

AFFIDAVIT OF LAUREL SULLIVAN

I, LAUREL SULLIVAN, hereby state under the pains and penalties of perjury that I have personal knowledge of the following:

1. I joined Scientology in 1966 at the age of 17. In 1967, I went to work for L. Ron Hubbard (LRH) and Scientology and thereafter served in many staff positions in the top echelon of the organization. I left Scientology in November 1981.

2. Although LRH allegedly resigned from all Executive Director positions from the world-wide Churches of Scientology in 1966, in fact, he remained in active control and as the ultimate authority in all of Scientology's affairs. From this time forward Ron Hubbard expanded his control, as Scientology expanded its activities.

3. In 1967, LRH was living aboard ship and was becoming known to Scientologists as the "Commodore" as well as the Founder of Scientology.

The ship was known as "Flag" and in that year LRH and a group of his closest supporters formed an elitist organization called the Sea Organization. People joining the Sea Organization pledged their support by signing a contract for 1

billion years.

I went aboard ship to serve LRH as a supporter in the Sea Organization in November 1967.

4. LRH set up for himself a Personal Office, Staff Aides and an organization of messengers to assist him in his personal interests and the international management of Scientology. These organizations augmented an already existing network of LRH Communicators, whose job it was to enforce LRH's orders and policy at every level of management. I also served as an LRH Communicator during my early membership in the Sea Organization.

5. In the late sixties, Continental Offices were set up to act as mail relays and Management Liaison Officers between "Flag" and Scientology Organizations throughout the world. These became known as Flag Operations Liaison Offices. Attached hereto is a chart outlining the basis structure and control in effect until 1981. (Exhibit 1)

6. Beginning in the spring of 1972 until the fall of 1973, I was involved in the international management and control of personnel in Scientology. During this time, I actively recruited people for staff membership aboard Flag as the Flag Personnel Procurement Officer.

I am familiar with the recruitment and personnel management procedures in use at that time and assisted LRH to develop personnel policies which were followed thereafter.

7. In late 1973, I was assigned as LRH's Personal Public Relations Officer and head of the LRH Personal Public Relations Bureau. From this position I was responsible to LRH for representations made to the public on his behalf. Representations made were as ordered or cleared by LRH.

8. LRH instructed me personally in the art of "yellow journalism " and I learned by regularly submitting my writing to him that all representations made on his achievements were to be done using superlative and exaggerated terms.

If I toned down a claim I could not substantiate about his background, I was accused by him of downgrading his achievements by being inadequate in my research and not being in possession of the facts. This was considered a serious error for a PR person to make, and I was frequently reprimanded until I got the "feel" for how he said representations should be made.

When I reviewed LRH's personal history, I frequently ran across conflicting statements made by himself about his background. Many times I attempted to clarify the facts with

him, but I found even these clarifications would turn out to be contrary. At the time, I dismissed these discrepancies on his part as failing memory.

At times when information was presented about LRH's past and it was not flattering or raised a question about his own claims, LRH would complain loudly that intelligence operations and governmental deletion campaigns had been run against him altering his record. This was said specifically about his schooling, war record and his authorship of some manuscripts.

9. He also stated to me that his own archives had been stolen from him on two occasions. He claimed that journals of all his written works were stolen from his home in Phoenix in 1953 and also that in Washington, D.C., letters, manuscripts and documents had been ransacked and stolen by his second wife, Sara Northrop Hubbard, so there was no possible way to substantiate his past.

10. From 1968 through 1981, there were at least 4 major attempts to get a definitive biography of Hubbard completed. In response to a submission made in 1977 LRH's instructions were to write a fictionalized biography because his past records had been so altered by hostile hands that any research of his past would be obstructed by such deletion

campaigns. He seemed to be of two minds on the dissemination of information from his past. On the one hand he wanted the recognition and public acknowledgement for his accomplishments, and on the other hand it was hard to get a real handle on his background. He has both ordered me to become fully knowledgeable on his background and ordered me to "quit probing around" in his past.

11. In 1979, numerous documents were recovered from storage and it was my hope that they would provide much of the missing picture. With LRH's permission, we began again to track his life in earnest and Gerry Armstrong was assigned as researcher and Omar Garrison was contracted in 1980 as the author of a biography.

12. Once this project was begun, it was not difficult to document LRH's past. It was, however, most difficult to substantiate LRH's claims.

13. Claims that I myself believed on entering Scientology in 1966, i.e., that Scientology was a science and that much of its foundation was the subject of laboratory studies, that LRH was a nuclear physicist, or a medical doctor or had even studied equivalent material in any degree at all were found to be absolutely false.

14. In tracking LRH's life it was my hope and intention to find the missing link of materials that would substantiate and support all claims made by LRH about his background and to support all his claims about the way in which he had conducted his research to form the scientific basis of Scientology.

15. In December 1979, LRH had asked me in written memo to procure for him the Nobel Prize for his discoveries relating to his Purification Program. He allocated me an unlimited budget of Scientology funds to do so. The Purification Program was an update of his book "All About Radiation." As it turned out, research files which should have substantiated all claims in the book "All About Radiation" were of no use at all.

They failed to contain any scientific literature or references. There were no test groups or any research protocol at all.

16. To attempt further to substantiate LRH's claims I retained Gene Denk, M.D. of Los Angeles to conduct tests on a group of 100 people and to write a medical paper on the results. He was paid \$10,000.00 of Scientology's funds.

This project lasted a few months and could not substantiate any of LRH's claims. There was no evidence that

this program did anything about radiation and no evidence of any physical improvement on the part of the test group beyond what could be expected from people put on vitamins, and daily running and saunas.

17. Claims about raised IQ, aptitude, leadership and personality traits as a result of Scientology auditing had a similar scenario.

These tests were developed by LRH, MSH, Raymond Kemp and Julia Salomen sometime in the sixties.

18. It is standard practice in Scientology to administer these tests before and after Scientology auditing. The tests used were the OCA (Oxford Capacity Analysis), APA (America Personality Analysis) and IQ test, an Aptitude Test and Leadership Survey.

By using the same tests again and again an improved score can be obtained by virtue of the person's familiarity gained with the questions. The scores appear better and better over time and the person himself can be fooled into believing he or she is actually making progress.

19. Those tests were likewise administered on the same test group studied by Dr. Denk in 1980, and it was my conclusion

that using these tests in this way was the same as using loaded dice. It was also my conclusion that whenever Scientology was faced with a serious intellectual challenge as was the case with the claims made by this program the solution taken by Scientology was to try to justify these claims by falling back on protection afforded it as a religion and by labelling those who questioned its scientific basis as "hostile" or "enemies." I concluded that it was in this way that Scientology created its own enemies.

20. One of my tasks as LRH's Personal Public Relations Officer was to see that LRH was remunerated by Scientology for service he performed on behalf of Scientology. The fact of any remuneration was to be kept confidential and concealed from staff in general and the public. A different story had been published for these people in articles such as "What Your Fees Buy," (Exhibit [2]). This article stated LRH received less pay from Scientology than the average staff member. This statement clearly was not true. Various stories about LRH's income were released at different times and LRH always asserted to staff and public that he was poorly paid and hinted at irregularity by the Church for banking money that was otherwise due him. All of these stories were false.

21. In private he gave orders to collect whatever and whenever funds could be collected for himself. I worked closely



with LRH and was well briefed on his activities and I was put in liaison with his Personal Accountant and instructed by LRH to make sure the Accountant billed for all his services.

22. These instructions to me were first set forth in Central Office of LRH Executive Directive (COLRHED) 2 authored by LRH.

23. LRH was already receiving payments from the Churches of Scientology into personal numbered Swiss bank accounts and I was to ensure that billings continued for the following: (N.B. "consulting" was a term used to justify LRH control. It was supposed to indicate that LRH was a private consultant to an independent Boards of Directors. In fact, he did no consulting. There was no request for assistance by any Board of Directors except as memorialized in minutes by these sham boards on LRH's order. LRH ran these corporations by himself and had access to all their resources. The term consultant was merely a smoke screen to create the impression of some regularity).

- taped and written messages to the Scientology Public
- consulting regarding ship matters
- consulting to Church of Scientology management
- administrative research
- technical research
- auditor instruction

- case supervision
- director's fees
- musical scores, poems, and songs written
- advanced Scientology upper level research whether released to Scientology or not.

24. LRH frequently and loudly complained that he was being forced to run Scientology through the incompetence of Scientology's executives.

Incredible and unreasonable demands were placed on these people in terms of work load. Frequent changes were made in systems and frequent shifts of personnel occurred.

Never once did he place the blame on himself for any Scientology failure. It was always placed on others. He only claimed responsibility as the source of every success.

What most people did not see was that he was billing for all his services. Staff in general just thought LRH worked hard and that he was forced to do this through their incompetence.

25. I was also to ensure that future income was generated for LRH and was instructed to create a position within the Personal PRO Bureau called LRH Properties which was to see

to the compilation and editing of books, notes and tapes which would be sold under LRH's copyright to Scientologists and the Public at large. Royalties for sale of these publications and materials would then be collected by LRH as the author. Scientology personnel were used to ghost write these compilations on his behalf. These staff were not separately paid for their work as a work for hire, neither was Scientology paid for the services. LRH assumed he was "owed" this service.

26. Some time in 1974, LRH gave instructions that no book was to be published under his name without being reviewed by myself. There were checklists of items by which the contents of an edited book could be reviewed and I reviewed these items.

I never saw any copy of document No. 71-2064, United States of American v. Article or Device...."Hubbard Electrometer" or "Hubbard E-Meter," etc. Founding Church of Scientology, et al, Appellants. (Exhibit 3)

There is no inclusion of the required legal notice regarding the E-Meter in the Dianetics and Scientology Technical Dictionary published in 1975.

It would have been the responsibility of Mary Sue Hubbard and the Guardian's Office to ensure that the contents of this judgment was relayed so that those responsible for posting

and publishing the required Warning notices were informed of them.

27. The categories of income for LRH at this time were:

- LRH 10%'s (Repayment of services formerly delivered and back billed)
- Royalties
- Consulting fees from Operation and Transport Corporation, a front corporation for Scientology
- payment of newly performed services for the Church of Scientology of California
- Veteran's checks.

In 1973, a sham corporation was set up from which L. Ron Hubbard could be paid on behalf of Scientology. This corporation was known as the Religious Research Foundation (RRF) with its accounts in Lichtenstein.

Between 1973 and 1981, RRF received at least \$200-\$300 million dollars paid to it by non-U.S. Scientologists for Scientology services.

It was from this account (RRF) that LRH received regular installments. LRH ordered this account to be set up and controlled it from 1973 on.

RRF otherwise did no other business and delivered no goods or services.

28. Although the LRH Accounts position operated from the Personal Office of LRH, LRH's accountant also took direction and supervision from Mary Sue Hubbard (MSH) who was LRH's wife, Controller of Scientology and direct supervisor to the Guardian's Office World Wide.

LRH's Accountant sent billings out in many cases via the Guardian's Office lines and collected for LRH using Guardian's Office Personnel. Because of this she was also known as MSH's personal staff, and reported on her activities to MSH as well as LRH.

29. During this time period Mary Sue Hubbard also billed out for her own consulting services and collected income from Scientology in a similar fashion to LRH. The fact of this income going to MSH was likewise kept confidential.

Additionally, MSH collected \$17.20 allowance weekly as did the other crew, creating the impression aboard that she was there on the same terms as everyone else.

When crew were sick they were not paid and when MSH was

sick, she went so far as to write notes to deduct the appropriate amount from her allowance of \$17.20.

This was all smoke as MSH was making a substantial income.

30. In addition, LRH, MSH and the Hubbard family were supported by Scientology Funds and were provided with a household staff. These services were far in excess of those provided the ordinary staff or senior executives. The medical and dental bills of the Hubbard family were also figured in to the crew budget. The Hubbard family personal expenses were therefore next to nothing. They had the best of both worlds.

31. The Hubbard Household Unit consisted of a Commodore's Steward and an Assistant Commodore's Steward, MSH steward, a steward for the children, cleaning and laundry stewards, a cook and assistant cook, and Transport personnel for the maintenance of personal vehicles and boats kept aboard ship. The Household Unit was maintained on a separate budget and operated as a separate organization and received preferential treatment and service above the rest of the Scientology crew. MSH managed the household unit for the family.

32. In addition to her other duties MSH held the title

of Deputy Commodore with the rank of Captain. As such she frequently took into her own hands matters which concerned the welfare of ships crew, personnel recruitment requirements, crew training, and the welfare of children aboard. She was known for setting standards in this regard.

32. Part of the recruitment requirements MSH set for people coming to Flag were set forth in Guardian's Order 824 (GO Order 824) and these included a thorough "background" check of the individual which was conducted by Bureau 1 Intelligence Bureau, of the Guardian's Office.

33. During the time I was aboard ship (except for some shore duty in Scotland and Los Angeles) from 1967 to 1975, the living conditions, welfare and pay of the crew were of last priority and the allocation of funds for improvement in these conditions were of last priority. Pay was from \$10.00 to \$17.20 per week. People who were being penalized often were made to forfeit their pay.

34. If LRH thought it was necessary to order into any subordinates area for any length of time, it was said that he was "wearing your hat" or doing your job. Under these circumstances, it was then customary to send LRH a dollar or the equivalent currency to buy your "hat" back. Meanwhile, LRH was billing Scientology for his services and rather than taking the

attitude of an outside consultant providing cooperative assistance to these staff, he abused their morale for having to step in. On his orders, I ran numerous "PR" campaigns to intimidate staff in this regard.

35. In order to get extra food other than that served at meal times, crew had to buy it from the Canteen.

36. Fines were also levied as a penalty. Standard breakages of equipment, even a dish in the galley, were billed to staff or deducted from their allowances.

37. Every member of the crew was expected to write LRH a daily report and a file was maintained by the messengers for each crew member. This was a major information source for him.

38. The ship's capacity for berthing was maximum 290 and in its final days there were approximately 400 people aboard. About 35 people did not have berthing spaces at all.

39. Travelling in the tropics with so many people crammed onto a ship to live and work created extremely bad hygiene conditions. The ratio of people to latrines was approximately 15 to 1. Showers available were more like 40 people to 1 shower.



40. If a crew member wanted to send personal clothes or uniforms to the laundry they were required to pay for the laundry service.

41. There were no laundry facilities aboard for personal use and so people used the sinks available in the common washrooms or cabins to launder their clothes. Crew were at times issued with a bucket to launder their clothes.

42. Crew were never issued more than two changes of uniforms. Almost all crew paid for additional uniform items personally including gear for standing ship watches such as coats, gloves, rain gear, extra clothes, boots and socks.

43. The mail out from everyone aboard was read and censored for any security violations.

44. Fares to visit ones family on leave were to be paid personally by the crew member and so the expense of returning home from places like Europe and the Caribbean often made the trip prohibitive.

During my 14 years in the Sea Organization, I was able to see my family for a total of nine weeks cumulative.

On each occasion, I was given security checks before

leaving and after my return.

45. There was no airconditioning and a constant dampness prevailed, and so as a consequence, mildew was common. It was very difficult to avoid skin fungus such as athlete's foot.

46. Discipline was extremely harsh and degrading. It was meted out often by both LRH and MSH to officers, executives and crew.

47. In the inner world of the Sea Organization with its ships and land bases it was an atmosphere of militarism in the highest degree. It was a tiny navy mentally at war with the world.

48. Buzz words like "planetary control," "clearing the planet," "security" and "beach head," "five prong attack," "missions," "need to know" and "out flanking the enemy" were part of the every day vocabulary.

49. "Command Intention" meant an LRH order or plan. Anyone who questioned "command intention" was dealt with very severely. Being ignorant of it was no excuse.

50. Even minor infractions were punished. Even a

suspected bad intention on the part of a crew member had the severest penalties and conditions. The ethics system developed by LRH used a scale of conditions:

Power

Affluence

Normal

Emergency

Danger

Non-Existence

The Lower Conditions:

Liability

Doubt

Enemy

Treason

51. All conditions below normal were penalized by extra work hours and no breaks at all. Failing to perform the functions required of any post copped a condition of non-existence with possible suspended pay and 15 extra work hours.

52. No report or failing to report all facts copped a condition of liability where one ceased to be considered as a

member of the group, thus forfeiting all rights and pay. One wore a boiler suit and a dirty grey rag around the left arm, and copped a 24 hour amends project to be completed outside of the regular working hours. 15 minutes were taken for meals, and food was given only after the regular crew were fed. On completion of the requirements for liability one had to petition the rest of the crew for reacceptance back into the group and could rejoin only by majority acceptance. If you were lucky enough to get LRH's signature, it was considered the equivalent of the majority.

53. A false report or even an inaccurate report or an expression of the notion of leaving the Sea Organization or Scientology copped the condition of Doubt. Penalties for this condition were as above only one was required to wear a chain around one's wrist signifying the condition to the rest of the crew and a 48 hour amends project was assigned. The chain was later replaced by an orange arm band.

54. Disagreement with "Command Intention" expressed by failing to carry out orders or committing an act contrary to orders was considered an "enemy" act and carried the equivalent penalties. One could "free fall" down the conditions to the bottom.

55. The most severe condition assigned was Treason and

at times individuals were required to wear a black mark on their left cheek. A breakage of security carried an automatic condition of Treason.

56. Everyone was somewhere on the condition scale at all times. LRH was considered to be in Power and ethically beyond reproach at the top end.

57. Sometimes a whole organization or ships company would be assigned a lower condition and every individual would be forced to dramatize the lower ethics condition. In the case where public relations might be damaged by open display of these dramatizations their might be concessions made as to appearances.

58. From 1968 through 1981, various project forces were set up for people who were considered repeated goofers and these people would be segregated from the rest of the crew for months at a time to dramatize these so-called "lower conditions of existence" and assigned to the lowest tasks aboard ship as: galley cleaning, deck scrubbing, scraping barnacles out of the salt water tanks which had been emptied, trash duty, or any filthy task. These people were the first to be called for ships stores parties or for cleaning up after fuelling, and the like.

59. They had to address every other member of the crew

as "Sir."

60. They operated like a chain gang and were often suffering severe exhaustion from sleep deprivation, lack of nutrition and exposure. Heat prostration was also common.

61. Although first aid and vitamins could be had on request there was no qualified doctor aboard and when serious illness developed people were offloaded. These people were often destitute after long receiving little or no pay for being ill.

62. There were also times when people went into emotional shock or had nervous collapses and these too were offloaded.

63. When such things occurred, the first consideration was not the person's welfare, but whether or not there might be public relations or legal repercussions. Such a perceived threat was called a "flap." The facts were withheld from the crew in general and a story put out in its place. Then action was taken to eliminate any possible threat before the welfare of the person was considered.

64. I witnessed such ethics conditions during the years Tonja Burden was aboard ship and on land and I personally

have experienced them as deplorable, concentration camp-like, degrading and sub-human in standards.

65. I saw such ethics conditions applied to children as young as 5 years old and I saw children working regular posts as young as 8 years old.

It was only in March 1969 that the age limit of children aboard was set at 12 years.

66. The Commodore's Messenger Organization was composed of teenagers. These teens were considered future resources as executives in Scientology. No consideration was given to educating these kids for preparation in the outside world, or to the idea that they might someday wish to become professional people in society. A show was made of educating them in junior high level instruction. Some achieved typing skills, and the basic 3 R's. The only full time instruction these teens received was when LRH was in New York in 1973 and off the ship. No instruction in English Literature, Science, Mathematics, Languages or History as any kind of routine or accredited correspondence course was taught. Only one accredited school teacher was aboard and qualified to instruct them, Richard Cohen of New York, and he often had a "class" of over 100 students to cope with.

67. From 1973 to 1981 when I was part of the LRH Personal Office, I worked closely with the Messengers and observed their daily routines, schedules, study habits, and performed functions.

68. MSH was feared by the messengers and while I was aboard, messengers, David Rosseau and Jill Goodman both had their faces severely slapped by MSH while running messages for LRH.

69. In 1969, LRH broke a finger punching a crew member, Belakacem Ferradj. In 1978, LRH punched Steve Irwin in the face.

70. In 1973, and 1974, there existed orders to "beef up" the CMO with teens and it was part of this program that Tonja Burden was recruited. LRH also ordered the CMO to do their own promotion brochures which were printed and sent out.

71. On a brief trip to Los Angeles in approximately February 1974, I observed Tonja Burden as a likely candidate to go aboard the ship and be a part of the CMO.

She was not at that time attracted to the idea and told me she needed to find out more about it.



I took her name and passed it on to Terry Gillham Gamboa back on the ship.

72. Less than a year later I observed Tonja to come aboard the ship.

When Tonja ascended to become an actual messenger for LRH I observed her performing her duties along with the others through 1975 and 1976.

73. In October 1975, I left the ship with LRH and others from Curacao, NV, and helped set up a temporary base in Daytona, Florida from which we could operate.

74. The final base was located in Clearwater, Florida and is today known as the "Flag Land Base."

75. LRH's code signature became "the Boss" and he orchestrated the entire movement of some 400 people from the ship to the land base including the purchase of buildings, local intelligence, local PR, front corporations, deception of the Immigration and Naturalizaion Service and transfer of funds as well as organizational operations.

76. As was the case aboard the ship "Shore Stories" and front corporations were created to hide the actual

Scientology activities.

77. "Shore Stories" were stories that were made up as explanations of what was going on. They were deceptive in nature. A thread of truth, sometimes ran through them which was twisted to give a different impression, but more often than not they were far fetched fabrications or out and out lies.

78. The front corporations of Southern Land Development Corp. and the United Churches of Florida were set up to be the owner and leasor respectively of the Scientology buildings in Clearwater.

79. These front corporations and stories about their activities were so flimsy that local people began to question them and so people speculating on who we might be were targeted as trouble sources or enemies for further convincing or handling.

80. As usual, LRH made up the shore stories, and I assisted him in distributing them to the Flag crew for their use.

81. During November and December 1975, LRH and I were already accumulating information on the Mayor of Clearwater, Gabe Cazares. He was targetted by LRH as an enemy.

LRH gave orders to "beef up" the Guardian's Office" in Clearwater and when these people arrived he gave them two briefings in his office in Dunedin.

Tonja Burden was present at, at least one of these meetings. I attended both along with my assistant, Liz Gablehouse. Mary Sue Hubbard attended one and sent her Communicator to the second to take notes.

The subjects discussed were various intelligence operations with fast actions required against Gabe Cazares, two local Clearwater Sun reporters, PR operations to make allies out of local officials, stiff security for the Unit we were in, and the various shore stories to be used.

82. LRH was fully in charge of all local Clearwater operations until 1976 when the Scientology "cover" was blown. He then went into hiding in Washington, DC along with Kim and Michael Douglas, and Claire and David Rosseau, leaving instructions to continue to carry out operations against the Mayor of Clearwater and others, all with the intention of either eliminating or winning over his perceived enemies. He was briefed on local affairs thereafter.

I observed Tonja Burden on active duty as a messenger

during this 1975 and 1976 period.

83. Later, LRH's headquarters were transferred to the California desert, first in LaQuinta and then in Gilman Hot Springs. Security about LRH's whereabouts was very, very tight.

84. In January 1980, after Tonja Burden had left Scientology and filed an affidavit in the LaVenda Van Schaick case and testified in New York before a Federal Grand Jury, she was perceived as an antagonistic enemy of Scientology. The Commodore's Messenger Log Books which contained a running record of every order and activity of LRH's every move for the past 10 plus years were reviewed by the messengers to find out just what Tonja Burden knew about the organization.

85. She was considered a very serious threat at that time because she had witnessed LRH's direct control of the Sea Organization, the Guardian's Office and various intelligence operations and she could provide evidence which would link him to these activities. These and other threatening circumstances caused LRH to go into hiding in early March 1980.

86. When Tonja Burden filed her own lawsuit, MSH continued to stay abreast of the circumstances regarding this case. She spoke about developments in it to me. This case impacted a legal project she and I were doing to redefine LRH's

relationship to the organization and insulate LRH from service of process or discovery.

87. The Messengers Logs were filled with equally damning evidence concerning the complete lack of corporate integrity of the organization as well as evidences of LRH domination and control of the Guardian's Office activities. These along with other documents were buried below the floor boards of buildings #27 and 28 of the Ranchos on the Gilman Hot Springs property. Some documents were buried at different locations on the grounds.

88. In 1981 at the request of MSH and Anne Mulligan, MSH's Legal Assistant, I wrote an LRH Executive Directive for Broad Public Issue on LRH's behalf designed to foil a discovery attempt contemplated by Michael Flynn.

LRH had long promoted that he personally received all mail sent to him by Scientologists or the public. This letter line was called the Standing Order #1 line (SO#1). In truth, LRH did not really see this mail. It was just promoted that he did. By attempting to use this line as a vehicle for discovery on LRH and his whereabouts, he was about to catch LRH in a very big lie.

89. The repercussions of discovery on this line were

considered to be disasterous.

90. From 1969 to 1981, I observed conditions under which children were kept in the Scientology nursery in Los Angeles.

91. I also saw and heard reports of such conditions while part of Scientology management.

92. The most frequent problem plaguing the nursery was keeping it staffed. It was basicly staffed by people who were considered undesireable or of lesser quality for administrative posts within the Scientology organization. Sometimes it was staffed by expectant mothers in their final months of pregnancy.

93. Babies were bussed in a van to the nursery each morning and collected or delivered to parents again at the end of the day.

94. "Family time" was allocated as 1 hour per day and only granted when parents were not considered in lower ethics conditions.

95. I observed babies to be dirty and unkempt and the conditions under which they were kept were squalid. Nutrition was poor, and parents were often irrate over issues of basic

care and cleanliness of quarters.

96. There were a few infant deaths, and occasional accidents. Once a child was actually left behind at a beach inadvertently and then later recovered.

Infants were fed a formula prescribed for them by LRH made up of barley water, milk and karo syrup. It seemed to me that this formula contained an inordinate amount of sugar for a young child.

Young infants virtually lived on this formula as "the next best thing to mother's milk."

There was almost no children's furniture for babies or small children. Those cribs provided were old, rickety and dirty.

Nursery laundry was particularly dingy.

Children were not adequately bathed or cleaned up and runny noses were not kept in check adequately.

An odor of urine and sour milk prevailed.

97. Occasionally, when Health Inspectors visited the

nursery, there would be a hurried effort to clean and paint the place and allocate the legal number of staff.

98. As a solution in 1977, LRH issued several orders on the care and housing of children for compliance by his LRH Communicator U.S., Toby Young.

99. I saw these orders and discussed them with Toby.

Although facilities for children were the responsibility of the Sea Org, LRH placed the blame for the poor condition of the nursery and children squarely on the parents.

100. Parents meetings were held in which they were briefed on the LRH orders. They were told that a building would be procured about an hour distance from Los Angeles and babies and children would be kept there. It would be run as an organization like a military academy and parents would not be allowed to visit their children except one day per week. The children would otherwise be cared for 24 hours per day at the nursery school academy.

101. Enormous upset resulted and some parents announced they would leave the Sea Org rather than be separated from their children in this way. The plan was never executed.



102. From 1971 until the time I left in 1981, I observed the culling of private information from the auditing files and confessional files of staff.

If a person expressed a desire to leave all of their folders were culled from beginning to end. This sometimes accounted for extensive delays in a person's being permitted to leave because the policy was to get the person to sign a statement confessing to their so-called "crimes."

103. The person would be determined from ever expressing hostility toward the organization because it was obvious that the organization would use the person's "crimes" against them.

104. These "crimes" were not only actions punishable by law in the legal sense but they were also transgressions or immoral acts or thoughts that the person may have expressed which could prove embarrassing if made public

105. It was also standard procedure for a person to be coerced into signing non-disclosure bonds and agreements so that the person would never divulge what really went on in the organization.

106. If a person expressed a desire to leave they

would be assigned to lower ethics condition, segregated from other personnel and/or their spouse, held under guard and security checked and given degrading work to do until they realized they wanted to stay. If they persisted in expressing their wish to leave, their folders would be culled as above and a bill calculated at current prices for the full value of services received while they were staff. I saw bills amounting to as much as \$100,000.

107. If the person still persisted in leaving, he or she would be declared suppressive and any friends they had in the organization would be required to disconnect from them.

108. Often times the person would leave destitute.

For this reason, people desiring to leave often escaped to a place where they felt safe and then tried to leave officially on friendly terms by sending announcements of their intentions through the mail.

In 1978, I was assigned to the RPF. I requested to leave. I was locked up and put in the RPF and unable to sleep with my husband for virtually 10 months and could only speak with him privately for 15 minutes per day.

The next time I decided to leave, in 1981, I escaped

but then returned to receive security checks and to sign the release documents.

Signed under the pains and penalties of perjury  
this 19 day of March, 1986.

  
LAUREL SULLIVAN

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

March 19, 1986

Then personally appeared before me the above named  
LAUREL SULLIVAN and acknowledged the foregoing instrument to be  
her free act and deed.

Before me,

  
Notary Public

My Commission Expires 3/31/89



1 CHURCH OF SCIENTOLOGY organizations.

2 4. As part of my duties as LRH Communicator and later  
3 as his Personal PRC, I often cancelled other orders contrary to  
4 the orders of L. RON HUBBARD. Any order given that was inconsis-  
5 tent or contrary to L. RON HUBBARD's orders was ignored or cancelled.

6 5. L. RON HUBBARD personally planned the creation of  
7 the World Institute of Scientology Enterprises as a branch of  
8 the CHURCH OF SCIENTOLOGY OF CALIFORNIA in the late 1970's.  
9 I saw original notes to this effect and I investigated a report  
10 of his receiving 12 1/2% of the gross income of businesses  
11 affiliated with it. The World Institute of Scientology Enterprises  
12 in substance was created to profit from Scientologists who were  
13 business owners. The materials given to members of the World  
14 Institute of Scientology Enterprises was for the most part  
15 available to them through branches of the CHURCH OF SCIENTOLOGY  
16 without the World Institute of Scientology Enterprises. Others  
17 were created as derivative works from Scientology materials.

18 6. The World Institute of Scientology Enterprises  
19 was never actually operated as a separate and distinct corporation  
20 for as long as I was associated with L. RON HUBBARD and the  
21 CHURCHES OF SCIENTOLOGY, although it was presented as such.

22 7. The World Institute of Scientology Enterprises  
23 operated on CHURCH OF SCIENTOLOGY policies. It has no independent  
24 existence from the CHURCH OF SCIENTOLOGY OF CALIFORNIA in 1978  
25 and 1979. It followed Scientology policies written by L. RON  
26 HUBBARD which were also used by all Church of Scientology  
27 organizations.

28 ////

1  
2 8. The World Institute of Scientology Enterprises offices  
3 in 1978 and 1979 were in the same offices as the CHURCH OF  
4 SCIENTOLOGY OF CALIFORNIA in Clearwater, Florida which was the  
5 main address. The World Institute of Scientology Enterprises  
6 had no real separate physical existence from the CHURCH OF  
7 SCIENTOLOGY OF CALIFORNIA at that time and its management contact  
8 people were in the CHURCH OF SCIENTOLOGY OF CALIFORNIA on up to  
9 the Commodore's Messenger Organization personnel within the  
10 personal office of L. RON HUBBARD. Those people were Annie  
11 Taskett and Susan Mithoff.

12 9. The members of the World Institute of Scientology  
13 Enterprises were Scientologists adhering to the policies of  
14 L. RON HUBBARD and the CHURCH OF SCIENTOLOGY in 1978 and 1979.

15 10. The staff of the World Institute of Scientology  
16 Enterprises was comprised of Scientologists adhering to the  
17 policies of L. RON HUBBARD and the CHURCH OF SCIENTOLOGY in  
18 1978 and 1979.

19 11. Fees were required to be paid from the members of  
20 the World Institute of Scientology Enterprises to L. RON HUBBARD  
21 in 1978 and 1979. The fees were paid to L. RON HUBBARD on a  
22 percentage of the gross income of the businesses of the members.  
23 L. RON HUBBARD's personal accountant collected the fees personally  
24 for him. L. RON HUBBARD's fees were known as royalties or a  
25 consulting fee. In fact, L. RON HUBBARD did no work in exchange  
26 for the fees. In later years collections were done via the  
27 W.I.S.E. corporation.

28 12. The CHURCH OF SCIENTOLOGY OF CALIFORNIA staff sold

1 Scientologists who were business owners on joining the World  
2 Institute of Scientology Enterprises in 1978 and 1979 and if they  
3 were unwilling to join, it was treated as an "ethics" offense.

4 13. Individuals of the World Institute of Scientology  
5 Enterprises followed the Ethics system of the CHURCH OF SCIENTOLOGY  
6 OF CALIFORNIA in 1978 and 1979.

7 14. The effect of a "non enturbulation order" and/or  
8 a "condition of confusion" issued on LARRY WOLLERSHEIM meant that  
9 he could not be dealt with or communicated to by Scientologists  
10 except as prescribed by the CHURCH OF SCIENTOLOGY order.

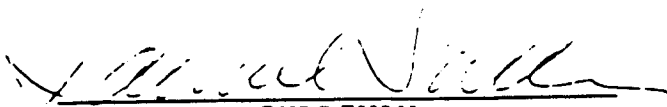
11 Infractions of the order would be dealt with according to  
12 Scientology policies also. Otherwise the Scientologists would  
13 be in violation of the Scientology policies and "Ethics".

14 15. Roger C. Barnes was known by me to be a member of  
15 the elite Sea Organization ("SEA ORG") of the CHURCH OF SCIENTOLOGY  
16 OF CALIFORNIA in 1978 and 1979.

17 16. A copy of my trial testimony in the case of  
18 the Church of Scientology of California v. Gerald Armstrong,  
19 Case No. C 420 153 is appended to these papers.

20 I declare under penalty of perjury under the laws  
21 of the State of California that the foregoing is true and  
22 correct.

23 Executed this 1st day of November 1984 at Los Angeles,  
24 California.

25  
26   
27 LAUREL SULLIVAN  
28