

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Esther Salas
: Crim. No. 21-532-ES
v. :
LISA M. HOFFMAN : 18 U.S.C. § 371
: 18 U.S.C. § 641
: 18 U.S.C. § 670 &
: 18 U.S.C. § 2

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at Newark, charges:

Count 1

(Conspiracy to Steal Pre-Retail Medical Products Belonging to the United States)

1. Unless otherwise indicated, at all times relevant to this Indictment:
 - a. Defendant LISA M. HOFFMAN was a resident of Essex County, New Jersey.
 - b. Wagner Checonolasco, a/k/a "Wanny," a co-conspirator not charged in this Indictment, was a resident of Bergen County, New Jersey, and was an associate of HOFFMAN.
 - c. The U.S. Department of Veterans Affairs (VA) was a department of the United States government. The VA operated the Veterans Health Administration, a health care system that served approximately nine million enrolled veterans each year, providing care at over 1,000 health care facilities, including

approximately 170 medical centers. One of the VA's medical centers was the Veterans Affairs Medical Center in East Orange, New Jersey (VAMC).

d. The VAMC provided outpatient pharmacy services to qualifying veterans, including dispensing certain prescription medications. The VAMC also was a licensed pharmacy in the State of New Jersey, and was an organization in the supply chain for pre-retail medical products as defined in 18 U.S.C. § 670(e)(6).

e. The VAMC pharmacy maintained certain prescription medications, including HIV medications, that were required by federal and state law to be dispensed only pursuant to a prescription from a licensed health care professional. These prescription HIV medications were "medical products" within the meaning of 18 U.S.C. § 670(e)(2).

f. Prescription medications were kept on shelves in a separate secured area near the VAMC outpatient pharmacy. These prescription medications were dispensed to eligible consumers for whom the medications had been prescribed by a medical professional.

g. HOFFMAN was employed by the VA as a Pharmacy Procurement Technician at the VAMC outpatient pharmacy from in or about 2005 through in or about November 2019.

h. HOFFMAN's job responsibilities included, among other things, ordering the necessary medications and supplies for the VAMC outpatient pharmacy, including determining when to place orders and for what products, as well as regularly maintaining inventory levels of needed medications and supplies. Because of her employment, HOFFMAN had access to the VAMC pharmacy's supply of

medical products, including HIV medications. HOFFMAN was not authorized to remove medications from the VAMC pharmacy for her own purposes.

The Conspiracy

2. From in or about October 2015 through in or about November 2019, in Essex County, in the District of New Jersey and elsewhere, defendant

LISA M. HOFFMAN

knowingly and intentionally conspired and agreed with Checonolasco and others to commit certain offenses against the United States, that is:

- a. knowingly and willfully embezzling, stealing, purloining, and knowingly converting to their use and the use of others, property of a department of the United States with a value exceeding \$1,000, that is, HIV medications belonging to the VA, contrary to 18 U.S.C. § 641; and
- b. In, and using any means and facility of, interstate commerce, embezzling, stealing, and obtaining by fraud and deception, and knowingly and unlawfully taking, carrying away, and concealing pre-retail medical products, specifically prescription HIV medications belonging to the VA, having a value greater than \$5,000, while employed by, and an agent of, the VA, an organization in the supply chain for the pre-retail medical products, contrary to 18 U.S.C. § 670.

Goal of the Conspiracy

3. The goal of the conspiracy was for HOFFMAN and Checonolasco to unlawfully enrich themselves by using HOFFMAN's VAMC position to steal valuable HIV medications belonging to the VA and then sell those stolen medications.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that:

a. Using her authority as a VAMC procurement official to order medications for the VAMC's pharmacy, HOFFMAN ordered large quantities of HIV prescription medications so that she could steal the excess from the VAMC. After the medications arrived at the VAMC, HOFFMAN waited until co-workers were out of sight, removed the medications, secreted them, and exited the VAMC with the stolen medications.

b. Once HOFFMAN stole the medications from the VAMC, HOFFMAN met Checonolasco, generally at HOFFMAN's residence, and provided him with the stolen HIV medications in exchange for cash.

c. HOFFMAN and Checonolasco used an encrypted messaging application to plan and execute their thefts and sales of the stolen HIV medications, including arranging for the medications-for-cash exchanges.

d. After obtaining the stolen HIV medications from HOFFMAN, Checonolasco sold them.

e. HOFFMAN and Checonolasco stole approximately \$10,000,000 worth of HIV medications belonging to the VAMC during the conspiracy.

Overt Acts

5. In furtherance of the conspiracy, and to achieve its illegal objectives, HOFFMAN, Checonolasco, and others committed, and caused to be committed, the following overt acts in the District of New Jersey and elsewhere:

a. On or about December 20, 2018, HOFFMAN sent a message to Checonolasco complaining that she was unable to steal more HIV medication because her coworker was present: "Yeah and this bitch still sitting next to me trying to work out the budget. Im about to take what I got to the car and snatch the rest tomorrow." Checonolasco responded, "You order today so tomorrow should be good." HOFFMAN responded, "Yes I did," and Checonolasco replied "good."

b. On or about January 4, 2019, HOFFMAN sent a message to Checonolasco stating, "I still ain't get it out yet my bad I was busy. We got inventory coming up," to which Checonolasco responded, "Please do your best I'm desperate my rent is do tomorrow." HOFFMAN then said, "Im trying I need it too I told you I need 5k." Checonolasco then asked, "I thought you had it in the AM," to which HOFFMAN responded, "No it's stashed I told yesterday. Getting it out the door is the issue." HOFFMAN later messaged, "I can't get it out. ㉑㉑㉑㉑," to which Checonolasco responded, "Smh. . . Very bad way to star the year. . . Shit. . . This shit is getting soo inconsistent." HOFFMAN messaged Checonolasco, "Yeah well you not the only one frustrated I gotta keep that shit I got stashed I need money too. I got them people all over inside that place. Sometimes it's easy. Sometimes it is not. I'm not taking a chance when people standing at the front door."

c. On or about October 4, 2019, Checonolasco sent a message to HOFFMAN asking if HOFFMAN was able to steal the HIV medication. HOFFMAN complained that a coworker was in the pharmacy area, stating "we ain't getting no money if this bitch here." Checonolasco responded, "I need that bitch to leave."

d. On or about October 4, 2019, HOFFMAN sent Checonolasco a message that: "I'm home You'll be happy," meaning that HOFFMAN had successfully stolen HIV medications, and was now home. Checonolasco responded, "Good I'll be there in like 45 minutes."

e. On or about October 30, 2019, HOFFMAN obtained HIV medications from the shelves of the VAMC pharmacy and placed them in a white mail bin that she placed beneath her desk. Subsequently, HOFFMAN transferred the medications from the mail bin to a bag, then brought the bag containing the stolen HIV medications to her vehicle and drove away from the VAMC.

f. On or about November 1, 2019, HOFFMAN messaged Checonolasco that she was on the way to her residence. Checonolasco responded, "Ok Im on my way to you now," and HOFFMAN replied "Ok Bring my money."

In violation of Title 18, United States Code, Section 371.

Count 2
(Theft of Government Property)

1. The allegations contained in paragraphs 1 and 3 through 5 of Count 1 are realleged here.
2. From in or about October 2015 through in or about November 2019, in Essex County, in the District of New Jersey and elsewhere, defendant

LISA M. HOFFMAN

knowingly and willfully embezzled, stole, purloined, and knowingly converting to her use and the use of others, property of a department of the United States, specifically, HIV medications belonging to the VA that had a combined value exceeding \$1,000.

In violation of Title 18, United States Code, Section 641 and Section 2.

Count 3
(Theft of Medical Products)

1. The allegations contained in paragraphs 1 and 3 through 5 of Count 1 are realleged here.
2. From in or about October 2015 through in or about November 2019, in Essex County, in the District of New Jersey and elsewhere, defendant

LISA M. HOFFMAN

while employed by, and an agent of, the VA, an organization in the supply chain for pre-retail medical products, knowingly and intentionally, in, and using any means and facility of, interstate commerce, embezzled, stole, and by fraud and deception obtained, and knowingly and unlawfully took, carried away, and concealed pre-retail medical products, namely, prescription HIV medications belonging to the VA, having a value greater than \$5,000.

In violation of Title 18, United States Code, Section 670(a), (b)(1), and (c)(2) and Section 2.

FORFEITURE ALLEGATIONS

1. The allegations contained in Counts 1 through 3 of the Indictment are realleged here for the purpose of alleging forfeiture.

2. Upon conviction of the offenses charged in this Indictment, HOFFMAN shall forfeit to the United States, pursuant to 18 U.S.C. § 981 (a)(1)(C) and 28 U.S.C. § 2461(c), all of her right, title, and interest in any property, real or personal, which constitutes or is derived from proceeds HOFFMAN obtained that are traceable to the offense charged in the Indictment.

SUBSTITUTE OF ASSETS PROVISION

3. If any of the above-described forfeitable property, as a result of any act or omission of the HOFFMAN:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

the United States shall be entitled, pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), to forfeiture of any other property of HOFFMAN up to the value of the above-described forfeitable property.

A TRUE BILL



Rachael A. Honig
RACHAEL A. HONIG
Acting United States Attorney

CASE NUMBER: _____

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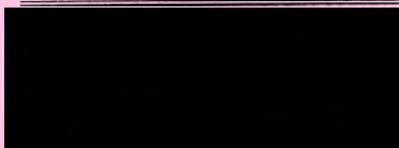
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For the People

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