

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	:	<b>CRIMINAL NO.</b> _____
<b>v.</b>	:	<b>DATE FILED:</b> _____
<b>STEVEN W. JOHNSON</b>	:	<b>VIOLATIONS:</b>
	:	18 U.S.C. § 1341 (mail fraud – 10 counts)
	:	18 U.S.C. § 666(a)(1)(A) (theft from program receiving federal funds – 1 count)

**INDICTMENT**

**COUNTS ONE THROUGH TEN**

**THE GRAND JURY CHARGES THAT:**

At all times material to this indictment:

1. Defendant STEVEN W. JOHNSON, Ph.D., was an employee of the University of Pennsylvania, in its School of Medicine, from approximately October 1998 to February 2010.
2. As an employee of the University of Pennsylvania in the School of Medicine, defendant STEVEN W. JOHNSON conducted cancer research.
3. For some of his research activities, defendant JOHNSON would need to test or “validate” (or to have another University of Pennsylvania employee validate for him) presumptive oligonucleotide “primers,” which are used to identify gene expression patterns. The process of validating oligonucleotide primers requires expertise, time, effort, and specialized equipment, including a polymerase chain reaction (“PCR”) machine. The laboratory at the University of Pennsylvania in which defendant JOHNSON worked had a Roche LightCycler PCR

machine. Additionally, the University of Pennsylvania employed laboratory technicians who were trained to validate primers using the Roche LightCycler PCR machine. Among these employees was J.S., who worked under the supervision of defendant JOHNSON.

4. In approximately August 2005, while an employee of the University of Pennsylvania, defendant STEVEN W. JOHNSON and his wife started a for-profit company, RealTimePrimers, which advertised human, mouse, and rat validated primers for sale. The company used the home of defendant JOHNSON and his wife as its office address, and created a website, RealTimePrimers.com. RealTimePrimers began selling validated primers at least as early as December 2005.

5. In approximately 2006, while an employee of the University of Pennsylvania, defendant STEVEN W. JOHNSON applied for a federal grant from the Department of Defense (“DOD”) to study a new approach to treating ovarian cancer. Defendant JOHNSON’s Cost Estimate for the grant included funding for approximately 50% of his salary, as well as a percentage of the salaries of other laboratory members, for three years, and also included funding for the purchase of a BioRad “real time” PCR machine (the estimated cost of which was \$17,400) and a laboratory freezer (the estimated cost of which was \$1,200), among other expenses. In total, defendant JOHNSON’s proposed budget totaled approximately \$787,084, over a three-year period.

6. The DOD awarded the research grant in accordance with defendant STEVEN W. JOHNSON’s proposal, and pursuant to the grant disbursed more than \$65,000 to the University of Pennsylvania approximately every three months, from approximately June 2007 through December 2009. In total, from approximately June 2007 through December 2009, the DOD disbursed a total of approximately \$655,938 in grant funds to the University of

Pennsylvania.

### **THE SCHEME**

7. From at least as early as December 2005 through at least as late as January 2010, the defendant,

### **STEVEN W. JOHNSON,**

devised and intended to devise a scheme to defraud the University of Pennsylvania and the Department of Defense, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

### **MANNER AND MEANS**

It was part of the scheme that:

8. Defendant STEVEN W. JOHNSON ordered unvalidated oligonucleotide primers from Integrated DNA Technologies (“IDT”) and Invitrogen Corporation through the University of Pennsylvania.

9. Defendant STEVEN W. JOHNSON, or J.S., acting at defendant JOHNSON’s direction, used the University of Pennsylvania’s resources, including the funding of defendant JOHNSON’s salary and J.S.’s salary, and the University of Pennsylvania’s laboratory equipment, including the Roche LightCycler PCR machine and later, the BioRad PCR machine, to test, or “validate,” the primers.

10. Defendant STEVEN W. JOHNSON sold the validated primers to customers of his for-profit company, RealTimePrimers.

11. Defendant STEVEN W. JOHNSON then shipped via Federal Express mail delivery service, or caused to be shipped via Federal Express mail delivery service, the validated primers to RealTimePrimers’s customers.

12. RealTimePrimers's customers paid for these primers by checks mailed to RealTimePrimers at STEVEN W. JOHNSON's home address, or by electronic funds transfers to the company's bank account.

13. On or about the below-listed dates, in Cheltenham, in the Eastern District of Pennsylvania, and elsewhere, the defendant,

**STEVEN W. JOHNSON,**

for the purpose of executing the scheme described above, and attempting to do so, knowingly caused to be delivered by Federal Express according to the directions thereon, validated primers from RealTimePrimers:

<b>Count</b>	<b>Fed Ex Shipping Date or Check Date (on or about)</b>	<b>Shipped To (Customer)</b>	<b>Description</b>
1	6/30/2009	G.K.D. College of Agriculture Republic of Korea	Bovine MDK Bovine GREM1
2	7/6/2009	X.X. University of Pennsylvania	ABCGB
3	7/14/2009	S.S. Georgetown University Washington DC	ACTB RAB33A E2F5 ERRF11
4	7/20/2009	E.S. LA BioMed Torrance, California	Sheep PPARG Sheep PTH-RP Sheep LEPR Sheep LEP Sheep SFTPC Sheep SFTPB Sheep CNN1
5	7/21/2009	C.K. Vanderbilt University Nashville, TN	MMP13 and others

<b>Count</b>	<b>Fed Ex Shipping Date or Check Date (on or about)</b>	<b>Shipped To (Customer)</b>	<b>Description</b>
6	7/29/2009	B.M. Omeros Seattle, Washington	Bovine Nuak2
7	9/8/2009	K.B. UC Denver Aurora, Colorado	Porcine Adora1 Porcine Adora2a Porcine Adora2b Porcine Actb Porcine Gapdh
8	9/10/2009	E.R. University of Rochester Medical Center Rochester, NY	MMP16 and others
9	9/14/2009	S.S. Georgetown University	CD47 UBE2E1
10	12/15/2009	X.X. University of Pennsylvania	LIN28

All in violation of Title 18, United States Code, Section 1341.

**COUNT ELEVEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 6 and 8 through 12 of Counts One through Ten are incorporated by reference.

2. Between May 1, 2009 and May 1, 2010, in Philadelphia, in the Eastern District of Pennsylvania, the defendant,

**STEVEN W. JOHNSON,**

being an agent and employee of the University of Pennsylvania's School of Medicine, an organization which received benefits of over \$10,000 in any one-year period under a Department of Defense grant, embezzled, stole and obtained by fraud, and otherwise without authority knowingly converted to the use of any person other than the rightful owner and intentionally misapplied, property valued at \$5,000 or more, that is, grant funds from the United States Department of Defense, which funds were owned by and under the care, custody and control of the University of Pennsylvania.

In violation of Title 18, United States Code, Section 666(a)(1)(A), (b).

**A TRUE BILL:**

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**GRAND JURY FOREPERSON**

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**ZANE DAVID MEMEGER  
UNITED STATES ATTORNEY**