

The Most Significant Whistleblower on Government Malfeasance in  
American History Languishes Unsung in a Federal Prison  
after a Corrupt Trial

In 2003, Peter Hendrickson published his first book, 'Cracking the Code- The Fascinating Truth About Taxation In America'. The book reveals how the federal and state governments have been systematically extracting trillions of dollars from hapless Americans for decades by exploiting a widespread, tax-agency-cultivated misunderstanding about the true nature of the income tax.

The fact is, while millions of Americans DO owe income taxes each year, because some or all of their earnings DO qualify as “income” within the statutory and Constitutional structure of the tax, many, many millions more do not, because THEIR earnings DO NOT qualify as “income”. Those who don’t understand the specialized meaning of this term in the tax law subject themselves to taxes that they don’t really owe, including Social Security and Medicare taxes, as well as those more generically labeled, and state and federal tax agencies are happy to take the money.

Hendrickson, who became the first American in history to recover Social Security, Medicare and all other federal income tax-related amounts withheld from him the same year ‘Cracking the Code’ was first published, has now written three books on the subject of federal taxing authority and other Constitutional issues. Tens of thousands of his readers have been getting all THEIR money back -- week after week for more than seven years now -- from federal and state governments that never really had legitimate claims to the taxes for which it was taken in the first place. The feds, especially, don't like this one bit.

During these seven years, the IRS and DoJ have tried repeatedly to suppress Hendrickson's books and readership. This began with a series of attempts to charge him with "promoting an abusive tax shelter" on the basis that what he reveals about the law is

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false. Four such assaults were defeated in federal courts in Michigan and California over the course of 2004 and 2005.

Unable to successfully attack the information, the agencies then began efforts to frighten readers away from the books. In 2006, four days before "tax day", the IRS announced in a national press release that Hendrickson and his wife were being "sued" to recover complete refunds that the agency claimed were issued by "agency mistakes" (even while it continued to make tens of thousands of identical "mistakes" to ever-increasing numbers of Hendrickson's upstanding readers demanding the return of THEIR property).

After sitting for 9 1/2 months on the Hendricksons' immediate motions to dismiss the suit on various grounds, the judge in the case, Nancy Edmunds, simply "found" all allegations in the government's complaint to be "facts". She issued a "summary judgment" in the government's favor -- without a word of explanation, without ever holding so much as a hearing, and without the government ever producing any evidence attempting to support its "complaint". It didn't need to -- the fix was in. A very readable legal brief detailing some of the key improprieties involved in this "judgment" can be found at <http://losthorizons.com/PostCivilVacateAppealBrief.pdf>.

The Hendricksons appealed, but the circuit court, which as a matter of policy defers to a district court's "finding of fact" on the presumption that they are made in good faith and are based on evidence, upheld the judgment (but only by way of an opinion it refused to publish even after being asked to do so by the DoJ...)

There has never been a single word of analysis or reasoning ventured to support the summary decree in this uncivil affair -- indeed the "final judgment" was written in its entirety by the DoJ attorney who "argued" the case for the government. Nonetheless, the IRS announced nationwide that "Hendrickson has lost in court!" with as much fanfare as it could manage, and continues to do so to this day. What it DOESN'T mention in its press releases and on its official and private-label websites is that the government has never gotten a penny from the Hendricksons, and that its own Dept. of Treasury records actually show not only that the Hendricksons have never owed a tax for the years involved, but that the feds still owe them the return of more withheld money.

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In fact, in a subtle but telling admission of the complete accuracy of what Hendrickson has revealed about the tax, the government, three years after the civil case summary judgment, has found itself having to ask the court to order the Hendricksons to create "amended" tax returns containing government-dictated numbers and other information, and to prohibit them from indicating that such instruments are coerced and not their own testimony. The idea, it admits, is that it can then pretend that the returns are voluntary admissions by the Hendricksons on the basis of which the government will further pretend that they do owe a tax for the years involved, and take money from them. This even though the whole pretext for the "lawsuit" in the first place was that such a tax debt had already long since been established...

Despite all the fanfare with which the government tried to make much of its "civil action" against Hendrickson, no dent was put in his readership, or its activism. Indeed, the bogus assault had the opposite effect. Anyone who actually read through the filings in the case quickly saw that the government "complaint" was a corrupt ploy, and therefore just another admission that it has no legitimate argument to make against Hendrickson.

Consequently, this backdoor admission of the accuracy of Hendrickson's revelations about the income tax simply joined the thousands of obvious and straightforward varieties represented by millions of dollars of complete refunds of withheld, paid in or seized property routinely and continuously being made to Hendrickson's readers by the federal and, so far, 33 state governments as well, sometimes even only after extended resistance by balky tax agencies trying to turn back the tide. Hundreds and hundreds of the checks, "closing notices" and lien and levy releases, along with the complete filings leading to all these results are posted on Hendrickson's website, [losthorizons.com](http://losthorizons.com), which by the time of the "civil" government attack had grown to routinely logging 1.25 million hits every month from Americans stepping up to learn the liberating truth about the tax.

In addition to his transformational (and Big Brother-inhibiting) revelations about the income tax, Hendrickson is a prolific essayist on other areas of law and public policy--regularly publishing sharp criticisms of federal corruption and revealing well-concealed,

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but fully-functional legal limitations on government authority in a host of areas, from gun control to drug prohibition. In 2008, the feds escalated their efforts to silence him.

In November of that year, after failing in front of three grand juries, the feds finally figured out how to get one to indict Hendrickson. He was charged with ten counts of not believing what he has said in his books and the dozens of lectures on the tax he has made all over the country, and the hundreds of articles and legal papers he has written on the subject, and what the feds themselves have been admitting to be true for almost a decade, week in and week out.

Technically, the charges allege that when Hendrickson said on various tax forms that he had not received any of the statutorily-defined payments known as "wages" -- which in tax law are NOT normal, undistinguished 'payments for labor' but are a special class of payments made to government workers, office-holders and appointees, and a number of other specialized recipients, and which are subject to the tax -- this was untrue, and he believed it was untrue. But the government couldn't produce any evidence of his receipt of such "wages" in the trial that took place in Detroit during late October, 2009.

Indeed, not a single government witness testified about Hendrickson's receipt of anything at all, or that anything on his tax forms was false, incomplete, or wrong in any way. But the government was allowed by the presiding judge to present to the jury hundreds of pages of briefs filed by the DoJ in the "civil" case containing unsupported assertions and speculations by government attorneys and others that the Hendricksons had received "wages" and "self-employment income" during 2002 and 2003, while being excused from producing any of the authors, who should have been made to face Hendrickson and explain their words to the jury, and risk impeachment over these suggestive statements.

The jury, even after asking to see the actual words of the law relevant to the charges, and even despite Hendrickson's insistence that it be given this actual language of the law, was denied this request. Instead, it was given only prosecution-written "interpretations" of these statutes -- per a ruling made by the judge AFTER the close of the defense presentation. Jurors were told they were obliged to render their decisions in the case

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based exclusively on those completely inaccurate, but prosecution-serving "interpretations", which had been carefully designed to oblige the jury to convict.

Nonetheless, as it has for three years since the "civil lawsuit summary judgment", the IRS touts the outcome in this kangaroo-court trial as a "loss in court" for Hendrickson and what he teaches about the law. It is, of course -- in the same sense that Galileo "lost in court" over the question of whether Earth revolves around the Sun, since he, too was convicted for his heresy and ended up imprisoned...

Actually, Galileo's story is not so apt an analogy, in one sense. While both his "trial" and Hendrickson's really involved the mere exercise of power against inconvenient men, rather than an honest truth-finding process, at least in Galileo's case the Church resorted to what it sincerely believed to be authority supporting its position. In the Hendrickson suppression, no one on the government side believes Hendrickson is wrong, and the prosecution and the trial judge did everything possible to avoid any resort to authority, knowing that all the authorities are against them. Indeed, the judge even went so far as to prohibit the defense from bringing in IRS experts to explain aspects of the tax to the jury.

Tellingly, despite this latest "loss in court" for Hendrickson and his revelations about the tax, his readers continue to get all their money back week in and week out, even as he sits behind federal razor-wire.

Details on the history of the government campaign to suppress Hendrickson's revelations, with documentation, can be found at <http://losthorizons.com/ADocumentedCtCSuppressionHistory.pdf>. A very layman-friendly legal brief laying out the corrupt practices in trial that resulted in Hendrickson's railroad conviction can be found at <http://losthorizons.com/PostCrimAppealBrief.pdf>. For a quick introduction to the liberating truth about the income tax, see <http://losthorizons.com/Intro.pdf>.

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