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Southern District of New York

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**TWO DEMOCRATIC REPUBLIC OF CONGO NATIONALS CHARGED
WITH DIVERTING USAID-FUNDED ANTI-MALARIAL MEDICATION
IN EAST AFRICA FOR RESALE ON THE BLACK MARKET**

Geoffrey S. Berman, the United States Attorney for the Southern District of New York, and Ann Calvaresi Barr, the Inspector General of the United States Agency for International Development (“USAID”), announced the unsealing today of an indictment charging RENE DJESSA and DANIEL OHOYO, both nationals of the Democratic Republic of Congo (“DRC”), with conspiracy and theft of government property in connection with a scheme to divert tens of thousands of doses of anti-malarial medication funded by the President’s Malaria Initiative (“PMI”) for resale on the black market in East Africa. DJESSA and OHOYO remain at large.

Manhattan U.S. Attorney Geoffrey S. Berman said: “As alleged, while hundreds of thousands of people died of malaria—many of whom could’ve been saved with the very medicines these defendants stole-- Rene Djessa and Daniel Ohoyo put their greed ahead of their humanity. They stole life-saving anti-malarial medicines and sold them on the black market. This crime is outrageous, and we will do everything in our power to ensure that these defendants are held to account for their actions.”

Inspector General Ann Calvaresi Barr said: “Promoting integrity in the global health supply chain, including for anti-malarial medications, has been a long-standing priority for USAID Office of Inspector General. This indictment shows not only how programs to provide these life-saving medications can be abused, but also my Office’s commitment to identifying and investigating the theft of U.S.-funded health commodities and holding offenders accountable. I thank our Special Agents for their tremendous effort and the U.S. Attorney’s Office for the Southern District of New York for its steadfast prosecution in this case.”

According to the allegations contained in the Indictment¹:

The PMI and Anti-Malarial Medication

USAID is an independent federal agency that provides loans, grants, and technical assistance to assist countries with, among other things, global health issues, including malaria. The PMI is a U.S. government-funded interagency initiative led by USAID. The U.S. government launched the PMI in 2005 to support malaria prevention and treatment programs in certain high-burden countries in sub-Saharan Africa. The PMI coordinates with foreign governments in 19 focus countries, including the DRC, to implement strategies to strengthen health systems and improve malaria prevention and treatment, including the procurement and distribution of antimalarial medication.

Malaria is a serious and sometimes fatal mosquito-borne infectious disease caused by parasites. In 2013—at the time of the criminal conduct alleged in the Indictment—an estimated 198 million cases of malaria occurred worldwide and approximately 500,000 people died, mostly children in the sub-Saharan African region. Malaria must be diagnosed and treated promptly with an antimalarial drug to keep the illness from progressing and to prevent further spread of infection in the community.

One of the malaria prevention and treatment measures funded by the PMI is the procurement and distribution of artemisinin-based combination therapies (“ACTs”) to treat individuals with uncomplicated malaria. ACTs contain an artemisinin-based drug combined with another effective anti-malarial medication. One type of ACT that the PMI procures and distributes to the 19 focus countries in sub-Saharan Africa is Coartem. Coartem contains two active substances, artemether and lumefantrine, that work together to kill the parasites that cause malaria. Coartem is taken orally and is effective in treating acute, uncomplicated malaria infections. At the time of the criminal conduct alleged in the Indictment, Coartem was manufactured by a pharmaceutical company at a manufacturing facility in the Southern District of New York.

In 2011, USAID personnel in the DRC discovered significant quantities of PMI-funded ACTs, including Coartem, being sold in various markets in Kinshasa, DRC. Upon further inquiry, USAID determined that some of the Coartem being sold in the DRC had been procured through PMI funding for distribution in other sub-Saharan African countries, including Malawi, Angola, Mozambique, Zambia, Benin, Zimbabwe, and Ghana.

The Coartem Diversion Scheme

From 2013 through 2015, DJESSA, OHOYO, and others engaged in a scheme to divert PMI-funded Coartem anti-malarial medication for resale on the wholesale black market in Kinshasa, DRC, and Brazzaville, Congo. As detailed in the Indictment, between January 2013

¹ As the introductory phrase signifies, the entirety of the text of the Indictment and the description of the Indictment set forth herein constitute only allegations, and every fact described should be treated as an allegation.

and September 2015, USAID Office of Inspector General (“USAID-OIG”) Special Agents, operating in an undercover (“UC”) capacity, conducted numerous undercover purchases of PMI-funded Coartem from DJESSA and OHOYO in Kinshasa, DRC, and from a co-conspirator (“CC-1”) in Brazzaville, Congo. The UCs posed as businessmen who wanted to purchase large quantities of Coartem on the black market for resale to their purported clients.

A UC initially purchased Coartem from CC-1 in Brazzaville, who, in February 2013, introduced the UC to OHOYO as CC-1’s supplier in Kinshasa. Approximately one year later, after the UC had made several additional purchases of PMI-funded Coartem from OHOYO, OHOYO introduced the UC to DJESSA as OHOYO’s supplier. DJESSA claimed that he was the main supplier of Coartem in the DRC, Congo, and Angola, and that he had a supplier in Tanzania. DJESSA further stated that he could supply the UC with as much Coartem as he wanted. The UCs subsequently made several undercover purchases of Coartem from DJESSA, most recently in September 2015. At the September 2015 meeting, DJESSA told the UCs that he was aware that the Coartem was funded by the United States government.

Altogether, the UCs purchased almost 2,100 dispenser boxes of Coartem from DJESSA, OHOYO, and CC-1 for approximately \$63,000. USAID-OIG confirmed that a majority of the Coartem purchased in the undercover operations was funded through the PMI (a portion of the purchased Coartem was determined to be counterfeit). Each dispenser box of Coartem contained approximately 30 blister packs, each of which contained 6, 12, 18, or 24 individual Coartem tablets, depending on the weight of the patient for which the dispenser box was intended. One blister pack represented a course of treatment for a single patient. Thus, the approximately 2,100 boxes of Coartem that the UCs purchased from DJESSA, OHOYO, and CC-1 alone could have been used to treat nearly 63,000 persons suffering from malaria.

* * *

DJESSA, 41, and OHOYO, 32 of Kinshasa, DRC, are each charged with one count of conspiracy to steal U.S. government property, which carries a maximum sentence of five years in prison, and one count of theft of U.S. government property, which carries a maximum sentence of 10 years in prison.

The statutory maximum sentences are prescribed by Congress and are provided here for information purposes only, as any sentence imposed on the defendants will be determined by the judge.

Mr. Berman praised the outstanding investigative work of USAID-OIG in this case. Mr. Berman also thanked the U.S. Department of Justice’s Office of International Affairs for their assistance.

This case is being handled by the Office’s Complex Frauds and Cybercrime Unit. Assistant United States Attorney Daniel S. Noble is in charge of the prosecution.