



THE INSTITUTE FOR COMPLEXITY MANAGEMENT  
*Making the complex simple*  
May 15, 2016

BY E-MAIL

Dear Senator Grassley and Representative Goodlatte:

The purpose of this letter is to advise you, as the Chairmen of the House and Senate Judiciary Committees, respectively, of egregious violations of the Constitution involving three small companies that are the victims of government corruption. Enclosed with this letter please find a copy of my CV which provides my background and experience in the matters that I have brought and continue to bring to your attention. Due to the extreme sensitivity of some of the attached materials, we request that all of the documents included herewith be protected from any disclosure to other than authorized members and staff of the House and Senate Judiciary Committees.

BACKGROUND

After my small company known as FoodQuestTQ LLC was driven out of business by the Food and Drug Administration (FDA), I decided to establish a charitable non-profit organization to help other small business victims of predatory and anticompetitive conduct by the federal government. The organization is called the Institute for Complexity Management. I currently have three active cases that I am working on.

The first case involves my former small business FoodQuestTQ LLC that was victimized by the FDA. I was an entrepreneur who started a small business to commercialize a revolutionary technology that used massive amounts of data, i.e., big data, and applied computer analytics to project and prevent adverse events across the food supply chain. The technology I invented was stolen by the FDA and their prime contractor (redacted). Today, the technology, known as “predictive analytics”, has grown to an estimated market value of over \$2.5 billion dollars annually.

The second case involves Wesleyan Company and the government theft and reverse engineering of drinking systems designed to protect American troops from battlefield exposure to enemy chemical and biological attacks. In the case of Wesleyan Company, the U.S. Army stole the technology and gave it to a group of preferred contractors for commercialization. Wesleyan company then became the victim of Army counsel and judicial misconduct involving the Armed Services Board of Contract Appeals. The value of Wesleyan Company’s technology for both military and recreational uses is conservatively estimated in the hundreds of millions of dollars annually.

The third case involves the theft of an advanced technology called microwire from a small business called Demodulation Inc. Microwire produces small bursts of energy whenever it is moved in the earth's magnetic field. These small bursts of energy can be detected at near or far distances even by satellite. The technology has highly classified national security and intelligence uses. The U.S. intelligence community, including but not limited to, the Director of National Intelligence, the National Security Agency, the Department of Defense, the Department of Energy, the Federal Bureau of Investigation and other elements of the Department of Justice engaged in a criminal scheme to misappropriate Demodulation's microwire technology for classified surveillance and other secret intelligence purposes. The market value of microwire is conservatively estimated across all industry verticals at billions of dollars annually.

### IMPLICATIONS

FoodQuestTQ, Wesleyan Company and Demodulation contend that they have been the victims of a systemic scheme by the U.S. Government and their contracted agents to misappropriate their technology. The scheme involves the Executive, Legislative and Judicial Branches of the U.S. Government.

The Executive Branch has unlawfully engaged in the misappropriation of the technologies described above using clandestine means and by refusing to investigate criminal RICO activities involving various federal agencies. The Legislative Branch has used influence peddling to support the illicit activities of the Executive Branch. The Judicial Branch has excluded material evidence in their consideration of the Wesleyan Company and Demodulation matters.

The Constitutional implications of all three cases involve the patents and copyright clause of Article I, the unlawful search and seizure provisions of Amendment IV and the takings clause of Amendment V. The Demodulation matter also involves the treaty provisions of Article II, since microwire technology was originally misappropriated by the U.S. Government from a nation state ally in violation of international treaties involving intellectual property.

### HOW THE SCHEME WORKS

The scheme works like this. The U.S. Government baits small businesses like FoodQuestTQ LLC, Wesleyan Company and Demodulation to share their ideas and trade secrets with promises of grant funding and then misappropriates their valuable intellectual property. The government then turns to their large contractors to reverse engineer and duplicate the small business' products using congressionally appropriated funds. The duplicated products are used by the government and often given away to the government's preferred contractors for commercialization. The end result is that the small business victims of the scheme are driven out of business as their sales fail to materialize.

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The scheme is complimented by the very U.S. Government organizations that are sworn to protect the Constitution and enforce the laws of the land. The criminal RICO patterns of conduct in the cases of FoodQuestTQ LLC, Wesleyan Company and Demodulation are identical: 1) requests for independent IG investigations are referred agency offices of the general counsel; 2) agency offices of the general counsel engage in direct and actual conflicts of interest to conduct their own bogus investigations designed to conclude that the agency is innocent of all wrongdoing; 3) agency offices of the general counsel simultaneously mount criminal defenses for their employee's allegedly involved in the criminal RICO conduct; 4) the agency offices of the general counsel force any possible resolution of the matter down the narrow time consuming and costly legal pathway of patent infringement, and; 5) all requests for DOJ and FBI investigations are ignored.

The actions of the government to force the resolution of small business complaints of anticompetitive conduct down the narrow legal pathway of patent infringement is designed to "wear out" small companies who dare to complain about the injustice they are being forced to endure. U.S. Government counsels know, based on many years' experience running the scam, that small businesses cannot afford long, drawn out and expensive patent litigation and, in the end, simply go away licking their wounds. They also know that the independence of Inspector Generals has been usurped by the politically appointed secretaries of federal agencies who are their bosses and that the Federal Bureau of Investigation (FBI) has abdicated its responsibility to investigate corruption in their fellow federal agencies. This, of course, raises questions of the utmost importance as to the true independence of the Director of the FBI from political influence and his charge to equally enforce the law.

### CONCLUSIONS

The Executive Branch of government is failing to equally enforce the law. In the cases of FoodQuestTQ LLC, Wesleyan Company and Demodulation government counsels engaged in the obstruction of justice. The FoodQuestTQ, Wesleyan Company and Demodulation cases also demonstrate a systemic breakdown in our system of justice that begins with the failure of the Federal Bureau of Investigation and the Department of Justice to investigate and prosecute violations of the Constitution and unlawful conduct by other federal agencies. Without equal enforcement of the law there can be no justice.

The Legislative Branch is abdicating its responsibility to effectively oversee the activities of the Executive Branch to assure their compliance with the Constitution and the laws of the land. The typical response to the complaints of FoodQuestTQ, the Wesleyan Company and Demodulation when seeking congressional help has been "We do not get involved in legal matters." In all cases, attempts by FoodQuestTQ, Wesleyan Company and Demodulation have been rebuffed by the various committees on Capitol Hill with the jurisdiction to act. In the case of Demodulation there was direct influence peddling by members of congress on behalf of large corporations to force the small company out of business.

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In both the cases of Wesleyan Company and Demodulation, the Judicial Branch of Government was corrupted by government counsel and judicial misconduct that entailed the intentional exclusion of material evidence by the courts themselves of irrefutable proof of government wrongdoing. The owner of FoodQuestTQ, after being forced out of business, was left destitute and unable to pay for legal counsel.

### REQUEST FOR CONGRESS TO APPOINT A SPECIAL PROSECUTOR

Based on the foregoing description and our exhaustive investigations of the FoodQuestTQ, the Wesleyan Company and Demodulation matters, we are formally requesting the appointment of an independent special prosecutor to investigate the activities of federal agencies in the misappropriation and development of advanced technologies stolen from U.S. citizens in violation of the Constitution and laws of the United States.

### ATTACHMENTS TO THIS LETTER

1. The Institute for Complexity Management (ICM) has completed an exhaustive investigation of the FoodQuestTQ matter. The investigation revealed corruption involving RICO criminal predicate acts by the Food and Drug Administration, their parent agency the Department of Health and Human Services, the Federal Bureau of Investigation and the Department of Justice. The report was provided to the Baltimore Office of the FBI requesting an investigation. No investigation ensued. We request that the House and Senate Judiciary Committees establish a single point of contact to receive via electronic means the extensive computer library of exhibits that are referenced in the attached report. A copy of the report is affixed at Tab 1.

2. The Institute for Complexity Management (ICM) has completed an exhaustive investigation of the Wesleyan Company matter. The investigation revealed corruption involving RICO criminal predicate acts by the U.S. Army. The investigation also revealed U.S. Army counsel and judicial misconduct involving the Armed Services Board of Contract Appeals. The report was provided to the Baltimore Maryland and Dallas Texas Offices of the FBI requesting an investigation. No investigation ensued. We request that the House and Senate Judiciary Committees establish a single point of contact to receive via electronic means the extensive computer library of exhibits that are referenced in the attached report. A copy of the report is affixed at Tab 2.

3. The Institute for Complexity Management (ICM) has completed an exhaustive investigation of the Demodulation matter. The investigation revealed massive corruption involving RICO criminal conduct by the U.S. intelligence community and their contractors including (redacted); New York State Government; public-private enterprise development agencies in New York; (redacted), and; the State University of New York. A complete copy of the investigative report is affixed at Tab 1. The report was provided to the Albany, New York City, Newark and Baltimore Field Offices of the FBI requesting an investigation. No investigation ensued. We request that the House and Senate Judiciary Committees establish a point of contact to receive via electronic means the extensive computer library of exhibits referenced in the attached report. A copy of the report is affixed at Tab 3.

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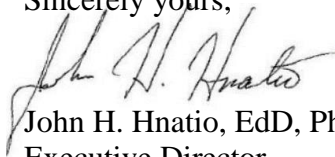
4. Between December 2014 and December 2015 I (Dr. John Hnatio) wrote two letters to Ms. Robin Ashton, Chief Counsel, Office of Professional Responsibility of the Department of Justice. The letters to Ms. Ashton came on the heels of tens and tens of requests to the Federal Bureau of Investigation (FBI) to mount a criminal investigation of the Demodulation matter. The FBI never acknowledged our repeated requests for an investigation. The letters informed Ms. Ashton of suspected RICO activities and the failure of the FBI to investigate the crimes being reported to them. The letters requested a separate investigation by her office. Ms. Ashton did not respond to any of the letters which are affixed at Tab 4.

5. On February 28, 2016, the Institute for Complexity Management filed a Freedom of Information Act request with the Department of Justice (DOJ) seeking specific documents that show the U.S. Government violated the Constitution of the United States and obstructed justice. On March 3, 2016, we received a letter from Mr. Lyn Hardy, Special Counsel for FOIA/PA of the DOJ Office of Professional Responsibility (OPR) stating that my (Dr. John Hnatio's) certification of identity previously provided to the DOJ under penalty of perjury pursuant to 28 U.S.C. §1746 was not sufficient to identify me as the true requestor of the information triggering a potentially months long appeal process to delay the release of the requested documents. On March 29, 2016, we filed an official appeal. The FOIA request asks for documents showing that the FBI disregarded numerous requests to investigate the matter of FoodQuestTQ, Wesleyan Company and Demodulation. We are awaiting a ruling from DOJ on our appeal. A copy of the FOIA request to DOJ is affixed at Tab 5.

6. On April 28, 2016, I (Dr. John Hnatio) wrote a letter to my Congressman, Chris Van Hollen, regarding the matter of FoodQuestTQ and the National School Safety Collaboratory another victim of the government theft of their intellectual property. A copy of the letter is affixed at Tab 6.

7. On May 11, 2016, I (Dr. John Hnatio) wrote a confidential letter to the Senate Committee on Intelligence with a copy to the House Permanent Select Committee on Intelligence with attachments. This letter to the House and Senate Intelligence Committees was made to protect the national security as it relates to the case of Demodulation. The attached letter does not include copies of the attachments. We request that this letter be shared only with the members of the Senate and Judiciary Committees and specifically authorized members of their staffs. A copy of the letter is affixed at Tab 7.


Sincerely yours,



John H. Hnatio, EdD, PhD  
Executive Director

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Post Script: September 26, 2016. Senator Grassley and Representative Goodlatte never responded to this letter. When we called and asked their staffs about the possibility of receiving some type of response we were put to voice mail and never heard a word back.

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