



# **Southern Illinois Professor Indicted for Grant Fraud Prosecution Brought as Part of DOJ's China Initiative**

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**CARBONDALE** – A mathematics professor and researcher at Southern Illinois University – Carbondale (SIUC) is under federal indictment for grant fraud. Mingqing Xiao, 59, of Makanda, Illinois, is accused of fraudulently obtaining \$151,099 in federal grant money from the National Science Foundation (NSF) by concealing support he was receiving from an arm of the Chinese government and a Chinese public university. Xiao is charged with two counts of wire fraud and one count of making a false statement.

The prosecution is part of the Justice Department's ongoing China Initiative. Led by the Department's National Security Division (NSD), the China Initiative is an effort to safeguard American intellectual property and research programs and counter the multi-faceted threat posed by the PRC government to U.S. national security.

While the Chinese government maintains ambitious strategic goals to dominate certain global economic sectors, its ability to achieve those goals is hampered by its lack of domestic innovation. Comments made by Chinese Premier Li Keqiang at a Communist Party gathering in March 2019 underscore this dilemma: "Our capacity for innovation is not strong and our weakness in terms of core technologies for key fields remains a salient problem."

John C. Demers, Assistant Attorney General for National Security, said given this identified weakness, China resorts to various forms of economic aggression to achieve its strategic goals, including hacking, theft, espionage, and recruiting "non-traditional collectors" in academia to acquire U.S. technologies and intellectual property. The China Initiative works with academia and private industry to combat the PRC government's diverse counterintelligence threats.

"Again, an American professor stands accused of enabling the Chinese government's efforts to corruptly benefit from U.S. research funding by lying about his obligations to, and support from, an arm of the Chinese government and a Chinese public university," Demers said.

"Honesty and transparency about funding sources lie at the heart of the scientific research enterprise. They enable U.S. agencies to distribute scarce grants for scientific research fairly and equitably. And they allow other researchers to evaluate potential conflicts of interest and conflicts of commitment. When researchers fall short of fulfilling these core academic values in ways that violate the law, the Department stands ready to investigate and prosecute."

"We know that China exploits American universities to further the aims of the Chinese Communist Party," said U.S. Attorney Steven D. Weinhoeft. "That's one reason why the National Science Foundation requires applicants to disclose all sources of support, including foreign ties, as a condition to receive federal grant funding. Prosecutions like this one play a critical role, not just in protecting American investments in academic research from foreign exploitation, but also in combating the growing threat that China poses to our national security." "The FBI takes seriously its commitment to work with our partners in academia to protect U.S. research funded grants," said Sean M. Cox, FBI-Springfield's Special Agent in Charge.

“This investigation, like so many others, should serve as a reminder that failure to be truthful and transparent on an application for U.S. funded grants is a violation of the law. In this case the applicant allegedly failed to disclose his affiliation with China. Individuals who fail to disclose their affiliation with any foreign nation will be held accountable.”

According to the indictment, Xiao has worked in SIUC’s mathematics department since 2000, focusing his research on partial differential equations, control theory, optimization theory, dynamical systems, and computational science. In that position, Xiao (who is an American citizen) allegedly applied for and received NSF grant funds for a project set to run from 2019 to 2022 without informing NSF about another, overlapping grant he had already received from the Natural Science Foundation of Guangdong Province, China. Xiao also allegedly failed to inform NSF that he was on the payroll of Shenzhen University, a public university in Guangdong Province, and that he had already committed to teaching and conducting research at Shenzhen University from 2018 to 2023.

The indictment further alleges that in March 2019, while his NSF grant proposal was still pending, Xiao submitted another grant proposal to the Natural Science Foundation of China. According to the indictment, Xiao allegedly applied for the funds as an employee of Shenzhen University and did not disclose the new Chinese proposal to NSF. Xiao is charged with falsely certifying to SIUC that his NSF grant proposal was true, complete, and accurate.

Before awarding the grant, NSF questioned Xiao about any current or pending funding from “worldwide sources,” including specifically whether he held any position outside the United States or had obtained funding from any non-US funding sources. The indictment accuses Xiao of falsely reporting to NSF that he had nothing else to disclose. The defendant’s initial court appearance has not yet been scheduled.

If convicted, Xiao faces a maximum penalty of 20 years in prison on each count of wire fraud and 5 years in prison for making a false statement. All three charges are also punishable by a fine of up to \$250,000.

A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors. FBI-Springfield, the IRS, and the Department of Homeland Security are investigating the case. Assistant U.S. Attorney Peter T. Reed is prosecuting the case, with assistance from NSD’s Counterintelligence & Export Section. An indictment is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.