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'NXIVM is a litigation machine'

Criticize Keith Raniere or tell the public NXIVM's secrets and you'll be sued, several subjects say

By James M. Odat and Jennifer Gish Updated 12:41 pm, Tuesday, March 13, 2012



IMAGE 1 OF 14

Steve Rombom, a private investigator who contacted several associates of NXIVM.

They joined NXIVM hoping to secure an improved life. But when they left the organization, they found themselves entangled in the court system, bankrupt and in one case suicidal.

Some people who have defected from NXIVM have said the same leaders who preach humanitarianism are also master intimidators who will wring out opponents with years of litigation, use **private investigators** to bully and urge the government to pursue charges against those they believe have crossed them.

"They'll go to the ends of the earth to destroy you," Susan Dones, who once established a NXIVM training site in Washington state but broke away from the group in 2009, said in court last fall. She and her partner and former NXIVM trainer Kim Woolhouse were representing themselves against NXIVM's claims they had violated their confidentiality agreements with the organization.

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"NXIVM is a litigation machine that is quick to file legal action against anyone who expresses an opinion about their 'leader' Keith Raniere's behaviors," the women told the court.

The judge in that case, Brian D. Lynch, agreed with some of that sentiment while noting that Dones was not blameless. "NXIVM's claims and litigation tactics were disproportionate and largely lacking in merit," Lynch ruled in dismissing nearly all of the claims against Dones.

"NXIVM's pursuit of Woolhouse is another matter entirely and sheds light on its true motivations," the judge wrote in his Oct. 25 opinion, in which he called the treatment of Woolhouse "deplorable." "Her 'sin' was to attempt to walk away after discovering that NXIVM was not what she thought or hoped. In return, she was labeled as 'suppressive,' a term that NXIVM applies to former associates who leave the company or whom NXIVM perceives to be its enemies, and subjected to protracted litigation from two large law firms and a phalanx of attorneys."

About 10 people, including cult tracker Rick Ross, four former NXIVM members and one former NXIVM attorney, have fallen into the self-improvement organization's legal cross hairs, pummeled with court filings some of them have said are meant to deliberately slow the judicial process and punish defendants for defecting from or speaking out against the group.

More Information

This series

"Secrets of NXIVM: The untold story of

But what several of these people have called harassment and intimidation has extended beyond the courtroom.

Ross, the cult tracker NXIVM **sued for publishing portions of its training program**, has alleged private investigators hired by NXIVM rifled through hi

Keith Raniere, "is the result of a more-than-year-long examination of the self-improvement guru and conceptual founder of NXIVM, which has attracted students from Vancouver to Mexico but remains rooted in the Capital Region.

The reporting includes scores of interviews and a review of business records, police reports and thousands of pages of court documents, which provide a window into Raniere's world, but it comes without an interview with the elusive Raniere, who did not respond to repeated attempts to get comment. It also lacks any response from the women who surround him and serve as NXIVM's lifeblood. They, and the lawyers who represent the organization, have refused repeated requests to speak with them.

The four-part series — which details the grasp of mind, money and body Raniere has held over some followers — unfolds in print, online and with a special report for the iPad.

- **Part 1: An overview of Raniere and his unusual life.**
- **Part 2: Relentless litigation wrought against NXIVM defectors.**
- **Part 3: Raniere's multi-level marketing mind.**
- **Part 4: A history of Raniere's sexual conquests.**

trash, searching for financial records. After being sued by Ross, the private investigators **denied knowledge of it** in court papers.

Toni Natalie, a former girlfriend and business associate of NXIVM founder Keith Raniere, said a breakup with the self-improvement guru began with pleas for her to return to him and developed into an eight-year bankruptcy nightmare, an alleged campaign outside the business she once owned and a report to police that one of Raniere's close associates had been **tampering with her mailbox**. Bankruptcy Judge Robert Littlefield sized up Raniere's litigation against Natalie this way: "The individual challenging the Debtor's discharge is her former boyfriend this matter smacks of a jilted fellow's attempt at revenge or retaliation against his former girlfriend, with many attempts at tripping her up along the way."

Another woman mentioned the organization in her **suicide note**, only to have leaders of NXIVM suggest after her death that she was part of a **drug ring**, as recounted in sworn testimony.

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Barbara Bouchee left NXIVM in 2009, but in February as she testified before a federal magistrate, she detailed how the group would not let go.

Bouchee, a financial planner who once served as an executive board member of NXIVM, financial manager

for two top NXIVM devotees and girlfriend of NXIVM founder Keith Raniere, sounded in her court testimony to be ground down by the process, which included hours of sometimes intense depositions with NXIVM attorneys.

"NXIVM has brought two adversarial lawsuits against me. The Bronfmans, the Seagram 7 heiresses, who are high-ranking leaders and members, have brought two lawsuits against me, two that are still currently pending," Bouchee **told a federal magistrate** in New Jersey while testifying in the case of Ross. "They've reported me to my financial planning ethics board. They reported me to FINRA (Financial Industry Regulatory Authority) ... both for criminal investigation and misappropriation of funds, which are completely unfounded. They also brought in the district attorney of Saratoga County of accusing me of extortion and criminal charges because I asked Keith Raniere to pay me back \$1.6 million that he owes me, which now is being mislabeled into extortion. I've already been dragged into three or four of their other lawsuits as a witness and produced 23 boxes of material, over a hundred thousand pages."

Bouchev has said NXIVM's legal onslaught has cost her more than \$400,000 in legal and adviser fees the past two years. After heavy litigation within her bankruptcy case from NXIVM and the Bronfmans a bankruptcy judge **threw out her Chapter 11 filing** and exposed her to creditors earlier this year.

Raniere and his NXIVM associates did not respond to repeated requests for comment.

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Ross, the cult expert who was sued for publicizing portions of NXIVM's training program, considers himself the luckier of those challenged by NXIVM, though he has been bound in litigation for eight years. Investigators allegedly hired by NXIVM, he said, **rifled through his garbage**, obtained his bank and phone records and kept his home office under surveillance. Ross **sued the investigation firm** and reached a confidential settlement agreement in 2008. The firm then made claims to recover damages and legal costs from NXIVM, **insisting NXIVM officials had approved all their actions involving Ross**, who still has an invasion of privacy case pending against NXIVM. NXIVM is fighting all the claims against it, but despite the stress of being pursued, Ross feels fortunate he had attorneys representing him at no charge during these years of court proceedings.

Joseph O'Hara, an Albany businessman and former owner of locally based professional sports teams, served as an adviser to NXIVM in 2003 and 2004 before leaving in early 2005. He resigned, giving NXIVM a **letter that accused the organization of committing illegal acts**, including the tactic used to investigate Ross, according to a document filed in court. He told Ross of a history of questionable tactics used by NXIVM. NXIVM leaders accused him of criminal activity. He and his company were driven into bankruptcy because of litigation brought against him by NXIVM and the Bronfman sisters, Sara and Clare, and he is unemployed after being let go by a recent employer, who told him he didn't like getting caught up in the litigation.

Meanwhile, NXIVM lawyer Robert Crockett told a federal judge that some of NXIVM's detractors have been involved in schemes to hurt or harass the organization or its members.

Emails from O'Hara produced by NXIVM in the Dones and Woolhouse case showed he was urging Dones and others to call child protective services about a child being raised by a NXIVM member when Crockett contends there was no cause for investigation. Crockett produced emails showing O'Hara also was in touch with Dones and Toni Natalie, Raniere's former girlfriend. In one of the emails, Dones responds to O'Hara by writing "I love that we are a bug up their ass." Trial testimony did not provide further details. The judge later noted there was no evidence Dones ever made calls to child protective services.

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Sometimes, rather than filing a civil suit, NXIVM has chosen other tactics to silence its critics. The movement and its devotees have hired political figures or high-profile lawyers to push its agenda, sometimes attempting to spur a criminal investigation.

Many of those services have been paid for by Clare Bronfman, or her sister, making it unclear whether the deal was made for work done on behalf of NXIVM. It's part of a cloudy relationship between the personal interests of NXIVM members and the organization itself, one a federal judge struggled to

separate in a February 2007 ruling, where several NXIVM members were plaintiffs in a **case against O'Hara**.

"Further, notwithstanding we have twelve Plaintiffs, it appears that NXIVM is the heart and soul of Plaintiffs' case against the Defendants," federal magistrate Randolph F. Treece wrote. "Therefore, for the sake [of] brevity, since all of the Plaintiffs appear to be united in interest, we will refer to the plaintiffs collectively as NXIVM."

During the same time period, former Massachusetts Attorney General Scott Harshbarger — a partner in a law firm once used by NXIVM — contacted Capital Region district attorneys and **encouraged a criminal investigation of Joseph O'Hara**, who had gotten embroiled in a legal dispute with the Bronfman sisters. Harshbarger met with Saratoga County District Attorney James Murphy and with Albany County District Attorney David Soares, according to Murphy and a Soares spokeswoman. The district attorneys did not suggest Harshbarger's actions were improper.

Soares' staff allowed Kristin Keffe — one of Raniere's top aides — to enter the DA's office for several weeks, helping develop a case against O'Hara. She was allowed access because she worked for an organization that was an alleged victim of crime, Soares spokeswoman Heather Orth said.

Prosecutors working for Soares were able to get a grand jury to indict O'Hara in 2007 for alleged grand larceny, but the charge against O'Hara was dismissed by a state judge for insufficient proof shortly after.

The district attorney's office did not seek another indictment because there was no more evidence to prove intent to steal, Orth said. Orth said Harshbarger's contact on behalf of the Bronfmans did not influence the prosecutor.

Although Keffe was allowed to work in the DA's office to assist in understanding allegations, it was an arm's-length relationship, according to prosecutors. She brought reams of documents and devoted numerous days of effort.

O'Hara has questioned whether Keffe's presence in the prosecutor's office tainted the investigation. Harshbarger, Keffe and the Bronfmans have declined to comment.

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Even in death, Kristin Marie Snyder, a former NXIVM student, wasn't safe from having her reputation attacked.

Snyder was a 35-year-old career-minded environmental consultant in Alaska who spent \$16,000 in three months on Executive Success Programs, self-help training regimens marketed by the group, from November 2002 to February 2003. Two of the sessions were 16-day "intensives," workshops that could stretch into 10- and 12-hour days.

According to **Alaska State Police investigators**, on Feb. 6, 2003, it is believed that Snyder drove to a campground in Seward, Alaska, paddled a 16-foot kayak into the bay and intentionally capsized it into the glacier-fed water.

Her body was never found, but a state health department jury **declared her death a suicide**. Police had discovered a spiral notebook in her truck.

"I attended a course called Executive Success Programs (a.k.a. Nexivm) (sic) based out of Anchorage, AK, and Albany, NY," she **wrote**. "I was brainwashed and my emotional center of the brain was killed/turned off. I still have feeling in my external skin, but my internal organs are rotting. Please contact my parents ... if you find me or this note. I am sorry life, I didn't know I was already dead. May we persist into the future." Calling the note a fake, NXIVM members put forward a theory different from the authorities: **They say Snyder faked her death to escape a drug ring** The theory came out in court testimony from Bouchey, who was there when various NXIVM members discussed the suicide.

"There was no drug ring," insisted Kenny Powers, a former Alaska assistant attorney general and friend of Snyder's. He was director of the Nordic ski patrol that Snyder had been a member of, and which led the search for her body. Powers saw Snyder in the days before she disappeared. He recalled her as suicidal, a dramatically different person from the level-headed woman he knew for years before she began NXIVM courses and traveled to Albany to meet Raniere.

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Toni Natalie thought ending her eight-year relationship with Raniere would be like cutting any other boyfriend loose. Instead, she received a **map showing her path to demise** and heard constant pleas by one of the women in his inner circle to return to him.

Joan Schneier, Natalie's mother, said Raniere once called to say Natalie must come back to him. "He went on and on," Schneier said. "He talked with a soft voice ... like he was counseling me that she should come back with him, and if she didn't, he would see her dead or in prison." If she didn't hear from Raniere himself, Natalie said his inner circle of women pursued her about her "karmic mistake."

Natalie said Keeffe, the same woman who later spent time in the district attorney's office urging an investigation of O'Hara, stood vigil for weeks outside the restaurant she once ran in Saratoga Springs and appeared at her door saying she had a vision Natalie was coming back to the family. Natalie said Keeffe would call her "the chosen one" who is "supposed to have the child that will save the world."

During Natalie's 2002 bankruptcy hearing, **Keeffe said she did not recall standing in front of the business for five hours and testified she didn't remember police asking her to move**, but she confirmed bringing flowers and chocolates to Natalie and filing a complaint against a police officer who "threatened" Keeffe's roommates. Natalie said the officer was checking complaints about Keeffe's vigil.

In another incident in 1999, Natalie secured a **restraining order against Barbara Jeske**, a longtime member of Raniere's inner circle, after she'd **videotaped Jeske tampering with her mail**.

Jeske did not respond to repeated requests for comment.

Today, Natalie, who said she was **diagnosed with post-traumatic stress disorder** as a result of

her final dealings with Raniere and those around him, attributes the recent breakup of her marriage over the past decade to NXIVM. Her husband, Scott Foley, said he got fed up with Natalie's preoccupation with NXIVM. "It was always present and one of the foremost things in her mind," Foley said. Although Natalie has a healthy grown son whom she loves so much, he said, she carries a fierce resentment toward Raniere for the stress he brought on her family.

"[Raniere] teaches through intimidation. He takes good people looking for a better way of doing things and uses their vulnerabilities to control them," she said. "And I've always wondered why he's pursued me for so many years. What secret do I hold?"

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