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Lehigh prof's ties to NASA contractor questioned in fraud trial



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PHILADELPHIA — Engineering professor Yujie Ding told his Lehigh University supervisors he had a financial interest in the Lehigh County company that hired his lab to help build a device for **NASA**.

On a disclosure form, Ding acknowledged working as a consultant for ArkLight, the Upper Saucon Township company that won contracts worth \$700,000 to research and develop a sensor to measure gases in the atmosphere, a Lehigh administrator testified Tuesday.

But that admission belied the depth of his ties. Ding did not say he is an owner of ArkLight. Nor did he mention that his wife, Yuliya Zotova, is president of the company based at the couple's Center Valley home.

Thomas Meischeid, director of the university's office of research and sponsored programs, told jurors that if Ding had disclosed those details, it would have triggered a process to mitigate or eliminate the conflict.

"We rely on the integrity of the professors to decide whether there should be a disclosure and provide that information," Meischeid said on the second day of Ding and Zotova's trial on fraud charges in federal court in Philadelphia.

Federal prosecutors questioned NASA and Lehigh administrators about the process by which ArkLight won the job of developing and building a single-photon detector to aid NASA in its quest to understand how Earth's atmosphere is changing.

Laying a foundation for the government's claim that ArkLight was a front for Ding's Lehigh University lab, they introduced dozens of documents and forms generated as the project worked its way through the bureaucracy of NASA's Small Business Innovation Research program.

Lehigh University has not been accused of any wrongdoing.

Prosecutors say that despite Zotova's commitment to work thousands of hours on the project and supervise the Lehigh graduate students conducting experiments and research, she never appeared at the lab.

The prototype sensor ultimately delivered to NASA was built and tested by a Lehigh post-doctoral research fellow, prosecutors allege. Ding, 52, and Zotova, 41, pocketed most of the money NASA paid to ArkLight, prosecutors say. Each faces 10 counts of wire fraud.

Under NASA's small business research program, ArkLight was to serve as the prime contractor. Its proposal called for a third of the work, initially, and up to half later to be contracted to Ding's lab.

Ding proposed a budget for the Lehigh lab's work on the sensor and said he would supervise the students doing the research and experiments.

Under Lehigh's conflict-of-interest rules, a faculty member must disclose any financial or other significant interest in a company doing business with the university. That would include a spouse employed by the company or ownership interest, Meischeid said under questioning by Assistant U.S. Attorney Elizabeth Abrams.

When a faculty member discloses a potential conflict, a university committee is tasked with determining whether it is an actual conflict. In the event a faculty member's interests raise ethical concerns, steps are taken to eliminate them, Meischeid said.

Solutions include assigning different faculty members to oversee research or allowing the faculty member to take a sabbatical to manage the commercial side of a project. In those cases, a monitor is assigned to ensure that research results are published, Meischeid said.

In the case of Ding's disclosure for the NASA sensor project, his description of financial interest in the research simply said "ArkLight."

"Did anyone at the university assess that relationship?" Abrams asked.

"Based on what I'm looking at, I would say no," Meischeid replied.

Prosecutors also called as a witness Robert Eichenlaub, Lehigh's internal audit director, who testified Ding did not disclose his relationship with ArkLight in a separate conflict survey by his office. And a Lehigh human resources director testified Ding declared on medical insurance forms that his wife was not employed.

The trial is scheduled to resume Thursday and is expected continue into next week.

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