



PRESS NOTICE

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FOR IMMEDIATE RELEASE

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**Mount Pleasant Man Charged with Federal Grant Fraud;
Charged with His Wife in Campaign Finance Fraud**

United States Attorney Bill Nettles stated today that two indictments previously returned by a federal grand jury were unsealed today. A 36-count indictment charges that Mount Pleasant native Jian-Yun Dong and one of his companies, Vaxima, Inc., committed a number of offenses relating to the fraudulent use and conversion of funds received as federal grants. The indictment charges that the defendants submitted false claims for payment of federal grant monies and that they used grant funds received for scientific research for prohibited purposes. Specifically, this indictment charges that Dong, as the President and Chief Executive Officer of GenPhar, Inc, (1) submitted false claims to federal agencies in violation of Title 18, United States Code, Section 287; (2) converted grant funds to his own use in violation of Title 18, United States Code, Sections 641 and 666; and (3) committed wire fraud, in that he used interstate

communications to execute a scheme to defraud the United States, in violation of Title 18, United States Code, Section 1343. The Indictment also charges that Defendant Vaxima, Inc, a corporation owned solely by Dong, assisted in the execution of the scheme.

The second indictment charges Dong (54) and his estranged wife, Danher Wang (52) with violations of federal campaign laws. The seven-count indictment charges that Dong and Wang conspired to make illegal campaign contributions in the names of other persons using money from a foreign national, in violation of Title 18, United States Code, Section 371. The indictment further alleges in other counts that Dong and Wang made or caused others to make illegal contributions after they (Dong and Wang) exceeded their maximum contribution allowance, in violation of Title 2, United States Code, Sections 437(g)(1)(D)(I) and 441f. Finally, the indictment alleges that Dong made false statements to law enforcement agents (in violation of Title 18, United States Code, Section 1001) and that Dong attempted to illegally influence the testimony of a witness in violation of Title 18, United States Code, Section 1512.

As to the grant fraud indictment, the maximum sentences Dong faces for wire fraud regarding the misuse of federal grant funds is 30 years imprisonment as to each count, with a maximum fine of \$250,000 per count. Dong faces sentences of up to ten years for the other charges contained in this indictment. Both Dong and Wang face maximum sentences of 5 years imprisonment and a \$250,000 fine for each count of campaign finance fraud, and Dong faces an additional maximum sentence of twenty years as to the witness tampering charges in the first indictment.

These companion cases were investigated by agents of the Department of Defense Criminal Investigative Service, U.S. Department of Health and Human Services Office of Inspector General, the Federal Bureau of Investigation, United States Army Criminal Investigation

Command and the Naval Criminal Investigative Service. The cases will be prosecuted by Assistant United States Attorneys Mark C. Moore and Debbie Barbier of the Columbia office.

The United States Attorney stated that all charges in these Indictments are merely accusations and that all defendants are presumed innocent until and unless proven guilty.

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