

Church of Scientology International
Office of the President



November 5, 1994

James McGovern
Assistant Commissioner (Employee
Plans and Exempt Organizations)
Internal Revenue Service
Room 3408E
1111 Constitution Ave., N.W.
Washington, D.C. 20224

Re: FACTNET, Inc.

Dear Jim:

I have written to you previously in February 1994 and again in August 1994 concerning "Fight Against Coercive Tactics Network ("FACTNET") describing the purposes and activities of this group and demonstrating that the application for tax exemption that they filed -- and which was granted by the Service in August 1994 -- was fraudulent. I will not repeat the information set forth in those letters but attach copies (without exhibits) here for your reference. (Exhibits 1 & 2). I am writing this letter to bring to your attention additional evidence concerning FACTNET that has come up since my last letter.

In my earlier letters I described the close relationship between FACTNET and the Cult Awareness Network ("CAN"), an anti-religion hate group that serves as a referral service for deprogrammers, and evidence that FACTNET itself was carrying out similar referral services. Further evidence has been brought to light of these two organizations working together and carrying out similar functions.

FACTNET's former president, Gerald Armstrong, testified in the last two weeks that in November 1993, shortly after FACTNET was formed, its founder, Larry Wollersheim, gave a demonstration of the FACTNET system to the Executive Director of CAN, Cynthia Kisser and other CAN principles. FACTNET and CAN use very similar language for describing what they do and similar euphemisms for promoting their deprogrammer referral network. A recent computerized advertisement by FACTNET promoted via the Internet system, says that they can connect up anyone who contacts them to

"an assortment of key mental health professionals, clergy, attorneys, support groups, ex-members, and organizations who work with victims and families of this group." (Exhibit 3) Compare this to a recently promotional piece for CAN that describes who they are as ". . . mental health professionals, lawyers, physicians, legislators, clergy, law enforcement officers and educators" and in the next paragraph admits that "CAN recognizes the need for voluntary exit counseling/deprogramming" Exhibit 4 FACTNET and CAN are working together and FACTNET appears to be taking part in the deprogrammer referral business.

Recent additional evidence of the extent of CAN's involvement in deprogramming demonstrates what such referrals actually mean.

A declaration from the manager of a Bed and Breakfast house in Albany, Ohio ("The Albany House") situated near the Wellspring Retreat and Rehabilitation Center, (run by CAN Board member Paul Martin), states that between 1988 and 1993, about 20 different families who stayed at The Albany House said they were having a family member deprogrammed at Wellspring. Members of about 10 of these families stated that their adult child had been kidnapped during the deprogramming upon the advice of CAN. Exhibit 5

Similarly, in a deposition of CAN's Office Manager, Marty Butz, he admitted that he had given 500 referrals to deprogrammers since he started working at CAN in 1989, including referrals to deprogrammers like Rick Ross known for using force and violence. Exhibit 6 As demonstrated above, FACTNET is also part of this network, working with CAN in its deprogramming referral activities.

That FACTNET is playing an active role in deprogramming is further demonstrated by the fact that its president, Jon Atack, who lives in the United Kingdom, is himself a deprogrammer, specializing in attempts to deprogram Scientologists. He has been paid tens of thousands of dollars over the years for such services. As described in my August 1994 letter, Atack has also exported FACTNET's operation to the United Kingdom and has attempted to spread its activities into other parts of Europe by forming a "Counter-Scientology Europe" network. Among other things he has done through this group, he has attempted to incite opposition to the Church's application for religious recognition with the United Kingdom Charity Commission and has disseminated to the Charity Commission some of the same false information put out by FACTNET.

Atack is also a litigant against the Church in the UK and thus personally interested in causing the Church as much trouble as he can. Recently, however, the suit that Atack filed against the Church was dismissed for lack of merit. The Church was

awarded costs, which Atack has refused to pay. The Church is taking the necessary collection actions.

My earlier letters briefed you on the kinds of scurrilous and defamatory information that FACTNET has put out about Scientology and the plans of its founder, Larry Wollersheim, to sell this information and otherwise solicit "tax deductible" contributions to fund harassive litigation against Scientology. Recent evidence shows that this is exactly what FACTNET is doing.

One of the major sources of the false information disseminated by FACNET has been Steven Fishman, who was previously convicted for obstruction of justice for falsely trying to implicate the Church in his crimes as a way of deflecting guilt from himself. It didn't work and he went to jail. Fishman is currently under investigation again by the Probation Department for involvement in a new round of fraudulent schemes and violating his parole by associating with felons.

Fishman recently sought legal representation from an attorney in North Hollywood for a "malicious prosecution" case against the Church of Scientology he wishes to bring. In making this request for representation, Fishman repeated many of the same blatantly false allegations against Scientology that have been promoted by FACTNET. Included in these is the scurrilous allegation that the tragic suicide of David Miscavige's mother-in-law was actually a murder for which Mr. Miscavige may be charged. Fishman also represented that with respect to the funding of this proposed litigation, funds may be forthcoming from FACTNET, a tax-exempt organization headquartered in Golden, Colorado, to help cover the costs of the suit. This shows FACTNET's funds being earmarked for harassive litigation against the Church, which is not a tax exempt purpose. **Exhibit 7**

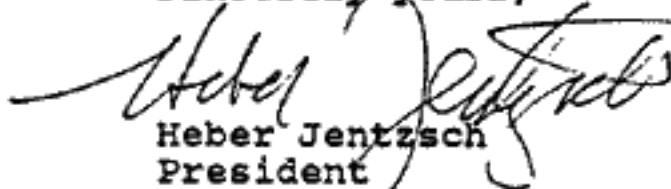
Attorney Graham Berry, who earlier paid about \$20,000 to FACTNET for false information (which Berry proceeded to file in court in the Fishman case) attempted to get Senator Chafee of Rhode Island to connect up with FACTNET so as to get Senator Chafee's assistance in getting the tax exempt status of the Church of Scientology revoked.

Last week, FACTNET's Systems Op, Bob Penny, posted a letter from Graham Berry in which Berry solicited data which could support his false allegation about the confidentiality of the advanced levels of Scientology religious services. Even though Berry stated that his letter was to be kept confidential, FACTNET posted it broadly on its computer system asking people to send information about Scientology confidential advanced levels to Larry Wollersheim clearly for the purpose of supporting private litigation. This is not an activity that should be supported by tax exempt contributions. **Tab 8**

My letters in February and August 1994 showed that FACTNET does not qualify for tax exemption, that its exemption application was a sham and should have been more than ample to result in revocation of its tax exempt status. The additional evidence provided here demonstrates that FACTNET is operating in the non-exempt manner described in those earlier letters.

Please contact me if I can provide any other information.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Heber Jentzsch". The signature is fluid and cursive, with a large loop at the end.

Heber Jentzsch
President
Church of Scientology
International