



*United States Attorney
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**MANHATTAN FEDERAL COURT AWARDS OVER \$4 MILLION
IN CIVIL FRAUD CASE AGAINST SCIENTIST**

PREET BHARARA, the United States Attorney for the Southern District of New York, and TODD J. ZINSER, Inspector General for the U.S. Department of Commerce, announced today that DR. D.B. KARRON, a scientist who used research funding from the U.S. Department of Commerce to pay personal expenses, was found liable yesterday in Manhattan Federal Court for over \$4 million in treble damages under the False Claims Act. The decision was issued by the U.S. District Judge NAOMI REICE BUCHWALD.

Manhattan U.S. Attorney PREET BHARARA said: "Grant money should not be stolen to subsidize the recipient's lifestyle. Dr. Karron took money from deserving scientists and other grantees engaged in legitimate research to advance medical science. We are pleased that the Court awarded the maximum amount of damages in this case, sending the clear message that there will be a steep price to pay for those who commit grant fraud."

U.S. Department of Commerce Inspector General TODD J. ZINSER said: "This significant result underscores our strong commitment to protecting Commerce Department grant programs from fraud and abuse."

KARRON, who holds a Ph.D. in mathematics, obtained research funding for a project involving the application of computer technology and advanced mathematics to medical uses, with potential benefits in areas including radiation therapy, surgical planning, intraoperative guidance, and the manufacture of prosthetic devices. According to the Government's suit, KARRON did not spend the funds in accordance with the approved budget and, instead, used some of the money for unapproved purposes, despite repeated warnings from grant officials. KARRON

used the money to pay rent and for apartment-related expenses, including a cleaning service, the installation of track lighting, and the purchase of household items such as blenders, vacuum cleaners, power drills, and a GPS navigation system. KARRON also used the money for restaurant meals and to pay medical expenses and bills for medications, psychotherapy, dental work and electrolysis. This conduct led to KARRON's criminal conviction in 2008 and the filing of a civil fraud complaint under the False Claims Act later that year.

Yesterday's civil ruling awards treble damages to the Government based on the full amount of the Government funding actually drawn down by KARRON, which was \$1,345,000.00, holding that KARRON's failure to follow the approved budget meant that the United States received "no tangible benefit" from the project. The ruling precluded KARRON from contesting civil liability due to the criminal conviction. It also imposed a civil penalty of \$5,500 for one claim form found to contain a false statement and permitted the Government to seek additional penalties with regard to statements made on 19 other forms.

Mr. BHARARA praised the investigative work of the U.S. Department of Commerce Inspector General.

The case is being handled by the Office's Civil Frauds Unit. Assistant U.S. Attorney MICHAEL J. BYARS is in charge of the case.

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