



Department of Justice
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**Mexican Pecan Company Owner Sentenced to 48 Months in Prison for
Scheme to Defraud the U.S. Export-Import Bank**

WASHINGTON – The owner of a pecan brokerage company in Ciudad Juarez, Chihuahua, Mexico, was sentenced today to serve 48 months in prison for his role in a scheme to defraud the Export-Import Bank of the United States (Ex-Im Bank) of approximately \$400,000, 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.

Leopoldo Valencia-Urrea, 50, was sentenced by Judge Kathleen Cardone in U.S. District Court in El Paso, Texas. Valencia pleaded guilty on Oct. 13, 2011, to one count of conspiracy to commit wire fraud, one count of wire fraud and one count of money laundering conspiracy in connection with a scheme to defraud the Ex-Im Bank of approximately \$400,000. In addition to his prison term, Valencia was sentenced to serve three years of supervised release and was ordered to pay \$58,000 in restitution and \$399,075 in forfeiture.

According to court documents, Valencia, a U.S. citizen, was the owner of a pecan brokerage company in Ciudad Juarez and resided in El Paso. Valencia admitted that in 2006, he applied for an Ex-Im insured loan for \$406,258 through a bank in Miami. As part of his fraudulent loan application, Valencia and others submitted a fraudulent loan application, financial statements, invoices, letters and bills of lading to falsely represent to the Miami bank and the Ex-Im Bank the purchase and export of U.S. goods to Valencia in Mexico. After the exporter who conspired with Valencia received \$399,075 from the Miami bank, Valencia and others diverted the loan proceeds directly to Valencia and others in Mexico. As a result of the fraud, Valencia’s loan defaulted, causing the Ex-Im Bank to pay a claim to the lending bank on a \$371,962 loss.

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. Significant financial analysis and strategic assistance was provided during the course of this investigation by the Financial Crimes Enforcement Network (FINCEN).

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Criminal Division