

U.S. DISTRICT COURT
WESTERN DISTRICT OF ARKANSAS
FILED

JUL 28 2020

DOUGLAS F. YOUNG, Clerk
By
Deputy Clerk

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF ARKANSAS
FAYETTEVILLE DIVISION

UNITED STATES OF AMERICA	)	
	)	No. <u>S:20CR50029-001</u>
v.	)	
	)	
SIMON SAW-TEONG ANG	)	18 U.S.C. § 1343
aka HONG SIZHONG	)	18 U.S.C. § 2
	)	18 U.S.C. § 1542

INDICTMENT

The Grand Jury charges that:

At all times material to this Indictment:

INTRODUCTION

1. Simon Saw-Teong Ang (Ang) was a professor and researcher at the University of Arkansas in Fayetteville, Arkansas. Ang has been employed at the University of Arkansas since approximately the fall semester of 1988. At the University of Arkansas, Ang served as the Director of the High Density Electronics Center (HiDEC) until on or about May 8, 2020.

2. The HiDEC performs proprietary research as well as United States Government (USG) funded research. The University of Arkansas is a public land grant research university located in Fayetteville, Arkansas. A variety of research is performed at the University of Arkansas to include the fields of agriculture and engineering. Research at the University of Arkansas is funded through a variety of means, with the majority of funding coming from United States Government funding agencies such as the National Science Foundation (NSF), Department of

Energy (DOE), Department of Defense (DOD), the National Aeronautics and Space Administration (NASA), and the United States Air Force (USAF).

3. During his employment with the University of Arkansas and as director of the HiDEC, Ang was the investigator and co-investigator for many grant contracts that were funded by United States Government agencies.

4. Annually, the University of Arkansas required Ang to complete a form titled “Disclosure of Potential Conflict of Interest and Commitment.” This form required Ang to disclose any relationships or activities which might give rise to conflicts, or the appearance thereof, with his duties, responsibilities or obligations to the University of Arkansas.

5. This conflict of interest policy is described in the University of Arkansas Policies and Procedures policy number 404.0. The policy states that Faculty and Staff must disclose any conflicts of interest, or conflicts of commitment, to include: “The salary and other payments received from the entity (whether directly or indirectly) in the past twelve months, when aggregated, exceeds \$5,000, or when any equity or ownership interest exists; Receipt of income related to intellectual property rights and interests (e.g., patents, copyrights); Externally reimbursed travel; Service as senior executive or board member of an entity, regardless of current value or compensation received, if there is potential for future compensation or equity.”

6. Talent recruitment programs (also called talent plans) are a part of a Chinese government national strategy to enhance Chinese civilian and military programs in key areas critical to China’s development. Talent plans integrate foreign technology into China by recruiting experts from businesses and universities around the world to fill technical jobs that drive innovation and growth in the economy. Various Chinese government talent programs use financial,

personal, and professional benefits in exchange for working with universities, businesses, and state-owned enterprises in China.

7. Talent plans target scientists, engineers, professionals, foreign government employees, and contractors to bring foreign research and technology with them to Chinese universities, businesses, and state-owned enterprises in China. Examples of talent plans include “1000 Talents,” “Overseas Expert,” “Specially Recruited Expert,” and “Friendship Awards.” The Friendship Award is for overseas experts whom the PRC acknowledges have made significant contributions to the country’s social and economic progress.

THE SCHEME AND ARTIFICE TO DEFRAUD

8. Beginning on an unknown date, but at least as early as June 9, 2013, and continuing to on or about May 8, 2020, in the Western District of Arkansas, and elsewhere, the defendant **SIMON SAW-TEONG ANG** (hereinafter “**ANG**”), aided and abetted by others known and unknown to the Grand Jury, knowingly and willfully devised and intended to devise a scheme and artifice to defraud and to obtain money and property from unknowing United States Government agencies, the University of Arkansas, and others by means of material false and fraudulent pretenses, representations and promises and the concealment of material facts for the purpose of obtaining money and intellectual property that he would not have received had the University of Arkansas and other government authorities known the facts involved in his scheme and artifice to defraud.

THE MANNER AND MEANS

9. It was part of the scheme and artifice to defraud that **ANG** received money and property from the People’s Republic of China (hereinafter, PRC) in 2016 and again in 2018. The

People's Republic of China gave this money and property to **ANG** through talent plans and awards in recognition of his significant contributions to the PRC's economic development. In 2016, the PRC selected **ANG** as a National Distinguished Expert for the national "Thousand Talents Program." In 2018, the PRC selected **ANG** as one of 20 recipients of the Qilu Friendship Award.

10. It was further part of the scheme and artifice to defraud that **ANG** did not disclose his participation in the PRC talents plans or the money and property he received from the PRC through these plans to the University of Arkansas or any of the United States Government funding agencies that paid for his research and salary at the University of Arkansas. It was further part of the scheme and artifice to defraud that **ANG** concealed these material facts from the University of Arkansas and the United States Government funding agencies.

11. It was further part of the scheme and artifice to defraud that **ANG** was closely affiliated and employed with several companies in China. In 2019, **ANG** served as the "Chief Technology Officer" for Binzhou Maotong Dianzi Keji Corporation, a company in China that produces hydrogen fuel cell vehicle control systems. From 2012 – 2016, **ANG** served as the "Chief Technology Officer" for Gande Electronic Technology Ltd., a company in China that produces products in the fields of lighting control and design. In 2018, **ANG** was part of the ownership group of Jiangsu Xuanzhi New Materials and Technology Co., Ltd. (hereinafter, XZNIA). On January 28, 2020, the XZNIA company website listed **ANG** as a member of the company's "core team," and included his photograph and a description of the position **ANG** held as director of the HiDEC at the University of Arkansas. XZNIA is a company located in China that produces glass coating materials for auto windshields, mirrors, and solar panels.

12. It was further part of the scheme and artifice to defraud that **ANG** instructed researchers that he supervised at the University of Arkansas to conduct research and work on behalf of the companies he was affiliated with in China. During this time, the researchers were being paid by the University of Arkansas and United States Government agencies to conduct research for the University of Arkansas.

13. It was further part of the scheme and artifice to defraud that **ANG** did not disclose his affiliation with, employment with, and ownership in any companies in China to the University of Arkansas or any of the United States Government funding agencies that paid for his research and salary at the University of Arkansas.

14. It was further part of the scheme and artifice to defraud that **ANG** applied for a research grant from NASA on or about November 21, 2016. **ANG** prepared this grant proposal and caused the University of Arkansas to send the proposal to NASA on or about November 21, 2016, through a portal that utilized the Internet to send the proposal from the University of Arkansas to NASA. NASA awarded the grant to **ANG** on or about December 20, 2016.

15. It was further part of the scheme and artifice to defraud that **ANG** knowingly and intentionally omitted any reference to his talent plan awards, money and property given to him by the PRC, and his affiliation, employment, and ownership of various companies in China on the research proposal sent to NASA and on the annual conflict of interest form required by the University of Arkansas. The research announcement from NASA required **ANG** to make such disclosures in order to be eligible to receive the research grant. Specifically, the research announcement contained the following text: “By submission of its proposal, the proposer

represents that the proposer is not China [. . .] that the proposer will not participate, collaborate, or coordinate bilaterally with China.”

16. It was further part of the scheme and artifice to defraud that **ANG** knowingly made materially fraudulent misrepresentations and omissions on the NASA grant proposal and on the University of Arkansas conflict of interest forms in order to cause certain wire transfers to be sent from NASA to the University of Arkansas. NASA Goddard Space Flight Center (“Goddard”) is one of the largest centers within NASA and is located in Greenbelt, Maryland. NASA utilizes the Systems Application Process as their financial systems database, which connects to Health and Human Services Payment Management System (“PMS”). These wire transfers were sent through the PMS system from an institution in Bethesda, Maryland, to University of Arkansas accounts located in Arkansas. These wire transfers would be used, in part, by the University of Arkansas to fund a portion of **ANG**’s salary payments. These wire transfers would also be used, in part, to fund the salaries of researchers that **ANG** supervised and instructed to conduct research on behalf of companies he was affiliated with in China.

17. It was further part of the scheme and artifice to defraud that **ANG** applied for a research grant from the United States Air Force (hereinafter, USAF) on or about March 10, 2017. **ANG** prepared this grant proposal and caused a company named Ozark Integrated Circuits, Inc. (hereinafter, OIC) to send the proposal to USAF on or about March 10, 2017, through a portal that utilized the Internet to send the proposal from OIC to USAF. Ozark Integrated Circuits, Inc. then contracted with the University of Arkansas for **ANG** to use the HiDEC and his position as a professor to conduct research for the grant. In exchange, OIC agreed to use the USAF grant proceeds to pay a portion of **ANG**’s salary, a portion of the other researchers’ salaries, and to pay

for certain equipment and lab supplies. USAF selected **ANG's** proposal and awarded the grant to OIC on October 8, 2017.

18. It was further part of the scheme and artifice to defraud that **ANG** knowingly and intentionally omitted any reference to his talent plan awards, money and property given to him by the PRC, and his affiliation, employment, and ownership of various companies in China on the research proposal sent to USAF and on the annual conflict of interest forms required by the University of Arkansas.

19. It was further part of the scheme and artifice to defraud that **ANG** knowingly made materially fraudulent misrepresentations and omissions on the USAF grant proposal and the annual University of Arkansas conflict of interest forms in order to cause certain wire transfers to be sent from USAF to the University of Arkansas. The USAF Research Laboratory is located in Wright-Patterson Air Force Base in Ohio. The wire transfers funding the grant were sent from the Defense Finance and Accounting Service (DFAS) Columbus Center, located in Columbus, Ohio, to University of Arkansas accounts located in Arkansas. These wire transfers would, in part, be used by the University of Arkansas to fund a portion of **ANG's** salary payments. These wire transfers would also be used, in part, to fund the salaries of researchers that **ANG** supervised and instructed to conduct research on behalf of companies he was affiliated with in China.

COUNTS ONE THROUGH FORTY-TWO

WIRE FRAUD

Title 18, United States Code, Sections 1343 and 2

20. The allegations contained in paragraph 1 through and including paragraph 19 are re-alleged and incorporated by reference as though set forth in their entirety.

21. On or about the dates set forth below, each date being a separate count and violation of Title 18, United States Code, Sections 1343 and 2, in the Western District of Arkansas, Fayetteville Division and elsewhere, the defendant, **SIMON SAW-TEONG ANG**, aided and abetted by others known and unknown to the Grand Jury, having intentionally devised the above-described scheme and artifice to defraud and for obtaining money and property from others by means of material false and fraudulent pretenses, representations and promises and concealment of material facts, transmitted and caused to be transmitted in interstate commerce the following wire communications:

<u>Count</u>	<u>Date</u>	<u>Signal and Sound</u>
1	11/21/2016	Internet transmission sent to NASA containing grant application for grant number 002277-00001A
2	06/26/2017	Wire transmission sent to the Western District of Arkansas containing a \$2,295.28 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
3	07/13/2017	Wire transmission sent to the Western District of Arkansas containing a \$1,055.00 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
4	08/10/2017	Wire transmission sent to the Western District of Arkansas containing a \$2,597.15 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
5	08/22/2017	Wire transmission sent to the Western District of Arkansas containing a \$10,349.09 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
6	09/14/2017	Wire transmission sent to the Western District of Arkansas containing a \$10,601.12 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
7	10/04/2017	Wire transmission sent to the Western District of Arkansas containing a \$783.00 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas

<u>Count</u>	<u>Date</u>	<u>Signal and Sound</u>
8	11/16/2017	Wire transmission sent to the Western District of Arkansas containing a \$96,169.64 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
9	12/18/2017	Wire transmission sent to the Western District of Arkansas containing a \$12,558.00 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
10	01/19/2018	Wire transmission sent to the Western District of Arkansas containing a \$958.50 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
11	02/07/2018	Wire transmission sent to the Western District of Arkansas containing a \$29,853.33 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
12	02/20/2018	Wire transmission sent to the Western District of Arkansas containing a \$21,099.03 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
13	04/12/2018	Wire transmission sent to the Western District of Arkansas containing a \$7,768.18 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
14	04/24/2018	Wire transmission sent to the Western District of Arkansas containing a \$5,120.38 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
15	05/17/2018	Wire transmission sent to the Western District of Arkansas containing a \$4,194.33 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
16	06/19/2018	Wire transmission sent to the Western District of Arkansas containing a \$11,535.22 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
17	07/16/2018	Wire transmission sent to the Western District of Arkansas containing a \$2,301.40 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas

<u>Count</u>	<u>Date</u>	<u>Signal and Sound</u>
18	08/24/2018	Wire transmission sent to the Western District of Arkansas containing a \$25,041.81 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
19	09/24/2018	Wire transmission sent to the Western District of Arkansas containing a \$24,817.62 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
20	10/23/2018	Wire transmission sent to the Western District of Arkansas containing a \$61,105.21 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
21	11/14/2018	Wire transmission sent to the Western District of Arkansas containing a \$7,308.61 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
22	12/10/2018	Wire transmission sent to the Western District of Arkansas containing a \$14,605.06 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
23	02/06/2019	Wire transmission sent to the Western District of Arkansas containing a \$24,953.15 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
24	04/03/2019	Wire transmission sent to the Western District of Arkansas containing a \$29,655.29 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
25	04/22/2019	Wire transmission sent to the Western District of Arkansas containing a \$52,804.15 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
26	06/19/2019	Wire transmission sent to the Western District of Arkansas containing a \$28,510.08 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
27	08/27/2019	Wire transmission sent to the Western District of Arkansas containing a \$222.48 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas

<u>Count</u>	<u>Date</u>	<u>Signal and Sound</u>
28	09/12/2019	Wire transmission sent to the Western District of Arkansas containing a \$1,120.46 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
29	11/26/2019	Wire transmission sent to the Western District of Arkansas containing a \$12,726.89 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
30	02/21/2020	Wire transmission sent to the Western District of Arkansas containing a \$13,438.59 payment on grant number NNX17AG42G from NASA, through the Health and Human Services Payment Management System to the University of Arkansas
31	1/27/2018	Wire transmission sent to the Western District of Arkansas containing a \$74,995.00 payment on grant number FA865018C2039 from USAF to the University of Arkansas
32	05/05/2018	Wire transmission sent to the Western District of Arkansas containing a \$74,995.00 payment on grant number FA865018C2039 from USAF to the University of Arkansas
33	08/14/2018	Wire transmission sent to the Western District of Arkansas containing a \$74,995.00 payment on grant number FA865018C2039 from USAF to the University of Arkansas
34	12/02/2018	Wire transmission sent to the Western District of Arkansas containing a \$74,995.00 payment on grant number FA865018C2039 from USAF to the University of Arkansas
35	12/30/2018	Wire transmission sent to the Western District of Arkansas containing a \$74,995.00 payment on grant number FA865018C2039 from USAF to the University of Arkansas
36	04/14/2019	Wire transmission sent to the Western District of Arkansas containing a \$74,995.00 payment on grant number FA865018C2039 from USAF to the University of Arkansas
37	07/28/2019	Wire transmission sent to the Western District of Arkansas containing a \$74,995.00 payment on grant number FA865018C2039 from USAF to the University of Arkansas
38	10/24/2019	Wire transmission sent to the Western District of Arkansas containing a \$74,995.00 payment on grant number FA865018C2039 from USAF to the University of Arkansas
39	10/24/2019	Wire transmission sent to the Western District of Arkansas containing a \$199,940.00 payment on grant number FA865018C2039 from USAF to the University of Arkansas
40	01/19/2020	Wire transmission sent to the Western District of Arkansas containing a \$99,958.00 payment on grant number FA865018C2039 from USAF to the University of Arkansas

<u>Count</u>	<u>Date</u>	<u>Signal and Sound</u>
41	04/26/2020	Wire transmission sent to the Western District of Arkansas containing a \$99,958.00 payment on grant number FA865018C2039 from USAF to the University of Arkansas
42	05/01/2020	Wire transmission sent to the Western District of Arkansas containing a \$74,995.00 payment on grant number FA865018C2039 from USAF to the University of Arkansas

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT FORTY-THREE

**FALSE STATEMENT IN APPLICATION AND USE OF PASSPORT
Title 18, United States Code, Section 1542**

22. On or about the 5th day of August, 2019, in the Western District of Arkansas, the defendant, **SIMON SAW-TEONG ANG aka HONG SIZHONG**, willfully and knowingly made a false statement in an application for a passport with intent to induce and secure for his own use the issuance of a passport under the authority of the United States, contrary to the laws regulating the issuance of such passports and the rules prescribed pursuant to such laws, in that in such application the defendant stated that he was not known by any names other than “Simon Saw-Teong Ang,” which statement he knew to be false.

All in violation of Title 18, United States Code, Section 1542.

COUNT FORTY-FOUR

**FALSE STATEMENT IN APPLICATION AND USE OF PASSPORT
Title 18, United States Code, Section 1542**

23. On or about the 5th day of August, 2019, in the Western District of Arkansas, the defendant, **SIMON SAW-TEONG ANG aka HONG SIZHONG**, willfully and knowingly made a false statement in an application for a passport with intent to induce and secure for his own use the issuance of a passport under the authority of the United States, contrary to the laws regulating

the issuance of such passports and the rules prescribed pursuant to such laws, in that in such application the defendant listed immediate travel plans for a trip to Singapore with a departure date of August 30, 2019 and a return date of September 7, 2019, which statement he knew to be false.

All in violation of Title 18, United States Code, Section 1542.

FORFEITURE ALLEGATION

24. The allegations contained in paragraphs 1 through 23 and Counts 1 through 44 of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

25. Upon conviction of the offenses in violation of Title 18, United States Code, Sections 1343 and 1542 set forth in Counts 1 through 44 of this Indictment, the defendant, **SIMON SAW-TEONG ANG**, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense. The property to be forfeited includes, but is not limited to a money judgment.

26. If any of the property described above, as a result of any act or omission of the Defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided
without difficulty,

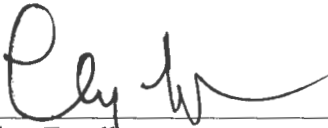
the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code Section 2461(c).

A True Bill.

DAVID CLAY FOWLKES
ACTING UNITED STATES ATTORNEY

/s/Grand Jury Foreperson
Grand Jury Foreperson



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