

CASE STUDY

Fraud/Theft of Intellectual Property

WHAT HAPPENED

Song Guo Zheng was a professor of internal medicine at The Ohio State University and Pennsylvania State University, where he led a team conducting autoimmune research.

Zheng made materially false and misleading statements on National Institute of Health (NIH) grant applications, seeking to hide his participation in Chinese Talent Plans and his affiliation and collaboration with a Chinese university controlled by the Chinese government. He failed to disclose conflicts of interest or his foreign commitments to his American employers or to the NIH. Zheng also hid his affiliations with at least five research institutions in China.

Zheng used research conducted in the United States to benefit the People's Republic of China by developing China's expertise in the areas of rheumatology and immunology.

Zheng was arrested on May 22, 2020, after he arrived in Anchorage, Alaska, aboard a charter flight. He was prepared to board another charter flight bound for China. He was carrying a briefcase containing two laptops, three cell phones, several USB drives, several silver bars, and expired Chinese passports for his family, deeds for property in China and other items.

Zheng pleaded guilty and admitted he lied on applications in order to use approximately \$4.1 million in grants from NIH to develop China's expertise in the areas of rheumatology and immunology. Zheng was sentenced to 37 months in prison for making false statements to federal authorities. Zheng was ordered to pay more than \$3.4 million in restitution to the NIH and approximately \$413,000 to The Ohio State University.

INDICATORS

- **Foreign Considerations** – Zheng was a participant in the Chinese government “Thousand Talents” recruitment program. Zheng also hid his affiliations with at least five research institutions in China. Zheng was a Chinese National and possessed an expired Chinese passport. Zheng was attempting to travel back to China when he was arrested.
- **Access Attributes** – As part of his work, Zheng had access to classified material related to his research for NIH.
- **Financial Considerations** - Zheng fraudulently obtained approximately \$4.1 million in grants from NIH.



Song Guo Zheng

- Chinese National
- Professor and Researcher at The Ohio State University and Pennsylvania State University
- Age 58 at time of sentencing
- Participated in the Chinese Thousand Talent program



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of Security Excellence

IMPACT

- “Zheng’s sentencing today is a recognition of the constant threat posed by the Chinese government to steal research funded by American taxpayers,” said Special Agent in Charge Chris Hoffman for the FBI’s Cincinnati Field Office. “Zheng’s failure to disclose his foreign funding and support damages the trust and undermines the credibility the American people place in U.S. research, while abusing the openness and transparency that is a core value of U.S. academia.”
- “We hope Zheng’s prison sentence deters others from having anything to do with China’s so-called ‘1000 Talents Plan’ or any of its variations,” said Acting U.S. Attorney Vipal J. Patel for the Southern District of Ohio. “Stealing is stealing but stealing at the behest of a foreign government’s concerted effort to pilfer our nation’s innovations and technology takes things to a new and significantly worse level.”

ADDITIONAL INFO

- Zheng worked at the University of Southern California and Pennsylvania State University prior to being hired at Ohio State University, which praised him in a 2019 newsletter for his “pioneering career and enthusiasm.” Court documents filed by Zheng’s attorneys as a part of the sentencing process noted “other scientist continue to rely upon Dr. Zheng’s work” as “one of the preeminent researchers of treatments for autoimmune diseases in the world.”
- “In yet another case involving the Chinese government’s Thousand Talents program, Song Guo Zheng will spend the next 37 months in a federal prison because he chose to lie and hide his involvement in this program from U.S. research funding agencies,” said Assistant Attorney General John C. Demers for the Justice Department’s National Security Division. “American research funding is provided by the American taxpayer for the benefit of American society — not as an illicit gift to the Chinese government. The American people deserve total transparency when federal dollars are being provided for research, and we will continue to hold accountable those who choose to lie about their foreign government affiliations in an attempt to fraudulently gain access to these funds.”

Resources for further exploration:

- [FY2021 Foreign Intelligence Entities Plans Target Cleared Academia](https://www.dcsa.mil/Portals/91/Documents/CI/DCSA_AD-21-001_FIE_Recruitment_Plans_Target_Cleared_Academia.pdf)
https://www.dcsa.mil/Portals/91/Documents/CI/DCSA_AD-21-001_FIE_Recruitment_Plans_Target_Cleared_Academia.pdf
- [Critical Technology Protection: Foreign Visits and Academic Solicitation](https://www.cdse.edu/Training/Webinars-and-Conferences/Webinar-Archive/Critical-Technology-Protection-Foreign-Visits-and-Academic-Solicitation/)
<https://www.cdse.edu/Training/Webinars-and-Conferences/Webinar-Archive/Critical-Technology-Protection-Foreign-Visits-and-Academic-Solicitation/>
- [Countering Foreign Intelligence Threats Implementation and Best Practices Guides](https://www.dni.gov/files/NCSC/documents/campaign/Guid_CFIT-Implementation-and-Best-Practices-Guide_2017-06-08_UNCLASS_LINKED.pdf)
https://www.dni.gov/files/NCSC/documents/campaign/Guid_CFIT-Implementation-and-Best-Practices-Guide_2017-06-08_UNCLASS_LINKED.pdf

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Name: _____ Agency/Department: _____
Title: Supervisor/Security Officer/ITP Senior Official/ITP Manager