

[Home](#) » [News](#) » [Press Release](#)

NEWS



Defendants Indicted For Defrauding NASA And NSF

FOR IMMEDIATE RELEASE

March 29, 2013

SAN JOSE - A federal grand jury in San Jose indicted Ali Kashani, of San Jose, and Yang Zhao, of El Cerrito, Wednesday with wire fraud and conspiracy to commit wire fraud. United States Attorney Melinda Haag announced. Mr. Kashani was also indicted for money laundering.

According to the indictment, Mr. Kashani, 52, and Ms. Zhao, 40, through their scientific research company, Atlas Scientific, are alleged to have defrauded the National Science Foundation (NSF) and the National Aeronautics and Space Administration (NASA) by creating the false impression that they had not applied for overlapping Small Business Innovation Research (SBIR) grants with both NSF and NASA. The SBIR program requires that grantees disclose similar or "essentially equivalent" research proposals the grantee has submitted to other federal agencies.

Atlas Scientific, a San Jose-based research company, performed research into adhesive tape based on carbon nanotubes. Mr. Kashani, the owner and founder of Atlas Scientific, and Ms. Zhao, Atlas's principal investigator, applied for and received multiple research grants from NSF and NASA. During each application process, Mr. Kashani and Ms. Zhao allegedly denied having submitted overlapping project proposals to both NSF and NASA. Mr. Kashani and Ms. Zhao also allegedly denied already having received funding from NSF and NASA, when they requested additional grant monies.

Ms. Zhao is additionally alleged to have misrepresented her employment status with the University of California Berkeley, when she applied for these grants.

Yesterday, Mr. Kashani was arrested, and made his initial appearance in federal court in San Jose. Mr. Kashani is currently detained pending a hearing on Tuesday, April 2 at 9:30AM before Magistrate Judge Grewal.

Ms. Zhao is currently living in the People's Republic of China.

The maximum penalty for each count of Conspiracy to Commit Wire Fraud in violation of Title 18, United States Code, Section 1349, and for the substantive Wire Fraud counts, is 20 years imprisonment and a fine of \$250,000 fine, or twice the gross gain or gross loss from the offense, plus restitution. The maximum penalty for each count of Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity, in violation of Title 18, United States Code, Section 1957(a), is 10 years imprisonment and a fine of \$250,000 fine, or twice the amount of the criminally derived property involved in the transaction, plus restitution. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Jeff Schenk is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Kamille Singh. The prosecution is the result of an investigation by the National Science Foundation Office of the Inspector General, NASA Office of the Inspector General, and the Internal Revenue Service Criminal Investigation.

Please note, an indictment contains only allegations against an individual and, as with all defendants, Mr. Kashani and Ms. Zhao must be presumed innocent unless and until proven guilty.

([Kashani and Zhao indictment](#) )

[Return to Top](#)

UNITED STATES ATTORNEYS' OFFICES
HOMEPAGE

UNITED STATES ATTORNEYS' OFFICES
BRIEFING ROOM

STAY CONNECTED



Twitter



**NORTHERN CALIFORNIA
MOST WANTED**



Investor Fraud Summit
October 9, 2012

[LEARN MORE](#)

Bay Area



Summit

September 14, 2012

[LEARN MORE](#)

VWA VICTIM WITNESS ASSISTANCE

Making sure that victims of federal crimes are treated with compassion, fairness and respect.

[LEARN MORE](#)



STOPFRAUD.GOV

Financial Fraud Enforcement Task Force

[LEARN MORE](#)



Community Outreach

Giving Back to the Community through a variety of venues & initiatives.

[LEARN MORE](#)

LAW ENFORCEMENT COORDINATING COMMITTEE



Training and seminars for Federal, State, and Local Law Enforcement Agencies.

[LEARN MORE](#)

NORTHERN DISTRICT *of* CALIFORNIA

450 Golden Gate Avenue, Box 36055 - San Francisco, CA 94102

[HOME](#) [ABOUT](#) [NEWS](#) [MEET THE US ATTORNEY](#) [DIVISIONS](#) [PROGRAMS](#) [FAQ](#) [CONTACT US](#)

[The District](#) [2012](#)
[Court Locations](#) [2011](#)
[2010](#)

[Appellate](#) [VWA](#)
[Civil Division](#) [LECC](#)
[Criminal Division](#) [PSN](#)

[Tax](#)

[JUSTICE.GOV/USAO](#)

[Site Map](#) [Justice.gov](#)
[Accessibility](#) [USA.gov](#)
[FOIA](#)
[Privacy Policy](#)
[Legal Policies & Disclaimers](#)