



Department of Justice

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TEXAS RESIDENT SENTENCED TO 24 MONTHS IN PRISON FOR SCHEME TO DEFRAUD THE U.S. EXPORT-IMPORT BANK

WASHINGTON – An El Paso, Texas, resident was sentenced today to 24 months in prison for his role in a scheme to defraud the Export-Import Bank of the United States (Ex-Im Bank) of more than \$3.6 million.

The sentence was announced by Assistant Attorney General Lanny A. Breuer of the Criminal Division; U.S. Attorney Robert Pitman of the Western District of Texas; Osvaldo L. Gratacos, Inspector General of the Ex-Im Bank; Special Agent in Charge Manuel Oyola-Torres of Homeland Security Investigations (HSI) in El Paso; Special Agent in Charge Rebecca Sparkman of the Internal Revenue Service-Criminal Investigation (IRS-CI) in Washington, D.C.; and Inspector in Charge Daniel S. Cortez of the U.S. Postal Inspection Service (USPIS) in Washington, D.C.

Gilberto Baez-Garcia, 35, was also sentenced by Judge Kathleen Cardone in U.S. District Court in El Paso to five years of supervised release and was ordered to pay \$ 3,614,594 in restitution and \$ 3,614,977 in forfeiture. Baez pleaded guilty on May 11, 2011, to conspiracy to commit wire and bank fraud, conspiracy to launder money and bank fraud. Baez admitted that he participated in a scheme to defraud the Ex-Im Bank of more than \$3.6 million. Baez most recently resided in El Paso. He was arrested on June 4, 2010.

According to court documents, Baez was the co-owner of Valcomar Inc., an export company located in El Paso that purported to be in the business of exporting U.S. manufactured goods to Mexico. During his plea hearing, Baez admitted that he and another El Paso exporter created false documents so Baez could obtain a fraudulent Ex-Im Bank loan, which resulted in a \$1,016,126 loss to the government. Baez also admitted that he and his co-conspirators assisted others to obtain fraudulent Ex-Im loans, which resulted in more than \$2 million in losses to the government. According to court records, all of the Ex-Im loans involving Baez were fraudulent and Baez and others stole the loan proceeds by transferring funds to Mexico and elsewhere. As a result, the loans went into default and caused the Ex-Im Bank to pay claims losses to the lending banks in the amount of \$3,614,594.

Ex-Im Bank is an independent federal agency that helps create and maintain U.S. jobs by filling gaps in private export financing. 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 Trial Attorneys Patrick Donley and William Bowne of the Criminal Division's Fraud Section and Assistant U.S. Attorney Steven Spitzer of the Western District of Texas, El Paso Office. The case was investigated by the Ex-Im Bank Office of Inspector General, HSI, IRS-CI and USPIS.

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