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Department of Justice

U.S. Attorney's Office

Northern District of California

FOR IMMEDIATE RELEASE

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Former Lawrence Livermore Research Scientist Sentenced To 18 Months In Prison For Submitting False Data And Reports To Defraud The United States

Defendant submitted false data and information instead of building and testing experimental components

OAKLAND – S. Darin Kinion, Ph.D., was sentenced today to 18 months' imprisonment for submitting false data and reports to defraud the United States in connection with a quantum computing research program announced United States Attorney Brian J. Stretch, U.S. Department of Energy Special Agent in Charge of the Office of the Inspector General Scott Berenberg, and Inspector General of the Intelligence Community I. Charles McCullough III. The sentence follows a guilty plea entered June 14, 2016, in which Kinion acknowledged submitting false data and reports to the Intelligence Advanced Research Projects Activity ("IARPA") of the Office of the Director of National Intelligence in a scheme to defraud the government out of money intended to fund research.

According to his plea agreement, Kinion, 44, of Lafayette, Calif., admitted that between 2008 and 2012, he received millions of dollars of funding from IARPA to design, build, and test experimental components in the field of quantum computing at the Lawrence Livermore National Laboratory ("LLNL"). Nevertheless, rather than build and test the experimental components, Kinion presented to the government false and fraudulent data and information in a scheme to defraud IARPA into thinking he had performed the work. In order to build and test the experimental components, Kinion would have had to set up and operate certain equipment. Kinion requested funds from IARPA to purchase the equipment, claimed he had used the equipment successfully to build and test experimental components, and submitted reports and information in support of these claims. Kinion, however, never setup nor operated the equipment. Instead, he submitted false and fraudulent data and information to justify continued and further funds to support his purported research.

Moreover, Kinion took deliberate additional steps to conceal and to prevent IARPA from discovering his fraudulent scheme. For example, Kinion falsely claimed he mailed functioning components to IARPA's validation team knowing that he had mailed "bogus" non-functioning components. Kinion also altered and backdated Federal Express mailing labels and falsely claimed he mailed items on dates prior to the date he actually mailed them. Further, when a scientist visited LLNL, Kinion conducted a 3-day "charade" experiment in an effort to establish that his testing was legitimate.

On March 8, 2016, Kinion was charged by information with one count of mail fraud, in violation of 18 U.S.C. § 1341. Pursuant to his plea agreement, Kinion pleaded guilty to the charge.

Today's sentence was handed down by the Honorable Jeffrey S. White, U.S. District Judge. In addition to the prison term, Judge White ordered the defendant to serve three years of supervised release and to pay \$3,317,893 in restitution to the United States. Kinion will begin serving the sentence on January 26, 2017.

This case is being prosecuted by the Special Prosecutions and National Security Unit at the United States Attorney's Office and the result of an investigation by the Office of the Inspector General for the U.S. Department of Energy and the Inspector General of the Intelligence Community.

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Topic:
Financial Fraud

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