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Deception by Professor Costs Lehigh \$200K As Yet Another University Settles an FCA Case

By Theresa Defino

The investigator's assessment was stark and unsparing. "ArkLight is not a corporation," wrote Erik Saracino, a special agent in NASA's Office of Inspector General. The only "office" of ArkLight was in the home of then-Lehigh University professor Yujie Ding and his wife Yuliya Zotova, and a 2013 search revealed "no laboratory or equipment." Other than Ding and Zotova, "ArkLight has no known employees, contractors or affiliates."

Saracino's 2014 statements were surprising, given ArkLight had been the recipient of more than \$2.7 million in 10 separate Small Business Innovation Research (SIBR) awards from 2004 through 2013. Through a subcontract of \$1 million, Lehigh University, where Ding was a professor of electrical engineering, would be the site of some of the work on the project, which was to develop a photo sensor to detect trace levels of chemicals in the atmosphere.

Because of this setup, both Lehigh and ArkLight were actually ineligible for SIBR funds, and in late July, Lehigh paid the government \$200,000 to resolve allegations it violated the False Claims Act (FCA).^[1] This is the fourth such settlement this year alone against a university involving federal research funds.^[2] Lehigh also agreed to a two-year compliance plan, a copy of which RRC obtained from the government.^[3]

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The agent's statements formed the basis for the indictment against Ding and Zotova. Following their conviction on wire fraud, in 2016 Ding was sentenced to approximately a year in prison, a \$3,000 fine and restitution of \$72,000; Zotova was given a three-month jail sentence and a fine and restitution of unspecified amounts. "Lehigh University cooperated in the criminal investigation and trial of Ding and Zotova by responding to subpoenas and making witnesses available for interviews," according to the settlement announcement by the U.S. attorney for the Eastern District of Pennsylvania.

Still, the picture painted in the settlement agreement is one of "inadequate" oversight by Lehigh, which did not admit to wrongdoing. On numerous occasions, however, Ding "concealed his relationship with ArkLight." He denied "his ownership and control over ArkLight when he was questioned about it by a Lehigh University official," and, when completing an annual internal audit questionnaire, he falsely stated that neither he "nor any member of his immediate family" held a position, received compensation from or had a "controlling interest" in any entities doing business with Lehigh.

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