

1826 R St NW
Washington, D.C.
July 11, 1955

TO THE FEDERAL BUREAU OF INVESTIGATION
COMMUNIST ACTIVITIES

FROM L. R. Hubbard

SUBJECT Further information on attack on Hubbard Assn
of Scientologists of Phoenix, Arizona

Ref. First report of last week.

Information has just been received here that one of the major contributing factors in the attack upon and collapse of the Hubbard Assn. of Scientologists in Phoenix Arizona was an accountant.

Named "Jerry" Rahn this accountant first came to the organization in March volunteering to assist in accounting and income tax matters. A tax return was given him for filing with the IRS. This tax return was then reported by the IRS as never having been filed and was then filed again by registered mail.

His presence insisted upon by Wm. Burke Belknap as Assn president, this Rahn proceeded, in the absence of the treasurer and without her permission, to delve into the books of the Assn. on the pretext that they were in serious error. He pretended to discover many omissions and cast a serious shadow on the organization directors except Balknap. Many rumors were started by this Rahn which had no foundation in fact.

Finally Rahn brought into the picture a Mr. Brewer reputed to be from the IRS. Before employees in several visits Mr. Brewer alleged that I, while a director, was actually engaged in some dark and underhanded activity and had used the organization as a blind and that I was in serious trouble with the IRS which, in consulting the main office, is apparently not the case, there being no reason for it.

Panicked by this Rahn and Brewer the organization directors, Belknap, and one Carol Hadley spent little time on their actual duties and spent some six weeks involving themselves with this Rahn and Brewer, which by reason of such inattention, but the organization off from immediate income and stopped all outgoing correspondence and activity, quite sufficient in this case to destroy RECORDED-99 is what happened.

I have had to act to preserve what few assets and activities the organization had for with its local credit destroyed and without activity to its membership

SEE REVERSE SIDE FOR
ADD. DETERMINATION

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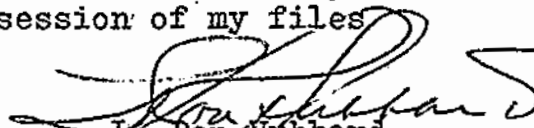
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at Wichita in or around April of 1951, possibly May.

In 1952 an A.E. van Vogt, a writer from Canada naturalised in the US and living in Los Angeles and a heavy foe of Dianetics and Scientology for years although pretending to be involved with it and an associate of Gene Benton, Sara Hollister and others of stated Communistic leanings, made the statement in writing many times that the IRS was after me and the organization, a thing which a call to the IRS failed to disclose. Thus the pattern of reporting to the IRS or spreading rumors about the intention of the Internal Revenue Service has been continued and confirmed and is at this time evidently the contributing factor in ending the life of the Hubbard Association of Scientologists.

To the best of my recollection the accountant "Jerry" Rahn appeared in the organization about three days after the first despatch was sent to the Department of Defense, by wire, concerning a solution to brain washing. I can establish this more accurately when I obtain, if I can, possession of my files and accounts.


L. Ron Hubbard

Note: To the best of my knowledge and belief and having seen lately some copies of its accounts and seeing to an audit of them at this time, there is nothing whatever in error about or suspicious about these accounts. They are the ordinary routine accounts of a business of the type the Association is engaged in. LRH

its finances, already involved in the Humphrey suit collapsed.

As no reports were due to the government until October 10th, 1955 and as adequate time remained and is being used to make these reports, the introduction of a strange accountant against the wishes of the absent ~~treasurer~~ and the interjection of a supposed IRS agent - who may very well be an IRS agent in Phoenix - and the rumors and threats made by these men, it can be seen that this contributing factor was important.

The attack made by psychiatrists using evidently Communist connected personnel on the Elizabeth NJ Foundation in 1950 and 51 and the attack made on the Wichita Foundation in 1952 all ended on the same note of reports to IRS and much rumor concerning what the IRS would do. However, so far as anyone knows, the IRS itself took no real notice of the 1950, 51 and 52 attacks and when contacted by myself did not seem to know anything about the matter. The current attack on these organizations however is known to the IRS for the IRS has mildly interviewed me concerning matters. However the panic caused by the wild accusations and insinuations of this Brewer, prompted evidently by Rahn (pronounced, I think, "Ran") are new and strange to my experience with the IRS.

However, the accountant at the Elizabeth N.J. Foundation in 1950 was continued in employment by one John Maloney and D.G. Purcell until ~~mid~~ 1951 when I, demanding better security and demanding a review of the books as Chairman of the Board, the post I occupied in 1951 with the Wichita Foundation, was refused. I insisted on, then, a lie detector check being made on personnel of whom I was not sure. One D.H. Rogers, an officer of the Elizabeth and the Wichita Foundation registered positive on Communist leanings. The registrar (a Cole Alyneck (Sp?)) refused the test and disappeared. The accountant whose service had extended over both Foundations became very nervous, refused the test and disappeared. His name is not now known to me.

Thus we have a continued parallelism in these attacks on Dianetics and Scientology in accountancy. Accountancy was a target in 1950, 1951 and 1955 by accountants strange to the organization or of suspicious circumstance. There might have been some parallelism in the public relations department if the organization now maintained one for the 1950 and 51 public relations man, Charles Leonard, registered positive on Communism in the police check

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