
THE UNITED STATES ATTORNEY'S OFFICE
WESTERN DISTRICT *of* NEW YORK

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Department of Justice

U.S. Attorney's Office

Western District of New York

FOR IMMEDIATE RELEASE

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**Washington State Man, Brother And Sister-In-Law
Arrested And Charged In A Scheme To Defraud Federal
Research Funding**

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ROCHESTER, NY—U.S. Attorney William J. Hochul, Jr. announced today that Haifang Wen, aka Harry, 41, of Pullman, WA, his brother Bin Wen, aka Ben, 44, and Ben's wife Pang Wen, 43, aka Jessica, both formerly of Horseheads, NY and most recently of Great Falls, VA, were arrested and charged by criminal complaint with conspiring to and making false material statements to federal agencies, perpetrating a wire fraud scheme, and conspiracy to engage in financial transactions with the proceeds of the false statement and wire fraud schemes. The charges carry a maximum penalty of 30 years in prison and a \$1,000,000 fine.

"As charged, the defendants took money intended to foster innovative research by small businesses, and instead used for their own personal use," said U.S. Attorney Hochul. "This fraud scheme had the effect of depriving deserving businesses of the opportunity for research funds, while simultaneously hurting the very Western New York communities where the research and work were most needed. This Office will continue to protect federal taxpayers, the agencies that expend public money, and legitimate businesses which seek to fairly compete for research dollars."

Assistant U.S. Attorney Bradley E. Tyler, who is handling the case, stated that according to the complaint, the defendants engaged in a scheme to defraud the federal government of federal research funds that were awarded to companies controlled by the defendants. Haifang Wen, Bin Wen and Pang Wen are accused of:

- fabricating letters of support and investment;
- providing false information in research grant proposals and reports regarding business entities, business employees, business/research facilities, matching funds and investments; and
- providing falsified reports and emails regarding how federal research funds were expended.

The defendants received approximately 30 grants totaling approximately \$8,000,000 from federal agencies, including the National Science Foundation, the Department of Energy, the Department of Transportation and the U.S. Department of Agriculture. The grant award proceeds were to be used for the development of asphalt composition technologies. Grant award funds were initially deposited into bank accounts controlled by the defendants in Horseheads and Elmira, NY, to then be distributed for the defendants' personal use, and not the technology development represented in their grant applications.

The defendants will make initial appearances at a later date in the Western District of New York.

The criminal complaint is the result of a joint investigation by special agents with the National Science Foundation, Office of Inspector General, the Internal Revenue Service, Criminal Investigations, under the direction of Special Agent in Charge Shantelle Kitchen, New York Field Office, Special Agent in Charge Teri Alexander, Seattle Field Office, and Special Agent in Charge Thomas Jankowski, Washington DC Field Office, the Department of Transportation, Office of Inspector General, under the direction of Special Agent in Charge Douglas Shoemaker and the Federal Bureau of Investigation, under the direction of Special Agent in Charge Frank Montoya, Jr., Seattle Division, and Adam S. Cohen, Buffalo Division.

The fact that a defendant has been charged with a crime is merely an accusation and the defendant is presumed innocent until and unless proven guilty.

USAO - New York, Western

Topic:

Financial Fraud

StopFraud

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