR. LeCHER: May I interrupt?

19 MR. WALTERS: Ninety-nine percent of all Scien-
20 tologists will believe -- in fact, they will not be
21 allowed to talk to me. If they are, they'll be put in
22 Enemy.

23 What other Scientologists -- the public will be
24 told --

1 MR. LeCHER: That's what I mean. You, apparently,
2 if this holds true to form, you're going to be dis-
3 credited?

4 MR. WALTERS: Oh, yes. They have already done
5 that in Las Vegas. They've gone --

6 MR. LeCHER: All right. What are they going to say
7 about you? You might as well --

8 MR. WALTERS: All right. I told you about the
9 Intelligence Bureau and the Guardian's Office, right --

10 MR. LeCHER: Yes.

11 MR. WALTERS: -- investigating the city officials,
12 the district attorney's office, Better Business Bureau,
13 and I have personal knowledge of all this. I don't care
14 what they tell you; I will testify in any law court to
15 it.

16 Anyway, now, when that is done - after all that is
17 done - then, the Public Relations Bureau goes to work.
18 They will use this evidence against the individual or
19 they will make evidence that, from their surveys of the
20 city, fits the tone of the city. It's very cleverly
21 done. For example, in Las Vegas, if the city was afraid of
22 crime, then, they would say, "Eddie Walters is speaking,
23 yes, but did you know he's a criminal? And that is what
24 you want to get rid of, people like Eddie Walters. He is

1 a criminal. And we, in the Church, do not know anything
2 about what he's saying."

3 And these people -- and if you press them, they'll
4 say, "Well, if some former Scientologist -- if somebody
5 did something on their own, that's it. Eddie Walters is
6 a person that's been expelled from the Church." What
7 they will tell the people in the Church is different
8 than what they will tell you.

9 They will tell the citizens tomorrow that I have
10 probably never been in the Church of Scientology.

11 MR. LeCHER: How long have you been in the Church
12 of Scientology and when did you leave?

13 MR. WALTERS: I started on May -- I started in
14 around late 1970 - and there are records to prove all
15 this - and I was in till March of 1979. I spent full
16 time. I was there -- as I told you, I took every
17 technology course given.

18 MR. LeCHER: What do you -- are there Guardians
19 in Clearwater, and are they carrying on covert activities
20 within Clearwater now, to your knowledge?

21 MR. WALTERS: Well, I cannot speak specifically
22 to what they're doing for the simple reason I don't even
23 know who's here at the moment. But I can tell you, if
24 they're good GO members, they better be doing it, or

1 they'll get somebody who will. Hubbard does not put
2 up with people like yourselves asking or investigating
3 Scientology.

4 I mean, your first thing I read about Mayor Cazares
5 being trapped and put in the thing and all, that's just
6 normal tech. They would have done that to Otto
7 Ravenholtz, I mean --

8 MR. LeCHER: What is tech? You keep talking about
9 tech and --

10 MR. WALTERS: Oh, I'm sorry.

11 Tech is technology. See, 'L. Ron Hubbard professes
12 to have the technology of the world in the mind. And
13 that's what you study in Scientology. So, you are
14 taught how the world thinks, what the mind is made up
15 of, what causes all illnesses, what causes all irrational
16 behavior. You are taught why public officials like
17 yourselves will probably do hearings like this. We are
18 taught that you are Suppressive and aberrant and really
19 have hidden crimes.

20 I'm not telling you that some individual tells me
21 this. This is the policy of this. It's attack the
22 attackers, and the attackers are doing it because of
23 your own crimes. And that is the policy written by L.
24 Ron Hubbard and the Guardian's Office will carry it out.

1 MR. LeCHER: Were you expelled or did you just
2 quit?

3 MR. WALTERS: I was expelled. I was -- well,
4 Artie Maren threatened me in the sense that, you know,
5 if I would back off and go quietly away, I'm sure that I
6 possibly wouldn't have been expelled. I don't know.

7 It was coming to a head. I mean, I couldn't -- and
8 he knew it and I knew it.

9 MR. LeCHER: Where does the money come from to
10 operate covert activities with respect to this Commission
11 or to governmental agencies? Do you have to hire
12 detectives? That needs cash. Who gives you that money?

13 MR. WALTERS: The Scientologists who are getting
14 this auditing at very high prices designed to keep them
15 going continually from one step to another. There's
16 always a higher step; there's always more illnesses
17 that you have, more research that Ron has just dis-
18 covered. The money comes from there.

19 And I would tell you, quite frankly, most all the
20 money to cover covert activities, from the way I under-
21 stand when I was in, would now be raised in your City of
22 Clearwater. You have the Fort Harrison here where the
23 people that are brainwashed the most in Scientology are
24 sent here to be, in my opinion, fleeced.

1 In fact, all the high, secret science fiction levels
2 are done here in Clearwater.

3 MR. LeCHER: Do you think that the average young
4 person that is walking around the streets, paying this
5 amount of money to learn the truth as they see it, do
6 they know that their money is being spent to indulge in
7 operations to embarrass local officials or to break into
8 offices?

9 MR. WALTERS: No, they don't. The average Scien-
10 tologist does not read newspapers. I'm sure you'll find
11 that the preclears, people getting counseling at Fort
12 Harrison, will not attend these, because if they did and heard
13 what I said, you'd have three to four hundred people
14 filing new suits.

15 No. The average Scientologist does not know about
16 it. Some of even the higher-ups -- it depends what level
17 you're talking about. Covert operations are done entirely
18 in the Guardian's Office. The Guardian's Office operates
19 like the Gestapo of Germany, totally secret. They do not
20 explain or tell what they do. They explain, though, that
21 things are being done, but they do not say how.

22 MR. LeCHER: I'm sure my colleagues have a lot of
23 questions. I just want to ask you one or two more.

24 Didn't you ever question that this man wasn't -- his

1 education, his background, as far as being a nuclear
2 physicist, able to heal people -- didn't you ever ques-
3 tion that?

4 MR. WALTERS: Quite frankly, in the beginning? No.
5 I mean, we were shown things that he was; it's mentioned
6 in books, any lectures that we got we were told that.
7 He himself --

8 MR. LeCHER: You assumed it to be true?

9 MR. WALTERS: Oh, yes.

10 MRS. GARVEY: Could you expand a little bit on
11 what you were told about the background of Hubbard?

12 MR. WALTERS: Well, that he was Doctor of Philoso-
13 phy, he was a graduate of George Washington Univers-ty,
14 that he was one of the first nuclear physicists, that
15 he was a great humanitarian, that he was an engineer,
16 that he was a --

17 MR. LeCHER: How many college degrees did he have?
18 What schools did he attend?

19 MR. WALTERS: While I was in Scientology, what
20 schools --

21 MR. LeCHER: No, he. Is he a nuclear physicist; is
22 he an engineer?

23 MR. WALTERS: Well, I didn't find any of that out
24 until I left Scientology.

1 MR. LeCHER: That he --

2 MR. WALTERS: I didn't find any of that out.

3 See, you must understand, I left Scientology,
4 because I was like a surgeon in the hospital. I was the
5 top surgeon in the hospital finding out my own hospital
6 is crooked. And, then, even the operations that were
7 done.

8 I didn't find out that much about Hubbard until I
9 left. If I had known that, I would have left the first
10 year. Probably, ninety percent of them in there would.

11 MRS. GARVEY: If you had not been impressed by his
12 background, would you have gone into --

13 MR. WALTERS: Absolutely not.

14 I mean, I'm not - it's embarrassing - but I'm not
15 totally an idiot. I was a casino executive; I'm aware
16 of scams. I'm not the most -- I'm not, you know, the
17 most innocent individual in the world.

18 If he didn't have Doctors' degrees, and a
19 philosopher, and nuclear physicist to back up the
20 theories he was giving us on communications and the
21 like, which are very technical, I wouldn't give them --
22 I gave them \$35, \$40,000.00.

23 MR. BERFIELD: How much?

24 MR. LeCHER: Mrs. Garvey, you have, apparently, the

1 floor. Why don't you keep it and, then, use it until you
2 yield. Then, we'll go down to Mr. Hatchett and go around
3 in a row. With the next witness, we'll start with Mr.
4 Hatchett.

5 So, Mrs. Garvey has the floor.

6 MRS. GARVEY: When did you discover that they were
7 using these confessions for Fair Game?

8 MR. WALTERS: All right.

9 Confessions, I found out -- when I was -- I used
10 to hang around the Guardian's Office in Las Vegas. If
11 you remember, I was a field intelligence agent. I had
12 the code name of Hustler. When the FBI broke in, I hear
13 that there were documents that even have my name on it. It's
14 terrible to say, but I'm glad they do because Scientology
15 will tell everybody it was a lie, and I'm telling you it
16 isn't.

17 My code name was Hustler, and you will find
18 operations pertaining to -- that I was involved in in
19 those files.

20 Anyway, while -- what was the exact question,
21 again? I'm sorry.

22 MRS. GARVEY: When did you discover they were
23 using confessions' folders, confidential information?

24 MR. WALTERS: I was on the technical line, meaning

1 I was an auditor and helped train other auditors to give
2 these people auditing. The Guardian's Office would come
3 to me on a regular basis, whenever an individual was
4 causing a flap - a flap means he was mad, upset, talked,
5 saying things that were suppressive, like, "I'm going
6 to my lawyer" or "I'm going to officials" - they would
7 come and want his folder, which, I'm ashamed to say, I
8 would give them at the time.

9 And they would go through his folder and make a
10 list of any of his sexual improprieties or -- because
11 I've seen many of these lists. They would be sexual or
12 things that he has done that he feels bad about. In fact,
13 it's amazing, now, I look back and the lists they would
14 write up tells you more about them than it does about
15 the individual.

16 And that -- this would be -- he would be confronted
17 with this and told it would be exposed.

18 It wasn't done on a regular basis for the years --
19 it was done entirely up until -- the latest was in 1977 or
20 '78, I don't know exactly when, but Bruce Hamilton, who
21 was the Intelligence Agent - he replaced Chuck Reese in
22 Las Vegas - came to me for folders on orders of -- right
23 here in Clearwater. They were --

24 MRS. GARVEY: Do you know who -- I mean, who told

1 him --

2 MR. WALTERS: Yes. Bruce -- I'll tell you exactly
3 what occurred.

4 Bruce Hamilton came to me; I was a CS, a case
5 supervisor. I supervised the auditing that the auditor
6 did on the individual. I was the top man on that line.
7 So, I had the folders on my desk. My job was to make
8 sure the auditing was done just exactly the way L. Ron
9 Hubbard wants it to be done. Although, you slowly
10 realize that it has to be done the way the Guardian's
11 Office wants it to be done.

12 Anyway, Bruce Hamilton came to me and half bragging
13 and half -- his latest thing, he was looking for some
14 individual that he knew was in Las Vegas that threw a
15 plant on an informant that they had at the North Las
16 Vegas Police Department, because one of the technologies
17 of the Guardian's Office is to infiltrate city officials'
18 offices, district attorneys' offices, Better Business
19 Bureau, and the police.

20 They, apparently, I guess, from the way he talked,
21 already had an informant or a plant in the North Las
22 Vegas Police Department, and he was saying that they were
23 getting evidence that was either being given to Interpol
24 or that Interpol was giving it to the North Las Vegas

1 Police Department. I didn't understand it exactly.

2 From the evidence given, he wanted to know did I
3 have anybody that was -- had been to Flag. And they
4 think he had been to Clearwater and had gotten some
5 auditing here in Clearwater. And he wanted to know if
6 I had anybody who would fit above OT 3, had been to
7 Clearwater, been to Flag, who was on staff at Flag, and
8 he wanted his folders so that they could be sent.

9 I, at this time, was starting to rebel against
10 a lot of this, and I said I did not want to participate
11 in this Gestapo thing. And he threatened me with those
12 lower penalties, that I'd be an Enemy subject to Fair
13 Game, things like R245, which is a process.

14 I don't know if you ever heard of R245. It's a
15 process --

16 MR. LeCHER: Explain it, please.

17 MR. WALTERS: Well, there are R processes, meaning
18 Routine to go clear and exteriorize. Exteriorize -- you
19 pay a lot of money on the belief that you will be able
20 to leave your head and leave your body and go to Paris
21 or some place else --

22 MR. LeCHER: Paris?

23 MR. WALTERS: Paris or anywhere. Whatever you
24 say, they match it; do you know what I mean? If you're

1 ill, well, that's because you're in your body. If you leave
2 your body, you won't be ill, et cetera, you know. If
3 you've got arthritis, well, if you leave your body, you
4 won't have arthritis. If you want to have a higher
5 IQ, well, if you leave your body, the spiritual being
6 has a higher IQ. It's the answer to everything.

7 And Hubbard has handled - he brags about - his
8 early enemies with a process -- oh, the processes are
9 called R216, that would be one process; R217 would be
10 another.

11 And R245 means that you shoot the person in the
12 head, which is forced exteriorization, meaning he leaves
13 his body whether he wants to or not.

14 Now, this may sound a little nutty to you, but I
15 promise you he's not kidding.

16 MRS. GARVEY: Did that worry you when you considered
17 your own file?

18 MR. WALTERS: It worries every Scientologist and
19 everybody who will come here before you.

20 MRS. GARVEY: Which goes back to a question, I
21 guess, that I ask: Why are you here?

22 MR. WALTERS: Probably three reasons: one, I
23 finally became disillusioned with the technology, which
24 was what I was interested in; I knew of the crimes and all

1 that, but I thought that it was for a good purpose. And
2 it might be terrible, but that's what you have to do
3 to straighten out society.

4 The technology was not workable to people higher
5 at the top who -- remember, people at the bottom are
6 paying large amounts of money to become better, more
7 honorable, more ethical, more righteous at the top, right?
8 But I knew the guys at the top were breaking into the
9 federal buildings. And from knowing them personally and
10 counseling, they were more psychotic than the new
11 people.

12 So, obviously, the tech did not make you more
13 sane; it made you more of a brainwashed Scientologist
14 and more into the paranoia that Hubbard personally has
15 against officials.

16 All right. So, I left, originally, for that.

17 The second reason I left is because it was a major
18 turning point in my life. I either had to become a
19 Scientologist - and you could see that Scientology was
20 going to have what they call a war, and the war was to
21 defeat the enemy, which I was not interested in the
22 way the Guardian's Office was interested in doing that -
23 or I had to become a citizen. A citizen, meaning -- I
24 found out that Hubbard was nuts and the tech was nuts

1 and the science fiction of OT 3 and the space planets
2 and Xeno and BT, your body thetan, and all the science
3 fiction they tell the higher ups -- I had a dilemma.

4 I was left with "If I leave Scientology and if I
5 become a citizen, I can't live with you people because
6 you're suppressive" to the Hubbard people. So, the
7 turning point was "I'll become a citizen." I went to
8 the FBI figuring that they would grab me. I had heard
9 that they were suppressive and they were anti-religious
10 and all these things. They turned out to be decent
11 people, in fact, if anything, very conservative, and
12 half the stuff, like I tell you, they took with a grain
13 of salt. Apparently, they also knew things about
14 Hubbard and things that I didn't know.

15 The third reason that I came here to Clearwater --

16 MRS. GARVEY: What gave you the courage?

17 MR. WALTERS: -- I don't relish -- to come to
18 Clearwater -- I don't relish the publicity and the
19 harrassment and the possible danger my life will be in.
20 But this may shocking to you, but the correlation and
21 the example between Scientology and Reverend Jones in
22 Guyana is amazingly similar.

23 I saw a TV show as a person totally inside of
24 Scientology, totally familiar with the technology; I was

1 astounded how Reverend Jones did the exact same things
2 Hubbard did. And that -- these people, closest to him,
3 brainwashed thoroughly, are totally dedicated to him.
4 I mean, they are dedicated to him. The people in the
5 Sea Org., who do work in Fort Harrison here in Clearwater,
6 which is the top of the line, are joined in the Sea Org.
7

8 If Hubbard decides to leave this planet, he is
9 going to take these others with him. These kids in the
10 Sea Org. - I don't care what lies they tell you; I'll
11 get you people who are in Scientology who will tell you
12 I'm telling the truth - these kids have signed billion-
13 year contracts. Right here, most all your staff in
14 Fort Harrison right here have signed billion-year
15 contracts. They are psychologically contracted and
16 addicted to Scientology. They will take the Kool-Aid.
17 It won't be Kool-Aid, but it will be this beautiful
18 new process and the idea will be to meet Hubbard on
19 another planet.

20 It was looking at that, that I decided to come
21 here because, if somebody close to Jones had spoken
22 up -- although, I know many people wouldn't believe it --
23 wouldn't believe, you know. It's hard to believe half
24 the things I'm telling you. But I'd rather speak up,
than reading about what will happen in the ensuing

1 months, because you people have started an investigation
2 into Scientology that's going to create total paranoia.
3 Hubbard will not treat this lightly. And if he decides -
4 because he's basically a coward - if he decides to leave,
5 his Guardian's Office will fight; those kids, they're
6 just automatic zombies, they'll fight. He will leave.
7 And many of his dedicated followers, including many of your
8 staff - now, I'm talking about two to three hundred of
9 them; I don't know how many you have out there, but the
10 insiders - they will go with him on the pretext --
11 especially, everybody above OT 3 who thinks he's filled
12 with body thetans and he will -- his job is to meet
13 Hubbard on another planet.

14 If I can help that stop happening --

15 MRS. GARVEY: Just one other quick matter, then,
16 we'll go -- you paid a great deal of money to take
17 these courses.

18 What were you paid to do your job to keep you in
19 there?

20 MR. WALTERS: Nothing. I got no pay all the time
21 I was on courses. In fact, I audited other people at
22 high prices for Scientology. And when you're training --
23 like, you will come in to get processing from me, and
24 you don't even know that I'm being trained while I'm

1 giving it to you. Every day I audit you, somebody is
2 correcting me: "Oh, you screwed this up, you did this."
3 And you're paying two and three hundred dollars an hour,
4 and that's what's done here at Clearwater, and I'm being
5 trained.

6 Later on, I did some counseling in the field --
7 I mean, auditing in the field myself.

8 MRS. GARVEY: Which you got paid for?

9 MR. WALTERS: Yes. And they --

10 MRS. GARVEY: You were never paid while you were
11 in field investigation or anything like that?

12 MR. WALTERS: No, no. And the Church really
13 resented that, me leaving the org. and auditing --

14 MRS. GARVEY: Oh.

15 MR. WALTERS: -- on my own, because -- see, they
16 tell you all these things when you first come in, and
17 you can do all of them.

18 I took all my courses based on that I can become a
19 professional auditor and be a boon to mankind, audit
20 people like you. As soon as I did it, they went beserk
21 and thought I was connected with Interpol and every other
22 thing.

23 MRS. GARVEY: Thank you.

24 MR. LeCHER: Okay. Mr. Hatchett.

1 MR. HATCHETT: Thank you, Mr. Walters.

2 Do you have any evidence as to whether Mr. Ron
3 Hubbard is alive or dead?

4 MR. WALTERS: Exact evidence, no. No, I'm not --
5 I have pretty good experienced opinions. If he dies,
6 you'll know.

7 MR. HATCHETT: All right.

8 The next question is -- thank you for answers to
9 Mrs. Garvey's questions. I wish to go a little farther.

10 Do you have evidence or were you ever part of an
11 impounding of people - which I call kidnapping -
12 internally?

13 MR. WALTERS: Well, it's a common practice in
14 Ethics to do that. What they do is: A person who will
15 become very upset, like, that individual I told you,
16 that he will not disconnect from his mother?

17 MR. HATCHETT: Yes.

18 MR. WALTERS: Now, his mother and father are
19 getting upset, and the father will say, "I'm going to
20 the police; I'm going to the Better Business Bureau."
21 He now goes into a, usually, psychological, heavy
22 experience because he's torn between the teachings of
23 Hubbard and his family. He goes PTS and becomes
24 dangerous.

1 Their thinking -- if the father says things like
2 "I'm taking my son to a lawyer," they will then grab
3 that son and, under the pretext of religion or that
4 he is going beserk or having a serious upset, they will
5 lock him in a room and force on him auditing for his own
6 good. Why they're really there is to make sure that
7 he does not leave the building.

8 In fact, people in the lower Ethics conditions
9 can't even leave the building. They can't leave the
10 building. It doesn't matter whether they have a family
11 or not.

12 I have personal experiences with many young kids
13 sweeping floors for days until they said, "Yes, I'm a
14 bad boy. Ron's right and I'm wrong and I'll never talk
15 to my parents again."

16 MR. HATCHETT: Now, the next question, please:
17 From taking all these courses, was there anything like a
18 contract that you signed for those courses for guarantees?
19 You know, when you took the Dianetics course --

20 MR. WALTERS: Yes.

21 MR. HATCHETT: Did you get a guarantee that you
22 would be cured from anybody throughout your courses?

23 MR. WALTERS: Yes.

24 You are -- you can pick up the book Dianetics

1 right down here in Fort Harrison. Dianetics is told to
2 you -- and you read it. It's professed as being the
3 sole reason for all the sickness and aberration. And
4 if I were to get Dianetic auditing, I would never be
5 sick or ill again. And a lot of other things: have
6 high IQ, be sane -- then, if I would become an auditor,
7 I would learn the technology how Hubbard did that.

8 So, they got me coming and going. I got the
9 auditing and, then, they asked me, "Would you like to
10 get the technology?" And I paid for that, too. I did
11 that all the way to the top.

12 MR. HATCHETT: My last question -- thank you.

13 I see in my notes here that there are some Clear-
14 water hot prospects, that they wish, you know, to get
15 into Scientology. Was that the technique used in Las
16 Vegas when you were active?

17 MR. WALTERS: Yes.

18 MR. HATCHETT: How did that come about?

19 MR. WALTERS: Now, which exactly are you talking
20 about so I can --

21 MR. HATCHETT: Hot prospects from other churches,
22 members in Scientology.

23 MR. WALTERS: Oh, oh, yeah. A prospect -- see,
24 every week you sit, and the finance people sit, and decide

1 which of the people coming in have the money, how much
2 they have and how much they're going to get.

3 A person who, like, comes to Clearwater, who has,
4 we'll say, \$80,000.00, he would be called a hot prospect,
5 meaning "We can get most of what we can from him." And
6 they will do a financial interview with him, talk to him.
7 And they will ask questions that, to him at the time --
8 he doesn't even understand. They'll say, "Good. Were
9 you in Cleveland? Do you own a home in Cleveland? Good.
10 Do you have any stocks?" And I promise you that half
11 way through him doing NED for OT or one of these other
12 science fiction levels down here in Clearwater, they
13 will then tell him that he needs to get more and it will
14 cost him another eighty thousand. And they will be glad
15 to show him how he can sell his home; they will gladly
16 do this. And I know people who have come to Clearwater
17 and done exactly that.

18 MR. HATCHETT: Thank you. I'll pause for other
19 people.

20 MR. LeCHER: Thank you.

21 Mr. Shoemaker, do you have any questions?

22 MR. SHOEMAKER: Mayor, I do have a couple of
23 questions I wanted to ask.

24 Mr. Walters, were you personally involved -- I

1 think you answered this, but I'd like it for clarification
2 on the record.

3 Were you personally involved in criminal activities
4 on, as you saw, behalf of the Church, and who told you
5 to do those?

6 MR. WALTERS: Yes, I was in some. I was told to
7 do that by - I'll tell you exact names - Bruce Raymond
8 of the Guardian's Office, who worked for L. Ron Hubbard
9 and Mary Sue Hubbard through directions from here in
10 Clearwater where L. Ron Hubbard was residing at the
11 time; through -- I was told to do things by Susan Reed
12 in Las Vegas, Madeline Reese in Las Vegas, AGPRO,
13 Assistant Guardian Public Relations Officer, Chuck
14 Reese, who was the Intelligence Officer, Artie Maren,
15 who was the United States AGPRO.

16 MR. SHOEMAKER: These particular instructions
17 that you received, were they -- did they follow normal
18 policy of the Church or were they --

19 MR. WALTERS: Exact policy of the Church. The
20 policy always is the same.

21 For example -- do you want specifics?

22 MR. SHOEMAKER: Yes, sir.

23 MR. WALTERS: This might be embarrassing to some
24 people in Las Vegas.

1 MRS. GARVEY: Well, don't worry about that.

2 MR. WALTERS: Well, I have to go back there.

3 MR. LeCHER: Well, don't --

4 MR. CALDERBANK: We worry about the people in
5 Clearwater that might have this happen to them, too.

6 MR. WALTERS: That's exactly right.

7 The Better Business Bureau, people were sent in
8 to steal things from their files - I have personal know-
9 ledge of it; I was the one who cased the place - also,
10 to put things in their files, to steal something from
11 the Review Journal, a newspaper in Las Vegas, also; an
12 attempt to burglarize their -- what they call the hot
13 file. They didn't know what was in it, but they felt
14 that Interpol or the police or the city officials had
15 evidence on Scientology, and they felt the guy was
16 going to write a story on it. And through plants they
17 already had there, they knew it was in a file.

18 And they asked me if I would go in and burglarize
19 the file. And I wouldn't do it. They asked me to
20 secretly tape record the conversations of Dr. O'Gorman,
21 who was chief psychiatrist in Las Vegas; he was presi-
22 dent of the psychiatric association there, a very well-
23 respected man. We were to go into his office, talk to
24 him, and try to find out things about him in his past and

1 tape record them to be used later against him. A com-
2 plete harrassment program was done against him; he was
3 written up, including -- which would be done -- I would
4 suggest, and I would think that the tech is still the
5 same; I'm sure it is.

6 With city officials, you would follow them, they
7 would be called late at night. You will be sent what is
8 called dead agent information, meaning information that
9 they hope you bring up that will dead agent you. Does
10 that make sense to you?

11 MR. HATCHETT: Not quite.

12 MR. WALTERS: All right.

13 This is one of Hubbard's -- at the time I thought
14 it was very clever. But -- all right.

15 Let's say, Mr. Hatchett, they would say, "Well,
16 Mr. Hatchett is a black man and we followed him around,
17 we know him pretty well now." You will be sent a
18 letter by someone professing about how he just wants
19 to let you know that -- how it's a great job you're
20 doing in the city and what a member you are and every-
21 thing. And one or two lines will be there: "We do not
22 believe what" - let's say, Mr. Calderbank - "We don't
23 believe what Mr. Calderbank says about people in your
24 race. We just want you to know we think you're okay,"

1 Knowing that you'll read the letter and say, "Calderbank
2 said this about me? Interesting."

3 And this will create dissension among you. And
4 it's a complete program. In fact, he will be sent a
5 letter, too.

6 MR. SHOEMAKER: Sir, with the -- I think you
7 indicated that your experience has mainly been in Cali-
8 fornia and also in --

9 MR. WALTERS: Las Vegas.

10 MR. SHOEMAKER: -- Las Vegas.

11 The organizational structure, which is set up
12 there, of the Church, how does that relate to the rest
13 of the structure of the organization throughout the
14 entire world?

15 MR. WALTERS: Okay.

16 MR. SHOEMAKER: Is it different or special or
17 what?

18 MR. WALTERS: No. It's exactly the same. It's a
19 very rigid, well-run organization by L. Ron Hubbard.

20 The lowest is the missions that are in the cities
21 throughout the United States. Some are in certain high
22 places; they have the lower level tech, they have none
23 of the espionage in it. They are very -- they look
24 like very nice places. To get your sons and daughters

1 in, they appear very nice.

2 Above that is an organization. There are orgs.
3 in most of the major cities of the United States. The
4 organization has the next step higher level tech. It
5 also gets into the brainwashing concerning the paranoia
6 of the enemies of the Church.

7 Above the organization, the headquarters for the
8 United States for a long time was California, the
9 Guardian's Office and, since 1976 up to the present
10 time, it is at here, Flag, in Clearwater. Flag is the
11 home of L. Ron Hubbard; it is, also, for every Scien-
12 tologist, where all the orders come from.

13 MR. LeCHER: Okay. I want to ask you one quick
14 question.

15 If Mr. Hubbard dies for any reason - let's say he
16 dies of old age - will --

17 MRS. GARVEY: Will his mind leave his body?

18 MR. LeCHER: I don't really care about his mind
19 leaving his body.

20 Do you think there might be any suicides in
21 Clearwater because of the -- or worldwide because people
22 that are close to him believe in him that much?

23 MR. WALTERS: Yes, I do. That's one of the main
24 reasons I'm here.

1 I'm not telling anything new. You citizens haven't
2 heard any of this, but, I think, the federal government
3 is familiar with it and some of the cities are -- but
4 one of the main reasons I'm here is because, when
5 Hubbard leaves, he --

6 MR. LeCHER: All right. I've been advised this
7 area might be a little touchy, and I may have gone too
8 far with the questions, so I will ask you to stop
9 answering that question because that may have something
10 to do with faith and, therefore, we shouldn't get into
11 that.

12 MR. WALTERS: Well, let me say this --

13 MR. LeCHER: That is not really the issue what
14 we're here today to --

15 MR. WALTERS: All right.

16 MR. LeCHER: I think we're here, primarily, for
17 business activities.

18 I would like to ask: How would you have us get
19 this information down to the local Scientologists or
20 the worldwide or national Scientologists, who are
21 probably decent people and have just been taken into
22 this? Then, I'll turn the meeting over to Mr. Calderbank
23 to ask some questions.

24 MR. WALTERS: I will -- I don't know if you can.

1 The internal policies won't operate like that. Scien-
2 tologists who are giving their money and the staff who
3 are working at, let's say, the Fort Harrison, they
4 cannot -- it is part of technology -- they cannot con-
5 front me; I'm a Suppressive. If they see or talk to me,
6 wierd things will happen to their minds and they will
7 be doomed.

8 MR. LeCHER: Can they read the newspaper tomorrow?

9 MR. WALTERS: I don't know what the local plan is
10 here. In Las Vegas they are told, you know, they are
11 told to stay away from all those things because they're
12 nothing but lies. I have not seen the plan for Fort
13 Harrison, but I guarantee you you won't see Fort
14 Harrison PCs at this hearing. The only ones you'll see
15 will be Guardian's Office or Hubbard Relations people.

16 MR. LeCHER: RPF, what is that?

17 MR. WALTERS: Rehabilitation Project Force. That
18 is a disciplinarian level. When a person is not follow-
19 ing the written policy and intentions of L. Ron Hubbard,
20 or they failed in any way to either get people's money
21 or to brainwash them or handle somebody who goes to an
22 official, he is then put in a very degraded position,
23 which will be, like, being stripped of, you know, what-
24 ever titles he has. He has to wear dirty old clothes,

1 a dirty rag. He must clean floors and sewers and things
2 like that until he realizes how degraded he is. And
3 when he does that, he is allowed, then, to come back.
4 During that time, he is not allowed to talk to anyone;
5 no Scientologist can talk to him. He is treated in a
6 degraded manner; it's technology.

7 In other words, if you treat him in a degraded
8 manner, he will realize he's degraded and realize how
9 strong Hubbard is. Like I said, when I saw that
10 television thing on Reverend Jones, I was amazed
11 that Jones had those kids write up all -- every bad
12 thought they had to him. There's "Dear Daddy" letters.
13 That's the exact same phenomenon.

14 I'll tell you, Scientologists, after a few years,
15 will be glad to scrub floors. I mean, it's that
16 wierd. It's not like he thinks it's bad; he is glad
17 to do it because "Wow, I told my bad thoughts I must
18 have that Scientology is not doing well. I must have
19 them, it can't be Ron. So, I must have them." And he
20 will search until he has them or he has to make them
21 up or they're forced on him. And that's the only way
22 he can get back in.

23 MR. LeCHER: That may have something more to do
24 with faith, and we're trying to keep away from that,

1 specifically.

2 Mr. Calderbank, do you have any questions?

3 MR. CALDERBANK: Yes.

4 Mr. Walters, thank you for coming. We appreciate
5 your being here.

6 And I'm interested, number one: You said that,
7 when you leave here, you'll feel threatened. And you
8 talked about policies; one is R245 or exteriorization.
9 Basically, that's shooting a person in the head.

10 Is this a policy of the Church that is read and
11 open to most members?

12 MR. WALTERS: Yes. It's -- R245 is even in one
13 of the most popular books.

14 MR. CALDERBANK: Would they -- many members follow
15 this policy --

16 MR. WALTERS: Well --

17 MR. CALDERBANK: -- if either told to or induced
18 to?

19 MR. WALTERS: Well, now, you can't say just
20 members; it depends on the level. A regular staff
21 member? No. A new person giving his money? No. A
22 lower level Guardian's Office? No. A higher level
23 Guardian's Office? Yes. A person directly connected
24 to the safety of L. Ron Hubbard -- the inner core will

1 do anything that it takes.

2 MR. CALDERBANK: Getting back to your fear: Artie
3 Maren, he was also the one that was the last one to --
4 reputed to see Quentin Hubbard before Mr. Hubbard died
5 mysteriously?

6 MR. WALTERS: Yes.

7 MR. CALDERBANK: Did he at any time threaten you?

8 MR. WALTERS: Did he threaten me, Artie Maren?

9 MR. CALDERBANK: Yes.

10 MR. WALTERS: Yes, he did.

11 MR. CALDERBANK: Did he threaten you with your
12 life?

13 MR. WALTERS: Yes, he did.

14 MR. CALDERBANK: And that gets down to criminal
15 activities and policies.

16 Are these policies followed -- you gave a lot of
17 examples about Las Vegas, and these are policies that
18 are carried out and followed by members.

19 Are these policies in every structure set up by
20 Scientology? Are these policies followed by Scien-
21 tologists throughout the country?

22 MR. WALTERS: Yes.

23 In every organization where there is a Guardian's
24 Office, the Guardian's Office follows Guardian's Office

1 policy: to seek out and destroy the enemy.

2 MR. CALDERBANK: The structure in LA and the
3 structure in Las Vegas and the structure in Clearwater
4 are the same?

5 MR. WALTERS: Exactly.

6 MR. CALDERBANK: They follow the same policies?

7 MR. WALTERS: Exactly.

8 MR. CALDERBANK: One of these policies is the Fair
9 Game Policy, and that tells you to lie, cheat, just even
10 destroy other people.

11 At any time, did you take part or know of people
12 that participated in the Fair Game Policy?

13 MR. WALTERS: I personally did not get involved
14 with destroying anybody; I wouldn't do that. I heard
15 that it's done; I personally have not seen it.

16 But, listen, I gave people's folders to the
17 Guardian's Office to be used against them. That's
18 destroying them psychologically and emotionally. And
19 let me tell you, those people never spoke up again.

20 MR. CALDERBANK: Were those break-ins that you dis-
21 cussed part of the Fair Game Policy or as a result of
22 this policy?

23 MR. WALTERS: Yes.

24 In the Guardian's Office -- Fair Game means that

1 you do whatever you have to do.

2 MR. CALDERBANK: And you've seen criminal activities
3 and participated in these criminal activities following
4 out policy which is the structure of the entire Church?

5 MR. WALTERS: Right.

6 MR. CALDERBANK: Did you talk to other Scien-
7 tologists and participate in groups of Scientologists
8 that, as their goal, carried out Fair Game Policy on
9 enemies or break-ins or other criminal activities?

10 MR. WALTERS: Yes, there are others who --

11 MR. CALDERBANK: Did you know at the time that this
12 could be considered a conspiracy or a conspiratorial act
13 to take away someone else's civil rights?

14 MR. WALTERS: I know we didn't know any of that.

15 MR. CALDERBANK: But it was part of the Church
16 doctrine or policy that you followed?

17 MR. WALTERS: Yes.

18 MR. CALDERBANK: Did you ever see people held
19 against their will as part of the Church doctrine,
20 people that may be discontent with policies of dis-
21 connect, in other words, not being able to see any
22 member of their family or communicate with any member
23 of their family?

24 MR. WALTERS: Many times.

1 MR. CALDERBANK: Did you ever participate in it?

2 MR. WALTERS: Yes.

3 MR. WALTERS: Did you ever participate in framing
4 someone, or to give a better analogy: committing
5 criminal acts against a person so that their credibility
6 would be destroyed in the eyes of either the public or
7 investigators that were looking into Scientology?

8 MR. WALTERS: It depends what level of framing. I
9 gave up folders to be used against individuals.

10 MR. CALDERBANK: You talked about planting dope and
11 calling the police and, then, having the person arrested.

12 MR. WALTERS: I didn't do that. But it was done
13 in Las Vegas as part of the normal Guardian's Office
14 thing. I know of it --

15 MR. CALDERBANK: Can you give me one instance?

16 MR. WALTERS: All right.

17 MR. CALDERBANK: Could you give an instance at
18 another investigation, given time to think?

19 MR. WALTERS: Oh, yes.

20 MR. CALDERBANK: Names, places?

21 MR. WALTERS: Yeah. Yeah, I'm willing to go to
22 court and tell -- oh, yeah.

23 MR. CALDERBANK: In Las Vegas, did you see this
24 happen at all?

1 MR. WALTERS: Oh, yes, yeah, against legislators --

2 MR. CALDERBANK: Because of this policy, this
3 actual structure or corporate policy of this group, is
4 that the same policy that induced people to criminal
5 activities in LA, in Las Vegas, that you personally
6 witnessed and that you participated in --

7 MR. LeCHER: Excuse me.

8 I know you're asking the questions, but give him a
9 chance to answer it and get on with it. And he may have
10 to have recall of seven to ten years ago. So, give him
11 a little more chance.

12 MR. CALDERBANK: All right.

13 Have you seen it, participated in it, and can you
14 give us an example where policy induced people into
15 criminal activities?

16 MR. WALTERS: Yes.

17 I know of a new person that came in - I can't
18 think of her name now - a young girl who was asked to
19 plant dope on somebody. It was Susan Reed who recruited
20 her. She was later kicked out because, apparently,
21 she did it and, then, protested. I don't know who she
22 laid it on.

23 They planted something on Otto Ravenholtz to bring
24 publicity against him. I was not personally involved in

1 that. I was just listening to the set up of it.

2 When the Nevada legislature, in '72 or '73 - you
3 can check the files back then - was going to -- they were
4 thinking of licensing counselors. In other words, why
5 should these young kids be giving so-called auditing
6 when they had no training or there -- you know, they
7 weren't licensed? They should be licensed counselors.

8 There were a few legislators or senators, whatever
9 you call them, who were going to pass a Bill, I believe,
10 in the Nevada legislature. The Guardian's Office started
11 a -- following people around, investigating them. For
12 two nights before the hearing out in Carson City, they
13 were called day and night. There was great joy over
14 some woman councilman, or some name like that - but she
15 was a woman - who was driven almost to the point of
16 hysteria because they called her day and night. It was
17 Chuck Reese's job to do that, and he bragged about it
18 and laughed that he didn't get any sleep, either.

19 They called this woman day and night and saying
20 things to her, keeping her totally -- and we laughed
21 that by the time she got to Carson City, she'd be beserk
22 herself.

23 MR. CALDERBANK: You mentioned --

24 MR. WALTERS: These are normal activities of the

1 Guardian's Office.

2 MR. CALDERBANK: And these activities are as a
3 result of policy that's actually written?

4 MR. WALTERS: Yes.

5 It's not given to general Scientologists; they don't
6 see it. It's called Guardian Office Policy. You will
7 have it -- I mean, before '76, I would see it right in
8 the Guardian's Office there in Los Angeles, and you have
9 it here.

10 But since the raid in 1976 by the FBI, they now
11 do two things. They do -- I remember the order came down
12 to -- vetting, which was to go through all the policy
13 and if it said, "Make sure whenever you break in that
14 you have a good cover," you had to cut that out of the
15 piece of paper. So, thinking that if there was ever
16 a raid again, it couldn't be used against them because --
17 a lot of the stuff that's going on now, you people
18 wouldn't have known, no good citizen of the United States
19 would have known it, if the FBI did not raid. It would
20 still be going on even heavier.

21 Anyway -- until some of the policies looked like
22 nothing but holes in it, because that's Guardian's Office
23 Policy. The average Scientologist doesn't see any of
24 this. In fact, there are people in the Guardian's Office

1 who don't see it. The Intelligence people see it all;
2 the top people in the GO see it. But some of the newer --
3 especially, since '76, because I was in on the operation,
4 some of the people, like, in the PR section, the guys
5 that will come and talk to the mayor -- when a young
6 fellow comes and talks to the mayor, he himself probably
7 really doesn't believe any of this did occur. And
8 honestly, you know --

9 MR. FLYNN: Mr. Calderbank, when every Commissioner
10 has finished his questioning in a particular area - I'm
11 not saying that you should discontinue your questioning -
12 what I will do is introduce the policy into evidence;
13 it's a written document of the Church of Scientology.
14 And most of the policies, if not all, that are testified
15 about we have here, including, for instance, the Fair
16 Game Doctrine which we put on the easel.

17 And we will introduce these policies. In some
18 cases, we'll put them on the overhead projector as time
19 allows, for instance, the policy dealing with framing
20 and harrassing, the actual drills the Guardian's Office
21 operative went through, as Mr. Walters knows. We'll be
22 giving you the pieces of paper that the GO used.

23 MR. WALTERS: There are -- let me mention something
24 to show you how the tech fits into this.

1 MR. CALDERBANK: Okay. And tech is technology?

2 MR. WALTERS: Technology. And why I tell you
3 this -- the tech is very guarded and they're very proud
4 of it.

5 I watched Guardian's Office people sit through what
6 they told me was reporter TR. It was how to lie to a
7 reporter.

8 MR. CALDERBANK: Is that TR 1, Training Routine 1?

9 MR. WALTERS: Yeah. There is -- now, there's
10 comp courses, a routine, that they give the public called
11 TR 0, 1, 2, 3, and 4.

12 The Guardian's Office had their own TRs that are
13 used to lie to officials, to lie at hearings, to lie to
14 a reporter. I watched them actually drill. I watched
15 Chuck Reese, you know, say to Madeline Reese -- his
16 job was to act like a reporter, which they didn't want
17 people to even see. You know, a reporter would go:
18 "All right. We know that you're connected with the
19 criminals and we know that you're not a religion; isn't
20 that true?" And Madeline Reese would have to sit there
21 and say, "We are an applied religious philosophy,"
22 whatever --

23 MR. CALDERBANK: Whatever the scenario --

24 MR. WALTERS: Yeah, everything.

1 And if she flinched or broke up or started to feel
2 bad, he would flunk her. And she had to do it until
3 she could do it like that.

4 MR. CALDERBANK: Mr. Flynn, do you have a copy of
5 that Training Routine that teaches -- that Scientologists
6 go through to lie to government officials, to the press,
7 to the DA, whatever group is --

8 MR. FLYNN: Yes, we do.

9 MR. CALDERBANK: And you'll enter that into
10 evidence?

11 MR. FLYNN: If you'd like to have it now -- what
12 I was going to do, in order to create some orderliness --

13 MR. LeCHER: To preserve orderliness and keep
14 order, I'd rather you just asked questions and, then,
15 he will have certain things that he will present in his
16 orderly way rather than have a hodgepodge of information
17 that we cannot --

18 MR. FLYNN: What I'm a little bit concerned about
19 is: There are so many documents, and interrupting the
20 flow of the testimony -- so, if the witness can get most
21 of his testimony out, then, we'll start putting docu-
22 ments in.

23 MR. LeCHER: The Chair is running the meeting.

24 MR. CALDERBANK: Thank you.

1 So, what you're establishing is that there are
2 Training Routines that you go through, or procedures,
3 policies, that you follow, that teach you how to lie
4 under oath?

5 MR. WALTERS: Right.

6 MR. CALDERBANK: And this is commonly done?

7 MR. WALTERS: In the Guardian's Office, yes. Not
8 among normal Scientologists, no.

9 MR. CALDERBANK: You talked about casing and other
10 criminal activities. Were you taught how to do this?
11 I know that you said that you were a casino person and
12 that you were well-educated and, now, looking back, you
13 never would have thought you'd have done that.

14 Without the policies that were written down, would
15 you have committed criminal acts or participated in them
16 that you say you have?

17 MR. WALTERS: That's a very good question, a really
18 good one. Absolutely not. I'm not going to -- I grew
19 up in New York City; I was a pool player, a guy of the
20 streets, you know; I was a casino executive. I'm not --
21 let's say I'm not a virgin.

22 If Chuck Reese or some Guardian's Office guy
23 wanted to do some things on his own, there's no way I
24 would do it. This came from Hubbard, written, shown to

1 me. At that time I was proud of it. I thought that it
2 was technology which would destroy you people and let
3 Scientology clear the planet.

4 MR. CALDERBANK: How did you learn to case a
5 building or burglarize them?

6 MR. WALTERS: Well, Chuck Reese told me to go down
7 there to -- I was to, first, walk around the place and
8 look for anybody that was suspicious or -- then, I came
9 back to see him.

10 Then, I was asked to go into the Better Business
11 Bureau and ask them for, I forget -- about something else.
12 And I was to use that - and it's very clever - because
13 they would think of the thing I was asking for, like,
14 let's say, a popcorn company. I'd ask lots of questions
15 about the popcorn company and, then, just gradually say,
16 "Oh, yeah, I have a friend of mine in Scientology. Do
17 you know anything about that?" And to see what he said.

18 Then, while I was there, I was to memorize the
19 place, where the files were and stuff, and bring that
20 back to him.

21 MR. CALDERBANK: So, you were told by a superior
22 of this group, Scientology, how to commit criminal acts --

23 MR. WALTERS: Right.

24 MR. CALDERBANK: -- to case a joint, then,

1 participate in it?

2 MR. WALTERS: Right.

3 MR. CALDERBANK: Were you aware at any time that
4 there was a policy or is a policy that tells you how to
5 burglarize?

6 MR. WALTERS: No. I mean, I'm sure there is. I did
7 not myself see it.

8 MR. CALDERBANK: Okay, on to the auditing: You
9 said that you came in, and being a casino executive, you
10 understand risk and considerations, you know, getting
11 something back for your money.

12 Now, you said you spent \$35 to \$40,000.00 in this
13 organization, which is your choice. But were you given
14 any guarantees? There must have been some consideration.

15 Did they tell you, specifically, that auditing was
16 scientific, auditing would cure your back ailments,
17 auditing would cure Ed Walters' stomach ailments? Did
18 they say that? And based on that, did you give them
19 money?

20 MR. WALTERS: Absolutely.

21 Not only did they tell me that they were going to
22 do all that, I was then trained to do that to others.

23 MR. CALDERBANK: What were you trained to do?

24 MR. WALTERS: I was a registrar, a person who signs

1 people up for auditing. I was trained to find out their
2 illnesses, ailments. It's called their ruin. Ruin means
3 what they think is ruining them. And then, we are told
4 to tell them "We can handle that. We have the technology
5 to do so."

6 MR. CALDERBANK: So, I come in and I'm having
7 migraine headaches. What do you do?

8 MR. WALTERS: I would say to you --

9 MR. CALDERBANK: I have a thousand dollars.

10 MR. WALTERS: I would say questions like, "Mr.
11 Calderbank, so you have migraine headaches? It sort of
12 hurts your job?" "Yes." "Is it making you worrisome?"
13 "Yeah." "Well, would you say it's making you more able
14 or less able?" In other words, "Is this the thing that's
15 stopping you from being all the things you want to be?"
16 "Yes." "And if you did not have migraine headaches,
17 would you be a stronger, more able person?" Of course,
18 you'd say, "Yes." "Well, we have the technology to
19 handle that."

20 And it even goes further than that. I would,
21 by listening to you, find out if you were medically
22 inclined and move you into Dianetics. If you wanted
23 to be spiritually inclined or do super tricks, like,
24 walk on water and all that stuff, then, I would move you

1 into Scientology.

2 MR. CALDERBANK: What you're telling me, then -
3 and I don't want to paraphrase you -- you just told me
4 that, if I had a large sum of money, you would guarantee
5 me, as a policy - and they taught you to do this - you
6 would guarantee me that my ills would be cured --

7 MR. WALTERS: Absolutely.

8 MR. CALDERBANK: -- or --

9 MR. WALTERS: The exact word is "handled."

10 MR. CALDERBANK: -- handled?

11 And if I was medically inclined, you would tell
12 me that it was a technology or something based on
13 scientific proof?

14 MR. WALTERS: Right.

15 MR. CALDERBANK: If I was religious in nature --
16 you would tell me anything I want to hear; is that what
17 you're telling me?

18 MR. WALTERS: Right.

19 MR. CALDERBANK: You did this?

20 MR. WALTERS: Right.

21 MR. CALDERBANK: And you did it --

22 MR. WALTERS: I did it many, many times.

23 MR. CALDERBANK: All right.

24 MR. WALTERS: I mean, it's one or the reasons I'm

1 here. I personally have brought hundreds into Scien-
2 tology. I mean, I'm not very proud of what I did. Some
3 of them are still in and are not allowed to talk to me.
4 If they see me, they walk down -- they have to walk down
5 the other side of the street because they'll be an enemy of the
6 Church.

7 MR. CALDERBANK: You keep talking about technology.
8 What were you told when you entered Scientology? What
9 is auditing?

10 MR. WALTERS: I was told that auditing was the
11 scientific practice that Hubbard had devised, as a
12 scientist and as an engineer and a nuclear physicist.
13 He had found the true cause of illness and could scien-
14 tifically explain it and, by the courses, I would learn
15 it: scientific explanation and theories concerning
16 communication and the mind. And the source of all
17 aberration is in the mind. And that by putting my hand --
18 by putting myself in the hands of an auditor, a Scien-
19 tologist, he would ask me questions that would elicit
20 answers from me, and this would scientifically handle
21 my illnesses and I would attain, eventually, clear.

22 MR. CALDERBANK: So, since you were technically
23 oriented, they told you it was scientific?

24 MR. WALTERS: Oh, yeah. I mean --

1 MR. CALDERBANK: And you gave them \$30 or
2 \$40,000.00 based on this claim?

3 MR. WALTERS: Yes.

4 MR. CALDERBANK: Now, you know, I don't understand
5 it. Why did you believe it? Why did you believe Mr.
6 Hubbard's auditing, Scientology auditing, would cure
7 your ills? You said they guaranteed --

8 MR. LeCHER: Is that a belief, sir?

9 MR. CALDERBANK: I'm talking about a guaranteed
10 contract.

11 MR. FLYNN: Maybe you can rephrase it and say,
12 "What did you rely on? What representations did you
13 specifically rely on as a matter of fact or observable
14 fact?"

15 MR. CALDERBANK: What did you rely on for that?
16 What did you rely on --

17 MRS. GARVEY: To take the next course.

18 MR. CALDERBANK: -- to take the next course? And
19 what did you rely on to give --

20 MR. WALTERS: I relied on --

21 MR. CALDERBANK: -- \$40,000.00? What did you --

22 MR. WALTERS: I relied on what they told me, that
23 L. Ron Hubbard was a nuclear physicist, an engineer, a
24 scientist, a Doctor of Philosophy, who had studied

1 extensively the mind, the source of aberration of illness.
2 And if I learned this technology and practiced it, I
3 would become clear, free of all illness, et cetera. And
4 if I took the courses to train how to do this, I could
5 do this to others. And I did it.

6 MR. CALDERBANK: So, they represented to you -- and
7 the reason you paid is because they claimed that someone
8 had devised this with research that had numerous philo-
9 sophical and scientific degrees?

10 MR. WALTERS: Right.

11 MR. CALDERBANK: Would you have paid \$40,000.00
12 if this wasn't the case?

13 MR. WALTERS: Absolutely not.

14 MR. LeCHER: Excuse me.

15 I'd like to have Mr. Berfield to get a chance to
16 speak, too, because we are running out of time, and I
17 want to give everybody some time.

18 So, Mr. Berfield -- if you don't mind yielding?

19 MR. CALDERBANK: Just one more question: As a
20 member of the Commission, you said that they would try to
21 come between us --

22 MR. WALTERS: Right.

23 MR. CALDERBANK: -- spread rumors so that, perhaps,
24 I would be upset with Mrs. Garvey, they would find what

1 she wants to hear, and that Mr. Hatchett would become
2 upset with me?

3 MR. WALTERS: Dead agent operations, yes.

4 MR. CALDERBANK: Is this done throughout --

5 MR. WALTERS: Yes.

6 MR. CALDERBANK: -- Scientology?

7 MR. WALTERS: Yes, in all Guardian's Office
8 activities; yes.

9 MR. CALDERBANK: Go ahead, Mr. Berfield.

10 MR. LeCHER: Mr. Berfield.

11 MR. BERFIELD: Mr. Walters, if I understand your
12 testimony thus far, you admitted or stated that you'd
13 lied and cheated, stolen, just about committed every
14 crime --

15 MR. WALTERS: Well, I wouldn't go that far.

16 MR. BERFIELD: -- short of murder.

17 We appreciate your coming here today. But the
18 question that goes through my mind is: Why should we
19 now take what you're telling us as being the truth?

20 MR. WALTERS: That's a good question.

21 All I can tell you is what I know to be true and
22 I know that it's very unbelievable. I feel like the
23 guy -- if one of Jones' people had spoken up, he would
24 have looked as much like a fool as I am. I mean, only

1 later did you find out that he was homosexual, making
2 his own laws up -- well, I'm in the same boat. And
3 luckily, Scientologists are leaving now; the fear of
4 the Guardian's Office is starting to drop and, more
5 importantly, they can speak up.

6 MR. BERFIELD: I have a couple of basic questions -
7 but they encompass quite a bit of territory - one is:
8 You make reference to certain situations, but can you
9 be more specific as to time and place? You make reference
10 to a legislator, you make reference to somebody who
11 planted dope.

12 I guess what I'm saying, as an adversary, is I
13 can look at that and say, "Well, you can come in here
14 and dream up any story you wanted to and tell us that
15 it's true." But what do we have, or what can we look
16 at, or who else can we call into this hearing to sub-
17stantiate what you're telling us?

18 MR. WALTERS: Well, I think you're going to hear
19 some people -- there are documents that are available
20 to verify everything I'm saying; there are others who
21 will verify what I'm saying. And then, you judge for
22 yourselves.

23 MR. FLYNN: If I may just interject: What may be
24 helpful is a continuous series of questions about

1 a specific event and specific time or place about a
2 particular act; that may be very helpful.

3 MR. BERFIELD: Okay. Well, I'm going to come to
4 that.

5 There's one other thing that I'm not too sure
6 about: You talk about policy - and like any corporate
7 policy - how does one know that it's adhered to or
8 condoned all the way up and down the line, that some
9 zealous person some way down the line just doesn't say,
10 "Gee, I'm going to make a name for myself in Scien-
11 tology and I'm going to do this," and they do go off
12 half cocked, and the Scientologists did not, in fact,
13 condone them?

14 MR. WALTERS: Well, I'm familiar with the top
15 officials in the Church; I know some of the eleven that
16 have been indicted and convicted. And they're the ones
17 intimately involved in this. The people that I was
18 involved with took orders from them. And these people, like
19 Bruce Raymond, worked directly for L. Ron Hubbard.

20 I mean, how high do you -- I mean, Scientology
21 would like to say that an individual did this on his
22 own. But I can tell you - and you are taught quickly -
23 you do not do anything, anything, unless you see it in
24 writing by L. Ron Hubbard.

1 MR. BERFIELD: I'm going to come back to counsel's
2 point there and ask you to give me a specific event, but
3 I have another question here: Mr. Calderbank did an
4 excellent job of asking you about your signing up for
5 these courses and what they represented to you.
6

7 When you signed up for them, was there any dis-
8 claimer or anything like that? Did you sign any waivers
9 or anything along that line? Or did they just say,
10 "We're going to cure your illness"?

11 MR. WALTERS: Well, it's not like that. It's more
12 like I did with Mr. Calderbank. You find out what's
13 wrong with you and, then, you say, "Yes, we can handle
14 that. We have the technology to totally handle that."

15 MR. BERFIELD: But you don't sign any waivers against
16 Scientology --

17 MR. WALTERS: Now, it all depends what year. See,
18 Scientology puts out policy related to the latest thing
19 that the country investigates.

20 In the early days, no. Then, when the government
21 started looking into the non-profit status, they changed
22 the word from "payment" to "donation," because donation
23 sounded more like a Church. Then, in the later years,
24 they started just exactly that thing. The Better
Business Bureau, the government, and the city officials

1 wanted to know -- people were complaining that they
2 spent thousands and thousands and never got anywhere and
3 couldn't get their money back.

4 So, now, you had to sign a thing saying that -
5 I know this sounds wierd - you're getting auditing but
6 Scientology has nothing to do with it. I know it sounds
7 wierd. And that when you sign your story at the end,
8 you actually sign a thing that L. Ron Hubbard has nothing
9 to do with what you did and that Scientology is not held
10 in any way responsible for whatever occurs.

11 But you are told to do this. And if you don't do
12 this, you don't go to your next step.

13 MR. BERFIELD: Along this line, the books and the
14 courses that you're talking about, do you know firsthand
15 whether they are being taught here in Clearwater and the
16 books can be purchased here in Clearwater?

17 MR. WALTERS: All the books can be purchased here
18 in Clearwater; all the policy is here in Clearwater. The
19 highest GO and covert activity and policy is here in
20 Clearwater. Although, I would bet it's very safe -- it's
21 not what I think you would find there. They're not --
22 they're not dumb.

23 MR. BERFIELD: Coming back to one thing, if you
24 could, could you walk us through - and this is the reason

1 I asked counsel earlier whether you had any immunity on
2 this, a particular criminal event that you may have been
3 involved in personally and you have firsthand knowledge of?

4 MR. WALTERS: All right.

5 The latest flap meeting, you know, what was going
6 on in the Guardian's Office was that the mental health
7 people in Las Vegas were meeting, talking about doing
8 something about Scientology.

9 MR. BERFIELD: This would be during what year?
10 Can you give us --

11 MR. WALTERS: Oh, this was, I would say, in 1972,
12 in late 1972.

13 Chuck Reese, from his folders -- he has folders
14 on most of the city officials and public people. He
15 had been following these people and he knew that they
16 met.

17 It was first public and, then, they were going to
18 hold closed conferences at Rosa de Lima Hospital in
19 Henderson, Nevada, which is about thirty miles outside
20 of Las Vegas, which is, you know, an hour's drive.

21 Chuck Reese, through orders from Los Angeles,
22 the Guardian's Office, was told to go there and to bug
23 those meetings and get all the evidence that they could.

24 MR. BERFIELD: Excuse me, if I interrupt: Do you

1 know this firsthand?

2 MR. WALTERS: He told it to me. He said -- all
3 right, I'll tell you exactly how it is. He called
4 me in, I sat down, and he said, "Eddie, listen, I got
5 a new ops." - ops. means operations - "a new ops. from
6 LA. Now, they're going to hold closed meetings, these
7 Suppressives, and they're going to meet at the Rosa de
8 Lima Hospital, which is a hospital run by the nuns in
9 Henderson. They're going to hold their meetings there,
10 closed meetings. And we've got to go up and case the
11 place and plant some bugs to listen in on the meetings."

12 And so, I went with him to Rosa de Lima Hospital
13 two or three days before this. We had a whole plan of
14 going in, pretending to be sick, just to, you know, get
15 into the hospital. It turned out we didn't need any of
16 it. We walked right through the place; it was on the
17 ground floor. If I remember, you walk in, you walk to
18 the right, all the way down there was a large meeting
19 office with a large table in it with a whole bunch of
20 chairs around it.

21 And Chuck Reese planted a tape recording device -
22 in those days, you know, tape recorders, even small ones,
23 were very big - with tape and stuff right under the
24 table.

1 I left with him; we went back to Las Vegas. I
2 told my wife about it, you know, I said, "Things were
3 getting hairy again," hairy, meaning "There's a new
4 flap and the GO tech is going in. And I, you know, I
5 can't leave the casino and end up with something worse
6 than the casino, but I want to do whatever it is for
7 Scientology"

8 We talked it over and we thought that it was okay
9 to help them in any way and not get directly involved.
10 So, then, that day I didn't go back with him, again.

11 But I was in the office many times when he was
12 typing up all the minutes or the conversations at the
13 meeting of all the commissioners and city officials,
14 and they would laugh about it, you know. They take
15 what you guys say as very funny, you know. And --

16 MR. BERFIELD: Sometimes it is.

17 MR. WALTERS: Yeah.

18 And they sent all this to the Las Vegas Guardian's
19 Office -- to the United States Guardian's Office in
20 Los Angeles.

21 MR. BERFIELD: One other one that Mr. Calderbank
22 hit on: Do you have any firsthand knowledge of something
23 that I would call kidnapping, holding or retaining some-
24 body against their will? By "firsthand," you knew the

1 person, you were there, you saw him, and it wasn't that
2 somebody told you it happened.

3 MR. WALTERS: Yeah.

4 Oh, in Ethics, I've been personally involved in
5 probably fourteen or fifteen of them, where some local
6 PC on line, meaning a person getting auditing -- brand
7 new, he's in the early stages; he's not totally brain-
8 washed, but he's sort of -- he's still into wanting to
9 handle whatever illness he has. They haven't made him --
10 they haven't made him a soldier of Hubbard, yet.

11 All right, he's having trouble with his family,
12 and Ethics is having trouble with him. And he comes to
13 me because I'm the high technical person. You use mental
14 tech on him to sort of -- and Ethics would hold him in
15 a room, and they hold him there and do not let him out
16 of the building for sometimes hours, sometimes days. They
17 hold him there until he is handleable, meaning he has
18 quieted down, subdued, given some counseling designed
19 to do - I've don't it myself - designed to do two things:
20 one, to make him feel bad and up his -- why he is
21 attacking the organization. That's called security
22 checking. Two, is to find out who he's been talking
23 to and, doing that thing, you find out who his parents
24 have been talking to, to what lawyer they probably were

1 going to go.

2 And that evidence goes directly to the Guardian's
3 Office to be handled. I participated in quite a few of
4 them.

5 MR. BERFIELD: Do you know firsthand whether any
6 of this has ever happened in Clearwater?

7 MR. WALTERS: Well, not being here at Clearwater,
8 I can't say that. I've spoken to people who have been
9 to Clearwater who have spent \$80, \$90, to \$100,000.00
10 and are still sick, still ill, and defrauded.

11 I -- but not being here, you know, I never did
12 services in Clearwater.

13 MR. BERFIELD: I don't mean to sound critical,
14 but you sound like a man that's what I used to call
15 streetwise. And if you are streetwise: In your own
16 mind you did not think you were committing a crime when
17 you were doing all these things?

18 MR. WALTERS: All right. It's a good question.
19 Why would Eddie Walters do that for Scientology?

20 One, I was in the casinos all my life. I started
21 out in poolrooms, but I went to school and went to
22 the casinos, so I was like what you call streetwise.
23 I was, at that time in my life, looking for a better way
24 of life. I wanted a more moral way of life. Working

1 in casinos, to be frank with you, is not the most moral
2 thing you can do. It's not as bad as you might read,
3 you know, but it's not the most fulfilling thing you can
4 do. I was, just right at that time in my life, I was
5 looking for a better way of life.

6 I wanted to sort of -- how can I help my fellow
7 man? And at the same time, I wanted to be -- so, I was
8 just right -- right at the time. And I was told Hubbard
9 had the technology to help his fellow man. And I'll
10 tell you quite frankly I was glad to do it. I'll tell
11 you, the original talks you get would appeal to your son,
12 if you had one, or daughter. They don't get the bad
13 people, I'm telling you; they get the good people. These
14 kids on staff are not the gorillas; that's the GO.

15 The average kid on staff is working over there at
16 Fort Harrison fourteen hours a day for nothing. He's
17 a hard-working young man trying to help his fellow man.

18 MR. BERFIELD: If you had to define yourself in,
19 let's use, a corporate organization, and using Mr.
20 Hubbard as the president of that organization, where
21 would you put yourself in that chain of command?

22 MR. WALTERS: In the chain of command, I would be
23 in the -- if it was a business organization, I would be
24 in the product division, meaning having to do with the

1 dispensing of the sales of the product. And I would be,
2 probably, like a chief technician of that; I would
3 probably be director of production, if you would think
4 of a business organization.

5 MR. BERFIELD: So, you would have knowledge as
6 to their, let's call it, marketing and the way they
7 paid their bills?

8 MR. WALTERS: That's right.

9 MR. BERFIELD: Now, there's been a lot of testi-
10 mony about dollars here. How do these young people
11 pay their bills? Was there promissory notes or security
12 agreements or anything like that they'd sign?

13 MR. WALTERS: On staff or public?

14 MR. BERFIELD: Well --

15 MR. WALTERS: I'll explain both.

16 MR. LeCHER: I'd like you to explain the free-
17 loader's debt.

18 MR. WALTERS: Freeloader's debt?

19 MR. LeCHER: And -- I think that's what he's
20 getting at.

21 MR. WALTERS: All right.

22 A staff member comes in, starts out like I did.
23 They tried to get me on staff many times, officially
24 on staff. But because I was made an outside intelligence

1 agent, I didn't go on staff. Do you see that?

2 So, a person will go on staff and they say, "Do
3 you realize you don't have to pay to get your auditing?
4 You can become one of Ron's people and we will give you
5 all this." Well, man, for a young kid who doesn't have
6 a job, doesn't have any money, it sounds very good.

7 He slowly gets in, and the auditing he gets is all
8 invoiced to him, meaning, every time he goes -- gets a
9 session from somebody like me, he is charged for that
10 at the highest rates there are, and he's charged fully.
11 And this keeps adding up.

12 He is told if he ever leaves, he has to pay all
13 this. In fact, he has to pay this plus penalties.
14 That's just financial; that has nothing to do with Fair
15 Game or R245 and all that, just financial. He is told
16 he has a freeloader's debt, meaning "You came in here and
17 freeloaded off of us. We treated you nicely. All you
18 did was work fourteen hours a day, and now you want to
19 leave? Well, we're going to charge you for all of that."
20 They'll even charge him for when he washed the floor.
21 And it's -- they will give him the biggest bill he can
22 get. It's technically done to make sure that he does
23 not go back into society. So, he gets a freeloader's
24 debt.

1 And I know many, many people -- I know a person
2 in Las Vegas who left Las Vegas, left -- they handled
3 him technically and made him feel bad and repent. He
4 paid them close to \$30,000.00 just to get back in. I
5 mean, this sounds -- and there are people all over the
6 United States and, especially, people who have been to
7 Clearwater who are now all over the United States paying
8 Fort Harrison money so, if they pay all the freeloader's
9 debt, they might be allowed to come back here.

10 MR. BERFIELD: Let's stay with that point a
11 minute.

12 If I understand you correctly, there have been
13 people who have been in Clearwater operating under this
14 freeloader's debt. Are you personally aware of these
15 people?

16 MR. WALTERS: Yes, I know some people.

17 MR. BERFIELD: And do you know that they worked
18 here under these conditions?

19 MR. WALTERS: Oh, yes.

20 MR. BERFIELD: And that they owe the Church -- or
21 the Scientologists this money?

22 MR. WALTERS: Yes.

23 MR. BERFIELD: And you've talked to them about
24 this?

1 MR. WALTERS: Yes.

2 I believe - I don't know of everything that's
3 happening here - I believe you might even meet one or
4 two.

5 I'm not telling you -- I know what I'm saying to
6 you is hard to believe, but I just happen to be the lead
7 off witness. And I know it sounds a little nutty.

8 MR. BERFIELD: There are a couple of just --

9 MR. FLYNN: There will be a great deal of evidence
10 on those issues.

11 MR. WALTERS: If I'm lying -- I'll tell you this,
12 Mr. Berfield, if I'm lying, you'll know it in the four
13 days.

14 MR. BERFIELD: There are a couple of other names
15 that I have here: Cooper, Don Cooper, and a Broderick.

16 MR. WALTERS: Yeah.

17 MR. BERFIELD: How do they fit in the ball game?

18 MR. WALTERS: Nice peoole that you've got here in
19 Clearwater. No, I shouldn't say that.

20 Let me give you an example how the tech works. I
21 leave the Church, right, I go to the FBI. A lot of
22 Scientologists around me -- because I've been looked up
23 to and respected, most of the OTs and Scientologists
24 around me all immediately left, too, because we would all

1 talk and we knew this thing was getting psychotic.

2 Don Cooper would come around us every day and, you
3 know, help us in any way he could, you know, and "This is
4 terrible" and -- although, I wondered why he didn't want
5 to go to the FBI's office. We thought -- he said he was
6 scared. He was with us day and night. He would come
7 into my home and we would talk and laugh, because, as
8 silly as it sounds - you know, I feel a lot better now -
9 when we first got out, we were scared for our lives. And
10 if we didn't laugh, we would cry, you know; it's that
11 type of thing. He would laugh with us.

12 So, this went along, you know, and, finally, we
13 got hold of some lawyers, Mr. Flynn here. And we felt
14 that, eventually, this will come to the public, what
15 needs to be done. Now, what exactly happened to -- oh.
16 So, two people also found out that things were being
17 done against me. See, while I'm outside now, the tech-
18 nology that -- operations were starting against me:
19 following me, harrassing me.

20 One of the girls leaves the Guardian's Office,
21 because she knew Eddie Walters to be a decent guy. "He
22 may not agree with everything we're doing, but he's a
23 decent guy." They're painting me as a Xeno; I'm the
24 implant-r, and I'm evil, and I'm a criminal, and I'm no

1 good, and I'm out to destroy religion, and I'm connected
2 to the FBI and Interpol, you know, all this nonsense.
3 And they were asking her to do things that she didn't
4 feel good about.

5 She left, came to me, and do you know what she
6 told me? "Eddie, you've got plants on you." I said,
7 "No. Listen, I've got my friends and I'll say anything
8 I want to my friends." "Eddie, hey, this guy comes
9 back with stories and wierd" -- and she described him to
10 me. It's Don Cooper.

11 We have since found out -- well, I'll give you an
12 example. I just had this deposition in -- and the
13 lawyers -- see, they're suing me. They do depositions
14 which really is to find out what I know; they do
15 depositions. Their lawyer turns out to have stuff that
16 Don Cooper has stolen from my home, you know. I mean,
17 they turned him into -- from a Scientologist into an
18 intelligence agent. And he was a nice guy. I mean, we
19 were with him every day.

20 He is right now in Clearwater receiving, I believe,
21 further training. We know a person in Las Vegas that
22 talked to him a few months ago.

23 MR. LeCHER: What about Bill Broderick, since
24 you're on that?

1 MR. WALTERS: All right.

2 A girl, Tonja Burden her name is, she used to be
3 an aide to Ron Hubbard: dress him, take care of him.
4 She left and, obviously, can tell the inside story on
5 Hubbard. She was, again, harrassed, you know, all the
6 things I went through.

7 When this Guardian's Office girl left -- should I
8 tell them her name?

9 MR. FLYNN: She'll be testifying; her name is
10 Janie Peterson.

11 MR. WALTERS: All right; when she left, she told
12 us the operations against me and against Tonja Burden.
13 And we said that Tonja Burden has a lawsuit in this.
14 "Eddie, they're planting a person in her apartment.
15 They have a person next to her they brought in from
16 Phoenix. They have a guy who's with her all the time.
17 In fact, he's with you guys." I said, "Who is it?"
18 "Bill Broderick."

19 And she's right. Bill Broderick used to come
20 around. His job was to get everything he could on Tonja
21 Burden, create dead agenting, you know, tell me that
22 Tonja Burden didn't like me or I didn't -- you know,
23 start all this stuff.

24 I believe he is in Clearwater at the moment. I saw

1 his name in a publication where he had just completed
2 a course here. So, he's receiving further training to
3 go out and --

4 MR. BERFIELD: I could go on and ask questions all
5 day of this gentleman.

6 If I understand your testimony correctly, then,
7 the courses that are being presented in Clearwater now,
8 in your estimation -- there is misrepresentation in the
9 presenting of those courses; is that what you're saying?

10 MR. WALTERS: Absolutely.

11 MR. BERFIELD: And then, there's fraud and deceit
12 the further you go in and get into these courses; is
13 that --

14 MR. WALTERS: Yeah.

15 MR. BERFIELD: Okay.

16 MR. LeCHER: We're going to break in a minute, and
17 may your witness return, too, just in case we'd like to
18 ask him any more questions?

19 MR. FLYNN: He'll be available as long as the
20 Commissioners wish to --

21 MR. LeCHER: All right.

22 I just have one quickie: I've heard that the --
23 they've changed their spots, they're no longer doing what
24 they did do, that now they're good guys, and they

1 denounce -- renounce the leaders that have been convicted.

2 To your knowledge, is that true? Have they
3 changed their spots, and are they now a different organi-
4 zation than they were in 1979?

5 MR. WALTERS: No, they're not different. There's
6 evidence that's documented with the things they've been
7 doing to me just recently. They will have a PR thing
8 put out by Artie Maren and Hebert Jentz that will put a
9 new face on it. But I guarantee you covert operations
10 will, in fact, increase.

11 MR. LeCHER: Decrease or increase?

12 MR. WALTERS: Increase.

13 MR. LeCHER: Increase.

14 MR. WALTERS: When I went to the FBI, the normal
15 person, like you, might say, "Well, I guess they won't
16 bother you now." That's when Cooper was put on me. It
17 increases.

18 In fact, the increased surveillance or harrassing
19 of me will start even more now.

20 MR. LeCHER: All right.

21 Mr. Shoemaker has one quick question, then, we'll
22 take a break.

23 MR. SHOEMAKER: Mr. Walters, if I might ask,
24 during the break, if you would have a chance -- are you

1 familiar with the Introduction to Scientology Ethics --

2 MR. WALTERS: I've studied it thoroughly.

3 MR. SHOEMAKER: If you might look at this relating
4 to the high crimes, in section -- on 49 and, possibly,
5 just consider those and maybe mention those to the
6 City Commissioners when they come back --

7 MR. WALTERS: Yes.

8 MR. SHOEMAKER: -- as to how they relate to cor-
9 porate policy?

10 MR. WALTERS: Yes.

11 MR. SHOEMAKER: Thank you.

12 MR. LeCHER: And when you joined, were you told
13 that this information was in the Guardian's Office and
14 that it would be used against you?

15 MR. WALTERS: Sir?

16 MR. LeCHER: In your folder --

17 MR. WALTERS: Oh, no. They told me that anything
18 I tell in auditing --

19 MR. LeCHER: Is confidential?

20 MR. WALTERS: -- is totally confidential. And
21 in fact, they said it was protected by the government.

22 MR. LeCHER: All right.

23 Ladies and gentlemen, thank you. We'll take a
24 break and return around two o'clock.

1 The meeting is in recess.

2 (Whereupon, the luncheon recess
3 was taken.)
4

5 Afternoon Session

6
7 MR. LeCHER: Commissioners and staff, please take
8 your seats. We are going to wait a few minutes to keep
9 right on schedule, and we will again start at two
10 o'clock, which means we have a few minutes left.
11 Before we do start, however, I will remark that people
12 in the audience are acting like perfect gentlemen and
13 gentleladies and not getting out of hand, and giving the
14 witness his due, and allowing the Commission to do their
15 job, too.

16 I won't read the opening statement again because
17 I read it earlier today. I'm sure everyone understands
18 the purpose of these hearings and exactly what we're
19 doing here. Okay.

20 So, welcome back to those who are watching at
21 home. We are in the second half of our first day of
22 meetings -- public hearings with reference to Scien-
23 tology. We have heard the first witness, Mr. Ed Walters,
24 who was a high ranking official in the Church of

1 Scientology. We also heard some opening remarks from
2 our Consultant, Mr. Michael Flynn.

3 Right now we would like to again address questions directly
4 to Mr. Walters, and after that we will ask Mr. Flynn to
5 show some documents on the screen, and then we will get back to
6 our second witness, which is Mr. DeWolfe. We may not
7 have time to conclude with Mr. DeWolfe today -- or finish
8 with him. So, therefore, if that has happened, we will
9 ask him to come back tomorrow morning.

10 Again, for those who are watching, we may be asking the
11 same questions in many ways -- different Commissioners may
12 be asking the same questions in different ways. We are
13 doing this by design, for the most part, trying to
14 establish a record -- for the record, the activities that
15 relate to the Church of Scientology in general and,
16 specifically, those in Clearwater.

17 I'll just start.

18
19 EDWARD WALTERS, Resumed.

20 MR. LeCHER: Mr. Walters, what is this OP sheet?
21 Can you tell me about that? How many people see it?

22 MR. WALTERS: All right.

23 In the Guardian's Office, everything is done to
24 exact orders. There is an order out and there is a

1 compliance. Hubbard designed what he calls a checksheet
2 that lists -- if you have an operations, we'll say, to
3 follow a commissioner, it would -- put at the top of
4 it, the purpose for this. It would say step by step
5 the exact duties, you know, first, like, "Correctly
6 identify commissioner; establish residence." Then,
7 there'd be a blank of who is to do this, specifically.

8 And when that person does it, there is a point
9 where they sign it off, that they have completed in full
10 compliance. On orders given by Hubbard, that shows
11 compliance.

12 And at every step of the operation, this is done.
13 It's usually a white piece of paper, listing every step
14 from the surveillance all the way through whatever the
15 operation was. Every step is listed, who is responsible,
16 and the person who does it signs it off.

17 MR. LeCHER: How many people see this, this --

18 MR. WALTERS: Very few. Only the people in the
19 Intelligence Bureau of the Guardian's Office, the higher
20 officials of the Church, such as, in Los Angeles or
21 Clearwater.

22 MR. LeCHER: All right.

23 What exactly is a routing form?

24 MR. WALTERS: A routing form is a form designed to

1 take you step by step through the organization. There
2 are all different kinds of routing forms. There is a
3 brand new persons' routing form. If you came in for the
4 first time, the reason that you would be hooked so well
5 is because every step has been laid out. You would first
6 talk to the registrar; the registrar will sign that off.
7 The registrar, then, will find you a room, see what's
8 wrong with you -- all the way through.

9 Now, the Guardian's Office routing form -- when
10 they complete an operations, that is routed back up the
11 lines, the communication lines, meaning from the
12 Guardian's Office in whatever city back to their senior,
13 which would usually be Los Angeles; Los Angeles would
14 rout it to Flag, which is Clearwater, Florida.

15 MR. LeCHER: You indicated you -- earlier, that
16 you may have -- they have a dossier?

17 MR. WALTERS: Yes.

18 MR. LeCHER: Is this routing form or this sheet --
19 would that also be used as a dossier or a threat to
20 blackmail, et cetera?

21 MR. WALTERS: Yes.

22 In fact, usually, the first step of any operations
23 is "Start Folder." It sounds silly, but the guy's told
24 that, literally, "Open a folder, put your name on it."

1 There's no step that's missed.

2 MR. LeCHER: If everyone knows this, then, why
3 do you do it? You seem to perpetuate your own downfall.
4 And who can you trust in the organization? And if you
5 can't trust, then, how and why is the organization so
6 successful?

7 MR. WALTERS: Very good question, very good.

8 I'll be honest with you: When I used to get mad
9 at something, I used to tell them what you just said.
10 I was on an operations with Chuck Reese one time and I
11 saw him typing it up and sending it up the lines, which
12 now would mean Los Angeles and Clearwater, but at that
13 time it was just Los Angeles or to England. And I said,
14 "You've got to be crazy. You're going to write all this
15 stuff? And this is nuts." But he said, "Ron gives an
16 order, he wants compliance."

17 It's a great honor, see, to sign your name that
18 you have complied with Ron's order. I mean, it's like
19 points. I mean, it's -- "I followed three commissioners
20 today." You're in, man. You can get a new typewriter
21 or whatever you request that you need, you're liable
22 to get it because you -- and Ron is very shrewd. He
23 doesn't want his GO members saying "I did this or I did
24 that." He wants proof, and very interestingly enough he

1 has proof. He can look at these operations and com-
2 pliance orders and he knows how hard you're working.

3 But you're right, sir, it is their downfall.

4 MR. LeCHER: I don't know -- if you can't trust
5 your enemies, how can you trust your friends if your
6 friends and your enemies are potentially the same people?

7 The telex that's used to distribute confidential
8 files and criminal activities to various cities and
9 groups: Can you tell us about the telex?

10 MR. WALTERS: There is a telex system that is
11 extensive throughout Scientology. Every major org.,
12 organization, has a telex. When they deliver messages
13 to Los Angeles, which are then sent to England, they're
14 also sent to wherever L. Ron Hubbard is. For the last
15 few years, they were sent to Clearwater.

16 Now, what is sent on the telexes is: The end of
17 every week the stats for every division are sent. You
18 know, like, "Ten people in, \$30,000.00 raised, two
19 people completed course, two went on to their next
20 course," all these types of stats. Ron was very into
21 that. It means statistics. And you actually had a
22 graph.

23 The Guardian's Office uses the telex system in a
24 coded manner. They have an elaborate code to send back

1 questions concerning operations or whatever they're
2 doing, and only the GO person knows the code and has --
3 in the last few years, they would send coded messages
4 to Clearwater and Los Angeles.

5 MR. LeCHER: Okay.

6 How do you think they're going to react -- you
7 answered this earlier, so I'll pass it.

8 So, the telex commands -- does the telex command
9 criminal activities to other cities and other states?

10 MR. WALTERS: Yes.

11 MR. LeCHER: Can you be given a job to do, some-
12 thing like to move to Clearwater and commit an illegal
13 act from California or vice versa?

14 MR. WALTERS: Yes, if it's a -- when you're
15 talking about planting dope and things like that --

16 MR. LeCHER: Tell me about planting dope.

17 MR. WALTERS: -- those things are not written
18 down on paper; they are in code. Those are sent by
19 coded telexes.

20 MR. LeCHER: All right.

21 Well, where would they get the dope to plant,
22 then?

23 MR. WALTERS: I don't know. One of the higher
24 Guardian's Office operatives, who, I'm sure has been

1 here to Clearwater -- I don't know if you're familiar
2 with the name; his name is Bruce Raymond. He's one
3 of the -- he works for the Hubbards personally and
4 handles the most secret, sensitive matters, so that
5 I'm sure he would have been sent to Clearwater at one
6 time or another. He specifically asked me to get some
7 dope to put on -- I'll be very specific; it's going to
8 astound some people in Scientology right now. Their
9 names are Bruce and Danielle Harrell. They own a
10 mission here, I believe, in Florida somewhere. I think
11 they're still in.

12 At that time the GO was very suspicious of them.
13 And they wanted to plant dope on them and have the
14 police raid the place because they thought they were
15 squirreling, meaning they were doing tech not written
16 by L. Ron Hubbard.

17 MR. LeCHER: Is this --

18 MR. WALTERS: Anyway -- let me just finish this.

19 He asked me for the dope and, even though I
20 started in a poolroom and I worked in a casino - I'm
21 forty-four, and at my age we didn't fool with drugs
22 the way they do today - I told him I wouldn't know where
23 to get it. But I have reason to believe, from the
24 gossip I heard in the Guardian's Office, that they

1 dropped doing that; they did something else.

2 MR. LeCHER: Were you led to believe that they
3 grow or raise their own or do they buy on the open
4 market or they're dealing in it?

5 MR. WALTERS: Well, to be frank with you, the
6 majority of young men coming in, including the daughters
7 and citizens of the people here in Clearwater -- drugs
8 is a very prevalent thing among young people today. Once
9 a person has a drug history -- and remember, that
10 history is going to be in his files, isn't it, his
11 confessional files? The confessional files go to the
12 Ethics Office, the Ethics Office goes to the Guardian's
13 Office. The Guardian's Office can easily pull one of
14 them in and do the same thing they did with me, you
15 know, "In order to help Scientology, do you think you
16 can get any drugs," you know.

17 So, in today's market, it's not a hard thing
18 to do.

19 MR. LeCHER: I thought that one of the beliefs -
20 not beliefs - but one of the ways to be a good person
21 would be not to take dope or alcohol or depend on any
22 foreign substance in your system or in your body as a
23 Scientologist?

24 MR. WALTERS: That has been -- when you get

1 auditing, that is one of the technical things that must
2 occur: that you must give up all drugs or alcohol or
3 something like that. In fact, I would say that it's one
4 of the good things about Scientology. I've seen many
5 people come in who are drug addicts who gave up drugs
6 just to get some counseling or auditing from me in
7 Scientology.

8 MR. LeCHER: Are the Guardian's -- is the Guardian's
9 Office explained to the group, the duties of the
10 Guardian's Office, that, indeed, they do exist, why
11 they exist?

12 MR. WALTERS: Their duties?

13 MR. LeCHER: Yes.

14 MR. WALTERS: Oh, yes, there's two forms. There
15 is --

16 MR. LeCHER: But the recruit, the new person, new
17 convert, does he get -- is he told as to the duties of
18 the Guardian's Office?

19 MR. WALTERS: He is told -- that's not what they
20 do. He is told -- he is told a certain statement about
21 them. If you ask any Scientologist, "What does the
22 GO do," he'd say, "These are the people that are here
23 to help handle the turbulation of the area and make it
24 safe in order to practice Scientology."

1 MR. LeCHER: You may have answered this before,
2 but, for the record, I'd like the clarification: Are
3 recruits told their personal information is available
4 to the Guardian's Office?

5 MR. WALTERS: Oh, no. They are -- when they
6 get auditing, they are specifically led to believe that
7 it's totally personal and that no one will see their
8 folders, except the auditor and the CS, the person who's
9 supervising the auditing.

10 I have -- people discuss the most intimate --
11 I mean, if they knew it, they wouldn't continue it.

12 MR. LeCHER: I would assume that everyone would
13 have a skeleton in the closet, no matter who they are?

14 MR. WALTERS: Yeah. And people have their personal
15 qualms, and -- plus CSs are -- you know, Scientology is
16 very into, like, looking at sexual stuff. You know,
17 young men go into personal things that they would not
18 like --

19 MR. LeCHER: Well, I'm sure that nobody would
20 want their personal life brought against them --

21 MR. WALTERS: Absolutely.

22 MR. LeCHER: -- or told to anyone else, to the
23 attention of the public or the press.

24 One more question and I'll go to my right, again:

1 Is -- do you feel you're in danger right now, and what
2 do you think the reaction will be to your testimony here
3 today? What will I read in the paper tomorrow of what
4 their -- how they'll explain your testimony and reasons
5 for being here?

6 MR. WALTERS: All right.

7 They will have to -- one, they will have to con-
8 tain the people at Fort Harrison to make sure that they
9 don't hear this. That's their major problem, otherwise,
10 that would stop the money flow. They have to worry
11 about the newspapers. Ron says you're never to defend,
12 you attack.

13 They will give the newspapers serious allegations
14 about me designed to technically be believed by Scien-
15 tologists --

16 MR. LeCHER: In order to discredit you?

17 MR. WALTERS: Yes.

18 And anything involving conspiracies, suppressive-
19 ness -- those are the things believed by Scientologists.
20 Their major problem is that the money flow here at Fort
21 Harrison does not dry up.

22 MR. LeCHER: And you are testifying under oath and
23 you are under the threat of perjury?

24 MR. WALTERS: Yes, yes.

1 MR. LeCHER: And you understand that we may take
2 this information and use it ourselves or give it to
3 another governmental agency?

4 MR. WALTERS: That's fine with me.

5 MR. LeCHER: All right. Thank you.

6 Mrs. Garvey, I started with you, but it's still
7 the same witness, so, not to have confusion later, I'll
8 let you again lead off because this is the same witness.
9 We'll go down the line and, then, get the testimony --
10 the documents that Mr. Flynn would like to show us.

11 Mrs. Garvey.

12 MRS. GARVEY: Sir, one of the things the con-
13 sultant reported to us is health conditions in the Fort
14 Harrison. And I would like to know what you are -- what
15 happened in Las Vegas. They're saying that there are --
16 there is concealment of epidemics and, also, the treat-
17 ment of actual diseases by unlicensed individuals hold-
18 ing themselves out as medical practitioners.

19 Did you witness any of this kind of attitude or
20 action in your area?

21 MR. WALTERS: Yes. In Las Vegas, yes.

22 MRS. GARVEY: Can you --

23 MR. WALTERS: The --

24 MRS. GARVEY: Excuse me; go ahead.

1 MR. WALTERS: The conditions -- the staff usually
2 lived in a house, a staff house, that might be designed
3 for a family, which would be a father, a mother, and
4 three children. There, usually, might be thirty to forty
5 living there in usual squalor. And children -- because
6 of the kids -- the mother is working fourteen to fifteen
7 hours a day, the child is left alone. They will tell you
8 that they have nannies for them and all that. Even if
9 they do, the nanny is some confused kid who is probably
10 in Ethics anyway, which is why she's told to watch the
11 kids.

12 I have personal knowledge in Las Vegas of kids
13 going days without eating. My wife and I donated to
14 them once in a while. You just -- God, you have to see
15 it to believe it: kids, young kids, looking at a jar
16 of peanut butter like it was gold.

17 MRS. GARVEY: So, you're saying that there is a
18 practice of child abuse, whether it's emotional or
19 physical?

20 MR. WALTERS: Yes. It's a side product of it.
21 It's not that they mean it to occur; it's a side product.
22 It's that --

23 MRS. GARVEY: Is it a policy of the Church to not
24 refer people to doctors?

1 MR. WALTERS: Yes. I mean, in fact, it is
2 suppressive to deal with doctors. Doctors are butchers.

3 MRS. GARVEY: But if a Scientologist went to a
4 doctor, then, he would be put on -- he would be classi-
5 fied as a --

6 MR. WALTERS: Well, it all depends. If it's a
7 legal cycle -- the GO staff is on a legal cycle. The
8 GO will say things like: "Well, listen, Mr. Jones, you
9 can go to a doctor if you like; we are not saying you
10 can't. But you know what Ron says about these butchers."
11 Well, that's all you have to say and the guy doesn't go
12 on his own free will.

13 MRS. GARVEY: Because Mr. Hubbard considers them
14 a menace?

15 MR. WALTERS: Oh, yes.

16 I mean, I don't know if you have documents here,
17 but the Dianetics course is full with them, of Hubbard's
18 theories and opinions about the doctors.

19 MRS. GARVEY: So, they may not encourage them not
20 to go, but they will discourage them from going?

21 MR. WALTERS: Right.

22 And they have very cleverly written policies saying
23 that "We support doctors and, if you have any illness,
24 you should see your doctor." That's put in the green

1 volumes to show the public. But none of that is prac-
2 ticed.

3 MRS. GARVEY: One other thing: You said you worked
4 as a registrar for a while as your job.

5 Did you ever portray this organization as a charit-
6 able organization? Is that something that's commonly
7 taught -- mentioned to your people when they're interested
8 in it, that the Church of Scientology is a charitable
9 organization?

10 MR. WALTERS: Well, let me get it straight. I
11 did not work as a staff member for the registrar because
12 I was in the technical division.

13 MRS. GARVEY: Okay.

14 MR. WALTERS: But I was always called in to handle
15 a guy who wouldn't come up with the money, because I
16 was more expertised, you see. They could say, "Let me
17 bring the surgeon in. Here's the surgeon that's going
18 to work on him. Now, Surgeon, can you handle him? He
19 says he's got this -- of course, we can. Ron can handle
20 anything." You know. That's when I would be brought
21 in.

22 MRS. GARVEY: But did -- was it ever put across
23 that, you know, the money that you -- that was going to
24 the Church was for charitable purposes?

1 MR. WALTERS: No. It depends, again, what legal
2 cycle Scientology was going through. In the early days,
3 you just paid your money. Then, the government, I
4 believe, raised some trouble about "What's a non-profit
5 status doing charging people for all this? That you
6 ought to be able to go in and just give them what you
7 got." So, they changed it to call it donations.

8 But no Scientologist knows this. He doesn't even
9 know why it's called donation. He thinks, "Well, I
10 guess, it's a religion, it's a donation." I will tell
11 you, he won't get a service for one dollar less.

12 MRS. GARVEY: But that's what I'm saying: If he
13 didn't want to donate, he would not get a course?

14 MR. WALTERS: Absolutely.

15 And if you paid \$5,000.00 for that course, you
16 won't get it for 499, I'll tell you.

17 MRS. GARVEY: That's all.

18 MR. LeCHER: All right.

19 Mr. Hatchett, do you have any questions?

20 MR. HATCHETT: Mr. Walters, would you characterize
21 such actions as a fraud --

22 MR. WALTERS: Yes.

23 MR. HATCHETT: -- to the individual?

24 MR. WALTERS: Yes.

1 MR. HATCHETT: Electronic bugging or covert -- were
2 you ever involved in the electronic bugging of someone's
3 property: their home or their organization? Do you know
4 about the specifics of --

5 MR. WALTERS: I know two very specifically and
6 others that I know the results of.

7 MR. HATCHETT: Can you describe some of this as a
8 physical bugging?

9 MR. WALTERS: Yeah.

10 MR. HATCHETT: A bugging --

11 MR. WALTERS: Well, I'll tell you one, exactly.
12 One is we bugged Dr. O'Gorman, a psychiatrist in Las
13 Vegas, without his knowledge. The other one was at Rosa
14 de Lima Hospital. Those are two that I participated in.
15 But there's many others that I would just hear --

16 MR. HATCHETT: What type of physical equipment
17 was used?

18 MR. WALTERS: Oh.

19 MR. HATCHETT: Telephone or --

20 MR. WALTERS: At Rosa de Lima, it was a new,
21 little tape recorder that just came out, Panasonic or
22 something like that, and it was the first time that the
23 little speaker was, like, part of the set. You know,
24 it wasn't, like, you know -- that was, like, really big

1 in the GO at that time. And they taped that underneath
2 the table.

3 The way it was done with Dr. O'Gorman -- it was
4 done with a tape recorder inside a briefcase, with the
5 cord going from the briefcase up my arm to here. And
6 I sat and talked to him and recorded everything.

7 MR. HATCHETT: On the matter of extortion of
8 money from people, can you give us an idea how this is
9 really done, whether there was provocation, communica-
10 tion, or just verbal communication to a person to
11 extort? Were threats involved?

12 MR. WALTERS: Again, it depends on the level of
13 awareness of the individual. If you are, say, at
14 Clearwater here and you are a sick person and you come
15 down here to cure your ills and, now, you've spent
16 eighty thousand, which is all you have, you are now
17 starting to wonder about this or you read a Reader's
18 Digest article or something like that, you will be told
19 that -- you will be sent to Ethics for doubting. See,
20 just a doubt is an Ethics offense.

21 In fact, one of the -- that's the name of it, see:
22 Liability, Treason, Doubt. That's technically -- they
23 want that word there just to say, you know -- "Yeah,
24 but I gave you \$80,000.00 and I'm not getting any

1 better." "Well, do you have any doubts about L. Ron
2 Hubbard?" "Well, I'm just wondering." And you get put
3 in Ethics.

4 And the reason he's put there is to keep him away
5 from the others, because you can't have these guys
6 sitting around in the lobby of the Fort Harrison saying,
7 "Are you getting any better?" "No. Are you getting any
8 better?"

9 So, one Scientologist who sees this writes it up,
10 and he's sent to Ethics. And in Ethics he is pressured,
11 depending on where he's at. They will send for his PC
12 file, meaning his personal auditing file. And the Ethics
13 Officer will pull out of there whatever he thinks --
14 let's say the fellow is down here for -- to get his
15 illness handled, but he confessed about helping his
16 business go bankrupt sometime, you know. They will
17 sort of insinuate to him, "Well, if you do these type of
18 things, I mean, society is not going to like this. And
19 as Scientologists, we will be glad to expose you."

20 They'll give him something to read. I don't know
21 if you have any of them here -- "Keeping Scientology
22 Working."

23 Do you have that here?

24 MR. FLYNN: Yes.

1 MR. WALTERS: Can I see one? I'll show you
2 something.

3 "Keeping Scientology Working" is what every Scien-
4 tologist is brainwashed to do. "Keeping Scientology
5 Working" is on every course that I ever did. It has
6 lines on there, like, "We are a deadly serious game;
7 We are hardly here to win not to lose; We'd rather have
8 you dead than incompetent."

9 I mean, please get the bulletin, because of -- what
10 I'm saying sounds awful. But it's on -- you can go down
11 to Fort Harrison right now - if they don't change it
12 by the time they hear this - it's on the front of every
13 course by order of Hubbard.

14 So, when you're reminded of these things in
15 Ethics, I'll tell you, you come up with whatever money
16 is needed. "Do your friends have any money; do your
17 relatives have any money?" And you are shown how and
18 helped to go back and sell your land or raise the money.

19 MR. HATCHETT: Thank you.

20 MR. WALTERS: And that, to me, is extortion and
21 through harrassment.

22 MR. HATCHETT: Thank you.

23 MR. LeCHER: Mr. Shoemaker, do you have any
24 questions?

1 MR. SHOEMAKER: Yes.

2 Mr. Walters, in your initial presentation, you had
3 mentioned a comment, which I wrote down, about that you
4 were concerned or that you certainly didn't want to end
5 up being beaten or thrown down into a hold --

6 MR. WALTERS: Yeah.

7 MR. SHOEMAKER: -- or words such as that.

8 Do you have specific knowledge of beatings
9 occurring or --

10 MR. WALTERS: Well, it didn't --

11 MR. SHOEMAKER: -- some type of physical restraints,
12 other than being locked in a room, which you've already
13 referred to?

14 MR. WALTERS: Yeah.

15 It did not happen to me, but I've heard of others
16 who were on the ship - Hubbard was on a ship for a long
17 time --

18 MR. SHOEMAKER: Right.

19 MR. WALTERS: -- who were put in the hold and were
20 beaten and were locked in --

21 MR. SHOEMAKER: Physically put into some type of
22 a --

23 MR. WALTERS: Oh, yeah.

24 MR. SHOEMAKER: -- hold below deck?

1 MR. WALTERS: A tiny little hold.

2 I don't know if I'm letting the cat out of the
3 bag, but I think you're going to hear from somebody that
4 had that exactly happen to him who will be in front of
5 you in a few days.

6 MR. SHOEMAKER: You had also mentioned, too, that
7 you had actually, in your training, gone through your --
8 the auditing training course, which you termed as Class
9 8, I think you said, which was almost converting or
10 changing somebody from being a human being to being like
11 a Gestapo person.

12 MR. WALTERS: That's right.

13 MR. SHOEMAKER: Could you expand on that a little
14 bit in terms of what you learned in this?

15 MR. WALTERS: That's a good question, a really good
16 question, because you become an expert on the tech in
17 Class 6. Remember, I spent a year and-a-half listening
18 to five tapes a day, an hour and-a-half, ninety-minute
19 tapes a day. You study from 8:30 to eleven at night
20 every day for a year and-a-half, so you know the tech.

21 But Ron, because of his paranoia and troubles that
22 he could have - usually, go into a city, go into a nation,
23 criticize, defraud, government inspects and he runs away -
24 he went pretty beserk and hard-nosed around '67 and '68

1 with this Class 8 course, around '68, where the Class
2 8 now -- we were supposed to get on top and keep
3 everybody in line. What I thought was going to be more
4 technology on bringing peace and sanity to the world was
5 technology on how to apply those Ethics conditions.

6 And Hubbard would tell you, "Anybod" who ever went
7 to a policeman was because you didn't catch him in
8 Ethics. And I'm tired of these failures, and you people
9 let me down. And the tech works, remember that. My
10 tech never fails. And you must ferret out the
11 Suppressives."

12 And Class 8 was to go back to the city and be
13 relentless in ferreting out Suppressives, people with
14 counterintentions, meaning they thought differently than
15 Scientologists, and we were to make them Scientologists
16 or handle them.

17 MR. SHOEMAKER: Were you -- with all of this money
18 that was going into the paying of courses and so forth --

19 MR. WALTERS: Oh, let me mention one more thing;
20 it's very important.

21 The Class 8, also, is the one who handles the
22 OT 3s and above. OT 3 level is the highest supersecret
23 level where you find the secret of the universe. Guys
24 who are hooked on this can cost them fifty, sixty,

1 eighty -- they'll take all you have. In fact, many
2 people don't leave because, no matter what happens to
3 them, you're told that "When you reach OT 3, you will
4 find out why insanity in the world is." And the Class
5 ss are the ones who administer this. And it's total
6 science fiction.

7 MR. SHOEMAKER: With all the money that people are
8 paying in for these various types of courses, where are
9 they told that that money goes?

10 MR. WALTERS: Usually, a lot of them don't ask;
11 they're too busy keeping Scientology working. If you do
12 ask, the Guardian's Office has this thing written by
13 Ron called "Where Your Fees Go." And it's beautifully
14 written. When you get through with reading that, you
15 almost want to give him more.

16 It tells about how he was researched this all this
17 time, and he's holding the organization together, and
18 people like yourselves are attacking him and causing him
19 legal problems. And you just don't realize all the amount
20 of money it takes to hold Scientology together and keep
21 it working, and that Ron loves you and cares for you,
22 you know.

23 MR. SHOEMAKER: Mayor, if -- I've just got one other
24 question.

1 I had asked you, Mr. Walters, earlier if you were
2 familiar with that Ethics book, I believe it is --

3 MR. WALTERS: Yes.

4 MR. SHOEMAKER: -- that has the high crimes?

5 MR. WALTERS: Yes.

6 MR. SHOEMAKER: Can you briefly refer to what those
7 high crimes just say or what they are, please? It's
8 49, I believe.

9 MR. WALTERS: All right.

10 That's when the Ethics theory came out; that was
11 around '67 because Ron had trouble in England. Things
12 like this occurred; England started looking into him.
13 So, he ran off on a ship, which is interesting and
14 familiar seeing as James Jones did, he ran off to
15 Guyana. Hubbard went on a ship with his select crew by
16 himself.

17 But he puts out this for the Scientologists to
18 straighten out everybody. Hubbard always feels that,
19 when things go wrong, he got betrayed. So, if you do
20 things wrong and, then, you fail, you can be charged with
21 these high crimes.

22 That's -- for example: "Attacks on Scientology
23 and Scientologists." You realize that it is suppres-
24 sive - it is considered an attack - for me to come here

1 and talk to you. If any other Scientologist in the city
2 does it, he would be considered suppressive, unless he's
3 with the Guardian's Office.

4 MR. SHOEMAKER: All right.

5 MR. WALTERS: But a Scientologist, of his own
6 free will, could not do this.

7 Look at number two - I haven't seen this in years -
8 "Testifying hostilely before state or public inquiries
9 against Scientology is suppressive." That's listed as
10 a high crime.

11 So, when you study these things, I'm telling you,
12 you just don't go visit people like you.

13 I could go over -- "Reporting or threatening to
14 report Scientology or Scientologists to civil authori-
15 ties."

16 So, you realize, when you get -- when that little
17 old lady loses her eighty thousand and still has
18 arthritis, she's caught between the Ethics Officer -- and
19 she can't go to you because she'll be in a high crime.
20 I mean, I sit here, you know, laughing about it, but
21 it's very serious when you talk about people who've come
22 here to Clearwater and got fleeced and are in serious
23 dilemmas; it's not really funny. But this is sold to
24 every Scientologist and they are told to read and study

1 it.

2 MR. SHOEMAKER: If I might ask just one other
3 question, Mayor --

4 MR. WALTERS: Oh, let me go to seven. Oh, I'm
5 really high crime. "Testifying as a hostile witness
6 against Scientology and Hubbard."

7 MR. SHOEMAKER: And in all of these, if you're --
8 if you've violated these, in essence, then, you are a
9 suppressing person and, therefore, the Fair Game Policy
10 could be implemented against you --

11 MR. WALTERS: Absolutely.

12 MR. SHOEMAKER: -- or anything else?

13 MR. WALTERS: Right.

14 MR. SHOEMAKER: I don't know if there was a ques-
15 tion or not, but I know -- I think you alluded to it,
16 basically, earlier. I know it's a question that's always
17 been in the back of my mind and I think it's in others'.

18 You're certainly not a dumb man. You have a lot
19 of intelligence and you've been around in the street and
20 grew up and knew pretty much what was going on.

21 Why nine years before you came to the realization --
22 how could you have accepted so much of this for such a
23 period of time before you came to the realization to get
24 out?

1 MR. WALTERS: Very good question. Why I -- I
2 asked myself that and actually studied it.

3 My hook -- with everybody, he has a carrot. If
4 you've got cancer, of course, it's cancer. If you can't
5 get along with your mother, bing; if you've got a sexual
6 problem, it's that. Mine was -- I always thought, as
7 many others did, that L. Ron Hubbard was a genius
8 engineer/physicist who had found legitimate, workable
9 laws and axioms that would help benefit mankind. And
10 I thought somewhere I'd find it. Even after Class 6,
11 when I studied everything, I was told, "Yeah, but,
12 Eddie, wait till you get to Class 8."

13 MR. SHOEMAKER: So, it's always --

14 MR. WALTERS: Always more.

15 When I got to Class 8, it was the way I told
16 you. The turning point for me was when they started
17 lying to Scientologists about that they did not break
18 into the Justice Department. I did not think -- and I
19 thought, "Jesus, all this stuff we've been doing, now,
20 they're even going to lie about that." I wanted out.

21 But everybody has their own carrot. Some are
22 just disillusioned on people who are stuck on Hubbard;
23 others are sick people trying to cure their illness;
24 some people like myself looking for -- to study the

1 works of a brilliant person in order to benefit myself
2 and others.

3 MR. SHOEMAKER: Mayor, I don't have any other
4 questions.

5 MR. LeCHER: Let me ask a question: What kind of
6 things do you study in Class 8?

7 MR. WALTERS: All right.

8 Class 8 --

9 MR. LeCHER: Specifically --

10 MR. WALTERS: Specifically?

11 MR. LeCHER: Yes.

12 MR. WALTERS: You -- first, you go over all the
13 basic tech, again: the tech of communication, the tech
14 of auditing, the tech on cycles in life, a lot of the
15 stuff. Then, you learn how to study folders and to find
16 out why things did not work. But the reason you're given
17 is that it is always was a Suppressive or a PTS person.
18 It's like, in other words, if you don't find a mistake
19 or where he did something wrong, you are to find who the
20 enemy was and why he did it. Like, if any of you
21 gentlemen or any person got counseling, auditing, and
22 it didn't work, they would want to find what Suppressive
23 you were connected with.

24 See, it cannot be anything at Fort Harrison; they're

1 perfect. It's got to be you. My job was to learn to
2 apply Ethics. We studied that heavily.
3

4 We were to put the person in Ethics and find out
5 why he did not want to get better or what suppressive
6 group they were involved in. Then, you studied OT 3;
7 this was one of the major secret levels that you're all
8 told, and you're told because -- after OT 3 came out in
9 1967, Scientology had a lot of serious internal problems
10 because people, after this level - and spent thousands
11 and waited years to get it - were acting as nutty as
12 ever.

13 So, one of the Class 8 things to do was that we
14 were taught how to repair these people. Like, you know,
15 it involves space ships and mountains blowing up; the
16 body is made up of body thetans. And this is very
17 serious because an individual, when he completes OT 3,
18 he thinks all of you people have body thetans that are
19 really talking to you, little spirits. Your body is made
20 up of spirits and they're talking to you, not you. So,
21 that's the reason your mother did not want to support
22 you in Scientology. It wasn't her, it was her body
23 thetans.
24

So, this makes you join staff or --

MR. LeCHER: Well, we don't want to get too far.

1 That may be construed as a belief.

2 MR. WALTERS: Well --

3 MR. LeCHER: But if I can ask: Eddie, were you
4 ever - I've heard a lot of stories and what not - were
5 you ever able to leave your body and go to Paris in the
6 spiritual sense?

7 MR. WALTERS: No, no.

8 And that's what most everybody who's down here at
9 Clearwater has been ordered to do. That's the end thing
10 of OT 4, the next step above OT 3.

11 MR. LeCHER: It's to go to Paris or wherever you --

12 MR. WALTERS: Or wherever you want to go. If you
13 leave your body, you will.

14 MR. LeCHER: You've never been able to do that?

15 MR. WALTERS: No.

16 Now, I've known people that said they do, I mean,
17 you know. They could line up fifty Scientologists who'll
18 tell you -- they'll sit here and tell you they're in
19 Paris, but that doesn't, you know -- I'll tell what you
20 can do, just write a number on a piece of paper and
21 say, "Well, go into that pad and tell me what that thing
22 is?"

23 MR. LeCHER: One other accusation that I heard - and
24 I don't know if it's true and maybe you have knowledge -

1 is that my office faces their office, that they can
2 eavesdrop with some sort of a beam of sorts --

3 MR. CALDERBANK: Microwave.

4 MR. LeCHER: -- microwave, possibly, and hear what
5 I say and I don't even know it because I can't see it.

6 MR. WALTERS: Yes.

7 That's discussed on the upper levels. You see,
8 the Guardian's Office and the upper tech people tell the
9 newer people that they can leave their bodies, see. So,
10 "We're not worried about Mayor LeCher. Listen, that
11 idiot is over there and we are on top of him all the
12 time. We are spiritual beings. And we can sit in Fort
13 Harrison and totally overhear every conversation."

14 MR. LeCHER: That's a spiritual sense. In the
15 state of the art sense, the newest state of the art,
16 is there a wave of sort of light or microwave or what-
17 ever that they can hear my conversations in my office
18 with, let's say -- without my office being bugged,
19 physically bugged?

20 MR. WALTERS: Electronically?

21 MR. LeCHER: Yes, electronically.

22 Do you know anything --

23 MR. WALTERS: I don't know, sir.

24 MR. LeCHER: All right, then.

1 I'd like to ask: Mr. Bustin, do you have any
2 questions -- or Mr. Calderbank?

3 MR. CALDERBANK: I do.

4 Mayor, first of all, I will recount one actual
5 thing regarding bugging with some type of devices, whether
6 it's coming from Fort Harrison or not. When Calvary
7 Baptist Church put their new audio system in the Church,
8 one of the engineers in my office did go out and take a
9 reading for EMF, electromagnetic fields. And there was
10 such an exceptionally high level - of what they call a
11 hot spot - of these type of energy waves in this area,
12 that they had to take special precautions in order to
13 technically work it. So, I don't know where that came
14 from, but there -- it can happen.

15 MR. LeCHER: Okay.

16 MR. CALDERBANK: I'd like to get on to the fraud
17 aspect, where, I think, perhaps, you gave money for your
18 consideration based on representations or guarantees.
19 And based on that, you gave \$35 to \$40,000.00 to an
20 organization.

21 And auditing, you were told, was a scientific or
22 worldly -- something that was on earth that was researched.

23 MR. WALTERS: Right.

24 MR. CALDERBANK: You were told auditing was

1 scientific in nature.

2 MR. WALTERS: Yes.

3 MR. CALDERBANK: And you were told that this had
4 been researched by --

5 MR. WALTERS: L. Ron Hubbard.

6 MR. CALDERBANK: And why did you believe that
7 auditing would help?

8 MR. WALTERS: Because, in the early courses, you
9 were given some of his scientific discoveries that
10 appealed to you. The very first thing you do is the
11 communication course, where you sit across from each
12 other in chairs and you do those training drills. But
13 then, they will have you demonstrate a formula: cause,
14 distance, effect. I create a cause that causes distance
15 to an effect.

16 And if you are physically -- physics minded or
17 interested in the way the world operates, that looks very
18 interesting to you. "That's right. When I speak, you
19 hear it. There's a cause and there's an effect there."
20 And then, you originate a communication and send it
21 across the space to me and I hear it. You actually demo
22 this out, clay demo.

23 MR. CALDERBANK: And you were -- you spent money
24 because you were told that a world renowned researcher

1 that --

2 MR. WALTERS: Yes, yes.

3 MR. CALDERBANK: Then, you taught other people?

4 MR. WALTERS: Yes.

5 MR. CALDERBANK: Now, did you also represent to
6 them, when they asked you, "Why should I spend this
7 money" or "Does it work" -- did you represent to them
8 the same things that were represented to you, that this
9 was researched for thirty or more years by a nuclear
10 physicist, et cetera, et cetera? In other words, did
11 you continue this?

12 MR. WALTERS: Yes. You were -- yes. You were
13 taught how to do it.

14 MR. CALDERBANK: And how did you do it? How did
15 you make these representations? Were they published,
16 were they in writing, orally, verbally? How did you show
17 the person that it was --

18 MR. WALTERS: All right.

19 Some of the technology data is on the course that
20 you're taking. You give them lectures. They're in all
21 the books who Hubbard is and his credentials.

22 We, as higher Scientologists, gladly tell about
23 the wisdom and great expertise of L. Ron Hubbard. And
24 when a person says, "That's amazing course -- that's .

1 really scientific." "Of course. The man is a nuclear
2 physicist; he's one of the great educators on the planet.
3 And this is just a sampling of the great technology you
4 can receive."

5 MR. CALDERBANK: So, one of the things is to bring
6 people in. One of the major factors is this man, through-
7 out his life, had a high history of engineering, academic,
8 physical experiences, and he actually cured himself and
9 other people and had case histories?

10 MR. WALTERS: Right.

11 MR. CALDERBANK: And were you ever guaranteed --
12 you said - I don't want to get into the religion - you
13 said that you could do this and do that, which is fine.
14 But were you ever guaranteed for your money that you
15 would get well? Were you ever sat down and said, "Ed,
16 this money, once you get to OT 3, we guarantee that
17 you'll understand the universe?

18 MR. WALTERS: Yes.

19 MR. CALDERBANK: Or were you ever guaranteed --
20 religion aside, was there an actual guarantee -- you gave
21 money for a guarantee that your stomach, your back
22 would be better, you'd be able to exteriorize, et cetera?
23 Were these actual guarantees that you based giving your
24 money on?

1 MR. WALTERS: Every time.

2 All right, you take Dianetics. They'd show you:
3 "This is Dianetics. This is what you will get, Eddie,
4 you will get scientific auditing from an auditor. This
5 is what you receive. What you get is you become a well
6 and happy human being." They guaranteed that.

7 MR. CALDERBANK: Are you -- did you in auditing --
8 are you guaranteed, also, that this was confidential --

9 MR. WALTERS: Oh, yes.

10 MR. CALDERBANK: -- what you put down?

11 MR. WALTERS: Oh, yes.

12 MR. CALDERBANK: You said before that the govern-
13 ment guaranteed it?

14 MR. WALTERS: Well, they tell you that it's pastoral
15 counseling between a minister and you.

16 MR. CALDERBANK: It's a ministerial relationship?

17 MR. WALTERS: Yeah.

18 And that the government protects religion, so they
19 will protect us.

20 MR. CALDERBANK: But did you ever see this or
21 take part in using these, what was told to you in con-
22 fidential files, to harm someone?

23 MR. WALTERS: Were they ever used to harm --

24 MR. CALDERBANK: People; right.

1 MR. WALTERS: Yes; it went on on a regular basis.

2 MR. CALDERBANK: In other words, they were used
3 to say, "If you go to the police or if you take your
4 legal means or redress, we will expose what we told you
5 were confidential files"?

6 MR. WALTERS: Right.

7 MR. CALDERBANK: Can you give me an example of
8 dates, when, where, and who?

9 MR. WALTERS: All right.

10 I'll give you the very latest. That'll be a good
11 example to show you this hasn't stopped and they haven't
12 cleaned up their act.

13 The fellow that I told you that came to me - his
14 name is Hartwell who came to me - about where Hubbard
15 was hiding in the desert, and I brought this to the
16 Guardian's Office and left. They then told the news-
17 papers and other Scientologists that he was a murderer
18 and he murdered his father and called him an extortion-
19 ist. And that came out of his folders, because no one
20 knew anything about -- anyway, first thing, he didn't
21 murder his father. I think he'd allow me to say that.

22 What he did is he ran a Dianetic incident in a
23 past life - I know this may sound really - in a past
24 life, a life before this one, he believed he might have

1 killed his father, in a life before this one.

2 MR. CALDERBANK: So, they threatened to expose
3 this?

4 MR. WALTERS: They brought it to the newspapers.

5 MR. CALDERBANK: And what did that prevent him
6 from doing?

7 MR. WALTERS: That was -- well, in his case it
8 didn't work. The idea was to back him off and show the
9 newspapers that they could end up in legal trouble them-
10 selves because they were dealing with a murderer.

11 And his, you know, if you need to, you can fly down
12 his auditor who audited him to tell you that he was
13 dealing -- because I never knew it, and the only one who
14 knew it was a person called Claire Brynner, who was his
15 personal auditor. And it's interesting, that's why
16 Claire Brynner left Scientology.

17 MR. CALDERBANK: Is this a common practice by
18 policy?

19 MR. WALTERS: Very common.

20 MR. CALDERBANK: Okay.

21 Now, what's the difference, then, between a
22 security check -- what's the purpose of the security
23 check being on the same instrument that's used for
24 auditing? What is the purpose of that; why did they do

1 it?

2 And before you get into that, have you ever seen
3 a disclaimer, because you realize by article or device
4 you're supposed to disclaim any -- you were guaranteed
5 that it would cure your stomach and back.

6 Did you ever at any time -- or were you told that by
7 the court there were directions to put a disclaimer that
8 it had no - to paraphrase - no medical validity? Did
9 they ever tell you that auditing, Dianetics, et cetera
10 would not do that?

11 MR. WALTERS: No, they never told us any of that.

12 What I heard was from the GO. I had heard that
13 there had been some legal thing occurring and that they
14 got caught acting like they could cure things and there
15 was trouble with the E-Meter.

16 They made up some stickers that say something
17 exactly like that, that "This E-Meter cannot diagnose
18 any illness and blah, blah, blah, blah, blah, blah."
19 But they're not used anywhere.

20 MR. CALDERBANK: Did you ever tell your students
21 that?

22 MR. WALTERS: No.

23 MR. CALDERBANK: What did you tell your students?

24 MR. WALTERS: If you told a student that, he

1 wouldn't give you the money.

2 MR. CALDERBANK: Okay.

3 And then, in addition to the E-Meter, et cetera,
4 et cetera, you used -- I asked about the security check.
5 What is its purpose? How is a security check run?

6 MR. WALTERS: That's a very good question, because,
7 you see, in the early auditing, you are giving all your
8 personal things: your family problems and et cetera.
9 So, you develop a very confidential presence with your
10 auditor. You will find out later, when you get into
11 Ethics, that they will use the same machine and sit you
12 down to do a sec check.

13 A sec check is a list of questions designed to
14 ferret out if you're possibly an enemy. But you are
15 told it's to make you better. It's told that "Yes,
16 we realize you're ill and we realize you're thinking of
17 going to a lawyer" or something like that. "We need to
18 do a sec check on you. And because -- you realize that
19 if you give up your overts and transgressions that you
20 will be a better person. That's the only way to go
21 clear." So, the guy says, "Fine."

22 When he sits down to the sec check, it turns out
23 to be "Have you ever talked to the FBI about L. Ron
24 Hubbard? Have you ever talked to any legal authority

1 about Mary Sue Hubbard?" It's totally to protect the
2 organization, you know. But there are sec checks for
3 sexual things, children.

4 Part of the policy is that if you are sick, you
5 are PTS, which means you're a Potential Trouble Source.
6 Hubbard has been burned too many times by people getting
7 upset and going to the authorities. So, that guy is
8 not allowed out of the org. He will be sec checked until
9 he comes up with his crimes.

10 MR. CALDERBANK: So, basically, to capsulize that,
11 you're telling me that auditing and sec checks - these
12 personal things that are told to you and guarantee your
13 confidentiality - are then used to prevent you from
14 legal redress or from going to the authorities, basically,
15 what's known in law as extortion?

16 MR. WALTERS: Right.

17 MR. CALDERBANK: Can you give any examples of that?
18 My last one -- my last question deals with a criminal
19 aspect, again. You mentioned points, a point system
20 where people earn points. And we're looking at policies
21 that -- as the Great Britain and Australia reports
22 stated, that one reason that they banned that type of
23 a thing in those countries is because they found that
24 the policies induced people to commit criminal acts.

1 MR. WALTERS: Right.

2 MR. CALDERBANK: Now, explain the point system
3 and the Fair Game Policy. You said that a person could
4 gain points. And is that favorable in Scientology -
5 they keep a record of it - and are these points given
6 for criminal activities or to complete the varying
7 policies: attack the attacker, break-ins, or extortion?

8 MR. WALTERS: Yes.

9 In the paranoid attempt to defeat the enemy, if
10 you cause trouble and you are convinced that you are --
11 have done bad and you degrade yourself, you must now
12 strike a blow to the enemy. This is to get out of
13 Ethics.

14 You have that -- okay.

15 You must strike a blow back. The Guardian's
16 Office will help you, such as -- well, if a guy is in
17 Ethics here at Fort Harrison, his job will be to sit
18 down and write thirteen letters to the Commissioners
19 on how great Scientology is. If he's inclined toward
20 doing anything to get better, he might be assigned to
21 follow you. And this would go on his Ethics record as
22 showing good Scientologist, good intentions to safeguard
23 Scientology.

24 MR. CALDERBANK: Okay.

1 Please give me a specific example of a criminal
2 activity that Scientology did in performing a policy and
3 how the points and the policy got him to commit the policy
4 and the point system to gain favor again and got him to
5 burglarize, or stop, restrain -- anything --

6 MR. WALTERS: All right.

7 MR. CALDERBANK: -- to go against an SP, or a
8 Suppressive Person?

9 MR. WALTERS: For example, in Las Vegas, there's
10 a city commissioner or legislator --

11 MR. CALDERBANK: Can you give when, where, and who,
12 if you could?

13 MR. WALTERS: Yeah. All right, I'll give the
14 Review Journal.

15 The Review Journal is a newspaper in Las Vegas.
16 They had a plant in there who told them that a reporter
17 was setting up to write a story on Scientology. People had
18 come to him; this was in 1973, I think, or '72.

19 Chuck Reese was given the assignment, and his job
20 was to stop that so-called flap. He asked me to -- if
21 I would go over there and case the place and steal docu-
22 ments from the file. I wouldn't do it. They asked my
23 wife if she would go over there to the -- because the
24 reporter used to hang out in the Legal Research Bureau or

1 something like that. And she wouldn't do it. Eventually,
2 he did, because he had an operations, right, and he had
3 to comply. He has to comply with it within the time
4 period that's given. If he does not, he's put in Ethics.

5 MR. CALDERBANK: So, based on the ops. sheet,
6 which goes up and down from various division to division,
7 arriving at what the Mayor brought up, this was given to
8 him to fulfill Scientology policy? You cased it knowing
9 that the documents would be illegally removed?

10 MR. WALTERS: Right.

11 And if he doesn't do this in the prescribed time,
12 then, he has not produced for that week; his stats are
13 down, and he can be put in one of those conditions.

14 MR. CALDERBANK: And he received points for this?

15 MR. WALTERS: Oh, yes. There is, in Volume I --
16 you have it in Volume I. There is the exact policy on
17 how to figure a stat. A chart with a stat going up like
18 this, would be normal. You're supposed to always do
19 more burglary, more things. A stat like this is better.
20 A stat, like level, would be emergency. A stat like
21 this would be -- you could be in Liability or Treason.

22 MR. CALDERBANK: Are you saying that the stats
23 were transmitted to L. Ron Hubbard over telexes? They
24 contained points for actual criminal activities. So, not

1 only did they have the policies throughout the structure
2 of Scientology - you said this is throughout, in Clear-
3 water, also - but you also got points.

4 So, he encouraged you to commit any acts against a
5 Suppressive Person on two accounts. It would be in
6 policy and also to get points; is that what you're
7 saying?

8 MR. WALTERS: Right.

9 MR. CALDERBANK: And he had stats delivered to him
10 weekly or monthly across telex showing this?

11 MR. WALTERS: Absolutely. In fact, he had the
12 room at Flag - I'm sure you have it here - where the
13 stats from all over around the United States are kept.

14 MR. CALDERBANK: Give me another example of who,
15 what, when, and where of, say, another criminal activity
16 that put a Scientologist in good stead on both policies
17 and points, if you can?

18 MR. WALTERS: I'll give you an example. I mean,
19 we do it -- it's not all burglary and stuff.

20 Your registrar goes out, right? His job is to get
21 the money from the individual, right? He is given hot
22 prospects, lists, so that's his stat; he's got to com-
23 plete six of them, five of them, whatever it is. In
24 order to do that, that person will resort to whatever it

1 is to get the money, because that registrar cannot -- if
2 she only takes in ten thousand for the week and her goal
3 for the week was twenty-two thousand, she is now in one
4 of those lower conditions.

5 And these kids who will go to any -- who will do
6 anything -- lie. They will even go to the bank with the
7 person to try to get the person to give up their money.
8 I mean, you'll hear this from other people. I mean, I
9 know this may sound like I'm making this all up to you --
10 because the severity of these lower conditions and the
11 harrassment internally in Scientology is so bad that good
12 people are directed toward doing not nice things and
13 harrassment and defrauding and lying about Scientology in
14 an effort to do a good job so they can go clear.

15 MR. CALDERBANK: Okay.

16 And you're prepared for another agency to ask you
17 more specifically -- or you would be prepared --

18 MR. WALTERS: Sure.

19 MR. CALDERBANK: -- to give specific examples?

20 MR. WALTERS: Yes.

21 MR. CALDERBANK: Thank you.

22 That's all I have.

23 MR. LeCHER: Mr. Berfield, do you have any ques-
24 tions for the witness?

1 MR. BERFIELD: Yes.

2 Mr. Walters, you made a reference to Mr. Hubbard.
3 Have you ever personally met him?
4

5 MR. WALTERS: No.

6 MR. BERFIELD: You also talked about Flag and made
7 reference to Clearwater. Is Clearwater the Flag or one
8 of the Flags?

9 MR. WALTERS: No. It's the Flag.

10 MR. BERFIELD: It is the worldwide headquarters
11 or U.S. headquarters for --

12 MR. WALTERS: Right. It's the worldwide. It's --

13 MR. BERFIELD: Worldwide?

14 MR. WALTERS: Flag is the highest point on the
15 organization board.

16 MR. BERFIELD: What -- we've seen some documents
17 over here. Having not met Mr. Hubbard, how would you
18 know that those documents were even produced by him or
19 sanctioned by him?

20 MR. WALTERS: Well, it's a good question. Can
21 I say I saw him write it? No. I've talked to people
22 that have seen him write them. I've studied with people
23 that were on the ship with him. I can tell you that it
24 is a high crime to do something not written by him. I
mean, the discipline is severe. If L. Ron Hubbard didn't

1 write it, it isn't true.

2 So -- and the higher up you go, the more severe
3 the discipline. It's easy to say, because -- in fact,
4 what you are thinking of, I don't think it in that way.
5 I used to think of that, that "Listen, maybe the guys
6 in Las Vegas are nuts and maybe there are only nuts in
7 Los Angeles, too. Maybe in Clearwater it's a lot better.
8 I mean, you know, that's where Ron is."

9 Then, this guy comes to me telling me about Ron's
10 in the desert. And you'll probably meet him.

11 All I can tell you, I traced it all the way to the
12 top and it was just as severe at the top, in fact, more
13 criminal at the top than it is at the bottom.

14 MR. BERFIELD: Well, that's what I'm trying to
15 establish in my own mind here with these procedures,
16 where they came from.

17 Did anybody, in fact, know that they came from the
18 top or did some clown like Jim Berfield sit up there and
19 dream them up? Because if we're talking about all those
20 procedures that you've mentioned here, that must be all
21 Mr. Hubbard does is sit around and write procedures.

22 MR. WALTERS: That's about -- if you have any
23 Volumes here -- there's a Volume right there. Can you
24 hold that up? That's Division 1. There are seven of

1 those, and that's only up to 1976 or something. He does
2 nothing but write this stuff.

3 Anyway --

4 MR. BERFIELD: There are still other questions
5 that kind of fit in, but -- one you made mention of
6 earlier today and one a little while ago, and that was
7 the dividing of the family or the use of Scientology to
8 divide the family.

9 Can you personally, from firsthand information,
10 state that you've seen that used?

11 MR. WALTERS: Oh, absolutely. I've, I'm sorry to
12 say, participated in some technically. It's a standard
13 practice.

14 If your son goes in, sir, and you did not like
15 Scientology, you would be declared a Suppressive and
16 thoroughly investigated. And your son, if he wants to
17 continue, must disconnect from you or strike a blow with
18 you.

19 MR. BERFIELD: The other one that follows along
20 somewhat in the same vein was: You used a hypothetical
21 of a little old lady who had invested thousands of
22 dollars and could not turn to any governmental body or
23 could not turn to Scientology.

24 What we're saying, in essence, is that that person

1 is just sitting there in limbo; is that correct?

2 MR. WALTERS: Very good; that's exactly -- there
3 are thousands of them across the United States. And I
4 believe, when this hearing goes public and this thing --
5 it becomes okay to speak up, you're going to have a mass
6 of lawsuits, probably, against the City of Clearwater
7 and Fort Harrison. There are thousands of Scientologists
8 scared to speak up.

9 I just got so hot -- I'm a pretty tough cookie.
10 But there are people not in very good shape who have lost
11 everything they have.

12 MR. BERFIELD: I --

13 MR. WALTERS: I call it a holding pattern, you know.

14 MR. BERFIELD: I don't mean to sound like the
15 devil's adversary in this, but I cannot get it out of
16 my mind and I've heard you say why you were here. I do
17 not have the time to watch television, but what you've
18 described here sounds like one of these horror stories
19 you get on television.

20 But it sounds like something you read out of --
21 that came out of the second World War. Do you do a lot
22 of reading that would prompt some of this in your own
23 imagination?

24 MR. WALTERS: No. To be totally frank with you,

1 you haven't heard all of it. In four days, ask me that
2 question again.

3 MR. BERFIELD: Fair question.

4 MR. WALTERS: Because what I'm telling you, I
5 could be totally lying. You might have the individuals
6 I'm talking about in front of you.

7 You see --

8 MR. BERFIELD: You have -- and you may have been
9 asked this a couple of times already. You recognize
10 you're under oath.

11 Have you ever been under oath before and lied?

12 MR. WALTERS: Under oath and lied? No.

13 MR. BERFIELD: So, you've never perjured yourself
14 before? All I'm --

15 MR. WALTERS: For Scientology? No.

16 MR. BERFIELD: In any civil, legislative, or any
17 type of court or swearing in ceremony, have you perjured
18 yourself?

19 MR. WALTERS: No, absolutely not.

20 MR. BERFIELD: I come down to the loaded question:
21 Recognizing where you have been, we're sitting here
22 thinking about this little old lady with the problems
23 that she has, what would cause you, if the tables were
24 turned, if you were me, to believe what you say to be the

1 truth?

2 MR. WALTERS: I'd say, "Sit right where you are,
3 and in four days you'll be" -- then, Scientology, I
4 guess, will get a chance. If you can't make a decision
5 after that, then, don't do anything.

6 MR. LeCHER: Thank you.

7 Did you ever lie under oath for Scientology?

8 MR. WALTERS: For Scientology? No.

9 MR. LeCHER: We have been drilling you for a good
10 part of the day and we appreciate your coming. I know
11 it's been difficult for you mentally, physically, and
12 I'm sure financially. And we wish you well. And we
13 thank you for coming and we admire you and respect your
14 courage.

15 MR. WALTERS: Oh, I appreciate the courage from
16 you just being here. You've taken a hard task on your-
17 selves, and the court and public opinion, I think, will
18 win out. I -- you guys are in the soup just as much
19 as I am, because, as I say, you're going to have a hell
20 of a battle on your hands.

21 MR. FLYNN: Mayor, at this point, I will introduce
22 some documents. And we'll keep the witness here. And
23 in the event that any of you have any questions about the
24 documents that are put on the overhead projector, and

1 Mr. Walters, if he is able, whatever questions you can
2 ask, will answer.

3 MR. LeCHER: And this will take about forty-five
4 minutes to an hour, approximately?

5 MR. FLYNN: I would estimate. It's difficult to --
6 I would estimate about an hour.

7 The first exhibit, which is on the easel, also,
8 that will be marked is --

9 MR. SHOEMAKER: Do you want the lights out?

10 MR. FLYNN: Yes. However the system works, I'm
11 not familiar with it.

12 That will be Exhibit 1; it's already been put on
13 the easel.

14 (A copy of a document, entitled
15 "Fair Game Doctrine," was marked as
Exhibit No. 1, as of this date.)

16 MR. FLYNN: I've just marked, for the record,
17 Exhibit 1, a copy of it, which is called the "Fair Game
18 Doctrine," which an enlarged version appears on the
19 board over there, to which the witness has referred
20 several times in his testimony.

21 Exhibit 2 is a -- the more extensive or complete
22 version of the Fair Game Doctrine of some four or five
23 pages. It comes right out of --

24 MR. LeCHER: Excuse me, Mr. Flynn.

1 Take the mike, so we can hear you in the back and,
2 also, for the tape.

3 MR. FLYNN: Exhibit 2 is the complete Fair Game
4 Doctrine, as it appears in the Green Volumes published
5 by the Church of Scientology of California. All of these
6 documents are copyrighted by L. Ron Hubbard. That will
7 be marked as Exhibit 2.

8 Perhaps, if we could have the lights off -- or
9 would that affect the camera?

10 (A copy of the complete Fair Game
11 Doctrine was marked as Exhibit No.
 2, as of this date.)

12 MR. FLYNN: There are pertinent portions of Exhibit
13 2 which I would like to bring to the Commission's
14 attention, and Mr. Greene will read from his copy in
15 front of him of the pertinent portions that appear on
16 Exhibit -- on the projector.

17 MR. LeCHER: Identify yourself, please?

18 MR. GREENE: I'm Attorney Thomas Greene; I'm a
19 co-counsel here with Mr. Flynn.

20 I'm reading from page three of the exhibit, the
21 corporation's policy. The page we see on the overhead
22 projector indicates, quote, "The homes, property, places,
23 and abodes of persons who have been active in attempting
24 to suppress Scientology or Scientologists are all beyond

1 any protection of Scientology Ethics, unless absolved by
2 later Ethics or an amnesty."

3 Page one, which is not on the overhead projector,
4 of this same exhibit which has been introduced into
5 evidence, defines a Suppressive Person or group, quote:
6 "A Suppressive Person or group is one that actively seeks
7 to suppress or damage Scientology or Scientologists by
8 suppressive acts."

9 MR. FLYNN: If any of the Commissioners have any
10 questions, you might make notes about this policy and
11 where it appears in Scientology publications, the Volume
12 number, and Mr. Walters can answer specific questions on
13 that fact.

14 MR. GREENE: Again, that was Exhibit 2 that I made
15 reference to.

16 Also, on page one of that exhibit, quote, "A
17 Suppressive Person or group becomes Fair Game," close
18 quote.

19 Suppressive acts are defined on page two of the
20 exhibit. Their corporate policy defines the acts as
21 follows, quote: "Proposing, advising, or voting the
22 legislation or ordinances, rules, or laws directed toward
23 the suppression of Scientology." Second definition,
24 quote: "Testifying hostilely before state or public

1 inquiries into Scientology to suppress it," close quote.
2 A third definition: "Testifying as a hostile witness
3 against Scientology in public," close quote.

4 MR. CALDERBANK: So, if you were a good Scientolo-
5 gist, you would lie if you were brought before a legisla-
6 tive hearing or criminal proceeding?

7 MR. WALTERS: Yes. Well, if you were a good
8 Scientologist, you would not -- it is a suppressive act
9 to appear before you as a hostile witness. So, to remain
10 a good Scientologist, you would have to lie.

11 MR. CALDERBANK: Thank you.

12 MR. GREENE: Again, making reference to the same
13 exhibit and reading from page four of that exhibit,
14 the reference to disconnection, quote: "Disconnection
15 from a family member" --

16 MR. FLYNN: Tom, perhaps, we could use a pointer
17 so the Commissioners --

18 MR. SHOEMAKER: I got it.

19 MR. FLYNN: Oh.

20 MR. GREENE: Again, quote: "Disconnection from a
21 family member or cessation of adherence to a Suppressive
22 Person or group is done by the Potential Trouble Source
23 publically publishing the fact as in the legal notices
24 of "The Auditor" and public announcements and taking any

1 required civil action, such as, disavowal, separation,
2 or divorce and, thereafter, cutting all further communi-
3 cation and disassociating from the person or group."

4 MR. FLYNN: Moving on to the next exhibit, which
5 we will have marked as Exhibit 3, is a document, entitled
6 "Attacks on Scientology," part of which also appears on
7 the easel.

8 And if we could put page one on the projector.

9 (A copy of a document, entitled
10 "Attacks on Scientology," was marked
11 as Exhibit No. 3, as of this date.)

12 MR. GREENE: Making reference to corporate policy,
13 which has just been marked as Exhibit 3, entitled
14 "Attacks on Scientology," quote: "Anyone proposing
15 an investigation of or an inquiry into Scientology must
16 receive this reply and no other proposal. 'We welcome
17 investigation into' - parentheses - '(mental healing
18 or whatever it is attacking us)' - close parentheses -
19 'as we have begun one ourselves and find shocking evi-
20 dence.' You can elaborate on the evidence we have found
21 and lay it on thick, attacking the attackers only.
22 Never agree to an investigation of Scientology, only
23 agree to an investigation of the attackers."

24 Fifth, below that paragraph, the correct procedure
as set forth, quote: "This is correct procedure: one,

1 spot who is attacking us; two, start investigating them
2 promptly for felonies or worse using our own pro-
3 fessionals, not outside agencies; three. double curve
4 our reply by saying, 'We welcome an investigation of
5 them'; four, start feeding lurid blood, sex, crime,
6 actual evidence on the attackers to the press. Don't
7 ever tamely submit to an investigation of us. Make it
8 rough, rough on attackers all the way."

9 The last sentence in the next paragraph: "Use
10 their blood, sex, crime to get the headlines. Don't
11 use us. I speak from fifteen years of experience in
12 this. There has never yet been an attacker who is not
13 reeking with crime. All we had to do was look for it
14 and murder would come out."

15 The second page of that exhibit, if we could have
16 that on the projector --

17 MR. LeCHER: Who wrote this? Who is the author
18 of this?

19 MR. GREENE: This appears on page two at the bottom
20 of the sheet, "The Founder, L. Ron Hubbard."

21 MR. LeCHER: This is the writings of L. Ron
22 Hubbard?

23 MR. GREENE: And copyrighted by Mr. L. Ron Hubbard.

24 MR. BERFIELD: Is this policy in that green book?

1 MR. FLYNN: Not this particular one.

2 MR. BERFIELD: Well, I mean, one of the volumes
3 that is set forth as being the --

4 MR. FLYNN: Let him -- he can answer that.

5 MR. WALTERS: This particular one has been changed
6 and cleaned up. And you'll find that one in there. But
7 there are many copies of the original one here, which is
8 the one the Guardian's Office will always operate on.

9 MR. BERFIELD: But these policies, these corporate
10 policies, are in these bound books?

11 MR. WALTERS: Yes. Well --

12 MR. FLYNN: Some aren't.

13 MR. WALTERS: -- all the general Scientology
14 policies are in those. Guardian's Office policy is
15 found nowhere, except in locked files at Fort Harrison
16 or Los Angeles.

17 MR. CALDERBANK: So, what you're saying is the poli-
18 cies that the public can get a hold of may say one thing,
19 but the policies that came out of the FBI raids, et
20 cetera, ones that they actually go by are this?

21 MR. WALTERS: Right.

22 MR. CALDERBANK: So, what we perceive and what
23 actually goes on may be two different things?

24 MR. WALTERS: Right.

1 MR. LeCHER: Commissioners, I wish you would
2 refrain from speaking now, unless it affects the
3 flow and the continuity of the evidence he is presenting.
4 We can get back and ask the questions later. But if it's
5 that important, just jump in anyway.

6 MR. GREENE: Again, directing your attention to
7 page two of Exhibit 3, quote: "How to stop attacks.
8 The way we will eventually stop all attacks from there
9 on out is by processing the society as follows: one,
10 locate a source of attack on us; two, investigate it;
11 three, expose it with wide, lurid publicity."

12 If you drop down midway on that page, page two,
13 quote: "Remember churches are looked upon as reform
14 groups. Therefore, we must act like a reform group."

15 At the bottom of -- I believe it's at the bottom
16 of this page or, perhaps, it's page three, the last
17 page of this exhibit. If we could have that put on the
18 overhead projector, you'll see that this policy was
19 written by L. Ron Hubbard and copyrighted to him.

20 MR. FLYNN: Exhibit 4 is the document, entitled
21 "Declare," involving a subject or particular person whose
22 name has been whited-out to the Fair Game Doctrine. And
23 I would suggest that the Commissioners might note,
24 specifically, the date on this up in the upper right-hand

1 corner, if Mr. Greene would point it out. And, also, if
2 Mr. Walters could probably be specifically questioned
3 about a document which alleged, at least, for public
4 purposes, to cancel the Fair Game Doctrine and the date
5 that Mr. Walters might recall it of when that public
6 document said it was cancelled as opposed to the date
7 that appears on the upper right-hand corner. You might
8 make a note of that.

9 I would point out that the date, 8 June 1979, is
10 when this particular individual was declared a Suppressive
11 Person, and in the last sentence of the last paragraph
12 the statement appears that he be subjected to the Fair
13 Game Law of 23 December '65, which has been marked as
14 Exhibit 2.

15 And Mr. Walters, at this point, I think, might
16 want to clarify what I previously stated to you about
17 a purported public cancellation of the Fair Game Doctrine.

18 MR. WALTERS: Yes.

19 Publically, there was a policy put out saying that
20 this did not occur. As you can see, it does occur. By
21 the way, this is here at Fort Harrison, which is Flag,
22 and in '79 was here. And this is telling every Scien-
23 tologist that they can now treat this person as Fair
24 Game.

1 MR. CALDERBANK: How do you know that?

2 MR. WALTERS: Because it says it on it, Scientology
3 and Scientologists and the Fair Game Law. He is not
4 permitted in any org., given any training in any Scien-
5 tology org. -- oh, the routing tells me.

6 MR. FLYNN: Right.

7 MR. WALTERS: It goes to FOLOS, all orgs., all
8 missions, and Guardian worldwide. Every organization in
9 Scientology will get this. Wherever this guy goes, he
10 will be handled.

11 MR. LeCHER: Was he still a member?

12 MR. WALTERS: No. He'd either be a member,
13 legally -- because he's still a Suppressive Person --

14 MR. LeCHER: Because he signed a million-year
15 contract?

16 MR. WALTERS: No, because he's still stuck in
17 Scientology.

18 MR. LeCHER: Oh.

19 MR. WALTERS: He is -- this is the handling they're
20 doing on him. He'll either be handled or he will admit
21 to whatever they want him to admit and become a good
22 Scientologist.

23 MR. LeCHER: He doesn't want to leave at this
24 point?

1 MR. WALTERS: No. He's -- this is why you do these
2 things to these fellows. A normal person like you, you'd
3 go to your lawyer.

4 MR. LeCHER: I see.

5 MR. CALDERBANK: What was that, Exhibit 3?

6 MR. FLYNN: That was Exhibit 4.

7 (A copy of a document, entitled
8 "Declare," was marked as Exhibit
9 No. 5, as of this date.)

10 MR. FLYNN: Exhibit 5 is a document called "Con-
11 dition of Liability," and I'm going to refer Mr.
12 Shoemaker, probably, about midway down the page, where
13 it begins: "Deliver an effective blow to the enemies
14 of the group, one that has been pretending to be part
15 of, despite personal danger."

16 (A copy of a document, entitled
17 "Condition of Liability," was marked
18 as Exhibit No. 5, as of this date.)

19 MR. WALTERS: Line two, as far as talking to Mr.
20 Berfield, when I said his son, if he's put in Liability,
21 will either disconnect from you, sir, or he will strike
22 a blow to you. And that's where it's written. It is
23 policy; it's not just a cute idea. He must do that to
24 you or he cannot stay in Scientology.

MR. LeCHER: Is that similar to the Eagleton
affair?

1 MR. WALTERS: That's exactly what it is --

2 MR. LeCHER: What --

3 MR. WALTERS: -- in my opinion.

4 MR. LeCHER: -- leads to made up stories about
5 Senator Eagleton?

6 MR. WALTERS: Yeah. Because we had -- we knew in
7 GO files that he had --

8 MR. CALDERBANK: Psychiatric --

9 MR. WALTERS: Yeah, before. He had --

10 MR. CALDERBANK: Electroshock?

11 MR. WALTERS: -- electroshock treatment.

12 MR. FLYNN: Exhibit 6 is a multi-page exhibit from
13 the Church of Scientology of California, Hubbard Communi-
14 cation Office, a policy concerning security checks about
15 which -- which the witness testified about. And Mr.
16 Greene will read from portions of that exhibit.

17 MR. GREENE: As Mr. Flynn explained to the
18 Commissioners, when these documents are put on the over-
19 head projector, you should examine the top of the docu-
20 ment where it mentions, in this case, Hubbard Communi-
21 cation Office, Saint Hill Manor, East Grinstead,
22 Sussex.

23 MRS. GARVEY: What's the date?

24 MR. GREENE: This is dated 3 February 1960.

1 Security check. I read the second sentence: "An
2 E-Meter is better known as a lie detector and it's used
3 to ascertain truth of background and conduct. The
4 following points will be covered by the examiner: any
5 criminal background, any Communist or subversive connec-
6 tion, spreading of slander concerning Saint Hill or its
7 people, discouraging new employees by malicious lies,
8 receipts of commissions on purchases for Saint Hill,
9 overts against Dr. or Mrs. Hubbard. No staff at Saint
10 Hill are exempt. No suspicion is necessarily attached
11 to any person at Saint Hill. This is a security check.
12 It is an effort to clear the air."

13 MR. CALDERBANK: Even though the date was '60,
14 Mr. Walters, is this still being done, security checks?

15 MR. WALTERS: Yes, it is.

16 MR. SHOEMAKER: Mr. Walters, how can the Commission
17 determine which policies, such as these -- certain of
18 these that are older, whether they're still in effect
19 or whether they've been changed in the process?

20 MR. WALTERS: If it -- if -- like, if that one
21 was cancelled, a policy coming out expressly cancelling
22 that would come out.

23 MR. SHOEMAKER: It would come out?

24 MR. WALTERS: Yes.

1 MR. CALDERBANK: And as you indicated before, that
2 might not be truly indicative that it has been cancelled,
3 such as, the Fair Game Policy?

4 MR. WALTERS: Right; right.

5 But these are all -- these are oldies. These are
6 well studied by -- because I'm the type -- I'm the person
7 who would give these security checks.

8 MR. CALDERBANK: And these policies are done? And
9 every Scientologist --

10 MR. WALTERS: Every --

11 MR. CALDERBANK: -- has access to it, and it's
12 followed at specific levels?

13 MR. WALTERS: Not every Scientologist. If you
14 get in trouble, you'll get this.

15 MRS. GARVEY: By their definition of trouble.

16 MR. WALTERS: That's right, like, being here today.

17 MR. GREENE: I'm going to read from page six of
18 the security check, several questions, so if I could
19 have page six on the overhead projector.

20 This page six refers to the same exhibit number.
21 Exhibit 6, page six. These are a number of questions
22 that are asked on a security check. Midway down: "Have
23 you ever blackmailed anybody? Have you ever been black-
24 mailed? Have you ever smuggled anything? Have you ever

1 been in prison? Have you ever indulged in drunkenness?
2 Have you ever done any reckless driving? Have you ever
3 burgled any place? Have you ever embezzled money? Have
4 you ever had anything to do with pornography? Have you
5 ever committed arson? Have you ever been a drug addict?
6 Have you ever peddled dope? Have you ever had any
7 dealings with stolen goods? Do you have a police record?
8 Have you ever been raped? Have you ever been involved
9 in an abortion? Have you assisted in any abortions?
10 Have you ever committed adultery? Have you ever prac-
11 ticed homosexuality? Have you ever had intercourse with
12 a member of your family? Have you ever been sexually
13 unfaithful? Have you ever practiced sodomy?"

14 Page seven and eight of the same exhibit follow
15 with similar questions. Page eight of the exhibit sets
16 forth three questions: "Do you have any overts on LRH?
17 Have you ever had unkind thoughts about LRH?"

18 Again, for the Commissioners, these references
19 "LRH" are L. Ron Hubbard and --

20 MR. BERFIELD: Leave that up there for a minute.

21 Is this part of the information that you were
22 talking about that was in the confidential document,
23 this --

24 MR. WALTERS: Absolutely.

1 MR. BERFIELD: And the answers that you give to
2 that are what they use to - if I can use the word -
3 blackmail, or to --

4 MR. CALDERBANK: Extort you.

5 MR. BERFIELD: -- extort you --

6 MR. WALTERS: Right. Coercion.

7 MR. BERFIELD: -- coercion, or what have you.

8 MR. WALTERS: This --

9 MR. BERFIELD: Well, what happens if you don't
10 answer all of this? Do they --

11 MR. WALTERS: Well, I don't know if you have it
12 here, there's drills on how to handle people that don't
13 answer them. I mean, a guy is trained to get an answer.
14 If that person doesn't answer, he'll end up in those
15 Ethics conditions and he'll be sweeping the floor, and
16 he will not be allowed to leave the building until he
17 goes back there and answers these questions.

18 MR. LeCHER: Is seventy passing, or is it on a
19 curve or what?

20 MR. WALTERS: Well, you know, a funny thing about it
21 is you know the people who may have had some indiscre-
22 tions in their lives, you know, will actually come up
23 with answers to these things, you know, like, "Have you
24 ever taken money for giving anyone sexual intercourse?"

1 A woman might admit -- and actually will receive some
2 benefit from feeling good about saying that, you see.
3 And when she does, they will expound on that and get
4 more of it.

5 But if she ever goes to leave or cause a flap,
6 then, this is given to the Ethics Officer or given to
7 the Guardian's Office.

8 Somebody earlier asked where do they get drugs
9 and stuff? These security checks tell you who takes
10 drugs, who doesn't, who burglarizes. Recruitment is
11 very easy.

12 MR. LeCHER: Do you ever see your grade?

13 MR. WALTERS: No. They come to us; I was a CS.
14 It's a technical action; there's no grade on this.

15 MR. LeCHER: No. Does it say "Passed" and "Lied" --

16 MR. WALTERS: All I care as a CS is "Did we get
17 everything? Is the guy critical of Scientology?" If
18 he's critical, he goes back in the room. If he's not
19 critical anymore, then, we let him out.

20 MR. BERFIELD: This document is a corporate docu-
21 ment?

22 MR. WALTERS: Absolutely.

23 MR. BERFIELD: And it's made out on everyone?

24 MR. WALTERS: Everyone that needs it. If you are

1 critical of Scientology, you will get it.

2 MRS. GARVEY: This -- they're asked these questions
3 while they're attached to an E-Meter --

4 MR. WALTERS: Yes.

5 MRS. GARVEY: -- which, supposedly, they think is
6 a lie detector?

7 MR. WALTERS: Right.

8 MR. LeCHER: Is it?

9 MR. WALTERS: A lie detector? It is a rough form
10 of a lie detector in the sense that it's biofeedback. It
11 does react to what you do. But you are led to believe
12 that it tells if you're lying or not.

13 MR. LeCHER: Can you lie to pass this to get out of
14 the room?

15 MR. WALTERS: Well, technically, I would say yes,
16 because -- if you -- if you were an honest person who
17 stole twenty dollars, if I asked you about it, you would
18 normally react to it, wouldn't you? You'd have that
19 feeling of oh-oh. If you were a total criminal, you
20 could sit and go through this and not have any trouble.

21 You've got to remember these kids are brainwashed
22 into telling Ron everything. If you don't, he'll get it
23 all.

24 MRS. GARVEY: And this is part of the counseling

1 session for --

2 MR. WALTERS: That's right. And he thinks that
3 this will -- nobody will ever see this. He's encouraged
4 to -- "Who did you have sex with? Tell me about it.
5 What did you do?" And --

6 MR. LeCHER: I asked that we refrain, but I think
7 I'm going to have to rescind on what I said, because,
8 if you wanted to ask something specifically to this in
9 a half hour, we're going to have to take another twenty
10 minutes to find it.

11 MRS. GARVEY: Right.

12 MR. LeCHER: So, go ahead and ask questions of
13 the witness or the consultant, but try and make it brief.

14 MR. CALDERBANK: Can you give me a specific
15 example? Was this ever used on you where they told you
16 to pay up, to stay in, or they would expose confidential
17 files?

18 MR. WALTERS: Yes. On --

19 MR. CALDERBANK: Specifically --

20 MR. WALTERS: -- 1978, at Celebrity Center, I was
21 a CS, the top technical person. The Guardian's Office
22 came in and sec checked everybody on staff.

23 MR. CALDERBANK: But did they use that information
24 to make you do something?

1 MR. WALTERS: Not me, no.

2 MR. CALDERBANK: Did you ever participate in some-
3 thing like that? If so, when?

4 MR. WALTERS: Sec checking myself?

5 MR. CALDERBANK: Using it to stop someone from --

6 MR. WALTERS: No.

7 MR. CALDERBANK: -- leaving or paying --

8 MR. WALTERS: No, I didn't do it. I gave it to
9 the Guardian's Office and they'd do it.

10 MR. CALDERBANK: Do you know that for a fact?

11 MR. WALTERS: Yes.

12 MR. FLYNN: Just for the record, there'll be many,
13 many exhibits of such actual practices.

14 MR. LeCHER: Okay. Thank you.

15 MR. FLYNN: Mr. Hatchett?

16 MR. HATCHETT: Mr. Walters --

17 MR. WALTERS: Yes, sir.

18 MR. HATCHETT: -- can you describe to me how the
19 E-Meter is actually placed in contact with the human
20 body or the counselee?

21 MR. WALTERS: The person holds two soup cans that
22 the labels have been taken off; they're silver. And
23 they hold the two soup cans.

24 MR. HATCHETT: In their hands?

1 MR. WALTERS: In their hands. And they are
2 connected to wires to the E-Meter.

3 MR. HATCHETT: What --

4 MR. LeCHER: What is this -- go ahead, I'm sorry.

5 MR. HATCHETT: Is this battery --

6 MR. WALTERS: It is battery operated, yes.

7 MR. HATCHETT: All right.

8 So, a person's nervous system is the key for a
9 counselor to make his interpretations for him --

10 MR. WALTERS: That's right.

11 MR. HATCHETT: -- is that right?

12 Reaction of blood --

13 MR. WALTERS: Right.

14 MR. HATCHETT: -- protein or muscles?

15 MR. WALTERS: Right.

16 MR. HATCHETT: All right.

17 MR. WALTERS: It attaches -- it operates just like
18 a lie detector.

19 MR. LeCHER: With all the money they had, why
20 didn't they get a real lie detector, rather than use two
21 soup cans and string?

22 MR. WALTERS: Now, for two reasons: one, the thing
23 that they made, probably, cost them about twelve dollars
24 to make, and we go and buy them at \$250.00 apiece; the

1 second reason is Hubbard is the sole source of every-
2 thing. He believes that everything that you use, the
3 police, or anything is totally ten years behind. He
4 tells us everything he's got comes from the space planets,
5 so it's always better.

6 MR. LeCHER: It just seems more believable if you
7 had a real one than two soup cans.

8 MR. CALDERBANK: I guess -- in case anyone would
9 say that this is part of their religious doctrine, the
10 E-Meter, you're also saying that this is used in auditing
11 scientifically, which is held out to you as a scientific
12 thing that was researched?

13 MR. WALTERS: Absolutely.

14 MR. CALDERBANK: Was this one of the things that
15 you were guaranteed that you paid money for?

16 MR. WALTERS: Right. There's no religious
17 connotation to this at all.

18 MR. CALDERBANK: And this is also used for some
19 of the activities for --

20 MR. WALTERS: Yes.

21 MR. CALDERBANK: -- extortion?

22 MR. WALTERS: It's a totally investigative thing.

23 MR. CALDERBANK: Thank you.

24 MR. LeCHER: All right.

1 Mr. Flynn?

2 (A copy of a multi-page document
3 concerning security checks was
4 marked as Exhibit No. 6, as of this
5 date.)

6 MR. FLYNN: The next exhibit is an exhibit,
7 entitled "Organization of a PE Foundation."
8 We'll mark that as Exhibit 7, and if you could put page
9 two of that on the projector, please.

10 (A copy of "Organization of a PE
11 Foundation," was marked as Exhibit
12 No. 7, as of this date.)

13 MR. GREENE: Page two of that exhibit reads -
14 at the top of the exhibit - second sentence: "Never
15 let anyone simply walk out. Convince him he's loony.
16 He doesn't gain on it, because that's the truth."

17 MR. FLYNN: Exhibit 8 is a policy, HCO policy
18 letter of 15 August 1960, under the heading "Department
19 of Government Affairs." Put page two of that on the
20 overhead projector, please.

21 (A copy of an HCO policy letter,
22 dated August 15, 1960, under the
23 heading "Department of Government
24 Affairs," was marked as Exhibit No.
25 8, as of this date.)

26 MR. GREENE: Reading from page two, third para-
27 graph: "In the face of danger from governments or
28 courts, there are only two errors one can make: a, do

1 nothing" -- third paragraph down: "In the face of danger
2 from governments or courts, there are only two errors
3 one can make: a, do nothing and b, defend. The right
4 things to do with any threat are to: one, find out if
5 we want to play the offered game or not; two, if not,
6 to derail the offered game with a feint or attack from
7 the most vulnerable point which can be disclosed in the
8 enemy ranks; three, make enough threat or clamor to cause
9 the enemy to quail; four, don't try to get any money out
10 of it; five, make every attack by us also sell Scien-
11 tology; and six, win.

12 "If attacked on some vulnerable point by anyone
13 or anything or any organization, always find or manu-
14 facture enough threats against them to cause them to sue
15 for peace."

16 MR. WALTERS: I just want to say something here.
17 This is stuff that we've studied. I hope that leaves
18 some credibility to some of the things I've been saying.

19 I -- policy is to investigate you people. If you
20 can't find anything, then, you plant the dope on them.
21 You either find or manufacture. The crimes must be
22 attributed to you people. If they're not, people at
23 Fort Harrison will wonder: "You must be decent people."
24 The only thing that keeps people at Fort Harrison giving

1 the money is Scientology tells them that you are
2 criminals. And if they can't find it, they will manufacture
3 it.

4 MR. CALDERBANK: Just --

5 MR. WALTERS: And it's there in policy.

6 MR. CALDERBANK: Just to make it perfectly clear:
7 You're saying that this is well understood in the GO and
8 in the high tech levels, that this encourages or induces
9 or condones criminal activities such as burglary?

10 MR. WALTERS: Sir, this is not only understood;
11 this is studied and clay demoed and diagrammed until you
12 have it down pat.

13 MR. CALDERBANK: And of all the examples you gave
14 of extortion and burgling and casing, this policy is
15 something that induced you to do it?

16 MR. WALTERS: Yes. This is one of many. You've
17 only hit the surface so far.

18 MR. CALDERBANK: Does this encourage -- do you
19 get points for this?

20 MR. WALTERS: Yes.

21 MR. CALDERBANK: And this runs throughout the
22 policy on government --

23 MR. WALTERS: Right.

24 MR. FLYNN: The next exhibit, number nine, is an

1 example of an SP list.

2 (A copy of an SP List was marked as
3 Exhibit No. 9, as of this date.)

4 MR. FLYNN: And you'll note on that list there are
5 various people who have been assigned "Freeloaders" in
6 various places. And that corroborates the testimony of
7 Mr. Walters with regard to freeloader debts.

8 If you have any questions, he could probably give
9 you a twenty-minute address on that subject alone.

10 MR. WALTERS: Mike, let me just say -- to lend
11 validity to this, Al Adcock, I know him; Liz Bubke, a
12 staff member, you know. Going down the line, Culpepper,
13 Gary Davis; Gary Davis was an auditor and left. This
14 is what they did to him, they gave him a freeloader's
15 letter. John Digre ended up paying off all his free-
16 loader's debt and came down here to Clearwater, I believe.

17 John Gallagher I know; Charlie Groff, a long-time
18 Scientologist, who -- they won't allow him back on
19 until he pays all the money they want. Lynn Hearn, a
20 long-time Scientologist, still paying off in order to
21 get back in. These are all people I know and --

22 MR. SHOEMAKER: Mr. Walters, would you -- do you
23 believe that there are such lists now that are current,

24 1982?

1 MR. WALTERS: Absolutely. They're listed -- they're
2 according to tech. They'll come out this month right
3 here in Fort Harrison. And if you had any authority to
4 have them give it to you, they would give it.

5 MR. SHOEMAKER: Who would this go to, Mr. Walters?

6 MR. WALTERS: It comes from the Division 3, which
7 is the financial division, and it's issued through an
8 Ethics order. You see at the top it says, "HCO Ethics
9 Order." This is to tell that it will be published.

10 It is given -- sent to them individually. That's
11 why it says, "To those concerned," because, when a guy
12 sees this, he knows he's got to pay to get back in. It
13 is also sent to all the Scientologists in the org. so
14 that we know not to communicate with these people. They
15 are Scientologists not in good standing.

16 MR. FLYNN: As the hearings progress, the legal
17 significance of the freeloader's debt, in connection
18 with other documents, which I won't presuppose, will
19 become apparent.

20 MR. CALDERBANK: Will you also show that this
21 freeloader's debt has, within the last year, been acted
22 upon, or other people -- this is 1972.

23 Can you give a specific example of one for a
24 freeloader's debt that has occurred in this year? Or

1 will someone come forward and describe it?

2 MR. FLYNN: There will be a great deal of evidence
3 on the subject.

4 MR. LeCHER: In our discussion with you here, if
5 we're asking questions that will be covered more fully
6 later by the witness, just let us know and we will not
7 dwell on that subject or aspect at this time.

8 MR. FLYNN: Exhibit 10 is HCO policy letter, 5
9 April 1965, and the specific portion that I am referring
10 to is going to be the -- what they call Blown Student
11 Doctrine about which Mr. Walters testified concerning
12 going and picking up a student.

13 (A copy of an HCO policy letter,
14 dated April 5, 1965, referring to
15 the Blown Student Doctrine, was
marked as Exhibit No. 10, as of
this date.)

16 MR. WALTERS: Blown -- blow means to try and leave
17 the premises.

18 MR. GREENE: I'll read that middle paragraph:
19 "The Blown Student. The student, however, may have blown
20 off the premises or he has gone entirely. On a minor,
21 momentary blow, where all it took was the student's
22 auditor and a few words to get the student back, the
23 matter is not a real blow. But where a student leaves
24 the premises in a blow or doesn't turn up for class,

1 the tech division must send an instructor and the
2 student's auditor over to HCO Department of Inspection
3 and Reports, and HCO representatives should go with
4 them at once to pick up the student. The student is
5 brought back with as little public commotion as possible
6 and the procedure of HCO check-out, et cetera, is
7 followed as above."

8 MR. LeCHER: All right.

9 Can this happen to any of these kids that walk up
10 and down the street with the blue pants and the white
11 shirts?

12 MR. WALTERS: Yes.

13 MR. LeCHER: If they want to blow, they're brought
14 back --

15 MR. WALTERS: Well --

16 MR. LeCHER: -- by the auditor forcibly and the
17 inspector?

18 MR. WALTERS: The person's auditor will have --

19 MR. LeCHER: Do these kids -- any of these kids
20 just keep walking that are walking up and down the
21 street?

22 We have these young -- they all appear to be
23 young. They walk between the various buildings in the
24 uniform of the day which is white and blue. They can't

1 just keep walking, then. These kids can be picked up
2 by these auditors?

3 MR. WALTERS: If they blow. If they are going to
4 lunch and they do not come back from lunch, somebody will
5 go get them.

6 MR. LeCHER: They can't walk to the bus station
7 and get a bus and go back home to Miami?

8 MR. WALTERS: Well, they could if the org. didn't
9 know about it.

10 MRS. GARVEY: Would they --

11 MR. LeCHER: But if they did, would the auditor
12 go to Miami and pick them up and return them?

13 MR. WALTERS: Those instructions are there. Those
14 instructions are followed explicitly. If you don't
15 follow them -- if I -- I'm the technical. If I don't do
16 what that says, I'm an enemy. I'll tell you, I'd go get
17 the guy.

18 MR. CALDERBANK: Did you ever physically bring
19 someone back? You were an auditor. Did you ever physi-
20 cally bring someone back?

21 MR. WALTERS: Yes.

22 MR. CALDERBANK: Against their will?

23 MR. WALTERS: Yes, in Las Vegas.

24 MR. CALDERBANK: Did you ever see other people do

1 it? Is it a common occurrence?

2 MR. WALTERS: I wouldn't say it's common; it's not
3 a daily occurrence.

4 MR. CALDERBANK: But it is done?

5 MR. WALTERS: Yes. It has to be done. You are
6 not allowed to leave unhappy, upset, or you might go to
7 the authorities.

8 MR. CALDERBANK: Even if it's against their will?
9 Physically, you restrain them or bring them back?

10 MR. WALTERS: Absolutely.

11 MR. LeCHER: Okay.

12 MR. HATCHETT: You know, that brings another
13 question in my mind. What if the struggle gets so
14 intense you can't get him back? You tell me this
15 has to be done. Not to me. I'll tell you I'm not coming
16 back. I would proceed to resist you or run or duck or
17 hide thereafter.

18 MR. WALTERS: Good question, but Ron Hubbard is
19 a very clever man. If you look at line -- second para-
20 graph of the Blown Student, the second line: "The
21 tech division must send an instructor and student's
22 auditor." In other words, the auditor knows this stuff
23 inside out. Remember, he's the guy who knows who he's
24 doing what to who and blah, blah, blah, blah. He will

1 remind him of this, and he will come back.

2 If he does not come back - policy says to do it
3 with as little public commotion as possible - then, you
4 leave him there, because you cannot create a flap
5 yourself, otherwise, you'll be in trouble. Then, you
6 give it to the Guardian's Office. See, the tech failed.
7 Now, you give it to the Guardian's Office and they'll
8 handle it.

9 MR. BERFIELD: Mr. Walters, this one question that
10 I asked you this morning: In your own appraisal and own
11 thoughts, when you were bringing somebody back against
12 their own will, you didn't look upon that as being some-
13 thing close to kidnapping?

14 MR. WALTERS: Well, I never even looked at it from
15 a legal point of view, sir. I looked at it that the man
16 was upset, that he was confused, that he had probably
17 been talking to Suppressives or the police or something,
18 and we had to get him back to save him. I mean, I
19 believed in what I was doing.

20 MR. CALDERBANK: There is a policy of restraint
21 that defines it as -- that you can bring these people
22 back, either morally, using the auditing information, or
23 physically?

24 MR. WALTERS: I had to bring them back. If I don't,

1 I failed.

2 MR. CALDERBANK: But that's lined out in policy
3 called restraint -- the definition of restraint?

4 MR. WALTERS: Yes. There's more to come.

5 If you --

6 MR. CALDERBANK: I've noticed the outline.

7 MRS. GARVEY: I think what Mr. Walters is saying --
8 if you read the third and last paragraph, if they can't
9 get the student back, they blame the auditor.

10 MR. WALTERS: That's right.

11 And then, that goes to the Guardian's Office --

12 MR. SHOEMAKER: The Guardian's Office --

13 MR. WALTERS: That's right.

14 MR. CALDERBANK: And the auditor becomes an enemy
15 to --

16 MRS. GARVEY: Right.

17 MR. WALTERS: That's exactly right. And I get
18 sec checked for why I did not bring him back. It's not
19 a winning game.

20 MR. CALDERBANK: You're damned if you do and damned
21 if you don't.

22 MR. FLYNN: The next exhibit is entitled "Level
23 Zero Checksheet." They're both written by L. Ron
24 Hubbard.

(A copy of a document, entitled "Level Zero Checksheet," was marked as Exhibit No. 11, as of this date.)

MR. GREENE: Reading from page 54 of Exhibit 11, Mr. Hubbard's book: "The defense of anything is untenable. The only way to defend anything is to attack. If you ever forget that, then, you will lose every battle you are ever engaged in, whether it is in terms of personal conversation, public debate, or a court of law. Never be interested in charges. Do yourself much more charging and you will win. And the public, seeing that you won, will then a communication line of the effect that Scientologists win. Don't ever let them have any other thought than that Scientology takes all of its objectives."

Yet, on page 55: "The purpose of the suit is to harrass and discourage rather than to win. The law can be used very easily to harrass. And enough harrassment on somebody who is simply on a thin edge anyway, well-knowing that he is not authorized, will generally be sufficient to cause a professional to cease. If possible, of course, ruin him utterly."

MR. SHOEMAKER: Mayor and Commissioners, it's interesting, I received in the mail today a copy of an item, apparently from the Church, that says, "Demands,

1 demands, demands" on it, anonymously sent, and I copied
2 it for you today, which relates specifically to this --

3 MR. LeCHER: When we hired you, or at least we
4 considered hiring you, and we spent \$4,950.00, they
5 were in front of City Hall passing out almost posters
6 offering \$4,950.00 leading to the arrest and the con-
7 viction of any dishonest politician. Well, that almost
8 had my name on it or my colleagues on it for public
9 official.

10 And I'm sure that everyone on this bank may have
11 at one time had an enemy that in the city employ -- there
12 must be sixteen hundred of them. But we couldn't have
13 got to them or would want to do that to them, so I can
14 just see how it's affecting our own lives as recently
15 as when we originally contacted you in your office. I
16 can see it falling into place.

17 MR. CALDERBANK: In addition, when we originally
18 contacted Mr. Flynn, they also passed around a - maybe
19 you would like to comment on this, Mr. Flynn - version
20 of your background, your credentials, your purported dis-
21 barments or transgressions that you made that put you in
22 a very incredible light.

23 Was there any truth to that? Could you go into
24 that so that the people here know that this happened

1 within the last five, six months? From your own personal
2 experience.

3 MR. FLYNN: Well, I'm not under -- I'm not a
4 witness, and it would probably be inappropriate. The
5 degree of harrassment, the numbers of lawsuits against
6 myself and my colleagues, the Bar complaints that have
7 been filed against us, the defamatory statements that
8 have been issued to the press against us, and the three
9 years of what I can only categorize unmerciful harrass-
10 ment will someday be a matter of a court record and will
11 be litigated.

12 MR. LeCHER: All right. Thank you.

13 Continue, please, sir.

14 MR. FLYNN: The next exhibit is a document, entitled
15 "Introduction to Scientology Ethics," a xeroxed copy
16 from the book that was referred to, and Mr. Greene will
17 read from a portion of it.

18 (A copy of a document, entitled
19 "Introduction to Scientology
20 Ethics," was marked as Exhibit No.
21 12, as of this date.)

22 MR. GREENE: This exhibit, Exhibit 12, is from a
23 book by L. Ron Hubbard. On page 49, he sets forth
24 high crimes which are suppressive acts, parentheses,
below that title.

1 "A Suppressive Person or group is one that actively
2 seeks to suppress or damage Scientology or Scientologists
3 by suppressive acts. Suppressive acts are acts calcu-
4 lated to impede or destroy Scientology or a Scientologist
5 and which are listed at length below."

6 Below, listed as number one: "proposing, advising,
7 or voting for legislation or ordinances, rules, or laws
8 directed towards the suppression of Scientology; two,
9 testifying hostilely before state or public inquiries
10 into Scientology to suppress it; three, public statements
11 against Scientology or Scientologists but not to
12 committees of evidence duly convened."

13 You will recall a "committee of evidence" is a
14 Scientology term.

15 "Seven, testifying as a hostile witness against
16 Scientology in public; eight, being at hire of anti-
17 Scientology groups or persons," and so forth.

18 MR. CALDERBANK: On number nine, "Infiltrating
19 Scientology," I can't understand why it would be a crime
20 to infiltrate Scientology. However, it's well documented
21 they infiltrated the former mayor's staff, when he ran
22 for election; they infiltrated The Clearwater Sun, the
23 District Attorney's Office, Attorney -- Mr. Russell.

24 Is this -- is this common? They say that this is

1 a crime to them, but, yet, they, as policy, go out and do
2 it. Why is that?

3 MR. WALTERS: Because these are really Hubbard's
4 fears is what I've finally come to realize. These are
5 Hubbard's fears. And he uses his fears and his demented
6 mind to attack other people then. And, obviously, number
7 nine is in there because he would not want people coming
8 into Scientology, like an IRS agent, and find out where
9 the money goes, et cetera. That would be a high crime.

10 MR. LeCHER: Next.

11 MR. FLYNN: Exhibit 13 is a document, entitled
12 "TRL - Intelligence Specialist Training Routine." This
13 particular document may have some -- a great deal of
14 importance to this Committee if the Scientologists pro-
15 duce witnesses.

16 (A copy of a document, entitled "TRL
17 Intelligence Specialist Training
18 Routine," was marked as Exhibit No.
19 13, as of this date.)

20 MR. GREENE: "Intelligence Specialist Training
21 Routine, TRL. Purpose: To train the student to give a
22 false statement with good TR 1. Train the student to
23 outflow false data effectively. Position: Same as
24 TR 1.

"Commands: Part one: Tell me a lie. Command

1 given by coach.

2 "Part two: Interview Type 2 WC by coach.

3 "Training Stress: In part one, coach gives
4 command, student originates falsehood. Coach flunks
5 for out TR, for TR 1 or TR 0. In part two, coach asks
6 questions of the student on his background or subject.
7 Student gives untrue data of a plausible sort that the
8 student backs up with further explanatory data upon the
9 coach's further questions. Coach flunks for out TR 0,
10 TR 1 and for student fumbling on question answers.
11 Students should be coached on a gradient until he or she
12 can lie facilely.

13 "Short example: Coach: Where do you come from?
14 Student: I come from the Housewives' Committee on Drug
15 Abuse. Coach: But you said earlier that you were
16 single? Student: Well, actually, I was married but
17 am divorced. I have two kids in the suburbs where I am
18 a housewife. In fact, I'm a member of the PTA. Coach:
19 What town is it that you live in? Student: West
20 Brighton. Coach: But there is no public school in
21 West Brighton? Student: I know. I send my children
22 to school in Brighton, and that's where I'm a PTA member.
23 Coach: Oh. And who is the chairman there?" Et cetera.

24 MR. BERFIELD: Again, is this in the procedures

1 manual?

2 MR. WALTERS: No. These are Guardian's Office
3 technology. That would not be in public volumes.

4 MR. CALDERBANK: How do you -- how did you obtain
5 this document for submission as an exhibit?

6 MR. FLYNN: This particular document comes from
7 documents that the Federal Bureau of Investigation
8 seized in July 1977.

9 We'll go on with the next one. The document is
10 entitled "Re: Intelligence."

11 (A copy of a document, entitled "Re:
12 Intelligence," was marked as Exhibit
13 No. 14, as of this date.)

14 MR. GREENE: This is Exhibit 14, "Re: Intelli-
15 gence. The following are possibilities for collecting
16 data: one, infiltration; two, bribery; three, buying
17 information; four, robbery; five, blackmail. The last
18 two are, of course, illegal.

19 "Infiltration covers two methods: someone joining
20 the enemy without the enemy's knowing and someone dis-
21 affecting, presumably, to join the enemy. For giving
22 the enemy false data, you can do the following: one,
23 use infiltrator to spread alarm and false data; two,
24 send out false data purposely."

MR. CALDERBANK: A scenario: The upcoming election

1 for City Commission or the recent election for Mrs.
2 Garvey or Mr. Berfield. Do you mean to tell me that it
3 would be not only within the realm but a distinct possi-
4 bility that not only false data would be disseminated
5 to do harm or take votes away from these two?

6 MR. WALTERS: Yes. I can tell you in the tech
7 department what will probably occur. That, by the way,
8 involves Mo Budlong.

9 MR. CALDERBANK: Wasn't he indicted?

10 MR. WALTERS: Yes, he was.

11 As far as your elections in this town, a girl will
12 go around to citizens and tell she's writing a book. And
13 she will say, like, "I'm writing a book about Clearwater's
14 great day. Are you aware of Mr. Calderbank?" "Yeah."
15 And somewhere, going into that, will mention: "Do you
16 know about the problems he had in the last place he
17 lived?" "No, I didn't." "Are you not aware that his
18 wife's pregnant?" "No, I didn't." "Well, that's okay."

19 And just do a cycle interview, you go from person
20 to person. It may sound nutty, but it's very effective.
21 Before you know it the citizens will all be saying to
22 themselves, "Did you hear what I hear about Calderbank?"

23 MR. CALDERBANK: Would they encourage passing out
24 of either illegal pamphlets or try to raise some kind of

1 conflict between the other Commissioners?

2 MR. WALTERS: Yes. In fact, they will have members
3 send dead agent letters to different ones of you. Persons
4 in Ethics will do this.

5 MR. LeCHER: Okay. We're trying to move right
6 along here. We do have a long way to go.

7 MR. FLYNN: Along those lines, I would point out
8 that attached to the report that we filed with the city
9 are, perhaps, four or five thousand documents. And we
10 have simply selected a few that are just barely repre-
11 sentative. And these documents are on file with the
12 City of Clearwater and have been since September of
13 1981.

14 And what we attempt to show you is some of the
15 documents pertaining to some of the activities. But
16 there are literally thousands of these.

17 Some of the direct policies with regard to burglary
18 and larceny will be coming up, and we will try to show
19 it in a little more detail on the issue of policy. But
20 many of these documents -- there's just so many of them
21 that it's difficult to get them all before the Commission
22 in this proceeding.

23 The next document is Exhibit 15, and it's a docu-
24 ment called "Re: B and Es." And you'll notice in the

1 upper - excuse me - in the upper left-hand corner the
2 people that Mr. Walters will describe or the agencies
3 to whom it goes within the Church, on which, I might
4 suggest to you, bear on the factor of corporate policy.

5 (A copy of a document, entitled "Re:
6 B and Es," was marked as Exhibit No.
15, as of this date.)

7 MR. WALTERS: The -- those are the top leaders of
8 the Church: Deputy Guardian 1, U.S. Communicator;
9 Deputy Guardian 1, U.S.; Deputy U.S. Communicator;
10 Deputy Guardian, U.S., which is in Los Angeles. I don't
11 know what GDA -- GDA. Anyway, that's worldwide, which
12 is in England; that's Communicator. Guardian Worldwide,
13 which is Jane Kember; Deputy Guardian 1, Worldwide,
14 which is in England; Deputy Guardian 1, Worldwide is in
15 England; Deputy Guardian 1, Worldwide -- Assistant Deputy
16 Guardian; U.S. Director; Secretary, Worldwide, again in
17 England; Bureau 1 Director, U.S., that's in Los Angeles.

18 MR. GREENE: Reading from Exhibit 15, "Re: B and
19 Es. When Dick first wrote you on this subject, a few of
20 us in the office have been comparing notes and smatterings
21 of legal knowledge on this subject with the end result
22 of deciding that we needed to research the differences
23 between breaking and entering and unlawful entry. On
24 searching through legal dictionaries and various legal

1 sources, I discovered in West's California Penal Codes,"
2 parentheses, "(which except for varying technical
3 differences by state as representative of the basic
4 U.S. statewide laws on this subject)," close parentheses,
5 "that the technical differences between the B and E and
6 unlawful entry become relatively meaningless when it can
7 be seen that a large portion, if not the majority, of
8 our high priority successful collections actions fall into
9 the category of second degree burglary, which is a
10 felony.

11 "Some of our successful collections actions in
12 the recent past and present, which falls into this
13 category are past GO 1222, GO 1300, GO 1361, GO 1344,
14 GO 1080, YOKO, DEA, present GO 1361, GO 1344, DEA. This
15 is not an exhaustive rundown, just enough to demonstrate
16 the importance."

17 The last sentence: "From my study of the codes
18 and from my knowledge of how the collections actions are
19 done, one of the key points in solidifying the burglary
20 commission is basically the theft of xerox paper and
21 xerox machine use of whatever is approached. Without
22 this theft, then the distinction between B and E and
23 unlawful entry would become important. It could mean
24 the difference between a felony and a misdemeanor."

1 MR. FLYNN: The next document is a document calling
2 "Vetting Hat Write Up," which Mr. Walters referred to in
3 his testimony. It will be, for the record, Exhibit 16.
4

5 (A copy of a document, entitled
6 "Vetting Hat Write Up," was marked
7 as Exhibit No. 16, as of this date.)

8 MR. GREENE: Exhibit 16, the "Vetting Hat Write
9 Up," the purpose, as set forth on the document, quote:
10 "To clean USB 1 files of legally actionable evidence
11 against the GO and its personnel." Then, set forth is
12 a definition of evidence: "Something legally presented
13 before a court as a statement of a witness and object
14 et cetera which bears on or establishes the point in
15 question, distinguished from testimony and proof. The
16 valuable final product: the file is free of illegal
17 evidence.
18

19 "Steps taken to vet the file cabinet, drawer, or
20 box: one, take one file folder at a time to vet from a
21 bunch of folders; two, scan through each particle in the
22 file and vet each one as it comes up; a, using a razor
23 blade, cut out all parts of reports written by us that
24 would indicate something illegal was happening, already
did happen, or was being planned; b, if the particle is
then so cut up that it is impracticable to have in the
files, staple it to a larger piece of paper and stick it

1 in the files; c, if, in order to properly vet a particle,
2 some of the data of the report is lost, write up the
3 data on a separate sheet and shred the first report.
4 Make sure to note the date and originator, et cetera,
5 of the origin." And "d, if the report is an actual
6 operation report and not just an account of covert data
7 collections, do not vet the report. Rather, write the
8 data down that is in the files, if applicable, and send
9 the full report containing actual ops actions to Ops."

10 Page two of this same exhibit, midway down the
11 page: "Now, the details of what you vet. One, mentions
12 or the ordering of a B and E; two, evidence that any-
13 thing was stolen by one of our guys. This does not
14 mean someone like PC saying he stole something; this
15 means us saying we stole something.

16 "Three, lying similar to 'Here are the docs we
17 got in our usual way lat last night'; four, implications
18 of casing, including keeping checks on schedules and
19 working hours, as well as locks on doors, et cetera;
20 five, implications of posing as a government agent; six,
21 evidence of tapping phone lines or an illegal taping
22 of conversations; seven, mentions of harrassment of an
23 individual, although not necessarily a full operation;
24 eight, any evidence of bribery; nine, any mentions of

1 recruitments of FSMs to be any kind of an agent. This
2 is solicitation and a crime.

3 "Ten, also vet wordings like 'This will get him'
4 or 'Let's wipe him out' or 'This will be good for dead
5 agenting' or 'We are planning a covert op on him to
6 handle him' or 'This will strengthen our attack on him';
7 eleven, any mentions of entrapment, setting up someone
8 to commit a crime either directly or indirectly."

9 MR. FLYNN: The next exhibit, number 17, will be
10 "Re: Red Box" --

11 MR. SHOEMAKER: Could I ask a question of what
12 the date of this particular exhibit was, number 16?

13 MR. FLYNN: 9 March '75.

14 MR. LeCHER: We only have a few more to go, ladies
15 and gentlemen, and then we'll conclude with any questions
16 you may have of the consultant or the witness. And then
17 we will take a very short break and allow -- and then
18 Mr. DeWolfe will be here.

19 (A copy of a document, entitled "Re:
20 Red Box," was marked as Exhibit No.
21 17, as of this date.)

22 MR. GREENE: This exhibit has been marked as
23 Exhibit 17, and it refers to Red Box. If I could have
24 page two placed on the overhead projector, first, we'll
see how Red Box Data is defined by the corporation.

1 "Red Box Data Information Sheet" appears at the
2 top of this page two. "One, What is Red Box Data? A,
3 proof that a Scientologist is involved in criminal
4 activities; b, anything illegal that implicates MSH
5 or LRH; c, large amounts of non-FOI" - which, I would
6 suggest, is Freedom of Information - "docs; d, operations
7 against any government group or persons; e, all opera-
8 tions that contain illegal activities; f, evidence of
9 incriminating activities; g, names and details of confi-
10 dential financial accounts.

11 "Two, Where is Red Box Data kept? A, out-of-date
12 material or finished cycles that can be shredded should
13 be; b, large amounts of Red Box Data that is not needed for
14 day-to-day function and cannot be destroyed is located
15 with all our non-FOI docs and can be called for via
16 CIC; c, small amounts of data that must be kept on hand
17 due to security and frequent use is to be kept in a
18 briefcase locked up and is to be marked.

19 Finally, "three, How is Red Box Data kept on the
20 B 1 premises cared for? A, this data will be picked up
21 and carried out of the building by owner immediately
22 upon notification of raid, search warrant, et cetera;
23 b, persons carrying this data, as few as possible, will
24 leave the premises and only return when they have called

1 in and received an all clear."

2 MR. CALDERBANK: Tom, will you describe the B 1
3 group as it is defined or read and, specifically, what
4 it does in the GO organization, Guardian Office organi-
5 zation?

6 MR. WALTERS: B 1, as I remember, is the Intelli-
7 gence Bureau of the Guardian's Office, now called
8 Information.

9 MR. CALDERBANK: What's their purpose?

10 MR. WALTERS: Their purpose is to investigate and
11 ferret out the enemy, expose, or, if need be, create
12 or manufacture evidence against the enemy.

13 MR. FLYNN: I would also point out at this point
14 that, when the FBI seized some eighty thousand documents
15 from the Church of Scientology in July 1977, they missed
16 by two days obtaining any Red Box Data. All the Red
17 Box Data that is referred to in this exhibit was not
18 seized; it was --

19 MR. CALDERBANK: Why?

20 MR. FLYNN: -- missed by the FBI.

21 MR. CALDERBANK: Why?

22 MR. FLYNN: Because they didn't know its location
23 at the time. And that's a matter of court record.

24 MR. CALDERBANK: I'm intrigued that not only do

1 they have policies that would condone criminal activities
2 and give points for successful criminal activities being
3 carried out, but they also have a policy that they par-
4 ticipate in that covers up criminal activities by members.

5 Is this another policy that they utilize day in and
6 day out?

7 MR. WALTERS: Yeah. That's standard Guardian's
8 Office function.

9 This is a lot -- in the front of this book, you'll
10 read all about how nice it is to be good. But this is
11 what occurred.

12 MR. CALDERBANK: Let's forget about it a minute
13 and let's forget about doctrines. This is conduct.
14 This is the conduct of the policies --

15 MR. WALTERS: This is all --

16 MR. CALDERBANK: -- that they induce people to do?

17 MR. WALTERS: This is -- this says burglary,
18 criminal actions by a group, planned, executed --

19 MR. SHOEMAKER: Mayor and Commissioners, that
20 particular letter is dated the 25th of March 1977.

21 MR. LeCHER: As far as you know, it is still going
22 on now. I have had conversations with Scientologists,
23 not recently but certainly within the past year, who've
24 said that they no longer do these things.

1 That's -- again, I'm going to ask you the same
2 question: Do they still do these things? Do they still
3 act this way or is this ancient history that dates back
4 to 1975 or '76?

5 MR. WALTERS: Well, I'd put it like this: I'm not
6 here in Clearwater, so I can't tell you specifically.
7 But what I'm talking about here today is the hallmark
8 of Scientology. It is the technology of Scientology.
9 For them to survive, it must be done.

10 MR. CALDERBANK: When was the last time that you saw
11 these policies carried out? What was the date; what
12 was the time?

13 MR. WALTERS: I've seen them all through '70, '71,
14 all the way on up to '78, '79.

15 MR. CALDERBANK: And you --

16 MR. WALTERS: I had Cooper - Don Cooper, one of
17 their intelligence agents, who's now down here in
18 Clearwater - stole things out of my house that showed up
19 at the lawyer.

20 MR. CALDERBANK: When?

21 MR. WALTERS: This was done -- oh, the lawyer
22 showed it to me two months ago at the deposition.

23 MR. CALDERBANK: So, you've had actual, personal
24 involvement and know these things are happening up to

1 two months ago?

2 MR. WALTERS: Absolutely.

3 I saw them then and participated in them; now,
4 they're being done to me. There is no change in this
5 group at all.

6 MR. LeCHER: One more question: What would happen
7 if, as of tomorrow morning, Scientology, the Church of
8 Scientology, said, "We will stop all these dirty tricks;
9 we will rewrite our literature and we will act like any
10 other organization that is in business, and we will no
11 longer - not to mention religion, I don't want to bring
12 that into it - we will no longer engage in these tricks
13 and we will let Scientology fall or rise on its own
14 merits and its teachings"?

15 MR. WALTERS: If they said that?

16 MR. LeCHER: Yes.

17 MR. WALTERS: All right. Well, they're going to
18 say this. PR will -- they're already writing it right
19 now. To me, it wouldn't mean anything. I've been --

20 MR. LeCHER: Well, what if they did, indeed, do
21 that? Would Scientology still be as --

22 MR. WALTERS: I will --

23 MR. LeCHER: -- powerful as it is?

24 MR. WALTERS: I'll tell you what, I'll invite them

1 to invite me to Fort Harrison, and I will be glad to give
2 a lecture to all Scientologists there now. And if they
3 can confront what I say and want to remain at Fort
4 Harrison, we can end the problems.

5 I extend -- Scientology talks about communication
6 and good will. They can come and see me; they don't have
7 to burglarize my home. They can come and see me any time.

8 I will be glad to go to Fort Harrison tonight and
9 talk to all of the Scientologists.

10 MR. LeCHER: What I'm really asking is: Can
11 Scientology succeed if they no longer use the enemies'
12 list and attack the attacker and all these things that
13 we have seen in the documents?

14 MR. WALTERS: But then you wouldn't have Scien-
15 tology.

16 MR. CALDERBANK: In other words, you're saying --

17 MR. LeCHER: Well, then, what would you have?

18 MR. WALTERS: I don't know what you'd have. If
19 you wouldn't have the cult of Scientology, you'd probably
20 have something new starting. I don't know.

21 See, Scientology isn't all bad. If it was, you
22 wouldn't have decent people entering it.

23 MR. BERFIELD: Yeah, but if you rewrote these
24 articles, you'd almost have to rewrite most of the ones

1 that you were talking about involving fraud and mis-
2 representation and everything else.

3 MR. WALTERS: You'd have to rewrite almost eighty
4 percent of Scientology policy and, probably, seventy
5 percent of the tech.

6 MR. BERFIELD: So, what -- then, what would happen
7 to their income?

8 MR. WALTERS: They wouldn't have an income.

9 MR. CALDERBANK: You're saying that these policies
10 form a fabric that is interwoven over, perhaps, seventy
11 to as great as eighty percent of all their activities
12 and conduct?

13 MR. WALTERS: Yes.

14 MR. CALDERBANK: And these policies call for
15 criminal and fraudulent activity, which you have given
16 examples of?

17 MR. WALTERS: To defeat the enemy.

18 MR. CALDERBANK: And if that means casing,
19 burglarizing, manufacturing evidence, extortion, kid-
20 napping --

21 MR. WALTERS: Yeah. I mean, you've seen --

22 MR. CALDERBANK: I'm just giving back to you the
23 examples that you've given me.

24 MR. WALTERS: Absolutely.

1 MR. HATCHETT: If I hear you correctly, Mr.
2 Walters, you're saying regardless of whether they rewrite,
3 they're not going to change. Is that the implication
4 I hear?

5 MR. WALTERS: No, because we're talking about a
6 philosophy. We're talking --

7 MR. HATCHETT: That's ingrained.

8 MR. WALTERS: Yes.

9 I welcome Mr. Hubbard to come here and sit with
10 me now. If he could do this, you wouldn't have Scien-
11 tology. You see, if Reverend Jones could leave Guyana
12 and come and talk to the congressman, you realize you
13 wouldn't have a cult anymore, because he was -- you have
14 to handle the mental paranoia of Hubbard. Until that is
15 done, you're going to have consistent defrauding of
16 individuals and also criminal activities taken against
17 perceived enemies.

18 MR. LeCHER: So, you're saying they couldn't exist
19 without any of that, without this doctrine or without
20 these teachings. They couldn't -- well, they couldn't
21 exist without any money coming in; is that what you're
22 saying? They wouldn't get the money to exist worldwide?

23 MR. WALTERS: No -- yeah, well, it all depends.
24 Most all the money is being made in Clearwater right now.

1 MR. LeCHER: In Clearwater? All the money is
2 supposed to --

3 MR. WALTERS: Being made.

4 MR. LeCHER: The money supporting the whole opera-
5 tion is being made in Clearwater?

6 MR. WALTERS: I would say -- I would say Clearwater
7 is the single, primary source of most of the money coming
8 in. The people in Clearwater are higher up, fully
9 programmed and conditioned. I mean, this is -- they
10 originally bought courses for two thousand. They are
11 now down here giving ten, twenty, and thirty thousand
12 at a time.

13 MR. LeCHER: What do the poor people do?

14 MR. WALTERS: Poor people are not in Scientology,
15 or they join staff.

16 MR. LeCHER: If you're poor, then -- you mean,
17 they only pick on the wealthy kids? And if you're poor,
18 you've got to work for seventeen hours a week and for
19 nothing?

20 MR. WALTERS: A wealthy person is a hot prospect.

21 MR. LeCHER: Okay.

22 Ladies and gentlemen --

23 MR. FLYNN: Mr. Mayor -- we've got two more, Mayor,
24 and then -- two more documents and, then, that will be

1 the end of the documents for the day.

2 Exhibit 18 is a document, entitled "Operations
3 Definitions," which pertains to the drills that a
4 Guardian's Office operative goes through, as described
5 by Mr. Walters in his earlier testimony with regard to
6 framing or smearing someone, of which Mr. Greene will
7 read some.

8 (A copy of a document, entitled
9 "Operations Definitions," was marked
as Exhibit No. 18, as of this date.)

10 MR. GREENE: You have the drill on the overhead
11 projector. "Recognizing Basic Effectiveness or Plans.
12 Take into account effectiveness, security, legality,
13 workability, et cetera when making your decisions. Choose
14 which basic plan is best. A, General Scene: Person
15 to restrain or remove Mr. Jones, employee in local
16 government agency attacking the org. One, order hundreds
17 of dollars worth of liquor in Jones' name and have it
18 delivered to his home causing trouble and make the liquor
19 store owner dislike him; two, call up Jones' boss and
20 accuse Jones of being a homosexual; three, send Jones'
21 boss evidence of Jones accepting bribes on the job with
22 copies to police and local FBI.

23 "B, General Scene: Psychiatrist who has instigated
24 attacks on the org. via police and press. One, expose

1 his Nazi background to the press with evidence that he
2 still attends local Nazi meetings; two, wake him up every
3 night by calling him on the phone and threatening him;
4 and three, send an FSM in to be a patient of his for a
5 year to disperse the psych during sessions."

6 Finally, "C, General Scene: A newspaper executive
7 Clyde McDonald who is behind local attacks. One, poison
8 him while he's asleep so he'll never start another
9 attack; two, make known to the paper's owner that
10 McDonald is responsible for the paper's decreasing
11 advertising revenues; three, spread rumor around to the
12 paper's employees that McDonald is a Communist; and
13 four, put itching powder in McDonald's clothes so he'll
14 scratch himself all day thus preventing him from writing
15 stories."

16 MR. LeCHER: Where is McDonald today?

17 MR. WALTERS: Selling millions of hamburgers.

18 MR. FLYNN: I don't know where Mr. McDonald is,
19 but Paulette Cooper will be testifying before this
20 Commission.

21 MR. LeCHER: Okay.

22 MR. GREENE: If we could have the next page in
23 this series --

24 MR. CALDERBANK: I've got a personal example of

1 that.

2 MR. GREENE: -- D and E. Let me direct your
3 attention to "E, General Scene: A local Catholic bishop
4 is causing many local attacks on the org. One, send
5 several FSMs" - you remember, Mr. Walters testified is
6 a field staff member - "over to the Catholic church to
7 swear at him in confessionals; two, connect him up to
8 abortion and/or pornographic activities; three, write the
9 Pope an anonymous letter stating that the bishop is
10 really a rabbi under cover; and four, spread a rumor
11 around town that he's against air pollution."

12 MR. FLYNN: The next exhibit is called "Correct
13 Use of Codes," which will be Exhibit 19.

14 (A copy of a document, entitled
15 "Correct Use of Codes," was marked
16 as Exhibit No. 19, as of this date.)

17 MR. GREENE: This is a Guardian order, as it appears
18 on the top of the exhibit. If you could move the exhibit
19 down, you'll see the Guardian's order and the date,
20 September 17th, 1976. Mr. Walters can explain the routing
21 form in the upper left-hand corner when I've completed.

22 "The correct use of codes to insure that coding
23 is done correctly with the correct subjects coded and
24 overcoding avoided, the following steps are laid down.
Codes are used for the following general headings: one,

1 incriminating, undercover, or misinformation of covert
2 operations and the like. Incriminating activities would
3 include things like lobbying where this is inhibited in
4 non-profit corporations, also, money deals that might
5 provoke government tax offices.

6 "Two, things that we want unknown as connected to
7 the Church of Scientology, secret TR and B 1 front
8 groups; three, legal PR and B 1 traffic on B 1 flubs;
9 four, things that we want unknown LRH or MSH connected
10 to, this is handled by coding of their names; five, words
11 or actions that would tend to dispute the fact that the
12 C of S's motives are humanitarian; i.e., harrass,
13 eradicate, attack, destroy, annihilate, cave in, third
14 party, spreading rumors, entrapment, trap or entrap,
15 stir up the opposition.

16 "Six, actions of confidential corporate tax bodies.
17 Strategy: Some B 1 money, CSWs, and occasionally the
18 names of accounts. Seven, anything that gives specific
19 and actual evidence that Scientology is in legal control
20 of B 6-type groups. These are groups that are separate,
21 legal entities from the Church of Scientology. Eight,
22 admission to unpunished crimes and/or incriminating data.
23 This would mostly come on personnel lines.

24 "In addition to the following, there are certain

1 things that get government customs upset and more curious
2 about what is in the mailbag. These are such things as:
3 confidential, secret, highly confidential, top secret,
4 very highly confidential, restricted, et cetera written
5 across the top."

6 MR. FLYNN: Mr. Walters would like to make one
7 closing statement. And for today, that will be all the
8 documentary evidence.

9 MR. LeCHER: Before -- I'd like to ask one more
10 question: I have met most of the Scientologists as they
11 come into town; they try and make a social call. I don't
12 necessarily talk to them anymore, unless they give me a
13 false name and false reason to be here.

14 I met Reverend Whitman -- is that his name?

15 MR. WALTERS: Kenneth Whitman.

16 MR. LeCHER: Kenneth Whitman, who is a rather
17 angelic-looking young man with a turned around collar
18 and a soft voice and a nice, easy manner.

19 And he says that they no longer act that way,
20 that he is the president of the Church. And as the
21 president, he led me to believe that he calls all the
22 shots.

23 Is that true that Mr. Whitman, Reverend Whitman,
24 with turned around collar, does call the shots for the

1 Church?

2 MR. WALTERS: No, he does not. I'm sure if he
3 says he's president, he's president. It would be a legal
4 position to be in to protect L. Ron Hubbard. But Mr.
5 Whitman and every Scientologist only does what L. Ron
6 Hubbard wants him to. Maybe he doesn't know it now, but
7 it'll probably add a few years to his sentence, if he
8 gets any. I mean, Hubbard designs things so that it does
9 not come back to him.

10 Now, Kenneth Whitman -- I personally don't know if
11 he's involved in any of this. But I would assure you,
12 as president of the Church, he is told exactly what to
13 say and the plan, in fact, to handle the city is drawn
14 up exactly like this.

15 MR. SHOEMAKER: Mr. Walters, following up on that:
16 Would he, as being president of the Church, have any
17 control over the Guardian's Office?

18 MR. WALTERS: No, no. It's a legal title; it's a
19 PR title. He's the person that, when you want to see
20 the big boss, you'll get him. The guys who follow you
21 home are the guys running the show.

22 MR. LeCHER: Does he normally walk around in his
23 home town with a turned around collar or does he wear
24 regular street clothes?

1 MR. WALTERS: Well, he's been so busy now because
2 of everything going on, he's probably in legal mock-up,
3 meaning in dress, almost all the time.

4 The little -- I've known him just very little.
5 He's, basically, a very nice guy and very suited to what
6 he does.

7 MR. LeCHER: Mr. Calderbank, let's try and take
8 a break before we get to the next witness.

9 MR. CALDERBANK: Very quickly, I've been waiting to
10 ask either an ex-Scientologist or a current Scientologist:
11 Number one, tell me if this -- it was -- these examples
12 were in the paper, by the way.

13 I was coming out, after Mr. Flynn presented his
14 report, and someone that I didn't know came up to my
15 car and said, "Hello, you're such and such. I've seen
16 your picture in the paper." And as was reported by the
17 paper, that person then said, "Does your sister" - and
18 my sister is a dentist in Pittsburgh - "Does she worry
19 about malpractice suits?"

20 I got out of the car and asked him -- looked for
21 another person, and he told me to get my hands off him,
22 that he didn't know what I was talking about. About
23 two weeks later, after notifying my sister's attorney,
24 she had patients that came in with various ailments that

1 would not follow her prescribed dental practices. And
2 when she made them sign charts off, they left.

3 MR. WALTERS: That sounds --

4 MR. CALDERBANK: In your opinion - which, this has
5 appeared in the paper - is this a coincidence?

6 MR. WALTERS: It sounds to me like a very standard,
7 good B 1 operation.

8 MR. CALDERBANK: Number two, her own -- I met in a --

9 MR. LeCHER: Wait. We -- we -- I don't know if
10 we know that he knows that they are coming after your
11 sister. That's really hearsay and --

12 MRS. GARVEY: What's a B 1?

13 MR. LeCHER: Yes. What's a B 1?

14 MR. HATCHETT: That's intelligence.

15 MR. LeCHER: That's intelligence.

16 Well, we really don't know that.

17 MR. WALTERS: Well, I would take his word it
18 happened.

19 MR. LeCHER: Yeah. Well, I know -- I believe that
20 it happened. But you don't know that --

21 MR. WALTERS: Oh, no.

22 MR. LeCHER: -- the reasons why it happened.

23 MRS. GARVEY: I mean --

24 MR. WALTERS: He only asked for my opinion from my

1 experience.

2 MR. LeCHER: I don't want to get too far astray
3 from what we're here for.

4 MR. WALTERS: True. I don't claim to know every-
5 thing on Scientology.

6 MR. LeCHER: Would you like to make a final state-
7 ment, sir?

8 MR. WALTERS: Yes.

9 I'd just like to close -- because we've been talking
10 about such terrible things here, which is, of course,
11 one of the reasons I came here. And I'm glad to do it
12 as a citizen and I'm glad to see that the truth will come
13 out and, if it's confronted and pursued long enough, it
14 will.

15 But I want you to know and anybody listening -
16 because the PR campaign against me will start tomorrow -
17 I am not anti-religion, I am not looking to destroy any-
18 one; I want to lead a good, decent life. I have many
19 friends in Scientology; there are a lot of good, caring
20 people.

21 When I was in Scientology, I loved and admired
22 L. Ron Hubbard. I admired a man who was in the war and
23 got war injuries and healed himself, and he's confronting
24 enemies and continually going on to create the worldwide

1 game that everybody could win. I believed it; I loved
2 it.

3 Now, that I'm out and I've learned the truth
4 about it, I'm not -- I'm embarrassed by it. But I want
5 the truth to come out that I am not in a vendetta. I
6 care for Mr. Hubbard. It's going to be like Howard
7 Hughes and he's going to end up in a lonely room knocking
8 himself off, until somebody who cares enough for him,
9 instead of these Gestapo agents, somebody who cares for
10 him helps him.

11 I have no hatred for the individual; I loved him.
12 I don't love him now, but I probably understand him
13 better. If he's listening, I'd tell him, "Get in touch
14 with me. I won't harm you; I'll help you. Do it now
15 before you create a catastrophe here in Clearwater or
16 injure thousands of young people."

17 Many Scientologists are good people. Most of them
18 are. They've just been led astray. And even though
19 you're going to hear some shocking things in the next
20 few days - and I suggest you really do look into this
21 cult of Scientology - there are a lot of good people
22 and some that I truly like and admire.

23 I appreciate you listening to me.

24 MR. LeCHER: Thank you for being a very courageous

1 man and courageous witness, and we wish you well no
2 matter where life takes you from now on.

3 We will take a ten-minute break.

4 (Whereupon, a recess was taken.)

5 (Whereupon, the hearing resumed.)

6 MR. LeCHER: Vision, are you on? You are now on,
7 okay.

8 Welcome back, ladies and gentlemen. We are going
9 to proceed with the next witness, which will be -- we
10 will not speak at such length as we did with the
11 previous witness. But this witness will come back
12 tomorrow morning at nine o'clock and we'll resume.

13 We are now waiting for Mr. Ron -- Ronald DeWolfe
14 to come in.

15 Thank you, Mr. DeWolfe, we will attempt to make
16 this as painless as possible for you, sir. I know that
17 you are also a courageous individual to be here with
18 us this afternoon, especially, because of your background.

19 I would like to ask you a few -- before we do ask
20 you questions, sir, I would like to ask you if you would
21 be sworn in by our clerk.

22
23 RONALD DeWOLFE, a witness herein,
24 having first been sworn by a Clerk for the City of

1 Clearwater, was examined and testified as follows:

2 MR. LeCHER: Thank you.

3 Mr. DeWolfe, I'd like to ask you these same five
4 standard questions I'll be asking every witness that
5 we will be listening to on both sides of the issue.

6 Number one: Are you appearing here today and
7 testifying under oath voluntarily?

8 MR. DeWOLFE: Yes.

9 MR. LeCHER: Number two: Have you been paid by
10 anyone for your testimony, other than the expenses of
11 coming to Clearwater?

12 MR. DeWOLFE: No.

13 MR. LeCHER: Number three: Do you have a lawsuit
14 against the Church of Scientology?

15 MR. DeWOLFE: No.

16 MR. LeCHER: Does the Church of Scientology have
17 a lawsuit against you?

18 MR. DeWOLFE: No.

19 MR. LeCHER: Has anyone suggested to you that you
20 should state anything but the truth? Or has anyone
21 suggested to you that you change your testimony for
22 any reason?

23 MR. DeWOLFE: No.

24 MR. LeCHER: Okay, sir.

1 Your name is Robert DeWolfe?

2 MR. DeWOLFE: Ronald DeWolfe.

3 MR. LeCHER: Ronald DeWolfe.

4 MR. DeWOLFE: Ronald Edward DeWolfe.

5 MR. LeCHER: Are you the natural son of L. Ron
6 Hubbard?

7 MR. DeWOLFE: Yes, I am.

8 MR. LeCHER: All right.

9 So, your surname was not DeWolfe but Ronald Hubbard?

10 MR. DeWOLFE: That's correct.

11 MR. LeCHER: And I see here that you were born in
12 1934 in California, and your mother was Margaret Louise
13 Grubb --

14 MR. DeWOLFE: Yes.

15 MR. LeCHER: -- is that correct?

16 I don't think we have to go too much into the
17 fact -- I read that the contributions to Scientology
18 are processing of courses as written by Mr. DeWolfe.

19 Is that you, sir?

20 MR. DeWOLFE: Yes.

21 I didn't quite understand your statement.

22 MR. LeCHER: Well, do you know anything about TR --
23 TRs and 8-C and miscellaneous Scientology processes?

24 MR. DeWOLFE: Yes, because I helped create them.

1 MR. LeCHER: All right. That's what I was really
2 getting at.

3 Do you want to tell us what TRs are and 8-C, and
4 when and why you did these things?

5 MR. DeWOLFE: Well, the TRs -- TR stands for
6 training routine, which we called training drills. They
7 were used in the beginning or formulated in the beginning
8 in order to -- as a method at that time in communication
9 and in control of someone's body, because, if you can
10 control someone's body, you can control the mind.

11 There were several of them. I don't happen to have
12 a copy of them. It's been many years ago, but I can go
13 over them point by point, if you'd like.

14 MR. LeCHER: If you would, just in your own words,
15 sir, if you want to describe what you did or what your
16 job was within the organization.

17 MR. DeWOLFE: Oh, well, I was, at various times,
18 Director of Training, Director of Processing, the Execu-
19 tive Secretary, which, in those days, would be the person
20 responsible, for instance, here in the United States for
21 the entire United States.

22 MR. LeCHER: Okay.

23 When did you leave the Church of Scientology?

24 MR. DeWOLFE: I left November 23rd, 1959 at nine

1 a.m. at Washington, D.C.

2 MR. LeCHER: 1959?

3 MR. DeWOLFE: Yes.

4 MR. LeCHER: When did you become involved in the
5 Church of Scientology?

6 MR. DeWOLFE: In the very beginning, in 1950, with
7 the first book, Dianetics: The Modern Science of Mental
8 Health.

9 MR. LeCHER: I'm going down the outline here, and I
10 see that Hubbard's primarily -- primary means of income
11 as a writer -- he wrote such things as Arabian Night
12 Adventures, westerns, confessions in magazine articles,
13 he wrote as a woman with problems, science fiction,
14 screenplays up until -- this is how your father originally
15 gained his main source of income?

16 MR. DeWOLFE: Yes, it was. There are -- but the
17 problem there is a lot of his writing -- he didn't really
18 write as many words as he said he did. Through the
19 early fifties, he used to tell everybody that he had written
20 seven million words of fiction. But, in fact, it probably
21 never exceeded a million words, and that was during the
22 thirties and forties. And, of course, during the
23 thirties, that was mainly in what was called pulp
24 magazines, and he was paid, like, a penny a word, which

1 doesn't amount to a great deal of money, if you add it
2 all up.

3 But as far as his -- the one thing that caught my
4 eye in the outline in number five, it says screenplays.
5 And I only know of one screenplay that he possibly was
6 involved in, and it was a serial, one of those Saturday
7 matinee serials that went on for thirteen or twenty-six
8 weeks or something. And it came -- he either had a
9 small part in writing it or it came from a story of his,
10 but there were many other screenwriters. By the time
11 the -- by the time the play -- the serial came out,
12 there were several other screenwriters who had rewritten
13 it and been added to the credits. So, that's the only
14 screenplay that I personally know of.

15 And as far as his income is concerned, a great deal
16 of his income came from my mother who - and my grand-
17 father, his father - who supported him.

18 MR. LeCHER: Then, much that has been written and
19 said about your father is a figment of his imagination,
20 would you --

21 MR. DeWOLFE: That's quite correct, particularly,
22 in the areas of G here, page one, where "Hubbard's
23 primary means of income is writing." Yes, that was his
24 income, but, again, if you multiply a million words times

1 a penny, then, we're talking about what, ten thousand
2 dollars or something.

3 MR. LeCHER: By a penny, yes, sir.

4 MR. DeWOLFE: But --

5 MR. LeCHER: Yes, sir. Go ahead.

6 MR. DeWOLFE: No, but the -- I remember some of
7 these Arabian Night adventures because he had some of
8 the original artwork paintings around. And he wrote
9 westerns under Winchester Remington Colt and, also, he
10 wrote quite a number of confession magazine articles
11 posing as a woman, that's quite correct, posing as a
12 woman with problems.

13 MR. LeCHER: Is that like advice to the lovelorn?
14 Something like --

15 MR. DeWOLFE: Yes -- well, not really. It is -- I
16 think you can still see some of that type of literature
17 today where --

18 MRS. GARVEY: True Confessions?

19 MR. LeCHER: Like True Confessions or My True
20 Story --

21 MR. DeWOLFE: Yes, exactly.

22 MR. LeCHER: -- or things like that?

23 MR. DeWOLFE: And, of course, quite a bit of
24 science fiction to various magazines and, particularly,

1 two unknown stories in 1940, '39 and '40, which later
2 became -- which later became Astounding Science Fiction,
3 which later became Analog.

4 MR. LeCHER: According to the outline, there are
5 a lot of things here concerning your life, your early
6 life, and your relationship with your mother and your
7 father. I don't know if you want to go into that.

8 MR. DeWOLFE: Sure.

9 MR. LeCHER: But if you'd like to, I'd like to
10 hear about it in your own words.

11 Looking at it, you were married -- this marriage --
12 Margaret bore one child, et cetera, et cetera. And I
13 hesitate to ask you about them, too, about --

14 MR. FLYNN: Would you like to read this?

15 MR. DeWOLFE: Oh, certainly.

16 Well, okay. My father's been married three times.
17 I know in Scientology literature and what he tries to
18 to get other people to believe in his writings of these
19 biographies that he's only been married once to Mary Sue
20 Hubbard. But he's been married three times.

21 His first marriage was to my mother, Margaret
22 Louise Grubb. They were married April 13th, 1933 in
23 Elkton, Maryland. By the way, my mother was born
24 September 22rd, 1907 in Maryland. And then -- just to

1 cover some of the vital statistics --

2 MR. LeCHER: Yes, sir, I want you tell it in your
3 own words, because I don't know how you want to say this.

4 MR. DeWOLFE: Then, my mother and father were
5 divorced December 24th, 1947 in Port Orchard, Washington.
6 And then my mother died November 17th, 1963 in
7 Coatesville, Pennsylvania.

8 Then, he married a Sarah Northrup -- and let me
9 get the exact date; it's in here somewhere.

10 MRS. GARVEY: It says 1946, but that's before the
11 divorce.

12 MR. LeCHER: In 1946, Hubbard married Sarah
13 Northrup.

14 MR. DeWOLFE: That's correct. It was a bigamous
15 marriage.

16 MR. LeCHER: That's why you said there's a clear
17 inference here that he must have been married to two
18 people at the same time. And that lasted a few years
19 and she bore one child.

20 MR. DeWOLFE: Correct.

21 MR. LeCHER: Some of these other things are rather
22 personal in nature, and you may want to talk about them
23 or you may not want to talk about them --

24 MR. DeWOLFE: No. I'm perfectly willing to talk

1 about them, because I believe that all of the facts of
2 the true history of L. Ron Hubbard should come out and
3 should be known by people. I'm talking about the docu-
4 mented facts and the actual occurrences in his lifetime,
5 because he has built up over the years, since 1950, a
6 great mystique and a great amount of false and imaginary
7 data.

8 I could say flatly that ninety-nine percent of
9 what my father wrote about his own life and what he has
10 done is false. And since it has always been an equal
11 part of Scientology itself, that I think that people
12 should know who this man is.

13 MR. LeCHER: All right, sir.

14 MR. DeWOLFE: Any -- any part of this -- any part
15 of this, I would be very happy to go over --

16 MR. LeCHER: Do you have anything about an example
17 about being false? I mean, can he -- was he really in
18 the war and shot up and healed himself with his own
19 mind --

20 MR. DeWOLFE: He was in the Navy in World War II,
21 but he wasn't shot up.

22 MR. LeCHER: Okay.

23 What about --

24 MR. DeWOLFE: He was never wounded or blinded.

1 MR. LeCHER: -- this --

2 MR. DeWOLFE: Excuse me, sir.

3 MR. LeCHER: Certainly.

4 MR. DeWOLFE: I said he was never wounded or
5 blinded.

6 MR. LeCHER: He has attributed to his great powers
7 because he has had this fantastic educational background.

8 Would you like to go into how far in college did
9 he, indeed, go and what degrees does he have?

10 MR. DeWOLFE: He spent a few months, as far as
11 college is concerned, at George Washington University.
12 And one of the major points that he has said that he --
13 he has said that he has a degree in engineering -- at
14 one point he has a degree in nuclear engineering. Now,
15 of course, that changed.

16 As far as any nuclear engineering is concerned,
17 he only took one semester and he received an F, as in
18 failure, for the one semester.

19 MR. LeCHER: I think that's pertinent, because Mr.
20 Walters spoke earlier today about one of the reasons why
21 he believed in all these principles and successes is
22 because of your father's background; it was so signifi-
23 cant. But, apparently, that is not true.

24 Can you tell me something about Dianetics?

1 Apparently, Hubbard -- I'm told, Mr. DeWolfe, in 1947,
2 he was thinking about writing a book called Dianetics.

3 MR. DeWOLFE: That's correct. He was in Washington
4 at the time, and he had -- some of these, as I try to
5 explain them -- it's sometimes difficult to explain
6 simply in easily straightforward terms, because sometimes
7 these incidents are kind of highly complex and lead from
8 one thing to another.

9 My father at the time was -- had Sarah Northrup
10 with him in a trailer over in Port Orchard, Washington,
11 which is six miles away from Burlington, Washington. And
12 that's what he had told me, that he was thinking about
13 writing a book about the mind, and in subsequent phone
14 calls and contacts he mentioned calling it Dianetics.
15 This was in 1947 and, then, through '48.

16 I can go through it, sir, chronologically, if you'd
17 like.

18 MR. LeCHER: All right, sir.

19 Did Dianetics -- then, The Modern Science of Mental
20 Health deals greatly with husbands beating their pregnant
21 wives.

22 Is there anything --

23 MR. DeWOLFE: That's correct.

24 There's, I believe --

1 MR. LeCHER: -- in the book about husbands beating
2 pregnant wives? That's part of the book?

3 MR. DeWOLFE: I believe, all together, there's
4 something around two hundred seventy, I believe, various
5 incidents in it which had to do with a great deal of
6 prenatal experiences: husbands beating wives, and
7 attempted abortions by husbands on wives, and then
8 attempted abortions on women by themselves. And the
9 general focus of the book is, I would say, generally one
10 of sex.

11 MR. LeCHER: All these unusual ways of abortion is
12 under the title of a book called The Modern Science of
13 Mental Health?

14 MR. DeWOLFE: Correct.

15 The -- but one of the things about Dianetics:
16 The Modern Science of Mental Health, and an offshooting --
17 Dianetics: The Modern Science of Mental Health was at
18 various times written, he said, in three months. And,
19 also, he has said it was written in six weeks. What he
20 has told me -- we visited Bay Head, New Jersey where he
21 wrote the book with Sarah there.

22 And when we returned to a very small cottage on
23 the beach -- it was empty at that time, but the door was
24 open and we walked around inside. He said that he had

1 written it in less than a month.

2 And -- but the incidents in Dianetics: The Modern
3 Science of Mental Health came from, generally -- from
4 his imagination and, also, at least two attempted
5 abortions on my mother. One I observed when I was
6 around six or seven. And these other activities with
7 other women -- but as far as any research is concerned,
8 he has said at various times that he has spent thirty
9 some years researching it, but he didn't.

10 This stems from -- there were, I think, a one --
11 two- or three-part article in Astounding Science Fiction,
12 which is now called Analog Magazine - but at that time
13 it was Astounding Science Fiction - and it came out
14 about 1948 or '49. And the response to it was so over-
15 whelming that John W. Campbell, the editor of the maga-
16 zine, and other people insisted that Dad make a complete
17 book out of it. So, he had to hurry and write it very
18 quickly.

19 Then, the book came out in May, May 9th, 1950. So,
20 there was an original magazine article, which, I notice
21 in recent and even earlier Scientology literature -- that
22 they never mention the magazine article, which was the
23 original.

24 MR. LeCHER: Since your father used the principles

1 in the book, The Modern Science of Mental Health, to
2 perform an abortion on your mother, how did this all
3 relate or lead to Scientology?

4 MR. DeWOLFE: Oh, wow, have you got about three
5 weeks? Well, anyway --

6 MR. LeCHER: Well, see, it doesn't -- it's hard
7 for me to follow --

8 MR. DeWOLFE: Yeah, I understand.

9 MR. LeCHER: -- sir, how he started all this.

10 MR. DeWOLFE: I find it easier to do this in a
11 chronological order --

12 MR. LeCHER: Yes, sir, all right.

13 I'm trying to lead you through it and if I -- all
14 right. It says that the book preys on mentally impaired
15 or ill people, and the Dianetics book represents that
16 the methodology will cure more than seventy percent of
17 all man's ills. It has claimed to cure cancer, tubercu-
18 losis, arthritis, heart disease, retardation, and you
19 can increase your IQ, et cetera.

20 Do you think that he has been successful in any
21 of these things?

22 MR. DeWOLFE: He claims it cured anything and
23 everything.

24 MR. LeCHER: The list could be larger --

1 MR. DeWOLFE: No. You see, Dianetics and Scien-
2 tology -- I can back up on this later. But Dianetics and
3 Scientology is, according to Dad, a -- the one and only
4 true path to freedom and the one and only true alleviation
5 of any aberration or human problem. It is the solution
6 to anything that a human being may want to do, or if
7 you may have any sickness or illness.

8 I know that over the years -- if you remember in the
9 fifties, we were putting across it would cure anything,
10 including falling hair and dandruff. And the lawyers
11 and attorneys and the government were getting very
12 uptight and very upset about it, us using the word
13 "cure." Because the very first Dianetic Research
14 Foundation -- this was in New Jersey in 1950. That's
15 one of the reasons it got closed up and why Dad had
16 to move on to Wichita, Kansas.

17 But the main idea here is it -- we had to alter
18 what we were selling out.

19 MR. LeCHER: Was it the local AMA that decided
20 your father's book was nothing more than quackery?

21 MR. DeWOLFE: I'm sorry, sir?

22 MR. LeCHER: Did the AMA, the local AMA --

23 MR. DeWOLFE: Yes, right.

24 MR. LeCHER: -- in Elizabeth, New Jersey --

1 MR. DeWOLFE: You see, what happened was Dad wrote
2 Dianetics: The Modern Science of Mental Health in 1950.
3 The response was so overwhelming -- if you had to look at
4 1950 within that context of time, it was the first do-
5 it-yourself psychotherapy book really to come out, and
6 how to cure yourself of anything all by yourself or
7 with another fellow, your next door neighbor. You just
8 sid down on your couch, open the book up, and have a
9 whack at it.

10 But the overwhelming response to it -- it really
11 was an incredible best seller. Mail was coming in to
12 the Wichita foundation literally by the mail truckload.
13 I wasn't there, but my father has told me quite a bit
14 about it. Other people who were connected with the
15 Research Foundation -- this was in -- the very first
16 one, as I said, was formed in Elizabeth, New Jersey.

17 MR. LeCHER: He then --

18 MR. DeWOLFE: Now, this is something in the very
19 beginning that got my father very deeply involved in
20 this thing because there was so damn much money involved.
21 So, they formed -- the foundation was formed.

22 Then, doctors and other people there were trying
23 to legitimize it, that is, they were -- they wanted to do
24 before and after testing. They wanted to do before and

1 after x-rays, before and after medical exams, and show
2 the differences and great benefits of it.

3 Well, since the whole book, Dianetics: The Modern
4 Science of Mental Health, was written off the top of my
5 father's head, Dad didn't really appreciate that very
6 much, because people were getting too close into investi-
7 gating him. Plus, reading that very first book with the
8 best seller jacket and all of the other claims that were
9 in the very first edition - I haven't read it for umpteen
10 years and I haven't seen the movie version - but anyway,
11 there were claimed actual cures. We can cure anything.

12 MR. LeCHER: Guaranteed cure?

13 MR. DeWOLFE: Yes, right.

14 All you had to do was just run out your birth or
15 run out your prenatal experiences, and that is the
16 basis -- that was the basis of all of your problems.
17 It was all of these things that people did to you in
18 moments of pain and unconsciousness called engram. And
19 if you cleared up this moment of pain and unconsciousness
20 and -- then, that would release all of the terrible
21 charge you had deep within your subconscious.

22 All right, well, this whole thing in Elizabeth,
23 New Jersey -- as I said, they were getting into -- they
24 were getting into cures and actual -- the practice of

1 medicine.

2 What happened then was the New Jersey Medical
3 Association started investigating the foundation and
4 forced its closure because they were practicing medicine
5 without a license. And that forced, then, Dad to go on
6 to Wichita, Kansas, which we can cover later if you want.
7 But --

8 MR. LeCHER: What is a prenatal experience?

9 MR. DeWOLFE: A prenatal experience -- well, any
10 experience that you could have experienced in sexual
11 relations: experiences of attempted abortions. I can
12 get very graphic if you'd like, but with TV cameras
13 here --

14 MR. LeCHER: I don't think we should get too
15 graphic.

16 MR. DeWOLFE: There would be an incredible amount
17 of editing going on; there'd be more bleeps than words.

18 MR. LeCHER: Okay, sir. Now, we're in Wichita.

19 MR. DeWOLFE: Wichita, Kansas.

20 MR. LeCHER: Your father married his third wife,
21 Mary Sue Whitman --

22 MR. DeWOLFE: Yes.

23 MR. LeCHER: -- who was a student at the Dianetic
24 Center in Wichita.

1 MR. DeWOLFE: She, by the way, is only a couple
2 of years older than I am. But I first met her in 19 --
3 February 1951.

4 The Dianetic -- here's where it really gets kind
5 of interesting. The Wichita foundation -- the Dianetic
6 Research Foundation in Wichita, Kansas was formed. He
7 at this time was still with Sarah, Sarah Northrup. And
8 since -- as I said, there's a recurring theme here
9 throughout his life, what I've always termed fleeing in
10 the night. That is, that he grabbed whatever cash he
11 could from the Elizabeth, New Jersey foundation and went
12 to Wichita, Kansas.

13 And there, with a Don G. Purcell and some other
14 people, they formed up the Dianetic Research Foundation
15 in Wichita, Kansas.

16 Now, this was in 1951.

17 MR. LeCHER: 1951 --

18 MR. DeWOLFE: We're up to 1951; we have another
19 thirty years to go.

20 MR. LeCHER: Okay.

21 That's when, then, he apparently went bankrupt.

22 MR. DeWOLFE: No, he didn't go bankrupt. Let me
23 give you what happened on his going bankrupt.

24 There's quite a number of things occurring in

1 Wichita, Kansas. There, again, he attempted legitimizing
2 Scientology with medical doctors and with other verifi-
3 cations. There, too, in Wichita, Sarah and my father
4 got into a tremendous battle, divorce battle, where Sarah
5 was claiming the same things, as an example, that he had
6 been doing with my mother many years before that:
7 beatings, attempted abortions, et cetera. And she -- he
8 claimed that Sarah was a Communist and claimed that she
9 attempted to kill him by injecting heroin into his heart
10 with a hypodermic and, also, poisoned a bottle of whiskey.
11 Both of them untrue and pure fabrication by my father.

12 But, then -- the reason I bring up this area is
13 because it's pretty, I would imagine, pretty well known.
14 But as far as the -- let's see.

15 Then, he went flying off to -- taking off to
16 Puerto Rico, because the key to the divorce and -- he
17 had claimed mental derangement caused by Sarah and
18 that's why he was off to Puerto Rico. I read a letter
19 in one of the files that he had written and that he was
20 slowly going -- he was going insane and how they had had
21 their -- which was a lot of nonsense.

22 But she -- Don G. Purcell got him back up out of
23 Puerto Rico and propped him up a little bit there. And
24 Don G. Purcell wanted to help him out financially, and

1 my father, at this point in 1951, sold Don G. Purcell all
2 of the rights to -- all of the rights to Dianetics and
3 Dianetics: The Modern Science of Mental Health. That's
4 a fact that I haven't ever really seen come out before.

5 So, at that juncture in -- throughout 1951, he
6 no longer owned the rights to Dianetics. This is
7 important because this is how -- one of the reasons of
8 why Scientology was created.

9 MR. LeCHER: Okay.

10 MR. DeWOLFE: Now, in all -- in every legal sense,
11 he did not - just to jump forward very quickly - he did
12 not reacquire the rights to Dianetics and the book,
13 Dianetics, and the use of it and the processes and every-
14 thing else until, I believe, 1955. I remember we had
15 one hell of a great celebration around Washington, D.C.,
16 where we were at the time, because we finally -- he
17 had finished destroying Don G. Purcell and getting back --
18 getting back all the rights to Dianetics. But to back
19 up to where he had sold all the rights -- my father has
20 only had one basic driving goal in any organization,
21 and that is total and complete control. He could never
22 share responsibility, sit on a board of directors, or
23 even operate in any way in a group.

24 And he felt he was being constrained, and he thought

1 he was being confined, and he quite literally -- he was
2 in terrible financial straits, because he spent money
3 like water, and Don G. Purcell had come around to help
4 him out financially. And, also, Purcell thought that
5 Dianetics, the processes of Dianetics, the books and
6 what have you, quite -- they should belong to the
7 foundation themselves -- the foundation itself. And
8 so, he paid quite a bit of money. I don't remember what
9 the sum of the money -- how much the money was.

10 But he, then -- he was there at the Dianetic
11 Research Foundation in Wichita for a while. Then -- but
12 he didn't own the rights to it anymore, and he was
13 forced to sit on a board of directors, which he never
14 could stand to do.

15 This is, by the way, in response to your question
16 about bankruptcy. Yes, the foundation went bankrupt.
17 But all of a sudden one day, my father and Mary Sue,
18 they -- they emptied all the bank accounts. Now, he
19 was only able to sign on one small bank account. But I
20 can remember my father talking about how he had gotten
21 other people to empty them and how he had forged the
22 names on checks.

23 But anyway, he had emptied the entire bank
24 accounts -- all bank accounts of the Wichita Dianetic

1 Research Foundation and did another one of these fleeing
2 in the nights to Phoenix, Arizona.

3 So, here he was in Phoenix, Arizona with the
4 federal bankruptcy court looking down his throat, with
5 the police looking down his throat, with Don G. Purcell
6 looking down his throat. And my father only felt good
7 with incredible amounts of cash with him. And I
8 remember - jump forward slightly - I remember being, when
9 I first arrived there in 1952 to start working with him
10 very closely -- that he kept shoeboxes of money in his
11 closet, all cash. And he had, I believe, somewhere around
12 five or six shoeboxes with \$25,000.00 apiece in them in
13 his closet.

14 That, by the way, is something he's always done,
15 which is, he kept an incredible amount of cash close
16 at hand so he could grab it and run.

17 And that is the reason for the bankruptcy and
18 the failure in Wichita of the Dianetic Research Founda-
19 tion. That answers that question.

20 MR. LeCHER: How did he destroy this Purcell, Don
21 D. -- Don Purcell, is it, this man that eventually gained
22 the rights to Dianetics?

23 MR. DeWOLFE: Oh, Don G. Purcell?

24 MR. LeCHER: Yes.

1 MR. DeWOLFE: Well, the -- I don't know all the
2 particulars, but I do know that he used quite a smear
3 and libel campaign, which is standard procedure.

4 See, my father would -- my father only wanted to
5 do one thing, and that was to destroy people. He would
6 not -- he did not do anything lightly. To him, anybody
7 who did anything against him, criticized him -- he would
8 just flat go after their throat. And I think that he
9 was quite happy. And I don't remember exactly, but I
10 think Don G. Purcell got quite ill. But I do know that
11 my father spent a great deal of money in 1952 to 1955
12 in, I believe, court battles and in a standard misinforma-
13 tion campaign to bury Don.

14 MR. LeCHER: Okay.

15 Back now to 1951, Dianetics offered in Wichita,
16 Kansas -- offered a process called auditing.

17 MR. DeWOLFE: That's correct.

18 MR. LeCHER: Can you tell us how he conceived the
19 term "auditing" and the principles behind auditing?

20 MR. DeWOLFE: Oh, wow, okay.

21 The auditing and the word "clear" come from that --
22 comes from the field of accounting. I have to back up
23 a little bit and give definitions of the words, if you
24 don't mind.

1 MR. LeCHER: Well, I -- that's okay. I was just
2 wondering how he -- how did he conceive that idea and
3 does he have any background, to your knowledge, scientific
4 background, that auditing could be plausible and worth-
5 while medical --

6 MR. DeWOLFE: No.

7 MR. LeCHER: It's just something he made up,
8 then, auditing?

9 MR. DeWOLFE: I'm sorry?

10 MR. LeCHER: Auditing is just something he made
11 up or --

12 MR. DeWOLFE: Yes.

13 As I explained, the basis of Dianetics: The
14 Modern Science of Mental Health, the basic book -- as
15 I said, we could go through all sorts of --

16 MR. LeCHER: Well, we just want to run -- walk
17 through this gradually with you and, then, tomorrow,
18 my colleagues and I will really get into anything they'd
19 like to get into. I know that -- we want to be easy
20 with you today and, of course, the entire time you're
21 here.

22 So, any time -- if we run a little long with you
23 today, we can stop and pick it up again tomorrow morning.

24 MR. DeWOLFE: Okay.

1 MR. LeCHER: I read the AMA, American Medical
2 Association, denounced Hubbard and claimed that he was
3 practicing medicine without a license and making out-
4 rageous claims like Dianetics would cure all man's ills.
5 And apparently, your father was humiliated sometime around
6 there at the Scientology headquarters --

7 MR. DeWOLFE: We can back up and cover that in
8 detail, if you'd like --

9 MR. LeCHER: I'd certainly like -- I want to go at
10 your pace.

11 So, you might tell me about 1953 when your father
12 was humiliated or he was accused of practicing license --
13 practicing medicine without a license.

14 MR. DeWOLFE: Well, 1953 -- I would like the
15 opportunity, too, since I -- I don't want to be monopo-
16 lizing the microphone or anything like that. But --

17 MR. LeCHER: You're here to monopolize it.

18 MR. DeWOLFE: Huh?

19 MR. LeCHER: That's why you're here, to monopolize
20 the microphone.

21 MR. DeWOLFE: No, but there's -- I want to back
22 up in sort of a quick chronological order, because I
23 have found, in my experience, that it makes things a bit
24 more understandable --

1 MR. LeCHER: Certainly.

2 MR. DeWOLFE: -- because of the tremendous fog.
3 You have to view the past of L. Ron Hubbard almost like
4 a great big ball of tangled barbed wire, and you look
5 at it and you can scratch your head and say, "Wow, look
6 at this."

7 As I said, you can refer back to one of my original
8 statements, ninety-nine percent of what my father wrote
9 about himself is untrue. But there've been so darn many
10 different biographies -- he and I used to joke that he
11 would write a bio a week. And he would shift and alter
12 things as he pleased as he went along down the line.
13 That's why I have found it to be advantageous to sort
14 things out; that's sort of how my head works anyway.

15 MR. LeCHER: Certainly.

16 Would you like --

17 MR. DeWOLFE: Oh, what was the question I hadn't
18 answered?

19 MR. LeCHER: Yes. I was asking about auditing.
20 I was also asking about when he was humiliated by the
21 medical -- the AMA, and he felt that he was humiliated
22 at the Church of Scientology headquarters?

23 MR. DeWOLFE: Well, humiliated really by the
24 federal -- the federal court in 19 -- that would be

1 December '53 or '52; I could double check it. Anyway,
2 finally, the federal court caught up with him about
3 the Wichita Dianetic Research Foundation, the financial
4 fiasco. And the U.S. Marshalls - in December '53 - and
5 the U.S. Marshalls finally caught up with him when he
6 had returned from London, after giving some courses,
7 and he returned to Philadelphia for the - what do you
8 call them - doctors' series of lectures on December
9 1st -- December the 19th, 1953.

10 MR. LeCHER: Three, I believe --

11 MR. DeWOLFE: Right. And this was in Philadelphia.

12 And right in the middle of the lecture, the U.S.
13 Marshalls, unsuspectingly just knocked on the door -- we
14 were upstairs in a big meeting room. They thought they
15 were just going to serve the normal summons or subpoena
16 to court. But they didn't know they were dealing with
17 Scientologists, and it got into be one heck of a donnybrook
18 with -- it wound up with the FBI, the Philadelphia
19 police, and almost all of the U.S. Marshalls in town,
20 and a couple of hundred Scientologists.

21 It took the various areas of law enforcement trying
22 to get up the stairs -- and there were two hundred of
23 us coming down the stairs. It was one of those incredi-
24 ble, almost western-style, fights, you know, you see in

1 a barroom.

2 And the -- but in any event, I can go over that
3 in further detail, if you'd like --

4 MR. LeCHER: All right.

5 MR. DeWOLFE: The subpoena got served. My father
6 had a bodyguard and, of course, at that time I weighed
7 about two hundred forty pounds and I was pretty darn
8 solid. And I had done a great deal of physical activity,
9 so I was no weakling. And we kind of dusted off and
10 cooled off everything. And the marshalls, I think, were
11 kind of afraid to shoot because we were going to -- we
12 were going to trash them.

13 One of the guys, by the way, was Ernie Kitsch, and
14 he was connected in Philadelphia with organized crime.

15 Any one of these things, by the way, I'd be very
16 happy to go into any kind of detail on. But I don't
17 want to --

18 MR. LeCHER: Well, we just want to keep it in
19 sequence.

20 He left from Phoenix and went to Camden. Apparent-
21 ly, things got hot for him in Phoenix and he then went
22 to Camden and we have the brawl that you mentioned in
23 Philadelphia.

24 MR. DeWOLFE: Yeah.

1 Well, as I said, I can make little notations here
2 and expand it further. But that is basically one of
3 the reasons he got caught in court. And I remember his
4 incredible rage afterwards, because he had an incredible
5 temper, that he would never be in another court again.
6 And because of the problems that he had been having
7 with the AMA and Elizabeth, New Jersey and the problems
8 he had also with the AMA in Wichita, Kansas -- because
9 they were also on his back because they were still
10 practicing medicine without a license.

11 And this is one of the major reasons that he
12 later that month formed the basis of the three basic
13 Scientology corporations in Camden, New Jersey.

14 MR. LeCHER: So, then, to get the medical authori-
15 ties off his back --

16 MR. DeWOLFE: Right.

17 MR. LeCHER: -- he then formed a religion --

18 MR. DeWOLFE: And by this time --

19 MR. LeCHER: -- based on faith, I suppose, and
20 that's when Scientology was created; is that correct
21 around --

22 MR. DeWOLFE: No. That's sometime in 1952. But
23 this is when it became incorporated --

24 MR. LeCHER: A corporation, legal corporations in

1 1953 --

2 MR. DeWOLFE: In Camden, New Jersey. I was one
3 of the signatories on all three corporations, as far
4 as the incorporators are concerned.

5 MR. LeCHER: All right.

6 When it first -- when he first incorporated, was
7 he --

8 MR. DeWOLFE: When he was first what, sir?

9 MR. LeCHER: When he first became incorporated
10 as a religion -- I guess I shouldn't get involved, that's
11 not the issue. That's another case.

12 What was the motivation of becoming a religion?

13 MR. DeWOLFE: Well, as I said, he had been having
14 quite a bit of harrassment with the court, with the
15 medical profession. He had quite a bit of problems with
16 money, taxes, IRS. And he later -- it was a secondary
17 or a second idea, saying "Well, we're dealing with
18 the faith and the human spirit so, therefore, we're
19 perfectly legal to have -- to be dealing with that."

20 But it, to him, was the only solution he had to
21 all of the problems he had been experiencing up to then.
22 That's what -- I think it was December 18th, 1953, if
23 I'm correct. That's when the three corporations were
24 formed: The Church of Scientology, The Church of Human

1 Engineering, and The Church of American Science in
2 Camden.

3 MR. LeCHER: And is it safe to assume that he
4 became a religion because he wanted money?

5 MR. DeWOLFE: Correct.

6 Well, one thing about that form of corporation is
7 that it's pretty easy to move money and what have you
8 about in that type of corporation.

9 MR. LeCHER: Was your father a deeply religious
10 man as a young man or did he have any deep religious
11 experiences that moved him to --

12 MR. DeWOLFE: No.

13 MR. LeCHER: -- start his own religion?

14 MR. DeWOLFE: No.

15 MR. LeCHER: All right.

16 There are some things --

17 MR. DeWOLFE: Sir, there were three questions
18 that I've answered, and there are three nos.

19 MR. LeCHER: Yes, sir, I understand.

20 You've got something about Mr. Hubbard's, your
21 father's, biography, and I won't go into it very much.
22 But I'd like to ask you a question you can answer yes
23 or no: Was, indeed, your father a nuclear physicist?

24 MR. DeWOLFE: No.

1 MR. LeCHER: Was --

2 MR. DeWOLFE: As I said, he took one semester at
3 George Washington University, which he failed, in
4 nuclear physics.

5 MR. LeCHER: All right.

6 Number two: Did he have a Bachelor of Science and
7 a Ph.D. degree?

8 MR. DeWOLFE: Not from an accredited college or
9 university. Either it was self-conferred through the
10 Scientology organization or through Sequoia University,
11 which was a diploma mill in Los Angeles, which, in
12 those days, you could send in five dollars and get a
13 Doctor of Science degree or whatever.

14 There was an association between the two, between
15 my father and Sequoia. They got together an agreement
16 where we could trade certificates.

17 MR. LeCHER: You recognized each other's degree,
18 then?

19 MR. DeWOLFE: No. I mean, you traded and gave them
20 out.

21 MR. LeCHER: Then, the Church of Scientology --

22 MR. DeWOLFE: We agreed to give out -- we were
23 to -- this fell apart because -- this arrangement fell
24 apart because there, again, my father could not work with

1 anyone. I mean, he wanted -- not as an equal or any
2 kind of a business arrangement like that.

3 But what -- we were going to set it up in order
4 to try to legitimize the organizations by giving out
5 Sequoia University degrees. And Sequoia could -- if
6 they -- if somebody took one of our courses in Scien-
7 tology, then, Sequoia could give a degree because
8 Sequoia had been formed many years before that as a --
9 under one of those sort of neat little loopholes in
10 the educational laws in the State of California, which
11 made them sort of quasi-valid, even though all a guy did
12 was buy it.

13 MR. LeCHER: Does Sequoia exist?

14 MR. DeWOLFE: Does it now exist?

15 MR. LeCHER: Yes.

16 MR. DeWOLFE: No. It did then.

17 MR. LeCHER: Did it ever teach classes?

18 MR. DeWOLFE: No.

19 MR. LeCHER: Did it ever hold classes?

20 MR. DeWOLFE: No. It was just as I said: You
21 could send in five dollars and get a degree.

22 MR. LeCHER: Okay.

23 He also claimed he graduated from George Washington
24 and Princeton. Is that true?

1 MR. DeWOLFE: No. He did attend Princeton --

2 MR. LeCHER: But he never graduated --

3 MR. DeWOLFE: -- but that was with the U.S. Navy.
4 When he was in the U.S. Navy, he took a military govern-
5 ment course, which, after that, gave him, he felt, the --
6 all the technology he needed in order to govern or to
7 produce the organization board or to map out the organi-
8 zation itself.

9 But he was -- no, he reported in 1945, I believe.
10 He was assigned there by the U.S. Navy for, I believe --
11 I think, three months; I'm not sure. This was because
12 he -- they were about to send him to Japan to be part of
13 the occupational military government in Japan at the end
14 of 1945. But he engineered himself out of that.

15 But the only time he had spent in Princeton was
16 a military -- it was called a Military Occupation Train-
17 ing Course.

18 MR. LeCHER: All right.

19 Did he travel extensively through Asia?

20 MR. DeWOLFE: No.

21 MR. LeCHER: Did he live on a large cattle ranch
22 and had a brother of Indian tribe? Was he related with
23 Indian or --

24 MR. DeWOLFE: No.

1 MR. LeCHER: -- any tribe?

2 MR. DeWOLFE: I don't know about the Indian tribe.
3 He might have known -- because there were a number of
4 Indians around. But as far as owning any land in
5 Montana, no. My grandfather, his father and mother,
6 didn't own any land out in Montana.

7 But, I think, in several of the biographies they
8 mentioned that his grandfather owned a great cattle
9 ranch. At one time he had written that it was a quarter
10 of the size of Montana. That's an awful lot of land.

11 Anyway, his grandfather, I believe, Waterbury
12 or the other grandfather -- they didn't own any land
13 whatsoever, except maybe a small house.

14 MR. LeCHER: All right.

15 Was he a friend of Presidents and their families?

16 MR. DeWOLFE: No. He never met any of -- he never
17 knew any of the children of the Presidents. I believe he
18 was referring to Calvin Coolidge.

19 What that stems from -- you see, what my father
20 has done is he takes one tiny, small fact and then he
21 balloons it way up. And what happened was that he had
22 become an Eagle Scout in one year. That's one accomplish-
23 ment he did do was become an Eagle Scout in one year
24 from the age of eleven to twelve. He did it birthday to

1 birthday. It was in Washington, D.C. I remember reading
2 his small Boy Scout diary.

3 And I remember -- I still remember to this day, you
4 opened it up and on a Monday it said, "I am going down
5 today to see the President on the trolley." He's twelve
6 years old; all right. And the next page it -- "Shook
7 hands with President. It felt like a dead fish." And
8 that was his extent or contact with the Presidency or
9 families of Presidents.

10 MR. LeCHER: That was his contact --

11 MR. DeWOLFE: Because he was --

12 MR. LeCHER: He shook hands with --

13 MR. DeWOLFE: President Coolidge.

14 MR. LeCHER: At twelve years old --

15 MR. DeWOLFE: And he said it was like a dead fish.

16 MR. LeCHER: At twelve years old and --

17 MR. DeWOLFE: It felt like a dead fish.

18 MR. LeCHER: Okay.

19 Did he ever perform a mineral -- did he ever study
20 minerals for the United States and Puerto Rican govern-
21 ments?

22 MR. DeWOLFE: In Puerto Rico? No, no.

23 Somewhere in the twenties, there was a great big
24 hurricane in Puerto Rico. You'd have to really do a bit

1 of research to pin the date down. But there was a big
2 hurricane and -- my father was a terrible student. My
3 grandfather told me many times of all the times he had
4 to go down and please talk the teachers into -- please
5 talk the teachers into letting him stay in school,
6 because he also was not a very good student at all.

7 So, my grandfather got the idea -- well, they had
8 a big hurricane. The -- they were calling for volun-
9 teers because, evidently, it had pretty well devastated
10 the island. So, my father -- my grandfather sent my
11 father down there to help out. There were -- I think
12 several of his other school friends went along with
13 him. And all he did was whack around like a big old
14 vacation.

15 Now, if that's a mineralogical survey -- in essence,
16 throwing rocks or something. But, no, there was no
17 mineralogical survey that was made.

18 MR. LeCHER: He also claimed to do research at the
19 University of Michigan --

20 MR. DeWOLFE: No, he did not do that.

21 MR. LeCHER: We -- I must ask you these questions
22 because these are the questions that the faith is built
23 on that your father can do all these things --

24 MR. DeWOLFF: Yes.

1 MR. LeCHER: -- and that's why he has so much
2 credibility with Mr. Walters and others -- other high-
3 ranking members of the Church of Scientology. So,
4 therefore, we must ask you these things for the record.

5 How are you feeling, sir? Would you like --

6 MR. DeWOLFE: Fine.

7 MR. LeCHER: -- to continue?

8 MR. DeWOLFE: Sure.

9 MR. LeCHER: I'll just try again to walk you through
10 this.

11 Apparently, there's something about L. Ron Hubbard
12 as an individual to persuade a reluctant person who runs
13 a Scientology organization to turn over all the proceeds
14 to Hubbard.

15 Do you know anything about that?

16 MR. DeWOLFE: Oh, we did that several times.
17 That was standard operating procedure, SOP.

18 MR. LeCHER: You mean, they built up the organi-
19 zation and he'd take their money?

20 MR. DeWOLFE: Right.

21 MR. LeCHER: Did he --

22 MR. DeWOLFE: He'd take over the organization, not
23 just the money.

24 I mean, in the very beginning, you must realize that

1 it was a growing thing and there wasn't too many -- too
2 many organizations. And building organizations in the
3 early days was pretty difficult, and people had a great
4 deal of faith and belief in Scientology and they worked
5 very hard for it. And when they got an organization, we
6 would take it over.

7 I can give you several examples of that that come
8 to mind; there are probably more of them. And -- let
9 me catch a few of them here for the fun of it.

10 MR. LeCHER: Were they like franchises?

11 MR. DeWOLFE: Yeah. They started out as indepen-
12 dent -- as independent organizations, but, from the very
13 beginning, since Scientology -- that is, since December
14 of 1952, everybody was required to pay ten percent. If
15 you audited professionally -- if you were a professional
16 Scientologist, you paid ten percent. And this also
17 included anything that was construed to be an organiza-
18 tion, whether it be a corporation or just a group or
19 a center. In those days we generally called them
20 centers.

21 But insofar as the major corporation take overs
22 were concerned, there was the one in 1953 in Philadelphia
23 where he had given an accomplice that December of '53 -- and
24 it was John Naugerbauer and Helen O'Brien. And they

1 were somewhat reluctant to pay my father the money for
2 the big congress they had. And he had a course -- it
3 was called the Philadelphia Doctorate Course.

4 So, this Ernie Kitsch, who was a great, gargantuan
5 man, well above six feet, probably weighed two hundred
6 and fifty pounds - and he had half his front forearm
7 and his left hand sawed off, which he himself had sawed
8 off with a bandsaw --

9 MR. CALDERBANK: Jesus.

10 MR. LeCHER: And what did he --

11 MR. DeWOLFE: And he went along because he was a
12 longshoreman.

13 MR. LeCHER: This is Mr. Kitsch?

14 MR. DeWOLFF: Yes, Mr. Kitsch.

15 And -- okay. Well, Mr. Kitsch and I, we went over
16 to John's place and we tried to get the money from the
17 Philadelphia Center. And we collected the money. In
18 fact, we collected all the money, and collected the tapes
19 and collected all of their books. And they quite
20 willingly signed over their bank accounts and what have
21 you, because, to put it pleasantly, we used physical
22 force to do so.

23 That's where the first major --

24 MR. SHOEMAKER: Second --

1 MR. DeWOLFE: -- I'm sorry, second major take over
2 of an organization. And then, as I said, we established
3 our center in Camden, New Jersey, which is right across
4 the river from Philadelphia, because we had set up the
5 three -- the three non-profit corporations in New Jersey
6 in December of '53.

7 The very first time we cancelled out on an organi-
8 zation was Ross Lamoureau had -- a man by the name of
9 Ross Lamoureau had an organization in Phoenix, Arizona.
10 It was a Dianetic Research -- it was a Dianetic type
11 of center or foundation in Phoenix.

12 Well, Dad had left Wichita, Kansas in 19 -- in
13 early 1952 and went to Phoenix. He didn't have any
14 organization; all he had was his shoeboxes full of money.
15 And we later, as time went on, took that organization
16 from Ross to operate because Ross was doing very well
17 and had a quite a number of people hanging about. And
18 this is where -- this is the first experience I had --
19 the first experience I had where we leaned on blackmail,
20 because, as I remember, he liked to have sex with little
21 boys.

22 And in those days, of course, that type of activity
23 was very punishable by the police, as I imagine it is
24 now today. But today people can discuss that kind of

1 thing, and it's okay if they know you're a homosexual or
2 something like that. But in 1952, the people were
3 pretty well strait-laced and that was devastating
4 information. So, Ross Lamoureaux rather thoroughly
5 cooperated with us in what we wanted to do.

6 MR. LeCHER: So, we -- we can get into a lot of
7 these things tomorrow. I want -- a few more questions,
8 then, we'll leave the bulk of it for tomorrow.

9 You say these missions are like franchises?

10 MR. DeWOLFE: That's right.

11 MR. LeCHER: Is Clearwater a franchise? And
12 Miami? I know Miami is smaller.

13 MR. DeWOLFE: No, I've had no dealings with it.
14 But from looking at it on the periphery, it would have
15 to be one of the main centers. But -- the three main
16 centers would be Los Angeles, Clearwater -- Los Angeles,
17 California, Clearwater, Florida, and East Grinstead,
18 Sussex, England - Saint Hill Manor - in -- just outside
19 of London.

20 MR. LeCHER: Could someone, say, go to Tampa and
21 start a mission and pay ten percent as a franchise fee
22 or as a rent or --

23 MR. DeWOLFE: Could someone do that?

24 MR. LeCHER: Yes.

1 MR. DeWOLFE: Yes, certainly.

2 As I said, it's always been that way from 1952
3 forward that people were expected and required to
4 pay the ten percent. If they didn't, we'd do such
5 things as revoke their certificates, or force them to
6 come in for more training, or tell everybody that they
7 couldn't go to a particular center now because they
8 didn't have the latest tech - tech, meaning technology -
9 or the latest full science on the world of Scientology.

10 MR. LeCHER: Sir, I think we'd like to just
11 adjourn now until tomorrow morning. We have so much
12 more to go. A lot of the meat of the issue is in here,
13 and I would hate to get you in the middle of it and
14 then we must adjourn.

15 MR. DeWOLFE: Also, I'd like to back up chrono-
16 logically.

17 MR. LeCHER: Yes, sir.

18 And is there anything you want to say before we
19 adjourn the meeting?

20 MR. DeWOLFE: No. I certainly appreciate you
21 inviting me here.

22 MR. LeCHER: Thank you for attending, and thank
23 you for being such a cooperative person. Again, we
24 admire your courage.

1 Thank you ladies and gentlemen for staying with
2 us. And we'll reconvene at nine o'clock tomorrow
3 morning.

4 The meeting is adjourned.

5 (Whereupon, the hearing was
6 adjourned until 9:00 a.m. on
7 Thursday, May 6, 1982.)
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C E R T I F I C A T I O N

I, Karen E. Rizman, a certified court reporter and
Notary Public, do hereby certify that the foregoing
hearing transcript of the City of Clearwater Commission
Hearings Re: The Church of Scientology, pages 4 through
300, is a true and accurate transcription of my dictated
tape recordings of the proceedings taken at the Clear-
water City Hall, Clearwater Florida, on Wednesday, May
5, 1982.

Karen E. Rizman

Karen E. Rizman

