



Department of State Police

PUBLIC SERVICE BUILDING, SALEM, OREGON 97310

M E M O R A N D U M

OCT 19 1983

TO: Bob Oliver

Attached for your information is a report concerning the Rajneesh organization.

We will attempt to continue the investigation, including coordination with other involved agencies.

Sincerely,

John C. Williams, Superintendent

By


Duane A. Pankvatz, Lt Colonel
Operations Commander

October 18, 1983

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Encl.

MEMORANDUM
OREGON STATE POLICE

Salem, October 13, 1983

To: Major H. D. Watson**From:** Lieutenant J. D. Stuart
Narcotics Unit Coordinator**Reference:** Information source on Bhagwan Shree Rajneesh Organization,
Criminal Activity in Drugs.

At 8:30 a.m., 10-11-83, writer met with Lieutenant G. C. Norris and Detective B. J. Melton, State Police Medford, at the Medford Office. It was related to writer that on 09-13-83, Trooper M. Ranger investigated an unauthorized use of a motor vehicle involving Kate Susan Strelly, 1819 Colestine Road, Ashland. Strelly was identified as a Rajneesh, and Strelly subsequently was interviewed by Detective Melton on 09-14-83.

The interview disclosed that Strelly was disenchanted with the Rajneesh Organization, had been a member for seven years, had met with and talked to the Bhagwan on numerous occasions, had been involved in India and the United States with the Rajneesh Organization, and had been the personal secretary to Ma Anand Sheela (aka Sheela Silverman, President, Rajneesh Organization). Strelly further indicated that she was willing to discuss the Rajneesh Organization, but was an alien (English citizen) and needed assistance to remain in the United States.

Trooper Ranger then apparently contacted the Immigration and Naturalization Service in Portland and talked to a Tom Casey. Casey then met with Strelly and Detective Melton at the Holiday Inn at Medford on 09-23-83. This interview lasted four hours and was followed by a second interview on 09-24-83, at the Medford State Police Office, which lasted three hours.

A subsequent interview was set for 10-11-83, and was to include those mentioned and Agent Dan Nafziger (Customs Investigator, Portland). It was related that this meeting was shortstopped by U. S. Customs on 10-07-83, which flew Strelly to Portland by commercial airlines for an interview without notification to Detective Melton. This activity caused some concern by the Medford Office when Strelly advised upon return that she had been instructed not to talk to the State Police any further, had been offered 10% of the drug value worked up, and given certain favorable considerations by the Immigration Department.

The information known to Detective Melton at this time indicated that Sheela Silverman was involved in an organized effort by Rajneesh members to import narcotics into the United States and distribute the narcotics in and outside of Oregon. Further, Silverman was quite rich, had several accounts in Swiss banks, and was involved in other questionable activities. This ranged from arranging marriages with alien members and members who are U. S. citizens, to allegedly keeping the Bhagwan Shree Rajneesh in a drug

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induced stupor. The latter point is backed by the fact that Strelly had contact with the Bhagwan in India and was aware of his physical and mental condition in that country versus the condition now observed in Oregon.

On 10-12-83, writer was advised by Paul Keller of the Attorney General's staff that his office was advised of an informant in the Medford area, regarding the Rajneesh Organization, and he had been assigned to interview same. Writer inquired further and determined that the informant was, in fact, Strelly.

Summary: On 10-11-83, writer contacted U. S. Customs Supervisor Lawrence Ladage and discussed the Strelly matter. Ladage indicated that he was unaware of any State Police interest in Strelly, but would contact Lieutenant Norris and correct any problems that had arisen from the 10-07-83, interview.

On 10-13-83, writer contacted Dick Robert of the Attorney General's staff and determined that office was not involved in obtaining any criminal information from Strelly. He also advised that office is presently involved in a civil matter involving Rajneesh Puram and would limit any inquiry to that subject at this point in time.

To date, writer has had no further involvement other than that indicated.

jds:smh