
David Miscavige's IAS speech, 8 October 1993

<https://www.cs.cmu.edu/~dst/Cowen/essays/speech.html>

On 8 October 1993, the man who effectively controls Scientology - David Miscavige, Chairman of the Board of the Religious Technology Center - gave a speech to the 9th anniversary event of the International Association of Scientologists. 10,000 members of the International Association of Scientologists had gathered in the Los Angeles Sports Arena to hear Miscavige announce a spectacular victory: after 30 years of conflict with the Internal Revenue Service (IRS), the Church of Scientology (CoS) had won complete tax exemption for all of its 150 US entities. The following is a transcript of Miscavige's speech. A partial version was printed in issue 32 of *International Scientology News*. It makes extraordinary reading.

Most of the evening was taken up by Miscavige's two-hour speech. I have gone through it and added comments on certain points.

If Miscavige is telling the truth, then the IRS's treatment of Scientology is indeed a scandal. But the sheer vehemence and range of Miscavige's tirade against the IRS, Interpol, the US Government, the media, the "squirrels", the hidden Suppressive Persons and the omnipresent "psychs" suggests that Miscavige is a body thetan short of a cluster, so to speak. His credibility and that of a Church which has repeatedly been shown to lie and exaggerate (for instance, in regard to the German government's actions against Scientology) cannot be considered high.

COB RTC: [Chairman of the Board of the Religious Technology Center - David Miscavige]

Welcome to this evening's event.

As you just heard, this is the largest event in Scientology's history and with good reason! Aside from all of us who are here to celebrate at the Los Angeles Sports Arena, this event is being televised around the world to every one of our orgs in all the continents of earth.

Please welcome them.

Furthermore, our newest Class V organization just opened in Caracas, Venezuela.

Please give them a welcome.

Tonight you are here to get word of what has been promoted as our biggest breakthrough on the fourth dynamic ever! Let me begin by assuring you that is not an overstatement! I feel safe in stating that if you were to take all of our previous external wins - those over the last four decades - and combine them all into one, they wouldn't even approach the magnitude of what I will announce tonight.

Nine years and one day ago, the International Association of Scientologists was formed to protect and defend Scientologists and the Scientology religion. At that time, in October of 1984, we found ourselves under vicious external attack. From the media. In civil courts. And by the government. The attacks were of such intensity and velocity - so sustained in nature - that we knew our very survival could only be assured if all of us - as Scientologists - banded together to create a worldwide association. Only in this way could we gather the wherewithal to survive such attacks and hopefully expand.

The IAS is essentially a fund-raising body for the Church of Scientology; it gives awards to those who donate large sums. As its rolls contain only active Scientologists,

its membership roster (about 100,000) is probably the most accurate record of the size of the Church of Scientology's membership.

You have all heard this. It has been said over the years. And it is very accurate. That is why the IAS was formed. What you weren't told was just how bad the situation was. Why? It wasn't necessary you saw enough of the war to know that the IAS was vital. And to brief you on some of the inner details of what was happening would have done nothing but hurt our cause while enturbulating you no end. There is nothing you could have done but support the IAS. And that you did. In a big way the biggest win an enemy of ours could ever have would be to stop our real mission - the salvage of man and rehabilitation of his true spiritual nature. We fight the reactive mind and our business is making freed beings. We do that with training and processing. The few of us who did know all the details knew that we somehow, anyhow, had to keep that show on the road. And we did so. But continue to fight the war, we also did. Much of that war you saw or heard. It is traditional at the annual IAS event to discuss such matters. It is the one event each year where we gather and discuss our wins on the external front. We usually cover many different activities. Tonight will be different. Because what we are going to talk about is the war to end all wars. Whether you have been in Scientology a month, a year, a decade or more - you have seen some part of our battles.

You have seen the suppression we must endure. When you are in Scientology you are in all the way. There's no half in and half out. The bullets aren't particular as to who they hit. Therefore you deserve to know the full magnitude of the suppression we have faced. You've heard about this in a general nature. A lot of the specifics we have spared you. Tonight you will hear them. To understand them fully one must go back to the beginning. The first attacks against LRH and Dianetics are well known. They began almost the day Dianetics came off the presses. To understand what the turmoil was about - realize that up until May 9th 1950, the only studies of the mind were psychology and psychiatry, yet those alleged sciences had done nothing to earn their respect. It wasn't as if they had made breakthroughs or had some major successes. No - it was that they had worked with the government throughout the war to figure out ways of making men more suggestible or amenable to fighting wars. And Freud, the father of psychology and the original out-2D case, apparently found many kindred souls in these government circles.

"out-2D case" - sexual pervert

Don't forget that LRH had offered Dianetics to the fields of psychiatry and medicine before the book was ever written. He offered them his technology but LRH wasn't one of the "old boys." And he didn't offer them something to control people - so these authorities weren't interested. They ignored him but when Dianetics was released they could ignore it no longer. The entire country was talking about it. The slap in the face to the psychiatric community may be tough to understand today. But no book on the mind had ever been so popular with the people. Not even close. The back cover of the original Dianetics dust jacket illustrates the point.

Dianetics was published by a text book publishing house.

Hermitage House Publishing, owned by one Art Ceppos. He later fell out with Hubbard, thus earning the enmity of Scientologists for all time.

Wanting to advertise books of a "similar nature", they included ads for their psychiatric texts right on the Dianetics dust jacket. You can see that in a shot here. Original Dianetics dust jacket back cover all of them are written by true psychiatrists. Authorities.

Here we are, 43 years later. I ask you - have you ever heard of "The Threshold of the Abnormal", by Dr. Werner Wolf? Or, "Bristow Rogers - American Negro" (a racist psychoanalytical case history), by Edmund P. Hillpern? I doubt it.

But the whole world knows of Dianetics. It was the concern that this very popularity might occur that drove the psychs mad in 1950.

At stake were all of their vested interest dollars. How could they get research grants? Millions, or even billions - if the problems of the mind were already solved? And how could they hide the fact of LRH's discoveries if the whole country was talking about them? Their initial attacks have been mentioned over the years by us. First they got "technical reviews" by psychiatrists hatcheting Dianetics. They published these critical reviews in their psychiatric trade magazines.

Such as The New York Times, Time magazine, Life...

Of course, these psychs never even bothered to read the book.

The first review of Dianetics, in The New York Times, was indeed by a psychiatrist. However, he pointed out numerous logical and medical absurdities in the book, backed up by quotes. Rather difficult to do if he hadn't read it first.

This document, we have since uncovered, illustrates the point:

(Document)

It is from Dr. Wiprund - the Executive Director of the Medical Society of Washington DC - to the AMA. In this letter, Wiprund states that he hasn't read the book himself but that unnamed psych sources said and I quote:

"Among the very best psychiatrists - Dianetics is nothing but the bunk!" Unquote.

Talk about a suppressive generality

In any event - the AMA ran these words of wisdom in critical reviews in their own publications. Then they took these published reviews and handed them out to the press where they were promptly requoted as authority in magazines like "Slime" and "Tripe".

i.e. "Time" and "Life".

Having covered their tracks, the psychs then forwarded these new reviews to government agencies such as the Food and Drug Administration and the FBI asking them to investigate Hubbard and his Dianetics Foundations. Only this year did we finally obtain the documents which prove the government did that, and more. They not only began investigations at the urging of the psych community, but we now know the Feds had an informant and infiltrator in the first Dianetic Foundation from the day it was formed. I say infiltrator because he wasn't just there to get information, but in fact had specific orders to disrupt the organization and destroy it.

Note that the "infiltrator" is not named, nor is any mention made of how he was dealt with. This sort of vagueness is a standard tactic in Scientology's public statements. In fact, L. Ron Hubbard was convinced that he was surrounded by Communist saboteurs, including his wife (!); he spent much of the 1950s writing to J. Edgar Hoover to denounce them.

But as we all know these initial assaults could not stop the spread of Dianetics. It was simply too popular and too workable. LRH went on with his business of further researching Dianetics and Scientology.

All the while these attacks continued. But finally a response was in order if these psychs were to be prevented from creating a slave society in January of 1956, a plan the psychs had hatched many years before was about to come to fruition. They had formulated a plan to infiltrate all levels of

society so that they - and they alone - were the decision makers as to what was right and wrong. In this way they could do away with the influence of religion and even the family in matters of morals and mores of the civilization. I'm not joking here. This is all a matter of public record. Their plan for the US was simple. They would purchase a million acres of land in Alaska which they would use as a huge mental health colony then they would change the commitment laws so that they could arbitrarily commit any citizen to this facility one didn't need to violate a law or do anything wrong. All it would take was a psych deciding you weren't desirable and off you would go with no recourse.

This is very convenient for a government wanting to control its populace. And the obvious force to implement this plan was psychiatry. In fact, such a plan already had precedent. It was doing wonders to keep the populace quiet! Where? In Stalinist Russia of course. They called it: Siberia! Unbelievably the House of Representatives had already passed the bill to create this facility in Alaska and by all indications it would fly through the senate. The press and public were asleep and the politicians were drooling. And then out of nowhere a force they never contemplated came on the scene.

That force was LRH and Scientology naming it for what it was, LRH dubbed the plan: "Siberia USA". He began a campaign to alert the public and the press to the true meaning of this grand plan. The press finally woke up and the words "Siberia USA" were seen everywhere as a slogan to defeat this danger to personal rights and freedom. You can see some of that press here.

(visual)

Public outcry reached a fever pitch and finally hit its crescendo when the bill failed to pass and was killed in Congress. Today hardly anyone in the country remembers this plan. In fact, say it to the press and they think you are joking.

I know. I did.

The country has LRH and Scientology to thank for destroying this master plan that came within hours of becoming law.

The "Siberia Bill" is a staple part of Scientology mythology. It really did exist, though it only provided for funding to build Alaska's first mental hospital (previously, mentally ill Alaskans had been shipped out to Oregon - hardly an ideal situation). The "master plan" was a figment of L. Ron Hubbard's over-active imagination. There were in any case only a few thousand Scientologists in 1956. Contemporary newspaper reports in the major US dailies do not mention Hubbard, Scientology, "Siberia USA" or a major outcry over the bill. A curious omission, if it really was such a big deal.

They spelled this movement: L. Ron Hubbard and Scientology. But they had one big problem. They earlier tried to stop Dianetics before it even got going. They failed. They then tried to stop it when Book One co-audits were raging across the US and the Dianetics Foundations were formed. Again they failed. And now - their little problem had become so troublesome that it had dealt them their biggest and most embarrassing defeat for all practical purposes, the war with psychiatry should have been over. Those pea-brained psych-indoctrinated mental midgets had proven no match for LRH and Dianetics and Scientology. What were they to do? In the old days the Romans threw the Christians to the lions. So the psychs tuned to the modern day, 20th century inquisitors. The creatures of the night. That's right, the vampires. And not little vampires, but the ones who suck the blood from the whole country and so the villain of this plot came on the scene - the Internal Revenue Service.

Here Miscavige reveals the theme which runs all the way through his speech: that Scientology's troubles with the IRS are really the result of a sinister plot by the

psychiatric profession.

How did the psychs manage to recruit the IRS?

More easily than you can imagine. You've already seen how the government was working hand in glove with the psych movement. But the connection was even more tangible. The DC Medical Society was the sponsor of the Siberia USA plans. Their attorney was a woman named Charlotte Murphy and when their grand plan of Siberia USA fell through she needed a new job. She joined the Internal Revenue Service and was posted in the office of their chief counsel which is the in-house attorney firm for the IRS. And just that simply the IRS became the active force to destroy Scientology because Charlotte Murphy's assigned functions - at her request - were to deal exclusively with any matters Scientology in nature. A task she wasted no time getting active with. She made her intentions clear in this document she wroth to the district director of the Washington branch of the IRS:

(doc)

In this document regarding the Founding Church in Washington DC, she asks:

"whether there are any local statutes and ordinances available as tools to curtail or close down the operation."

She went on a rampage to do anything in her power to destroy Scientology in the US and abroad. For her efforts she was awarded handsomely and even was promoted years later and became a judge in the US tax court . Here you can see a picture of her:

(slide)

Thirty years after her initial involvement with Scientology, she wroth an affidavit where she stated: "We in the IRS did anything we could to deny exertion to Scientology churches and to close down the operations of all Scientology entities." And why was denial of tax exemption so important? Because, a tax exempt church may use all of its financial resources for accomplishing its mission. A very scary proposition for Murphy and the psychs, when it came to Scientology. A tax exempt organization is not subject to the myriad complexities of the Internal Revenue Code which can be used to harass and destroy organizations the IRS does not like. But most importantly - because all bona-fide religions and churches in the United States do have tax exemption, and if the IRS refused to grant such to Scientology that fact alone could be used to black PR the Church internationally. Scientology wouldn't be a church or a religion - but a "cult" and worse. In fact, administrative action by the IRS has always been a well utilized tool for destroying political enemies on whom no unlawful or criminal activity could be found. This fact was clearly revealed in one famous government memo you can see here. It stated:

"What we cannot do in a courtroom by way of criminal prosecutions to curtail the activities of some of these Scientology groups, the IRS could do by administrative action."

Denial of tax exemption makes an organization fair game for the IRS. So, Murphy's first act was to arrange for the arbitrary denial of tax exemption to every existing Church of Scientology in the United States. She then spent the next ten years spearheading IRS attacks on our churches, in order to ensure that the Church did not regain tax exemption. The primary tactic utilized was the creation and broad dissemination of false and derogatory reports on LRH and Scientology. These reports were designed to ensure that government agencies receiving these reports in the US and abroad would immediately take adverse action and instigate inquires and other serious actions. In fact, Congress later said:

Quote:

"...these reports were used to stigmatize, to set a group of individuals and organizations apart as somehow inherently suspect and likely to be in violation of the tax statutes or other laws."

Unquote.

Indeed, years later we learned that IRS-created false reports were at the bottom of such infamous attacks as the Australian inquiry, the UK and South African inquiries, and attacks on the Flagship Apollo.

This is an astonishing claim. The three inquiries referred to here were in Victoria, Australia, 1963-65; the United Kingdom in 1969-70; and South Africa in 1972-74. (The reports of the first two are on the Web at <http://www.demon.co.uk/castle/audit/ofpapers.html>). The attacks on the Apollo refer to L. Ron Hubbard's problems with governments around the Mediterranean telling him that he was not welcome - hardly surprising in the case of Morocco, where Hubbard inadvertently involved himself in a coup attempt against King Hassan. In Portugal the Apollo was driven away by left-wing demonstrators who thought it was a CIA spy ship; in Greece it was expelled by the military junta of the Colonels. But there is no evidence from released CIA papers of the time that the IRS was in any way involved. At the time, the Church of Scientology blamed the British Government and Interpol.

You've heard about false reports being spread through the world. And often we have talked of Interpol being the conduit for these reports abroad. That is all true. But it was always the IRS creating the documents and sending them out in the first place. Don't forget - the IRS hadn't found the Church doing anything wrong. They just wanted to get us. So they had to resort to pure lies. Picking up a technique from their mentor, Adolf Hitler, in his book, "Mein Kampf", they subscribed to the theory that "the bigger the lie - the more easily it would be believed."

The Church of Scientology has resorted to the same technique on many occasions. This speech may be an example of this technique in use.

Let me give you a few choice examples of this philosophy in practice. One memorable one was a report Murphy created that urgently requested another government agency to not allow foreign Scientologists into the US on any basis. The report stated:

Quote:

"There is evidence that LSD and perhaps other drugs are widely used by the members which assembled. There is evidence that an initiation ceremony is held for all new members at which time an electric shock is administered to them. There is evidence that members of several families in different parts of the US have been shot but not killed by unknown persons because they have objected to their teenage children becoming members."

Unquote.

These reports would be laughable if not for the intent behind them and the effect they created. How many Scientologists were denied entry into foreign countries - like England in the 1960's.

This happened following a statement in the House of Commons from the Health Minister, that Scientology was harmful to mental health. No mention was made of drug-taking or murders; if there had been any suggestion of this, it would surely have come out in the intensely anti-Scientology climate at the time.

If you were one of them you now know why the report I just quoted from was written in November of 1967. The Church didn't become aware of it for years and it took until 1975 for the government

to publicly admit their guilt, when they admitted the information had simply been invented by a government clerk. Thanks for coming clean - but that's 8 years later and by then the report had found its way into government files all over the world. Probably the best example of the vicious nature of these false reports is a document written by David Forsyth who was posted in the IRS intelligence branch. The report was written in 1974 and was an attempt to smear the Church internationally and wipe it out. At the time the report was written, the Church had coincidentally purchased a ranch in Mexico as a boarding school for the children of Sea Org members in Southern California. In other words, the ranch was occupied by 6 years olds! But, in Forsyth's report, he stated:

Quote:

A group of Scientologists is currently training in guerrilla warfare near the town of Uxstal on the Yucatan peninsula."

Unquote.

Slight alter-is! Those kids must have really been something. How about this one. You all probably know LRH went to Rhodesia in southern Africa in the mid 1960s. He was looking to set up the first OT base in that country. While there, he also purchased and began operating a hotel, at which he employed many people including his black friends. LRH was so outraged with the treatment of the blacks in southern Africa that he ultimately presented a new constitution, directly to the Prime Minister, which would have given full rights to the blacks in that country, LRH was ahead of his time. Apartheid was not only in full force, but the rest of the world, including the US Government, were either ignoring it or supporting it. For his efforts the white supremacists had LRH exiled from their country. As if that weren't bad enough,

*Hubbard's proposed constitution for Rhodesia in fact **disfranchised** the black population by proposing economic voting qualifications which, in effect, only whites could meet. As I have shown in my essay, "Scientology's fight for Apartheid", Hubbard was firmly convinced of the superiority of the "Anglo-Saxons" and the inferiority of other, "primitive" races. He expressed support for the apartheid regime in South Africa, blamed "native unrest" on Moscow-inspired agitation and urged the mass E-meter testing of the black population to root out ANC supporters. (The essay is at <http://www.demon.co.uk/castle/audit/apartheid.html>)*

IRS agent Forsyth further rubbed salt in the wound when he described these activities as follows:

Quote:

"Scientology had plans to arm 5,000 natives in an effort to take over that country"

Unquote.

In fact, this claim was made at the 1972-73 South African Government Inquiry into Scientology by one Jan du Plessis, an ex-member of the Johannesburg org. I am not aware of any documentary evidence having been produced to support it and it seems distinctly improbable in view of Hubbard's support for the apartheid regime.

Forsyth's memorandum contained 16 pages of similar reports. As you can see - they weren't just false - they were vicious. After years and years of trying to get LRH and Scientology - the IRS really started going psychotic. Possibly the most astounding document of that period was one written during the mid- 1960's. I'll read it to you now so you can see just how nuts these IRS officials were. The name Alfred Hubbard had come across the IRS' desk. At that point the IRS' reactive "mind equals a mechanism" kicked in.

Quote:

"It is shrewd to note that since the name L. Ron Hubbard is so similar to prominent LSD advocate Alfred Hubbard, then LRH and this Alfred Hubbard must be one and the same persons. And because Timothy Leary has recently established a religion advocating LSD, then Leary may be the head of the Church of Scientology and our L. Ron Hubbard may be getting income through Leary"

Unquote.

What do you say about such garbage? The only accurate thing about the report is that its author must have been on LSD when he wrote it. These examples are just the tip of the iceberg. Hundreds of such reports were sent to other governmental agencies throughout the world as well as to private groups. This was done in order to foster and fuel an atmosphere of prejudice designed to trigger all-out assaults against the religion. And the biggest ones were yet to come. The war escalated to a whole new level when Watergate villain Richard Nixon entered the White House. I commented earlier that LRH was ahead of his time. And with Richard Nixon, he was way ahead of his time. In 1960 LRH wrote to all Scientologists with a very farsighted announcement in HCO Bulletin of April 24 1960. In this HCOB, LRH related the story of how Nixon, while Vice-President, sent several of his secret service agents into the DC org to rough up the girls on duty, all because LRH had once quoted Nixon.

There is no eyewitness evidence to support this, nor any record of it in contemporary newspapers, nor any evidence of an official complaint having been made. Hubbard's word is apparently all we have to go on, and he was demonstrably a liar on many other subjects (e.g. his war career, his academic credentials, etc).

At the time this bulletin was written, Nixon was running for the office of president. You can see the issue on the screen, entitled: Concerning the Campaign for Presidency.

(visual)

LRH concluded by stating: "It is my hope you'll vote and make your friends vote. But please don't vote for Nixon. Even his own secret service agents assure us he stands for nothing we do." - LRH

*This quote is accurate. However, Hubbard regarded **all** Administrations as being involved in a sinister conspiracy against Scientology; he merely happened to be right on this occasion.*

Nixon lost the presidency that year - but the relief was only temporary, because 8 years later, Tricky Dick finally did make it into the White House. And by then he had developed his own special hit list of all those people or groups who had ever crossed him. Just as LRH predicted, Nixon couldn't wait to abuse the power of his office to make his critics pay. Frustrated with the inability of the US Government to put a halt to Scientology, Nixon instituted secret intelligence programs designed to accomplish that purpose. A secret IRS unit known as "the special services staff" was set up to target individuals and groups it labeled as so-called activists. The groups and individuals to be targeted by this special unit were on a list that the press later termed 'the Nixon/IRS enemies list'. And right at the top of that list were L. Ron Hubbard and Scientology.

L. Ron Hubbard was not; however, the Founding Church of Scientology in Washington, D.C. (under IRS and FDA investigation) was indeed on the list.

The purpose of Nixon's IRS intelligence unit was to use any techniques available - legal or illegal - to infiltrate groups in an effort to gather dirt to later smear and destroy them. And if no such dirt could be found - then create it and disseminate it widely. They were quite successful. In fact, you can get a copy of the Nixon/IRS enemies list and review the names of individuals and groups who

were targeted. You'll notice an interesting fact. Every single one of these targeted people and groups was in fact destroyed.

This is not true. At least two other groups - the Black Panthers and the NAACP - were targeted and palpably survive today.

The only exceptions?

LRH and Scientology.

With Nixon finally resigning the presidency in disgrace, the IRS's problems with Scientology were just beginning to build. They had been attacking the Church with the purpose of destroying it for over a decade. Yet Scientology had only grown. And the IRS was starting to lose on the legal front. They had won the case against the Founding Church's tax exemption on a technicality but their win was short-lived, as that Church had long since ceased to be the mother church and the hoped-for destruction of Scientology didn't occur. So a new strategy was in order. In 1974, the IRS convened a meeting with all their top people. It was: "the Final Solution conference on Scientology."

Note the comparison to the infamous April 1943 Wannsee conference in Nazi Germany. This is quite revealing; presumably the Scientology leadership feels that Scientologists are now in danger of physical extermination in Germany.

We now have the minutes of that meeting which make it clear just how evil their motives were. IRS agents and lawyers sat around conspiring about how to deal with the Scientology problem. According to their own lawyers, it was impossible to distinguish Scientology from any other bona-fide religion. Scientology met all the criteria for a church and therefore qualified for IRS recognition. But, the IRS was not to give up so easily in one of their most shameless moments, they formulated this strategy

Redefine church so as to exclude Scientology.

You heard me right. Since we met the "definition of church", that wouldn't do for the IRS. So, they changed the definition - so we were no longer a church! If you ever doubted that the IRS' motives were anything but impure - this should settle the question for you. When they couldn't find anything wrong, they would just change the rules so we couldn't win. What was the effect of this? They issued special IRS revenue rulings that only applied to Scientology. They decided if they couldn't destroy the Church with a head-on attack, they would flank it by going after its parishioners. They would henceforth disallow all tax deductions for contributions to Churches of Scientology. In short - they would make it miserable to be in Scientology or support it in any way. In this manner they hoped to bankrupt the Church and - just for good measure - they initiated a new series of tax audits on the new mother church.

The next few paragraphs are extremely significant. Miscavige is here justifying his role in the palace coup in the early 1980s that saw himself and the Commodore's Messenger Org seizing control of the Church from the tarnished Guardian's Office, run by Hubbard's wife Mary Sue, at the same time that Hubbard himself was in hiding in Creston, California. Why does he bring this up? One possibility is that he was facing internal dissensions, which he quashed by promoting his key role in "saving" Scientology from the US Government. Another is that it is pure self-aggrandisement.

This final solution for Scientology had greater success than you may imagine. It began a steamroll through the rest of the 1970s and into the beginning of the 1980's. The IRS got some unexpected help in the form of an infiltrated Guardian's Office. That was the old legal unit of the Church that went corrupt. We weren't to discover why for many years to come. But it is safe to say their attention wasn't fully on the task at hand of defending the Church, as they had too many personal

problems to do so. The IRS took the then mother church - Church of Scientology of California - to trial on its tax exemption. And at the same time they began challenging the deductibility of Scientology parishioner donations in the court system and they found themselves in front of a poisoned judge who hated Scientology to the very core of his bones. He hid this fact from us - including how this prejudice affected his decisions. Only 4 months ago did we finally uncover the true story. Needless to say, neither of those cases were looking good and it was clear that the office responsible for protecting and defending Scientology was going to lose. What was more clear is that they had even given the IRS the ammunition they had wanted for so long, but were incapable of obtaining. Combine all of this with the fact that LRH had gone completely off management lines in the beginning of the 1980s so that he could dedicate himself to completing the rest of his researches - and you have a volatile situation.

There were many unscrupulous individuals who had waited for their chance to gain power for their own personal ends. Names you've heard of. And they thought they found their golden opportunity. It wasn't just that LRH wasn't there to spot them - it was that the unit responsible for keeping the ranks clean in Scientology had itself gone bad. Things were looking grim. Stats were going down. And the IRS was about to win its greatest victory. It looked like the Church was going to crumble - that it was finished. But that didn't happen. Because some people saw what was going on and moved in and overthrew the Guardian's Office, the off policy and corrupt individuals were dismissed. And the G.O. network was disbanded and its functions placed under the authority of Int Management and the Sea Org. All we were trying to do was see that the entire structure of Scientology was on source. That tech was in. And policy was applied. We faced at the beginning of the 1980s a challenge that we inevitably had to confront. What would we do when LRH wasn't there to how our hand? To personally keep the show on the road. How would we as Scientologists ensure that the tech was kept pure? It was time for us to grow up. We started making major strides in that direction but I can tell you in hindsight we had no idea what Pandora's box we opened when we took out the Guardian's Office.

*Miscavige carefully does not say **who** the "off policy and corrupt individuals were" - not surprisingly, as one was Hubbard's own wife and at least one other (Richard Weigand) was, at the time of Miscavige's speech, working on behalf of the CoS to spread Scientology amongst the Colombian military and government workers. Miscavige also does not say that the Guardian's Office members who were imprisoned in 1980-81 were in fact convicted for bugging and burgling the offices of, er, the IRS! But that would, obviously, undermine Miscavige's thesis of Scientologists as unoffending victims.*

In fact - we crossed the government in ways we couldn't even imagine and which the government would not forgive. The attacks on Scientology up to the 1980s were pure child's play compared to what was to come. Whereas the IRS had always treed to shroud their actions with at least an appearance of legitimacy - the gloves were to come off in the 80s. In fact the war had taken on a life of its own. It is highly unlikely the officials in the IRS were even aware of how this war began. But like genes being passed on from generation to generation, it was an inbred trait of the IRS to hate Scientology and desire its destruction. With the G.O. out of the way - the entire corporate and command structure of Scientology was modified. Organizations were set up to ensure a new G.O. could never come about and to see that the tech would be kept pure.

Again, this contains significant nuances. Since the disbandment of the G.O., Scientology has continued to be linked to unlawful activities - for instance, pressuring people into suicide (France), apparently stealing secret government papers (Greece) and fraud (Spain). Miscavige notably fails to make any mention of the G.O.'s illegal activities in the US and Canada, concentrating instead on its failure to uphold Scientology "scripture". (This, too, is untrue - it was acting on Hubbard's orders). The implication of this is that Scientology regards the illegal activities of the G.O. as less

*important than its alleged "religious failings". Miscavige is therefore **not** saying that Scientology will never again let illegal activities be committed (this has plainly not happened) but that it will never again allow "off tech".*

LRH was planning for the future to ensure Scientology would be here for eternity. And we were right there seeing that it happened. Following the reorganization of the Church, we set up meetings with the IRS.

This was in 1984.

Our desire was to show them how the Church operated - ensure it was in order and passed their test - and move forward into the future at peace. Believe it or not - the IRS has exact guidelines they have created that one must meet to be a real religion. As LRH said:

"One certainly couldn't contest anyone as holy as the commissioner of IRS - whom I believe gives God his orders." - LRH

The IRS response to our reorganization was violent. IRS officials told me to my face that they weren't interested in hearing anything I had to say, because - and I quote:

"You are a Scientologist. You are a mindless robot."

Unquote.

Those who know me can imagine my response. It was short - but certainly made the point. The thanks we got for cleaning up the Church and getting rid of the individuals in the G.O. that the IRS apparently found so offensive, was an assault bigger than any in history the IRS initiated what was to become the largest criminal investigation in the history of the IRS. Personally, life had become dangerous. What was it that so upset the IRS? Only years later did we find out. When we kicked out the old G.O., we had unknowingly kicked out several of the IRS's undercover operatives.

The IRS was more than happy about the way things were going in the Church in the early 80s. It looked like total destruction was imminent. Within months. And out of the blue - a bunch of young Turks showed up and foiled their plans. From the IRS way of looking at it - we were going to pay in a big way organizationally. And personally. Who were we to dare survive? To make us pay. The IRS knew they needed a group willing to sink to a whole new level of illegal activity. A group that did not let niceties, like ethics, the law and the truth get in their way and so - the IRS brought in their most vicious hit squad. The infamous Los Angeles criminal investigation division of the IRS, known as the LA CID could give you my own description of these goons, but let's be objective. Here is what Congress later said about LA CID when investigating their mid-1980 activities. Congress said that the most corrupt division of the entire IRS was this Los Angeles CID. They also noted that the most corrupt individuals within that CID were people by the names of Ron Saranow, Phil Xanthos, Al Lipkin, Al Ristuccia and Dan Rocha. Well, you guessed it. Those were the very people assigned to investigate and destroy Scientology.

For the next 3 years this corrupt unit ran one illegal operation after another, in a desperate attempt to destroy the Church. We may never know the full extent of their actions, but we know these operations included illegal opening of our mail, illegal phone taps, and physical surveillance of Church leaders. That's right, they used to follow myself and others wherever we went and whenever we did. And it went on for years. They additionally tried to intimidate anybody who had any working relationship with us. They went to our banks and harangued the managers, hoping they would freeze our accounts. They went to our travel agencies and browbeat them into giving up all of our travel records. They even went to our lawyers and other groups doing business with the Church just to harass them and black PR us. The motive was obvious. Make it uncomfortable for anybody to be associated with the Church of Scientology or its people.

They also put their thief training to work. They stole briefcases from our staff and attorneys containing legal papers regarding the IRS. They broke into the trunks of our cars many times, apparently looking for papers to rip off. They never got any but the break-ins continued until I personally requested the national office of the IRS to stop these black bag jobs. You know what their response was? "That's not us - that's Los Angeles IRS!" But they apparently passed on the word as all of the break-ins stopped immediately. They even went so far as to set up an observation post on the top of the California Federal Bank building. Right across the street from the Cedars complex. That way they could watch all the activities going on at the Church. Despite all of these activities. The CID had one minor problem. They had placed Scientology under a microscope unlike any other in history and still, they could find no evidence of any wrongdoing. So what did they resort to next?

They decided that if you can't find evidence, just create it. They proceeded to send in an undercover operative on the Church. This operative was under the direct control of LA CID and reported to them daily his orders were to steal internal Church memos and use them as models to manufacture forged documents that would incriminate Church leaders. In other words, see what actual normal Church memorandums look like and then create new ones that looked just like the real thing but containing some alleged criminality. The plan even included creating false issues, like HCO PLs and Executive Directives, that would be disseminated throughout the entire Church membership.

The idea was for this operative to sneak these forgeries into Church files. Once they were there, the IRS would raid the Church, stumble upon these documents and use them to prosecute Church leaders. We of course would have said we knew nothing of these forgeries.

This is intriguing: the G.O. planned precisely such an operation against the US law enforcement agencies. Entitled "Operation Cat", it entailed planting bogus information on agency computers about a wanted master criminal, who was in fact a cat (of the Felix domesticus variety). The CoS would then expose the bogus information to "prove" that nothing on US Government computers could be trusted to be accurate. I am not aware of the plan ever having been implemented.

But with the black propaganda being spread by the US government, who would have believed us? There was one other interesting side note to this. Once Church leadership was carted off to jail, there would be a vacuum in Church management. But the IRS even had a plan for this. They promised the squirrels that if they aided in this plan, they could then assume leadership and full control of the Church. There was one proviso. They had to disavow L. Ron Hubbard as Source of Scientology. So, for those of you who remember the old squirrel groups, you now know what they were really up to.

This is an extraordinary claim, even by Miscavige's standards. He provides no corroboration for this; and isn't there a contradiction between his claim that the IRS wanted to destroy the CoS, and this claim that it wanted to give control of it to the "squirrels" (dissidents)?

The IRS even passed on their strategy as to how they would get away with telling such lies. Their infiltrator / informant was asked how the IRS planned on supporting their baseless allegations. The informant replied by giving the IRS policy on matters dealing with Scientology. He said:

Quote

"Just allege it. You don't have to prove a goddamned thing. Just allege it."

Unquote

The reader will appreciate how apt this is for Miscavige's own claims.

Don't get too depressed, we're still here. Which makes it quite obvious the IRS ran into a little snag. We found out about the plot and in conjunction with the Los Angeles Police Department managed to get their informant on video tape while he was laying out this plot. So - we in effect ran a sting on the IRS's sting operation.

Yes - we laughed last. And the stinger was stung by the stinger! But the IRS had their paws into more pies than you can imagine. They had gone around to all the judges on our civil cases just for the purpose of black PR'ing us. Don't forget, these people suing us were these same squirrels who had been promised leadership of the Church. we only found this out because judge after judge started commenting that we were under criminal investigation and yet none of the papers filed in the case by either side had ever said such a thing. So how did they find out? There were all manner of other atrocities committed by the IRS during this investigation. But apparently, nothing we did or said could stop them from pursuing their goal of wiping us out. In fact; after LRH left in 1986, they thought the time was right to wipe out the Church and everything LRH stood for. All they had to do was put the finishing touches on LRH's best friends. They just didn't understand what we were all about. After infiltrating LRH's funeral service, IRS CID wrote up a final report to the Department of Justice to prosecute all the leaders of the Church.

There was no funeral service; Hubbard was cremated without ceremony less than 24 hours after his death. No family members were present and his ashes were dumped in the Pacific. The whole (non-)event was held in strict secrecy and some haste, as the CoS wanted to dispose of Hubbard's remains before the world's media descended on his hideout once the local coroner had certified his death.

In total this report was several thousand pages long. During the course of this investigation, the IRS had amassed 125,000 pages of documents on myself. To put that in perspective, no one in the history of the United States of America has a bigger government dossier - not even Martin Luther King Jr. I won't deny I've led an interesting life. But, nor that exciting. The IRS alleged that we had committed a huge crime and needed to be put in jail for 21 years. And what was that crime? Asking to be recognized as a religion and bona-fide Church by the IRS! That's right. They wanted to put us in jail just because we wanted them to treat us like every other religion. And there was one other sinister thing they did. It is fairly common knowledge that the IRS has various press people on their payroll. It's a neat partnership - they promise not to go after the journalist on his taxes, and the journalist in turn helps out the IRS agent when he needs it. The LA CID is well-known for being the pros at this trick and they assigned their star journalist to a story on Scientology. You may have heard of the reporter.

His name is Richard Behar. The same SP who later wrote the "Time" article. Only then, he was writing for "Forbes" magazine. Just when it looked like the investigation was waning, Behar was brought on the scene to write a total hatchet job article accusing us of all manner of crimes. The plan was to fan the flames so that senior law enforcement officials would be pressured to make a move.

This is no surprise; Richard Behar has been a hate figure for the CoS since he wrote his devastating 1990 article on "The Cult of Greed and Power". Miscavige's allegations are quite possibly libellous.

But when the report was received by the Department of Justice, it was rejected out of hand with a refusal to prosecute. The Department of Justice even refused to initiate a grand jury which is a government fact-finding body that reviews evidence to determine if an investigation should go forward. In other words. The Department of Justice cut off this inquisition in its tracks.

Why?

Well, "justice may be blind" as the saying goes. But she can still smell a rat. Aside from the fact that IRS CID was accusing us of doing something that is not even a crime. They alleged that I was the

mastermind of a worldwide conspiracy to defraud the IRS from 1966 to the present. One small problem - I was six years old and in first grade in 1966. We finally did get a copy of the IRS report requesting prosecution. You can see it on the screen!

(doc)

Now isn't that odd looking? You see. The government has it all rigged so you can't see their crimes. Under the law, they are allowed to delete portions of documents they feel are damaging if released. They call this "withholds." No kidding! What they do is delete anything they feel is incriminating. So, when you get a portion of a document that isn't blacked out; you can be sure it is the most mild portion of the document.

This is total nonsense, as anyone less paranoid than Miscavige would be aware. I have a large collection of FBI and CIA papers on the CoS. Many of them have areas which have been blacked out. Most of these are personal names. All governments have to operate under some degree of confidentiality; they could scarcely govern otherwise.

Miscavige's claim to have received an IRS report is very odd indeed. The IRS, uniquely amongst US Government departments, does NOT release information under the Freedom of Information Act because of the exceptional sensitivity of its work (though this seems a little odd when you consider that the Dept of Defense does operate under FOIA). So how did the CoS receive this IRS report?

In fact they didn't black out their entire report on us. Knowing that these are the least incriminating portions of the document should tell you something. The report reveals the true purpose of their investigation - the same purpose that the IRS has had for Scientology from day one. And it wasn't to enforce the tax law. In their words:

Quote:

'This prosecution will result in the final halt and ultimate disintegration of the Church of Scientology'

Unquote.

They weren't so lucky. Not even close. We lived and are here to tell the story and, when their tactics were exposed and investigated by Congress, it resulted in the dismissal of several staff of the CID and the head of the Los Angeles IRS office was removed in disgrace. His name was Bill Connett. The top IRS officials were so worried about him testifying before Congress - due to all the criminal acts carried out under his command - that they sent him overseas to their European office, so he could not be subpoenaed and forced to testify. His fall from grace was a bitter-sweet victory for us. Because, if you've been wondering why all the attacks started in Europe in the mid-60's - you have your answer. In fact, we have since uncovered documents that prove this same individual, Bill Connett, was behind the raid in Spain. And what of the raids in France? Bill Connett was in Paris when they occurred. And what about Germany? Where have they been getting the information on Scientology? That's right - Bill Connett. He even went so far as to see the immigration officials in American embassies overseas to stop foreign staff members from gaining visas to do training at Flag. Nonetheless, when the CID investigation folded at the end of 1986, we knew the IRS had run out of reasons to harass us.

Even their trumped-up allegations weren't standing up within the government itself. From our perspective, we thought we had survived the worst they could throw at us. And the church was expanding. But there was still one remaining problem with the IRS. They may not have found anything wrong with us, but they still refused to recognize our churches as bona fide. You see, even when the IRS can't get you overtly, they can still smear you by slating you don't live up to their

qualifications to be recognized as a bona-fide church or religion. So at the beginning of 1987, we again applied for recognition to the IRS.

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

This is the equivalent of one person working 40 hours a week, 52 weeks a year, for three years. At the end of that review, they stated they could find nothing wrong. Just as we were expecting to receive our letters of recognition in 1988, probably the most bizarre twist in this tale occurred. The IRS promptly shut down all communication with us and the next day issued a denial of tax exemption.

Their reason?

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

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

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

They requested every single document in our possession.

They wanted all of our financial records.

They wanted all of our bank records.

They wanted all of our canceled checks.

They wanted every internal church issue.

They wanted every PC folder.

They wanted every student file.

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

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

But why go on?

In effect, we would have had to build the biggest vacuum cleaner that has ever existed and attach it to the top of our building and turn it on to provide them with everything they were asking for. The first action required per law was for us to respond to these requests. According to the IRS rules, you are allowed to give your response to their request before they can force you to produce your documents. Church staff and attorneys worked around the clock to get these responses to the IRS within the allowed time period. And by the way, that happened 'to be during the Christmas season. Nonetheless, we did get them our replies. But when the IRS responded, we found their answers were dated 4 days before we had even replied. We asked the IRS how they could do this. They said,

"Per law you have the right to respond. That doesn't mean we have to read it!"

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

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

Our church staff and attorneys fought this hard in the courts and were able to get hearings before judges across the country to declare these IRS actions illegal. And, that's where we stood at the beginning of 1991. Scientologists were being harassed left, right and center and our hopes were hanging on the judicial system while judges across the country considered our motions to stop this latest and most vicious assault. And then, just when it looked like we may get a fair shake, "Time" magazine hit the newsstands. It was but a few weeks later that we found one of the judges on our case had framed the cover and placed it in his chambers. And that the IRS attorney coordinating this assault against Scientology was playing tennis with this same federal judge. And although we may not know who won those tennis matches, you can be sure it wasn't the Church of Scientology!

They not only were hitting us on every front - but they had even prejudiced the courts to ensure no objective review would occur. IRS arrogance reached its peak - one IRS agent was told that the volume of documents being requested was so great that it would literally fill several boxcars.

His response? "I've got twelve years till retirement."

And just to ensure the pressure was really on, the tax collection branch of the IRS was set loose. They froze church bank accounts. Issued a warrant to seize church property. Started calculating a trumped-up tax bill that would reach upwards of a billion dollars. And just for good measure, started hitting the top church executives with arbitrary assessments totaling millions of dollars. And freezing what little bank accounts they did have. This was truly the most critical juncture in our history. A battle of life and death was being fought on a daily basis. And at this point, I'll bet everyone of you in the audience feels like striking back. Well, you can't imagine how we felt. And it wasn't just because of the personal abuse we were suffering. Or because the church was being assaulted. The "straw that broke the camel's back" is when they turned on you. The IRS had made this war so personal that they would make it dangerous to just be a Scientologist. Strike back we did. In fact - a newspaper article at the Time had these words to say:

"Scientologists are if nothing else the anti-matter of quitters. There's an old saying: when the going gets tough - pit bulls call a Scientologist."

As grim as this period was, the IRS had once again underestimated us. Because now we had the International Association of Scientologists. And for the first time in history we could level out the playing field when it came to resources and ability to fight this battle on the public front. First we took out ads in "USA Today", to deal with "Time" magazine. It was time for them to face up to their history.

(ad)

How would you like to be known as the magazine that extolled Adolf Hitler as the: "messiah of Germany"?

(ad)

Or the one who promoted Benito Mussolini as a "virtuoso of politics, a wizard with economic and military gadgets, an athlete and a leader of men".

In other words, he could run while holding a bazooka and a calculator at the same time! And the campaign continued. "Time" magazine was going to pay for their sins and once we finished running our ads - we sued them for 416 million dollars to make sure they would make amends.

Both the ad campaign and the lawsuit failed dismally; the allegations made in "Time" were upheld in court in their entirety. The CoS lost the suit and several million dollars in legal expenses.

But where did that leave us with the IRS? As 1991 continued, the IRS had set up whole branches exclusively dedicated to attacking Scientology. The key attacker later admitted under oath that: "literally thousands of agents were working on the Scientology problem." Fighting the IRS is like fighting shadows. We stepped up our efforts to get government documents about us, through the freedom of information act. This would escalate to literally thousands of requests, and when the IRS wouldn't comply we never failed to take them to court. Slowly we were able to start piecing together the picture. And we were also beginning to impinge on government resources. In fact, the attorneys working for the government defending these law suits were to become so inundated that their entire budget would be wiped out handling our cases - so much so that they didn't even have money to attend the annual American Bar Association conference of lawyers - which they were supposed to speak at!

This is another significant admission. The CoS is well-known for bankrupting its opponents through repeated (and usually unsuccessful) litigation. Evidently it decided to try the same tactic against the IRS. According to Miscavige, it bombarded the IRS with 2,500 lawsuits - enough to make any organisation crack.

We became known across the country as the one group willing to take on the IRS.

But that wasn't enough - it soon became evident that the IRS was playing by different rules than us. They were making it personal - going after you and me. Yet whenever we struck back - it was at the quote: "IRS." Unquote. Well - what is the IRS? It is a group and a group is composed of individuals. No question the entire agency was acting suppressive. But that is a dramatization of some of its individuals. So - we decided to play by their rules and make this personal. We began exposing the actual who's . That's right - naming names. First we had "Freedom" magazine.

Highly significant. L. Ron Hubbard had emphasised that no matter how powerful a group was, in the end it was composed of individuals. Miscavige appears to be admitting that, as the CoS was unable to defeat the IRS as a group, it instead targeted key individuals in the agency.

Again - don't underestimate the impingement of this magazine. In fact, the exposes of IRS crimes were so hated that possession of "Freedom" magazine was banned by IRS officials in the IRS building. You know how people respond when they are told they can't see something. They want it more. When we took our next edition down to the IRS building - employees were running to get their copy! Here you can see some of those magazines.

"Freedom" magazine has acquired a certain amount of infamy for regularly running vehement personal abuse ("dead agent packs") of Scientology's opponents. It has on at least one occasion been heavily penalised for libel.

(Visual)

And all the while the wars continued to rage in the courts. During this entire period - we desperately tried to meet with IRS officials to resolve these matters. It was a war out of control. And utterly baseless. But meet they wouldn't - they steadfastly refused to communicate with us in any other way than assaults. And only when it seemed hopeless, did we decide to really escalate matters.

First we filed a suit for 128 million dollars on the IRS and the individual IRS agents committing these criminal acts.

A confirmation of Scientology's targetting of individual officials.

We were able to piece their crimes together from the bits of documents we had received. And then the International Association of Scientologists sponsored more ads in "USA Today". You have no idea how much the IRS hates publicity. But to see their own faces? It was more than they could handle. Everyone told us to not place these ads. That it would end any hope of ending this war. That they would never forgive us. But the decision was made to move ahead. As their agenda to destroy the church had already been exposed, what more could the IRS do to us anyway? And if upsetting them was a concern, what were they now - happy? Here you can see some of these ads:

(ad)

"Don't you kill my daddy"

(ad)

"What he didn't know about the IRS could affect you too", - showing how the IRS had targeted John Wayne.

(ad)

And - "All of America loved Lucy - except the IRS."

(ad)

"How do you spell IRS in Russian? Answer - KGB!"

The extreme crudity of these ads speaks for itself. They were not intended to promote Scientology's case, merely to attack the IRS - again, part of the strategy of bullying the IRS.

(ad) And here's one: IRS playing God. With a picture of the man running the current assault.

(ad)

And just so we weren't picking favorites, we even gave an ad to Fred Goldberg - the Commissioner of the IRS.

(ad)

And, another one for good measure: to get an idea of how heavy this war had gotten, consider this report from another newspaper:

Quote

"The IRS vs. the Scientologists! Even God should think twice before picking sides on this one!

"A warning frequently laid on me by a nun I once knew was - 'Remember to be good because God is watching.'

And the United States Internal Revenue Service is getting its share of God watching right now. The Church of Scientology has been crucifying the Federal agency for its sins on a regular basis, both in and out of court!"

Unquote.

And so the war raged on. And on. And on.

Believe me, no other group in the history of this country has ever been subjected to the assault I have briefed you on tonight. That's not my opinion. It's the statement of the government. And all for what? Trying to help make people happy? Crossing somebody's psychiatric multi-billion dollar enterprise? Any other group would have collapsed. In fact - they have. You don't know them - because they aren't here. But we didn't die. We took everything that the enemy threw at us and lived to tell about it but we have done more than that. All the while, with bombs being dropped on our heads - we never lost sight of our true mission. And that is keeping the real show on the road. Auditing people. Training people. Clearing people. Making OTs. Sometimes you may have seen us a little ragged. Or a little frazzled. You no doubt have had some similar experience. But we maintained our integrity - all of us - despite the assaults sent our way.

The 1980's and 90's have been tumultuous. Even with this war raging, look at what we accomplished. We have more orgs. We have expanded. We have bigger dissemination campaigns than ever. Our buildings are bigger and new ones are being obtained for new orgs. More clears are being made. OTs are coming off the line quicker than ever. All of this tech has been made available - in a pure unadulterated form.

So, what's the point?

Imagine how far we would be if we had not had to carry out our mission with this 40-year history of unwarranted assaults. Imagine how far we could go, if we were only treated like everybody else. About the best thing that can be said about fighting such a war is that there are interesting stories to tell - like those I have told tonight. They are only interesting when you survive and can tell them. As you no doubt realize - the IRS is basic on the chain of attacks on Scientology without them flanking the psychs at every turn, the squirrels at every turn, the shyster lawyers at every turn and fueling the media enthetaa - we would have peace. And not just in the US - but across the world. You, no matter what you are doing in Scientology - inside or out - have been part of this war, whether fighting it on the front lines, or becoming an auditor and helping to clear this planer. And being there is an experience you should never forget. Pass it on to your children. And grandchildren. One final story is in order.

In October of 1991, while this war was raging at its apex, Marty Rathbun and I were in Washington DC. to attend one of these court hearings I mentioned. It was to be the next day. We had just finished a lunch meeting and our next appointment wasn't for a couple of hours. In other words - we had some spare time on our hands. That's not something we're accustomed to, so - we thought at last we could create a bit of mischief. We told the lawyers we'd see them in an hour or so and that we would be down at the IRS building. Of course they had a good chuckle as we left the room. Off we proceeded to 1111 Constitution Avenue - which if you didn't know is the address of the national headquarters of the IRS. We presented ourselves to security at the front door, signed the visitors log and informed them we were there to see Fred. They asked - Fred who? We answered, Fred Goldberg of course, the Commissioner of the IRS. "Is he expecting you?" they asked. "No", was our response. "but if you phone him on the intercom and tell him we are from the Church of Scientology, I am sure he'd love to see us." Have you ever wondered whether we were really impinging, when we have spoken of the IRS at previous events? Well - if so - shame on you.

We did meet with the commissioner, and, as the saying goes - the rest is history.

There will be no billion dollar tax bill which we can't pay.

There will be no more discrimination.

There will be no more 2,500 cases against parishioners across the US.

The pipeline of IRS false reports won't keep flowing across the planet

There will be no more nothing - because:

On October first, 1993, at 8:37 p.m. Eastern Standard Time, the IRS issued letters recognizing Scientology and every one of its organizations as fully tax exempt!

The war is over!

Now your first question is probably - what exactly does this mean?

My answer is: everything.

The magnitude of this is greater than you may imagine. And it may take some time to sink in. It hasn't with me yet! It's been a long, hard war - unprecedented in fact - but it is over! The most notable point is that Scientology organizations have been recognized as bona-fide and fully qualifying for tax exemption to the fullest extent of the law. What exactly does this mean? To begin, there are no outstanding tax assessments from the IRS against any Scientology or related entity in the United States. They are all gone. It also means that all Scientology organizations organized not-for-profit have been so recognized and are tax exempt. That's right - every single one of them. There are many non-religious groups we sponsor - which use LRH's tech to improve society in areas like drug rehabilitation, study, criminal reform and morals. All such groups have been recognized as fully tax exempt! Let me take you through this from the top of the org board on down. To understand how big this is this folder I am holding in my hand represents just one copy of every letter of tax exempt recognition the IRS just issued to us. That's how many there are. Here you can see the IRS letter to Religious Technology Center and that is of course the organization I am in charge of.

(visual)

Here you can see a copy of the letter to the Church of Scientology International that is the mother church of the Scientology religion and is the corporation that houses international management.

(visual)

Here you can see the letter recognizing the top service org on the planet, the Flag Service Org.

(visual)

And here you see that the Sea Org Ship Freewinds and the Flag Ship Service Org have also been fully recognized as tax exempt.

(visual)

Tonight we celebrate in Los Angeles and the orgs in the Pac Bridge such as AOLA and ASHO are part of the Church of Scientology Western United States Corporation, which also received a letter of recognition.

(visual)

Here you can see the letter recognizing Scientology Missions International. They are the head of the mission network internationally

(visual)

Field auditors are licensed by I-HELP, which stands for: International Hubbard Ecclesiastical League of Pastors. And they too have been recognized as fully tax exempt.

(visual)

The Association for Better Living and Education is the group which promotes and coordinates the social betterment groups that utilize LRH's tech. Organizations like Narconon, Applied Scholastics and so forth. ABLE is the group that raises funding for these groups and helps coordinate their activities and they too have been recognized as fully tax exempt.

(visual)

Applied Scholastics International also received a new recognition.

(visual)

As well as the Way To Happiness Foundation.

(visual)

The IRS even recognized that the publishing of LRH books on Scientology is a charitable activity and as you can see here, they issued letters recognizing Bridge Publications.

(visual)

And New Era Publications in Denmark, which handles all non-US publishing.

As the last two entities publish Hubbard's fictional work, these seems extraordinary exemptions to make. "Battlefield Earth" and the like are actually published and sold commercially in bookshops across the world. Hubbard's fiction does not even mention Scientology or Dianetics. How does this qualify for tax exemption?

(visual)

Over the last several years we have been expanding our efforts to get LRH's admin tech into full use. WISE Int. has now set up a new college to train people in this tech. It is called the Hubbard

College of Administration and as you can see here, it too is recognized by the IRS!

This is another odd exemption, as WISE operates fee-paying courses in "secular Scientology" (actually called "management technology") for the "benefit" of businessmen, both Scientologists and "wogs".

(visual)

CCHR exposes the crimes of the psychs and works to clean up the field of mental healing. To help them do a better job, the IRS confirmed they are tax exempt.

(visual)

Aside from indicating that these organizations don't have to pay taxes, these letters also signify that the IRS has reviewed their activities and has found they are exclusively charitable in nature.

"Battlefield Earth" is charitable??

In other words - these letters act as a sort of government stamp of approval for each and every one of these churches and groups.

This cannot possibly be constitutional, surely?

These recognitions are even more far-ranging than you may realize. You can see on the screen another letter of recognition from the IRS. It is to the Church of Scientology International.

(visual)

This is different than the one I showed earlier. It is called a group exemption letter. What that means is that it covers all subordinate organizations to this corporation. In strictly layman terms, let me explain what this means. In the future, when new orgs open - they will no longer need to apply to the IRS. Instead, they would have to pass the qualifications laid out and enforced by the mother church of Scientology International - who themselves would then grant the exemption and pass on the data to the IRS for their info. So, Church of Scientology International will now be the one granting exemption to all Churches of Scientology. And what about missions? You can see another letter to Scientology Missions International on the screen.

(visual)

It gives them the right to grant exemption to new missions opening in the United States. Many other organizations received similar letters. Narconon Int. can grant exemption to Narconons. The Hubbard College of Administration can do so with their subordinate colleges. Applied Scholastics International can as well and finally, even the Citizens Commission on Human Rights can grant new exemptions!

*I am no tax expert, but this seems extraordinary. To restate it: the Church of Scientology can now state which of its entities are tax exempt - not just which **qualify** for tax exemption, but which **are** exempt. What oversight is exercised by the IRS in this process? Public servants are accountable for their decisions to Congress; but how can the CoS be held accountable for its decisions if it has been granted such sweeping powers?*

In all, on October 1st, 153 orgs, missions and Scientology groups were newly granted full tax exempt recognition by the IRS. In 1984, the IAS was established to protect and defend Scientology. As you have seen, this was in no small measure to ensure that the Internal Revenue Service could not wipe us out. It was the IAS that provided the means for us to fight this war with the IRS. And to show

you just how much the war is over - the Internal Revenue Service - after having reviewed all of these activities of the IAS - has granted it tax exempt recognition!

(visual)

Now - how does all of this affect you personally? Let's face it - Scientologists have not been treated like members of other religions ever. They have had a burden placed on them unlike any group and when one is part of a new group, working to establish itself during its formative years - this can be quite crippling. You, like the church, have somehow managed. But it hasn't been easy. And all the while we have fought this, there seems to have been disappointment just around the corner. I am proud to announce the discrimination is over: your tax deductions on donations to Scientology will no longer be disallowed by the Internal Revenue Service!

There is more.

As of this week, there were over 2,500 cases pending in the courts with the IRS charging tax deductions for donations to the Church. In fact, I have the full list - with every one of your names on it and the amount at issue was over 29 million dollars! Others of you around the country are being audited and have had your deductions challenged, even if this hasn't yet made it to the courts. And others still have only gotten as far as receiving notice that a donation was disallowed. I told you the war is over, and it is for you too. There are no more tax court cases, there are no more disallowed deductions - it is all over and your deductions are allowed. And there is even one final point. IAS recently set up a fund in the US to receive donations from US members. It was immediately granted tax exempt recognition by the IRS, as you can see here.

(visual)

So, all of your donations to this IAS fund will now be 100% tax deductible. There are other ramifications to this, which are really too complex for me to get into tonight. But - we have prepared a booklet that explains how your contributions to Scientology will be treated and each of you will receive a copy of it as you leave tonight's event.

(visual)

And what about all those battles and wars still being fought overseas - many of which were brought about originally by IRS false reports. Well, there's good news on that front too. To begin with, we will waste no time carrying news of this new breakthrough to all foreign countries. Those battles have been being held in place by suppressive governments just quoting the IRS.

The line has been:

"You are an American religion. If the IRS doesn't recognize you, why should we?"

The answer is -

"They do. And now, you better as well!"

Make no mistake - there is much work to be done on those fronts. But we have already taken the first steps in using this IRS victory to end the rest of the battles. What about all of the false reports I mentioned tonight? We are now in possession of them and will be receiving many more documents out of our files. We will diligently work to clean up all false reports.

This is significant and worrying. The infamous "Operation Snow White", the 1970s operation by the G.O. to steal US Govt files concerning Scientology, had as its justification the need to "clean up false reports". Miscavige is using precisely the same wording. Does this mean that the IRS is giving the CoS full access to all the relevant

files so that the CoS can purge them of any unflattering information? If so, how does this square with the IRS's duty to maintain confidentiality? Miscavige's next comments suggest rather strongly that the IRS have accepted the CoS' view that it has been guilty of peddling "false reports" to other governments:

But there is another step that will go a long way in cleaning up the false representations the IRS has made about us. The IRS has agreed to send out leaflets to the governments of every nation. These letters will state that they have done a thorough review of all Scientology activities from top to bottom and having found nothing wrong - fully recognize us as a bona-fide and qualified tax exempt organization to the full extent of the law.

Furthermore, they will be attaching to each of these letters a printed fact sheet on Scientology that explains what Scientology really is. Who LRH is, and what all of our organizations are. It is very complete and very accurate. How do I know?

We wrote it!

And the IRS will be sending it out to every government in the world! Even Interpol will receive our fact sheet directly from the IRS. That's what it looks like!

This has been confirmed - the IRS sent precisely such a letter and fact sheet to the German minister responsible for dealing with cult activities (!). How does the IRS justify the use of taxpayers' resources to send overseas documents promoting a particular religion/corporation?

(visual)

And tonight, when you leave, you will receive your own copy of the fact sheet. And there you have it. That generally explains what has been accomplished. There are all manner of other details I could tell you - but we'd be here a week. You'll be hearing more about it in the future and any questions will be answered I am sure. Earlier on, I mentioned a meeting between the Commissioner of the IRS - Fred Goldberg - and ourselves. Of course I then jumped to the punch line.

Remember that in the middle there were two years. And it was a full two years. Nothing magically happened. It was still a tough battle. Dealing with the IRS, after years of false reports being spread, was nothing short of astonishing. As I told you - a group is composed of individuals and a suppressive group is only a dramatization of the suppressive character of one or more of its members. One key part of our success was making sure none of the real SPs were on our lines, or were allowed to interject themselves into our affairs. That was tougher than you might imagine. But not everybody in the IRS is suppressive. In fact, over the years the IRS finally assembled a team of some very decent individuals to resolve these matters with us. Ones who were sick and tired of the war and who were courageous enough to stand up for what was right.

Don't think they didn't have the SPs in the IRS crawling down their backs just like they did to us. Sure, we had to clean up false data - tons of it!

The officials we dealt with actually thought we had never turned over any financial records to the IRS! That shows you just how bad things can get. But they were man enough to not get defensive when we showed conclusive proof of the opposite. These individuals also knew discrimination when they saw it. And were willing to get the real data on Scientology. In fact, we briefed them on the entire grade chart and they even watched the LRH filmed lecture entitled "Classification and Gradation". They watched the Dianetics video. Had their own copies of WIS. And yes, one of them even picked up the cans for a meter test. The real thing I want you to understand is that we didn't just get exemption - we ended a war.

We wanted to end all conflicts, to have a fresh start - to get rid of any potential future conflicts so some SP couldn't start it all up again. It took time. It took a lot of work. It resulted in a peace treaty. I even brought a copy of it to show you. This represents what it took to resolve each and every outstanding conflict with the IRS.

That's how big this war was. I want you to understand something else. The power of our group is greater than you can imagine. When we stand shoulder to shoulder, there is nothing we can't accomplish. It doesn't just happen with postulates. It takes actual doingness. And real people doing it.

The doingness was so great on this war, that I honestly know the IRS was just as happy as we were when the war ended. You may think, after everything you know of the IRS, that they begrudgingly gave us what we wanted.

No.

There was case change.

Here is a photo. It shows the handshake when this was all over:

(picture)

Represented in this picture are each and every person from the IRS side and our side. But I have another picture to show you. It is this one.

(picture)

You can see how happy Norman, Heber, Marty and myself are. But who is that giving the thumbs up on the left? That's right - the IRS. Let me be clear. These people - once our enemy - now see us as friends. And for my part, the feeling is mutual. So, don't you hang onto the charge. It is now time to move into the future. The end of this war should not be considered as an end of cycle so much as a beginning of cycle. It should mark the beginning of our greatest expansion ever. It should mark the beginning of our biggest shoulder-to-shoulder push ever to clear this planet. But before we move on, some thanks are in order and I would like to give mine. I would first like to thank all Scientologists and particularly members of the International Association of Scientologists for all of their support over the last 9 years that made this victory possible. I would like to thank the staffs over the world. They have lived through one crisis after another and not ever under the best of conditions, but they hung in there and work to keep the show on the road. They should be acknowledged for their dedication. I would like to thank all members of the sea organization who are upholding the ethics standard across the planet so that tech can go in and people can truly go free. I'd like to thank all of the staff of the Office of Special Affairs who have lived with more entheta over the years than anybody ever deserved. But they hang in there and helped bring forth this win. Sea Org members aren't given awards at IAS events. We reserve them for our own internal ceremonies. But I would like to thank 3 individuals who were there on the front lines helping to fight this battle.

They are Marty Rathbun, Norman Starkey and Heber Jentzsch. But it is appropriate this evening to present some awards. This is a huge victory.

Not sure who Rathbun is. Starkey is, I think, the controller of the semi- secret Scientology fund, "Author's Trust Fund B" (he formerly headed the CMO and was a key Miscavige ally in the anti-G.O. coup). Jentzsch is the titular President of the Church of Scientology International and is a prominent spokesperson for the CoS, though he does not appear to hold much real power.

In regard to external suppression there has never been one bigger. The Church has many fine professionals that it employs. I think we have the best in the world. I know we are very demanding and it takes quite a person to stick in there and really make it. Don't forget, coming to our defense makes you subject to all of the attacks I have told you about tonight. But we have many fine people, names that are now famous in Scientology - like Earle Cooley, Bill Drescher, Eric Lieberman, Michael Hertzberg

... all CoS lawyers...

and others. But for fighting this war, we have some professionals who specifically should be acknowledged.

In fact, they have no idea this is coming, so will probably be most surprised when they hear their names. We have a brand new award for tonight's event. I would like them brought out on stage now. These are Waterford crystal trophies, hand carved in Ireland. They are a special award only for this victory in recognition of the huge accomplishment that has been achieved. There are two groups of individuals I would like to thank and acknowledge tonight. The victory we have achieved would not have been possible without the offensive we were able to wage on the Freedom of Information Act front. It's easy now to look back and say what we were doing was pulling withholds. And when you pull withholds you begin to get case change. Were it not for the massive amount of information we gathered, it is highly unlikely, virtually impossible, that the IRS would have ever met with us.

We had to get their crimes and begin exposing them before this war became real to them personally but do it we did. And two people in particular deserve recognition. One has been an attorney for the church for over 15 years. He has dedicated his life to keeping government honest through the Freedom of Information Act, and in fact is the foremost expert in regard to this law. He set the standard, and practically writes the book on how freedom of information is to be administered. The other person is our litigator in such matters. If you've ever met him, you would think he is the most mild-mannered person you'd ever seen.

But I can tell you with absolute certainty there isn't an individual more hated by the Department of Justice or the Internal Revenue Service today. He truly brought them to tears. They are both being presented with a trophy that is inscribed:

Quote:

"Truth knows no impenetrable barrier and only truth pierces the thickest armor. With sincere appreciation to Bill Walsh and Rick Moxon who pierced the armor."

Moxon is the CoS' chief lawyer, but I'm not sure who Walsh is.

Please come on stage and receive your award.

The final three awards are for some individuals v/ho have been directly involved in the war with the IRS for the last 8 years. Not a few battles. But every one of them.

They have hung in there through thick and thin.

They never gave up.

They never lost faith.

They were personally abused by the IRS in the midst of this war. It didn't sway them: but most importantly, they were effective. As anyone knows, the Internal Revenue Service operates on a code that nobody can understand. Not even the IRS understands their own code and we were lucky enough to have on our side individuals who knew more about the IRS than the IRS. One of these

persons first came on the scene during that criminal investigation I mentioned earlier. Without his help and counsel, we might have all gone to jail and we wouldn't be here to talk tonight the other two individuals have been fighting this tax exemption issue with us for many years. And the tax deductibility issue. And any and all other issues that affected any other tax agency. This win is as much theirs as it is ours and I would like to acknowledge them with a special trophy inscribed with the freedom quote:

Quote:

"The price of freedom: constant alertness, constant willingness to fight back, there is no other price."

"With deepest appreciation to Jerry Feffer, Tom Spring, and Monique Vingling, who paid the price."

Please come on stage and receive your award.

Finally, there is one more announcement I would like to make. It is time for us to concentrate our time and energy on reaching out to the billions of people who need Dianetics and Scientology, building our orgs, and helping everyone to move up to full OT. In times of war there are always some casualties. There are those who may have been led astray by the ill-intentioned. In the presence of suppressives, people can make mistakes and get confused. It is unfortunate, but true. It is time for such individuals to be salvaged. There is no question that there were some SPs who deliberately tried to stop us. If they had their way, we would have lost everything. We know who they are and we'll get to them last.

But it is time to pick up the casualties of this war. And who have fallen off the bridge or stalled in some way so that we may all start fresh from this point forward I am declaring a general amnesty for all Scientologists. Except for suppressive acts, any and all offenses committed are forgiven. Full details of this amnesty will be made available to you. Avail yourself of it.

The future is ours.



Scientology versus the IRS

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by **Chris Owen** (chriso@lutefisk.demon.co.uk)