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Department of Justice

U.S. Attorney's Office

Northern District of Indiana

FOR IMMEDIATE RELEASE

Monday, November 23, 2020

Former Purdue Professor Sentenced for Scheme to Defraud the National Science Foundation

HAMMOND – Dr. Qingyou Han, 62, of West Lafayette, Indiana, formerly a Purdue University professor and the Director of its Center for Materials Processing Research, was sentenced today to 2 years' probation by U.S. District Court Judge Philip P. Simon. Dr. Han's wife, Lu Shao, 54, of Lakewood, Ohio, was also sentenced, on behalf of her company Hans Tech, LLC ("Hans Tech"), to 2 years' probation. Both Dr. Han and Hans Tech previously pled guilty to the criminal felony offense of wire fraud, in violation of 18 U.S.C. § 1343. Together the defendants were ordered jointly and severally liable to pay \$1,651,996 in restitution; \$1,351,996 to National Science Foundation and \$300,000 to the Indiana Economic Development Corporation, which had provided Dr. Han and Hans Tech with a matching grant in that amount. Dr. Han was also ordered to perform 200 hours of community service and pay a \$25,000 fine.

"The National Science Foundation's ('NSF's') Small Business Innovation Research ('SBIR') program provides small businesses with funding to conduct research and development work that will lead to the commercialization of innovative new products and services. Today's sentence serves as a reminder that fraud in the SBIR Program will not be tolerated," stated NSF Inspector General Allison Lerner. "The NSF Office of Inspector General ('OIG') remains committed to ensuring the integrity of the SBIR program and will actively pursue oversight of these taxpayer funds. I commend the U.S. Attorney's Office for its support in this effort."

The charging documents to which the defendants pled guilty allege that Dr. Han devised a scheme to defraud NSF into giving Hans Tech over \$1.3 million in research grants through its SBIR and Small Business Technology Transfer ("STTR") programs by making materially false and fraudulent pretenses, representations, promises and material omissions. In pleading guilty, Dr. Han, individually, and Ms. Shao on behalf of Hans Tech, acknowledged that the purpose of the scheme was to obtain grant funds allocated for research and to use some or all of those funds for other purposes, including to pay personal

expenses or for the enrichment of Dr. Han, Ms. Shao, or their children. Hans Tech also received \$300,000 in matching grant funds from the Indiana Economic Development Corporation, based upon some of the NSF SBIR/STTR awards. Prior to sentencing, Judge Simon ruled that loss in this case was over \$1.6 million, or the total amount of the grants awarded to Hans Tech.

This case was prosecuted as a result of an investigation by National Science Foundation Office of Inspector General (NSF OIG) with assistance from the Internal Revenue Service, the Federal Bureau of Investigation, and the Michigan City Police Department. This case was prosecuted by Assistant United States Attorney Jill Koster and NSF OIG Investigative Attorney Sonia Khanzode. Ms. Khanzode was designated by U.S. Attorney Thomas Kirsch to serve as a Special Assistant United States Attorney in this case.

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Component(s):

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