
Piercing the corporate veil:

the true structure of Scientology

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Part One: **Summary**

"No corporation within the hierarchy of the Scientology religion may be held legally responsible for the acts of another corporation ... Each Scientology organization is normally a separate corporation..."

- *The Corporations of Scientology*, p.5.

"The many Scientology Churches, Missions and organizations all over the world are each totally and legally independent from one another, connected only by ecclesiastical bonds."

- *Religious Services Enrollment - Application/Agreement and General Release*.

The hundreds of supposedly distinct corporations of Scientology are in fact all under the control of David Miscavige. Miscavige directly controls the Scientology organizations through the Religious Technology Center; his deputy, Norman Starkey, controls those organizations that belong to the Hubbard estate. Control is exercised through the unincorporated "fraternal" Sea Organization and through an elaborate network of corporations.

From the first registration of the Hubbard Dianetic Research Foundation, in April 1950, Hubbard generated numerous corporations. Opponents of the cult have been playing "find the lady" or the "shell game" ever since, trying to trace the assets and the lines of command. From November 1981, cult leaders constructed a new corporate structure. David Miscavige has admitted in a sworn Declaration ([document 27](#)) that he controlled that transition. In 1982, cult leaders held a conference where it was made apparent that the Commodore's Messenger Organization controlled all of the corporate entities of the cult.

On 29 June 1992, the United States Claims Court ruled that the corporate structure of the cult was "something of a *deceptus visus*. Real control is exercised less formally, but more tangibly, through an unincorporated association, the Sea Organization..."

Despite having proven the lack of corporate integrity to the satisfaction of the Court, the IRS granted tax-exemption to Scientology entities in November 1993. However, the Court ruling stands, as the Courts are distinct from Federal Agencies in the US.

Scientology is controlled internationally by two inseparable organizational structures: The Religious Technology Center and the Author's Trust Fund B.

The Religious Technology Center

The Church of Scientology is controlled by the Religious Technology Center under the absolute direction of David Miscavige. RTC has *de facto* control by means of licenses regarding trademarks and service marks. All Scientology organizations sign a one-way contract with RTC. RTC can close any Scientology organization without warning. An organization closed by RTC has no recourse and must cease trading. At best, RTC can claim to franchise Scientology in the same way as a chain such as Macdonald's. RTC is paid fees for its "consultancy" and tithes by its subsidiaries.

The cult terms the next level of its hierarchy **International management**. This is headed by the **Watchdog Committee** or WDC, which is the governing body of the **Commodore's Messengers Organization International** or CMO Int. This controls the computer network to which all RTC licensed entities report - **INCOMM** (INternational Computer Organized ManageMent) and the **Senior Case Supervisor International** (who controls all training and counselling in the cult), the **Executive Director International** and the **Senior Executive Strata**. These are all located in Los Angeles, though CMO Int also has a presence at Gilman Hot Springs. (*Impact* issue 5 shows the structure given in this paragraph). Corporately, all of these organizations are part of the **Church of Scientology International** (see *The Corporations of Scientology*, p.9).

Upper Middle Management is headed by the **Flag Command Bureaux**, which nominally controls the **Office of Special Affairs International**. These are also aspects of the **Church of Scientology International**.

The Corporations that the public sees as the Church of Scientology are at the next level in the hierarchy. These would include the Flag Service Organization (FSO), which runs the Flag Land Base in Clearwater; the Flag Ship Service Organization (FSSO), which runs the ship *Freewinds*; the Church of Scientology Celebrity Center International; Scientology Missions International; the Church of Scientology of San Francisco; Church of Scientology Religious Education College (COSRECI), the Australian corporation which runs the UK 'Orgs'; and the many other supposedly independent corporations.

In a 1987 television interview, COSRECI spokesman John Fox admitted that *management* for COSRECI came from the US. The then managing director of COSRECI, Sheila Chaleff, sat by as he said this and offered no correction.

All corporations report to INCOMM and receive daily orders from senior organizations. All can be subjected to "missions" from the RTC, the WDC or the CMO and must obey any order given by missionaries of these organizations. Failure to comply with such an order can lead to an individual being ordered to the cult's labour camps (the Rehabilitation Project Force) without trial.

The corporations are bound together by the RTC licenses, by staff membership of the Sea Organization and by the membership organization - the International Association of Scientologists - membership of which is a prerequisite to taking all but the simplest of the cult's courses.

The Author's Trust Fund B

Alongside the creation of RTC and the Church of Scientology International and their subsidiaries came the creation of a parallel series of organizations. **Author Services Incorporated** seems to have been the original controlling organization of both structures. It was run by David Miscavige from 1982 to 1987 (when he became head of RTC).

After Hubbard's death, as sole executor of the Hubbard estate, and therefore the Author's Trust Fund B, Norman Starkey came to control the 'fallback' corporation **Church of Spiritual Technology** which nominally represents a second structure (in reality an aspect of the same monolithic corporation). CST can purchase the Marks from RTC for one dollar. Norman Starkey (under the registered 'doing business as' or dba 'The L.Ron Hubbard Library') has control of the copyrights with the exception of the 'OT levels', which are supposedly registered to RTC. Author Services Incorporated is another aspect of the Hubbard estate.

Part Two: **A detailed examination of the fiction** **of corporate integrity maintained by the Scientology cult**

"I do not create corporate strategy nor do I direct or manage the personnel of CSI. I do not remove CSI's directors or officers. I do not run CSI or its executives. Anyone who would testify to the contrary is either uninformed or untrustworthy."

- David Miscavige, sworn Declaration, 1994 ([document 27](#), pp.35-36).

Since Hubbard's demise in January 1986, the Sea Organization has controlled all other Scientology entities. The management, publishing and principal service organizations of Scientology are entirely staffed by Sea Org members. All such organizations are styled "Sea Org Orgs". These organizations and alleged corporations include: the Watchdog Committee [WDC], the Commodore's Messenger Organization [CMO], the Religious Technology Center [RTC], Author Services Incorporated [ASI], Church of Spiritual Technology [CoST], Church of Scientology Religious Education College Inc (COSRECI), Bridge Publications, New Era Publications, the Flag Service Organization, the Freewinds

[or "Flag Ship Service Organization" - FSSO], the Advanced Organizations, the Saint Hills and the many "churches" or "Class 5 organizations" (also known as "outer orgs").

Through Scientology Missions International [SMI], the Sea Org controls Scientology "Missions". Through the World Institute of Scientology Enterprises [WISE], the Sea Org controls businesses run by Scientologists. Through the Association for Better Living and Education [ABLE], the Sea Org directs groups such as Criminon, the Way to Happiness Campaign and the Concerned Businessmen's Association, the Citizen's Commission on Human Rights [CCHR] and a wide variety of schools and educational programs.

Despite protestations that the Sea Org is a "fraternal organization" ([doc 6](#), defn. 5) it is in fact a management body. "The Code of a Sea Org Member" is a principal document, showing the loyalties of a Sea Org member whatever Scientology organization he or she may be contracted to: "1. I promise to uphold, forward and carry out Command Intention", and "11. I promise to accept and fulfil to the utmost of my ability the responsibilities entrusted to me whatever they may be and wherever they may carry me in the line of duty".

WORLDWIDE:

When the Sea Organization came into being, in August 1967, Scientology was controlled by the Scientology Worldwide Management Control Center, also known as "Worldwide", or "WW" (not to be confused with the Guardian's Office World Wide or "GOWW"):

[document 1](#) (1971): "the Scientology Worldwide Management Control Center was established at Saint Hill Manor, East Grinstead, Sussex in 1959. It is the organization to which Scientology Orgs over the world pay their administrative ten percents. It is the Commonwealth Centre and Board of the Church of Scientology of California [the "mother church"]."

[document 2](#) (1969): "WORLDWIDE was to provide Supreme Control over Scn [Scientology] and orgs over the world."

[document 3](#) (1967): "Every org and every Exec Council in the world is subject to the WW Div and it is responsible for the smooth running of every org in the world."

[document 4](#) (1972): "WORLDWIDE (WW): The corporation that owns and controls Scientology Orgs..." (a revised version of the document removes this statement - for obvious reasons).

THE SEA ORG TAKE-OVER OF WORLDWIDE:

[document 5](#) (1971): "A situation existed for four years whereby the EXECUTIVE COUNCIL WW ["Worldwide"] had several International Stat crashes which then had to be picked up by the Sea Org. The Sea Org Continental Liaison Office network has taken over these functions of management under its Management Bureau."

[document 4](#) (1972): "THE SEA ORG: A corporate activity headed by a Board of Directors which owns and controls the ships, orgs and activities of the Corporation. WORLDWIDE: ... currently under the advices of the SO [Sea Org] after its 1968 failure to maintain orgs in solvent condition."

Although the Sea Org is not a registered corporation, it operated under three corporate guises between 1967 and 1975: the Hubbard Explorational Company Limited (registered in England, 22 November 1966. Hubbard held ninety-seven of the 100 shares. See Foster report paragraph 73), Operation and Transport Corporation Limitada (*sic*; registered in Panama, 1 January

1968. Hubbard held 98 of the 100 shares), and Operation and Transport Liaison (registration unknown).

[document 6](#): definition 3, Sea Org, an "efficient administrative arm of Scientology".

THE GUARDIAN'S OFFICE (GO):

Until 1981 a second management body existed alongside the Sea Org - the Guardian's Office ["GO"]. GO executives in the U.S. had formed the Board of Directors of the Church of Scientology of California (the "mother church") until 1981, when the Church of Scientology International came into being. In July 1981, Scientology's Executive Director International Bill Franks (a "Lieutenant Commander" in the Sea Org) assumed control of the GO.

[document 7](#) (1981): "in mid-July of this year, the Guardian Office, which has always been run by its own executives out of the mainstream of management was reorganized and put under the direction of the Executive Director International Office."

This is confirmed by Miscavige's sworn Declaration ([document 27](#)). Miscavige says that by the time he took the Guardian's Office over it "held all corporate directorships" of the cult's organizations (p.17, l.17). Miscavige makes no mention of Franks with regard to the take over, insisting that it was under his personal initiative and under his direction (see p.19, l.17 and p.39, l.23). Miscavige also asserts that Hubbard did not know that the GO was being taken over (pp.26-27).

"My involvement in the purge of the GO arose from my position at the time, Action Chief CMO International ... In April 1981, in an unprecedented move and without Mary Sue Hubbard's knowledge, I sent a mission to the headquarters of the GO in England - GO World Wide ('GOWW') - to inspect the Legal Bureau under the guise that it had been authorised by Mary Sue Hubbard. What the mission found confirmed our worst suspicions."

-Miscavige Declaration (p.18).

"We only learned of these crimes when we read copies of GO documents attached as exhibits to court papers filed by litigation adversaries..." [emphasis in original]

-Miscavige Declaration (p.19).

During 1981 and into 1982, a huge corporate restructuring took place. It was orchestrated by the Commodore's Messenger Organization or "CMO" (probably under Hubbard's direction). The CMO is composed exclusively of Sea Org members.

THE COMMODORE'S MESSENGER ORGANIZATION (CMO)

[document 8](#) (1983): "In 1968 on the Flag Ship, the first Commodore's Messenger stood duty at Ron's side. He personally assisted him in his work, and he transported Ron's communications for him. The first Messenger was a young boy whose parents were Scientologists. Later, more children of Scientologists aboard became Messengers ... In 1973 the Commodore's Messenger Org emerged as an organization of energetic young people who stood duty with L. Ron Hubbard, Commodore. And they have called themselves ever since the CMO."

During the late 1970s, the CMO took over Scientology management. The progression of its authority can be seen in [documents 9-12](#).

[document 9](#) (11 January 1978) shows the CMO's seniority to all other Scientology personnel: "1. A Commodore's Messenger retains the right to enter any

area regardless of permission from the area's senior ... 2. A Commodore's Messenger has the right to request and receive investigatory papers and info including case folders ... Members of the CMO may not be disciplined nor ordered by any other than members of the CMO." This document was written by Lieutenant (junior grade) Annie Rush, at the time Commanding Officer CMO (she remarried to become Annie Broeker).

[document 10](#) (15 September 1978) reinforces [document 9](#): "A Commodore's Messenger carrying an order or running a project or otherwise on duty is an emissary of the Commodore [Hubbard] If the Messenger does not handle as above, the Commodore's own authority is undermined and the area will go out of control."

[document 11](#) (21 June 1979) is an order issued by a Messenger to other Sea Org units, changing basic training for Sea Org members and showing the CMO's seniority to other management organizations. It was written by Messenger Janis Gillham, a Sea Org Warrant Officer ("W/O").

[document 12](#) (26 July 1979) records a CMO evaluation ("eval") of the Flag Bureaux and orders changes in the structure of the Flag Bureaux. Further: "The CMO has the authority and jurisdiction to investigate, to intervene and by-pass and handle into any area of Int[ernational] Management" . The chart on the reverse of document 12 shows the CMO controlling [Scientology] International Headquarters ("IHQ") and the LRH Communicator Network ("Base LCs" - "LC" = L. Ron Hubbard Communicator).

Until the early 1980s, the only CMO unit was attached directly to Hubbard. When the CMO assumed seniority in the management structure of the cult, "continental units" were established and the original CMO took the title "CMO International". The confusion between the Watchdog Committee (which is openly referred to as the "senior management" body of the cult [for example in *Impact 5*, and [document 17](#) below]) and Hubbard's own servants - CMO - is made apparent in the following [document 12a](#) (16 August 1983):

"CMO Int has the function of establishing and forcing to run all management units under CSI's control. CMO Int is also the execution arm for Watchdog Committee ... The CMO Cont[inental] units have the function of being the OBSERVATION, EXECUTION and POLICE ARM of WDC. They see to it that strategies, programs and orders are carried out rapidly and effectively. While WDC has a direct line to any sector, unit or org, the CMO Cont unit ensures compliance is obtained to any directives, verifies the compliance when done and reports on the true state of affairs in that area."

THE WATCHDOG COMMITTEE [WDC]

[document 13](#) (2 April 1979) records the formation of the Watchdog Committee. See also [document 14](#) (21 April 1979). It is possibly important to demonstrate that WDC was staffed solely by CMO Int personnel and that the title Commanding Officer CMO Int was synonymous with that of Chairman WDC. I do not know of any Scientology document, nor of any affidavit or testimony which supports this, though former COs (Diane Voegeding and John Nelson) and two former WDC members have confirmed this privately. It was held that Hubbard's personal organization could not be seen to direct the cult, so should be disguised with another name.

[document 15](#) (29 November 1979) states: "There have been many instances

where the CMO or the WATCH DOG COMMITTEE have had to bypass into someone's area of responsibility ... It is not the intention of top management [i.e. WDC] to continue to hold direct org management functions indefinitely."

[document 16](#) (22 October 1981) shows the area of control of this so called "Continental" CMO unit: "The management bodies which the CMO UK is responsible for are FOLO UK (Flag Operations Liaison Office UK), SMI Int (Scientology Missions International, Int office), and GOWW (The Guardian's Office World Wide)."

The Watchdog Committee was further described in [document 17](#) (23 December 1981, two Policy Letters are referred to in the text, both entitled "International Council" dated 29 May 1960 and 9 May 1963):

"The International Watchdog Committee is the most senior body for management in the Church of Scientology International (CSI). CSI in turn provides management services and policy to the rest of Scientology ... The International Watchdog Committee is specifically senior in authority to the Controller [of the Guardian's Office] and Controller's Committee and to the Executive Director International and any Executive Committee he may have ... For implementation of its issues and directives, WDC would have the arm of CMO Int and the cooperation of all other CMO Units. Issues and directives would flow from WDC to other bodies and it is expected that they would comply except where such issues and directives conflict with local laws ... The guidance of the GO and Scientology orgs comes under their respective managing bodies in CSI".

WDC took control of the finances of all Scientology organizations through the International Finance Network. See [document 18](#) (3 April 1982).

MISSION CORPORATE CATEGORY SORT-OUT (MCCS)

In February 1980, a group of attorneys and representatives of the Guardian's Office and Hubbard's personal staff met to determine a way of hiding Hubbard's control of Scientology entities.

Current Scientology corporations were generated, and are controlled, by a small group of Sea Org (and indeed CMO) members as a consequence of this project.

In the following, "GA" refers to the transcript in *Church of Scientology International v. Armstrong* (Los Angeles Superior Court, decided June 1984), preceded by the witness' name, and followed by the volume and page numbers. Of the witnesses cited a number were members of the cult's staff and they were called as witnesses by the cult. These include: Lyman Spurlock, Terri Gamboa, Vaughn Young, Tom Vorm and James Morrow. Young and Gamboa have subsequently left and Young has become one of the cult's most vociferous critics.

Mission Corporate Category Sort Out (MCCS) began on 23 February 1980 (Laurel Sullivan in GA19A, p.3069) and was based in Los Angeles (*ibid* p.3047). Sullivan, head of the L. Ron Hubbard Personal Office, was "Mission 1st", and her deputy Gerald Armstrong "Mission 2nd". Alan Wertheimer was present as Hubbard's attorney and Jim Murphy as Hubbard's tax attorney (Armstrong in GA10, p.1588ff). David Miscavige was in charge of MCCS (Armstrong in GA11:1777). Others involved were Mike Smith, Rick Klinger, Dick Sullivan, Barbara DeCelle, Lisa Britowich, Charles Parselle (Deputy Guardian, or head, of Guardian's Office Legal Bureau World Wide) and attorney Ron Fugikawa (Armstrong in GA11, pp.1781f; in GA18, pp.2859f; GA12, p.1991. Sullivan in GA19, p.3365). Some of the purposes of MCCS are outlined in [document 19](#) (Affidavit of Gerry Armstrong, 19 October 1982. This document may be contentious in the U.S., as the tape recording of an MCCS meeting quoted in it was sealed in the Armstrong case). MCCS was closed down in May 1981 (Sullivan in GA19A, p.3126). According to Sullivan, Author Services Incorporated [ASI] "took over from MCCS" (*ibid* p.3130). At this

time David Miscavige was "Chief Officer CMO" (*ibid*, also Miscavige in [document 27](#)).

Some MCCA documents were kept at the Cedars of Lebanon in Los Angeles, in an office where Lisa Britowich, Midge Hunt and Greg Huff worked (Sullivan in GA19, p.3449).

The decisions of MCCA were implemented by Corporate Sort Out (CSO). This was directed by CMO "Special Unit" member Steve Marlowe, who was also allegedly working in "R Accounts" (Hubbard's personal financial office, which was later absorbed by Author Services Incorporated, according to Schomer; see below).

CORPORATE SORT-OUT (CSO) AND THE NEW CORPORATIONS

To quote from Judge Breckenridge in *Church of Scientology International v. Armstrong*: "I guess you can have as many corporations as you have got paper to write on" (in GA19, p.3386), and, "it all seems to be the alter ego of Mr. Hubbard. He does what he wants; everything is issued in his name; everything is controlled by him." Judge Breckenridge amplified this point in his decision.

The new corporations and organizations were Bridge Publications, Church of Scientology International (CSI), New Era Publications, Scientology Missions International (SMI), the Religious Technology Center (RTC), Author Services Incorporated (ASI), the Product Development Office Inc (formerly "Ron's Personal Office"), and the Office of Special Affairs (which Miscavige says is part of the Flag Bureaux, see below. It was the last of the new organizations to emerge, in about May 1983).

[document 20](#) (HCOPL "Bridge Publications, Inc", 23 May 1981). Bridge became a for-profit subsidiary of the non-profit Church of Scientology of California. This status has subsequently been concealed and denied. Bridge was one of the bodies granted tax exemption by the IRS in 1993, *despite* its for-profit status; it was accepted that the publication of Hubbard books was a charitable activity.

At the San Francisco Mission Holders' Conference, in October 1982, Warrant Officer Lyman Spurlock was introduced as the "Corporate Affairs Director of the Church" (the phrase "of the Church" was omitted in the published transcript, but exists in a tape recording of the Conference) ([document 21](#), p.3).

Spurlock's speech, and the charts that accompanied it form a part of [document 21](#). Spurlock started his speech by saying "Prior to the end of 1981, a few of us *from the CMO* got together and took a look at the corporate structure of the Church with the view in mind of making it more defensible and more regular *and particularly not understandable by the traditional enemies of the Church such as the IRS*, and to make an overall improvement" (page 4 and [document 21a](#)). The phrases in italics are omitted in the transcript, but exist in the tape of the Conference. In his speech, Spurlock stated clearly that the corporate reorganization was directed by CMO, which of itself denies any corporate integrity in CSI, WDC and RTC.

One outcome of Corporate Sort-Out was the dismembering of the Church of Scientology of California, which was subject to intense litigation pressure. As Spurlock said ([documents 21](#) and [21a](#)): "We had this one huge corporation known as Church of Scientology of California, CSC ... underneath the CSC the Mother Church, we have all the orgs. They ran the orgs. *They collected management payments. They collected SOR [Sea Organization Reserves] payments ...* the most prosperous units in Scientology were in C of S of C..." (p.4). [Sea Organization Reserves subsequently became an independent corporation]. By the time Lawrence Wollersheim had negotiated his way through the cult's many appeals to the state and federal Supreme Courts and was able to enforce judgement, CSC did not have funds enough to pay for its own liquidation.

THE ALL CLEAR UNIT (ACU)

The All Clear Unit was established by David Miscavige in 1981. It was established to deal with all litigation against Hubbard (so that it would be "all clear" for Hubbard to come out of hiding). In 1982, its offices were alongside those of Author Services Inc (ASI) (or "R Accounts" as it originally was) inside the offices of CMO Pacific in the Cedars Building in Los Angeles (Schomer in Christofferson p.3597-8). In 1982, Norman Starkey, Terri Gamboa, Kathie O'Gorman (formerly Guardian's Office staff at Clearwater) were also in ACU (*ibid* p.3718).

CHURCH OF SCIENTOLOGY INTERNATIONAL (CSI)

Incorporated 1 November 1981, president Heber Jentsch, assistant secretary Sandra Brennan. According

to Chart 2 in [document 21](#) (SF Conference transcript), CSI includes WDC, CMO Int, and the Executive Director International (a more recent chart also exists).

SCIENTOLOGY MISSIONS INTERNATIONAL (SMI)

SMI was established in 1981 by Bill Duckhorn (Guardian's Office World Wide Legal Bureau) and Ed Brewer (Jocelyn Armstrong in GA21 p.3701f). Jocelyn Armstrong was the first Commanding Officer, and at the time was also "Commodore's Staff SMI", her immediate superior was CMO member Sue Mithoff (*ibid* p.3699f). SMI minutes and corporate documents were backdated by Jocelyn Armstrong (*ibid* p.3689; also Gerald Armstrong in GA10, p.1651). For some time, SMI ran in parallel with the Mission Office World Wide, which was an aspect of the Guardian's Office.

Chart 2 of [document 21](#) (*SF Conference*) clearly shows SMI under the direction of CSI. See also p.5 of [document 21](#). [Document 16](#) (CMO UK Info Letter no.1) shows that "SMI International" [*sic*] was under the direction of CMO UK in 1981.

[Document 26](#) (*The Command Chart of Scientology*, 1988) shows SMI Int under the direction of WDC.

In [document 22](#) (*KSW News* issue 22), the responsibilities of the Inspector General for Administration of RTC include "seeing that all SMI executive postings are verified".

THE RELIGIOUS TECHNOLOGY CENTER (RTC)

Incorporated 1 January 1982 by Terri Gamboa, Phoebe Maurer, David Miscavige, Lyman Spurlock, Norman Starkey, Julia Watson and David Mayo (five of who were to work in ASI in 1982. Mayo left in 1983, leaving five of the remaining six incorporators of RTC as ASI staff. Maurer is the exception, but died several years ago. Terri Gamboa left Scientology in about 1990). The articles were later amended by Stephen and Laura Marlowe, at which time Vicki Aznaran and Warren McShane were the officers of the corporation (Vicki Aznaran left Scientology in 1987 and litigated against it, eventually making a secret out of court settlement and claiming her earlier statements which made detailed criticisms of the cult had been untrue).

RTC controls the several thousand trademarks and service marks of Dianetics and Scientology (including the name and signature "L. Ron Hubbard" since 1982), and licenses all other Scientology entities in the use of these Marks. It has the power to close any Scientology organization by withdrawing this license. The Hubbard signature on the 1982 purported transfer of trademarks and service marks from Hubbard to RTC has been deemed suspect by at least three questioned document examiners.

[document 23](#) (*KSW News* issue 21, 1987) p.3 shows that the RTC's Inspector General for Administration verifies "all executive postings in Scientology orgs internationally". The functions of the other Inspector Generals are also of interest. This document also shows David Miscavige as Chairman of the Board RTC. All of the RTC officials pictured are wearing Sea Org uniform, and have their ranks printed alongside their names.

[document 26](#) (Command Chart) shows Authorizations, Verifications and Corrections (AVC) as a part of RTC. In 1982, AVC was headed by Phoebe Maurer at Gilman, and presumably moved to RTC from Church of Scientology of California.

AUTHOR SERVICES INCORPORATED (ASI)

Incorporated 13 October 1981 by Ron Pook; Officers Norman Starkey, Fran Harris and John Alcock.

ASI had been "R Accounts" (Hubbard's personal finance department, staffed by Sea Org members) according to Schomer (in GA25 pp.4492-3), and was known at one time as "F & P Consultants" (Armstrong in GA14 p.2236). According to Sullivan's testimony in the Armstrong case, ASI "took over from MCCS" (in GA19A, p.3130). ASI was "activated" between March and May 1982 (Spurlock in GA20, p.3457).

ASI was originally housed in the offices of CMO Pacific, in the Cedars building in Los Angeles. Miscavige's All Clear Unit was housed in the same offices (Schomer in Christofferson p.3597-8).

Schomer joined "R Accounts" in April, 1982. At that time Terri Gamboa was Executive Director, Norman Starkey and Lyman Spurlock were in charge of legal affairs. Ron Pook was to find a building. Rebecca or "Becky" Pook (later Becky Hay) was with them, though still a member of the Special Unit of CMO Int (Special Unit had taken over the Guardian's Office during 1981). Pat Brice worked there as "R Pers Sec" (Hubbard's Personal Secretary). Fran Harris was "R Pers Accounts". Julia Watson, Fred Harris and Jim Isaacson were also there. Joyce Isaacson was Org Officer. Richard Tinklenburg was Treasury Secretary. David Miscavige ran the "whole show" as well as CMO Int (Schomer in GA25, p.4493). John Alcock was Estates (maintaining the buildings) (*ibid* pp.4530-1). Doug Hay was also there (*ibid* pp.4514). According to Schomer's testimony in the Armstrong case, "We didn't call it Author Services when I first got there ... we were calling ourselves R Accounts which was sort of the old name for the section of the LRH Pers PRO [Personal Public Relations Office] office, that part of the org or division that was set up to take care of LRH's accounts" (in GA25, pp.4492-3). Schomer replaced Tinklenburg as Treasury Secretary in April 1982 (*ibid* p.4496). While Schomer was there John Busby was with Jim Isaacson in Investments at ASI. Vaughn Young was the PR, and his wife, Stacy, was the Organizing Officer. Julia Watson headed another department. Norman Starkey's wife, Maria, was the receptionist (Schomer in Christofferson p.3605-7). Although ASI is ostensibly a secular, for-profit literary agency, no non-Scientologists have been employed by ASI (Schomer in Christofferson p.3791).

In his testimony in the Christofferson case, Schomer said that ASI gave orders to WDC (p.3628), and to the churches of Scientology via WDC (p.3629) (also p.3773-4). A former WDC member has said that not only did ASI issue orders to WDC, but also an ASI "mission" visited WDC at Gilman Hot Springs in the spring of 1982 to give directions.

Schomer testified about Hubbard's control of ASI in GA25 pp.4512-14. This is confirmed by Spurlock's testimony (GA20, p.3448). Schomer was involved with investing money on Hubbard's behalf (Schomer in Christofferson pp.3609ff, 3621f).

By June 1984, Norman Starkey was Executive Director ASI (Spurlock in GA20 p.3430). He was also Chairman of the Board (Terri Gamboa in GA24, p.4264).

According to Spurlock's testimony, Miscavige had "from time to time" been a "troubleshooter" in ASI: "we were having trouble getting Battlefield Earth distributed into the bookstores, and he acted as a troubleshooter to get that done" (in GA20, pp.3430-1). Terri Gamboa was asked whether Miscavige had ever been Chairman of the Board ASI, she replied "At one time he had that title but not as the corporate title ... he was actually just called COB, we didn't really call him chairman of the board ... that would have been last year and this year" (1983-4) (in GA24, p.4264).

In his sworn Declaration, Miscavige says "From the beginning of 1982 until March of 1987, I was Chief Executive Officer and later Chairman of the Board of Author Services, Inc. ... a California corporation, which managed the personal, business, and literary affairs of L. Ron Hubbard." ([document 27](#), p.5, see also p.27, l.14).

OFFICE OF SPECIAL AFFAIRS (OSA)

Set up about May 1983. James Morrow was an executive from the outset (Morrow in GA4, p.519). Morrow became Vice President of the Church of Scientology of California in October 1983 (*ibid* p.511). He retained this position and his position in OSA at the time of his testimony in the Armstrong case in May 1984 (*ibid* p.519).

Subsequently OSA has been headed by Kurt Weiland and Mike Rinder. It contains the Investigation department ("Invest") which is the cult's Intelligence Agency (documents released by the French and Greek courts in the 1990s make this clear).

In his sworn Declaration, Miscavige says "To administer legal affairs, the Office of Special Affairs ('OSA') was formed from a mixture of Sea Org staff who had been on one or more of the missions that had disbanded the GO, new staff recruited to work in the area and some former GO staff who had survived investigation ... Completely unlike the GO, the Office of Special Affairs is not an autonomous group. OSA International is part of the Flag Command Bureaux ... Local OSA representatives ... are staff at their local church..." ([document 27](#), p.22).

[Document 26](#) (Command Chart) shows that OSA is under the direction of WDC.

CHURCH OF SPIRITUAL TECHNOLOGY (CoST)

Incorporated 28 May 1982 by Sherman Lenske. Lenske was a partner in the law firm Lenske, Lenske and Heller. Officers Lyman Spurlock, Maria Starkey and Rebecca Hay (an ASI staff member, Schomer in GA25, p.4493).

According to CoST staff member Tom Vorm, CoST received orders from ASI via Dan Prybilski, Commanding Officer LRH Archives, at the time of Vorm's testimony in the Armstrong case (in GA5, p.639-43).

At the time of his testimony in the Armstrong case, Lyman Spurlock was on the Board of CoST (in GA20, p.3431). Spurlock was President and Chairman of the Board CoST (*ibid* p.3490). Greg Wilhere was also on the Board (*ibid* p.3431). Wilhere subsequently became Inspector General of RTC ([document 23](#), *KSW News* 21).

Documents released in CoST's litigation against the IRS showed that the corporation held some \$503 million in its accounts. It claims ownership of the copyrights of Dianetics and Scientology and holds the Hubbard archives. Registrations show Norman Starkey as the copyright holder, however. Books published by the cult in the 1990s give "L. Ron Hubbard Library" as the copyright holder (a registered dba - "doing business as" - of Norman Starkey).

POSITIONS HELD BY PRINCIPAL SEA ORG MEMBERS

The lack of corporate integrity in the Scientology entities is evidenced through the transfer of personnel, showing that control is in the hands of a few individuals. Some of the information in this section is repeated. Cult officials may have been promoted or demoted since this list was prepared.

Captain David Miscavige:

Miscavige became a "practising member" of Scientology in 1971 (Miscavige in [document 27](#), p.4) at the age of 11. He joined the staff of the CofS of California and the Sea Organization in 1976 (*ibid*). Miscavige joined CMO Int in 1977, working for Hubbard as a cameraman on the Scientology Technical films at La Quinta in 1978 (*ibid*). By 1980, he was the Action Chief CMO Int (*ibid*, p.4 "this post was responsible for missionary activities ... where personnel from the Mother Church would travel to different parts of the world to see to the proper operation of various Church activities and to take corrective action...").

In May 1981, when he persuaded Mary Sue Hubbard to step down as Controller of the GO, Miscavige was Chief Officer CMO Int (Sullivan in GA19A, p.3121). He became the head of the All Clear Unit (ACU) in 1981, which was established to deal with all litigation against Hubbard (so that it would be "all clear" for Hubbard to come out of hiding). He was still directing ACU in 1982 (Schomer in Christofferson p.3718). Miscavige was in charge of Mission Corporate Category Sort Out (MCCS) (Armstrong in GA11, p.1777).

Miscavige was not a member of WDC in 1982, but was factually senior to WDC by that time (as controller of ASI). He was one of the seven incorporators of RTC on 1 January 1982.

By April 1982, Miscavige "sort of ran the whole show, but he was sort of back and forth between CMO Int because he was running CMO Int at the time and Author Services or R Accounts" (Schomer in GA25 p.4493).

According to Spurlock's testimony in June 1984, Miscavige had "from time to time" been a "troubleshooter" in ASI: "we were having trouble getting Battlefield Earth distributed into the bookstores, and he acted as a troubleshooter to get that done" (in GA20, pp.3430-1). Asked whether Miscavige had ever been Chairman of the Board ASI, Terri Gamboa replied "At one time he had that title but not as the corporate title ... he was actually just called COB, we didn't really call him chairman of the board ... that would have been last year and this year" (in GA24, p.4264).

In his sworn Declaration, Miscavige says "From the beginning of 1982 until March of 1987, I was Chief Executive Officer and later Chairman of the Board of Author Services, Inc. ... a California corporation which managed the personal, business, and literary affairs of L. Ron Hubbard." (p.5).

By 1987 Miscavige had become Chairman of the Board RTC, see [document 24](#) (Flag Order 3879 cancelled "FO 3879, The Sea Org and the Future Cancelled", 18 April 1987). This document is of particular interest, as Miscavige, the head of RTC, is seen removing the Broekers, the two most senior officers of the Sea Org, fourteen months after they assumed their positions. No replacements are named,

so from this point the Sea Org has officially had no leader. However, the person ordering the removal of the Broekers obviously has seniority, and, as the Sea Org continues to exist, Miscavige is presumably its head.

In 1994, in his sworn Declaration, Miscavige says "Since March of 1987, I have been Chairman of the Board of Religious Technology Center ... RTC is not part of Church management, nor is it involved in the daily affairs of various Church of Scientology organizations or missions." (p.5)

Miscavige says further, "I can only assume that I am attacked because I am visible as the ecclesiastical leader of the religion." (p.13). Despite his protestations that he is "head of the religion and not the "Church", Miscavige has been summoned to Depositions in court cases in the US to determine whether he is a "managing agent" of the cult.

Several statements made by Miscavige in February 1994 in this sworn Declaration ([document 27](#)) are highly relevant and clearly demonstrate his authority over all Scientology entities. Miscavige claims that the take over of the Guardian's Office, and therefore the take over of all Scientology organizations (as he says the GO controlled all such organizations), was under his orders:

p.17: "During the 1970s the GO operated as an entirely autonomous organization unchecked and unsupervised by the ecclesiastical management of the Church. The power of the GO was absolute ... **They held all corporate directorships** [emphasis added] ... GO staff carried out illegal programs, such as the infiltration of government offices for which eleven members of the GO were prosecuted and convicted. There were also instances in which GO staff used unscrupulous means to deal with people they perceived as enemies of the Church -- means that were completely against Scientology tenets and policy, not to mention the law."

Commander Norman Starkey:

Joined the Sea Org in its early days (in 1967 or 1968), and at one time captained the Apollo. He received the Sea Org title "Right Arm" (R.A.) because he could command a ship at sea. Despite his age, Starkey was accepted into the CMO when it became the conduit between Hubbard and the cult (and consequently the senior management organization). Starkey authored [document 12](#) (CBO 588) which was issued on 26 July 1979. It is signed "Lt. Cmdr. Starkey R.A. - CMO Int Mission I/C" ("I/C" = in charge). In 1981, he took over the Legal Bureau of the Guardian's Office ([document 21](#), SF Mission Holders Conference transcript, pp.11ff, qv), still as a member of CMO. It is interesting that the two men who headed legal operations during the course of the Corporate Sort Out (Miscavige was heading the All Clear Unit) came to be the two most powerful individuals in Scientology and therefore the principal beneficiaries of CSO.

On 1 January 1982, Starkey was one of the seven incorporators of RTC. On 28 May 1982, Starkey's wife, Maria, was named as an officer on the incorporation papers of CoST. Starkey briefed the Mission Holders Conference as if he was still in control of the Church's legal department. However, he was involved in legal work at ASI by April 1982 (Schomer in GA25, p.4493). In 1982, Starkey was also part of the All Clear Unit, headed by Miscavige (Schomer in Christofferson p.3718). Maria Starkey was the receptionist at ASI in 1982 (*ibid* p.3608).

On the incorporation papers of ASI, on an additional sheet filed on 26 October 1983, Starkey is named as the Chief Executive Officer of ASI. At the time of the Armstrong case, in June 1984, Starkey was Executive Director ASI (Spurlock in GA20, p.3430) and Chairman of the Board (Gamboa in GA24, p.4264; Spurlock in GA20, p.3433).

Subsequently Starkey has become executor and trustee of L. Ron Hubbard's estate (see Hubbard's Will). He is seen in two photos in [document 25](#) (1988) wearing Sea Org uniform, the captions read "Commander Right Arm Norman Starkey, Executor and Trustee of L. Ron Hubbard's estate".

Captain Mark Yager:

Yager replaced John Nelson as CO CMO Int and Chairman WDC in June 1982. By 1987 he had moved to RTC, becoming Inspector General for Administration ([document 23](#), *KSW News* 21, p.3).

Lieutenant Lyman Spurlock:

Spurlock joined the Sea Org in 1977, before which he was a practising CPA (Certified Public Accountant - Spurlock in GA20, p.3478). From about April 1979 to November 1981, Spurlock was Investment Officer in the Church of Scientology of California as an assistant to WDC (meaning he was in the CMO and on the WDC). He worked with Sea Org Reserves which at that time belonged to Church of Scientology of California (*ibid* p.3434). From November 1981, Spurlock worked for Hubbard in R Accounts "to assist in estate planning matters" (*ibid* p.3435).

Spurlock was an incorporator of RTC in January 1982. In March 1982 he became Corporate Affairs Director at ASI (Spurlock in GA20, pp.3432-3; also Schomer in GA25, p.4493). On the incorporation papers of CoST, dated 28 May 1982, Spurlock is named as the Chief Executive Officer of that corporation. However, Spurlock was introduced by Miscavige at the San Francisco Conference, in October 1982, as the "Corporate Affairs Director *of the Church*" (the phrase "of the Church" is omitted in the transcript, but exists in the contemporaneous tape), and his speech concerned the corporate restructuring of the Church. It is apparent from the speech that Spurlock was a prime mover in the restructuring. Miscavige introduced him as a Warrant Officer in the Sea Org.

About February 1983, Spurlock became Deputy Executive Director for Client Affairs at ASI (Spurlock in GA20, p.3430). At the time of his testimony in the Armstrong case, Spurlock was President and Chairman of the Board CoST (*ibid* p.3490). By this time he was a Lieutenant in the Sea Org (*ibid* p.3455).

Terri Gamboa (nee Gillham, her first marriage was to Gerald Armstrong):

At the age of 13, Gamboa was the fifth Messenger to be posted (before CMO came into being as such) (Gamboa in GA24, p.4228-9). She was Messenger In Charge in 1968, and Commanding Officer CMO in 1975 (*ibid* p.4237).

On 1 January 1982, Gamboa was one of the seven incorporators of RTC. In March 1982, she was on a "Special Project ... sorting out the GO getting rid of the criminals" (Spurlock in GA20, p.3458). This was a CMO Special Unit project. In April 1982, Gamboa was Executive Director ASI (Schomer in GA25, p.4493) - which at that time was still part of R Accounts, according to Schomer. In 1982, Gamboa was also a member of the All Clear Unit, under Miscavige (Schomer in Christofferson p.3718). In June 1984, she was Executive Administrative Officer at ASI (Gamboa in GA24, p.4263).

In about 1990, Terri Gamboa left Scientology.

Captain Greg Wilhere:

At the time of the Armstrong case, Wilhere was on the Board of CoST (Spurlock in GA20, p.3431). By 1987, he was Inspector General of RTC and a Sea Org Captain ([document 23](#), *KSW News* 21, p.2).

Julia Watson:

An incorporator of RTC on 1 January 1982. Working at ASI in 1982 (Schomer in Christofferson p.3608).

Documents

1: LRH Executive Directive 135 Int, 15 January 1971, "Status of Worldwide Org".

2: LRH Executive Directive 1 Int, 9 February 1969, "Organizational Intention".

3: Hubbard Communications Office Policy Letter "WW Division Reorganization", 6 September 1967, old *OEC* volume 7, pp. 63-64.

4: HCOPL "Income Flows and Pools - Principles of Money Management", 9 March 1972, Issue 1, *Management Series* 1970-1974, p.382. A later issue of this document has been edited to remove this definition.

5: HCOPL "The EC Network Disbanded", 31 August 1971, *OEC* volume 7, p.82.

6: definitions of the Sea Organization from "Modern Management Technology Defined", by LRH, p.464.

7: Sea Org Executive Directive 1789 Int "Re: Management Changes", 26 August 1981.

8: Commodore's Messenger Organization UK Newsletter No.4, 1983.

9: Executive Directive 92 CMO, "CMO Regulations", 11 January 1978.

10: Flag Order 3729, Executive Directive 106 CMO "Commodore's Messengers", 15 September 1978 (also published in document 8).

11: Flag Order 3735 "Recruit Training Line-Up", 21 June 1979.

12: Central Bureau Order 588 "Flag Senior Management Command Lines", 26 July 1979.

12a: Central Bureau Order 746 "Organization Pattern: Continental Commodore's Messenger Orgs", 16 August 1983.

13: Executive Directive 1735 Flag "Watchdog Committee" 2 April 1979.

14: Executive Directive 1757 Flag "Watchdog Committee Operating Policy" 21 April 1979.

15: Central Bureaux Order 621 "Bypass of Management Sector Handling Of" 29 November 1979.

16: CMO UK Info Letter no.1 "The Commodore's Messenger Org United Kingdom" 22 October 1981.

17: HCOPL "International Watchdog Committee" 23 December 1981.

18: Int Finance Executive Directive "Int Finance Network Established", 3 April 1982.

19: Affidavit of Gerry Armstrong, 19 October 1982.

20: HCOPL "Bridge Publications, Inc", 23 May 1981

21: Sea Org Executive Directive 2104 Int "The Flow Up the Bridge - The US Mission Holders Conference - San Francisco 1982", 7 November 1982, transcript, p.3, 4, 5, chart 2.

21a: tape recording of the Mission Holders' Conference, San Francisco.

22: *KSW News* issue 22.

23: *KSW News* issue 21, 1987, p.3.

24: Flag Order 3879 cancelled "FO 3879, The Sea Org and the Future Cancelled", 18 April 1987.

25: *International Scientology News* issue 15, 1988, pp.3 & 7.

26: *The Command Chart of Scientology*, 1988.

27: Declaration of David Miscavige, in US District Court for the Central District of California, in Church of Scientology International v Fishman and Geertz, case no. CV 91-6426 HLH (Tx), 8 (?) February 1994.

Appendix 1 - pages from court transcripts:

Schomer in Christofferson:

pp.3597-8, 3605-11, 3621, 3718, 3791, 3628-9, 3718, 3773-4

CSI v. Armstrong:

volume and page numbers -

GA4, pp. 511, 519.

GA5, pp.639-43.

GA10, pp.1588-90 (ff), 1651.

GA11: pp.1777, 1781-2

GA12: p.1991

GA14: p.2236

GA18: pp.2859-60

GA19A: pp.3047, 3069, 3121, 3126, 3130

GA19: pp.3365, 3386

GA20: pp.3430-5, 3448-9, 3455, 3457-8, 3478, 3490

GA21: pp.3689, 3699-3702, 3689

GA24: pp.4228-9, 4237, 4263-4

GA25: pp.4492-3, 4496, 4512-4, 4530-1

Appendix 2 - RTC Licenses, demonstrating unilateral control through a "no-consideration" contract

RTC has the power to seize the records and assets of any cult "corporation" and can close down such "corporations", which are therefore in truth subsidiaries or at best franchises of the RTC.

Taken from the *License Agreement - SMI/Mission*:

Section 3 - Control and Supervision:

"d. CSI, RTC and SMI shall have the right to monitor all operations of MISSION with respect to the Marks, inspect all books, records or facilities..."

"e. CSI, RTC, or SMI may, if they ever deem it necessary or advisable, send a corrective mission to MISSION to correct any deviation from the standards, specifications or guidelines of this Agreement, and MISSION shall reimburse the sender for its costs of the corrective mission, including travel and living costs of personnel and the time of such personnel, at rates not to exceed the then prevailing rates charged by CSI for corrective missions."

[note the cost of corrective missions given at the October 1982 Mission Holders' Conference was \$10,000 per mission].

Section 4 - Minimum Standards:

"d. ... hearing of confessionals for executives, staff and parishioners..."

Section 6 - Indemnity and Disclaimer:

"a. ... MISSION ... covenants that neither it nor any of its staff, members, employees, parishioners or congregants, will make any claim against RTC, CSI, any successors of LRH, SMI, or any person associated with RTC, CSI, any successors of LRH, or SMI."

"b. The Scientology Scriptures ... [are] not for treating or diagnosing human ailments of body or mind nor for engaging in teaching or practicing medical arts or sciences. LRH did not, and RTC, CSI, SMI and the successors of LRH do not make any claim that the nature or purpose of the Scientology Scriptures exceeds this description or that the Scientology Scriptures will have any particular effect on any particular parishioner."

"d. MISSION, and its staff, members, employees, parishioners and congregants, shall require all individuals who receive religious training or counseling services under the Marks to sign a disclaimer in accordance with the disclaimer in subparagraph 6b in the form attached as Exhibit B or in such form as RTC, CSI and SMI may provide."

Section 7 - Names and Ownership:

"c. If this agreement is ever terminated for any reason, MISSION shall immediately cease all use of each of the Marks..."

Section 8 - Enforcement of Obligations of Performance:

"a. ... At its discretion, however, RTC may immediately suspend the right of MISSION to use any of the Marks pending arbitration ..."

"b. Any dispute ... shall be determined by arbitration ... Each arbitrator shall be a member in Good Standing of a Church or Mission of the religion of Scientology..."

[note - "Good Standing" is determined by the RTC...]

"c. RTC, CSI and SMI, subject to the right of arbitration, shall have the authority to assess and collect monetary fines from MISSION, in amounts that are commensurate with the circumstances."

"d. If MISSION ever falls into hostile hands or engages in or condones propaganda against the Marks, the religion or organizations or Scientology, or the image of LRH, or SMI, or fails to minister Scientology religious services to or hear confessionals of its executives, staff or parishioners, or if it conducts itself in such a way as to endanger the name or repute of RTC, CSI, the successors of LRH, or SMI, or involves RTC, CSI, the successors of LRH or SMI, or any of their agents in public litigation, or abandons use of the Marks in the manner authorized by this agreement, RTC may cancel the license granted by this Agreement."

Last updated 3 November 1997
by **Chris Owen** (chriso@lutefisk.demon.co.uk)