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UNITED STATES DEPARTMENT OF JUSTICE
 IMMIGRATION AND NATURALIZATION SERVICE
 REPORT OF INVESTIGATION
 ADMINISTRATIVE PAGE

TITLE RAJNEESH MEDITATION FOUNDATION			FILE NUMBER POO 50/88
REPORT NUMBER 1	DATE 4/28/82	PLACE POO	CENTRAL OFFICE AND REGIONAL REFERENCES CO 893-C (ELC) 10/7/81; NRO IDR-BHAGWAN
CONTROL OFFICE POO	TRANSFERRED TO:	G-23 LINE 503	TYPE OF INVESTIGATION REPORTABLE <input checked="" type="checkbox"/> Fraud-Visa, Prosecution
DATE AND PLACE OF BIRTH		NATIONALITY	DATE, PLACE AND MANNER OF ENTRY

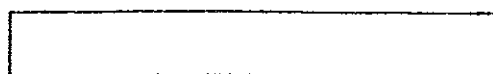
- DISTRIBUTION
- 1 - CO Inv - all ex (through NRO Inv)
 - 1 - COEXM - all ex (for information)
 - 1 - NRO Inv - all ex
 - 1 - DD, SFR - all ex
 - 1 - AmEmbassy, Bombay - all ex (w/o G-166A)
 - 1 - U.S. State Dept., Fraud Section - all ex (w/o G-166A)
 - 1 - A24 404 461 (Bhagwan Shree Rajneesh) - all ex
 - 1 - A21 473 952 (Sheela Silverman) - all ex
 - 1 - POO 50/88 - all ex

REVIEWED AND APPROVED (SEE COMMENT)	
DATE	PLACE Portland, Oregon
SIGNATURE	
NAME AND TITLE Charles L. Stevenson, Supervisory Crim. Inv.	
REVIEWED AND APPROVED (SEE COMMENT)	
DATE	PLACE Portland, Oregon
SIGNATURE	
NAME AND TITLE Carl R. Houseman, Deputy District Director	

APPROVED (REGIONAL OFFICE)	DATE	NAME AND TITLE	SIGNATURE
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STATUS OF INVESTIGATION: PENDING

Investigation is based upon information gathered during the course of inquiry into the background of BHAGWAN SHREE RAJNEESH, which suggested that his organization, the Rajneesh Foundation International, had encouraged marriages of convenience in India to circumvent immigration laws there. The object of the investigation is to establish whether the members of this organization have engaged in fraud to circumvent United States Immigration laws as well.



UNDEVELOPED LEADS

Home Office

1. At Portland, Oregon

Will continue to develop, gather and evaluate information from all available sources to document possible violations, to include violations of status, overstay violations, visa fraud and marriage fraud.

District No. 13 - San Francisco, California

2. At Lucerne Valley, California

Will check the Geetam Meditation Center, Box 576 Highway 18, Lucerne Valley, California in an effort to contact PRINCESS WIBKE of Hanover, aka MA PREM TURIA, believed to be native and citizen of Germany. One SWAMI ANAND TEERTHA, aka PAUL or ROBERT LOWE, a native and citizen of England, is believed to have been there in the recent past and may still be there. It is likely that other nonimmigrant aliens are residing, and possibly working, there. These and other parties may be intending immigrants, in overstay status, or in violation in other respects.

COMMENT

Source P-1 is Interpol, Bombay, India.

Source P-2 is ROBERT DEXTER WELCH, 141 5th Street, Lafayette, Oregon.

Source P-3 is ADRIAN and ANNE GREEK of the Positive Action Center, 2647 N. E. 33rd Avenue, Portland, Oregon.

Source P-4 is KATHY McLAUGHLIN, professor of religion, Lewis & Clark College, Portland, Oregon.

Source P-5 is ROBERT HITCHENS, journalist, the Nation magazine, New York, New York.

Source P-6 is the Oregon Law Enforcement Data System (computer network), Salem, Oregon.

Source P-7 is the Royal Canadian Mounted Police, Vancouver, British Columbia via U. S. Border Patrol, Blaine, Washington.

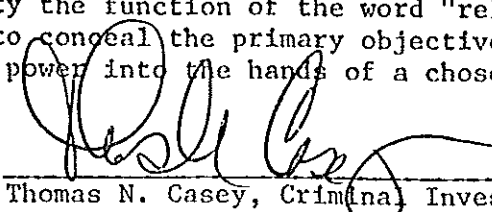
Source P-8 is LEWIS OETMAN, U. S. citizen, teacher, Madras Elementary School, Madras, Oregon.

Source P-9 is SUE SCHULTZ, employee, Cherry Creek Ranch, on John Day River, Oregon.

(The above individuals expressed a desire for confidentiality at the present time, would be recontacted if necessary to secure testimony in hearings or court.)

The record of the SUBJECT ORGANIZATION is clear enough to stand on its own. The writer would like to clarify one point. The SUBJECT is fond of describing itself as a religious organization when it is to its advantage to do so, which is often. It has also characterized itself as nonprofit and charitable. It appears that in reality the function of the word "religion" here is to function as a smokescreen to conceal the primary objective: fund raising and the concentration of power into the hands of a chosen few at the expense of the deluded.

April 28, 1982


Thomas N. Casey, Criminal Investigator

POO 4/28/82
A24 404 461

UNITED STATES DEPARTMENT OF JUSTICE
 IMMIGRATION AND NATURALIZATION SERVICE

REPORT OF INVESTIGATION

TITLE		FILE NUMBER
RAJNEESH MEDITATION FOUNDATION		POO 50/88
REPORT MADE AT	DATE	BY
Portland, Oregon	4/28/82	<i>Thomas N. Casey</i> Thomas N. Casey, Criminal Investigator

SYNOPSIS

The SUBJECT ORGANIZATION is the creature of BHAGWAN SHREE RAJNEESH, a native and citizen of India, for the propagation of his beliefs. RAJNEESH, on the pretext of a need for urgent and critical medical treatment, obtained a tourist visa and entered the United States June 1, 1981. Shortly afterward his organization purchased a large, isolated ranch and commenced to develop a city on it, with substantial opposition from many citizens. RAJNEESH moved to the ranch in August 1981. Much development work on the ranch was found to be done by nonimmigrant visitors who appeared to have been brought to the United States for that specific purpose. Service action to require their departure has resulted in numerous fraudulent-appearing marriages to United States citizens. The Indian history of SUBJECT is one of encouraging such marriages of convenience. Investigation reveals a substantial basis for the claims of violence, mental and physical abuse, intimidation, deception, bribery and tax evasion in India. At present SUBJECT owes the Indian government over \$1 million in back taxes as the result of a finding that it was not a nonprofit, charitable institution as claimed. The same pattern of lawbreaking appears to be continuing in the United States, especially as regards the immigration laws. Circumstances surrounding RAJNEESH and SUBJECT suggest that he and certain of his disciples may be subject to prosecution for visa fraud as principals or conspirators. He and they may also be subject to deportation proceedings under Section 241(a)(1) of the Act in that they may have obtained visas by fraud as outlined in Section 212(a)(19) of the Act.



(DETAILS)

The Rajneesh Meditation Foundation International is the legal entity established to propagate the teachings of one BHAGWAN SHREE RAJNEESH, aka CHANDRA MOHAN, A24 404 461.

On November 23, 1981 the Oregon Department of Commerce, Corporations Division, Salem, Oregon granted the Chidvilas Rajneesh Meditation Center authority to transact business within the State of Oregon under the name of Rajneesh Foundation International. The same agency, on February 3, 1982, allowed incorporation of the Rajneesh Neo-Sanyas International Commune and the Rajneesh Investment Corporation. The Application for Certificate of Authority of the Chidvilas Rajneesh Meditation Center, filed with the State of Oregon July 6, 1981, indicates that the Chidvilas Rajneesh Meditation Center was incorporated under the laws of New Jersey on February 2, 1978. The address of the principal office was then given as 154 Valley Road, Montclair, New Jersey 07042. The Oregon address of the corporation is given as P. O. Box 12-A, Antelope, Oregon 97001. The name of its registered agent in the State of Oregon at that address is one JOHN SHELFER.

The aforementioned incorporation papers indicate, as a "brief statement of character of business", that the corporation will pursue in the State of Oregon the following: "This corporation is a nonprofit corporation organized exclusively for charitable purposes and particularly for the spread of religious teaching and messages of BHAGWAN SHREE RAJNEESH, which enables one to enjoy life in its fullest dimensions to achieve the state of universal religiousness which is the essence and source of all religions by reviving and reexperimenting with the lost, hidden, and esoteric techniques of meditation which have existed in all the basic religions; to do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof but not for pecuniary profit or financial gain of its members, directors or officers."

The president of the corporation in Oregon is SHEELA SILVERMAN, and the secretary is ASHA SIPUS, both of P. O. Box 12-A, Antelope, Oregon.

Among the documents submitted by SUBJECT ORGANIZATION is a letter from the Newark, New Jersey office of the Immigration Service dated August 21, 1979. The letter, addressed to the corporation's attorney, SIDNEY SHAIKOVITZ, of Bloomfield, New Jersey, states that the Internal Revenue Service records indicate that the Chidvilas Rajneesh Meditation Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

BHAGWAN SHREE RAJNEESH is a native and citizen of India, born at Kutchwada, Madhya Pradesh, Joyfia, India December 11, 1931. He holds Indian passport #R141267 issued at Bombay May 13, 1981. On May 29, 1981 he was granted a multiple entry B-2 visa at the United States Consulate at Bombay, India. On June 1, 1981 he entered the United States at New York, New York and was authorized to remain until October 31, 1981. On October 23, 1981 he requested an extension of stay at the Portland, Oregon office, which was granted to March 1, 1982.

On November 24, 1981 the Rajneesh Meditation Foundation filed an I-140 petition to classify RAJNEESH as a third preference immigrant under Section 203(a)(3) of the Immigration and Nationality Act. Numerous documents were filed in support of that petition, which claimed that RAJNEESH was eligible for precertification under

Schedule A, Group II, 20 CFR, Section 656.10. That section provides for pre-certification of the following two classes of aliens: The first class relates to those aliens who seek admission to the United States in order to perform a religious occupation, such as a preaching or teaching of religion; and secondly, aliens with a religious commitment who seek admission into the U. S. in order to work for a nonprofit religious organization.

Block #13 of the Application for Alien Employment Certification submitted on behalf of RAJNEESH describes the "job to be performed" as "Overseas educational activities, provides spiritual counsel and guidance to those in need, administers ordinances, conducts worship, and performs other spiritual functions as required as head of religious order. Delivers discourses and other talks interpreting matters of world religion, psychology, and philosophy and responds to questions of the membership relating to their personal and spiritual needs. Receives persons individually to answer their questions and provides spiritual guidance and instruction in a formal meeting known as darshan. Leads membership in silent prayer and meditation, and in other services of worship. Administers the ordination of sannyas. Directs the order of sannyas at religious centers around the world. Officiates at religious celebrations and festivals, and performs other functions of spiritual leadership. Provides general guidance for the activities of the Foundation including the University and publications."

Among the documents submitted by the Foundation is "The History and Development of BHAGWAN SHREE RAJNEESH and the Movement Surrounding Him". It is attached as Exhibit "A". It indicates that RAJNEESH taught philosophy and the psychology of religion in Indian universities for about ten years before resigning his position and giving independent lectures. Having settled in the Bombay area, an organization entitled Jeevan Jagruti Kendra was established in support of RAJNEESH's activities in 1969. In 1974 the Rajneesh Organization removed to Poona (also spelled Pune) about 100 miles from Bombay, and changed its name to the Rajneesh Foundation. The "ashram", defined as "a place of religious study and retreat", was located at 17 Koregaon Park. The Rajneesh Organization claims that "over a period of seven years the ashram in Poona developed into the largest facility in the world of its kind for religious, philosophical, and psychological inquiry into the nature of man." It also claims to have established the Rajneesh International Meditation University.

EX "A"

(INVESTIGATOR'S NOTE: The International Meditation University does not appear to have ever been accredited as an educational institution.)

In the same document, the organization states that RAJNEESH's talks ("darshans" and "discourses"), recorded, became the texts of 336 books.

The organization claims that "BHAGWAN's unique contribution is a new approach to religion and life. His teaching uncovers the common thread of inquiry that runs throughout the pursuit of religion and the disciplines of philosophy, psychology, and other areas of the humanistic sciences. He has totally transformed the traditional concept of the religious person from a renunciate who lives a life of poverty and isolation to that of a celebrant who lives in the world and contributes to it."

The Rajneesh organization claims a total of 575 "Rajneesh Meditation Centers" in 32 countries, with more than 200,000 disciples or "sannyassins". The

Foundation claims 70 such centers in the United States. Attached as Exhibit "B" is a list of the claimed centers in the United States with the addresses as provided by Rajneesh Foundation International.

EX "B"

The June 1 - 15, 1981 issue of the Onlooker magazine of Bombay, India gives an account of the claimed "enlightenment" of RAJNEESH. By his own account, RAJNEESH was enlightened at 2:00 AM March 21, 1953 at the age of 21. Copies of articles in that magazine relating to RAJNEESH and the RAJNEESH Organization are attached as Exhibit "C".

EX "C"

The U. S. State Department advised on January 19, 1982 that the Jeevan Jagruti Kendra was originally chartered with the Charity Commission of the Indian government at Bombay on July 17, 1969. On March 27, 1976 the organization was officially transferred to Poona and its name changed to The Rajneesh Foundation. According to a certified extract of the Rajneesh Foundation's charter, the number of trustees in the organization must be at least two, but may not exceed eleven. RAJNEESH himself could nominate no more than five trustees and a committee, presumably of trustees, could in turn nominate up to six persons. RAJNEESH himself had no official position within the organization, described only as "advisor for life".

(INVESTIGATOR'S NOTE: A letter from SHEELA SILVERMAN, dated November 21, 1981, written in her capacity of President, Chidvilas Rajneesh Meditation Center, and submitted to the Service, similiarly indicates that no formal salary would be paid to RAJNEESH upon approval of the pending petition. She stated that the Rajneesh Foundation would "assume full responsibility for the financial needs of BHAGWAN SHREE RAJNEESH, including his medical and living requirements and all unexpected contingencies, present and future".)

The Rajneesh Foundation's charter on file with the Indian government, upon which its tax exemption depended, listed the goals of the organization as follows: "To spread and import the teaching of ARCHARYA SHRI RAJNISHJI and other philosophers pertaining to all religions; to print, publish, sell, distribute, either free or for price, books, magazines, lectures, preachings, journals, and other literature; to conduct or arrange lectures, tours, shibirs (revival camps) research, programmes of any kind either in India or abroad; to promote, maintain, control or conduct gyana yagna, sadhana centers, seminars, discourses, study groups, lecture, reading rooms, libraries, schools, pathashalas, (schools), research centres; to give loans, scholarships, freeships, prizes, honorarium, remuneration, or monetary assistance to philosophers, thinkers, writers and authors and students; To establish, promote, and maintain ashrams, schools, colleges; to train students and teachers; to impan (establish) medical college by way of sadhana or other suitable system beneficial to physical or mental health; to establish, promote, and/or take over and conduct hospitals, health and medical centres; to provide for the relief of poor people in distress or for national cause and to provide for medical relief; to maintain and run sadavant, dharamshalas (rest house) kala mandir, bal mandir, etc. (free rest house, art center, children's nursery, etc.).

The Rajneesh Foundation failed to live up to its stated goals in the view of the Indian government, which led to revocation of its tax exempt status.

On February 19, 1982 Source P-1 advised that RAJNEESH, aka ACHARYA (teacher) RAJNEESH, aka BHAGWAN (Sir God) SHRI, aka RAJNEESH CHANDRA MOHAN had earlier taught philosophy at Government College, Raipur, India and later at Jabalpur and had resigned his teaching job in 1966 to devote his life to spiritual pursuits. RAJNEESH set up an ashram in 1969 at Bombay called Jeevan Jagriti Kendra and in 1970 launched another organization called the Neo-Sanyas International for the benefit of his foreign disciples. RAJNEESH claims to bring men totally into their authentic "designed self". The concept of love holds a key position in his system. According to him, his system is ahead of the time and represents the beginning of a new tradition. In June of 1974 RAJNEESH renamed the Jeevan Jagriti Kendra as the Rajneesh Foundation and shifted its headquarters to Pune. The Rajneesh Foundation and its foreign projection, the Neo-Sanyas International, are both registered as charitable trusts, but they function as independent bodies. The avowed aims and objects of the Rajneesh Foundation were declared to be "to spread and impart the teachings of ARCHARYA RAJNEESH and other philosophers concerning the main principles and morals of all religions; to conduct lectures, tours and research programs; to promote sadhana centers, discourses, lectures, reading rooms, libraries, schools, and other education institutions". The source continues, "However, in actual practice, RAJNEESH's methods, known as 'Rajneesh dhyam yoga' or 'dynamic meditation' are a blend of man dhyam, primal scream therapy, yoga, and hypnosis, the last constituting a dominant element. He does not favor inhibitions, including those related to sex, and professes that sex can lead to superconsciousness. He does not believe in 'ideology' or in 'renunciation'. RAJNEESH maintains that disciples and teachers must become deep lovers."

The source further advises that prior to his recent shift to the United States, the Rajneesh ashram at Pune was a "sprawling complex" with provisions for residential accomodation, auditorium, and underground physiotherapy halls. The complex could accomodate over 1,000 persons. The land and other assets were estimated to cost over 2.5 million dollars. The organization also purchased 225 acres of agricultural land at Jadhavwadi (Pune rural). The state government had not given permission for non-agricultural use of the agricultural land. The source further advised that the Rajneesh ashram had attracted "a lot of adverse publicity" in some foreign countries because of its group therapy sessions and advocacy of a free sex life. Residents of Pune had alleged the commission of "immoral activities" at the ashram, such as free sex, sale of drugs, and various forms of corruption. RAJNEESH's open criticism of other "spiritual leaders" and advocacy of "free sex" brought him a degree of enmity resulting in an attempt on his life. A group led by one VILAS VITTAL TUPE reportedly attempted to kill RAJNEESH in May 1980. More recently, the Rajneesh Foundation complained of receiving death threats against RAJNEESH in the mail.

On November 19, 1981 the movie "Ashram", produced by one WOLFGANG DOBROVOLNY, was commercially exhibited in Portland, Oregon after unsuccessful legal

efforts by the Rajneesh Foundation International to prevent its showing. The Foundation claimed that exhibition of the film would "damage the group's image and reputation". This writer viewed the film on November 19, 1981. A handout entitled "Additional Thoughts and Facts to the Film 'Ashram'" attributed to DOBROVOLNY and dated September 1, 1981 indicated that the film was initially made with the encouragement and under the auspices of the Rajneesh Foundation. DOBROVOLNY claims that a break in the relationship between the Rajneesh Foundation and himself subsequently resulted in overt coercion and extortion against him by the Foundation. DOBROVOLNY claimed that most of the RAJNEESH followers were intimidated by the RAJNEESH hierarchy and compares the Poona ashram atmosphere to that in Germany under Hitler. DOBROVOLNY alleged that the Rajneesh Foundation may well produce "a flock of robots". A copy of the "Ashram" handout is attached as Exhibit "D".

EX "D"

One of the principal spokespersons in the above film is one MA YOGA LAXMI, aka LAXMI HIRJI NENSI, identified by State Department sources as an Indian national approximately 50 years of age. She is claimed to be one of RAJNEESH's first disciples and "universally considered to be the brains behind the Rajneesh Organization". Her initial contact with RAJNEESH apparently dates from a political meeting in the early 1960s. She is credited with having a tremendous business sense, supposedly characteristic of Guarjatis, and RAJNEESH's accrual of wealth is commonly credited to her efforts. She is "interviewed" in the film, wherein she states, "Very early on we learned that money equals energy--so the ashram got richer and richer". According to the State Department, the Poona ashram was established in 1974 with seven disciples and a loan of approximately \$800. The same source indicates that the ashram's income for 1977 and 1978 created a surplus of \$500,000.

MA YOGA LAXMI was the "managing trustee" of the Rajneesh Foundation during its Poona existence. All books and magazines published by the Foundation cite her as the publisher. Until recently she was the second ranking person in the organization under RAJNEESH himself. The State Department advised that she served as a link to the Indian government and had considerable rapport with INDIRA GHANDI herself. Onlooker magazine of June 15, 1981 describes her as the "operational arm of BHAGWAN". State Department sources describe LAXMI as a brilliant businesswoman who is "soft spoken, intelligent, pure hearted and genteel". The source speculates that LAXMI has recently been relegated to an unimportant position in the Rajneesh Foundation operating in the United States. This is thought to be the handiwork of the "American wing" of the Foundation under the leadership of SHEELA SILVERMAN. LAXMI is reported to be in "silent meditation" and has been cut off from communication with RAJNEESH and his devotees. According to Source P-2, she was seen at the Rajneesh-puram ranch near Antelope, Oregon in November 1981.

The Poona ashram became a center of controversy during the years of its existence there. A review of magazine articles and newspaper clippings from India and Europe reveal a lively media interest in the rumors of "religious conversions", "sex orgies", "violence" and commercialism emanating from the ashram's activities. Copies of the following publications are contained in the file: India Today July 16, 1982 - July 31, 1982; Soho News, October 14,

1981 - October 20, 1981; Der Spiegel, March 2, 1981; Stern, August 6, 1981; Bunte, July 30, 1981 - August 20, 1981.

There appears to be general agreement among the Foundation itself, the movie "Ashram", and published accounts that activities at the Poona ashram were structured around RAJNEESH's lectures, "meditation sessions", and "therapies". Westerners, who by all accounts far outnumber Indian devotees of RAJNEESH, were ordinarily directed into "dynamic meditation" sessions which were claimed to be particularly suitable for them. An array of mass therapies, numbering a claimed sixty in all, appear to have been orchestrated by one SWAMI ANAND TEERTHA. According to newspaper accounts, he is described as a British citizen, approximately 47 years of age, with an original given name of ROBERT LOWE. TEERTHA/LOWE, according to these reports, is a practicing psychotherapist and early RAJNEESH adherent, well up in the RAJNEESH hierarchy. He is reported to be in the United States at the present time at the Geetam Rajneesh Center, Box 576, Lucerne Valley, California. According to an announcement sent out by Rajneesh Foundation International in April, TEERTHA will conduct programs at Rajneeshpuram from July 3 to July 7, 1982 in connection with Guru Purnima Day. This has also been billed as the first annual world celebration of Rajneeshpuram.

Among the offerings of the "group sessions", according to "Dying for Enlightenment", written by a disciple in 1979, are Rolfing, encounter sessions, intensive enlightenment, breath watching, primal therapy, tantric therapy, rebirthing, Gestalt, centering, psychodrama, satori, Tao, zazen, acupuncture, shiatsu, and samadhi tanks.

The Willamette Week newspaper of Portland, Oregon, in its issue of January 19, 1982 featured a story regarding the Rajneesh Foundation entitled "Bhagwan's Rancho Deluxe". RICHARD PRICE, co-founder of Esalen Institute, Big Sur, California, was contacted as a result of remarks attributed to him in that journal. PRICE was interviewed by telephone on February 24, 1982, at which time he confirmed the accuracy of the quotations in the Willamette Week. He stated that he had spent a month at the Poona ashram in 1978 during which time he participated in the normal routine of the ashram, including therapy and encounter sessions. He stated that part of his interest was due to the fact that Poona had been termed "Esalen East" in the media and he wanted to know what was going on there. PRICE stated that he was very disturbed at what he saw there in terms of the violence and lack of controls in the various groups. He stated that in one group in which he himself participated an individual had had an arm broken, and that he had heard of a leg broken in another group while he was there. He added that nudity was a norm in these groups.

Writer advised PRICE that he had viewed the movie "Ashram", and asked if, in PRICE's opinion, the therapy scenes presented in the movie were typical of that activity. PRICE, in response, stated that the scenes in the movie "were nothing compared to actual practice". PRICE advised that he had taken "sanyas", but uneasy about the "therapies" offered at Poona became disenchanted.

In a series of letters attached as Exhibit "E", PRICE contested the Rajneesh Foundation's use of theraputic techniques in what he considered to be harmful ways. In the first of his letters to the Foundation, written February 23, 1978, PRICE claimed to have learned that injuries were not unusual in ashram "therapy", and that they extended to "injuries physical, mental, and spiritual". The letter of February 23, 1978 closes with PRICE saying, "If you change your policy of violence, if you decide whether you are running a growth center or a concentration camp, please let me know. Until then, I will do my best to make it clear that the ashram 'therapies' and Esalen are two very different things".

EX "E"

PRICE, in a letter dated January 21, 1978 and subsequently published by Time magazine, repeated his charges of therapy abuses while affirming some of RAJNEESH's philosophy. He stated that the ashram encounter group "is an abomination; authoritarian, intimidating, violent...used to enforce conformity to an emerging orange new order rather than to facilitate growth". He added, "It owes more to the SS than to Esalen".

PRICE furnished a copy of a Rajneesh Foundation press release dated March 18, 1979 issued by one SWAMI KRISHNA PREM. That release, included in the PRICE attachment, is entitled "No More Violence in RAJNEESH Therapies". It claims that as of January 1979 "discharging repressed emotions by fighting" was prohibited, and had in any event fulfilled its function.

(INVESTIGATOR'S NOTE: It may be significant that this announcement, a year after PRICE's original objections, followed the occurrence of the "Jonestown Massacre" in November 1978, which focused attention on potentially violent cults.)

PRICE also furnished a letter from one NATHANIEL BRANDEN, PhD., executive director of the Biocentric Institute of Los Angeles, California. BRANDEN's letter of October 2, 1978, addressed to MA PREM VIRAJ of the Poona ashram, is attached as Exhibit "F". BRANDEN states that he considers RAJNEESH "brilliant--dazzlingly so". He continues, "At the same time, almost from the beginning, I have had the growing feeling that this is a man who is deeply, deeply, deeply evil---evil on a scale that is almost outside the limits of human imagination". And further, "The greater a man's brilliance, the greater number of truths he has insight to, the more dangerously destructive the man has the power to be if his core is evil. That is how, at this moment, I see your teacher. I am very familiar with the 'master game'. This is not a man who creates liberated souls. This is a man who creates followers. At that he is truly a genius". In a postscript, BRANDEN adds, "It is no mystery to me why he tells his followers when they approach him they must 'drop their minds'".

EX "F"

On June 27, 1980 two U. S. State Department employees visited the Poona ashram. A report of their observations and conclusions is contained in the file. The ashram then claimed that 3,500 to 4,000 disciples were in Poona, of which about 300 were "privileged" to reside at the ashram itself. Western Europeans, including Germans, British, French, Italians and Dutch, constituted the largest group, with perhaps 300 or so Americans among all these. Enterprises noted were a printing operation, a library, bakery and

restaurant, a medical and dental unit, and a boutique selling clothes, stationery, cosmetics and soaps. Converts, initiated through "sanyas" were expected to give up old ties and belongings, wear orange attire, and wear a particular type of necklace, called a "mala", containing a picture of RAJNEESH. The report writer commented that he considered RAJNEESH to be "highly intelligent and clever" and "a very effective speaker". In talking with "ashramites", the observer indicated surprise that "they all expressed the desire to remain there for the rest of their lives". He further mentions, in closing, that "some persons appeared to be emotionally 'spaced out' during the discourse although there were no indications of drug use". Under "Problems of the Group Members", it is noted that "many have visa problems with immigration officials" and "A rather large number of U. S. citizens have married British subjects to acquire British Nationality, thereby eliminating the visa difficulty..."

Consulates of the aforementioned nations indicated more serious problems with their nationals at the ashram, involving financial, emotional, and drug difficulties, in addition to the usual immigration problems.

Another State Department visit was made to the ashram on November 2, 1980 by different officers. That report, dated November 19, 1980, is likewise contained in the file. The number of disciples in the area and at the ashram was estimated as roughly the same as previously given. It was conjectured that perhaps up to 5,600 disciples would be in Poona at one time, remaining between three and six months, giving a possible total of 12,000 such passing through in the period of a year. The observer notes that the ashram proposed to move out of Poona, ostensibly because of "strained relations" with the populace. The observer also comments that the Rajneesh Foundation may have applied a formula discovered by WALT DISNEY between his construction of Disneyland in California and the later Disney World in Florida. The construction of complete visitor facilities "on site" will tend to channel more revenues into the organization which would otherwise "escape" into the surrounding community. The visitor observed "Staying at the RAJNEESH ashram is not cheap. Indeed, the Consulate General most often comes in contact with the Ashramites when they ask to send messages to relatives in the U. S. requesting more money. Everything is for sale in the Ashram: one buys rosewood beads with RAJNEESH's picture on it; one shops at the local boutique for the Ashram's robes; roses, trees, and shrubs are for sale for planting in your own living area; all food and drinks are cash on the barrel head; and one even pays to hear RAJNEESH".

In the same vein, this official notes that of the nationality groups at the ashram, "the American contingent appears to be older and richer. Many of them appear to be of the Vietnam generation, i.e. children of the 60s who still have not managed to cope with the world as it is".

This same observer commented that following a recent assassination attempt, "an elaborate security system is in place" featuring airport type metal detectors and body frisks at the ashram. He noted "at least 100 disciples acting as security guards during RAJNEESH's discourse, and security is in evidence elsewhere throughout the ashram as well".

(INVESTIGATOR'S NOTE: Rajneesh Foundation bodyguards are termed "samurai" within the organization.)

This same report speculates on RAJNEESH's standing in India, saying that "While RAJNEESH is a subject of media curiosity, he has little or no political clout within India, and most Indians who have heard of him think he is a charlatan ripping off foreigners, which is of little consequence to them".

The writer of the above report attended one of RAJNEESH's morning discourses along with an estimated 3,000 disciples, commenting that "RAJNEESH's talk often was internally inconsistent and devoid of any real insight...his followers lived for the jokes and stories and enjoyed them the most....I was struck by how little (the disciples) remembered or understood from RAJNEESH's discourse.

(INVESTIGATOR'S NOTE: Source P-3 observed to the writer that RAJNEESH's use of jokes in his talks is a clever device in that they constitute a seemingly innocent way to discourage questions, change an audience's mood and distract attention from what would otherwise be obvious contradictions in the talks themselves.)

Source P-2 was interviewed March 1, 1982, at which time she stated that she and her husband had travelled to Poona in 1977, attending lectures and participating in the "dynamic meditation" and "intensive enlightenment" sessions. Her husband attended the "darshan" talks, although not without considerable difficulty passing the "sniffer test" which she termed "weird". The source stated that she thought RAJNEESH was an excellent speaker, that his talks made sense, and were very relaxing. She did question his interpretations of the traditions she was familiar with herself. Further, she found herself somewhat disturbed by some of RAJNEESH's views. In one session he spend a great deal of time criticizing MAHATMA CHANDI to no apparent purpose; at another point he derided a disciple who had committed suicide at the ashram for, in essence, not "having her act together".

This source advised the appellation "guru" meant "dispeller of darkness", or "bringer of light", and is an Indian title of respect to be given by others, not assumed. By definition and usage a guru makes no claim to being special or unique and he is normally considered to stand in the mainstream of tradition rather than innovate. He is further judged by a simple lifestyle and adherence to his own teachings; and, not least of all, by the conduct of his disciples. The source said that she had "doubts" about RAJNEESH in this context. By way of example, she cited an Indian philosophy professor with whom she is acquainted who considers RAJNEESH a joke as a guru.

The same source advised that she had visited about seven other ashrams in India and found them to differ drastically from that of RAJNEESH. Other ashrams engaged in charitable activities such as giving away food to the needy and placed no particular emphasis on revenue. The source stated disciples traditionally bring a gift to a guru, but the value of the gift is irrelevant inasmuch as a guru is an ascetic by definition. In contrast,

she stated that she saw no charitable activities of any kind at Poona in a three month period. She did note that the price of admission to RAJNEESH's lectures was five rupees--a pittance to a Westerner, but a much more substantial fee in the Indian economy.

The source stated that RAJNEESH's message was a basic, familiar one already known through a variety of traditions and not new as such. She stated that RAJNEESH utilized a very broad range of systems and techniques in his meditations and therapies, including some very potent techniques with inadequate controls. The source stated that she felt qualified to comment on this based on knowledge and experience.

She stated that the RAJNEESH movement could be considered a "cult" in that it encouraged a strong personal devotion to RAJNEESH himself and little emphasis on any tradition. As a consequence, she felt that the behavior of the cult was keyed very directly to the whims of its founder. She further stated that she felt a very strong peer pressure at the ashram to "take sanyas" (which she did not) and observed the efforts of the organization there to "control everything". She cited the presence of persons she termed "goons" whose function was to maintain order in the smallest detail such as coughing.

In summary, she stated that she felt that RAJNEESH could be defined as a "religious teacher with a following, exhibiting strong cult leanings".

In a separate action, the above source's husband, who had made the same journey to Poona, wrote a letter of warning to the mayor of Antelope, Oregon on November 11, 1981 following a television program on the situation there. A copy of that letter is contained in the file. In the letter, he states that he "is a therapist...with much training and experience with meditation". He indicated that "some of the helpful, beneficial therapy activities" engaged in by the RAJNEESH organization "would appear to someone who did not understand them as bizarre, crazy, or dangerous." In a comment on the Rajneesh Foundation's record of tensions with its neighbors, he observed, "I think it would not be an exaggeration to say that conflict with the local custom is essential to the survival of the RAJNEESH devotees. This is a misunderstanding of spiritual growth that comes from RAJNEESH that does not include respect for others' rights. You are expected to fight in the same way as they do..."

This individual continues, "I find myself wanting to warn you to be aware of the sophisticated and very manipulative strategies of SHEELA (SILVERMAN) and her friends...The RAJNEESH cult is one of the most complex and sophisticated. It attracts very competent people who are looking for someone who knows the answers and can promise some respite from personal search and insecurity." He continues, "There are many who will dismiss the actions of the devotees as being separate from the teachings of the master. I think in this case you are face to face with the acting out in a grand scale of the psychopathic inflation of a very very powerful and intelligent man."

In closing he suggests the book Snapping by Conway and Siegelman, Delta, New York, New York, 1981 as useful reading.

On January 11, 1981 Source P-5 contacted writer advising that he had been at Poona in 1981 in connection with the filming of a television documentary there. He stated that one of the salient aspects of his Poona inquiries concerned the death there of a relative of the British Royal Family, one PRINCE WELF of Hanover. WELF, a second cousin of PRINCE CHARLES, was reportedly one of RAJNEESH's bodyguards and is claimed to have died in a karate accident at Poona in 1980. The source advised that the Royal Family had gone to considerable lengths to retrieve WELF's young child from Poona and make her a ward of a court. According to the source, the Royal Family considers WELF's death a suspicious one but did not press the matter for fear of publicity. Parts of this story have been confirmed; a translation of an undated German article sent to the Service claims that WELF suffered a stroke in morning gymnastics on January 6, 1980 and died three days later. A more sensational article in the Rouses Point, New York Globe of January 5, 1982 is emblazoned, "Princess Snatched From Sex Cult". A copy of these articles is contained in the file. It identifies the child as PRINCESS TANIA, and the mother as PRINCESS WIBKE. According to the article, PRINCESS WIBKE was at the Rajneesh Center in Lucerne Valley, California at the time of writing. She is also known as MA PREM TURIA.

The above source stated that in his opinion the Rajneesh Foundation was "rich, seedy, and possibly violent". He stated that he considered it as "one of the friendlier and more respectable ways of separating fools from their money; not sinister, but bogus, shallow, corrupt."

Two sources suggested a reading of the book "Flowers of Emptiness, Reflections on an Ashram" by SALLY BELFRAGE, the Dial Press, New York, New York, 1981. The book is a diary of BELFRAGE's experiences before, during and after a trip to the Poona ashram in 1980. A copy of the afterword from the book is attached as Exhibit "G". An excerpt from it states that "a great deal of (BHACWAN's miscellanea of wisdom) has the quality indeed of something found again, recognizeable for having been known before and for some reason forgotten. I am very grateful to BHACWAN for reminding me. Gratitude I owe him; fealty, not. The syncophancy and paranoia in his followers, all the gimmicks of power that seduce his initiates and secure their submission--group pressure, bullying, isolation, the US versus THEM outlook seem to have influenced him as well...It is disappointing, in fact that the many sources he has culled and the effective synthesis he has made of them are submerged by a banal organization which counts heads over blessings."

EX "G"

The State Department advised on January 19, 1982 that the Rajneesh Foundation had encountered substantial tax problems in its Indian operations. The full text of this information is contained in the file. In summary, the Indian Income Tax Act of 1922 requires that a "nonprofit public charitable trust" such as the Rajneesh Foundation claimed to be must benefit the public at

large and remain nonprofit to retain such tax exempt status. In 1977 the Indian tax authorities began to reconsider the Foundation's tax exempt status in view of the fact that the ashram's activities appeared to benefit only RAJNEESH disciples, most of whom were Westerners and foreigners, paying for all services rendered.

Also on January 19, 1982 Source P-1 advised that "there are outstanding income tax and wealth tax arrears against the Rajneesh Foundation, Pune, which amount to over 10,000,000 Indian rupees". According to the State Department, the matter is in litigation at present.

(INVESTIGATOR'S NOTE: As of February 22, 1982 this sum was equal to \$1,095,000 U. S.)

According to the State Department the Rajneesh Foundation has long been conscious of the value of its tax exempt status. One of the original trustees of the Jeevan Jagriti Kendra at the time of its registration in 1969 was one JAYANTIBHAI M. THAKKAR, aka SWAMI SATYA BODHISTAVA. THAKKAR, or BODHISTAVA, an Indian tax official, succeeded in obtaining a transfer to Poona as a chief tax officer there in 1976. According to the source, BODHISTAVA and another RAJNEESH disciple named CHADHA brought considerable pressure to bear on the tax officers investigating the Foundation. CHADHA is described as a member of the Central Board of Direct Taxes, which is the tax governing board of India. BODHISTAVA, still indicated as a current trustee of the Rajneesh Foundation, was instrumental in obtaining a "tax clearance" for RAJNEESH prior to his June 1, 1981 departure for the United States. The source comments that such clearance was required only in the case of emigrants departing India. This action became an issue in the Indian Parliament. Disciplinary action was taken against BODHISTAVA, who is reported to have chosen early retirement.

The same source advises that residents of the Poona ashram paid for the privilege of residing inside the ashram. The claimed amount required to do this ranges from the donation of all worldly goods to a figure of \$10,000. Similarly, it has been claimed that "permanent residence" at the Rajneeshpuram facility costs from \$2,000 to \$25,000. According to the source, large sums of money were collected from disciples in Poona in anticipation of an ultimate move elsewhere. Contributors would subsequently be allocated living space at the new ashram. The money so collected was reportedly deposited outside India. The source speculates that the Poona ashram's failed attempts to relocate in India resulted in a certain amount of pressure on the part of "contributors" to produce the promised "homes".

According to the State Department RAJNEESH reportedly suffers from severe asthma and "fluctuating diabetes". A Dr. SARDESAI, a "well known general practitioner" had treated RAJNEESH since 1974. In March 1981 RAJNEESH reportedly developed severe back pain and simultaneously entered his claimed "silent phase". Further treatments by Drs. HARDIKAR and CYRIAX reportedly failed to remedy the problem. Other possible causes were considered, including malignancy, and surgery or advanced treatment was recommended. According to the

source, Foundation officials and the doctors reportedly feared that RAJNEESH's other claimed infirmities posed "an unacceptable risk of complications if an operation was performed in India".

On February 12, 1982 a personal affidavit was received in the Portland Service office from one JOYCE A. SMITH, United States Consul at the U. S. Consulate General, Bombay, India. The affidavit, executed January 12, 1982, details the circumstances leading up to and surrounding the issuance of a nonimmigrant visa to RAJNEESH. A copy of that affidavit is attached as Exhibit "H". In essence, SMITH states that she was contacted by SHEELA SILVERMAN on May 4, 1981. SILVERMAN advised that RAJNEESH was "very ill" and in need of medical treatment, and that RAJNEESH was "possibly dying of cancer". SMITH suggested that RAJNEESH could receive excellent medical treatment in Great Britain or Germany; SILVERMAN stated that the attending doctor from the United Kingdom had strongly urged sending RAJNEESH to the United States for treatment and that every arrangement could be made for his recuperation at a meditation center in Montclair, New Jersey.

EX "H"

During the same interview, SILVERMAN also inquired about the possibility of RAJNEESH's remaining in the United States as a "minister of religion", emphasizing that she "was asking this on her own" and not at the behest of RAJNEESH. SMITH advised SILVERMAN that the raising of such a question had a tendency to jeopardize RAJNEESH's nonimmigrant intentions. SHEELA SILVERMAN immediately dropped that line of inquiry.

(INVESTIGATOR'S NOTE: The possibility of RAJNEESH obtaining an immigrant visa was not raised again by the Rajneesh Foundation until November 24, 1981, when they filed a petition on his behalf.)

SMITH further advised SILVERMAN that RAJNEESH's request for a visa would be referred to the State Department for an issuance decision, inasmuch as "the BHAGWAN was a highly controversial figure whose presence in the United States could lead to considerable problems". SMITH suggested that the Foundation provide various documents in support of the visa request, including documentation of RAJNEESH's intention to return to India.

SILVERMAN returned the following day, May 5, 1981 with the requested documents and also phoned every day thereafter "for a full week" for a status report on the matter.

On May 18, 1982 SILVERMAN returned to the Consulate with one SUSHILA TRIBE, aka MA YOGA SUSHILA, who indicated that she was a United States citizen. MA YOGA SUSHILA advised SMITH that SILVERMAN was "too emotional" to handle the matter, and renewed the Foundation's plea for RAJNEESH's visa, emphasizing his intention to return to India. MA YOGA SUSHILA further asked if there was any possibility of "someone" intervening in the case, which SMITH took to mean a United States congressman; and also stated that if RAJNEESH's health suffered further, even to the extent of death, she "couldn't predict what the reaction of the group members might be". SMITH states she took this as a hint that RAJNEESH disciples might attempt suicide "or similiar dire actions".

Also submitted in support of RAJNEESH's visa application was a letter written May 18, 1981 by MA YOGA LAXMI and addressed to JOYCE SMITH at the Bombay Consulate. A copy is attached as Exhibit "I". In part, she states that she is writing on behalf of RAJNEESH as his personal secretary and managing trustee of the Foundation. She stated that RAJNEESH wished to go to the United States "for medical treatment for a back operation which should take a maximum of three to four months". She stated "BHAGWAN then wishes to return here to his ashram in Poona, India, where all our activities are going on, after completion of the treatment". She indicated further that only about 20 persons need accompany RAJNEESH.

EX "I"

A copy of RAJNEESH's visa application is attached as Exhibit "J".

EX "J"

SMITH stated that she advised her superiors in the State Department that inasmuch as she had no grounds to refuse RAJNEESH's application for a visa, she intended to issue one to him unless otherwise instructed by the end of May 29, 1981. Receiving no such directive, she issued RAJNEESH a multiple entry nonimmigrant visa on May 30, 1981. She states that she later learned that RAJNEESH and approximately 20 disciples departed India for the United States at 4:00 AM India time, June 1, 1981 on Pan American flight 001.

RAJNEESH arrived in the United States at New York, New York on June 1, 1981 on the same flight with his entourage. He was admitted as a temporary visitor until October 31, 1981. He is believed to have spent time at the Chidvilas Rajneesh Meditation Center, 154 Valley Road, Montclair, New Jersey after his arrival. There is no indication that he underwent any medical treatment there or anywhere else, other than the care of Dr. EICHLING and other RAJNEESH disciples. The Foundation in its public statements has been most reticent concerning RAJNEESH's health other than to emphasize the climatic benefits of the United States and stress the need for continued recuperation in the U. S.

On July 10, 1981 the Foundation, through the above Chidvilas Meditation Center, purchased a large tract of land in an isolated area of central Oregon, known as the Muddy Ranch. Antelope, Oregon, which at that time had a population of about 40 persons, most of whom were retired, is the closest community. It is approximately 17 miles northwest of the ranch. The ranch contains 64,229 acres extending into two counties, Wasco and Jefferson. The nearest community of any size, Madras, is located some 60 miles to the west. Maps of the area are attached as Exhibit "K". With the exception of a relatively small area, the land occupied by the ranch is suitable only for grazing purposes.

EX "K"

The purchase of the ranch was made by SHEELA SILVERMAN and her United States citizen husband, JOHN SHELFER. The price of the property is variously put at \$6,000,000 and \$7,000,000 by news sources, with a down payment of \$1,500,000 claimed.

RAJNEESH arrived at the newly purchased Muddy Ranch in August 1981 according to news and local sources, and by all accounts, has resided there since. On October 23, 1981 he requested an extension of stay to March 1, 1982 from the Portland, Oregon Service office. The request was granted the same date. RAJNEESH indicated he wished to "tour longer in the U.S.A. and for health reasons". He also indicated that his health was improving but his medical condition still needed constant attention. A letter accompanying this request was received from one PHILIP STANLEY EICHLING, M. D., United States citizen and RAJNEESH's personal physician. File A22 753 123 relates. This letter indicates that RAJNEESH still had three major medical problems, "severe allergic asthma, diabetes, and an unstable low lumbar disc". EICHLING, however, claims that RAJNEESH may yet require emergency surgery. A copy of this letter is attached as Exhibit "L".

EX "L"

EICHLING has since been identified as a RAJNEESH devotee and now uses the name of SWAMI SHUNYO. On March 12, 1982 he married another sannyasin, MARIA INEZ DIMLER, a native of Argentina and citizen of the United Kingdom. He filed an I-130, immediate relative petition, on her behalf in Portland, Oregon on April 15, 1982, which is presently pending. Her relating file is A22 753 501.

SHEELA SILVERMAN, aka SHEELA AMBALAL PATEL, aka SHEELA SHELFER, aka MA ANAND SHEELA is a permanent resident alien, having adjusted her status under Section 245 of the Act on July 27, 1971 at Newark, New Jersey. She did so on the basis of her marriage to one MARC HARRIS SILVERMAN, a United States citizen. MARC SILVERMAN subsequently accompanied SHEELA SILVERMAN to Poona, India and took up residence there, adopting the name of SWAMI PREM CHINMAYA. He died there of cancer in June 1980. SHEELA SILVERMAN, according to media reports, is now married to a JOHN SHELFER, although the date and place of the marriage is unknown at this time. SHELFER, whose background is reputed to be a financial one in New York, is claimed to perform a similar role at Muddy Ranch/Rajneeshpuram. He has recently petitioned the Wasco County court for a name change to SWAMI PREM JAYANANDA. All reports indicate that he holds an organizational position subordinate to SHEELA SILVERMAN and has little, if any, role in policy making.

SHEELA SILVERMAN is listed as a trustee of the Rajneesh Foundation in Poona. Between her adjustment of status to that of a permanent residence in 1971 and the present time, she applied for and received six reentry permits. According to the Indian publication Onlooker, issue of June 1 - 15, 1981, she was one of only three persons having direct access to RAJNEESH at that time.

(INVESTIGATOR'S NOTE: The other persons with such access appear to have been MA YOGA LAXMI and MA YOGA VIVER, aka CHRISTINE WOOLF.)

The same article further indicates that SHEELA SILVERMAN was the person to whom RAJNEESH confided on April 10, 1981 that he was entering his "ultimate phase of silence".

(INVESTIGATOR'S NOTE: The "ultimate phase of silence" has been noted to coincide with RAJNEESH's claimed illness.)

Since the purchase of the Muddy Ranch, SHEELA SILVERMAN has remained the highly visible spokesperson for the Rajneesh Foundation in the United States. Other persons, most notably DAVID KNAPP, aka KRISHNA DAVID, a United States citizen, and MARY CATHERINE, aka MARY CATHERINE PEDERSEN, also a U. S. citizen, are occasionally quoted, but usually in matters relating to their specialties. KNAPP's role is principally that of liaison with governmental agencies, while MARY CATHERINE, an ex-planner with the City of Portland, Oregon, appears to fill that same planning role at Rajneeshpuram.

One MARIA ISABEL MEGRET DE SERILLY D'ETIGNY, a native of Chile and citizen of France, to whom file A21 017 162 relates, was often quoted as a "spokesperson" for the Rajneesh Foundation at Rajneeshpuram in late 1981 and early 1982. She last entered the United States as a nonimmigrant visitor for pleasure at New York, New York June 11, 1981 and received one extension of stay at the Service office at Houston, Texas to January 15, 1982. She thereafter attempted to obtain a further extension at Houston in spite of the fact that she had been residing at Rajneeshpuram in Oregon. Her extension was denied after a personal interview by the Houston office and she was granted until April 5, 1982 to depart the United States. She is presently under docket control at Portland, Oregon. At the time of her interview in Houston, Texas, D'ETIGNY stated that she wished to remain in the United States as long as the Service would allow her to, but in any event, intended to be in Paris, France for her birthday on May 22, 1982.

On April 21, 1982 PHILIP JOHN TOELKES, aka SWAMI PREM NJREN, a United States citizen, filed an I-130 immediate relative petition at Portland, Oregon on behalf of D'ETIGNY. Supporting documents for the petition and requested adjustment of status indicated that she had divorced her third husband, PETER COPELAND, a native and citizen of the United Kingdom, at Poona, India on June 8, 1981, three days before her arrival in the United States. D'ETIGNY, aka MA PREM ISABEL, married TOELKES at Bend, Oregon on March 23, 1982.

RAJNEESH arrived in Oregon and at Muddy Ranch/Rajneeshpuram in August 1981 at which time he took up residence there. The Portland Oregonian of October 17, 1981, in an article entitled "Guru's Ranch Progress Related", quotes SHEELA SILVERMAN, who styles herself as a "housewife", as saying that RAJNEESH "arrived several weeks ago at the ranch" and "his health has not been very good. This is the first time he has been in the open air in fifteen years". She stated that RAJNEESH suffered from allergies, a bad back and diabetes", but gamely maintained that he had "gained twenty years or more by coming to America". SILVERMAN professed to have "no idea" of what RAJNEESH's future plans might be.

In the same article, SILVERMAN stated that she had applied for housing permits for "200 to 250 people. I had intended to bring them here to help me farm". She claimed that there were then an "estimated" 150 to 170 "workers" at the ranch, with more workers needed to plant wheat, harvest crops, and work on construction during the winter. A copy of that article is attached as Exhibit "M".

EX "M"

Intensive media interest, to include radio, television, newspapers and periodicals, has surrounded the RAJNEESH phenomenon since its arrival in the United States. This interest shows no sign of abating. If anything, it is increasing, as witness the coverage of political events in Antelope, Oregon, population 40, by the three major networks. "RAJNEESH in Oregon" appears certain to eclipse the eruption of the Mount St. Helens volcano as a "happening".

The Portland, Oregon Service office received its first complaint regarding RAJNEESH October 27, 1981. The writer alleged that RAJNEESH left India "because of tax problems" and "was moving his headquarters into the United States because America is more liberal, religious groups can flourish here tax free and because there is more money in the U. S." The writer also charged that the Rajneesh Foundation was "just another cult, like the Moonies, not a religious group as they purport to be. He encourages members to turn their money to his Rajneesh Foundation and the members work in the ashram but aren't paid a cent...These cult leaders prey on our youth, the intelligent ones and those with money or wealthy parents". The complainant stated a belief that RAJNEESH would "probably marry an American girl in his ashram so he can stay in the U.S. permanently". The writer adds, "I am sure his outfit is very well organized and has managed to get thousands of his members into the U. S. already this summer. Ones with tourist visas should certainly be watched to make sure they don't try to stay in this country illegally after their visas run out, hoping Immigration will never keep up with them."

Since that time the Portland office has been the recipient of a steady stream of complaints regarding the Rajneesh Foundation and its activities.

Life magazine, in its November 1981 issue, featured a lengthy article on RAJNEESH and the Rajneesh Foundation. A copy of the article, which is contained in the file, states, "Until recently an ashram at Poona in the BHAGWAN's native India was the cult's holiest of holies. But numerous affronts to stern Indian puritanism, especially the spectacle of disciples engaged in public displays of physical affection while clad in the red and saffron robes of Hindu ascetics, created outrage. As the ashram in Poona peaked last year with more than 10,000 adherents (generating millions in worldwide sales of BHAGWAN books, tapes and memorabilia), a warehouse was torched and an incendiary device exploded in the cult's health facility. With annual tax-free revenues in the millions of dollars, the BHAGWAN did not lack alternatives. After a period of uncertainty (during which it was announced he would hereafter communicate by meaningful silences) he left Poona. His destination: the U.S., where the purchase of a 64,229 acre tract in rural Oregon makes him one of the very largest land barons in North America."

The Life article continues, "The money changed hands on July 10 (1981)--\$1.5 million in cash as a down payment on the 125 square mile Oregon spread. In Antelope, the nearest "city" (pop. 40) bewilderment has since given way to fear. Insisting that they plan farm projects only in accordance with Oregon's land use code (the nation's strictest) commune administrators promptly spent another \$2 million for earth movers, mobile homes and sophisticated communications systems and vowed to spend at least \$10 million in the next two years.

Local anxiety increased when it was revealed that among the disciples was SHANNON RYAN, daughter of the late Congressman LEO RYAN, who was gunned down as he tried to investigate the People's Temple in Guyana. SHANON (RYAN) had travelled to India to meet the BHAGWAN with money collected from her father's insurance policy. But just what is in store? 'In their place in India, there were thousands of people coming through all the time,' gripes Councilman ROBERT OSBORNE. 'Antelope can't cope with them'. Neighbors share his concern that the cult's ultimate plan is to build a whole city devoted to the BHAGWAN".

When interviewed for a "Town Hall" television program, originating from Portland but filmed at Antelope, Oregon after publication of the above Life article, SILVERMAN characterized the article as "lies".

The August 30, 1981 issue of the Los Angeles Times, attached as Exhibit "N", referred to an interview the Times conducted with SHANNON RYAN in January 1981. An article dealing with that interview dated January 10, 1982 is included as part of that exhibit. The article states "Early this year, SHANNON JO RYAN, the daughter of Rep. LEO J. RYAN, who was slain in Jonestown, Guyana, in November of 1978 while investigating the JIM JONES cult there, stirred headlines when she announced that she had become a devotee of RAJNEESH." The article continues, "Last January, in an interview with the Times, SHANNON RYAN, 28, acknowledged that some of BHAGWAN's followers have said they would kill themselves or others if he asked them to. 'But', she added: 'I don't believe he would ever do that'." EX "N"

(INVESTIGATOR'S NOTE: The Wasco County Clerk, The Dalles, Oregon advised on November 10, 1981 that SHANNON RYAN, born [REDACTED] at Lincoln, Nebraska, daughter of one LEO J. RYAN, registered as a voter in Wasco County on September 16, 1981.)

Another complaint, mailed from a foreign country, was received by the Portland office on November 18, 1981. The writer alleged that RAJNEESH had smuggled substantial funds from India to the United States, fleeing income tax problems there. The letter stated that RAJNEESH had exploited his disciples by inducing them to surrender their money and valuables to him and to work at the ashram for nothing. The writer asserted that RAJNEESH had used his claim of medical problems as an excuse to come to the United States and married an American woman in order to remain in the United States. The complainant said that ashram members had been "sold" what he terms "rooms for life" at the new Oregon ashram for \$7,000, stating that he himself, during a four month stay at the ashram, was defrauded of \$5,000 in this manner. He claims that he obtained no "receipts, guarantees, or bookkeeping" and that he learned that his money had become a "donation". These funds are then unrefundable "to whoever falls for this con". The writer says that RAJNEESH "makes millions in this way". He recommends that the March 2, 1981 issue of Der Spiegel be read, saying, "you'll get a clearer picture about the nature of the 'guru' and the 'teachings' themselves. It puts the late JIM JONES, pale and forgotten, in the shadow."

(INVESTIGATOR'S NOTE: The article in Der Spiegel referred to is contained in the file.)

On October 30, 1981 writer travelled to the Muddy Ranch/Rajneeshpuram site in company with U. S. Customs investigators. These officers held a warrant for the arrest of one MARIO PIRRI, a native and citizen of Italy, to whom file A22 752 483 relates. They had information that PIRRI, wanted in California for conspiracy to import narcotics and export currency in violation of law, was a RAJNEESH disciple and might be at the ranch. According to their information, PIRRI had donated approximately \$1,000,000 to the Rajneesh Foundation in the past and might be fondly remembered by the Foundation as a result.

(INVESTIGATOR'S NOTE: Writer is reasonably familiar with the Muddy Ranch, having spent varying amounts of time on and travelling through it by county roads over the past ten years. In terms of isolation, it is difficult to surpass.)

The ranch is reached as follows: From Antelope one drives two miles east on Highway 218 to its intersection with Cold Camp Road and turns south, proceeding four miles to Muddy Road and turning east (left). The old ranch boundary and a cattle gate are located two miles further. A new sign proclaiming entry to "Rajneeshpuram" (Espression of RAJNEESH) was observed there. A further nine miles brings the traveller onto a small valley floor and in view of the original ranch, which consisted of two older homes, a barn, a machine shed, and corrals.

A slightly improved airstrip parallels the road before arrival at the ranch proper. Although initially cleared about five years ago, writer noted that it had been improved somewhat and lengthened to about 2,000 feet. A Piper Aztec twin engined aircraft, registration number N1166P, was noted parked beside the strip. The arrival of another aircraft, a Britten-Norman BN-2 Islander, also a twin-engined aircraft, was noted during writer's stay. Its registration number was N555JA.

(INVESTIGATOR'S NOTE: On November 4, 1981 the Federal Aviation Administration advised that the above aircraft were registered as follows: A 1955 Piper Aircraft PA-23, N1166P, registered to P. O. Box 12A Antelope, Oregon and a 1968 Britten-Norman aircraft BN-2 Islander, N555JA, registered to RAJNEESH Investment Corporation, P. O. Box 12A, Antelope, Oregon)

It should be noted that the original ranch buildings are located very close to the boundary line of Wasco County on the north, and Jefferson County on the south. Consequently, Foundation activity at the ranch extends into both counties, with attendant problems for various parties.

Upon arrival at the ranch proper, writer noted that several units of mobile housing had been sited in front of the old residence and were apparently being used as offices. One corner of the barn had been converted to an office and bore a sign designating it as a "Reception Center". The barn was filled with numerous wooden crates which also overflowed into the road outside.

Several hundred similiar packing crates were also noted stacked outside a large metal building about half a mile away.

Numbers of men and women in reddish colored clothing with brown necklaces around their necks were noted. No particular style of clothing was worn; in fact, most of it appeared to be ordinary work clothing that had been dyed. As for the persons themselves, all appeared to be engaged in one form or another of purposeful activity. Considerable vehicular activity to and fro was observed, most of the drivers, including those on heavy equipment, wore red clothing. The women were primarily engaged in lighter tasks, most of which appeared to be administrative in nature. With the exception of a lunch break about an hour after writer's arrival, no persons were observed who might be characterized as visiting for pleasure.

The total number of persons observed on the ranch was estimated at 90 to 100. Of those heard speaking, either to writer or within earshot, a "substantial number" perhaps half, spoke with foreign accents. Writer believed them to represent English, Australian, and Canadian origin. Two "guides" assigned to writer and companions appeared to be aliens. Both girls spoke with accents; one had an English accent and the other indicated that she was originally from New Brunswick, Canada.

Writer's companions, upon arrival, inquired for SHEILA SILVERMAN, to be advised that she and JOHN SHELFER had gone to The Dalles on business and would not be back till later in the day. One ISABELLE MEGRET DE SERILLY D'ETIGNY, previously referred to in this report, offered her services as a "spokesperson" for the Rajneesh Foundation and ranch in SILVERMAN's absence.

The Customs officers accompanying writer advised D'ETIGNY that they wished to know if MARIO PIRRI was at the ranch or known there. D'ETIGNY answered to the effect that she, herself did not know PIRRI. Questioned further as to what records existed that would document persons known to be on the ranch, D'ETIGNY advised that she was unable to provide this information as the ranch population was in a constant state of flux. She contended that the only feasible way of locating PIRRI or any other person would be to make personal inquiries.

Writer was able to examine D'ETIGNY's passport and I-94 arrival-departure form. Writer also asked D'ETIGNY the ranch's policy regarding their dealings with various governmental rules, regulations and laws, including those of Immigration. D'ETIGNY stated that it was the Rajneesh Foundation's policy to comply with all such requirements.

The previously mentioned female "guides" conducted writer and accompanying officers around selected areas of the ranch. Old roads were noted to have been improved and numerous new ones laid out. Large double-wide mobile housing units were observed in quantity in various stages of siting from newly arrived to completely sited and apparently occupied. A very large new building termed a cafeteria was pointed out, which appeared capable of handling the claimed

ranch population and more. Inasmuch as it was not then completed, the smaller existing ranch house had been converted into a kitchen facility. Writer observed it in use at noon as ranch residents filed by in lines and ate outside. Officers surveyed the group of approximately 60 to 70 persons for anyone resembling PIRRI, but saw no such person. All persons observed, then or elsewhere, with one exception, appeared to be white European types. The one exception was a female who appeared to be of Indian extraction, not identified.

During the above mentioned "guided tour", officers repeatedly asked the whereabouts and residence of RAJNEESH only to have the question pointedly ignored. D'ETIGNY had previously stated that only three persons, of whom SHEELA SILVERMAN was one, had access to RAJNEESH.

D'ETIGNY had also stated, in response to questions, that there were presently "about 190 to 200" persons on the ranch, of which "about 20%" were from foreign countries.

Considerable new field work was noted to have been done and crops planted. Writer was advised that about 1,000 acres had already been seeded and that another 1,000 acres was due to be planted. One new tractor was observed in a field, idle.

(INVESTIGATOR'S NOTE: Writer doubts that there is this much arable land on the ranch.)

Numerous vehicles were observed parked around the buildings in the original ranch area, bearing license plates from Oregon, New Jersey, and California. The only vehicle of interest was a blue van bearing license plates from British Columbia, Canada. The license number, 60 59FN, is registered to one JONATHAN FORD PRATT, born [REDACTED], of 5905 Yew Street, Vancouver, British Columbia, Canada. Record checks subsequently conducted with the Service, Source P-6 and Source P-7 revealed no information regarding PRATT.

Writer and companions departed the ranch after approximately a three hour stay without incident.

On the same date BILL DICKSON, postmaster of Antelope, Oregon and local resident, was interviewed. He stated that he had observed and spoken to persons whom he believed to be Australian, Dutch, and English passing through Antelope, seeking directions to the Muddy Ranch/Rajneeshpuram.

HAMLIN PERKINS, Sheriff of Jefferson County, Madras, Oregon advised on November 6, 1981 that he had been to the Muddy Ranch/Rajneeshpuram several times. He commented that his only difficulty with the Foundation had been his discovery of a violation of planning codes. PERKINS stated that he had learned that the double-wide units being ordered by the Foundation contained seven bedrooms, rather than the four agreed upon. He stated that he had referred this to the county planning director, BOB MARTIN. MARTIN confirmed this the same date. MARTIN also confirmed PERKINS' assertion that there were a large number of apparent aliens on the ranch, and that he, MARTIN, had been told by the aliens themselves that they were from Germany, Australia, England and France.

MARTIN gave his opinion that while RAJNEESH and the Foundation tended to obey the law, they were equally willing to test it. MARTIN also advised that he had been given a copy of the Times of India newspaper in which the RAJNEESH group was accused of promoting marriages of convenience for immigration purposes. MARTIN forwarded a copy of that newspaper which is contained in the file.

In closing MARTIN advised that as of that time he had issued 20 permits for housing units on the ranch.

BOROTHY BROWN, Wasco County Planning Director, The Dalles, Oregon, advised on November 6, 1981 that she had issued 34 housing permits to the Rajneesh Foundation. Each unit was to contain three bedrooms. She stated that she had been out to the ranch about two weeks previously and felt that "over half" the persons there were aliens. She stated that she had been told the population at that time was about 120 persons.

BRENT LAKE, Field Representative for the Oregon Land Conservation and Development Commission (LCDC) of the Bend, Oregon office, advised on November 10, 1981 that he was familiar with the Muddy Ranch/Rajneeshpuram project of the Rajneesh Foundation, having been there several times and spoken with "a fair number" of the persons there. He estimated that as high as 75% of these persons spoke with an accent.

LAKE stated that 53 housing units were all that will be authorized under the present land use classification and that incorporation as a city offers the only possibility for an increased on-site population at the ranch. He stated that his information was that the ashram was seeking to engage in "commercial activity" not allowed under the present classification. The commercial activities proposed were to include, but not be limited to, printing, mail order sales, repair shops, a general store, groceries and temporary accommodations for short term visitors. A maximum population of from 1,500 to 2,000 persons through 1995 was projected by the Foundation, according to LAKE.

LAKE further advised that he understood that preliminary efforts had already begun in Wasco County toward incorporation of "Rajneeshpuram" as a city.

RICK CANTRELL, Wasco County Judge and member of the three member Wasco County Commission, was contacted on November 12, 1981 concerning his knowledge of the Rajneesh Foundation. He confirmed that he had been on the commission which had granted permission for the incorporation issue to be placed on the ballot of May 18, 1982. He stated that he was "very impressed" with the ashram project and that he felt the Foundation was eager to comply with all pertinent laws and regulations. He stated that he saw no danger to anyone from the Rajneesh Foundation's activities, and that the opposition to it came from "small people" who felt envious and threatened. CANTRELL stated that he believed that he had observed aliens from England, Australia, New Zealand, the Netherlands, Germany and France in the course of his dealings with the Foundation.

On November 20, 1981 the Portland, Oregon Oregonian in an article, "1,000 Friends Seeks Switch In Ranch Ruling", indicated that that group intended to actively oppose the Rajneesh Foundation's attempt to create a city of Rajneeshpuram. The Land Conservation and Development Commission was asked through the

governor's office to invalidate the Wasco County's approval of an incorporation election at Rajneeshpuram. The article observed that "A resounding vote in favor of incorporation seems assured by the fact that the state law permits only those directly affected by the action--those living within the proposed boundaries-- to vote in such elections". The ranch residents, according to the newspaper, indicated that the city was needed to "provide urban services to the relatively remote ranch. The main purpose of the ranch, they contend, remains farming."

The above action by "1,000 Friends" launched a legal battle which continues to date. Staff assistant BOB STACEY of "1,000 Friends" advised on April 20, 1982 that the above-mentioned incorporation election remains scheduled for May 18, although 1,000 Friends has sought an injunction against it.

Other Rajneesh Foundation legal entanglements are pending with the city of Antelope, concerning the city's reluctance to issue building permits sought by the Foundation, and with a group named "Citizens for Constitutional Cities".

As previously mentioned, the Rajneesh Foundation filed its petition on behalf of RAJNEESH with the Service on November 24, 1981. The State Department advised on December 28, 1981 that RAJNEESH's return trip ticket was returned to Pan American Airlines in Bombay on December 14, 1981. They also advised that "all press articles" in India indicated that the "ashram had been transferred de facto to the U. S." An ashram official reportedly advised the State Department that "they expect to populate the new ashram in Oregon with 10,000 disciples, which would make it larger than the one they had in Pune".

Stern magazine, in its August 6, 1981 issue, carried a cover article on the Rajneesh Foundation entitled "Poona Is Ended". The article states, "Last week the ashram in Poona was closed down." The article is indefinite as to exactly when this was, suggesting July 28, 1981. The article continues, "This is how BHAGWAN, the 'enlightened one' wanted it. During the day they still manufacture malas (wooden beaded necklace with RAJNEESH's photo) while the roof overhead is being dismantled. They translate BHAGWAN's texts into all languages of the world and behind them boxes are being nailed together, fans are being unscrewed, houses are being torn down. In the clinic, the sick people are dozing and in the next door room, the medical cabinets are being dismantled. The city of deliverance is dissolving. Daily trucks are leaving the ashram with unknown destinations and are moving away the possessions of the Rajneesh Foundation. The furniture and machines from the carpentry, printing workshop, from the electrical works and the bindery, from the film and video section."

The article quotes SWAMI SATYANANDA, the "Ex-Stern reporter JORG ANDRESS ELTEN", as saying, "Most Westerners think that RAJNEESH just took off and left his followers in the dirt. The largest commune in the world is only changing places. 2,000 ashramites are being spread throughout the whole world, to Australia and elsewhere. And the feeling is when the master calls, they can regather in 48 hours." In another passage, "There is news of the master daily, he is doing well in the west, one hears, and he is wearing jeans and watching TV all day, he also got married to a Greek shipowner's daughter, named KIRTAN, who has an American passport."

Continuing, "Hundreds of Indians went to Koreagon Park towards the end of July and went through the deserted housing of the followers. In a country where used newspaper is sold in order to insulate the barracks in the slums, everything has value. The Indians picked up nails, drawing pens, and dragged the wooden and bamboo poles away. They don't understand (why) some of the sanyassin are burning their housing down."

On December 4, 1981 JOSHUA BARAN, of an organization calling itself "Sorting it Out", which claims to help cult dropouts readjust to the "outside world", was contacted by phone at his Berkley, California office. BARAN stated that he was "pretty familiar" with the Rajneesh Foundation, and that it was his belief that numerous RAJNEESH disciples would converge on Oregon and engage in various violations of Immigration law, including fraud marriages, once the Rajneeshpuram ashram was established. BARAN stated that there is a general feeling in the RAJNEESH organization that they are above the law. He further stated that he feels the number of adherents claimed by the organization is "grossly inflated" and that 10,000 to 30,000 would be more accurate. He advised that the Bay area appeared to have a large number of RAJNEESH adherents. In regard to possible criminal activity, BARAN stated that "before Poona fell apart" there were "a lot of bribery attempts" there, and that he had heard that sanyassins had engaged in drug trafficking in Montreal, Canada, and France. He similiarly indicated that prostitution rings may flourished and that various currency violations may have been committed. BARAN was unable, however, to substantiate this hearsay.

The Willamette Week of Portland, Oregon in its issue of December 8 - 14, 1981, featured an article entitled "BHAGWAN's Agents of Orange". A copy of that and a sequel, "BHAGWAN's Ranch Deluxe" of January 19 - 25, 1982 are attached together as Exhibit "O". The earlier article observes, "The 250 sanyassin now working the ranch are the RAJNEESH elite corps, the cream of the crop, hand-picked by the master's advisers for their skills, their proven allegiance, and, in some cases, it seems, for their bank accounts. They are PhD's, planners, engineers, accountants, doctors and skilled tradesmen from a dozen different countries and, whatever else they may have gotten into at Poona, their long days here at hard volunteer labor leave them little time..."

EX "O"

"The official word is Rajneeshpuram...is a ranch, and will remain a ranch, and will never become a massive commune for the guru's legions, they say."

"Not surprisingly at a ranch dedicated to a master who imposes no moral codes or disciplines on his followers, the only requirement is hard volunteer work." ISABELLE D'ETIGNY, spokesperson, is quoted as saying that by spring 1982 the ranch would have fifty double-wide mobile homes, housing 300 persons. She indicated that the seven bedroom units could house "easily double that number", but that "four rooms in each will be reserved for meditation and reading". Asked about the long range plans of the ranch, D'ETIGNY avoided the issue, philosophically observing that "the whole world might change" in the long run. DAVID KNAPP is quoted as saying he "doubted" that there would be any Poona-style "crowd-drawing workshops in a touchy-feely consciousness raising", observing that "Poona was Poona and this is this".

(INVESTIGATOR'S NOTE: According to Foundation advertising for the Guru Purnima Day Celebration on July 3 through July 7, 1982, such activities will be featured. A copy of this handout is attached as Exhibit "P".)

EX "P"

The Willamette Week reported that "the rank-and-file sanyassin are not on the guest list at Rajneeshpuram...the day we visited the ranch, two sanyassin, one of whom had come from Florida to get a glimpse of his master, hiked into the ranch and were quickly given a ride back out to Madras."

The reporter continued, "When the Rajneeshpuram sanyassins mark their ballots next spring on whether to incorporate, it will be the first, and apparently the last, time anything is put to a vote in Rajneeshpuram... (DAVID KNAPP) calls the system 'a loose, organized, very broad based chaos. There is no rigid hierarchy'. Underneath it all, pulling the strings, is MA ANAND SHEELA (SHEELA SILVERMAN)... 'I get them to explain it to me in simple housewife's terms, and I decide'."

The Willamette Week article of January 19 - 25, 1982 reviews the Rajneesh Foundation's history in India, essentially confirming previously obtained information.

The Portland Oregonian of December 23, 1981, in an article entitled "Irregular Cattle Sale Brings Warning Citation", stated that Wasco County Judge RICK CANTRELL failed to have the required brand inspection performed when he sold 48 cows to the RAJNEESH organization for a claimed \$17,000. According to the article, the purchase was agreed upon the day before the Rajneeshpuram incorporation petitions were filed at the Wasco County courthouse. On the following day, December 24, 1981, CANTRELL was quoted in the same newspaper as saying "I'm not ashamed of this, it's just business". CANTRELL was issued a warning citation by an Oregon State brand inspector, who stated "He's not really a cow dealer, so I can understand how he didn't know".

(INVESTIGATOR'S NOTE: On writer's "guided tour" at Muddy Ranch/ Rajneeshpuram October 30, 1981, writer was told that all food prepared and served on the ranch was vegetarian.)

The Oregonian of December 31, 1981 carried a small article entitled, "RAJNEESH's Followers To Sell Jersey Center", indicating that the RAJNEESH residence and Meditation Center known locally as "Kip's Castle" was to be sold. MA PREM HOMA, director of the center said that the Rajneesh Foundation wanted to consolidate its operations and that she and other RAJNEESH adherents would move to a new center near Antelope, Oregon.

The Oregonian, on January 11, 1982, quotes one REUBEN EVANS, "former owner of the Muddy Ranch and currently owner of an Ashwood ranch across the river" as being skeptical about the Rajneesh Foundation's claimed farming plans. MARTIN ZIMMERMAN, Jefferson County (Madras, Oregon) extension agent, is quoted as being similarly doubtful about the ability of the Muddy Ranch to grow wheat to the extent the Foundation claims in its public statements. Another article quotes experienced neighboring ranchers as stating, "They

just don't need all those people to farm the Muddy Ranch. When it was twice that size and they were running sheep on it, using horses, it still only took 10 to 45 people."

The January 11th article, however, quotes one ANAND NEEHAR of the Foundation, described as the "farming coordinator", as saying that he liked the challenge. One of the proposed projects was to rebuild a washed out dam with a terrace utilizing, according to the article, 200,000 trees. Toward this end, the Foundation reportedly mailed solicitations to its supporters around the world, urging that they send \$100 donations to have trees planted in their names.

On January 14, 1982 writer learned that ISABEL D'ETIGNY's request for extension of stay as a nonimmigrant visitor had been sent to the Service office in Houston, Texas. Houston Examinations Section was advised on D'ETIGNY's apparent residence in the Portland, Oregon district. At that time it was further learned that approximately 20 additional requests for extensions of stay, appearing to relate to RAJNEESH disciples, were then pending at the Houston office. All had been filed on behalf of the aliens by one PATRICK W. DUGAN, of GREEN, DOWNEY, PATTERSON and SCHULTZ law firm, Houston, Texas. Each listed DUGAN's office in Houston as a forwarding address and furnished no other address, was accompanied by a short, vague letter stating how much the alien was enjoying his/her stay in the United States and was further accompanied by a xerox copy of an airline ticket out of the U.S.

A screening of suspected Rajneesh Foundation nonimmigrant requests for extensions revealed the filing of at least 60 of these by and through DUGAN, all very similar in format and lack of detail as to the actual location and activity of the alien. A perusal of the occupations listed by the alien applicants was considered significant in view of the happenings at the Muddy Ranch/Rajneeshpuram. A sampling of them includes carpenter, public relations, writer-psychotherapist, electrician, car mechanic, plumber-electrician, electronics engineer, computer programmer, farmer, truck driver, architect, civil engineer, printer, designer-construction supervisor.

ISABEL D'ETIGNY, previously referred to in this report, appeared at the Houston Service office to discuss her request for extension of stay to February 18, 1982. She was accompanied by PATRICK DUGAN of GREEN, DOWNEY, PATTERSON and SCHULTZ, 5 Greenway Plaza East, Conoco Tower, Suite 1530, Houston, Texas.

PATRICK W. DUGAN advised Immigration Examiner STAN WISNIEWSKI of the Houston, Texas Examinations Section on the same date that he had, until that time, been assisting the Rajneesh Foundation in its immigration matters, including RAJNEESH's petition, for only the cost of the filing fees involved. He advised that he had undertaken this at the urging of his father, who was associated with an oil company and a RAJNEESH devotee. DUGAN also advised that he, himself, had travelled to Poona and spent some time at the ashram there, but did not consider himself a RAJNEESH disciple. DUGAN stated that he was presently reconsidering his involvement with the Rajneesh Foundation in light of the growing burden it represented. DUGAN expressed reluctance to provide actual addresses of extension applicants, fearing "some type of persecution".

On February 16, 1982 DUGAN advised Immigration Examiner GEORGE HUNTER of the Portland, Oregon Examinations Section that he was considering withdrawing from Foundation legal matters, and on March 1, 1982 formally did so by letter.

(INVESTIGATOR'S NOTE: One of a number of letters submitted by the Rajneesh Foundation in support of their pending petition for RAJNEESH is one from an A. W. DUGAN, President, Texon Energy Corporation, 1212 Main Street, Suite 1400, Houston, Texas. A. W. DUGAN states that he had known RAJNEESH since 1977, thinks highly of him, and "heartily recommends BHAGWAN SHREE RAJNEESH as a world class orator, teacher, philosopher, and one of the world's truly outstanding personages".)

On February 22, 1982 JEFFREY T. NOLES, 520 S. W. Yamhill, Portland, Oregon advised that he had been retained by the Rajneesh Foundation International and submitted a notice of appearance in the case.

Pursuant to investigation of the above-mentioned extension applications, the Portland, Oregon office in late March 1982 denied a total of 82 requests for extension of stay. This resulted in front page headlines in both the Oregon Journal and the Portland Oregonian of March 24, 1982. The District Director of the Immigration Service at Portland was quoted as saying that the ten days granted each denied alien to depart would expire between March 31 and April 5, 1982.

In the March 25, 1982 issue of the Oregonian DAVID KNAPP of the Rajneesh Foundation stated that "several" disciples at Rajneeshpuram had received the Immigration Service denial letters, but that he did not know what they intended to do. KNAPP is quoted as saying, "It's an individual matter. The only way to work on something like this is as an individual". He stated that "Some are not here", but were "touring America". KNAPP indicated that of the "estimated" 280 RAJNEESH disciples at the ranch, most were Americans or have obtained what he called "long term visas".

On April 5, 1982 Source P-8 advised writer that at about 7:30 PM March 25, 1982 he had observed a group of RAJNEESH disciples sending off six other disciples on Trailways buses from Madras, Oregon. The source stated that at the time two buses were loading, one bound for the Seattle, Washington area and the other southbound, destination unknown. The RAJNEESH adherents boarding the buses all had accents, and were directed by another RAJNEESH adherent who spoke accentless English.

On March 17, 1982 writer contacted the Wasco County Clerk, The Dalles, Oregon regarding a possible outbreak of matrimony among RAJNEESH disciples. SUE PROFFITT of that office advised that she knew of marriages that had been performed at the Rajneeshpuram site by sanyassins who were bona fide ministers of organized religions, one Episcopalian and one Methodist. She added that as of that date marriages were scheduled for two couples from the Rajneesh Foundation. In both cases United States citizens planned to marry apparent aliens. A note of that date is contained in the file. PROFFITT advised that although she attempted to remain objective about the RAJNEESH phenomenon, she felt that it was difficult to place any credence in their statements.

Also on March 17, 1982 the Jefferson County Clerk, Madras, Oregon was contacted in the same regard. ELAINE HENDERSON advised that six such marriages had been performed in that county, all of which involved United States citizens marrying apparent aliens. Five of these had occurred within a three month period. In one couple's case, both had divorced from their previous spouses in Poona, India on the same date. This information is also detailed in the file. In regard to the veracity of RAJNEESH disciples, HENDERSON stated that "those people aren't straight with you".

At least one sanyassin marriage occurred in the Bend, Oregon area, which is in yet a third county, Deschutes.

A State Department telegram of December 28, 1981 advised, "When it became known in Pune that RAJNEESH might try to remain in the United States, there were several press articles indicating that RAJNEESH disciples were trying to marry American citizen disciples in order to gain entry to the United States...We have started to receive a number of (immediate relative) and (fiancee) petitions...filed by American disciples of RAJNEESH...The use of marriage as a tactic to circumvent the Immigration laws of India and now the U. S. is well known to RAJNEESH disciples and officials." The State Department, on December 23, 1981, advised that marriages between RAJNEESH disciples appeared to be developing a pattern of fraud, and that they had advised their European, Australian, and Japanese posts accordingly.

On December 31, 1981 the Consulate at Bombay advised that they had issued a B-2 nonimmigrant visa to SARASWATIBAI BABULAL JAIN, nee SARASWATIBAI PANNALAL JAIN, aka MA ANAND SARASWATI, born March 21, 1913, Kuchwara, Madhya Pradesh, Joyfia, India. JAIN is the mother of BHAGWAN SHREE RAJNEESH. JAIN indicated on her visa application form her intention to visit one VIPIN MEHTA, 936 Flamingo Lane, Bradley, Illinois. According to her, she was travelling with MRIDULA MEHTA, DILIP MEHTA, and SAGAR MEHTA and expected to remain in the United States for a month. She denied the presence of a son in the U. S.

The Consulate stated that JAIN was denied a visa on November 10, 1981 when the interviewing officer believed her to be an intending immigrant who would be employed as a domestic servant in the U. S. In addition, JAIN did not indicate her use of the name MA ANAND SARASWATI on her visa application or indicate any intention of visiting Oregon. Had she done so, the Consulate states that in all probability her visa would not have been issued.

On January 19, 1982 Criminal Investigator ROBERT J. ATWATER of the Chicago Service office interviewed VIPIN MEHTA, a native of India and naturalized United States citizen (Danville, Illinois, December 6, 1979). VIPIN MEHTA stated that he is a cousin of MRIDULA MEHTA, who visited him at his home at 936 Flamingo Lane, Bradley, Illinois from November 30, 1981 to December 2, 1981 and then returned to India. VIPIN MEHTA stated that JAIN had never stayed with him at that address, but that he expected her to do so within the month. MEHTA stated that he was a disciple of RAJNEESH and he is in contact with the leadership of the Rajneesh organization about once a month by telephone.

According to a State Department telegram of March 23, 1982, MRIDULA MEHTA is also known as MA ANAND MRIDULA, and was the head of the RAJNEESH center in Poona, the old ashram, now renamed the Rajneeshdham. The same telegram advised that a younger brother of RAJNEESH, SHAILENDRA SHEKHAR, had been the beneficiary of a petition filed by a United States citizen spouse at Bombay and been issued an immigrant visa on February 23, 1982.

On March 16, 1982 JAIN, giving her address in care of GREEN, DOWNEY, PATTERSON and SCHULTZ, Attorneys, Houston, Texas, requested an extension of her stay at Portland, Oregon as a nonimmigrant visitor for pleasure. Her arrival-departure form indicated that she had entered the United States on December 10, 1981, bound to the aforementioned 936 Flamingo Lane, Bradley, Illinois, and was authorized to remain until February 1, 1982. In support of her request for extension, she noted that she wished to tour the U. S. longer. The request was denied and she was granted voluntary departure to April 8, 1982. On April 8, 1982 she renewed her request for extension, citing medical reasons and submitting a letter from Dr. PHILIP EICHLING aka SWAMI SHUNYO, dated April 5, 1982 in evidence. EICHLING indicated that JAIN suffered from heart disease, hypertension, and diabetes, and that the most effective drug for the purpose, Nifedepine, was not available to her in India. On April 13, 1982 Immigration Examiner HUNTER of this office advised that Nifedepine was indeed available in India through the Bayer company of Bombay. JAIN was advised on that date that her need for medical attention since entry to the United States and request for further time to visit appeared to be in contradiction and she was granted until April 26, 1982 to depart the United States. On April 21, 1982 JAIN, through her attorney, JEFFREY NOLES, requested the Service to reconsider its denial of her request for extension of stay. On April 30, 1982 the Motion to Reconsider was denied, and JAIN was advised that an Order to Show Cause and Notice of Hearing was being issued against her.

On March 18, 1982 Source P-2 advised that he had been a resident of the Rajneesh Foundation's Rajneeshpuram project from August 30, 1981 until November 22, 1981. He stated that upon arrival he noted that meals were being planned for 175 persons, and that shortly before his departure he overheard meal planning for 475 persons. Of that number, he stated his belief that "about 75%" were aliens from speech or manner, or admissions to him. The source stated that he first saw RAJNEESH in person about August 25, 1981 as he drove a white Rolls Royce through the ranch yard, and that he saw him almost daily thereafter. The source stated that he knew of RAJNEESH leaving the area only once on a plane trip, and that for only "a couple of hours".

The source stated that he did not know of the BHAGWAN ever leaving the ranch for medical treatment. He stated that a large trailer was used as a medical facility, containing an examination room, X-ray room, chiropractic table, dental room, an operating room, recovery room, and medical supplies, but that he had never seen RAJNEESH there. He did state that a "dental room" was constructed at RAJNEESH's residence, commonly referred to as "B-Site".

The source stated that in response to his question regarding RAJNEESH's health, a nurse named JAYA, described as English, about 65" tall, slim, light brown hair and blue eyes, told him RAJNEESH did not have cancer. She stated that the reason for saying that was to keep RAJNEESH in the United States. JAYA, according to the source, married one DEVA PREM in October 1981

in Portland, Oregon, but admitted to the source that the reason she and DEVA PREM were never seen together was because the marriage was only for immigration purposes.

The source stated that at no time did he detect any undue concern on the ranch about RAJNEESH's health; such information as he obtained in that regard was from the media.

According to this source, RAJNEESH never conducted any rituals, ceremonies, or religious type ceremonies during the time he was there. The source also stated that he saw no indications of anything that could be construed as community oriented or charitable activity. He stated that he "had never heard them remark that they were out to help anyone but themselves".

This individual advised that no "meditations" or therapy groups were conducted during his stay, but that he had heard that after the priority work of building was done, this would again be done. He further advised that he had heard DEVA PREM and a RICHARD tell disciples to tell outsiders that the farming was to support the ranch, but was in reality a front to get permits for the housing. At another point, according to the informant, SHEELA SILVERMAN advised disciples to handle law enforcement officers by smiling and saying as little as possible. She was reportedly concerned about permit problems and the number of people present. As a consequence, an effort was made to keep people spread out over the ranch. According to the source, SILVERMAN stated at one point that RAJNEESH wanted 500 new people coming in every 90 days. He also stated that in addition to two beds in each bedroom of the seven-bedroom trailers, many also had two mattresses for two other people. The mattresses would be taken up and concealed by day.

(INVESTIGATOR'S NOTE: A letter of complaint to the Service dated April 1, 1982 restates the same allegation of crowding in the seven-bedroom trailers and concealment of extra mattresses.)

The informant stated that other than an individual he identified as "BHAGWAN's wife" and an Indian actor, everyone on the ranch worked. He described the "wife" as about 64 inches tall, slight in build, with long grey hair, Indian in appearance with an Indian accent. He stated her name was LAXMI, and that she did not live with RAJNEESH and that he had never seen them together. The informant was shown a photo of MA YOGA LAXMI and stated that she was not the same person. He did state that MA YOGA LAXMI had arrived at Rajneeshpuram in November 1981, and that he got the impression that she had been SHEELA SILVERMAN's superior there. He stated that he had only seen her once, in SILVERMAN's trailer. When asked if SILVERMAN had ever referred to RAJNEESH's being married, the informant stated that he had never heard her make such a reference.

The informant stated that upon acceptance by the Foundation, he was required to fill out a U. S. passport application, with photographs, and fill out "what reminded me of a job application", consisting of two or three pages of detailed questions. He was told that this information was needed for Foundation records.

One photo was attached to the detailed personal history form, and both his given name and the new name given him by the Foundation were noted on it. He stated that the forms bore the Rajneesh Foundation name and the symbol of a circle with a bird in it.

The informant stated that he saw the same type of forms in mid-October in SILVERMAN's trailer as SILVERMAN, a VIDYA, ISABELLE D'ETIGNY, and DEVA PREM were sorting through them. He stated that these persons were sorting through them in an effort to identify sanyassins who were skilled plumbers and electricians. SHEELA and VIDYA were screening the same documents in an effort to ascertain whether or not individuals were United States citizens, married or single, and if possibly willing to divorce and remarry if necessary. The informant stated that it appeared to him that U. S. citizenship was as critical as a skill at that point. He states that SILVERMAN asked him if he would be willing to marry someone so they could stay in the United States, and that on October 10, 1981 at a large meeting SILVERMAN and DEVA PREM publicly stated that the ranch needed skilled workers, preferably unmarried U. S. citizens, and that VIDYA should be advised of likely candidates.

The source stated that he did not know if RAJNEESH's mother was at the ranch while he was there, but that a crew had worked all night in November getting a trailer ready for her occupancy. He stated that he had heard she had difficulty "getting out of India".

According to the informant, work rosters for sanyassins were posted in the cafeteria by crews. He also stated that he had ridden into Madras twice with one SAGHA, who went to the Juniper Bank there. He stated that he saw SAGHA open up a briefcase full of cash for deposit, and had been told by a bank officer that SAGHA never brought in less than \$60,000 to the bank.

Finally, the informant was asked if he had received any indication that RAJNEESH or the Foundation intended to return to India. He stated, "they burned Poona. They never intended to go back. Why else tear down what it took them years to build up?"

Relations between the Rajneesh Foundation at Muddy Ranch/Antelope, and its neighbors in sparsely populated eastern Oregon, uneasy at best, have steadily deteriorated. The January 10, 1982 issue of the Oregonian carried an article entitled "Antelope Tolerance Wearing Thin as Guru, Followers 'Intrude'", which detailed the nervousness of the small community. According to the article, the Antelope City Council had granted business permits to the Rajneesh Foundation to operate its mail order business and an engineering firm six months previously, but was beginning to regret the affair. Residents charged that the Rajneesh Foundation's pace of activity was disrupting a once quiet community, expressed fear of "cult" activity, and claimed minor harrassment by disciples. "Some townspeople," the article stated, "are past the point of believing any statements from ranch residents", citing the CANTRELL cattle purchase. MARY CATHERINE, a resources planner at the commune, is quoted in rebuttal as saying that "There is some prejudice against us. Part of that may be due to the fact that we've only been here since July, and part may be due to other groups that may not have been as loving, as gentle".

Another article in the same newspaper entitled "Rajneeshpuram Incorporation Thrown Awry" referred to the status of legal challenges to the proposed incorporation of the Muddy Ranch. MARY CATHERINE is quoted as saying that Rajneeshpuram needed urban services to provide for the "about 200" disciples, who, under incorporation proposals, would grow to 2,000 by 1990. MARY CATHERINE indicated that the "intensive farming" planned at the ranch, which she stated would remain an agricultural operation, required "good shopping and hospital services" nearer than the 50 miles to Madras. A rancher and plaintiff in one of the lawsuits, DAVID DICKSON, comments in the article, "It's the same distance now that it was when they bought that place six months ago. I wouldn't think they'd pay 6 million dollars for a place without finding out how far they'd have to go to see a doctor". DONALD SMITH of Antelope comments, "I'm convinced that they had a master plan, that they are just filling in the blanks".

According to the Oregonian of February 9, 1982, EDWARD SULLIVAN, an attorney for the Rajneesh Foundation, advised the Oregon State Land Use Board of Appeals on February 8, 1982 that the Foundation's goal at Muddy Ranch/Rajneeshpuram was to "realize their master's vision of a city in the desert, with 'agricultural activities coupled with prayer and meditation'".

Writer travelled to the Antelope, Oregon area March 2, 1982 and remained in the area through March 4, 1982. The postmaster, BILL DICKSON, advised that RAJNEESH was definitely still in the area and that this could be easily confirmed by waiting at the town intersection at 3:00 PM every day, as RAJNEESH drove from Muddy Ranch/Rajneeshpuram to Madras town limits, turned around, and returned. Writer took the opportunity and was able to view and identify RAJNEESH from a distance of a few feet, shortly after 3:00 PM that day. It was noted that RAJNEESH, driving a blue Rolls Royce, was preceded to the paved road by a black Blazer truck, which bore flashing yellow lights. Upon reaching the pavement, the Blazer pulled over, allowed RAJNEESH to pass, and followed him.

Writer attended the Antelope City Council meeting on the evening of March 2 as an observer. The main and virtually only topics of discussion were issuance of a business license for the operation of a grocery and gas station recently bought by the Foundation, to be operated under the name of "Zorba the Buddha", and the Foundation's attempts to obtain a building permit for a large structure to be used as a printing shop and warehouse. Discussion also brought out that the Foundation had intentions of building two four bedroom homes on property bought by them in Antelope, and was willing to independently finance the construction of a separate water/sewage system if that would facilitate the issuance of the permits sought. The Foundation was represented by SHEELA SILVERMAN, DAVID KNAPP, MARY CATHERINE, and three other RAJNEESH disciples.

After the meeting, Councilman DON SMITH advised writer that subsequent to the previous council meeting a month prior, KNAPP had told him that whatever happened with the Rajneeshpuram incorporation attempt, "we're here to stay, and we'll just take over the town".

MARGARET HILL, the mayor of Antelope, was interviewed on March 3, 1982. She confirmed the daily drives by RAJNEESH to the Madras city limits, commenting that RAJNEESH constituted enough of a hazard on the narrow, winding roads that the entire countryside knew his cars by sight. HILL stated that she had received a considerable quantity of unsolicited mail from all over the United States and overseas, warning her of the Rajneesh Foundation's history in India. Writer reviewed this material and obtained xerox copies of pertinent materials for the file. HILL stated that her experience with the Rajneesh Foundation had been such that she did not trust them at all, and could not rely on their statements. She stated that SHEELA SILVERMAN was thoroughly deceptive.

HILL advised that at a city council meeting in December 1981 one LOREN REYNOLDS of Antelope asked SILVERMAN if she were a United States citizen. According to HILL, SILVERMAN strongly asserted that she was. When pressed for more details as to her citizenship, she continued to claim U. S. citizenship but did so in a much more subdued manner and shortly thereafter changed the topic of conversation.

(INVESTIGATOR'S NOTE: As previously discussed, SHEELA SILVERMAN is a native and citizen of India and permanent resident of the United States.)

On April 27, 1982 LOREN REYNOLDS was contacted by phone and confirmed the incident and agreed to provide a letter detailing his recollections of that incident. REYNOLDS indicated that on December 1, 1981 at a city council meeting, at Antelope, Oregon he had confronted SILVERMAN with the fact that she was not a United States citizen. REYNOLDS indicated that SILVERMAN did not argue the issue, but replied in a low voice "I am, too".

On March 4, 1982 the writer again travelled to the Muddy Ranch/Rajneeshpuram. The double-wide trailers previously seen had all been sited, and new, unoccupied sites were seen awaiting housing units. No significant changes were noted at the farmhouse area, other than a diminution of the previous number of people in that immediate area.

(INVESTIGATOR'S NOTE: Probably as a result of the closing of the ad hoc "chow hall" in the smaller ranch house and opening of the new, large cafeteria facility.)

The blue van bearing British Columbia license plates, registered to JONATHAN PRATT was again noted in the same general location.

New roads were seen laid out, and ten new double-wide trailers were noted sited just after crossing the Jefferson County line. A road sign was seen designating a new road as "Sufi Road". Various trailers and shops were seen designated by names such as "Plotinus" and "Chuang-Tzu". The Islander twin engined aircraft was again noted. The Piper Aztec was not seen. One well drilling rig was seen in operation. Numerous new power and, presumably telephone lines were placed and each trailer was connected. Other sites, further from the ranch center, were noted under development and are noted on the attached map.

(INVESTIGATOR'S NOTE: The county road used for access is theoretically open to Mitchell, Oregon some 25 miles further south. Writer is familiar with the road, and over the past several years, although opened by county crews after each spring flood, it has deteriorated. At present it is impassable by vehicle about five miles beyond Muddy Ranch near Domogalla Canyon, about three miles from Cherry Creek Ranch, a neighboring ranch. For practical purposes, there is only one way by road into Muddy Ranch for most of the year.)

The perimeter of the Muddy Ranch/Rajneeshpuram was observed at numerous places. Access roads are closed by the common wire gate. In each case, the gate was secured by one, and in some cases, two substantial chains and heavy duty locks. These devices were very recently placed as evidenced by the lack of rust on them at a wet time of the year, in addition to a neighboring rancher's ignorance of the change on a gate bordering his property. New "No Trespassing" signs in the name of Rajneeshpuram were also noted.

(INVESTIGATOR'S NOTE: The foreman previously in the employ of the Muddy Ranch prior to its sale, BOB HARVEY and his wife, GLENDA HARVEY, were reported by MARGARET HILL to have remained at the ranch as employees and are apparently quite willing to assist in Foundation maneuvers. According to statements filed with the Oregon Government Ethics Commission, BOB HARVEY was deeply involved in CANTRELL's questionable sale of cattle to the Rajneesh Foundation.)

Writer's presence in the Muddy Ranch area was not of any apparent interest to anyone there other than a brush-cutting party which passed. The driver of a Foundation pickup, upon intending to stop to look writer over, was obviously told by his passenger to drive on and did so.

Inquiry at Cherry Creek Ranch, reached by a detour, revealed that on about February 24, 1982 a person dressed in the RAJNEESH garb of maroon clothes and a "mala" had appeared in the area seeking the "Big Muddy Ranch". Source P-9 advised that this was a male, with a German accent, driving a van with California plates. He was directed up the county road, only to return in distress twice. On the first occasion he was unable to cope with a wire gate. Upon instruction in that operation, he went forth again only to find the road impassable as previously mentioned. The informant did not know the ultimate fate of this wayfarer.

On March 10, 1982 the Portland, Oregon Journal ran an article entitled "Citizens of Antelope Seek To Dissolve Town". According to the article, residents, "fearful that disciples of an Indian guru are trying to take over the municipal operations, are asking the city council to hold an election to dissolve the 31 year old city....The move to turn in the charter comes as the RAJNEESH followers already have bought 11 lots, including those containing a house and a mobile home, and are negotiating for two more private residences". SHEELA SILVERMAN was quoted as saying that 80% of Antelope was for sale and "whatever is needed, I'm going to buy it."

In another article in the Journal of the same date, entitled "Watch Out! The BHAGWAN Drives Again", in which RAJNEESH's erratic driving is discussed, a paragraph states "Rumors that the ranch managers have turned away RAJNEESH disciples who have arrived voluntarily are correct, amangers say. Disciples are selected from a waiting list on the basis of skills needed at the ranch, a representative said..."

The Oregonian, on March 12, 1982, stated "RAJNEESH Summer Festival Plans Told". DAVID KNAPP was quoted as predicting 3,000 persons were expected to come to the ranch in response to invitations, from all over the world. The festival, scheduled for July 6, 1982, was ostensibly in celebration of "Guru Purnima", or "full moon in July". KNAPP stated that "a substantial, but unspecified admission fee would be charged", for what was described as a chance "to get together and have a good time" and would involve "meditation and times of silence" with the BHAGWAN. KNAPP stated that most of the participants would arrive at either the Portland or Redmond airports and be shuttled by bus to the ranch, and that he anticipated people would be coming to the ranch for the event over a period of "several weeks".

A flyer subsequently mailed out by the Rajneesh Foundation indicates that the planned festival will last for five days, from July 3 through the 7th, 1982. The activities include RAJNEESH himself and feature what appear to be the same basic program offered at Poona, although abbreviated. Initiation into sanyas is offered and the possibility of extended stay at the ranch is suggested. The flyer specifically mentions that SWAMI ANAND TEERTHA, aka ROBERT LOWE, will be present at the ranch during that time. The price of admission for the five day celebration is \$350. Programs in addition to the basic couræ offered ranging in price from \$90 to \$300 are available.

On March 13, 1982 the Portland Journal, in a story entitled "Civil Suit Alleges Curu Stole Church", described the serving of a civil summons on RAJNEESH March 9, 1982 during what was described as RAJNEESH's "routine drive from the ranch to Madras". According to the article, The Church of Religious Science of Laguna Beach, California had filed a suit against RAJNEESH for 13 million dollars, claiming that one HENRY GEARHART, their minister, had become a RAJNEESH disciple and through artifice converted the church into the Utsaba Rajneesh Meditation Center.

(INVESTIGATOR'S NOTE: The Rajneesh Roundation's Directory of Meditation Centers indicates the existence of a "Litsava Rajneesh Meditation Center", run by one SWAMI YOGA NISHANT, at the Church of Religious Sciences, 20062 Laguna Canyon Road, Laguna Beach, California 92651.)

On March 12, 1982 Oregon Governor VICTOR ATIYEH was interviewed on radio station KFRB in Redmond, Oregon in central Oregon. According to an article in the March 14, 1982 Oregonian, ATIYEH suggested that the Rajneesh Foundation should leave the area because they were disliked. The newspaper cited ATIYEH as saying in their interview, "My sympathies are with those residents who are

concerned with RAJNEESH. They are concerned with a tidal wave of people into a community that has been quiet and peaceful for many years. (The followers' moves are intimidating, and I think that is what's scaring people." SHEELA SILVERMAN, in a prepared statement, said "We came to Oregon because of our state's reputation for tolerance and fairness. We wanted to settle in a remote area, bother no one and to live our life and practice our religion freely." She continued, "What is intimidating is that we do everything within the law. We wear orange clothes, we laugh, we live life and enjoy life, and we love. Many people who have had miserable lives are jealous".

The March 17, 1982 issue of the Oregonian quoted SHEELA SILVERMAN at a press conference given at Salem, Oregon on March 16, 1982. SILVERMAN claimed that ATIYEH's recent remarks would tend to further aggravate friction between her group and local residents, stating that "This gives them support for their bigotry". She stated that the Rajneesh Foundation had no plans to "take over Antelope", had not been moving its members into the town to defeat the disincorporation election scheduled for April 15, 1982, and would not direct its Antelope-based disciples on how to vote in the election. SILVERMAN was accompanied by one BOB DAVIS, described as a lobbyist employed by RAJNEESH.

(INVESTIGATOR'S NOTE: A recent, but undated newspaper clipping sent to the Service describes BOB DAVIS as one of the "heavy hitters" of the state lobbyists, whose clients include major corporations, college faculties, and nursing homes.)

On March 18, 1982 the Madras, Oregon Pioneer printed two articles relating to the Rajneesh Foundation. One, "Court Approves Church", related that the Jefferson County Court had approved the request after Foundation agreement for a reduction in the size of some areas of the structure, and agreement not to request a second church or a second grade school within the next two years. The approved structure reportedly has a 14,141 square foot "sanctuary" and a 5,000 square foot "support area" instead of the requested 9,694 square feet. The structure was to be located about four miles southeast of the main ranch complex.

(INVESTIGATOR'S NOTE: This area appears to correspond with the site of the brush clearing activity noted on March 4, 1982 near the road washout.)

The second article, entitled "Antelope Vote Set" discussed the disincorporation election scheduled for April 15, 1982. The article stated, "According to Department of Motor Vehicles officials in Madras and Prineville, last week alone about 25 persons came in to change their addresses on their licenses to Antelope or to get ID cards identifying them as living in Antelope". The article further noted that prospective voters need only to have resided in Oregon for 20 days, and could establish the needed residency in Antelope on the day of the election.

The Portland Oregonian, in its April 16, 1982 issue, carried a headline entitled "Guru Followers Win Battle For Antelope", regarding the April 15 election.

The proposed disincorporation of Antelope was defeated by a vote of 55 to 42. The newspaper claimed that "about 100 media representatives, including 11 television crews, were in Antelope for the election". DAVID KNAPP, speaking for the Rajneesh Foundation was quoted as stating "The citizens of Antelope expressed their feelings through the democratic process. I was glad to see it happen with the ease and smoothness it did". KNAPP indicated that if the incorporation of Antelope was precluded by legal challenges, the Foundation would use Antelope as an "urban growth center".

(INVESTIGATOR'S NOTE: It should be noted that a potential for violence exists in regard to the entire Rajneesh Foundation situation in central Oregon. Two potentially dangerous situations have occurred thus far, both of which involved the presence and discharge of firearms. The first case, on October 29, 1981, involved an intoxicated employee of a nearby ranch who created an altercation over RAJNEESH's driving and ultimately fired a shotgun at a Rajneesh Foundation car that followed him home afterward. No injuries resulted, and the matter was resolved by an arrest for menacing. In the second incident, on March 27, 1982, four men from outside the immediate area, ranging in age from 18 to 26, reportedly exhibited a handgun to SILVERMAN in Antelope, Oregon, fired several shots from it into the air near the Rajneesh Foundation office there, and proceeded down the road. When stopped by authorities, they were en route to the Muddy Ranch. The matter resulted in the arrest of one person for harrassment.

Supervisory Criminal Investigator CHARLES STEVENSON, while in Madras, Oregon on unrelated business March 29, 1982, was advised by the Jefferson County District Attorney, in company with the Jefferson County Sheriff and Madras Chief of Police that he feared further violence in the area because of the prevalence of high powered rifles carried in pickups in the area and remarks that he had heard made. This, in turn, could provoke the Rajneesh Foundation to arm if it has not already begun to do so.)

One outstanding issue in regard to RAJNEESH and the Rajneesh Foundation is the propriety of characterizing it as a "religion" or RAJNEESH as a "religious teacher". Inasmuch as the RAJNEESH phenomenon is highly complex and controversial, this report will not attempt to determine that issue at this time, but pursue it in depth on the basis of information developed thus far.

(INVESTIGATOR'S NOTE: It may be instructive, however, to note that MARGARET SINGER, a psychotherapist writing in the Journal of the National Association of Private Psychiatric Hospitals, in its Summer 1978 issue, defines a "cult" as "a group, led by a living, self-proclaimed leader who claims that he or she has been told by a higher power to lead such a group. Secondly, cults have a double set of ethics, that is, one set of rules for use in the cult, and another for use with non-members. Thirdly, cults raise funds for their own use and not for altruistic purposes".)

Finally, rumors of RAJNEESH's marriage or impending marriage to a United States citizen have been rife since before his departure from India. The most substantive of these has been a quote in the Soho News article of October 14 - 20, 1981, in which JOHN LOUDON, of Harper and Row Publishers is quoted as having seen "a photo of the bride". LOUDON was contacted by telephone on February 24, 1982, at which time he advised that that quote was the result of an error on his part. LOUDON stated that in reviewing materials for a proposed biography of RAJNEESH, he was shown photos. One photo of four persons was shown him and the remark "That's his wife" made. LOUDON states that he was later advised that the remark pertained to another individual in the photo, and not RAJNEESH himself.

The rumor that RAJNEESH may have married a naturalized Greek woman has never been substantiated in any way, and may be counterbalanced by another rumor that suggested "a Greek shipping heiress" helped him start the Poona ashram. Similarly, MA YOGA LAXMI has been proposed as RAJNEESH's consort. According to the book Flowers of Emptiness, previously referred to, an Englishwoman named VIVEK came the closest to filling that role in 1980 and the circumstances surrounding that are reportedly vague. The Consulate in Bombay on December 23, 1981 advised that RAJNEESH is not known to have been married at any time, and could provide no more detailed information on rumored marriages than was already known. Until information to the contrary comes to light and is substantiated, it must be assumed that RAJNEESH is single. According to his teachings, he has passed beyond such relationships himself and discourages marriage in general.

EXHIBITS

- EX "A" - Document submitted by the Rajneesh Foundation entitled "The History and Development of BHAGWAN SHREE RAJNEESH and the Movement Surrounding Him"
- EX "B" - List of claimed centers in the United States of the Rajneesh Foundation
- EX "C" - Copies of articles from the June 1 - 15, 1981 issue of Onlooker magazine
- EX "D" - Handout entitled "Additional Thoughts and Facts to the Film 'Ashram'" by WOLFGANG DOBROVLONY
- EX "E" - Copies of a series of letters from RICHARD PRICE to the Rajneesh Foundation
- EX "F" - Copy of a letter dated October 2, 1978 from NATHANIEL BRANDEN to MA PREM VIRAJ
- EX "G" - Copy of the afterword from the book "Flowers of Emptiness, Reflections on an Ashram" by SALLY BELFRAGE
- EX "H" - Personal affidavit by JOYCE A. SMITH executed January 12, 1982
- EX "I" - Copy of a letter dated May 18, 1981 from MA YOGA LAXMI to JOYCE SMITH
- EX "J" - Copy of the visa application of BHAGWAN SHREE RAJNEESH
- EX "K" - Maps of the area surrounding Muddy Ranch/Rajneeshpuram
- EX "L" - Copy of letter dated October 21, 1981 from PHILIP EICHLING, M.D.
- EX "M" - Copy of an article from The Oregonian dated October 17, 1981
- EX "N" - Copies of articles from the Los Angeles Times dated August 30, 1981 and January 10, 1982
- EX "O" - Copies of articles from the Willamette Week, December 8 - 14, 1981 and January 19 - 25, 1982 issues
- EX "P" - Copy of handout from the Rajneesh Foundation advertising Guru Purnima Day Celebration

Personal Statement regarding the issuance of a tourist visa to Bhagwan Shree Rajneesh on May 30, 1981, at the American Consulate General in Bombay, India.

Sheila Silverman, also known as Ma Sheela, visited the Consulate General on May 4, 1981. She informed me that she wished to discuss a highly confidential matter. She said she wished to inquire about seeking a visa for the Bhagwan to travel to the U.S. for medical treatment. She said he was very ill and required medical treatment in the U.S. She said that he was possibly dying of cancer. I remarked that she might be overreacting due to the recent death of her own husband due to cancer. She admitted that was possible but said that the possibility that the Bhagwan had cancer had to be checked out urgently. I asked why the Bhagwan could not receive treatment in the UK or Germany where they also had excellent medical facilities. She said that a medical specialist had been called recently from the UK and had strongly advised them to send the Bhagwan to the U.S. for treatment. She said there was a meditation center of the group in Montclair, New Jersey, and that arrangements could be made there for his recuperation, adding that special arrangements would be necessary due to his asthmatic condition. She said his main medical problem appeared to be asthma and a back ailment which resulted in constant pain that was at times extremely severe.

Ma Sheela then inquired about the possibility of the Bhagwan residing in the U.S. for some years as a minister of religion, if the climate suited him and if his recovery was positive. She said that she was asking this on her own, and that the Bhagwan had not expressed any interest in immigrating to the U.S. I told her that some swamis from India had entered the U.S. as ministers of religion, the most recent being Swami Muktananda of Ganeshpuri, but that the Immigration and Naturalization Service would have to decide whether this could be done in the Bhagwan's case. I further explained that his possible interest in an immigrant visa posed a conflict with his request for a non-immigrant visa to enter the U.S. for medical treatment on an urgent basis, especially since all press reports for the past six months has indicated the ashram was being dismantled in Pune and resettlement plans seemed to be uncertain. I told her that it would be hard to prove that he was not an intending immigrant under these circumstances. I asked Ma Sheela to submit to the Consulate in duplicate signed application forms from the Bhagwan, a letter from Ma Yoga Laxmi regarding the Bhagwan's intentions to return to India after the trip, medical statements from the doctors who had treated him, and a copy of the papers from U.S. officials confirming that the U.S. meditation center in New Jersey was a recognized religious organization. I told her that I would consult the Consul General upon receipt of this information and that the matter would be referred to the Department of State for a final decision. I told her that I personally had no problem with the Bhagwan's group in India, since

India was his own country, but that I would be unwilling to issue a visa without guidance from the Department, as I felt that the Bhagwan was a highly controversial figure whose presence in the U.S. could lead to considerable problems.

Ma Sheela returned the following day to submit the requested information and phoned every day thereafter for a status report for a full week.

About ten days later on May 18, she returned to the office with U.S. citizen Sushila Tribe (Ma Yoga Sushila), a native of Chicago, who acted as spokesperson this time telling Ma Sheela she was too emotional to handle the matter. Ma Sushila, too, emphasized the urgency of immediate treatment in the U.S. only. She also stressed that the Bhagwan planned to return to India after his treatment. She ended our discussion with two major points:

1. She asked if there was any possibility of someone intervening in the U.S. to assist with the case (meaning, I assumed, a Congressman), and
2. She said that if the Bhagwan did not receive medical treatment and became seriously ill or died, she couldn't predict what the reaction of the group members might be (meaning, I assumed, that many of the members may attempt suicide or similar dire actions).

I told them not to make any preparations for the Bhagwan's departure until they were advised that the visa could be issued and to expect a delay of two-three weeks. They asked me to advise them as soon as the decision was made and again stressed the urgency of immediate action.

On May 26 I sent a cable to the Department (see 81 Bombay 2000) advising the Dept of the Bhagwan's application for a tourist visa to enter the U.S. for medical treatment and that he was a controversial personage in India. I said that since we were unaware of any grounds on which to refuse his application, we intended to issue the visa if we did not hear from the Dept by cob May 29. On May 28 I received a cable from the Dept (apparently from another office) requesting a status report (see 81 State 139208) and sent a reply on May 29 (see 81 Bombay 2063). We did not receive a response to our May 26th cable.

In the absence of any such response, I came to the Consulate at 9 a.m. on Saturday, May 30, to issue the Bhagwan's tourist visa. His passport had been given to our Consular Assistant, Miss Rosalind Samson, who was provided transportation to Juhu (airport area), where the Bhagwan and approximately twenty members were

waiting to depart India via Pan American flight 001 on June 1. The following Monday, I read in the Times of India that the Bhagwan and twenty of his followers had left for the U.S. on Monday morning, June 1 at 4 a.m.

Joyce Smith

Joyce Smith
American Consulate General
Bombay, India

January 12, 1982

Date

REPUBLIC OF INDIA
STATE OF MAHARASHTRA
CITY OF BOMBAY
CONSULATE GENERAL OF THE
UNITED STATES OF AMERICA

Subscribed and sworn to before me this 12th day of January 1982.

G. M. Courtney

Garyl M. Courtney
Consul of the United States
of America