



Department of Justice

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MIAMI RESIDENT PLEADS GUILTY TO CONSPIRACY TO DEFRAUD THE EXPORT-IMPORT BANK

WASHINGTON – Miami resident Guillermo Sanchez, 55, pleaded guilty today to charges that he conspired to defraud the Export-Import Bank of the United States (Ex-Im Bank) of approximately \$854,000, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division and Osvaldo L. Gratacos, Acting Inspector General of the Ex-Im Bank.

Sanchez pleaded guilty in U.S. District Court in Washington, D.C., to one count of conspiracy to defraud the Ex-Im Bank and one count of mail fraud in connection with 10 loans guaranteed by the Ex-Im Bank.

According to court documents and testimony at the plea hearing, from approximately May 2006 through August 2007, Sanchez acted as a purported exporter of construction equipment to South America in 10 different loan transactions. The loans were obtained from a Florida bank and insured by the Ex-Im Bank. Sanchez admitted that he and a co-conspirator prepared and submitted to the Florida bank and the Ex-Im Bank loan documents, including commercial invoices, packing lists and bills of lading falsely reflecting that Sanchez purchased and shipped approximately \$854,000 worth of generators manufactured in the United States to South American customers.

According to court documents and testimony, Sanchez's company, ACE Products, received approximately \$853,642 in loan proceeds based on the false representations and Sanchez retained a portion of the money for his own personal benefit and use. In or about August 2007, defaults on the loan transactions caused the Ex-Im Bank to pay the Florida bank's claim for outstanding principal and accrued interest of approximately \$854,161.

The Ex-Im Bank, an independent agency of the United States, is the official export credit agency of the United States and issues loan insurance to U.S. banks on behalf of creditworthy foreign companies for the purpose of purchasing U.S. goods. The Ex-Im Bank issues a loan insurance policy, which provides that if the foreign borrower defaults on its loan repayments to the lending bank, the Ex-Im Bank will reimburse the amount of the outstanding loan principal and interest to the lending bank.

Sentencing for Sanchez is scheduled for Nov. 1, 2010. The conspiracy charge carries a maximum prison sentence of five years and the mail fraud charge carries a maximum prison

sentence of 20 years. Each charge also carries a maximum fine of \$250,000, or twice the gain or loss, whichever is greater. The defendant also faces a term of supervised release following any prison sentence.

The scheme was investigated by special agents of the Ex-Im Bank, Office of Inspector General, after bank staff referred information concerning the loan defaults. This case was prosecuted by Senior Litigation Counsel Patrick M. Donley of the Criminal Division's Fraud Section.

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