

U.S. Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Friday, May 27, 2011

Texas Resident Sentenced to 70 Months in Prison for \$17 Million Scheme to Defraud the U.S. Export-Import Bank

WASHINGTON – An El Paso, Texas, resident was sentenced yesterday to 70 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 \$17 million, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division; Osvaldo L. Gratacos, Inspector General of the Ex-Im Bank; and Manuel Oyola-Torres, Special Agent in Charge for U.S. Immigration and Customs Enforcement’s (ICE) Homeland Security Investigations (HSI) in El Paso.

Jose Velasco, 40, was also sentenced by Judge Reginald Walton in U.S. District Court in Washington, D.C., to three years of supervised release and was ordered to pay \$17.9 million in restitution and \$17.9 million in forfeiture. Velasco pleaded guilty on Sept. 24, 2010, to a criminal information charging him with one count of wire fraud and one count of conspiracy to defraud the United States.

According to court documents, Velasco was the owner of Alamo Freight Forwarding, a company located in El Paso that purported to be a freight forwarding company specializing in the export of heavy equipment to Mexico. Velasco admitted that he and others conspired to defraud the Ex-Im Bank. From April 2004 through November 2007, Velasco purported to act as a freight forwarder in approximately 13 loan transactions with various lending banks whose loans were insured or guaranteed by Ex-Im Bank. The transactions involved a total of approximately \$17.9 million. As part of the fraud scheme, Velasco and others prepared and submitted false documents to Ex-Im Bank falsely stating that goods and equipment had been purchased and shipped to buyers in Mexico. Velasco and others prepared false commercial invoices, bills of sale, bills of lading, and false Mexican Customs documents called “Pedimentos.” According to court records, all of the fraudulent loans in which Alamo Freight Forwarding was involved subsequently defaulted, causing Ex-Im Bank to pay claims losses to the lending banks in the amount of \$17.9 million.

The case is being prosecuted by Senior Trial Attorney Peter B. Loewenberg and Senior Litigation Counsel Patrick Donley of the Criminal Division’s Fraud Section. The case is being investigated by the Ex-Im Bank Office of Inspector General and ICE HSI in El Paso.

11-696

Criminal Division