

FREEDOM

CIRCULATION 4,450,000

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IRS Strategic Plan Exposed

COMPUTERIZED DOSSIERS THREATEN AMERICANS' PRIVACY

by Thomas G. Whittle
and Andy Lenarcic

An IRS plan to compile secret dossiers on all American citizens, which would contain the most detailed and intimate information about their personal, private lives, has been received by FREEDOM News Journal in

response to our widely advertised request for information about IRS illegal and unconstitutional activities from current and former employees of the tax agency.

The IRS's 204-page, tightly-guarded strategic plan, written in 1984, contains startling revelations about the IRS's intentions to:

- Prepare massive dossiers — called "taxpayer profiles" — with detailed, personal, *non-tax* information on all American citizens;
- Include in these dossiers a wide range of information *not* gathered from taxpayer returns, including "behavioral data from attitude surveys";
- Establish a "task force" to work with other federal agencies — including the Federal Deposit Insurance Corporation (FDIC), the Federal



IRS Commissioner Roscoe Egger

Reserve Board, the Federal Home Loan Bank, the National Credit Union Administration, and the

Office of the Comptroller of the Currency — in order to gain access to these agencies' investigative files and, presumably, to gather all-encompassing information about credit card usage, banking deposits and withdrawals, loan applications and payments, and other financial transactions;

- "Formalize federal/state liaison in each [IRS] district" in order to gather additional, detailed information about citizens and their private lives, including business licenses, professional fees, property transactions, and, apparently, memberships in groups, arrest records, traffic violations, etc.;

- Find ways to increase the IRS's "presence" in virtually all aspects of a citizen's life; and

continued on page 5

INSIDE:

FREEDOM Editorial:
Toward a Saner, Better World
See page 2

A History of
Investigative Reporting
See page 4

FREEDOM Interview:
Cleveland Amory
"A Voice for the Voiceless"
See page 6

A Critical Look at Psychiatry
by Thomas S. Szasz
See page 7

Truth in Taxation
by William A. Kilpatrick
See page 19

Book Review:
CIA Covert Actions Abroad
See page 21

COINTELPRO: Alive and
Well in America
by L. Fletcher Prouty
See page 23

Videotapes of Federal Informant Reveal Bizarre Government Plot to Destroy Church

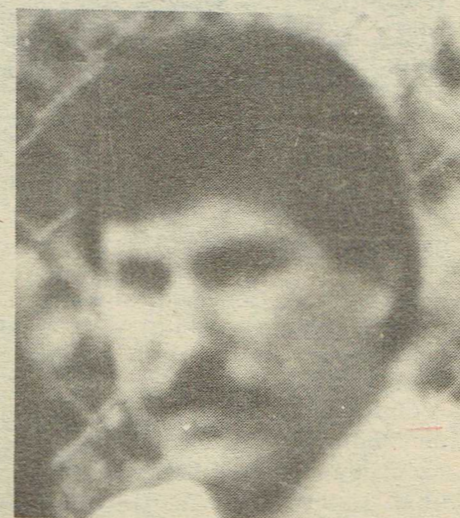
by Stacy Young

Videotapes made of a police-sanctioned "sting" operation, showing a series of clandestine meetings between a federal witness and a member of the Church of Scientology, were recently exposed in a Port-

land, Oregon, civil court. They outline a bizarre, multi-government-agency plot designed to take over the control, property and assets of the Church, in blatant violation of constitutional rights and freedoms guaranteed by the First Amendment.

The evidence presented in the videotapes, copies of which were recently obtained by FREEDOM, reveals that members of various government agencies — including the FBI, the IRS, the Department of Justice, and Canada's Ontario Provincial Police — and a Boston lawyer named Michael Flynn directed and supervised the "running" of a covert government intelligence operative, Gerry Armstrong, in a carefully orchestrated conspiracy to over-

continued on page 8



IRS Criminal Investigation Division special agent Al Lipkin.

AGENCIES IN TURMOIL AS CONSPIRACY EXPOSED

FREEDOM's exposé of the Armstrong videotapes has created an uproar in a number of government agencies and departments.

For the latest news, see page 15.

Toward a Saner, Better World

The Church of Scientology has, for many years, been one of the world's most effective organizations in the area of social reform.

Researchers in the Church's social reform branch, in the course of investigating the treatment of mental patients, prison conditions, government agency abuses, and other areas of society, uncovered such incredible stories of violations of the rights of citizens that it was clearly imperative that these facts be made known to the public.

Discovering a reluctance on the part of established news media to risk the wrath of powerful government agencies and the well-entrenched psychiatric community, the Church conceived of FREEDOM as a voice of truth for the people.

Thus FREEDOM News Journal was established by the Church, 17 years ago.

Since its inception, FREEDOM has been unparalleled in its hard-hitting investigative reporting. As its readership has grown, so has the public's awareness that reform of the criminal elements of society is needed and that such reform can actually be accomplished.



FREEDOM's revelations of the Nazi history of Interpol's leaders — including Interpol's president from 1968 to 1972, Paul Dickopf, shown here in his SS track suit — led to congressional investigations.

Such an awareness on the part of the citizens of this country is crucial to the preservation of our free society.

Only an educated citizenry can demand reform when and where it is needed, appealing to representatives of government to support legislation which will preserve and defend the rights and freedoms guaranteed to all Americans by the Constitution and

the Bill of Rights.

When government agencies such as the IRS, the FBI, the CIA, and others have abused their powers and used their positions to violate the basic rights of citizens, FREEDOM has investigated and exposed these activities and the individuals involved.

In the 1970s, for example, FREEDOM revealed more than 200 pages of previously secret Internal Revenue Service manuals which instructed IRS employees on such things as how to manipulate the news media, evade oversight by Congress and the Government Accounting Office, circumvent the Freedom of Information Act, avoid tax cases which might embarrass the IRS, and selectively prosecute and intimidate taxpayers.

This exposure by FREEDOM of what came to be known as *The IRS Papers* eventually led to U.S. Senate hearings sponsored by the late Senator Joseph Montoya.

On the heels of *The IRS Papers*, the IRS was rocked by further disclosures by FREEDOM that IRS agents engaged in illegal electronic surveillance of taxpayers, conducted harassing audits of taxpayers on a massive scale, and would even drill open taxpayers' safe-deposit boxes without permission in order to get at "information" sought by the IRS.

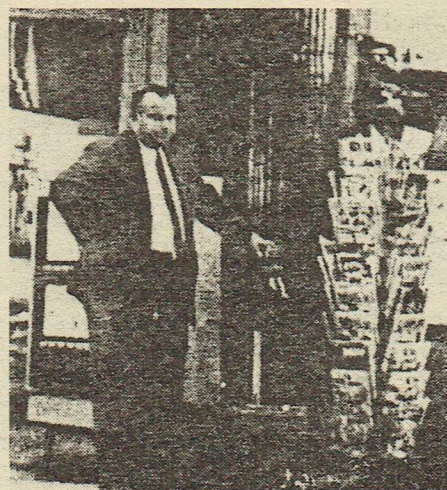
FREEDOM's recent advertisements in a number of newspapers in major cities across the country, asking current and former IRS employees to come forward with information on illegal actions on the part of the tax agency, have brought a torrent of responses — not only from IRS employees and agents, but also from American citizens who feel strongly that the IRS must be reformed.

FREEDOM has, in its recent issues, reported on the current state of the agency as revealed by those most intimately familiar with its inner workings — current and former IRS employees themselves.

The firsthand reports of IRS employees and agents tell a grisly tale of IRS management's disregard for the rights of citizens and even of their own employees, of orders by IRS managers to their employees to break the law, and of the growing dissatisfaction and unrest within the agency that results from IRS management's attitude that the IRS is "above the law."

FREEDOM's investigation into the IRS has created such a groundswell movement for reform of the agency that a group has been formed — the National Coalition of IRS Whistle-

blowers, composed of current and former employees of the IRS, as well as American citizens — whose purpose is to educate both Congress and the American people on abuses of the Internal Revenue Service so that the needed reforms can be accomplished.



A member of the U.S. Army biological warfare test team operates a suitcase sampler in the Washington, D.C., Greyhound bus terminal. (Photocopy obtained by FREEDOM under the Freedom of Information Act.)

FREEDOM also documented and exposed the criminal past of the International Criminal Police Organization, Interpol, whose leadership by Nazi war criminals had been successfully hidden by the organization until FREEDOM researchers unearthed irrefutable evidence — including SS numbers — that several Interpol presidents had been highly-placed Nazis during the war, and that, in fact, as late as the 1970s, the men chosen to head Interpol were documented Nazis.

FREEDOM exposed the dangers posed by such an organization. With access to government files on millions of Americans and with the ability to compile and transmit such information to any one of its more than 130 member countries — including fascist and communist countries — Interpol undermines freedom in America.

FREEDOM has also reported on CIA and U.S. Army experimentation on unwitting human subjects in a number of exposés in the past few years. These exposés have included the fact that the constitutional rights of the victims of these experiments were ignored, and the fact that illegal activities by individuals in these agencies were never prosecuted by the Department of Justice.

FREEDOM's coverage of these experiments, many of which were continued on page 3

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SANER, BETTER WORLD

continued from page 2

conducted as part of the CIA's "MKULTRA" program, has been extensive.

One FREEDOM exposé, for example, detailed a four-month analysis of CIA records by FREEDOM researchers which revealed that the CIA sponsored biological warfare experiments in Florida in 1955. The Florida tests were linked to an outbreak of whooping cough in that

years.

FREEDOM featured an in-depth report on the tragedy of Dr. Frank Olson, who was slipped LSD as part of an experiment by CIA psychiatrists. While under CIA "guard," the hallucinating Olson jumped through a closed window to his death on the New York City pavement 10 floors below.

Another horror story detailed by



Seven-term U.S. Congressman George Hansen, special advisor to the National Coalition of IRS Whistleblowers, has been featured in FREEDOM, urging congressional reform of the IRS.

state which claimed the lives of 12 people, half of them children under one year of age. By the end of 1955, Florida recorded 1080 cases of whooping cough, a 300 per cent increase over the number of cases reported in 1954, according to state public health records.

FREEDOM recently revealed that the Army secretly sprayed potentially harmful bacteria in open air tests in Washington, D.C.'s National Airport and in bus terminals in Washington, D.C., Chicago and San Francisco in 1964 and 1965 as part of a biological warfare experiment, according to declassified Army documents obtained by FREEDOM under the Freedom of Information Act. The germ used to spray hundreds of American citizens — *Bacillus subtilis* — has been found to cause symptoms of respiratory infections, blood poisoning, and food poisoning.

Psychiatric Mind Control

Psychiatric drug experimentation on unwilling and sometimes unwitting American citizens by U.S. government agencies as part of bizarre and terrifying "mind control" experiments has been another subject of FREEDOM's exposés over the

FREEDOM was the brutal torture of James Thornwell, a U.S. serviceman who was turned into a social and emotional cripple through the forced administration of LSD and violent physical abuse by U.S. Army psychi-

person's] future behavior."

In documenting and exposing such mind control experiments by the United States government, FREEDOM merely confirmed what Scientology founder L. Ron Hubbard had earlier revealed when his book, *Science of Survival*, was published in 1951. In the book, Hubbard documented the results of research he had done into the CIA's mind control programs and their horrifying method of subjugating the human mind — "pain-drug-hypnosis," or PDH:

"There is another form of hypnotism," he wrote, "which... has been a carefully guarded secret of certain military and intelligence organizations. It is a vicious war weapon and may be of considerably more use in conquering a society than the atom bomb. This is no exaggeration. The extensiveness of the use of this form of hypnotism in espionage work is so wide today that it is long past the time when people should have become alarmed about it."

With these words, Hubbard alerted the world to the existence of mind control and to the source of these terrifying top secret government programs, which FREEDOM later detailed.

"Before Dianetics," he continued, "the widespread use of this practice was unsuspected, simply because there was no means by which one could even detect the existence of pain-drug-hypnosis. An individual might be given pain-drug-hypnosis on Tuesday night and wake up Wednesday morning without knowledge of the fact that he had been slugged when he stepped out of his car, given an injection, painfully beaten but not so as to leave any marks, and put quietly into his own bed.

"This individual does not know that anything has happened to him,

Although no records have ever been made available by the CIA to indicate the agency's reaction to Hubbard's revelations, documents obtained under the Freedom of Information Act in 1975 showed that the CIA completely reorganized its mind control programs shortly after the publication of *Science of Survival*.

As Hubbard described it years later, "All hell broke loose."

Government retaliation, however, did not stop Hubbard's research into the mind. The freedom of man, threatened with extinction by such flagrant disregard for individual rights and dignity, was at stake, and no amount of threats or bullying would dissuade Hubbard from his work. With dogged perseverance, he pursued his goal to bring freedom to mankind.

FREEDOM's determination to expose the criminal and destructive individuals in government who threaten the basic rights and freedoms of American citizens is just as dogged.

FREEDOM exposes the truth.

We pull no punches and we add no frills.

FREEDOM has led the way for other news media to take courage in the face of the horrendous power of government agencies by continuing to report on abuses when they are uncovered, regardless of the consequences and regardless of any threats from the agencies whose crimes are exposed in the pages of FREEDOM.

Illegal actions by government agencies, such as the conspiracy to destroy the Church of Scientology revealed in this issue's front page story, are abhorrent to anyone who values the rights guaranteed by the Constitution.

Reform of the criminal and destructive elements within U.S.

"Reform of the criminal and destructive elements within U.S. government agencies and within our society is crucial if we are to bring about true freedom and a better, saner world for all men."

atric experimenters.

A 1960 CIA memo exposed by FREEDOM indicated that the intelligence agency was seeking methods that would "induce deep trance in an unwitting and unwilling subject" within seconds and would "produce indefinitely durable amnesia concerning the trance" as well as "indefinitely durable control of [the

nor will he suspect it even when he is confronted with the fact that his conduct is extremely changed along certain lines. This individual, if the criminal operator desired it, would actually obey the commands to the point of striking up a friendship with some person the operator indicated, thereafter conducting his business along lines suggested by the 'friend.'"

government agencies and within our society is crucial if we are to bring about true freedom and a better, saner world for all men.

FREEDOM is doing its part to make this possible. ▲

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A History of Investigative Reporting

First of a Series by William C. McGaw

Investigative reporting — digging as deep as you have to in order to get a news story fully unearthed — by its nature requires lots of hard work, plus at least a little bit of good luck. It has a failure rate of about 80 per cent.

That's what makes it expensive. Eight out of 10 projects produce nothing.

But that's also what makes it so valuable.

Serious, hard-hitting investigative reporting showed its value in 1970, when Seymour Hersh uncovered the mass murder of South Vietnamese civilians by American soldiers in the now-infamous Mylai massacre.

Hersh's story depended upon his finding Lieutenant William L. Calley Jr., while the Army was trying to hide him. Finally, with luck, several months of searching paid off when Hersh located the young officer and obtained the details of that massacre.

Hersh's tragic exposé was followed by Bob Woodward's and Carl Bernstein's Watergate revelations.

Woodward and Bernstein made diligence pay off with the help of a source they called Deep Throat, bringing down the presidency of Richard Nixon with a long-running series of articles in *The Washington Post*.

Both Woodward and Bernstein admit that without luck, months of effort would have been wasted.

These successful efforts glamorized investigative journalism, by whatever name, even though almost identical practices go back at least to September 25, 1690, when this country's first newspaper was published.

It was called *Public Occurrences Both Foreign and Domestic*, and it was published by Benjamin Harris, a Boston coffeehouse proprietor who wanted to share his customers' gossip with the other 10,000 residents of that city.

One of Ben's stories described the brutal slaying of 40 prisoners by our allies, the Mohawk Indians, in the war going on at the time with French Canada — a massacre that antedated Mylai by 280 years.

Ben's other lead story explained in some detail how the King of France was having sexual intercourse with his son's wife, a yarn which probably hasn't been topped in Boston since. This was sufficient, however, to get the publication banned after a single issue.

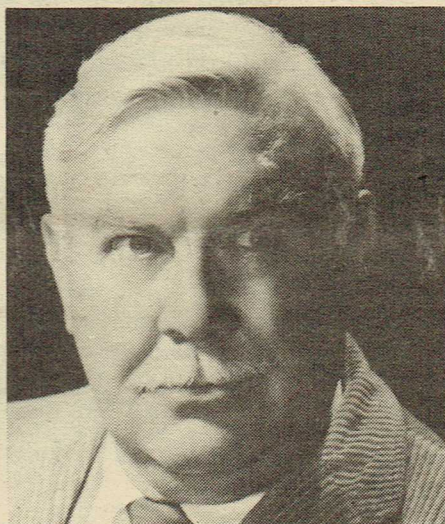
It seems that luck has a lot to do with the really tremendous stories, for they are often tossed right in your lap and all you have to do is wrap

them up with sufficient facts to make other humans believe them.

One such story that came to my attention was so bizarre that it produced the framework for a Broadway hit that was later made into a movie starring Cary Grant, among others, under the title of "Arsenic and Old Lace." The original story was more awesome than either the play or the movie, and almost as funny.

This masterpiece was first sent over the Associated Press wire while I was working the federal beat for *The Tampa (Florida) Times* in 1938. I was just entering the newsroom when I heard B.Z. Engle, the wire editor, let out a yelp that could have been heard around the block.

The AP teletype machines were kept in a small room next to Engle's desk and when a major news bulletin was coming up, a bell attached to the machine would ring to alert the wire



William C. McGaw

editors so they could quickly examine the copy and see if they wanted to remake the late afternoon editions.

Engle's yell brought Managing Editor Ed Ray from his desk to the wire editor's side and while they were reading the bulletin, the AP bell rang loudly again. They pulled the next paragraph from the printer and both yelled. After some discussion, Ed Ray said he didn't believe it and he instructed his wire editor to kill the story.

The first bulletin told of a Philadelphia housewife who had poisoned her husband to collect his insurance and had gotten two or three of her neighboring wives to do the same. Arsenic was used in all instances. The second bulletin said the total number of victims might even go as high as a hundred.

This was the most unusual story I had ever seen come over the wire, but it didn't end there. Within a few

months, I left the Tampa paper and went to work on *The Philadelphia Record* and there became acquainted with Frank Toughill, the man who had broken the arsenic murder cases story and won all kinds of awards for himself and the *Record*. He explained exactly how he had accomplished it and I am sure it proves something about the luck, plus diligence, that goes into investigative reporting.

Toughill was an old-timer who roamed the city, especially the precinct police stations, and phoned in the news to rewrite men in the newsroom. He didn't write the news — he just uncovered it. He phoned in one bit of minor corruption he had come across at a certain precinct station and, as a result, things got uncomfortable for the police at the station.

In retaliation, one of the officers of that precinct arrested him on a charge of public intoxication and had him thrown in jail overnight. The

"... almost identical practices go back at least to September 25, 1690, when this country's first newspaper was published."

next day he was fined \$5 and released, but had to wait to retrieve his valuables.

While waiting, he was nudged in the ribs by a woman sitting next to him.

"Whatcha doin' later?" she asked. Frank replied he didn't know.

"Wanna go out on the town with me?"

"I haven't got any money," Frank replied.

"Don't worry about that," she said. "I have plenty. When I get outta here I'm going home and get me a thousand dollars or two and we'll go places."

No reporter of that day could turn down such an offer.

After they toured all the places of note in Philadelphia, they went to New York and polished up the Big Apple for a couple of days and nights. Meanwhile, Frank and his new friend had become quite well acquainted — so much so she confided in him as to

how she had gotten the suitcases full of money she had in her closet.

She had been approached by an insurance salesman who not only sold her a \$25,000 policy on her husband's life, but provided her with sufficient arsenic to collect the money.

The woman and the insurance salesman split the take. The woman then enlisted two or three of the wives in her neighborhood to pick up some easy money in the same way, and they did, with Frank's new friend getting 25 per cent of this additional money.

At the first opportunity, after he got details of the story, Frank acted as though he was going to the men's room. Instead, he went to a telephone, called the *Record* newsroom and reported the story about the woman and the murder of her husband in collusion with an insurance agent. A short while later, he slipped away again and called in to report that a few of the woman's neighbors' husbands had been done in at a profit.

This information caused a sensation across the nation, but Frank and his girlfriend were still running around spending the money. Frank telephoned at every chance to update the newsroom and he finally told his rewrite man that the activities of his friend and the insurance agent were putting an end to husbands all over the city, not just in the neighborhood.

Frank held on doggedly to dig into the last grave.

After he had done so, he returned to the office, wound up the story, and then provided the testimony to convict a lot of people who had held their own private holocaust at the expense of their spouses.

"There sure were a lot of wives who liked 25 grand a lot more than they liked their husbands," Frank told me later.

"I'll bet," I said to Frank, "that your rich girlfriend ended up wishing she had done away with you."

"Oh no," said Frank, "she understood that I was just doing my job. She told me that life was just like that: you win some and you lose some."

And so it is with investigative reporting. ▲

As mentioned in this article, William C. McGaw has written for *The Tampa Times* and *The Philadelphia Record*. In addition, his more than four decades as a journalist have included work with *The New York Post*, *The New Orleans Item*, and *Collier's*, and many years in Texas as a newspaper editor and publisher.

His more recent career has included work as editor of *The Investigator*, a magazine published by syndicated columnist Jack Anderson, and the writing of several books.

DOSSIERS

continued from page 1

- Promote legislation to increase IRS powers and capabilities, at the expense of individual rights and freedoms.

Orwellian Policy Statement

In a written analysis of the strategic plan, former senior IRS agent Paul J. DesFosses, president of the National Coalition of IRS Whistleblowers, commented that "The stated IRS objective of establishing a computer file for each taxpayer based upon non-return, personal information [information not from tax returns] represents a uniquely Orwellian policy statement appropriate to the 1984 date"

According to Mr. DesFosses, a 20-year IRS veteran, "Taken together, these documents clearly indicate the massive scope of the IRS effort to establish and maintain a 'presence' in every aspect of the taxpayer's personal affairs. All this non-return, personal, taxpayer information, secured and fed into the IRS computers, will be retrievable in the 'taxpayer profile' being established for every taxpayer."

Mr. DesFosses pointed out the enormous investment — in terms of time, money, personnel, and computer resources — involved in the compilation of these voluminous dossiers. "Is it any wonder that the current IRS computer facilities are inadequate and that tax return processing is falling behind schedule, in view of the massive non-return information processing being implemented?"

55 "Initiatives"

In the foreword to the strategic plan, IRS Commissioner Roscoe Egger boasts that "This Plan provides a strong foundation for directing tax administration efforts well into the 1990s and lays the groundwork for the Service's entry into the 21st century."

The plan lays out broad IRS strategies, called "initiatives," to be implemented in 55 key areas.

Each of the 55 initiatives is assigned to a senior IRS official.

In Philadelphia, for example — where the IRS has recently been wracked by reports that thousands upon thousands of tax returns have been shredded by IRS employees, that taxpayer returns have been stuffed in toilets and hidden in ceilings, and that taxpayer checks have been shredded and thrown away — District Director Charles E. Roddy has been placed in charge of the initiative regarding "technological advances in computer technology."

In Detroit — where IRS agents recently ran into congressional criti-

cism and public outrage after conducting a Gestapo-like raid on a day care center and holding 30 children and infants hostage — District Director Charles A. Parks was assigned the initiative regarding efforts to "enhance employee pride, involvement and productivity by better recognizing the Service's investment in its workforce and employees' role in IRS accomplishments."

Thomas P. Coleman

Thomas P. Coleman, regional commissioner of the IRS's Western Region, was assigned targets which included, "Prepare managers to deal with diversity in the workforce." Coleman, while district director in Brooklyn, New York, encountered an example of this "diversity."

As described in the January 1985 issue of FREEDOM, Coleman had an employee who persisted in efforts to correct the illegal duplicate assessment of a taxpayer.

After endeavoring to get the criminal overassessment corrected at several lower echelons in the Brooklyn office, the employee, Beverly Leavitt,



Charles E. Roddy

brought the overassessment to Coleman's attention. Coleman — apparently in violation of the law — refused to correct the overassessment. Mrs. Leavitt was subsequently harassed and hounded on the job to the point that she felt she had to quit the revenue service.

Coleman allegedly was involved in the harassment and pressured dismissal of another IRS whistleblower who resigned from the revenue service in November 1984. That IRS employee, a senior IRS agent, filed suit against Coleman and other IRS managers and executives, charging that they were guilty of "harassment, retaliation, reprisal, [and] unlawful discrimination on the basis of religious belief." The whistleblower's suit for \$1.7 million in damages was settled by the IRS on the very day that public hearings were to begin.

Coleman is currently a defendant in a \$1.5 billion class action lawsuit which names various IRS managers and executives for their alleged role in the illegal and unconstitutional harassment and abusive treatment of

hundreds of supporters of Brigham Young University.

Thomas A. Cardoza

Thomas A. Cardoza, regional commissioner of the IRS's Southeast Region, has been assigned the initiative to "Develop and implement a plan to improve overall conditions under which managers and executives operate."

Cardoza, while regional commissioner of the IRS's Western Region, was named in the \$1.7 million lawsuit by the IRS whistleblower who subsequently won the settlement as described above.

Cardoza, like Thomas P. Coleman, is now also a defendant in the \$1.5 billion class action lawsuit naming various IRS managers and executives for their alleged role in the illegal harassment and abusive treatment of hundreds of supporters of Brigham Young University.

"Increasingly Serious Problem"

"Retention of our best employees is becoming an increasingly serious problem in our organization," the plan states on page 83.

The reasons given for this, however, including "economic conditions, the geographical locations of offices,

orders." If an employee refuses, Mr. DesFosses said, or "if an employee has ethical or moral considerations which prevent him from carrying out the illegal orders, he is forced out of the IRS."

He continued, "So the employees who remain are the employees who will do whatever their bosses order, regardless of the illegality or immorality of the actions ordered."

Former IRS collections officer Larry Hansen confirmed to FREEDOM that IRS managers pressure their employees to do things which are illegal. In one incident, for example, he was directly ordered by an IRS manager to place a levy on a man's wages, even though the man had fully discharged his obligation to the IRS and placing the levy was an illegal act.

Mr. Hansen told FREEDOM that "There is still a quota system, even though the IRS isn't supposed to have one."

According to Mr. Hansen and other former IRS employees interviewed by FREEDOM, quotas are placed on IRS employees to do a certain number of seizures on taxpayer property, and to do a certain number of levies on taxpayer accounts.

"... taxpayer returns have been stuffed in toilets and hidden in ceilings. . . ."

as well as changes in skills required to cope with an increasingly complex workload and the introduction of new technology," are a whitewash, according to current and former IRS employees interviewed by FREEDOM.

One IRS research analyst, for example, told FREEDOM that the cause of rapid turnover and high attrition rates among skilled IRS employees is actually low morale brought about by bad IRS management, lack of organization, and general incompetence within the tax agency.

Furthermore, the intense personal pressure brought to bear on IRS employees by IRS management often makes it impossible for good employees to continue working for the tax agency without compromising their integrity.

Illegal Orders

Former senior IRS agent Paul J. DesFosses described this problem in an interview in the April issue of FREEDOM. "IRS employees are indoctrinated to follow orders blindly," he said, "regardless of the illegality or immorality of those

"Imposing a seizure quota is a lazy man's way to avoid reviewing individual cases to determine if a seizure is required," Mr. Hansen said.

"Even though they aren't supposed to have these things," he said, "somehow or another quotas find their way into the system through one form or another. There has always been pressure to do seizures. In some cases, it actually came down to being directly ordered to do seizures."

According to Mr. Hansen, "It was made very clear that if you didn't do seizures, you wouldn't be promoted. A lot of people in the service were having problems with this."

Three-Year Profiles to be Used In Selection of Returns

As part of the strategic plan, Merlin W. Heye, the district director in Jacksonville, Florida, was assigned the initiative to "Improve the effectiveness of IRS examinations by exploring development of a system that would associate existing multi-year tax information for use in current year examinations and enforcement actions."

"Under this initiative," according to continued on page 8

Exclusive FREEDOM Interview
by C. Lee McCormick

Cleveland Amory's stiletto wit has made him one of the nation's most popular writers.

He has written extensively for a wide variety of magazines and his many books have been best sellers. He is one of the country's most sought-after lecturers and he has had a distinguished career in television and radio as well.

In 1967, Mr. Amory founded The Fund for Animals, now regarded as one of the most effective anti-cruelty societies in the world.

In his crusade against cruelty to animals, he has become known as "a voice for the voiceless."

FREEDOM: Mr. Amory, would you tell our readers what caused you to get involved in the fight for animal rights?

MR. AMORY: Well, it began when I was sent to do a story on the good relationship between Nogales, Arizona, and Nogales, Mexico, sister cities across the border. A fellow there was promoting that I go see a bullfight. He did a tremendous job of selling me. He told me it was part of the social history, and what a beautiful and brave art it was.

The spectacle turned out to be the most God-awful, stupid, cruel thing I'd seen. Toward the end, the bull was walking around the ring just looking for a place to die. The horses were terribly gored by the horns of the bull. And there was the matador, strutting around the ring with the two ears of the bull in his hands.

Well, it was kind of a wet day and there were these cushions in the seats that were kind of damp. When the matador came by me I swung this cushion at him and hit him in the back of the neck and he went down like a stone. It was the best feeling I had all day. I remember there was kind of a hush in the place and I looked at the people there and said, "There may be a thousand of you and only one of me. But there is none of you that's going to do a thing 'cause you'd have to be a coward to like a sport like this."

FREEDOM: Since that time, you have been savior to a great number of animals. Would you tell us about perhaps the most famous of all, Nim Chimpsky?

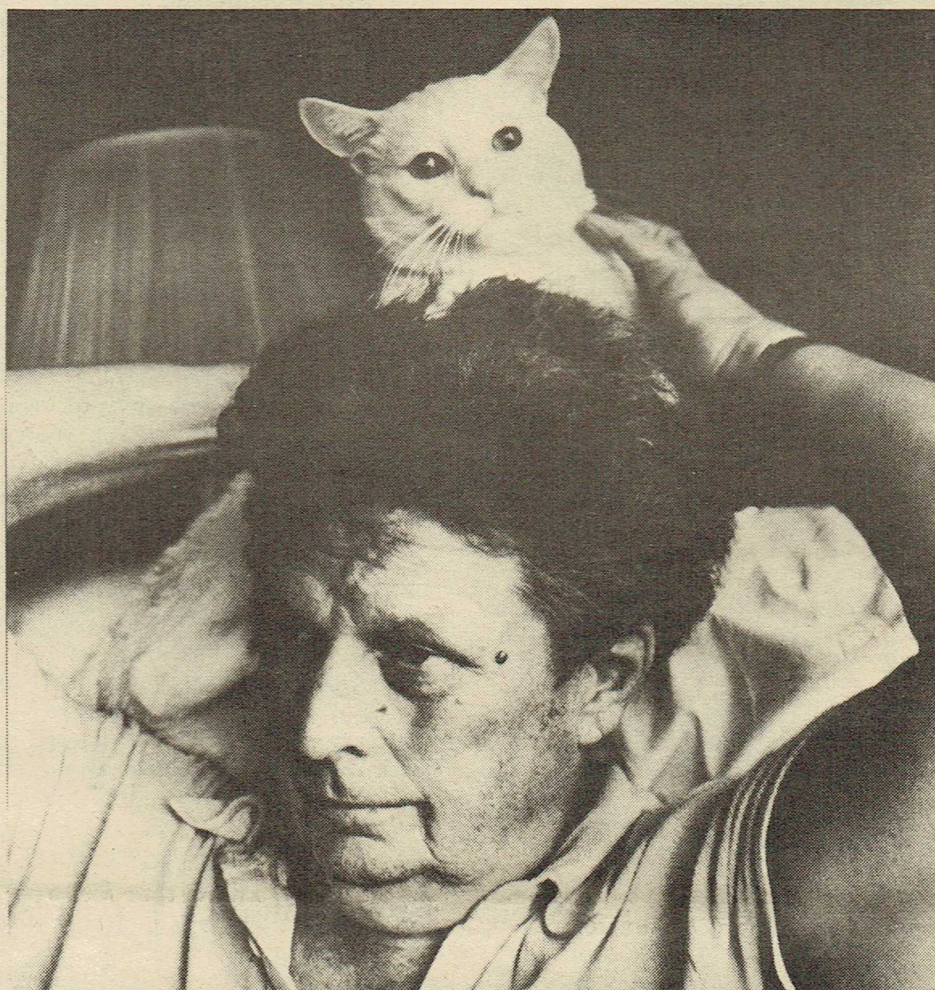
MR. AMORY: Nim is probably the most extraordinary animal in the world. He was taken out of where he was born very quickly and from the time he was a few days old he lived with humans.

He grew up in the home of the people who studied him, not knowing if he was human or chimpanzee. Nim became famous by learning to talk in sign language. He mastered 125 signs and was featured on the cover of *New York* magazine in 1975.

Nim, who had given so much to the language project, was rewarded for his contribution by being returned to

Cleveland Amory

"A Voice for the Voiceless"



Cleveland Amory

the Institute for Primate Studies — he was to be a part of a hepatitis experiment. We kicked up an awful fuss about his being in a research facility and I went to see Dr. W.B. Lemmon, who had raised Nim.

We persuaded the institute to let The Fund for Animals give Nim a home. Nim now lives at The Fund for Animals' Black Beauty Ranch in Brownsboro, Texas, which is a refuge for mistreated animals.

You talk differently to Nim than to other animals; you don't speak down to him. You can actually carry on a regular conversation with him. As I told you, Nim doesn't know whether he is human or chimpanzee.

For example, when Nim tells me he wants to brush his teeth, he looks at me like I've got a hole in my head if I forget to give him his mirror. When I give him an orange to eat, he'll peel it and hand me back the peels. Nim is extraordinary. I can't say enough for him.

FREEDOM: Mr. Amory, Dr. Bernard Rollin says the most cruel and useless experiments are done by psychologists. Do you agree with this?

MR. AMORY: I certainly do. The first psychology experiment I saw

was one of the cruelest things I've ever seen.

These guys would give this kitten an electric shock every time it tried to come near its mother. The mother cat finally got so desperate that she actually clawed at the kitten when it got near her.

I asked these guys what they were trying to prove by shocking the kitten. The psychologists said they were studying juvenile delinquency, to which I told them if they wanted to study juvenile delinquency they ought to go down into the streets and leave the poor cats alone. This was more than 20 years ago, and this stuff still goes on.

FREEDOM: You mean this same experiment is still being done today?

MR. AMORY: Yes, it's done over and over. As long as they can get grant money they will do it.

FREEDOM: Can you give us an example of another psychological experiment?

MR. AMORY: There is one that is going on right now down at a facility in Texas. Some psychologist is bashing kittens with pneumatic hammers and finding all kinds of ways of smashing them with different kinds

of instruments.

The whole idea is not for any purpose at all but to get a grant. And the grant is to test for a better boxing glove: to prove, with repeated blows, that smaller blows are just as damaging as heavy blows.

The researcher who is doing this is a member of the Texas boxing committee. You can't get this kind of thing stopped because the same mantle of protection that covers that kind of "experiment" also covers a doctor who may be doing a far more reasonable one.

So the doctors all stay by the ship and defend all experiments, including those stupid psychological ones. They feel if we get any foot in the door, we will say these experiments don't need to be done. Instead of being reasonable about it, we have seen that they are not reasonable.

I think it's going to be a long and difficult fight, and I think the time will come when we establish some ground rules and foul lines.

I don't think all experimentation is going to be stopped on animals. But I think that we have made quite a lot of progress in the sense of planting some seeds of doubt in people's minds that all is not well in the white coat department.

FREEDOM: Mr. Amory, psychiatrist Louis J. West killed an elephant by giving it a massive dose of LSD in a research experiment. Do psychiatrists often give animals psychiatric drugs?

MR. AMORY: Well, yes, certainly almost anything that could happen to a person, such as an overdose of drugs, will be studied by using animal lives.

Let's take, for example, smoking. They make a total smoking tool out of a dog. In other words, with every breath the dog takes he must inhale cigarette smoke. The government has to prove smoking is bad for you, and tobacco companies have to prove that smoking is great for you. Then there are those that are in between, the so-called independent people, that both government and tobacco companies hire to prove their point. As a result, the dogs are smoked three ways.

FREEDOM: What percentage of these experiments are actually useless?

MR. AMORY: At least one-half to two-thirds of these experiments don't need to be done at all.

I can give you an example as to the extent to which the absurdity can go. I was on a televised program debating the use of animals in laboratories. In the last few minutes of the program, I looked down at my notes and said, "Here's an experiment where they took the eyes out of a dog and put them in a cat and took the eyes out of

continued on page 20

A Critical Look at Psychiatry

by Thomas S. Szasz

I

A quarter of a century has passed since I began to try to clarify the core problems of psychiatry — namely, the nature of so-called mental illness and the justification for so-called involuntary mental hospitalization. My diagnosis of what ails psychiatry must have been right: during the past two decades the two most hotly debated issues in this field have been the so-called "medical model" of mental illness and the uses and abuses of mental hospitals.

II

Before scrutinizing the concept of mental illness let us examine the concept of illness itself. When we say that a person is ill, we usually mean two different things: first, that he or his physician believes that the complainant suffers from an abnormality of his body; and second, that he wants, or is at least willing to accept, medical help for his suffering. The term "illness" thus refers, on the one hand, to an abnormal biological condition and, on the other hand, to the social role of being a patient.

If a person does not suffer from an abnormal biological condition, we do not (usually) consider him to be ill. (We certainly do not consider him to be physically ill.) And if he does not voluntarily assume the role of one who is sick, he is not (usually) considered to be a medical patient. This is because the practice of modern Western medicine rests on two tacit premises — namely, that the physician's task is to diagnose and treat disorders of the human body, and that he can carry out these services only with the consent of his patient. In other words, physicians are trained to treat bodily ills — not economic, moral, racial, religious, or political "ills." And they themselves (except psychiatrists) expect, and in turn are expected by their patients, to treat bodily diseases and not the other miseries that beset man. Strictly speaking, disease or illness can affect only the body. The term "mental illness" is a metaphor. Trying to cure people with "sick minds" in hospitals with drugs is therefore like trying to cleanse people with "dirty minds" in laundries with detergents. Is it any wonder that everything under the sun — from conversation to convulsion, from love to lithium — has been acclaimed and accredited as a cure for mental illness? And that, at the same time, mental illness has remained the most incurable affliction?

III

How did the metaphor of "mental illness" achieve its present status as scientific myth? The idea of mental illness arose, in part, from the fact that it is possible for a person to act and to appear as if he were sick without actually having a bodily disease. How should we react to such a person? Should we treat him as if he were ill or not ill?

Until the second half of the 19th century, persons who imitated illness were regarded as faking it and were called malingerers; similarly, those who imitated medical practitioners were regarded as impostors and were called quacks. As a result of the influence of Charcot¹, Janet², and especially Freud³, this perspective was radically transformed. After the turn of the century, persons who imitated illness — for example, who had "spells" — were regarded as genuinely ill, and were called hysterics, and those who imitated physicians — for example, who "hypnotized" — were regarded as genuine healers, and were called psychotherapists. This profound conceptual transformation was both supported and reflected by an equally profound semantic transformation — one in which "spells" became "seizures," and "quacks" became "psychoanalysts."



Thomas S. Szasz, M.D.

ity and portrayed in pantomime." In plain English: hysteria is the dramatic imitation of illness. Nevertheless, Freud would have us believe that hysteria is itself an illness.

The upshot of this psychiatric-psychoanalytic "revolution" is that, today, it is considered uncivilized and unscientific to treat a person who acts or appears sick as if he were not sick. We now "know" that such a person is sick: that he is mentally sick. But this view rests on the serious, albeit simple, error of confusing what is real with what is imitation; literal

"Trying to cure people with 'sick minds' in hospitals with drugs is therefore like trying to cleanse people with 'dirty minds' in laundries with detergents."

Two quotations from Freud's early writings support these contentions. In 1893, Freud writes that "hysteria has fairly often been credited with a faculty for simulating the most various organic nervous disorder." And in 1909, although without using such direct language, Freud acknowledges that the hysteric fakes illness: "... [hysterical] attacks are nothing else but phantasies translated into the motor sphere, projected on to motil-

meaning with metaphorical meaning; medicine with morals.

IV

The phenomenon of involuntary mental hospitalization is at once independent from and interlinked with the notion of mental illness. Alexander Solzhenitsyn's⁴ protest against the "mental hospitalization" of Zhores Medvedev⁵ (in 1970) is to the

⁴ Alexander Solzhenitsyn — born 1918, Nobel Prize-winning author; expelled from the Soviet Union in 1974.

⁵ Zhores Medvedev — born 1925. Mr. Medvedev, a world-renowned Russian biologist, was harassed because of his criticisms of the Soviet establishment and involuntarily committed to a psychiatric hospital in the Soviet Union in 1970.

point in this connection. "The incarceration of freethinking healthy people in madhouses," wrote Solzhenitsyn, "is spiritual murder . . . a variant of the gas chamber, and even more cruel." But if this is so for "healthy people" what makes it justifiable when it is imposed on "sick people"? What is there about "mental illness" that makes a "mental patient" a fit subject for "spiritual murder"? How are these procedures justified in law and how are they understood in fact?

The legitimacy of coercive psychiatry does not rest on the medical model of illness, but on the pediatric one. The mental patient is considered to be like a child, so that the psychiatrist (especially the institutional psychiatrist) must act *in loco parentis*, protecting him and providing him with treatment. Consequently there must be appropriate authorities — doctors or judges or juries — with the power to classify some adult citizens as irresponsible children (that is, as "mentally ill" persons).

Psychiatric coercion is usually invoked in response to the behavior of "irresponsible" individuals whose conduct is self-injurious or injurious to others but falls outside clear-cut categories of crime. For them the forces of psychiatry take over: the actor is no longer a moral agent but a patient; his behavior is no longer conduct for which he is responsible but a symptom of his mental illness for which he is not responsible; the police, the family, and the psychiatric profession that control him are not his adversaries but his helpers; and the institution in which he is confined is not a prison but a hospital.

V

The man of common sense is now likely to ask: But what else is there to do — should we let the suicidal person kill himself, or the homicidal person kill others? These dilemmas raise fundamental questions of ethics, law, and politics. In a society dedicated to individual freedom and responsibility, self-injurious behavior cannot justify loss of liberty. The state, the family, and the medical profession must restrict themselves to offering help; they must eschew forcing help on unwilling persons and, indeed, ought to be prevented by law from doing so. Granted, some of the increase in liberty so gained might be purchased at the cost of the impaired health or even death of some persons who make themselves ill or who want to kill themselves, but freedom must entail the right to make the "wrong" choices.

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DOSSIERS

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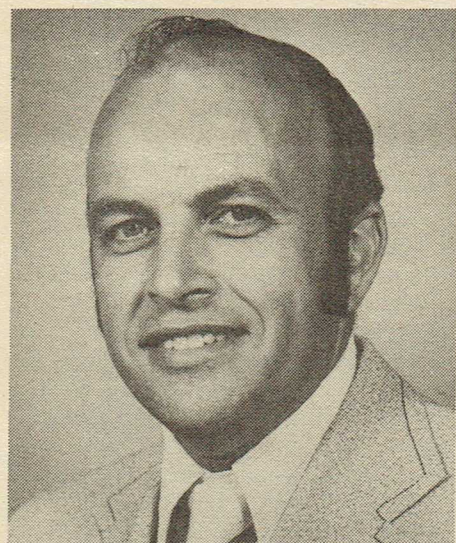
to the document, "the Service would explore development of a three-year taxpayer profile that would include information from existing data sources. . . ."

"This information," it states, "which consists of items *not* shown on the return, should be used as a supplement . . . in the selection of returns." [Emphasis added.]

"Hit Lists"

As is clearly shown in the IRS's strategic plan, the agency is moving away from its stated practice of selecting returns for audit based on errors or omissions detected by its computers, and is increasingly selecting returns based on non-tax information.

Tens of millions of Americans have already reportedly been placed on massive IRS "hit lists" merely because they belong to a particular economic group or because they have a certain religious or philosophical affiliation.



Thomas Cardoza: IRS manager named in \$1.5 billion class action lawsuit.

As reported in recent issues of FREEDOM, persons involved in direct sales organizations, such as Amway, Shaklee, Tupperware, Avon, Fuller Brush, and Mary Kay, are on IRS "hit lists" — not because they have done anything wrong, not because they haven't paid their taxes, but because the IRS needs to give its massive machinery something to do. Without such "hit lists," many IRS employees — and most IRS managers and executives — would be out of a job.

Secret "Task Forces"

The strategic plan also shows the degree to which the IRS relies on special, secret "task forces" to accomplish its objectives.

The area of IRS task forces has been an area of intensive FREEDOM investigation, and the strategic plan

presents overwhelming evidence of the existence and functions of these entities.

Documentation regarding task forces has been uncovered as far back as 1969. Two secret IRS memoranda from that year, released under the Freedom of Information Act, reveal the creation of a special IRS task force on "Ideological Organizations."

According to the first memorandum, dated July 2, 1969, "What we are doing is trying to assemble all information available from within the Service, from the FBI, from the Department of Defense, from any other Federal agency having information, and from any Congressional committee having information. This data will be collated, analyzed, and given to the proper functional unit for attention."

The task force on "Ideological Organizations," which specifically targeted certain named groups, including religious organizations, was established by the IRS to operate beyond review or oversight by any congressional committee. The second memorandum, dated July 29, 1969, specifies that "A copy of this memorandum has been delivered to each person attending the meeting However, copies will *not* be furnished to representatives of the Senate Committee on Government Operations." [Emphasis added.]

According to the strategic plan, the IRS's use of such task forces "has increased dramatically since 1969 and now apparently includes an even broader range of targeted organizations."

Frenzied IRS Efforts

Paul J. DesFosses, after reviewing the IRS strategic plan, stated that "One might conclude that part of the IRS's problem is too *much* information on taxpayers rather than too little, as is asserted by the IRS."

He continued, "From the statistics and the frenzied IRS efforts to gain more and more 'presence' in the private affairs of American taxpayers, it must be concluded that the IRS approach has not been working and is not working currently. Perhaps the IRS approach itself is the problem and, if that is true, as the IRS approach becomes more ominous, its failures will become more immense."

After extensive interviews with current and former IRS employees, and after the analysis of documentation received by FREEDOM, it is apparent that the tax agency has had a marked lack of success in achieving its stated goal of "voluntary compliance" from taxpayers. It is clear that the IRS is moving towards stronger methods of direct intimidation, coercion and attack, with Americans on "hit lists" — and fundamental American rights and freedoms — as the targets. ▲



"His first name is Brackett. Last name is Denniston. D-E-N-N-I-S-T-O-N. And he's (617) 223-2280. He's the assistant U.S. attorney involved in the Tamimi thing. . . ."

PLOT

continued from page 1

throw current Church leadership and seize the Church's sizable property and assets.

This conspiracy was brought to light when a private investigator, working under the supervision of a Church attorney, obtained written permission from the Los Angeles Police Department to document criminal actions being planned against the Church in an effort to "bring it to its knees."

Advised of the efforts of a government informant to steal confidential Church documents and plant incriminating and fabricated "evidence" in Church files, a Church staff member arranged to meet with the informant under a guise.

The Church member told the informant that he was part of a group within the Church that was dissatisfied with current Church leadership and wished to improve matters internally. He called his fictitious group the "Loyalists." Seeing this as a golden opportunity to infiltrate the

Church and get his orders executed, and after several telephone conversations and reassurances from other fictitious sources, the informant set up a series of secret meetings on a park bench in Los Angeles with the "Loyalist." There he unfolded his bizarre plans and exposed the government plot to infiltrate and "smash" the Church.

With the videotapes exposed in open court, the editors of FREEDOM felt it imperative that the facts and details of this incredible operation be broadly published.

THE CAST

The cast of characters involved in this clandestine plot includes government agents in Washington, D.C., Boston and Los Angeles, among others:

- **GERALD ARMSTRONG:** A traitorous ex-Scientology clerk who left the Church of Scientology in 1982; he is now an itinerant, unemployed federal witness and government informant/operative. When he left, he stole thousands of valuable Church archival documents. He became an informant so that he could infiltrate the Church from the outside. To carry out the government's

plan, Armstrong was apparently trained and rehearsed by his lawyer, Michael Flynn, and by his several contacts in various government agencies.

Conversations on the videotapes indicate that Armstrong was a government agent even prior to leaving the Church. Ongoing investigations have revealed that Armstrong may in fact have been a government plant from the first time he contacted the Church of Scientology in 1969;

- **BRACKETT BADGER DENNISTON III, ASSISTANT U.S. ATTORNEY IN BOSTON:** He had been assigned to investigate an attempt to pass a \$2 million forged check on an account of Scientology founder L. Ron Hubbard by Boston lawyer Michael Flynn. Denniston stonewalled the investigation into Flynn's involvement in the crime. To this day, he has not followed up on the volumes of persuasive evidence given to him by Church attorneys and their investigators exposing Flynn as one of the perpetrators of the crime.

Armstrong has testified to the fact that during the attempted infiltration of the Church, he was passing covertly obtained information concerning Church matters to Denniston. According to the videotapes, Denniston was in contact with both Armstrong and Flynn during his stonewalling of the investigation into Flynn's involvement in the \$2 million check forgery.

It is apparent from the videotapes that Denniston planned to exonerate Flynn and accuse the Scientologists of attempting to frame the Boston lawyer for the crime. Obtaining "evidence" of this would apparently be accomplished through covert planting of false documents in Church files with the help of Armstrong and his "Loyalists";

- **RICHARD GREENBERG, U.S. DEPARTMENT OF JUSTICE ATTORNEY, CIVIL DIVISION:** He is the government's lead counsel in a class action lawsuit filed by the Church against a number of government agencies. The lawsuit charges the government with conducting a 35-year campaign of harassment and disinformation against Scientology Churches and individuals. Greenberg was in regular contact with the informant during his attempts to get the Church's civil rights suit against the government agencies dismissed;

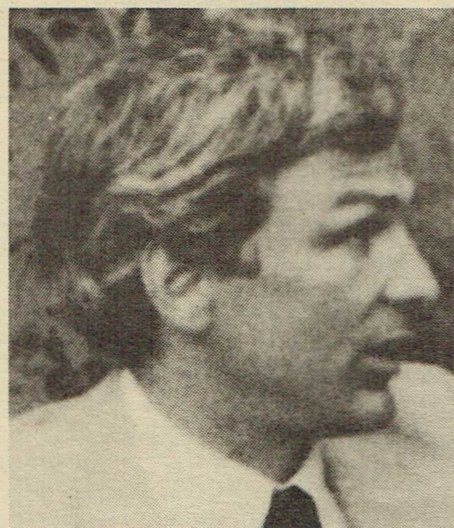
- **THOMAS DOUGHTY, SPECIAL ASSISTANT U.S. ATTORNEY FOR THE FBI IN WASHINGTON, D.C.:** He is the FBI's attorney in an ongoing lawsuit filed by the Church of Scientology against the FBI for violations of the Church's constitutional rights in connection with a massive raid which the agency conducted against the Church in

1977. Doughty, like Greenberg, was in contact with the informant while representing the FBI in this suit;

- **AL LIPKIN, IRS CRIMINAL INVESTIGATION DIVISION (CID) SPECIAL AGENT:** Lipkin was heavily involved in the plot to wrest control of the Church from its current leaders and was in regular, daily contact with his operative, Armstrong. He is known to be conducting a quasi-criminal investigation into supposed "tax violations" by the Church and named individuals. He, too, ran Armstrong in the plot to collect or fabricate information to build his "case";

- **AL RISTUCCIA, IRS CRIMINAL INVESTIGATION DIVISION (CID) SPECIAL AGENT:** He was Armstrong's backup IRS contact in the event that Lipkin could not be reached;

- **AL CIAMPINI, DETECTIVE SERGEANT OF CANADA'S ONTARIO PROVINCIAL POLICE:** In 1983, after submitting a misleading and slanted affidavit, he engineered a massive police raid on the Church in Toronto. Compelled by his animosity, he has pressed for indictments of Scientology parishioners and staff. Ciampini was working in very close coordination with Armstrong and, according to Armstrong, was pushing to get up to 26 top Scientology management executives indicted in Canada, so that the Church would be crippled, directionless and unable to defend itself from Flynn, Armstrong and the "Loyalists"; and



Boston lawyer Michael Flynn.

- **MICHAEL FLYNN, BOSTON LAWYER:** Flynn, an ex-IRS employee and Armstrong's attorney, has been a longtime foe of the Church. Flynn set up a corporation to solicit clients and attorneys in his attempt to bring the Church "to its knees" financially while lining his own pockets. He is known to be in very close coordination with several government agencies in the exchange of information and plans concerning the Church.

Flynn has instigated lawsuits across the country in which more than \$1 billion in damages are being sought from Church corporations and Scientologists. Armstrong revealed that Flynn planned to settle all of his suits, once the current Church leadership was removed, at a rate of five cents on the dollar.

There is evidence that Flynn's clients have signed 50 per cent contingency fee agreements with him. At five cents on the dollar, Flynn stood to line his pockets with \$25 million at the expense of the Church of Scientology.

Flynn, after hearing of the success of his client, Armstrong, in infiltrating the Church by finding an "in" with the "Loyalists," drafted a lawsuit that he gave to Armstrong to pass on. The lawsuit was for use by the "Loyalists" to file against current Church executives "when the time was right." It was designed to wrest ultimate control of the Church corporate structure, assets and bank accounts; these would then be made available to settle the multitudinous lawsuits Flynn had brought against the Church and Scientology's founder.

THE PLOT

The plot against the Church was carefully engineered with multi-agency cooperation.

The characters involved in the plot are clearly shown in the videotapes to have conspired to:

- Direct an intelligence operation which would result in a group within the Church filing a lawsuit drafted by Flynn. The suit was designed to obtain a receivership of all properties and assets of the Church. It would be based on false allegations — with no factual support beyond what would be planted in Church files. The newly installed government-controlled Church leadership would then immediately settle all of Flynn's litigation, handing millions of dollars over to Flynn;

- Steal documents from the Church to serve as models for forgeries;

- Plant forged documents in Church files which could be "discovered" by government agents during a raid and which would then serve as incriminating evidence against the Church;

- Steal attorney-client privileged communications, including legal strategies of the Church and plans involving its litigation with Flynn, and

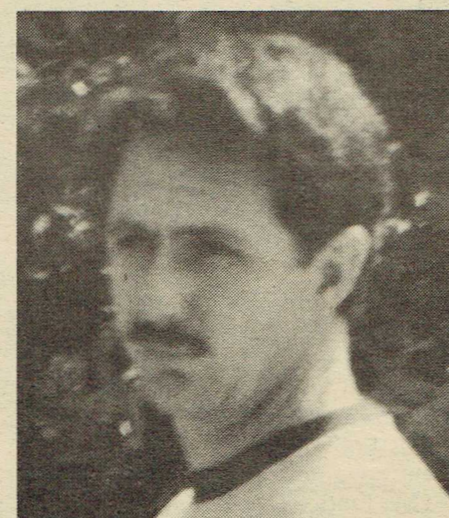
- Conspire to suborn perjury in order to cover up the extensive and sordid criminal conspiracy, and particularly to prevent any disclosure of Flynn's involvement.

The videotapes provide clearcut evidence of the Flynn/government agency conspiracy to overthrow the current Church leadership. A new,

"cooperative" Church leadership would then accede to a "global settlement" of the extensive Flynn-inspired litigation against the Church, from which Flynn and his cohorts hoped to profit handsomely.

"Friends" in IRS CID

Convinced by several phone conversations with a Church staff member, code-named "Joey," that he could manipulate the "Loyalists," Armstrong arranged a meeting in Los Angeles' Griffith Park on November 7, 1984.



IRS Criminal Investigation Division special agent Al Ristuccia.

Intent upon motivating the "Loyalists" to take control of the Church of Scientology, Armstrong emphasized to "Joey," the "Loyalists" representative, that he had the full weight of the government behind him.

Referring to a large black book which he held in his lap, Armstrong rattled off a list of names of government agents and their phone numbers. He wanted "Joey" to call these agents to set up a meeting in which information could be exchanged and instructions could be given to the "Loyalists."

The meeting between the "Loyalists" and the government agents was important to Armstrong, as it would seal the conspiracy, with Armstrong as a central character.

The following conversation took place between Armstrong and "Joey" at the November 7 meeting:

[Editor's note: GA = Armstrong; J = "Joey."]

GA: OK. Well, the agencies have asked for some specific things. That's all they've asked for. Now...

J: Let me take notes. What have they asked for?

GA: Well, they asked for — specifically, now — some of the things you've already asked for, and I've already passed on. The names that they mentioned — Marlowe, Reynolds [Church staff members]...

J: Now, who wanted this?

continued on page 10

PLOT

continued from page 9

GA: CID.

J: Got it.

GA: Now, do you want a number in CID?

J: Yeah.

GA: Your people should call — any problems, just call this guy.

J: He knows about the Loyalists — what we're doing, stuff like that?

GA: Yeah. Basically, yeah.

J: What exactly have you told him and what did he say?

GA: I've told him — well, he feels that — he keeps saying, "When are these guys going to talk to me? I'll meet under any circumstances."

J: Wow!

GA: He wants to talk. You know, wait a — let me get — Al Lipkin, (213) 688-4260. At night, 688-4151. . . .

J: Great. Great. So, what agencies know about us and what do they want, and . . .

GA: Justice Department, FBI . . .

J: You talk to these guys?

GA: Yeah, I do. Yeah.

J: Like, who in Justice? Is there a number I can call there?

GA: Uh, Richard Greenberg. I gave you that one, I think. He's the guy you should call. I'll give you that number. He's in D.C. . . . OK. Uh, (202) 633-3368. I gave you one for Tom Doughty, FBI in D.C.

J: What's his name again?

GA: Tom. Thomas D. Doughty. D-O-U-G-H-T-Y. (202) 324-4532. I gave you CID. There's another guy in CID . . .

J: Yeah, Al Lipkin?

GA: . . . Al Ristuccia. R-I-S-T-U-C-C-I-A.

J: Is this Al, too?

GA: Albert, yeah. And — 688-4261. It may be the same as the other one I gave you — I'm not sure. Al Lipkin? No, the other one is -4260. OK.

J: This is CID?

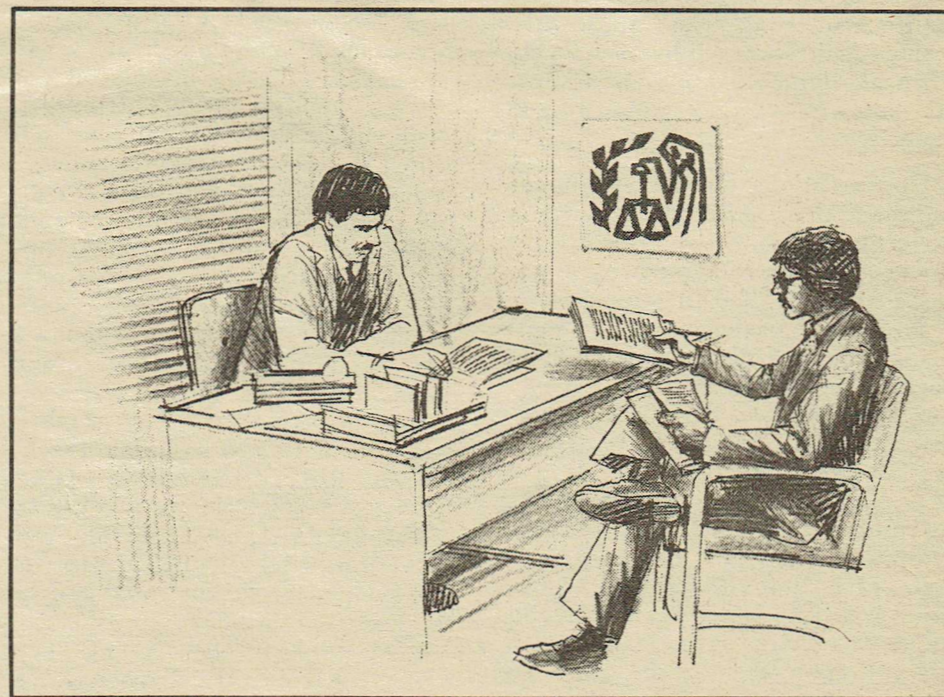
GA: Yeah, I believe that's how he can be reached. I'm taking a f__k of a chance doing this! So are you. But there is a lot of . . .

J: What does he need from me? What does he want? Or is it just backup for what I need?

GA: Well, it ties in. He would like to get everyone to talk so that they can move. But — but at the same time, I always say to him, "Listen, you're putting us in an uncomfortable situation. If you're telling me you haven't got enough to move right now, and I'm giving you the testimony, then I'm a marked man if you guys back off the investigation." The reason I do that is not because I'm particularly paranoid but because I'm searching for what's going on in their skull. He assured me the investigation's going forward: "We've got enough; that's just the way the government works."

J: Canada?

GA: Oh, in Canada, you know . . .



"I passed on to (IRS CID special agent) Lipkin yesterday to go after (Church coordinating attorney) Peterson; he should go after him with f__king tooth and nails."

the guy I've talked to a lot is Al Ciampini. (416) 965-6138.

J: Who was he with again?

GA: He's with the Ontario Provincial Police. Michael — Mike [Flynn] also thinks that the Florida attorney general is going to bring some charges. Uh, the — you know the whole FREEDOM thing? [This was in reference to FREEDOM's Issue 61, in which affidavits from Ala Fadili Al Tamimi and his brother, Akil Abdul Amir Al Fadili Al Tamimi, were presented in a special supplement detailing Michael Flynn's involvement in a \$2 million forged check conspiracy. In the ensuing months, the FBI and the Department of Justice successfully stonewalled attempts to have the crime investigated.] Mike [Flynn] got an indication from — did I give you the name of the guy who's handling that investigation?

J: No.

GA: The Tamimi investigation? Uh, let's see — uh, Brackett Denniston. His first name is Brackett. Last name is Denniston. D-E-N-N-I-S-T-O-N. And he's (617) 223-2280. He's the assistant U.S. attorney involved in the Tamimi thing. . . .

FREEDOM was able to contact

Richard Greenberg, Al Lipkin and Al Ristuccia at the numbers provided by Gerry Armstrong. All three individuals refused to answer any questions about Armstrong.

Repeated attempts to contact Thomas Doughty and Brackett Denniston were unsuccessful, as FREEDOM was told they were unavailable. Al Ciampini was not in his office.

FREEDOM also tried to reach Michael Flynn, but Flynn had left for the day. He did not return our call.

When later contacted at his home, Flynn hurled abusive language at the editor who called and then abruptly hung up.

The Planned Takeover

It was crucial for the success of the planned takeover that the "Loyalists" gain access to confidential Church files so that they could plant fabricated, incriminating evidence against the Church leaders.

These documents would then be "discovered" by government agents and used to bring indictments, which would allow the "Loyalists" to move in and take over the Church.

Armstrong stressed the importance of staying in close contact with CID, to make sure the "Loyalists" did what CID needed them to do.

GA: I'll tell you who wants to talk to you is CID. CID are the guys.

AN INFORMANT'S DIRECTORY

"Referring to a large black book which he held in his lap, Armstrong rattled off a list of names of government agents and their phone numbers."

Al Lipkin, IRS Criminal Investigation Division:
(213) 688-4260, at night: 688-4151

Richard Greenberg, U.S. Justice Dept. attorney:
(202) 633-3368

Thomas Doughty, special assistant U.S. attorney for the FBI:
(202) 324-4532

Al Ristuccia, IRS Criminal Investigation Division:
(213) 688-4261

Al Ciampini, Ontario Provincial Police:
(416) 965-6138

Brackett Denniston, assistant U.S. attorney:
(617) 223-2280

That's the most likely, absolutely the most likely place in which the whole thing will happen. . . . Every time I talk to CID about you guys, they say, "God, have them talk to us." You know, they want to talk about the way things are. . . .

Armstrong relayed the government strategy to gain control by dividing the Church into separate groups or "cells," which would make it easier for the "Loyalists" to take over.

GA: I don't know if it makes sense to you to sort of divide up the organization and — uh, go after people on that basis. Just so that — you know, "Sh_t, we have this group covered," and then divide it up structurally, so that you have all the various key points which have to be covered. I think that you guys will be able to take over and then use operating income to continue the battle. And that way you can secure the buildings, take it over, and I think that it's going to take that kind of thing. . . .

He and IRS CID special agent Lipkin had already discussed the dangers of such a plan, and Armstrong reassured "Joey" that Lipkin "already talks about safe houses and relocating and renaming people." The IRS, in other words, would take care of them.

GA: They want to talk to you people. They want — uh, yeah, there's two things. Number one: you guys should, I think, make plans at least, in the event that the whole thing is blown — someone breaks or whatever — exactly how to handle it.

Armstrong explained to "Joey" that once they actually filed their suit, they would be rewarded with official government protection.

GA: As soon as that happens, they become federal witnesses, and the organization's not going to f_uk with them. Or if it does. . . .

Gathering the "Evidence"

Armstrong had specific instructions on what kind of information should be collected from within the Church. He desperately wanted someone in a position to have access to confidential Church files, computer records and attorney-client privileged information, and he was crestfallen when "Joey" told him he couldn't get into the computer files.

GA: No one that we have any control of can look in computer records? . . .

J: I don't have access to computers. We don't have access to computers.

GA: Oh, you don't. OK. That's

good to know. I thought you had someone in there, but that's fine.

Armstrong came to the secret meetings armed with a government "shopping list" which detailed the particular information the "Loyalists" were expected to gather.

GA: These are my — what is it you call it — a shopping list.

J: Right, your questions are on the back.

GA: My questions are at the back, yeah.

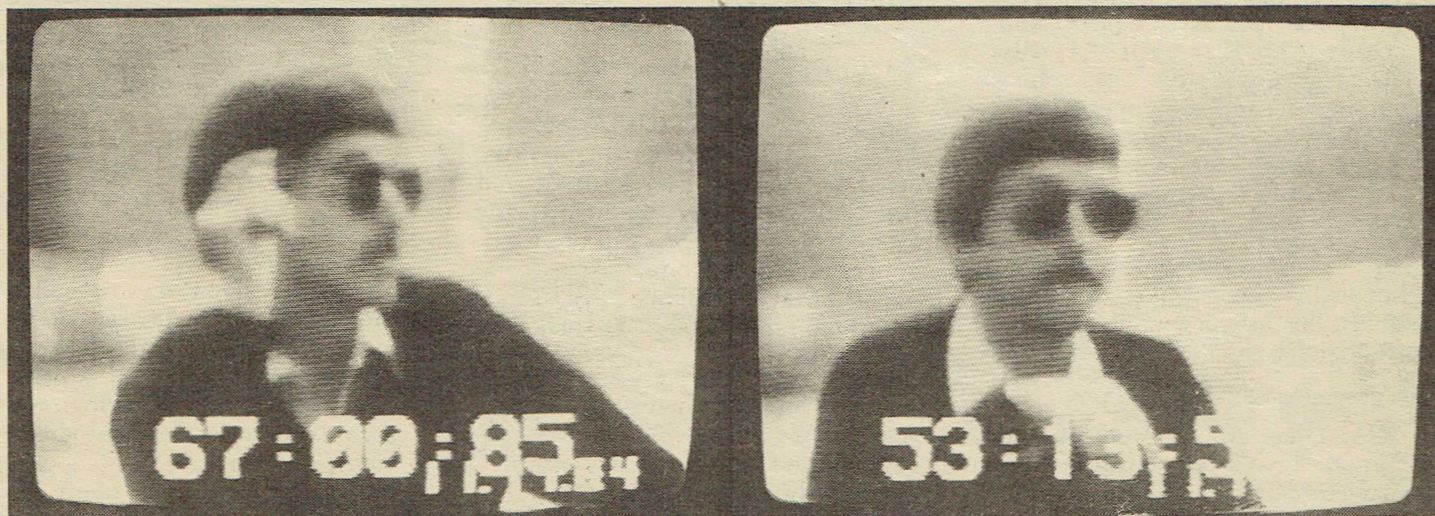
ment of the Church who could gain access to attorney-client privileged materials.

GA: Check the goddamn finance records, if you have access. This is the sort of stuff which you need in order to put together the coup de grâce.

Armstrong — undoubtedly reflecting the interests of his IRS CID "friends" — was particularly interested in payments made to Church attorneys and private investigators.

in their proposals statements implying that illegal actions were occurring within the Church about which they were very concerned. Armstrong called these planned proposals "CSWs," using a Church abbreviation for "proposal":

GA: So therefore, here's my proposal, and just the fact of having that goddamn proposal of some guy . . . you've got such incriminating information in the CSW, you follow?



"I don't have this thing about life and death that I used to have. In fact, I would rather welcome a bullet."

J: (reading the note) How much pay to Ingram [a private investigator], by whom, what corps [corporations] and individuals, when each payment made, how much for all other PIs [private investigators]. . . . The specifics on this stuff.

GA: Right.

J: Now, once again, this is in attorneys' offices and maybe they can find out how much is paid to the attorneys.

Far from being concerned about violating attorney-client privilege, Armstrong encouraged "Joey" to search the Church's attorney files. He was particularly interested in going after Church coordinating attorney John Peterson, who was the Church's lead attorney and whom Armstrong perceived as a threat to himself and his co-conspirators.

GA: I passed on to [IRS CID special agent] Lipkin yesterday to go after Peterson; he should go after him with f_uking tooth and nails.

Armstrong asked "Joey" to recruit someone high up in the legal depart-

The plan was somehow to use the information to attack Church officials for using Church funds for the legal defense of the Church — as though there were something wrong with this.

GA: You should find out all payments made that went to attorneys, because I have people who can trace those bank accounts* and see where the disbursements went from those accounts. You following me? . . . But not only for your suit, but to give to the various people that are involved. You know, so that Brackett Denniston, [assistant U.S. attorney in Boston, Massachusetts] who is investigating Ingram, knows. If we can get anything on Ingram, anything on Peterson, anything on finance records . . . it's all vital.

If no evidence existed, Armstrong suggested, "Joey" could fabricate it, plant it in Church offices, and let the "feds" know where to look when they went "hunting."

Armstrong's idea was for the defectors to write proposals for the revision of Church policy, including

J: So we put a letter together saying that. . . .

GA: I'm saying a CSW, and you keep your copy of the CSW. They [the feds] are going to come around hunting — "Where the f_uk is it? Ah, sh_t, got rid of it all!" Except you've made it off the property and you've got it somewhere. Type it off the property and bring it in. There's no problem bringing stuff in, right? You could bring stuff in — maybe you can't sit at your desk and type it — I don't know. . . . But just maybe that sort of stuff can be done — issues [published Church guidelines and information] could be created, stuff can go in. . . . And that's the sort of material which we'll use to put into the goddamned affidavits.

continued on page 12

* According to L. Fletcher Prouty, who was a vice president of a major bank in Washington, D.C., following his retirement from the Air Force as a colonel, the only people with the authority to "trace bank accounts" are employees of the FBI who have been granted specific power to do so.

PLOT

continued from page 11

Armstrong considered it so urgent that this be done that he was even ready to write the affidavits himself.

GA: You guys are going to need to put out issues when this thing happens. . . . You should be preparing — right now, in my opinion — goddamn affidavits that I can be — that we can put into a computer and have run off and ready to go. I can write — I write legal sh_t! . . . You see, you're going to need someone who — you know — you can give me a rough draft and — you know, we can rework it and send the damn thing back to you for signature!

In a conversation with another "Loyalist" named "Mike," Armstrong specifically asked for allegations of criminal activities.

[Editor's note: M = "Mike."]

GA: There are hundreds of lawsuits. That's standardly what lawsuits are, you know, a lot of

times, uh — lawsuits have that form. It is simply a disagreement over who has control of corporate funds. That is — that is simply the issue. They don't allege that there was any criminal misconduct or illegal use of the funds or anything.

M: But this is alleging that there's criminal misconduct.

GA: That's right, and the reason for that is because with that, if you can get any of those things, then — then the court can act immediately to freeze the accounts.

When "Mike" explained that there was no evidence of criminal acts on the part of the Church, Armstrong became very impatient. On two separate occasions, he stressed that the filing of a lawsuit against the Church was not dependent upon evidence of wrongdoing. Armstrong insisted that they didn't have to *prove* anything — they just had to make the allegations.

GA: How much was paid to Ingram?

M: I don't know that data yet.

GA: Who paid?

M: I presume the attorneys paid him.

GA: Yeah, but it comes from your [the Church's] money.

M: Right, so then it would be how much is paid to the attorneys, right? I mean, that's what we would want to know.

GA: Who gets an accounting of what — you know, your board members. Your f_ucking board members! The guy's on the board and you can't find out? Those are the people who should be signing it, who should be doing it.

M: OK. I'm not asking about whether they can find out, but whether they need to, in order to be able to do this. Do you see what I'm saying? It's like . . .

GA: They can *allege* it! They can *allege* it! They don't even have — they can *allege* it!

M: So, they don't have to — like, they don't have to have the document sitting in front of them, and then . . .

GA: I'm f_ucking saying the organization destroys the documents! . . .

M: The point — the point I'm

trying to get across is that that's not criminal. That's the — that's the civil complaint in there and that would have to be proven.

GA: Show me the lines you're talking about.

M: Well, it's over here.

GA: Where are the — we don't have to prove a goddamn thing. We don't have to prove sh_t. We just have to *allege* it.

An Obvious Slip

Armstrong was exchanging information regularly with his lawyer, Michael Flynn, who wanted Armstrong to send him any and all materials provided by the "Loyalists."

On November 7, 1984, "Joey" gave Armstrong a number of Church issues which had been requested by Flynn.

J: . . . I have a whole bunch of documents here, and samples of different kinds. I can give you these.

GA: Good! This is, ah, like a kid in the candy shop!

J: I hope I got what you wanted here.

continued on page 14

THE CONSPIRATORIAL NETWORK



Gerry Armstrong



Al Lipkin



Al Ristuccia

"I am only a relay point in this thing. However, I — I do make it, you know, my purpose to create as much sh_t as possible."

Al Ciampini



Brackett Denniston



Michael Flynn



Richard Greenberg



Thomas Doughty

PORTLAND

BOSTON

TORONTO

WASHINGTON

LOS ANGELES

WHAT IS HAPPENING TO YOUR PERSONAL FREEDOM?

On October 7, 1984, Scientologists™ and other men of goodwill gathered together in the cause of establishing religious freedom and personal liberties for man. They formed an international association and adopted the following pledge as a statement of intention towards bringing about continued survival of mankind:

Pledge to Mankind

Time and again, throughout the troubled history of civilization on this planet, new ideas, new religions and constructive thought have met with violent opposition. Such attacks come from those who would preserve the status quo and particularly from those who seek to preserve and enhance their position through the domination, subjugation and even destruction of others. For this reason, new religions have been born in blood at the cost of great sacrifice and suffering by adherents. It is only through a unity of purpose and unswerving commitment by a dedicated group that new ideas and new religions survive and expand.

Scientology® has been in existence now for some thirty-four years. During that time it has suffered all manner of attacks from the forces of oppression in various countries. Yet Scientology has survived and expanded because of the dedication of its members and because it is a force for goodness and freedom which is easily recognized by men of goodwill; despite the vicious lies which are spawned by those who would enslave mankind and which are carried by the media.

Scientology is experiencing the greatest expansion and prosperity in its history. International in scope, Scientology each week frees more people from the debilitating effects of drugs, ignorance and other sources of aberration and moves them on the path to greater awareness, self-respect and dignity than all other groups combined.

Yet as we have learned in our thirty-four years, whenever we expand, we are attacked, commensurate with that expansion. And today is no exception.

In the United States, which was once thought to be a haven of religious liberty, we are the targets of unprincipled attacks in the court system by those who would line their pockets from our hard-won coffers. Bigots in all branches of government, fearing the success of Scientology, are bent on our destruction through taxation and repressive legislation.

We have been subjected to illegal heresy trials in two countries before prejudiced and malinformed judges who are not qualified or inclined to perceive the truth.

In Canada and Germany, our Churches have been subjected to vicious raids reminiscent of the historical genocide attacks on religions that took place in "less informed" times and societies.

The news media choose to ignore the good works and miraculous successes of Scientology and instead seek to poison public opinion through vilification of the religion and its Founder.

The detractors of Scientology know full well that it is a proven, effective and workable system for freeing mankind from spiritual bondage. That is why they attack. They fear that they will somehow be threatened by a society which is more ethical, productive and humane through the influence of Scientology and Scientologists. Thus when we expand, to that degree we are attacked.

Up to this day, the responsibility for defending Scientology has been on the shoulders of a desperate few. And so it will continue in large measure.

Yet, in order to continue the quest for a new civilization where honest men have rights, and freedoms abound, the assistance and dedication of each and every Scientologist and other men of goodwill is essential. The road may be difficult and may get worse due to the rapid decline of civilization and erosion of personal liberties at this time. But united in purpose and dedication, we shall prevail for the benefit of all mankind.

We, the undersigned, pledge ourselves, without reservation or any thought of personal comfort or safety, to achieving the aims of Scientology: "A civilization without insanity, without criminals and without war, where the able can prosper and honest beings can have rights, and where Man is free to rise to greater heights."

We invite Scientologists and other well-intentioned people everywhere to join us in this pledge.

To date, thousands of men and women of goodwill from more than 50 countries on five continents have joined in this purpose and signed the "Pledge to Mankind." If you care about your personal freedom and if you would like more information on how you can contribute, contact:

The International Association of Scientologists
Saint Hill Manor, East Grinstead, Sussex, England RH 19 4BR

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PLOT

continued from page 12

GA: Oh, so far, we're looking great!

J: OK, you want to take a look at them? I haven't really studied them closely, but maybe I can help you answer any questions.

GA: You know, I won't waste your time right now with going over all of this, because I know as I go through it and study it and study the legalese, I'm going to have a lot of questions. Mike [Flynn] is going to have a lot of questions. OK?

J: Yeah.

GA: . . . And I'm going to copy this stuff, send him [Flynn] off the package, and sort through it and see what the heck it really is all about.

This was obviously a slip on Armstrong's part. During a later meeting which took place on November 9, "Joey" asked him if he had had any recent conversations with Flynn, and Armstrong abruptly let him know that he intended to cover up Flynn's involvement in the conspiracy.

J: OK. Any news from Michael [Flynn]?

GA: No . . .

J: Great. I got this. This is good.

GA: By the way, I'll never admit that anything comes from Michael [Flynn], including any complaints which I may have drafted.

J: Why's that?

GA: Because that's what — that's how I've got to approach it.

Armstrong again made a slip during another conversation with "Mike" concerning the planned lawsuit. He could not hide the fact that Flynn was a key supporter and one of the masterminds behind the takeover plot.

The following exchange occurred during a meeting between Armstrong and "Mike" on November 30, 1984:

GA: . . . There's no one around, aside from Michael Flynn, who has an understanding of this whole f—king thing like I do, and that's a fact.

M: OK. I mean, is — is Flynn willing to help us on this?

GA: Well, what the f—k do you think? We talk every day about it! But that's not for you to report around.

M: No — OK, OK.

GA: Because I have no intention of hurting Mike Flynn.

M: Right.

GA: But I'm telling you, he's behind it 100 per cent — abso-

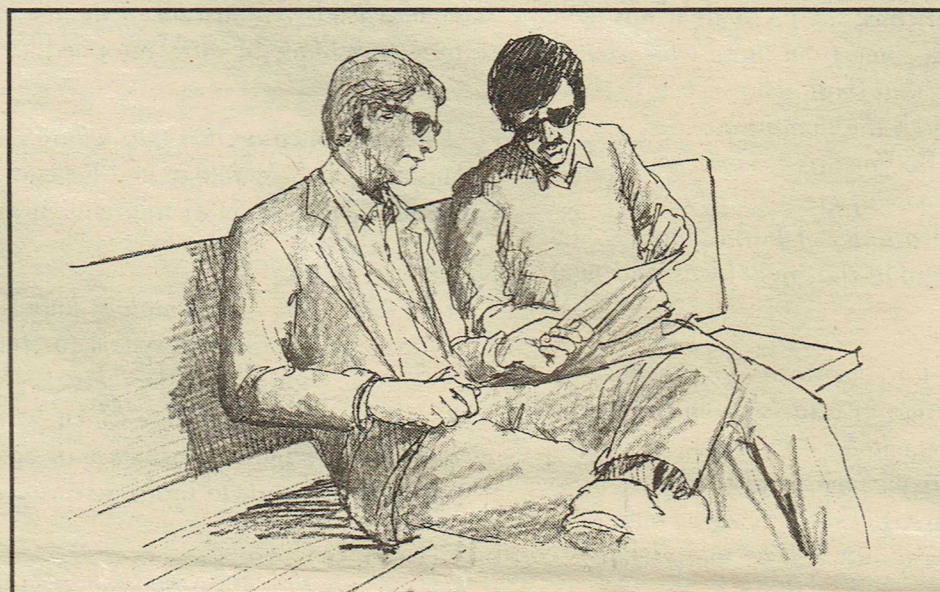
lutely behind it.

Flynn's Plans for the Church

Flynn's involvement in the takeover plot as revealed in the videotapes is not surprising, considering his history with the Church of Scientology.

It started officially in 1979, when Flynn created a corporation called Flynn Associates Management Corporation (FAMCO).

The purpose of FAMCO, as documented evidence has revealed, was to destroy the Church of Scientology through a series of class action and damages lawsuits designed to break the Church financially, with the profits accruing to FAMCO.



"I'll tell you who wants to talk to you is CID. CID are the guys. That's the most likely, absolutely the most likely place in which the whole thing will happen. . . ."

A 1981 FAMCO document entitled "Scientology — Review and Planning," detailed a simple four-point plan by which Flynn expected to achieve his purpose. The plan included:

1. Closing Scientology organizations;
2. Adverse media [against the Church];
3. Adverse public reaction [against the Church]; and
4. Federal and state attacks [against the Church].

Although Flynn has denied ever having implemented his plan, evidence provided by Armstrong in the videotapes indicates that Flynn's FAMCO plan was indeed activated.

Armstrong reassured "Joey" at one point that he had spoken to Flynn, and that Flynn felt it would be a very simple matter to do away with the

established Church hierarchy and take over the Church.

GA: Well, this is how Mike [Flynn] sees the legal battle is going. What he sees is there's no other way — like, it's going to happen sooner or later, you know, because there's like a last skirmish going on and that's about it. . . . Ah, his feeling is that a couple — a handful of the right people with affidavits can end it — just end the whole damn thing.

Flynn had high hopes for winning his suits against the Church, and Armstrong reflected his sentiments.

J: Yeah, the committee was interested in — you mentioned to me a long time ago — you saw, like the — that you were sort of like the "Meisner" [a government informant involved with the 1977 FBI raid on the Church who provided information against the Church of Scientology] of the Toronto raid, right?

GA: Yeah.

J: We file this suit, so whoever files it will sort of be like the "Meisner" here, again. Is that right?

GA: Well, this is a different thing. Mike [Flynn] was pretty adamant last night. . . . The difference is this: Meisner took off, right?

J: Yeah.

GA: I took off. Franks took off. Laurel took off. First Nelson took off. Mayo took off, OK? Every one of those people took off. We are all Meisners. You guys are not because you have it within your power to stay there. You have it within your power to simply say, "We are not moving," and watch what happens if you guys said that. If you guys get pushed around, Mike [Michael Flynn's] recommendation was do not leave, stay there. Say, "We are the organization." And also, if you want to, from here on out set up a communication line with me, so that if I'm not called every 24 hours, then I know to get the feds and get down on the f—king doorstep.

One day "Joey" asked Armstrong, during a pause in their conversation, why he was so intent upon destroying the Church. His answer revealed that he had been working for the destruction of the Church even before he left it.

J: What's your — your . . .

GA: My purpose?

J: Yeah, for the Church.

GA: Well, my purpose initially is global settlement. I want that. I've done this sh—t now for going on three years, and even longer before that when I was inside . . .

On another day, Armstrong revealed how he expected to achieve his "global settlement" during a conversation with "Mike":

GA: . . . You know, you've — you've got federal agencies, you know, just about to bring the hammer down. You guys [the Church] are assaulted from every quarter with lawsuits. And they can all be bought off — they could all be bought off for — you know, for five cents on the dollar.

continued on page 16

Agencies in Turmoil As Conspiracy Exposed

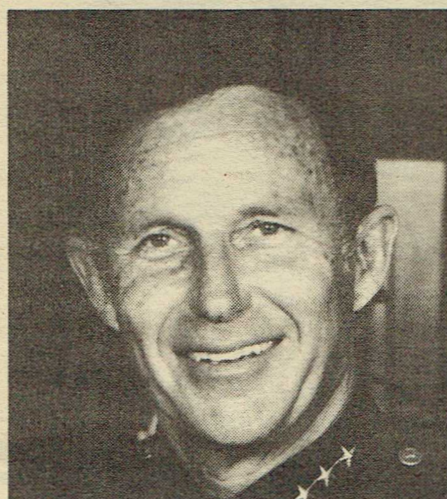
Immediately following the FREEDOM exposé of the Armstrong videotapes, a number of events occurred which served to confirm the existence of the government plot which Armstrong had unwittingly exposed.

Feeble Attempt

A hasty and feeble attempt to divert attention from the contents of the videotapes came from an unexpected source when Los Angeles police chief Daryl Gates made a public statement attacking the private investigator who had done the taping and the police officer who had authorized the surveillance.

Instead of addressing the evidence of government agency criminality exposed in the videotapes, Gates denounced the private investigator who procured the videotapes, saying it would be "a cold day in hell" before the Los Angeles Police Department (LAPD) would cooperate with the private investigator.

Failing to mention that the surveillance techniques are widely used by all echelons of the police in gathering evidence of criminal activity, Gates attempted to undermine the legality of the evidence by challenging the police officer's authority to permit it in the first place.



Los Angeles Police Department Chief Daryl Gates.

Two IRS Criminal Investigation Division (CID) agents identified in the videotapes as being actively involved in the conspiracy to disrupt and destroy the Church of Scientology — Al Lipkin and Al Ristuccia — were seen leaving the LAPD building shortly after Gates' statement was released to the news media.

One of the agents was heard to say, "They can do this to the FBI, but they can't f---k over the IRS."

Gates' statement regarding the videotapes was released on a news wire out of Los Angeles at the same time that a press conference was being held by the Church in that same city, where excerpts from the videotapes were being played for the news media.

To further chill the widespread exposure of the criminal conspiracy revealed in the Armstrong videotapes, three armed men who refused

involvement in the conspiracy to destroy the Church.

Contacted by FREEDOM regarding his removal from the case, and questioned on his relationship with Gerry Armstrong, Denniston became flustered and finally blurted out, "I'll save you some time. I have no comment — on anything!"

FREEDOM has learned that with his removal from the case, a grand jury concerning the check forgery is

"The grounds for Denniston's removal . . . was the 'bad publicity' that had resulted from the revelations of Denniston's involvement in the conspiracy to destroy the Church."

to identify themselves showed up at the press conference. Although they wouldn't give their names, one did admit that he was with the LAPD.

The extent of Gates' complicity or involvement in this government criminal conspiracy to destroy the Church is not known at this time. FREEDOM has learned, however, that the Los Angeles police refused to assist the Church in 1982 when asked to help recover the thousands of valuable Church archival documents stolen by Armstrong.

Shake-Up in Boston

While the cover-up attempt was occurring in Los Angeles, the U.S. attorney's office in Boston was the scene of a significant shake-up.

Assistant U.S. attorney Brackett Denniston III, the man who had been assigned to investigate the attempted \$2 million check forgery on an account of Scientology founder L. Ron Hubbard and who had ignored evidence provided by Church attorneys implicating Boston lawyer Michael Flynn in the crime, was unceremoniously removed from the case.

The grounds for Denniston's removal, as reported to a Church attorney hours after it had occurred, was the "bad publicity" that had resulted from the revelations of Denniston's

finally being convened.

It remains to be seen whether this grand jury will be an honest attempt to ferret out the truth of the check forgery or whether, as FREEDOM suspects, it will be just another chapter in the government's continuing efforts to protect and whitewash Church foe and government ally, attorney Flynn.

Further Developments

Meanwhile, an assistant U.S. attorney in Portland, Oregon, and an IRS CID agent unexpectedly burst into the courtroom where the Armstrong videotapes had first been introduced into evidence.

Apparently not realizing that the videotapes and their transcripts had been released to news media all over the country almost a week before, the assistant U.S. attorney filed a motion to obtain copies of the videotapes.

Church attorneys nonetheless supported the assistant U.S. attorney's completely unnecessary motion to obtain the videotapes and urged the judge to release them, saying, "We welcome an investigation into the government criminal conspiracy revealed on those tapes."

Tight-Lipped Silence

FREEDOM gave nearly a dozen IRS officials — all the way up through

the head of the IRS, Commissioner Roscoe Egger, and CID chief Richard Wassenaar — an opportunity to comment on the Armstrong videotapes and the evidence in the tapes that IRS agents were involved in the conspiracy.

Not one of the key IRS officials, however — at either the district, regional or national level of the agency — would venture to make any comment at all.



Brackett Denniston III

One source within CID told FREEDOM that if IRS officials were refusing to comment — at the district level at least — it meant they had received direct orders "from the top" to keep their mouths shut.

FREEDOM also sought comment from the FBI and the Department of Justice. As with the IRS, however, we ran into a tight-lipped wall of silence.

Congressional Investigation Needed

Grave concern has already been expressed by a number of congressmen over the fact that the very government agencies that have been entrusted with the responsibility for protecting American citizens from unlawful and unconstitutional actions have been found to be instigating, condoning and then attempting to cover up unlawful conduct on the part of their own agents.

The concern on the part of Congress comes not a minute too soon.

Nothing less than a complete and widespread exposure of all crimes and their perpetrators through a full congressional investigation — as was done after the Watergate scandal — will bring about a thorough housecleaning and replacement of criminal government officials, so that citizens' confidence in the justice system of this country can be restored. ▲

PLOT

continued from page 14

Perjured Testimony Revealed

Armstrong and a number of other "witnesses" for whom Flynn had drafted affidavits testified repeatedly under oath that the religion's founder, L. Ron Hubbard, was managing the Church of Scientology. These "witnesses" testified that they had "personal knowledge" that Hubbard was a "managing agent" for the Church.

However, the spontaneous comments made by Armstrong to one of the "Loyalists" in November 1984 clearly show that neither Armstrong nor Flynn nor any of the "witnesses" actually knew anything about current Church affairs or who was running the Church.*

GA: Let's talk to these guys [government agents]. Great! I think that they would want to talk in person, because they're searching for understanding about it [the Church] with current information. Obviously, the information they have — unless they got hold of some defectors, is not very current. You know, 1982 is really the most current information, I believe, of anyone they're talking to that I know of. . . . Have there been any high level defections — any defections recently that they're concerned about? . . . What is the actual line of control? Who is in charge? Because someone is. . . .

This admission of ignorance by Armstrong directly contradicts sworn testimony he has given in court. It is evident that neither lying under oath nor fabricating evidence were matters of concern for Armstrong.

High Level Infiltration

Armstrong suggested a method by which the information could be obtained: planting informants at high levels within the Church.

GA: I just think you guys — I don't know if it's been tried before, but there's definitely a way to get to the top — that's been known in high political circles for a number of centuries.

Although Armstrong testified

under oath that he never proposed or participated in any covert operations against the Church of Scientology, during a conversation with "Mike" on November 17, 1984 — prior to his testimony — Armstrong presented a full-fledged plan for creating his own intelligence network within the Church.

In this way, he hoped to have an immediately available information pool from which he could draw and, at the same time, plant false and incriminating documents.



"There's no one around, aside from Michael Flynn, who has an understanding of this whole f—king thing like I do, and that's a fact."

Armstrong wanted to know if there were any "old intelligence personnel" within the Church who had secretly defected. Armstrong had in mind to replace the Church's private investigators with his own — planted — intelligence agents.

GA: I don't know everything that can be developed, but possibly — I see the possibility of the removal of the PIs [private investigators]. They remove the PIs and they've got to set up their own internal information apparatus again. . . .

He asked if there was anyone who was in a position to obtain the reports of private investigators.

GA: Are they in a position where they can get current strategy? Are they in a position where they can get PI reports? . . . Can they find out who — who are the operating PIs currently? Can they do that?

He suggested that his "friends" in CID could help to gather damaging information on the private investigators. The information could then be slipped to Church officials, and would hopefully result in the firing of these investigators.

GA: Now maybe you can't neces-

sarily do all those things. Maybe CID can run a make on them. . . . And I'd like to — I mean, they can do it. They'll run checks. . . . That's the kind of liaison where — where you know, we can actually cause a lot of things to happen if there is that kind of detailed information going back and forth. . . .

I mean, I envisioned it at the outset that potentially you guys could — uh — develop an intelligence apparatus which the organization does not have currently, simply by scooping the PIs. If you had a lot, if you had some intelligence on Armstrong — you know — you could get a feather in your cap. And possibly move up in that way to the point where you're let in on what the f—k's going on. Or someone — you know what I mean? If suddenly — uh — you're the only guy that has, you know — let's say someone in the organization had the sense, the sense to retain a mole somewhere. And let's say that someone — we could set it

up that someone got close to me. Then you've got your intelligence network. And then back the PIs off because you don't want them f—king it up.

Then suddenly you're getting funding to get them intelligence that you don't give a f—k if they get or not, but they get real excited about it. I mean, the organization — the people at the top — get excited about little — wow! You know — this has happened, or that has happened. Then they start buzzing about it, right?

M: Yeah.

GA: Well, you should give them something to buzz about. I don't know the form of it because it's only me. I don't know your — your capabilities, or who you've got on the outside, or — you know — the, the communication lines by which it could happen. We could set the whole goddamn thing up so that — so that you've got someone from the organization in the same apartment complex that I live in — that I moved to. You know what I mean? And — and possibly in that way you can — uh — have enough information so that it makes sense

that you're contacting the people to talk about it.

M: Right.

GA: And becoming part of the top simply because you're — you're the guy who's got it. And they're going to depend on you. You following me?

M: Yup, I'm following you.

Obviously, Armstrong recognized that the use of private investigators was a threat to the government's covert plan to infiltrate and take over the Church. As has now been proven by the existence of these videotapes, and further authenticated by sworn affidavits recently filed in courts around the country, it was in fact the private investigators who uncovered the Flynn/government takeover plot before it could be carried out.

Planned "Disappearance"

Armstrong went to such bizarre lengths as to plot a staged "disappearance" which, as he hinted to one of the "Loyalists," could be blamed on the Church. This was not surprising, considering Armstrong's earlier false statements that he was "afraid for his



life," at the hands of the Church, while appearing around the world as a media darling and "expert witness" against the Church of Scientology.

GA: I am only a relay point in this thing. However, I — I do make it, you know, my purpose to create as much sh—t as possible. You know, hence I have . . .

M: Sh—t for the organization?

GA: Yeah. I — whatever I do — you know, because I have no — I'm not hooked into anything. . . .

M: Right. . . .

GA: In fact, you know, I'm in a more vulnerable position because I can be — you know, I'm so visible. What if I dropped out

* The Church has been managed for a number of years by a committee of senior Scientology officials. L. Ron Hubbard retired from any involvement in Church operations some years ago and is currently pursuing his career as a best-selling science fiction author, as well as continuing his Scientology research.

of sight?

M: Well, we'd lose you.

GA: Not necessarily.

M: You mean, we could set it up so that you just dropped out of sight?

GA: Exactly. You know, it could be real beneficial. Maybe it can draw the organization into something.

M: So, what if you dropped out of sight? I didn't totally follow the — the progression there. What...

GA: I mean...

M: What — what would the advantage be?

GA: It could possibly be a great deal of advantage. That I — I don't know...

M: I'm not — I'm not following that. I'm not — you mean we can maintain a comm [communication] line with you even though you were not as visible to everybody else in the organization?

GA: When someone drops out, it really excites people. You know what I mean? ... If that were to happen, then — then...

M: But, don't you think that would just attract more attention to you and make it more difficult for us?

GA: I don't — I don't see why, necessarily.

M: And you feel like it would be best for you to drop out of sight in order to pull that sort of stuff off?

GA: No, not necessarily. I just see that — I know that that excites people in the organization when they can't find somebody.

M: What do you want to excite them — what? I'm a little lost on that as to why we would want to excite them about you. I mean, if you're our comm line...

GA: You don't have anyone else to — you don't have anyone else whose life you're potentially in control of out here, in a position such as myself.

M: No.

GA: Someone who — someone who could excite them, I mean. I have excited them, right?

M: Right.

GA: The same thing could happen again. And maybe this time when it happens they can be set up. And maybe you can get what you need... I know that if you got some intelligence personnel in there, and you give them the idea — I mean, there's a lot of things that can be — that can develop. You know, with our existing communications line, it's such a unique situation that it can be developed into anything you want...

I don't have this thing about

life and death that I used to have.

In fact, I would rather welcome a bullet. In a sense, it puts me in a rather powerful position — not that I'm looking for it and that I would ever contemplate doing it myself, but, ah, I don't care. And if you guys can use the fact that I don't care and the fact that I write and the fact that I've disappeared and — uh — other facts

which you can use.

Script for Lying

Armstrong knew he was taking a risk in speaking so freely to "Joey" about his role in the Flynn/government takeover plot. To ensure "Joey" would not inadvertently blow his cover, Armstrong instructed him on how to lie should he ever be questioned about their meetings.

GA: OK. What are our conversations, should it come down to it?

J: What do you mean?

GA: What do we talk about? You're deposed. You walk out there, and there's a PI — hands you a paper saying, "You're deposed, Jack. And not only that, you're out of the organization." And what do you say in deposition

continued on page 18

Urge Congress to Investigate COINTELPRO Abuses

COINTELPRO is an acronym formed from the words COunter-INTElligence PROgram.

Although this FBI program was outlawed by Congress in the 1970s, vicious COINTELPRO-style attacks on American citizens and groups have nevertheless continued. This issue of FREEDOM documents one such attack.

A thorough congressional investigation of present-day COINTELPRO activities is needed. Urge Congress to probe COINTELPRO abuses — the greatest threat to American rights and freedoms.

Read this important letter, then fill it out, and send to:

Congressman Don Edwards
Chairman of the House Subcommittee
on Civil and Constitutional Rights
U.S. Capitol, Washington, D.C. 20515

Dear Congressman Edwards,

It is vital to the survival of freedom and justice in this country that a full-fledged, public congressional investigation be launched into the facts and perpetrators of the far-reaching, flagrantly illegal, and unconstitutional counter-intelligence program, known as COINTELPRO.

COINTELPRO, originally exposed by Congress and supposedly terminated in the 1970s, nevertheless continues to be ruthlessly and indiscriminately carried out against American citizens by agencies and officials of the U.S. government, including the FBI and the IRS's Criminal Investigation Division (CID).

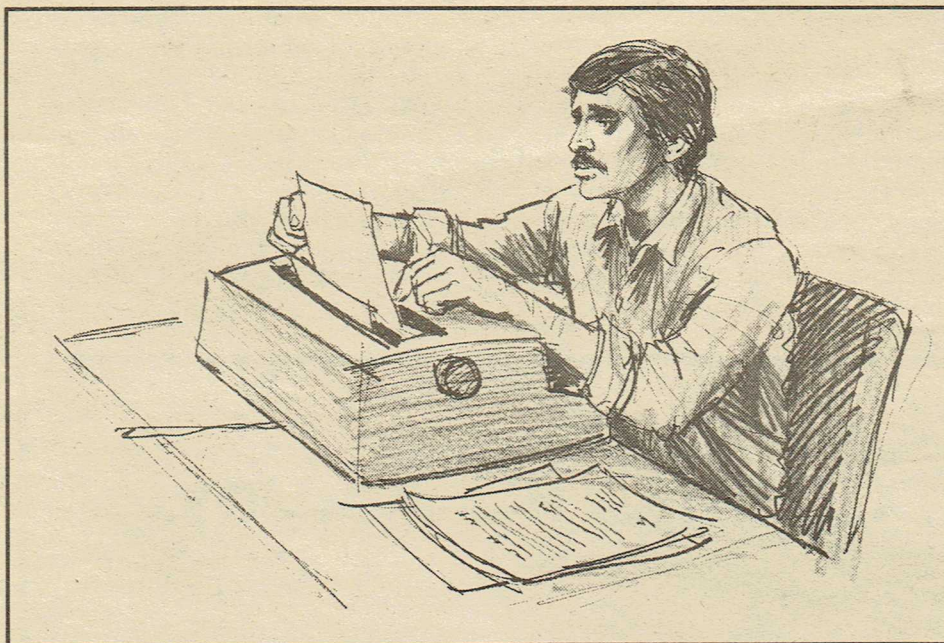
I believe that this lawless COINTELPRO campaign, exposed by FREEDOM News Journal in its story, "Videotapes of Federal Informant Reveal Bizarre Government Plot to Destroy Church," poses the greatest threat in our nation's history to the rights and freedoms guaranteed to every American.

I urge you to once again use the watchdog powers of Congress to expose the truth and thereby preserve our system of constitutional government of, by and for the people, by holding a thorough and searching congressional investigation — before the eyes of the American public — into COINTELPRO.

Name: _____

Address: _____

City: _____ State: _____ Zip: _____



"... I can create documents
with relative ease, you know.
I did it for a living!"

PLOT

continued from page 17

tion? "Well, Armstrong and I talked about this and he had a whole bunch of ideas about how to infiltrate the communication lines and spread turmoil and disaster." You know? What are we doing here? That's my question, before I tell you my ideas on documents.

J: Well, what I got is basically — Loyalists gotta — we gotta move — we've got the suit coming up and I guess we need other lines to get stuff going. . . .

GA: OK. So far as the doc [documents] — let me just say — ah, you and I get together — we get together because I have a goal of global settlement. You have felt that the turmoil and the abuses and so on have gone on too long. Hence, we get together and discuss things. We have not discussed . . . that Scientology is bad, or anything like that. Are we agreed? . . .

Later, he made his position clear to "Mike":

GA: By the way, no one will ever get any names, any communications, any times, any dates or

anything out of me. That's just the way it is. I'll go to prison before I ever talk, okay? So you have to know that, because they're wanting to depose me every couple of months. I'm simply saying "No." . . . I'm telling you what I would tell them in deposition, but they don't get anything else. . . .

M: OK, so that — that's fine — we have an agreement on that point.

GA: Right. And you guys also have to have your agreements worked out between yourselves, too. Like — I don't know who knows I'm involved, but I'll deny it!

"Pool of Information"

Armstrong wanted to create an entire network of plants within the Church who would spread fabricated Church policy issues and also quietly recruit additional "Loyalists."

GA: An organization's comm [communication] lines are of various kinds, and I think you can use that fact — you know, realize what their comm lines are and plug into them.

He couldn't resist putting in a good word for his own skills in falsifying documents.

GA: You see, because I think that during a part of this, we can

simply create these, you know — I can create documents with relative ease. You know, I did it for a living!

J: Great, so what kind of stuff are we going to want to create, and who's going to get it?

GA: That's what we need to talk about!

Armstrong gave "Joey" some helpful hints on how to assess the loyalties of Church members without anyone knowing what they were doing or who was doing it.

GA: I've given you the one thing which I think is a fairly smart idea, which is to use an issue as an assessment. It would happen everywhere. They could never tell, you know, if it was done right. It would be in all the baskets [in-trays or in-baskets] and they could never tell. . . . I tell you what — within the next 24 hours I'll give you an idea. I'll write something, and we can just toss around how it can be used.

Armstrong was pushing heavily to get someone to finance an outside printing operation. He painted the picture of what it would be like if "Joey" could just get someone to put up \$20,000.

GA: Well, we could set up a press and we could produce issues, and then we could set up a network, and we could have communication lines running outside the organization. You could create a pool of information, just as an immediate thing. . . .

The purpose of this "pool of information," as Armstrong explained it, was to speed the process of destruction of the established Church leadership by providing the government with fabricated documents which could then be used to indict Church officials, thereby allowing the government to unstabilize the Church from within and to gain control of the Church and its assets.

At one point, Armstrong finally got exasperated at "Joey's" lack of enthusiasm for the idea of printing fake issues.

GA: . . . It seems to me that you don't have a way of printing anything to get an issue on the lines [that can be] used for anything, right? I'm saying I can do it! I can type those goddamn things and duplicate them and make them look exactly the same! You can't

continued on page 22



"I've done this sh_t now for
going on three years, and even
longer before that when
I was inside."

Truth in Taxation

by William A. Kilpatrick

William A. Kilpatrick is a 51-year-old Denver businessman who drew national attention last year after he beat the IRS and the Justice Department in federal court.

A native of Wichita Falls, Texas, Mr. Kilpatrick was raised and educated in Lubbock, Texas, and later served as an officer in the U.S. Army.

His work in private enterprise since 1960 has brought him a reputation as one of America's most successful entrepreneurs.

Mr. Kilpatrick's battle with the IRS and the Justice Department, featured in the April 1985 issue of FREEDOM, convinced him that fundamental reforms in our nation's tax structure must be made. His experiences with the IRS provided him with valuable insights into fundamental problems of our tax system, which he shares here with FREEDOM's readers.

The following is an excerpt from Mr. Kilpatrick's forthcoming book, *Truth in Taxation*, copyright © 1985 by William A. Kilpatrick. It is reprinted with the author's permission.

Tax reform.

If there is a more consuming subject in the country today, it has not been discovered by Congress, the president, the public or the media. It should be, for there is no greater problem before us.

Virtually every candidate in the recent elections campaigned for reform. Each made strong commitments, and each is bound to perform unless we, the public, let him or her off the hook. However, we are already beginning to hear "If not this session, then the next."

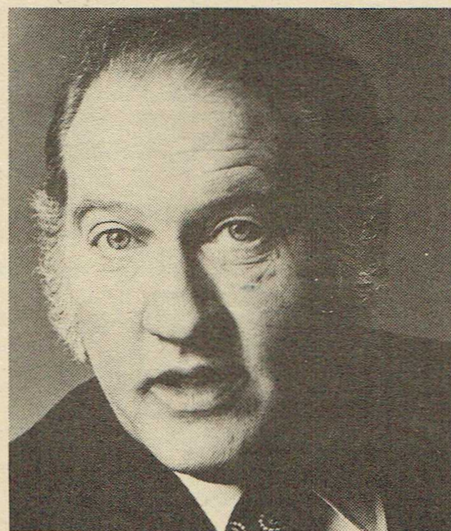
That has been the pattern for 50 years — fervent promises followed by equivocation, or at best, more patchwork on the current system.

The reasons are legion. Foremost is that none of the promises offer an overall solution to the problem. On the contrary, each is simply one more patch on a decrepit system that was flawed from birth.

Additional patching is tantamount to putting Band-Aids on a stillborn child. But voters forgive the campaign promises because they have no solutions either.

The Lie

The problem with our tax system is that it is based on an absolute lie to begin with. The truth is that our entire system of taxation is based on an attempt to tax those things that are not taxable, to the exclusion of the one thing on earth that can be taxed: consumption itself.



William A. Kilpatrick

There is only one tax. Consumption tax. There is not now, there has never been, and there never will be any other. The simple reason is that no other transaction is an end purchase. All taxes of any other transaction become a cost of production, and are passed on to the next subsequent purchaser who adds his costs, including the taxes, to his customer. Only the ultimate consumer has no one to whom to pass it. He pays it as a part of his cost of purchase. Our refusal to face that fact is leading to ruin. Virtually every other nation on earth, certainly most of the free world's industrialized nations, have recognized that fact. Only we have not.

"The problem with our tax system is that it is based on an absolute lie to begin with. The truth is that our entire system of taxation is based on an attempt to tax those things that are not taxable, to the exclusion of the one thing on earth that can be taxed: consumption itself."

Perhaps it should not be surprising; we are one of the youngest, and we were founded in a revolution against that fact. Everybody beyond the sixth grade is aware of the Boston Tea Party and its origin. It was a first step in the revolution — a rebellion against an excessive consumption tax.

The problem lies in our not realizing that the rebellion was based on the *excessiveness* of the tax. They did not necessarily rebel against being taxed for their consumption per se — it was the *excessiveness* of the tax that caused the rebellion.

For 200 years we have refused to face the fact that only consumption can be taxed. With no small amount of aid from our elected officials, we have attempted to hide our taxation behind other names and claim them to be from other sources. We have succeeded. The consumption tax is now so well hidden that we actually believe we don't have one — other than negligible city, county, and state sales taxes.

The mere mention of a "sales" or "value added tax" drives liberal politicians into a frenzy, and we hear their dramatic cry, "That is a tax on the poor, and we'll never permit it!"

Our largest political force, the Democratic Party, is in fact founded on that very precept, and it's a lie. Whether the hierarchy of the party actually believes its party line — or is perpetrating the greatest fraud on the greatest number of people in history — is not relevant. The fact remains that it is a lie. The myth of the government's non-taxation of consumption is just that — a myth.

The truth is, all taxes are consumption taxes, and no amount of rhetoric will ever change that basic economic

they will remain poor.

The perpetuation of the myth has created the greatest negative balance of payments our economy has ever suffered. Its continuation assures the demise of our economy, and ultimately, our society.

Perpetuating the myth has created an insufferable deficit that no economy can endure. Finally, the perpetuation of that myth has spawned a bureaucracy that fosters the myth because it is dependent upon the myth.

There is only one solution to all these problems. There is only one tax reform that can ever address itself to a true solution.

It is not complex. It is not difficult to implement. It is in fact demanded by our laws in every other element of our society. It is the truth.

The Truth

To resolve our problems, we must first face the truth.

Why not? With a pious smugness, our Congress, our governors and our presidents have passed laws requiring it in every other transaction we have.

Truth in Lending — A standard form must be completed by the lender and signed by the borrower before the borrower can be obligated for repayment.

Truth in Insurance — Companies must print policies in the same language we speak.

Truth in Warranty — Expected levels of performance must be disclosed.

Truth in Quality and Safety — Expensive recalls of tires and autos have been required to correct faulty workmanship.

Why can we, the American people, not demand and receive *Truth in Taxation*?

As if by magic, it could confront and demolish every economic problem listed above. The magic lies in simplicity. The fact is that our problems are also lies — lies based on a lie that can be silenced by the truth. Truth in taxation will expose the lies and permit us to address the problems armed with valid data. So armed, we have resolved every problem with which we have ever been confronted. So armed, we will face the facts.

There are no such things as taxes on or for income, social security, real estate, imports, excises, inventory, profits, luxuries, alcohol, tobacco, firearms or gasoline. Those just hide consumption tax.

continued on page 20

TRUTH

continued from page 19

There are no taxes other than consumption taxes, because consumption is the point where all the other hidden taxes must be collected. Each must be added onto the price of items we consume. If not, the provider of those items goes broke. It is that simple.

No amount of rhetoric can disprove that incontrovertible fact.

Inventory does not and cannot pay taxes. It has no money. The most zealous tax collector in the world can scream, yell and beat on the best refrigerator known, but no tax money will flow as a result. Until the appliance dealer sells it to a consumer and adds the tax to the other costs and profit, there is no money to pay taxes.

A luxury tax cannot exist until the luxury item is sold, with tax added to the consumer's cost. Sniff a million bottles of perfume and you won't smell a single penny of tax money inside them.

There is no income tax, because wages cannot be paid unless the product of the service that earns the income is sold to a consumer.

The consumer must pay the producer's pro rata cost of wages, the tax on those wages (income and social security), raw materials, and taxes on real estate, imports, luxury items and inventory. The seller adds the profit that the marketplace permits, plus his own income tax. Failing to add and collect any of these costs leads to bankruptcy.

Failing to acknowledge these taxes on the sales receipt in no manner affects the reality of who must pay the tax: it is the consumer. It always has been and always will be.

Nearly every problem faced by our economy can be traced to our refusal to face that fact. Hiding taxes behind other names and supposed collection points in no way eliminates the real-

ity of the real payer — it simply aggravates our problem. Furthermore, it intensifies the problem and obstructs any possible solutions.

It may be that the most insidious problem created by hiding the consumption tax is the fact that it permits astounding bureaucratic wastes to escape unpunished. Since everyone believes taxes come from someone else (since they are so hidden no one is aware of their part), unchecked outrages like military hammers for \$435 seem intangible to individual citizens.

On the contrary, if every citizen realized that 60 cents of every dollar he spends is siphoned off for taxes, a new frugality would overtake our national consciousness.

While egregious examples of waste get occasional and brief attention, they obscure a larger danger: the non-consumption tax myth is afflicting and destroying every element of the economy on which we depend.

Many of our industries are dying. Others, with outstanding technical and managerial prowess, still stagger under the hidden 60 per cent tax burden, but even these are ultimately doomed.

Eliminate that burden and no nation would be able to compete with us. We would once again become the dominant "Yankee Traders" we once were. Our balance of payments would show a positive balance instead of its current, multi-billion-dollar tally on the other side of the sheet.

Some of our industries, which are now the butt of the world's jokes, would return to the unmatched profitability they once enjoyed. That profitability could be the source of increased wages, benefits and national wealth.

More of the poor could find jobs as their services were demanded by reactivated industries. Forty per cent of the cost of government could be saved with the elimination, or at least appreciable reduction, in welfare.

Our nation was founded, and our

continued on page 21

AMORY

continued from page 6

a cat and put them in a dog. What possible good could that do?"

The researcher told me I didn't know anything about it, that that experiment might prevent blindness in children. As he was about to continue, I interrupted him to let him know that I had made up that example, just to prove he would defend anything. The program ended on that note.

FREEDOM: Why are the useless experiments being done?

MR. AMORY: Researchers are not sadists, although in my book I say it amounts to animal torture. I believe the lure of money for far-out experiments is too enticing. And the public pays for these experiments. There is no question about it.

Psychology and psychiatric researchers are awarded grant

If a person has done all that, he can make a citizen's arrest by going to a police officer. Police officers really have to pay attention because animal abuse is against the law.

I would advise people to realize every state has laws that you can't abuse, over-load, under-feed, or under-water an animal. But as I told you, these laws are circumvented where the laboratories are concerned. . . . In many areas, about the only thing you can stop is somebody beating a dog to death.

As the animal movement grows more powerful, I think we will be able to do something about the abuses. I've seen great advances in the time I've been in it.

I started The Fund for Animals in 1967 with \$3,000 in the bank and 11 members. Now we have over 260,000 members and we have one of the most powerful animal societies in the world — one capable of winning a victory over the U.S. Navy in the matter of the goats in California!*

"Some psychologist is bashing kittens with pneumatic hammers. . . ."

money just exactly like the cancer or heart researchers. The National Institutes of Health spends five or six billion dollars a year on research — and a lot of that goes toward experiments on animals.

There are not many rules governing research labs, but when what few there are are broken, the public should know. I feel that what we have to do is point out when labs are run badly. For example, the City of Hope, a medical and psychological research lab, was found to be overrun with horrible, terrible filth.

FREEDOM: What are some of the more flagrant animal abuses going on right now?

MR. AMORY: The stupidest little one I've heard of recently is in Yellowstone Park. When the buffalo stray out of the park, men from the Game and Fish Department of Wyoming shoot the buffalo.

It seems it is too much trouble and expense to track the buffalo back to the park. I think that is typical, in a way, of what goes on in the laboratory field.

FREEDOM: If a person sees animal brutality, what can he do?

MR. AMORY: The first thing he should do is take information down carefully — and if possible photograph it. Tell exactly when and where it was taking place and what was happening.

FREEDOM: Is there anything else you would like our readers to know?

MR. AMORY: There are a lot of animal abuses, but I don't think it's hopeless. I don't think people ever should feel it's hopeless.

I think we should stick together on it so that we can speak with more of a united front. I think that is happening a lot recently in the matter of different societies getting together. Recently in Phoenix, Arizona, there was a summit meeting of ourselves, the Animal Protection Institute, People for Ethical Treatment of Animals, and the International Fund for Animal Welfare — just to name the four biggest — and many other societies.

We are looking toward the day when we have a million-member society. When we get so we speak with a million members, the politicians will say about laboratory experiments, for example, "Hey, wait a minute! The public doesn't really want this. This is not a small group! These guys can vote us out of office." That is a hopeful note to end on.

FREEDOM: Thank you, Mr. Amory.



* The Navy had been shelling San Clemente Island, trying to rid it of the goats. The Fund for Animals rescued 870 goats this winter, all of which are in the process of being adopted in the state of California.

"It may be that the most insidious problem created by hiding the consumption tax is the fact that it permits astounding bureaucratic wastes to escape unpunished."

CIA Covert Actions Abroad

A Review of Reagan's Secret Wars

by John Chambers

America's international relations, particularly with Third World countries, have been in varying degrees of turmoil since the Vietnam War ended in 1975.

In *Reagan's Secret Wars*, Jay Peterzell, a research associate at the Center for National Security Studies, sheds needed light on U.S. covert actions in Afghanistan, Cambodia, Chad, Iran, Libya and Nicaragua.

The book traces the history of American involvement in these six Third World nations from the mid-1970s to the present.

"The Reagan administration has made far-reaching changes in U.S. covert action policy, increasing the use of such operations and severely limiting the role in reviewing them of officials outside the intelligence community," Mr. Peterzell states in the first chapter.

"The changes," he continues, "reflect an apparent consensus

within the administration that covert action should be a routine rather than an exceptional instrument in American foreign relations."

Mr. Peterzell's book blends interviews with government figures, official statements, off-the-record remarks, buried government documents and a finely combed selection of foreign and domestic press into an easily read presentation of the facts behind America's aimless and often counterproductive foreign policy in the Third World.

The secret wars, as Mr. Peterzell points out, were not created by President Reagan: Reagan's wars are actually intensified versions of conflicts begun by earlier administrations. Mr. Peterzell's contention, however, is that the Reagan administration has expended enormous amounts of fuel to feed the fire rather than quench the flames.

CIA intervention in Chad, for example, backfired. What began as a CIA paramilitary attempt to "bloody Libya's nose," in Mr. Peterzell's

words, ended with Libyan troops controlling half of this central African nation. Chad is analyzed as an example of what Mr. Peterzell terms a "predictably counterproductive" covert intelligence effort.

The ambivalence and lack of consistency which characterize current American foreign policy also describe actions in the area of covert intelligence operations. The United States will support a faction in Chad or Nicaragua or Cambodia, only to subsequently withdraw aid at a key moment. Programs to aid the Afghan rebels are initiated, then the rebels are left adrift in the turbulent sea of global relations.

Mr. Peterzell argues that "a fascination with covert action" has produced the aimless and counterproductive projects which ensure the instability of entire populations and which threaten to lead the United States into protracted war.

In 1975, the Church Committee, chaired by the late Senator Frank Church, conducted a detailed investi-

gation of U.S. covert operations. Based on its investigation, the committee stated that such operations were not compatible with "the open and democratic assumptions on which our government is based." The committee, Mr. Peterzell points out, considered recommending a total ban on all such operations.

The final recommendation of the committee, however, was that this capability should be maintained, to be used only in "extraordinary circumstances" — in cases of severe threats to national security, when overt means would not be sufficient.

As the reader will see from Mr. Peterzell's book, American covert actions have been alarmingly expanded — with questionable returns on the investment — and the Church Committee's recommendation has been increasingly ignored.▲

Reagan's Secret Wars (1984) is available in paperback for \$3.95 from the Center for National Security Studies, 122 Maryland Avenue NE, Washington, D.C. 20002.

TRUTH

continued from page 20

Constitution created, with the provision that there was not then, nor could there ever be, a tax on exports.

The founding fathers saw that imposing the cost of our government on exports would destroy the marketability of our products. Yet we have slowly but surely done exactly that.

The American people have been fed a never-ending line of excuses — in truth, lies about why we are not competitive:

"Unions have forced pay rates too high." Garbage. They are the most productive workers in the world.

"Our industry has not retooled and is inefficient." Garbage. Leading industries commonly invest 20 per cent of earnings in retooling. They have done so historically and continue to do so today.

"Our management is not sufficiently imaginative or innovative." Garbage. They are copied by every nation on earth. Our plants that are located where they can escape the 60 per cent hidden tax albatross wipe out the competition.

"We are no longer graduating enough engineers and creative thinkers." Garbage. Who else has walked on the moon? Who else is

more afflicted with foreign industrial spies?

"Our agriculture is non-competitive." Wheat in other nations gets government subsidies of up to \$10 to \$26 a bushel. Our farmers would be deliriously happy to receive \$4. Beef subsidies elsewhere run from \$3 to \$30 a pound on the hoof. Give our ranchers one dollar and just watch the cows grow!

"The American people have been fed a never-ending line of excuses — in truth, lies about why we are not competitive. . . . Not one of those excuses can stand up to informed scrutiny."

"Our energy supplies — oil in particular — are exhausted, and our oil industry is not competitive." Garbage. Who in blazes is running every other nation's oil fields?

Not one of those excuses can stand up to informed scrutiny. No other advanced industrialized nation taxes industries so much. That is the only problem.

Our exports are doubly and sometimes triply taxed, with the hidden 60 per cent here, sales tax there, and import taxes over there. Foreign pro-

ducts sold here may be subjected to a minimal import tax, but never anything close to 60 per cent. That is the reason some of our industries cannot even compete domestically.

A corollary lie, propagated to buttress the original lie, is that foreign governments subsidize their industries so that their exports arrive on our shores with an unrealistically low price tag. Wrong.

In most instances, there is no subsidy. The other governments simply do not impose illegal and unconstitutional hidden taxes on their industries.

At least for a while, our society remains economically superior to Europe's.

But it's not because of any advantage in our revenue system.

It's just that the total fraud of taxing the untaxable has not been imposed on us for as long a period. The total consequences of the lying

fraud have not yet come to bear.

When searching for an excuse historically and currently, the most maligned segment of our society is labor. It is accused of being vastly overpaid, compared with foreign laborers. To the contrary, it is underpaid but overtaxed.

A \$10-an-hour worker in the U.S. in reality only nets \$7.90 after income taxes. Of the balance, 60 per cent is paid in hidden taxes on food, clothing and shelter. He or she only nets \$3.16 to pay for actual consumption.

A foreign worker paying a 25 per cent value added tax would only require \$4.21 an hour to achieve the same standard of living. In reality, a European worker receives between \$5 and \$6, or 60 to 90 per cent above his more productive U.S. counterpart earning \$10 an hour.

Hasty computation quickly exposes our 60 per cent hidden tax. The gross price of all raw materials reflects labor and profit, plus the taxes on labor and profit.

Regardless of how well the taxes are hidden, their costs must be added to the price paid at the counter. Any representation to the contrary presumes that the money to pay the taxes is magically appearing from thin air.

Once that basic economic fact is recognized, we will be well on our way to the solution of our economic woes.

Next month: Part II. ▲

LETTERS

Dear Editor,

Thank you for the single most informative newspaper available today. I was just recently exposed to a copy, and immediately became a lifelong fan. I am very enthused about the quality of information printed within its pages.

In the February issue, among several excellent articles was the exposé by Kay Olsen concerning Interpol and privacy. Kay's article was up to the high standards set by FREEDOM, and I found it to be fascinating.

Sincerely,
Wayne Bentson
Payson, Arizona

Dear Editor,

Keep up the good work. We must legislate a fair tax system. Income tax must not be used to govern the people, nor to punish unpopular causes.

Sincerely,
C. Martin
Austin, Texas

Dear Editor,

Paul J. DesFosses' IRS experiences and feelings and ideas are not only similar to mine — they are almost identical. (They haven't burned my house down yet, though.)

I certainly join him in the full participation and activity of the National Coalition of IRS Whistleblowers. His plans and purpose are identical to mine. One person cannot do it.

As DesFosses says, the best procedure that the Coalition can use is to expose things to the citizenry.

Let the citizenry know, as Mr. William Kilpatrick said, that the IRS breaks the laws they help to write.

Sincerely,
Former IRS Agent
(Name and Address Withheld by Request)

Dear Editor,

Thank you so much for your fine newspaper. I enjoy reading it and look forward to each new issue.

I would like to make a correction concerning an article which you published on Interpol in the January 1985 issue. I quote page four: "Nicaragua: a dictatorship known for the brutal treatment of its citizens by the police."

The Nicaragua of which you speak was one governed by the Somoza dictatorship and no longer exists. The present Sandanista government is a democracy whose citizens are treated with fairness and justice by the police.

Nicaragua is presently under siege by Somoza National Guardsmen in CIA-supported camps in Honduras and Costa Rica.

Please note these corrections to "dictatorship" and "brutal treatment by the police" in your next issue.

Peter Dunckley
Woodhaven, New York

Dear Editor,

I would like to indulge in some friendly and constructive criticism of your article on "U.S. Condone Terrorism by Interpol Membership."

The background history of Interpol, with its brilliant exposé of its Nazi-related origins, and its coverups of war criminals,

is truly informative. Unfortunately, the initial logic of criticism is confused by the subsequent charge that the inclusion in Interpol membership of countries now targeted by Secretary of State Schultz makes the U.S. itself a party to the very "terrorism" which Schultz and Reagan denounce.

If we could accept the Reagan-Schultz "war on terrorism" at face value, your pointing up the contradiction of their position in participating in Interpol is logically valid. The fact is, however, that the Reagan-Schultz "war on terrorism" is a phony, does not relate to terrorism by any reasonable definition, and constitutes a rehash of the tired Cold War policies of the McCarthy era, with different rhetoric.

The U.S. government may well be the largest purveyor of state-sponsored terrorism in the world today.

Most of the terrorist enterprises of the CIA are locked up in secrecy, but the unraveling of the secret of the U.S.-bought, paid-for and directed mercenary operation in the no-longer-covert war in Nicaragua is probably a fair sampling of the official terrorism which goes on.

FREEDOM has distinguished itself in the past with its exposés of the CIA. Why undercut your informative, educational work by giving credence to the CIA today, which under William Casey and the Reagan administration is probably more lawless and mendacious than ever?

I have not read a single authenticated charge of torture by the present Nicaraguan regime, although this was common enough under the U.S.-supported Somoza dictatorship which the Nicaraguan people overthrew at heavy cost. I have talked to many people who have recently visited Nicaragua. The only cases of torture they report are those committed by the *contras* [counter-revolutionaries], whose strongest components are the CIA-paid former National Guardsmen of Somoza.

Richard Criley
Carmel, California

PLOT

continued from page 18

— you wouldn't be able to tell the difference. You know, maybe under a microscope you can tell the type of faces, you know — this one's got a little crack on the "T" and this one doesn't... but that happens to be — that only happens to be one little piece of it. You put out another issue the next day for a totally different purpose!

COINTELPRO

As bizarre as the Flynn/government conspiracy against the Church of Scientology may seem, such intelligence plots have, unfortunately, been routine within U.S. government agencies for years.

In the mid-1970s, both the FBI and the IRS were wracked with scandal when the now-infamous Counterintelligence Program was exposed.

The program, better known by its acronym, COINTELPRO, was exposed following a lengthy congressional investigation.

The destruction of specifically targeted organizations was laid out in several simple steps. An FBI memo dated April 4, 1968, listed a number of actions which could be used to disrupt and, ultimately, to destroy an unwanted group via COINTELPRO:

- Leaks to friendly news media;
 - Obtaining the mailing lists and bulk mailing permit numbers of the subversive organizations and counterfeiting literature damaging to the organization; and
 - Fictitious letters to news media exposing the group's plans.
- The memo noted that "Counterintelligence should also be directed

against the individuals personally in an attempt to disrupt their personal and official activities and plans." Several suggestions as to how this could be done were laid out:

- Intimate knowledge of the individual's daily activities is vital to implement an effective counterintelligence campaign;
- Physical surveillance of the subject's motel room for immoral conduct. When such is detected, anonymous phone calls could be made to the local police department and newspapers;
- Anonymous calls to the subject's wife alleging infidelity with his traveling companions and/or female co-workers;
- Selected personal appearances could be disrupted by anonymous bomb threats;

• When sufficient data is collected regarding subject's income, conferences should be had with the IRS; and

• The regulatory powers of local and state agencies should be utilized to police the minor transgressions of the subjects, such as building codes, permits, traffic violations, etc.

COINTELPRO had been one of the government's best-kept secrets until its widespread exposure in the mid-1970s. The agencies were subjected to months of highly embarrassing and ruthlessly meticulous congressional investigations in both the House and the Senate, probing every aspect of their unconstitutional and illegal COINTELPRO actions against American citizens.

As a result, the FBI announced with broad publicity that COINTELPRO was cancelled. This was an accurate statement, but it was not necessarily true.

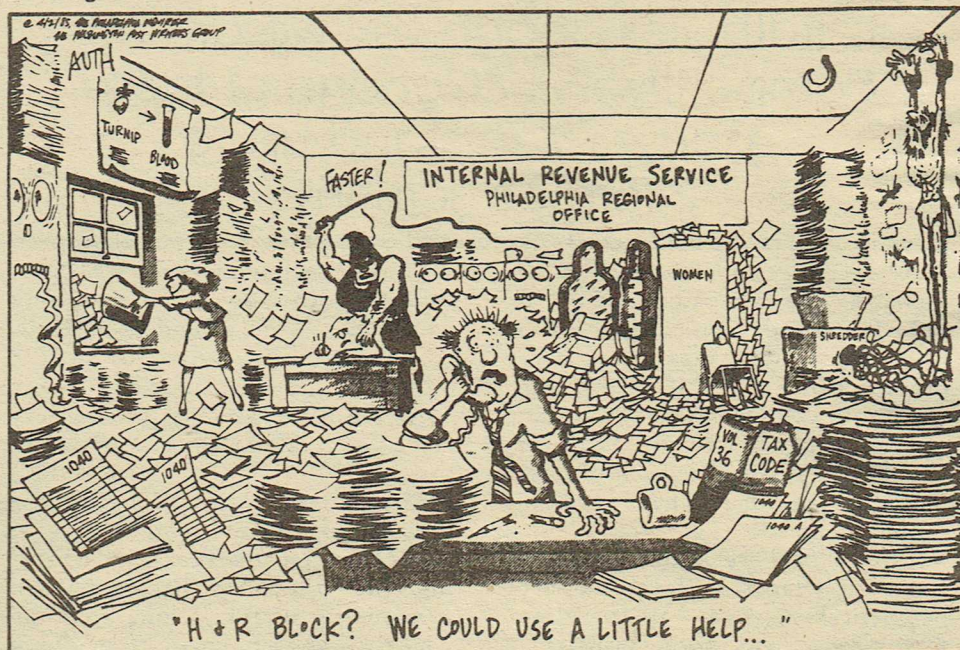
The program called COINTELPRO was officially cancelled; the door was left open, however, for the activities which had been conducted under this heading to continue. In the memo cancelling the program, then FBI Director J. Edgar Hoover stated:

"In exceptional instances where it is considered counterintelligence action is warranted, recommendations should be submitted to the Bureau under the individual case caption to which it pertains. These recommendations will be considered on an individual basis...."

Someone in a position to approve a counterintelligence proposal for the targeting of a thriving, influential church apparently felt that the destruction of the Church of Scientology — and the money and assets that could be seized if it were to be wiped out — fit into the category of "exceptional instances."

The videotapes of their bumbling agent, however, may well lead to further embarrassment for the government, as evidence continues to emerge that COINTELPRO is still alive and well in the United States. ▲

Tony Auth



A CRITICAL LOOK

continued from page 7

Should people also be free to be a danger to others? This problem disappears once we recognize that criminals cannot be divided into two categories — that is, persons who break the law because they choose to and persons who break it because their "mental illness" compels them to do so. All criminal behavior should be controlled by means of the criminal law, from the administration of which psychiatrists ought to be excluded.

The view that the "mentally ill" person is a patient helplessly in the grip of an "illness" that "causes" him to display abnormal behavior is false. Although many so-called mentally ill persons do not deliberately ("consciously") choose their "symptoms" and suffering, their behavior is, nonetheless, *conduct*. Such persons do not lack the capacity to make moral decisions; on the contrary, they exaggerate the moral dimensions of ordinary acts, displaying a caricature of decision-making behavior. "The last thing that can be said of a lunatic," wrote Gilbert K. Chesterton, "is that his actions are causeless. If any human acts may loosely be called causeless, they are the minor acts of a healthy man; whistling as he walks; slashing the grass with a stick; kicking his heels or rubbing his hand. . . . The madman is not the man who has lost his reason. The madman is the man who has lost everything except his reason."

But such an explanation is both too simple and too painful for modern man. Just as medieval man believed in religion and was offended by rational explanations demystifying theological theories and promises, modern man believes in science and is offended by common sense explanations demystifying medical theories and promises. Unable or unwilling to bear the inexorable tragedies of the human condition, people now seek solace in the utopian claims of "scientific" psychiatry concerning the causes and cures of everything "bad" that the human heart is heir to. ▲

Thomas S. Szasz is professor of psychiatry at the State University of New York in Syracuse and the author of 18 books on psychiatry, including *The Myth of Mental Illness*, *The Manufacture of Madness*, and *Law, Liberty, and Psychiatry*.

This article is reprinted from *The Therapeutic State* (Prometheus Books, 1984) by permission of the author. First published as "Ein kritischer Blick auf die Psychiatrie," *Neue Zürcher Zeitung*, February 18, 1980.

© Gilbert K. Chesterton — 1874 - 1936, English essayist, novelist and critic.

FREEDOM GUEST EDITORIAL

COINTELPRO Alive and Well in America

by L. Fletcher Prouty

COINTELPRO is an acronym for COUNTER-INTELLIGENCE PROGram.

COINTELPRO was a secret program implemented by J. Edgar Hoover's FBI that continued under this official name for approximately 15 years. When it was ostensibly discontinued at congressional insistence in the 1970s, it had a sordid 15-year record of shattered lives, disrupted or destroyed organizations, and outrageous violations of constitutional rights.

The CIA had a similar program called CHAOS. CHAOS, like COINTELPRO, came under heavy congressional attack, and in 1974, it too was outlawed.

These programs were earmarked by such activities as the following:

- Anonymous death threats made to leaders or members of a targeted group;
- False rumors circulated in order to promote strife between groups or between factions of groups;
- Breaking into homes and offices to steal documents, plant evidence, or install bugging devices;
- Use of agents provocateurs to induce members of targeted groups to commit illegal acts; and
- Widespread dissemination of false and derogatory information about targeted groups and individuals.

"Dirty tricks" were the order of the day, with some of the deeds so dirty that actual deaths resulted.

One target of both COINTELPRO and CHAOS operations was the Rev. Dr. Martin Luther King Jr. The actions leveled at Dr. King included attempts to defame him by "leaking" stories of alleged sexual improprieties to his wife and to news media, attempts to prevent him from getting the Nobel Peace Prize, and even an attempt to induce him to commit suicide.

With the outlawing of COINTELPRO and CHAOS by Congress, I thought that such actions had been terminated.

I have recently, however, seen evidence that these programs are still alive and proliferating. Now, in fact, they are even more bizarre and insidious.

The videotapes of government informant Gerry Armstrong show an informant who has been well indoctrinated in the techniques of psychological warfare in modern dress.

Following the classic *modus operandi* of infiltration, penetration, disruption, and then control, Armstrong has demonstrated how well he has been coached for his role by his government mentors.

The government agencies involved trained their informant well in the ways of undercover organizational takeover. They planned to create a dissident sector from within to penetrate and take over the Church of Scientology. This tactic is straight out of the Nazi subversion textbook.

the government agents know and practice their "black" arts well, and that they are ready to use them against all targets — including churches.

It is obvious to me, from closely observing these videotapes, that these agencies have trained this informant and his accomplices and supported them in these acts.

This is an ominous reminder of those dread days of the now-outlawed CHAOS and COINTELPRO programs of the CIA and FBI.

"The videotapes of government informant Gerry Armstrong show an informant who has been well indoctrinated in the techniques of psychological warfare in modern dress."

Infiltrate and Overthrow

The master of such tactics was Nazi Germany's propaganda minister, Joseph Goebbels. Goebbels plotted to infiltrate and overthrow the governments of Europe with the use of trained agents provocateurs.

Government agents working with Armstrong, as described by Armstrong in his own words on the videotapes, are exploiting the same methods used by the early Nazi organizers to create the Third Reich. The tactics are the same.

The videotapes demonstrate that

We see, with this trained informant, the addition of the IRS's Criminal Investigation Division, Canada's Ontario Provincial Police, even a Department of Justice attorney, and their willing tool, a lawyer from Boston, to the old and forbidden list of hardcore government departments and agencies that were in operation in the 1950s, 1960s and 1970s in a present-day alliance for the reenactment of the same type of unlawful activity.

The evidence shows that a dangerous and blatant threat against elements of our society can be mounted by these agencies of our own government. This inevitably leads to violations of our basic rights and freedoms. The American people can no longer sit back idly and ignore the danger posed by such unlawful and prohibited acts by their own government bodies. ▲

L. Fletcher Prouty, a retired U.S. Air Force colonel, served with the Office of the Secretary of Defense and was assigned to duties that brought him into daily contact with the CIA and other government agencies and departments during his nine years in the Pentagon.

Mr. Prouty, author of *The Secret Team*, a controversial book about the CIA, is a leading authority on U.S. intelligence activities.



L. Fletcher Prouty

IRS Problems Mount

Despite IRS Commissioner Roscoe Egger's claims that the IRS needs more personnel to handle the many and growing problems within the tax agency, inside information from former IRS agents, as well as hard, cold statistics, indicate that voluntary compliance by taxpayers has steadily decreased even while the numbers of IRS personnel have increased.

As a former agent from the Los Angeles IRS office told FREEDOM, "It is definitely true that the compliance rate has been going down in the Los Angeles area, while the rate of employment within the IRS has been going up. Los Angeles IRS District Director William Connett even admits to this."

While the rate of taxpayer non-compliance in Los Angeles was only five per cent in the late 1970s, by 1983 it had risen to eight per cent. The percentage has continued to increase steadily since then, and the 18 per cent increase in the number of employees in Connett's district in the last 18 months has not arrested the declining compliance rate in the least.

"The IRS thinks it needs more and more people, because the need to police the taxpayers is growing more and more serious," the former Los Angeles IRS agent commented. "But obviously *policing* the taxpayers is the wrong answer. The Collections Division of the Los Angeles district," he added, "is the largest in the country, yet their rate of collections is dropping."

The actual reason for the increasing rate of taxpayer noncompliance, however, according to a number of former agents interviewed by FREEDOM, is the unfairness of the tax system.

"There's just no trust there any more," the former Los Angeles agent explained. "People don't admire this country's tax system the way they used to, and they just aren't as willing to cooperate with an agency for which they have no respect."

Computer Problems

One former Los Angeles IRS agent who is now a certified public accountant pointed out to FREEDOM that although the Los Angeles district's computer problems have not been publicized the way computer problems have been publicized in Philadelphia and Austin, the same problems exist in Los Angeles.

He has a client, for example, who has been making payments of \$1,000 a month for several months. All of the payments have been sent by registered mail, he told FREEDOM, and he has the signed receipts from the IRS. He also has the cancelled checks indicating that the payments have been deposited by the IRS.

"Yet the IRS keeps insisting that my client hasn't paid," the CPA said. "They swear they've never received the checks!"

Egger's Admission

Commissioner Egger admitted in his 1984 strategic plan that the compliance rate is falling:

"External environmental indicators and internal compliance measures reflect a continuing decline in the extent to which taxpayers are willing or able to voluntarily comply with the federal tax laws."

Commissioner Egger's plan fails, however, to address the fact that his successful pleas to Congress for budget increases to pay the IRS's ever-burgeoning bureaucratic ranks have done nothing to revert the alarming trend toward a general unwillingness on the part of the taxpayer to cooperate with this country's tax agency.

One of the issues, according to Egger's plan, which the IRS must address is "What steps can the IRS take to stem or reverse this decline in voluntary compliance?"

The IRS has apparently not been listening to the American people. To the people, the answer is very simple.

As one former IRS agent said, "The IRS better start listening to what the American people are saying, and Congress better start realizing that their constituents want that agency reformed."

"The people of this country will not bow to the IRS's heavy-handed Gestapo tactics, and the more that IRS agents use threats and intimidation to force compliance, the less they're going to get. People in this country won't stand for that kind of treatment — they wouldn't stand for it from the King of England, and they aren't going to stand for it from the IRS. A fair system of taxation is what they want, and nothing else is going to solve the IRS's problems with voluntary compliance."▲

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To IRS Current and Former Employees and American Citizens Who Know of Illegal Actions on the Part of the IRS

The constitutional rights and basic freedoms of the citizens of the United States are being threatened and, in some cases, destroyed by this government agency. Reform is clearly needed, and FREEDOM can play a major part in bringing this about by reporting specific abuses to the public. By making this information broadly known, action can be taken to make the IRS an agency that truly

serves the people of this country.

If you have knowledge of unconstitutional acts or violations of the law committed by the IRS against taxpayers, groups or even IRS employees, and you feel it is time for these acts to be exposed, and our tax system overhauled and turned into an equitable one, contact:

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