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**Department of Justice**

U.S. Attorney's Office

District of Maryland

FOR IMMEDIATE RELEASE

Thursday, August 10, 2017

## **CEO Indicted For Wire Fraud And Aggravated Identity Theft**

FOR IMMEDIATE RELEASE  
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**Greenbelt**, Maryland – A federal grand jury has indicted Zheng Geng, a/k/a “Jason Geng”, age 59, of Vienna, Virginia, on charges related to a scheme to defraud the United States. The indictment was returned on August 9, 2017, and unsealed today upon the arrest of Geng. Geng is the Chief Executive Officer of Xigen LLC (Xigen), which has offices in Maryland and Virginia.

The indictment was announced by Acting United States Attorney for the District of Maryland Stephen M. Schenning; Inspector General Paul Martin of the National Aeronautics and Space Administration Office of Inspector General; Inspector General Allison Lerner of the National Science Foundation Office of Inspector General; Special Agent in Charge Nick DiGiulio of the Health and Human Services Office of Inspector General; Special Agent in Charge Gordon Thompson of the U.S. Postal Service Office of Inspector General; and Special Agent in Charge Gordon B. Johnson of the Federal Bureau of Investigation, Baltimore Field Office.

According to the six-count indictment, Geng devised a scheme between 2005 to 2016 to defraud the United States by submitting false and fraudulent grant applications under the Small Business Innovation Research (SBIR) Program. The SBIR program aims to stimulate United States technological innovation. A further aim is to foster and encourage participation in technical innovation by socially and economically disadvantaged small businesses that in some instances are at least 51-percent owned and controlled by women. Geng prepared materially fraudulent proposals for awards, subsequent reports, and related communications under the programs.

To support the applications, Geng submitted endorsements for his grant applications using the identities of people without their permission, or misrepresenting their positions within Xigen. In addition, he submitted endorsements that misrepresented active affiliations with various universities including, Harvard University Medical School and Johns Hopkins University School of Medicine, and budgeted funds for subcontractors without their knowledge and without providing them with budgeted funds. With this false information, the United States government approved SBIR program awards and grants through the Department of Health and Human Service's National Institutes of Health and the National Aeronautics and Space Administration. The awards totaled over \$1.8 million.

According to court documents, Geng used the rewarded funds for his own personal use and the use of his family members and associates.

"The NASA Office of Inspector General will continue to aggressively investigate those who undermine and defraud NASA programs and operations," said Inspector General Martin. "The NASA OIG appreciates the efforts of the entire investigative and prosecution team during this multi-year investigation, and we look forward to continued cooperation with our law enforcement partners in this and related matters."

Allison Lerner, Inspector General for the National Science Foundation said, "The SBIR program is a valuable tool for advancing promising new technologies. My office will continue to vigorously pursue attempts to defraud scarce research dollars intended to promote economic growth through innovative SBIR investments."

"The United States Department of Health and Human services provides research grant funds to qualified small businesses; we cannot tolerate the theft of taxpayer funds meant for honest research projects" said Nick DiGiulio, Special Agent in Charge for the Inspector General's Office of the US Department of Health and Human Services.

Geng faces a maximum sentence of 20 years in prison and a \$250,000 fine for wire fraud and a 2-year mandatory minimum consecutive sentence for each of the aggravated identity theft charges.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

Acting United States Attorney Stephen M. Schenning commended the NASA Office of Inspector General, the National Science Foundation Office of Inspector General, the HHS Office of Inspector General, U.S. Postal Service Office of Inspector General and the FBI for their work in the investigation. Mr. Schenning thanked Assistant U.S. Attorneys Phil Selden and Jennifer Sykes, who are prosecuting the case and Assistant U.S. Attorney David Salem who also helped investigate this case.

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