

JUSTICE NEWS

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Financial Consultant Extradited to the United States for Alleged Scheme to Defraud the U.S. Export-import Bank

Manuel Ernesto Ortiz-Barraza, an independent financial consultant, was extradited to the United States today for his alleged role in a scheme to defraud the Export-Import Bank of the United States (Ex-Im Bank) of over \$2.5 million, announced Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division, U.S. Attorney for the Western District of Texas Robert Pitman and Osvaldo L. Gratacos, Inspector General of the Ex-Im Bank.

Ortiz-Barraza, 56, was charged in an indictment unsealed on Oct. 19, 2011, in the Western District of Texas with one count of conspiracy to commit wire and bank fraud, three counts of wire fraud and one count of bank fraud for his alleged role in a scheme with several others to defraud the Ex-Im Bank. Based on a provisional arrest warrant, Mexican authorities arrested Ortiz-Barraza in Mexico on Feb. 13, 2012, and he has been awaiting extradition to the United States, a process which was recently finalized by the Mexican courts.

According to the U.S. indictment and court documents, Ortiz-Barraza and his co-conspirators allegedly conspired to obtain Ex-Im Bank guaranteed loans through banks by creating false loan applications, false financial statements and other documents purportedly for the purchase and export of U.S. goods into Mexico. Ortiz-Barraza and his co-conspirators allegedly falsified shipping records to support their claims of doing legitimate business and did not ship the goods that were guaranteed by the Ex-Im Bank. After the loan proceeds were received, Ortiz-Barraza and his co-conspirators allegedly split the loan proceeds among themselves. As a result of the alleged fraud, the conspirators' loans defaulted, causing the Ex-Im Bank to pay claims to lending banks on a loss of over \$2.5 million.

The charges and allegations contained in the indictment are merely accusations and the defendants are presumed innocent unless and until proven guilty.

The Ex-Im Bank is an independent federal agency that helps create and maintain U.S. jobs by filling gaps in private export financing. The Ex-Im Bank provides a variety of financing mechanisms to help foreign buyers purchase U.S. goods and services.

The case is being prosecuted by Senior Litigation Counsel Patrick Donley and Trial Attorney William Bowne of the Criminal Division's Fraud Section and Assistant U.S. Attorney Steven Spitzer of the Western District of Texas, El Paso Division. The case was investigated by the Ex-Im Bank Office of Inspector General, Homeland Security Investigations in El Paso, under the leadership of Acting Special Agent in Charge Dennis Ulrich; Internal Revenue Service-Criminal Investigation in Washington, D.C., under the leadership of Special Agent in Charge Rick A. Raven; and the U.S. Postal Inspection Service in Washington, D.C., under the leadership of Inspector in Charge Daniel S. Cortez. Substantial assistance was provided by the U.S. Marshals Service and the Criminal Division's Office of International Affairs in Washington, D.C. The Department of Justice is particularly grateful to the government of Mexico for their assistance in this matter.