

Device maker has a flair for drumming up business and scorn

BY JOE RYAN
STAR-LEDGER STAFF

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Dennis Lee is a salesman. The charismatic 62-year-old from Passaic County has traveled America for decades, hawking inventions at convention centers, hotel ballrooms and sun-drenched state fairs. Delivering his folksy pitch in a suit and tie, Lee invokes Scripture while he accuses Washington of suppressing innovation to

protect big oil companies

Authorities describe him as a cross between P.T. Barnum and Jimmy Swaggart, a convicted felon who has touted fertilizer that grows 17-foot-tall corn and engines that run on pickle juice and soda pop.

Now, after years of taking lumps from skeptics and consumer-affairs investigators, Lee is fending off accusations from the federal government. In January, the Federal

Trade Commission filed suit in New Jersey, accusing Lee of making false claims about his latest device, which sells for \$1,000 and purports to "turn any vehicle into a hybrid."

"He is the epitome of a stake oil salesman," said Jack Zurini Jr., an assistant attorney general from Washington, one of at least nine states that have charged Lee with violating consumer protection laws. Lee sat recently in U.S. District Court in

Newark wearing a baggy suit, accented by a broad yellow tie and matching handkerchief. His graying brown hair was combed back, and his beard was trim.

Lee scribbled notes on a yellow pad as his lawyer, Jack Wenik, explained to U.S. District Magistrate Judge Michael Shipp how the device, the Hydro-Assist Fuel Cell injects hydrogen into engines to accelerate [See LEE, Page 8]

LEE

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combustion and improve gas mileage. Malini Mithal, an FTC lawyer, said the premise was absurd.

"These claims violate the basic laws of science," she said.

Lee declined to discuss the case at length with a reporter, although he said he did not understand why the government wants to put him out of business.

"It seems pretty sick that the FTC would be trying to kill something that would get us better gas mileage," he said.

Lee's company, Dutchman Enterprises, is headquartered in his house amid the wooded hills of Newfoundland, a section of West Milford Township. The three-story white clapboard Colonial stands on Route 23, about 20 miles north of Morristown. Children's toys lay in the backyard on a morning last month. A sticker on the back door read "Warning: This house is protected by Jesus Christ."

Dutchman employs 24 workers and sells the Hydro-Assist Fuel Cell only to dealers. It is unclear how many have sold; Lee reported in court papers that Dutchman has trained 1,000 mechanics to install the device.

Authorities say many of Lee's clients are evangelical Christians who share his conservative religious beliefs, or conspiracy theorists who share his suspicions of the government. "He knows how to market to these people," said Zurini, who met Lee in 2001. "Like any fraudster, he has a gene that makes people trust him."

Dale Hoppas of Port St. Lucie, Fla., said he met Lee in January at a demonstration in St. Louis. Hoppas installed a Hydro-Assist Fuel Cell in his 2007 GMC Sierra truck. Gas mileage, he said, has jumped 52 percent.

"It just boggles my mind that our government would want to stop someone from making something that works," said Hoppas, 40, an insurance adjuster who recently took up selling Hydro-Assist Fuel Cells as a side job.

Rick Brancadora is general manager of WIBG Life Radio, a Christian station based in Ocean City. He said he installed a Hydro-Assist Fuel Cell into his 2005 Honda Accord as part of an investigative story into alternative energy. His highway mileage jumped from 33 to nearly 100 mpg, he said. Others customers are less satis-

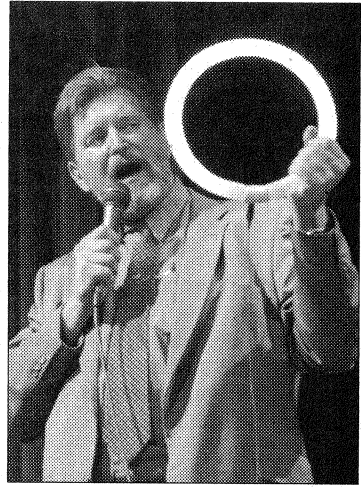


PHOTO BY RENEE BYER

Dennis Lee pitches an invention, a "free electricity machine," at a Portland, Ore., school in 1999.

Eric Krieg, an electrical engineer and member of a group of skeptics that challenges inventions, said he first saw Lee in 1996 during a demonstration at a cavernous hockey arena in Philadelphia. He recalled chuckling as Lee described an ultra-efficient generator he vowed to build after a certain number of people agreed to buy franchises for \$10,000 a pop. Then he looked around the arena and saw heads nodding in agreement.

"I thought, 'My God, these people are buying this,'" said Krieg, who launched a website after the show to rebut Lee's claims. Lee, in turn, filed a lawsuit against Krieg in federal court. The suit is pending.

YOUTH IN MOTION

Dennis Merle Lee was born in Yakima, Wash., in the shadow of Mount Rainier. He was the second of four children. Lee's father picked fruit in nearby orchards, according to his older sister. Sandy Noe, 64, of Quincy, Wash., recalled Lee as a bright and charming boy who earned A's in school without studying.

In the early 1950s, Lee's father traded picking fruit for building interstate highways and took the family on the road, Noe said. They flitted from state to state. Lee had attended 24 schools by the time he was a teenager, she said.

Wherever he went, people liked him, according to Lee's brother.

"Young people and old people just wanted to be around him," said Stanley Lee, 49, a painting contractor who lives in Louisville, Ky.

After a stint as a medic in the Army, Lee studied three years at

in Ventura, Calif. He was arrested in 1988, accused of fraud for marketing of a pump he said generated electricity, according to court documents. He pleaded guilty two years later and served 13 months behind bars, according to the California Department of Corrections and Rehabilitation.

Lee said he was framed. "I was railroaded, kidnapped, thrown in prison without any due process of law," he told an FTC lawyer during a deposition in January.

By 1996, Lee was back selling on the road. Authorities said his products included an all-but-indestructible plastic house, drinkable insecticide, and "the Hummingbird Motor and Sundance Generator," which Lee said created more energy than it used by capitalizing on magnets and the fourth law of motion.

"There is no known or acknowledged fourth law of motion," said David Maiullo, a faculty member of the Rutgers University physics department.

By 2003, Lee's legal troubles were mounting. In addition to California, at least eight states charged him with violating consumer protection laws, according to court documents: Alaska, Idaho, Kentucky, Maine, New Mexico, Oregon, Vermont and Washington.

HYDROGEN AND GASOLINE

Lee began selling the Hydro-Assist Fuel Cell in 2007. The stainless steel device stands about 6 inches tall, weighs roughly 10 pounds and comes with a series of wires and nylon tubes.

"It's a solid component," said Sam Burlum, president of Extreme Energy Solutions in Ogdensburg. He said he has installed nearly 200 of the apparatuses since June.

Using power from the vehicle's battery, the Hydro-Assist Fuel Cell draws hydrogen from distilled water stored in a small tank under the hood, according to court documents filed by Wenik, Lee's attorney. The hydrogen — which Lee claims has five times the potential energy of gasoline — is injected into the engine's combustion chamber, where it acts as an accelerant. As a result, according to Lee's experts, less gas is required to convert the thermal energy of the explosion within the combustion chamber into mechanical energy.

In other words, Lee claims the hydrogen makes the gasoline burn more efficiently and, therefore, increases gas mileage. Lee claims the device is guaranteed to boost mile-

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Others customers are less satisfied.

"It didn't work," said William Johnson, 77, a retired school teacher from Vineland who said he spent \$1,900 in June to buy and install the Hydro-Assist Fuel Cell on his 2005 Mercury Sable.

"I'm not satisfied at all," said Raymond Huggins, 90, of Moundsville, W.Va. He said his 2007 Lincoln MKX has not started properly since the device was installed in October. The gas mileage doesn't seem to be better, either.

"Maybe one mile — but I doubt that," said Huggins, a retired corrections officer.

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"Young people and old people just wanted to be around him," said Stanley Lee, 49, a painting contractor who lives in Louisville, Ky.

After a stint as a medic in the Army, Lee studied three years at Fairleigh Dickinson University and left in 1973 without a degree, according to school records. He later lived in Fair Lawn and ran a home improvement business.

"I kind of lost track of him after that," Stanley Lee said.

At some point in the 1970s, Lee became obsessed with energy-saving inventions and became deeply religious, his brother said. On one of his websites, called the Kings & Priests Ministries, Lee writes that God commanded him to create inexpensive, efficient and pollution-free energy.

By the late 1980s, Lee was living

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In other words, Lee claims the hydrogen makes the gasoline burn more efficiently and, therefore, increases gas mileage. Lee claims the device is guaranteed to boost mileage at least 50 percent.

William P. Halperin, the John Evans Professor of Physics at Northwestern University, said the claim is outlandish.

Halperin said he spent between 25 and 30 hours studying Dutchman's literature on the Hydro-Assist Fuel Cell as a paid expert for the FTC. The professor — who acknowledged he never personally examined the device — said Dutchman's claims violate multiple scientific principles, including the law of thermodynamics.

Instead, Halperin said, the Hydro-Assist Fuel Cell would drain energy from the battery and make the car less efficient.

And does hydrogen have five times more potential energy than gasoline?

"No," Halperin said. "That's just not true."

The FTC filed its complaint against Lee and Dutchman in January. Days later, U.S. District Judge Faith Hochberg granted a temporary restraining order freezing Dutchman's assets. The move nearly put Lee out of business, he said.

But after a hearing, Judge Shipp recommended the order be denied. While skeptical about the Hydro-Assist Fuel Cell, the judge said it was unnecessary for Dutchman to suspend operations before a trial.

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