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Description of document: Closing Documents for Export Import Bank (Ex-Im Bank)
Office of Inspector General (OIG) investigations closed
2009-2014

Request date: 02-July-2014

Released date: 12-September-2014

Posted date: 29-September-2014

Source of document: Export-Import Bank of the United States
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[Online Freedom of Information Act Request Form](#)

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**EXPORT-IMPORT BANK
of the UNITED STATES**

INSPECTOR GENERAL

September 12, 2014

Re: FOIA Request # 201400046F

This is the final response to your Freedom of Information Act (FOIA) request to the Export-Import Bank of the United States (Ex-Im Bank). We received your request in our office on July 2, 2014. You requested a “copy of the Closing Document (Report of Investigation, Referral Memo, Final Report, etc.) for each investigation closed by the Office of Inspector General of the Export Import Bank since January 1, 2014.”

A search of the records maintained by the Office of Inspector General located approximately 34 pages of documents that are responsive to your request. We have reviewed these documents under the terms of FOIA. No pages have been withheld in full. Certain information is protected under FOIA Exemptions 6, 7(C), and 7(E) and has been redacted. The documents are attached, and redactions are noted with the corresponding FOIA exemption:

FOIA Exemption 6 exempts from disclosure personnel or medical files and similar files the release of which would cause a clearly unwarranted invasion of personal privacy.

FOIA Exemption 7(A) permits the withholding of records or information compiled for law enforcement purposes, when the disclosure of such information could reasonably be expected to interfere with an ongoing enforcement proceeding in which final action has not been reached. The information redacted under this exemption is related to ongoing cases.

FOIA Exemption 7(C) protects records or information compiled for law enforcement purposes that could reasonably be expected to constitute an unwarranted invasion of personal privacy. This exemption takes particular note of the strong interests of individuals, whether they are suspects, witnesses, or investigators, in not being unwarrantably associated with alleged criminal activity. That interest extends to persons who are not only the subjects of the investigation, but those who may have their privacy invaded by having their identities and information about them revealed in connection with an investigation. Based upon the traditional recognition of strong privacy interest in

law enforcement records, categorical withholding of information that identifies third parties in law enforcement records is ordinarily appropriate.

FOIA Exemption 7(E) protects law enforcement information which would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S.C. §552(c) (2006 & Supp. IV (2010)). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all of our requesters and should not be taken as an indication that excluded records do, or do not, exist.

You have the right to appeal the decision regarding non-disclosure of redacted information by writing to the Export-Import Bank of the United States, Attention: Assistant General Counsel for Administration, 811 Vermont Avenue, N.W., Washington, D.C., 20571. Any appeal must be received by that office within 30 days from the date of this letter. You may also submit an appeal via E-Mail at FOIA.Appeals@exim.gov. The phrase "FOIA APPEAL" should appear on the letter and on the outside of the envelope containing the appeal or in the "Subject" line of the E-Mail.

If you have any questions about this response, please contact me at (202) 565-3169 or by E-Mail at mike.mccarthy@exim.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. McCarthy', with a stylized flourish at the end.

Michael T. McCarthy
Acting Inspector General



Export-Import Bank of the United States
Office of Inspector General
Office of Investigations

CLOSING STATUS REPORT

Title: Frontera Equipment Sales, et al	Date Opened: February 26, 2009
Case No: 09-0008/TFI/C	Closing Date: June 2, 2014
Agent: (b) (6)	

Allegations:

This case was initiated on February 26, 2009 based on a referral from Ex-Im's Trade, Finance, and Insurance Division (TFI). The allegation indicated that the supplier Frontera Equipment Sales (Frontera) and/or their exporter, El Paso Valcomar (Valcomar), engaged in fraudulent transactions against Ex-Im by sending money in lieu of products to Mexican buyers. Jorge Martinez-Joo (Martinez) and Gilberto Baez-Garcia (Baez) are the former co-owners of the now defunct export company, Valcomar. Frontera is owned by (b) (6) in Donna, TX. was arrested, tried, and acquitted for his alleged involvement in this investigation. Martinez was indicted and remains a fugitive in Mexico. Baez was arrested and pleaded guilty to wire fraud conspiracy charges. The investigation revealed several related defendants in the El Paso, TX area and Mexico were engaged in fraudulent Ex-Im transactions. The investigation targeted violations of 18 USC 1341 (mail fraud), 18 USC 1343 (wire fraud), 18 USC 1956 (money laundering), and 18 USC 1344 (Bank Fraud).

Closing Summary:

This was a joint investigation with the U.S. Postal Inspection Service, IRS Criminal Investigations, and Homeland Security Investigations (HSI). The approximate total loss to the U.S. Government is approximately \$4.81 million for seven claims related to the various inter-connected conspiracies that were investigated in this case. The case was prosecuted by the U.S. Department of Justice, Criminal Division Fraud Section in Washington, D.C., with the assistance of the U.S. Attorney's Office for the Western District of Texas, El Paso Division (WDTX).

This investigation is being closed; however, related fugitive reporting for seven (7) fugitives will be captured under OIG-OI case (b) (7)(A).

Pursuant to this investigation, agents arrested seven (7) defendants and secured over \$27.8 million in criminal fines, forfeiture, and restitution. The following information summarizes the defendants whom were charged and arrested in this case.

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Arrest Date	Defendant	Charge	Sentence (months)	Restitution & Forfeiture
08/20/2009	Juan Rios	Mail & Wire Fraud	9 months' prison & 36 months' probation	\$1,016,126
09/03/2009	Rafael Rascon-Chavez	Conspiracy to Commit Wire Fraud	11 months' prison & 36 months' probation	\$1,990,418
06/04/2010	Gilberto Baez-Garcia	Conspiracy to Commit Wire Fraud & Money Laundering	24 months' prison & 36 months' probation	\$7,268,572
06/16/2010	Jaime Galvan-Guerrero	Conspiracy to Commit Wire Fraud & Money Laundering	60 months' probation	\$827,563
06/16/2010	Alexis Pappatheodorou-Schmill	Conspiracy to Commit Wire Fraud	24 months' probation	\$1,080,526
01/25/2013	Manuel Ernesto Ortiz-Barraza	Conspiracy to Commit Bank Fraud and Wire Fraud	36 months' prison & 36 months' probation	\$15,654,110
04/23/2013	Maria de Jesus Ortiz-Saldivar	False Statement	18 months' probation	NA

In regards to defendant Manuel Ernesto Ortiz-Barraza (Ortiz), agents extradited Ortiz from Mexico after securing his arrest in Chihuahua, Mexico on February 13, 2012.

In regards to defendant Maria de Jesus Ortiz-Saldivar (Maria), who is not related to Ortiz, agents convinced Maria to surrender to agents at an El Paso, TX port of entry rather than being extradited from Mexico.

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In addition to the defendants listed above, the following defendants remain fugitives in Mexico as a result of this investigation:

- Jorge Martinez-Joo
- Gilberto Ruiz
- Sergio Acosta-Camacho
- Adrian Rascon-Chavez
- Genoveva Fontes de Rascon
- Jorge Valdez-Cota
- Veronica Iglesias-Lucero

(b) (7)(A)

(b) (7)(A)

Throughout the course of this extensive five (5) year investigation, agents served 82 IG Subpoenas and utilized a myriad of other investigative techniques in furtherance of the case.

Based on intelligence gleaned from the case, agents made a total of 66 referrals for enhanced due diligence to OGC.

El Paso HSI SA (b) (6) has captured all of the related investigative reporting for this case in TECS. Since OIG-OI does not have NCIC input authority, SA (b) (6) maintains the NCIC entries for the seven (7) fugitives. OIG-OI agents and SA (b) (6) regularly share intelligence regarding the fugitives with the U.S. Marshals Service and HSI and FBI agents assigned to the U.S. Embassy in Mexico City.

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(b) (7)(A)

Based on the above investigative findings, no further investigation is warranted or deemed necessary under this captioned case. No other law enforcement or administrative referrals are required. This case is closed. As stated above, all reporting for the seven (7) fugitives and associated intelligence will be reported under OIG-OI case (b) (7)(A)

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CLOSING STATUS REPORT

Title: Polaris Pharmacy Corporation et al	Date Opened: April 20, 2010
Case No: 10-0009/OGC/C	Closing Date: June 9, 2014
Agent: (b) (6)	

Allegations:

This investigation was initiated on April 20, 2010 after an April 14, 2010 referral from the Office of General Counsel (OGC). The referral stemmed from a fraud allegation that Yader Padilla (Padilla) d.b.a. Polaris Pharmacy had committed Ex-Im fraud by creating fake foreign buyers. Within one month of the allegation, agents executed a search warrant and arrested Padilla, who immediately cooperated and implicated the organizer, Carlos Morano. Agents developed a case against Morano and arrested him for organizing 17 fraudulent Ex-Im loans, including Padilla's loan. This investigation was worked under violations of 18 USC 1343 (wire fraud) and 18 USC 1349 (Conspiracy).

Closing Summary:

The investigation revealed that 184 claims, totaling approximately \$8.7 million, were filed in conjunction with claims related to this investigation.

The approximate total loss to the U.S. Government is approximately \$8.7 million for 184 claims related to the various inter-connected conspiracies that were investigated in this case. The case was prosecuted by the U.S. Department of Justice, Criminal Division Fraud Section in Washington, D.C., with the assistance of the U.S. Attorney's Office for the Southern District of Florida, Miami Division.

Pursuant to this investigation, agents arrested or charged eight (8) defendants and secured over \$17.7 million in criminal forfeiture, restitution, and special assessments. Through OIG-OI's efforts, agents assisted Ex-Im to recover \$5,000 in direct repayments from a defendant and secure approximately \$13.2 million in cost savings by sharing investigative intelligence with Ex-Im OGC which led to 17 Ex-Im insurance policies being cancelled. This action protected U.S. taxpayer funds at risk; thereby, creating a cost savings of approximately \$13.2 million. Agents also executed seven (7) federal search warrants on a business and e-mail accounts. The following information summarizes the defendants whom were charged in this case.

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Arrest/Charged Date	Defendant	Charge	Sentence (months)	Restitution & Forfeiture
05/05/2010	Yader Padilla	Conspiracy to Commit Wire Fraud	24 months prison, 36 months' probation, & 1,400 hours community service	\$215,639 in restitution
10/30/2010	Jose Quijano	Conspiracy to Commit Wire Fraud	46 months prison & 36 months' probation	\$951,256 in restitution
11/08/2010	Carlos Morano	Conspiracy to Commit Wire Fraud	63 months prison & 36 months' probation	\$5,219,756 restitution & \$6,806,699 in forfeiture
12/08/2011	Rafael Cuarezma	Conspiracy to Commit Wire Fraud	10 months prison & 36 months' probation	\$355,046 in restitution
09/20/2012	Diego Pinzon	Conspiracy to Commit Wire Fraud	12 months prison & 36 months' probation	\$141,053 in restitution
09/27/2012	Hector Mestril	Conspiracy to Commit Wire Fraud	14 months prison & 36 months' probation	\$345,738 in restitution
06/07/2013	Teolinda Angeles	Conspiracy to Commit Wire Fraud	12 months prison & 36 months' probation	\$446,876 in restitution & \$1,384,666 in forfeiture

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11/08/2013	Emilio Michel	Conspiracy to Commit Wire Fraud	12 months prison & 36 months' probation	\$355,652 restitution & \$680,449 in forfeiture
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In regards to defendant Jose Quijano (Quijano), agents extradited Quijano from Argentina after securing his arrest in Buenos Aires on December 20, 2011. Quijano had fled home detention in Miami, FL on June 7, 2011. After submitting a provisional arrest warrant package to DOJ/OIA on January 30, 2012, Quijano was finally extradited to Miami on October 3, 2013. Quijano was placed into U.S. Marshal Custody for transfer to the U.S. Bureau of Prisons.

Throughout the course of this extensive four (4) year investigation, agents served 83 IG Subpoenas and utilized a myriad of other investigative techniques in furtherance of the case.

Based on intelligence gleaned from the case, agents made a total of 45 referrals for enhanced due diligence to OGC.

Based on the above investigative findings, no further investigation is warranted or deemed necessary under this captioned case. No other law enforcement or administrative referrals are required. This case is closed.

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(b) (6)

Title: PROACTIVE: Mexico Claims Fraud Risk Analysis	Date Opened: December 5, 2011
Case No: 12-0006-AGT-PRO	Closing Date: February 20, 2014
Agent: (b) (6)	

Allegations:

This Proactive Investigation (PI) was initiated based on analytical reviews of the Export-Import Bank of the United States (Ex-Im) transactions and claims associated with the Mexico that would be able to be prosecuted under the statute of limitations.

The purpose of the PI was to examine the individual transaction and claim files associated with Mexico during the period of time in question, and examine common denominators with respect to participants, exported goods, or other factors which may be indicative of fraud. This effort attempted to identify any red flags which may warrant further referral to any component of the OIG or the Office of Investigations (OI) for investigative review under separate cover. This PI was initiated without any specific Title 18 USC violations identified at the time of case initiation.

Closing Summary:

Investigative analysis reviewed an allegation that Ex-Im has done business with known cartel members along the Texas-Mexico border. The documentation available in the response to a Freedom of Information Act (FOIA) request submitted by a reporter, Mark Smith, Producer, WFAA-TV, 606 Young Street, Dallas, Texas 75202, in 2007, was reviewed. Byron Harris, a reporter for WFAA-TV, alleged in an article dated December 27, 2007, that ExIm was funding Mexican drug cartels. (b) (7)(E)



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(b) (7)(E)

(b) (7)(E)

the results for the individuals listed were largely inconclusive.

The analysis looked at any possible Office of Foreign Asset Control (OFAC) violations by ExIm. On May 17, 2007, OFAC placed Nueva Industria de Ganaderos de Culiacan SA de CV and Rosario Niebla Cardoza (Cardoza) on the list under the Foreign Narcotics Kingpin Designation Act. The Drug Enforcement Administration issued a press release that included an organizational chart for this OFAC listing. According to the August 1, 2008, letter from (b) (6), Office of General Counsel, Export-Import Bank, to the Office of Foreign Assets Control, Licensing Division, Department of Treasury, ExIm applied for a Specific License under 31 C.F.R. 501 *et seq* and 31 C.F.R. 598 *et seq* "for the specific purpose of exercising property rights and property interests and engaging in transactions and transfers in connection with the captioned Debt" with regards to AP079082. Analysis indicates these OFAC listings for Nueva and Cardoza were related to a May 2002 drug kingpin designation for Ismael Zambada Garcia, the leader of a Sinaloa cartel. In conclusion, the only OFAC listed entity that was connected to an Ex-Im deal were Nueva and Cardoza in AP079082. Ex-Im ultimately received the OFAC license to continue collecting payments.

(b) (7)(E)

Although several of the agents were involved in deals that went to claim, no agent was associated with deals that had a noticeably abnormal rate of claims.

The analysis identified three significant claims related to Mexican buyer Aceites Industriales El Zapote S.A. de C.V. (Zapote). Zapote was a buyer and a manufacturer of vegetable oil and shortening with three short term transactions, which resulted in combined claims of approximately \$15 million dollars. In May 2013, the Zapote matter was addressed through PI 13-0008.

On February 20, 2014, this PI analysis was discussed with (b) (6). Due to limited OIG resources, further investigative activity into this matter would not be prudent or cost efficient.



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Further investigation is neither warranted nor deemed cost-beneficial by this office and this PI is closed.



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CLOSING STATUS REPORT

Title: Boleo (et al.)	Date Opened: October 31, 2012
Case No: 12-0016-OGC-C	Closing Date: January 6, 2014
Agent: (b) (6)	

Allegations:

This case was opened based on a Preliminary Investigation (PI) initiated on July 6, 2012. The PI resulted from an Ex-Im Bank, Office of General Counsel (OGC), referral regarding a Direct Loan transaction (#AP084609) to borrower Minera y Metalurgica del Boleo (Boleo). Boleo is a mining company which is in the process of constructing a \$1.2 billion mining facility for the development of an underground copper-cobalt-zinc mine near Santa Rosalia, Baja California, Mexico. Boleo was an entity that was 70% owned by Canadian corporation Baja Mining Corporation (Baja), formerly run by CEO John Greenslade) and 30% owned by a Korean consortium of other business enterprises. This project is jointly financed by Ex-Im Bank, the Export Development Canada (EDC), the Korean Development Bank, and other commercial lenders. Boleo selected a General Contractor (GC) ICA Fluor under a cost-plus contract, to oversee the project. Boleo's financial advisor was Endeavour Financial, and the Export Credit Agency's (ECAs) retained independent engineering contractor Micon International Limited.

In summary, since October 2011 Ex-Im Bank has made three disbursements totaling \$126,376,973.00, via Deutsche Bank, out of Ex-Im's \$419,612,000.00 financed amount. According to an Ex-Im Bank's referral, the Boleo mining project has since run into alleged mismanagement and cost overruns of nearly \$500 mn. While no specific fraud was alleged by the OGC referral, there were several matters of concern to include: (1) (b) (7)(C) giving his daughter (b) (7)(C) a \$725,000 corporate payout as a corporate secretary; (2) ICA Fluor's questionable cost-plus contract and their relationship with Boleo which indicate little oversight or control of costs potentially contributing to the project collapse; (3) Micon's close relationship with Endeavour Financial and its questionable dereliction of duties and inaccurate cost reporting; (4) Boleo forgoing Letters of Credit and obtaining disbursements based on a "reimbursement" basis; (5) suspicious requests made by (b) (7)(C) (which were declined by the ECA/lender group) to invest \$5.5 mn of Boleo funds into his own company, (b) (7)(C), and; (6) the suspicious timing of two Baja Board members departure immediately prior to the announcements of massive cost overruns.

This investigation was worked under suspected violations of 18 U.S.C. § 1341 (Mail fraud), 18 U.S.C. § 1343 (Wire Fraud), and 18 USC 1956 - Laundering of monetary instruments.

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Closing Summary:

The investigation identified no claims from the borrower as the \$419mn loan was restructured and is now a direct loan guarantee to Korea Resources consortium called "Kores". The Kores consortium is a state-owned resource enterprise made up of several Korean businesses that now holds a 73% stake in the project. Ex-Im Bank renegotiated the facility's loan after the original 2010 defaulted loan expired and the guarantee is now considered to be secured as a direct-sovereign loan.

On July 24, 2012, Ex-Im Bank engineers (b) (7)(C) , were interviewed. (b) (7)(C) told (b) (6) that he had expressed his initial concerns about the close relationship between Micon and the financial advisor, Endeavour Financial, and Baja Mining in several reports. (b) (7)(C) said Endeavour and Baja Mining had "too cozy" of a relationship for his comfort. After the project's numerous cost overruns, Ex-Im Bank, specifically (b) (7)(C) , terminated Micron's participation and selected Pincock Allen and Holt as the new independent engineer for the Boleo project. (b) (7)(C) said it was clear to him there were many technical aspects where Micron had spent over budget, and put lots of money in building a "Cadillac" of a facility. The US-exported products that Boleo purchased were all good quality, just all over priced and over budget and, according to (b) (7)(C) , "No one was keeping track of costs."

On July 12, 2012 Ex-Im Bank loan officer (b) (7)(C) was interviewed by (b) (6) . (b) (6), (b) (7)(C) told OIG staff that due to the Boleo project cost overruns and its current default, it is currently pending restructuring. Weekly discussions and reports are occurring with Ex-Im Bank and other ECA Lenders (EDC and the Korean Development Bank) and no dollar loss has occurred to Ex-Im Bank at this time. (b) (6) told interviewers that she tracks discussions and updates daily and writes a weekly report on the status of the project to (b) (6) . (b) (6) stated that the loan agreement required Boleo to provide financial statements and reports. Currently, the project is ready to collapse because Boleo has about \$107 million in payrolls, but only about \$35 million in cash. (b) (6) stated that there are quarterly meetings held in Washington DC here at Ex-Im Bank, with participants, to discuss the matter and the pending restructuring and status.

On July 18, 2012, (b) (6) re-interviewed Ex-Im Project Manager/Loan Officer (b) (6) . (b) (6) reported that she traveled to the Boleo mine with Engineer (b) (6) to conduct a site-visit on June 9-14, 2012. It was during this trip that Ex-Im Bank representatives were informed by Boleo staff that the cost overruns exceeded \$500 million dollars. This was also the first time the newly hired ECA independent engineers,

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Pincok Allen & Holt, visited the Boleo site. (b) (6) told (b) (6) that she noted that this was the first time the lenders were informed of the escalated cost overruns and that Ex-Im Bank learned that ICA Fluor had been overstating progress by a few percentage points. (b) (6) noted that the site visit inspection found the project cost control group has formally been keeping two sets of books – one fully updated with forecasts and one that matches ICA Fluor books which excludes forecasting/trends. (b) (6) provided the names of the board directors who left Boleo project and provided information about (b) (6) request for a \$5.5 million investment to Boleo Board members in (b) (6).

On July 26, 2012, (b) (6) was interviewed in her office by (b) (6) regarding the Boleo mining project. (b) (6) said she is the person who reviews the borrowers Request for Reimbursement (RR). (b) (6) reported that there have been a total of six disbursements as follows: Two disbursements for U.S. export costs, two disbursements for local Mexican labor costs, one Interest During Construction (IDC) request (*Per (b) (6), this expense is really for accounting purposes and adds interest to the cost of the financed amount for calculation and repayment purposes. The IDC is not actually paid to the borrower, but credited to the account. IDC's are charged every 6 months.*), one request in April, for export local Mexican labor costs - which was stopped by Ex-Im Bank because of Boleo's inability to update costs, and because of the issue with cost overruns. (b) (6) received the RR from (b) (6) and/or (b) (6), VPs, at Deutsche Bank (DB), New York. DB is not the lender, but the facility agent in this deal which has two roles: (1) Getting the right documents together and cleaning up or organizing the documents needed, and (2) making representations or following other legal requirements under their terms and obligations as a facility agent. DB received the documents from (b) (6) in New York. Boleo hired her to gather and submit the documents to DB. She used to work for ICA Fluor, but then she got her own contract with Boleo. (b) (6) said (b) (6) did a sloppy job in compiling the documents.

On October 23, 2012, (b) (6)

were interviewed by (b) (6)

(b) (6) shared that the Toronto

Stock Exchange may be examining the Boleo project for possible securities fraud violations and that due to the recent action by the Korea Resources Corp., the maximum that Baja owns in the Boleo project is now 49 percent. The restructured deal was in negotiations and set to close November 15, 2012. It was discussed at the meeting that a formal interview would occur later this year to open an inspection or evaluation of the Boleo project and its cost overruns.

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(b) (7)(E)

On October 11, 2012 an Intelligence Report was completed and provided by the Recovery Accountability and Transparency Board Operations Center (ROC) to (b) (6). This report helped (b) (6) efforts to highlight and clarify connections between the various parties involved in this deal. The Intelligence Report indicates other corporate officials of related business entities connected with the project also appear to have structured several financial transactions, or were potentially involved in securities fraud.

On October 31, 2012, this Preliminary Investigation was converted into a case. Based on the Ex-Im Bank staff interviews and the ROC Intelligence Report, there appeared to be a reasonable indication of criminal activity associated with persons or parties involved in this transaction. The focus of this investigation was to determine what, if any, criminal violations or misrepresentations occurred to Ex-Im Bank and within the jurisdiction of the U.S. Government, related to the guarantee of this project.

On December 4, 2012, a press release on Boleo noted that the refinancing of the Ex-Im Bank loan had closed but the project financing itself remains in default. The backers of the Boleo copper-cobalt-zinc project in Mexico's Baja California Sur state have renegotiated a \$419,000,000.00 loan with the Ex-Im Bank, Vancouver-based Baja Mining (TSX: BAJ) said in a statement. Korea Resources (Kores), which heads a consortium of Korean businesses that holds a 51% stake in the project to Baja's 49%, renegotiated the facility after the original 2010 loan expired. US EXIM was the largest lender in the 2010 financing to develop Boleo before overruns were identified in the second quarter of 2012, pushing up the expected cost from US\$1.17bn to US\$1.67bn. The remainder of the original 2010 loans for the project remain in default, Baja said. Kores, the only borrower under the new US\$419mn loan, has agreed to provide a corporate loan facility to project developer Minera y Metalurgica del Boleo (MMB), with the two parties "currently working toward a draw-down," Baja added. The consortium has also advanced a further US\$40mn to keep construction work on Boleo continuing while funding is sought. A third standstill agreement, under which lenders have agreed to temporarily forbear exercise of rights and remedies, has also been issued to January 15, 2013, with an automatic extension to March 31, 2013, given certain conditions are met.

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The Korean consortium provided US\$90mn of additional finance for Boleo in August, but a further US\$443mn is needed to fully fund the project. An updated technical report on the Boleo project by SRK Consulting, expected at the end of November, was delayed until January 2013.

(b) (7)(E)

(b) (7)(E)

The analysis determined that there were no suspicious wire transfers between (b) (6) (b) (6) and any other identified companies owned by (b) (6). Furthermore, the OIG's Office of Inspections and Evaluations (OIE) analysis of all the disbursements records from the Lender to the Borrower and to all the project's vendors were balanced and failed to disclose any financial irregularities. There were no indications of any payments to any unauthorized vendors or individuals from the borrower's bank accounts and other extensive accounting records.

Agents met with Office of Inspections and Evaluations (OIE) personnel on several occasions to discuss the Boleo transaction in furtherance of this investigation. OIE is conducting a parallel Boleo evaluation to determine if Ex-Im Bank processes and procedures were properly followed during the underwriting and operational process of the Boleo credit.

OIE interviews of key Boleo senior employees failed to disclose any allegations of fraud related to the project's significant cost overruns. (b) (6)

told (b) (6) that they were unaware of any fraud in the Boleo transaction. Open source research revealed that two Mexican Union Trucking

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officials were charged by the Mexican government for defrauding the Boleo Project. According to the Mexican Blogging sites the Truck Owners Association altered and modified the signed contract they had with the Boleo mining operation. (b) (6) testified on behalf of the prosecution at one of the Mexican trials of the Trucker's Union officials. (b) (6) testimony serves to further demonstrate the borrower's active willingness and involvement in curbing local corruption.

On May 7, 2013, reporting agent briefed the Boleo transaction to (b) (6) Foreign Corrupt Practice s Act Unit, U.S. Securities and Exchange (SEC). SEC securities regulations mandate that registered issuers, such as Baja Mining, make timely and accurate disclosures during annual reporting requirements. (b) (6) told reporting agent that since the Boleo transaction did not seem to involve any allegations of bribes or kickbacks to Mexican government officials, the matter should not be referred to the SEC's FCPA Unit. (b) (6) advised that the OIG could refer the matter to the SEC's Hotline for Baja's possible omissions on their mandated annual SEC disclosures.

There have been no reported claims and therefore no losses to the US Government in this transaction. It is unlikely that the matter would ever be accepted for prosecution given these conditions. Furthermore, the limited scope of the investigation has not substantiated any allegations of fraud either from Ex-Im Bank personnel interviews, extensive document reviews, or subpoenaed records.

On August 9, 2013, the AIGI referred this matter to the SEC's Office of Enforcement (SEC/OE) via their Internet hotline intake as suggested by to (b) (6) , Foreign Corrupt Practice s Act Unit, U.S. Securities and Exchange (SEC). The matter was referred because of allegations that BMC may have purposefully made omissions or false disclosures on their mandated annual SEC disclosures. The limited scope of OI's investigation did not substantiate any allegations of fraud that involve the Ex-Im Bank's OIG jurisdiction.

On September 6, 2013, the SEC/OE contacted reporting agent with follow-up questions regarding OI's referral. (b) (7)(E)

OI kept this investigative matter opened during the last reporting period for any additional SEC/OE questions regarding this referred matter. However, no additional questions from the SEC arose.

Throughout the investigation, OIG agents analyzed transaction participant records and charts to determine Boleo and Baja corporate structures and the individual and company

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participant roles in the complex transactions. All actionable intelligence was shared with the SEC for whatever action deemed appropriate. Since there was no loss to the U.S. government due to a restructuring of the loan by sovereign entity and there were no investigative findings of crimes having been committed, no further investigative activity is warranted or planned. This case is closed.

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Title: U.S. FED Group	Date Opened: November 2, 2012
Case No: 13-0002-OGC-C	Date: June 18, 2014
Agent: (b) (6)	

Allegations:

This case was initiated on November 1, 2012 based on allegations provided by Ex-Im Bank Office of General Counsel (OGC) that U.S. Friendship and Economic Development (FED) Group of Washington, D.C., collected approximately \$155,000 in fees from CFE Distributors (CFE) of Monrovia, Liberia. The fees were allegedly for FED to arrange Ex-Im Bank financing for exports to CFE. It is alleged that FED never arranged the financing and has refused to return the fees. It is alleged that FED committed fraud by collecting fees for work which it never intended to do – and that it used Ex-Im Bank financing as a lure to commit this fraud.

To date, no financial exposure to Ex-Im Bank or the Federal Government in this matter has been identified.

Closing Summary:

On November 13, 2012, the reporting agent interviewed (b) (6) OGC. Per (b) (6), the allegations were made by (b) (6) whom he had spoken to and met with in person. (b) (6); however in her discussions with (b) (6), she was not clear about her role in the purported FED transactions as well as with FED itself. (b) (6) did not know if (b) (6) was an employee or a contractor of FED. (b) (6) claimed to have a banking background and was never paid the fees she was supposed to receive for her work with FED. (b) (6) did not know what type of payment arrangement (b) (6) had with FED. (b) (6) stated that (b) (6) appeared to be a credible witness to the events that transpired at FED. (b) (6) spoke to another former FED employee that would also accompany (b) (6) but he could not recall this second person's name.

(b) (6) claimed that FED was operated by (b) (6) and through FED, (b) (6) had no intention of applying for the loan in question with Ex-Im Bank. Instead, (b) (6) just kept the money that was paid by the prospective borrower. (b) (6) alleged that she saw this as a problem with FED and maintained that FED should either use the money to apply for the Ex-Im Bank loan or return the money to the Liberian borrower.

(b) (6) stated that FED is a member of Ex-Im Bank's City/State Partner program. However, he continued that FED's membership in this program is in question as it typically involves entities which are a part of local governments or universities; neither of which apply to FED. Members of this program are not charged any fees. Because FED

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does not fall into either of the two aforementioned categories, (b) (6) is in the process having FED removed from the City/State Partner Program.

(b) (6) claimed that it could not be determined how many other transactions FED may be/has been involved in. This is because FED is not a participant in any of the transactions. FED is also not paid any fees by Ex-Im Bank as it is neither a broker nor exporter but rather a “deal finder.” (b) (6) stated that Ex-Im Bank has not heard anything from the purported borrower, CFE.

On March 20, 2012, Ex-Im Bank OIG Special Agent (SA) (b) (6) and the reporting agent interviewed (b) (6) at the Ex-Im Bank OIG offices. Also present was (b) (6) who worked with (b) (6) while she was employed at FED.
(b) (6)

he then attended several African Development events wherein members of the business community networked and discussed business opportunities. (b) (6) met (b) (6) at one of these social gatherings who claimed to be the managing partner of FED. (b) (6) claimed FED was involved in assisting foreign entities in need of Ex-Im Bank-insured funding for the financing of U.S. exports. Shortly after, (b) (6) agreed to work for FED as an independent contractor receiving a commission-based salary to source transactions in West Africa. As such, (b) (6) received no regular salary from FED and worked out of her home and in the field for the approximate period of the years 2008 to 2011. (b) (6) also worked for FED for approximately the same period.

(b) (6) demanded that CFE send FED earnest money as a form of down payment to demonstrate CFE’s good faith in the transaction. CFE initially sent FED \$30,000 in April 2010 in correspondence with the original initial \$500,000 transaction. And during November 2010 and December 2010, CFE sent an additional \$125,200 in two \$25,000 payments, and one payment of \$25,200 and another of \$50,000. This resulted in a total payment of \$155,200 made by CFE to FED in line with purported transaction.

(b) (6) both claimed to have believed in the legitimacy of FED. FED had an office on the Pennsylvania Avenue in Washington, DC which (b) (6) visited a few times. She did however admit that she only saw two to three other FED employees during her visits. (b) (6) admitted that FED appeared to be leasing space in a multiple tenant office facility.

The week of March 24, 2013, the reporting agent reviewed a “Full Corporate Offer” or form of contract that was signed between FED and CFE. This document was included in the complaint materials originally submitted to Ex-Im Bank OIG by OGC during the referral of the matter. In a review of the document, the reporting agent identified

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signatures of (b) (6) as a representative of FED. No mention of Ex-Im Bank could be identified in the document and it appears that Ex-Im Bank was not identified as a participant or party to the transaction in question.

On June 17, 2014, the reporting agent located Ex-Im Bank's City/State Partner Program listing on www.exim.gov and determined that FED was still a member of the program.

An updated query conducted by the reporting agent in Ex-Im Bank systems on this date continued to show no financial exposure to Ex-Im Bank and/or the Federal Government through (b) (6) or FED. Africa United States Friendship & Economic Development Group (AUSFED), another company affiliated with (b) (6), was located in Ex-Im Bank systems; however, no active transactions with financial exposure were identified.

On June 17, 2014, the reporting agent provided OGC with the aforementioned findings regarding FED and (b) (6) for purposes of enhanced due diligence.

Based on the above information, this investigation is to be closed. There has been no exposure to Ex-Im Bank or the Federal Government in this matter. There are no current or active transactions involving (b) (6), FED or AUSFED and (b) (6) illicit receipt of CFE funds is not within the investigative jurisdiction of the Ex-Im Bank OIG.

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Title: Aceites Industriales El Zapote	Date Opened: May 3, 2013
Case No: 13-0008-PI	Closing Date: January 14, 2014
Agent: (b) (6)	

Allegations:

This preliminary investigation (PI) was initiated based pursuant to Mexican claims proactive investigation 12-0006. (b) (6)

conducted analysis of Ex-Im Bank paid Mexican claims and identified three significant claims related to Mexican buyer Aceites Industriales El Zapote S.A. de C.V. (Zapote). Zapote was a buyer and a manufacturer of vegetable oil and shortening with three short term transaction (442901, 443682, and 433882) resulted in combined claims of approximately \$15 million dollars (Claim Numbers: (FB25464, FB25514, and FB25517). One claim (FB25464) was filed by Republic Federal Bank (now 1st United Bank) and paid by Ex-Im Bank. This first default caused Ex-Im Bank to call in the two additional Zapote exposures at PNC Bank and Banco Monex. Ultimately the three defaults led to a significant claim loss of \$19,356,941.14. Although there were no indications of fraud, (b) (6) determined to open a PI in this matter in order to explore disposition of Ex-Im Bank recovery efforts, status and relationship of Zapote officials involved in any possible misconduct, and determine to possibly determine if any responsible parties fell within the prosecutive jurisdiction of the United States.

This PI attempted to determine if a reasonable indication of a crime could be identified within the jurisdiction of the Ex-Im Bank OIG, and targeted suspected violations of 18 USC 1001 (False Statements) and 18 USC 1343 (Wire Fraud).

Closing Summary:

The purpose of this PI was to review and report the defaulted transactions disposition and determine if there is any evidence of fraudulent export activity or the improper disbursement of loan proceeds by and between Zapote and/or any transaction participants which may warrant further investigation by the OIG.

During the course of this investigation, a detailed review of the Ex-Im Bank files was conducted by reporting agent. (b) (7)(E)

Public source research, specifically the Mexican Financial Press, indicates that Zapote's assets were far outweighed by the size of their liabilities. The comprehensive analysis did not result in any significant findings. Document reviews of all three Zapote claims found that all documents were in order and that there were no document discrepancies. Correspondence and emails within the claim file indicate nothing out of the ordinary.

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Reviews were also conducted of public sources and showed that Zapote's assets were seized by Mexican civil courts. Zapote's reconsolidation plans were rejected by its Mexican creditors in late 2010 and their debt was restructured in 2011.

On May 28, 2013, three transaction files and three claim files were requested from the Ex-Im Bank Achieves. On June 27, 2013, the records were provided to the OIG by Ex-Im Bank/Records Management. The transaction files demonstrated that every claim file by Zapote lenders contained the proper documentation. This included: Promissory Notes, Exporter's Certificates, Bill of Ladings, Invoices, Buyer's Request to Disburse, and Wire transfer evidencing payments to Exporter & premium payment to Ex-Im Bank.

(b) (7)(E)

Therefore, there was no evidence of any falsely reported payments by the borrower.

On January 7, 2014, reporting agent interviewed (b) (6), Asset Management Division (AMD), Ex-Im Bank. (b) (6) reported that AMD hired an independent Attorney/Investigator to pursue the possibility of recovery against Zapote. (b) (6) and contracted Attorney visited Zapote factory in February 2010 and met with company principal (b) (6). According to (b) (6) Zapote's financial situation was very fluid for a few weeks subsequent to the first claim filing and the remaining Ex-Im debts being called in. Zapote's future was in a semi-standstill mode in terms of numerous other Mexican financial creditors. Ultimately, Ex-Im's contracted attorney reported to AMD that Zapote's Mexican creditors banded together informally and a financial consultant was collectively hired by the courts and the various Mexican financial institutions. The financial consultant delivered a fairly negative report on Zapote in early April 2010. Most of the creditors concluded that a mercantile action was the best route to take and the courts granted Zapote's Mexican mercantile creditors a "Concurso Mercanti". (b) (6) explained that this is the equivalent of a Chapter 13 bankruptcy where only merchants get to share in the debtors' liquidation. As a non-mercantile lender, Ex-Im Bank was not allowed to partake in divvying up the company's assets. (b) (6) reported that AMD, during its attempted collection process, did not find any indications of fraud in Zapote's resulting three transactions and subsequent claims. Neither AMD, nor its contractor reviews of Zapote's transactions determined any

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financial discrepancies or evidence to support that Zapote or (b) (6) misrepresented their finances during their application process with Ex-Im Bank. In late 2010, Ex-Im Bank filed a law suit against Zapote in Mexican courts in an attempt to recover some of its losses. However, the suit was unsuccessful and Ex-Im Bank was not awarded any damages.

On January 7, 2014, reporting agent telephonically interviewed (b) (6). (b) (6) signed all the exporter certificates for the Zapote transactions. (b) (6) told reporting agent that Zapote had taken (b) (6) for several million dollars in other, non-Ex-Im Bank, credit debt also. Furthermore, (b) (6) reported that Zapote owed over 50 million dollars to Mexican financial institutions. Furthermore, (b) (6) reported that Mexican creditors had only collected pennies on the dollar when Mexican Courts declared Zapote insolvent and bankrupt. (b) (6) reported that all the shipments of Protein Free Tallow had been sent to Zapote and that (b) (6) was unaware of any allegations against Zapote involving fraudulent activities. (b) (6) reported that his company was had been in business for over 150 years and annual revenues worth several billion dollars. However, (b) (6) did report that someone in Zapote had, in all likelihood, bribed Mexican Customs officials to get their shipments of Tallow prior to obtaining the exporter's release permission. (b) (6) reported that the (b) (6) goods are supposed to remain in a bonded storage facility controlled by Mexican Customs until the Exporter is paid and agrees to release the goods to the recipient. According to (b) (6), this did not happen and there was likely some corruption on the part of Mexican Custom Officials and/or collusion with Zapote employees as the Tallow had been released to Zapote without (b) (6) authorization.

Accordingly, based on no evidence of fraudulent activity concerning the legitimacy of the exports, purchasing or shipping, and the lack of any reasonable indication of a crime, this matter was not presented for prosecutive consideration.

In February 2014, this PI analysis was discussed with (b) (6). Due to limited OIG resources, further investigative activity into this matter would not be prudent or cost efficient. Further investigation is neither warranted nor deemed cost-beneficial by this office and this PI is closed.

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Title: EXIM Named Business Entities	Date Opened: August 8, 2013
Case No: 13-0014-AGT	Date: June 23, 2014
Agent: (b) (6)	

Allegations:

This Proactive Investigation was developed by Ex-Im Bank OIG Office of Investigations (OI) from early investigative analysis conducted under Complaint Evaluation 12-0051. At that time, investigative and analytical searches in Florida Sunbiz corporate records reflected an unusual amount of business entities with "EXIM" as part of the business name. In light of ongoing investigations and national efforts, it has been found that the incorporation of "EXIM" or "Export-Import" into corporate names often signifies potential connections with Export Credit Agencies and/or Ex-Im Bank in the performance of international trade finance transactions. (b) (7)(E)

and data within ERS and other Ex-Im Bank systems requiring further cross-checking and analysis to determine if any "EXIM" named business entities have transactions that pose a risk to Ex-Im Bank.

Closing Summary:

On a regular proactive basis, OI queried the terms "EXIM" and "Export Import Bank"^{(b) (7)} along with Ex-Im Bank Asset Management -derived claims reports. OI also separately conducted queries in ERS for entities listed in (b) (7)(E). The positive results of these were reviewed for possible fraudulent activity and financial exposure to Ex-Im Bank leading to potential investigations as well as referrals to Ex-Im Bank.

This case is currently being closed and similar ongoing proactive investigative efforts and actions will be conducted under Case No: (b) (7)(A) henceforth.

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Title: ND Electronics et al	Date Opened: September 9, 2013
Case No: 13-0017/AMD/C	Closing Date: June 24, 2014
Agent: (b) (6)	

Allegations:

This case was initiated after a complaint evaluation found that ND Electronics, Inc. (NDE) in Fremont, CA had submitted false warehouse receipts from one of their buyers, Low Price Computacion SRL (LPC) in Argentina. NDE had two claims filed with Ex-Im totaling approximately \$75,000 in 2012, one being from LPC and one being from Jasu Computer Corporation (Jasu) in Panama. The enhanced assignee for NDE was New Continent Finance (NCF) and the broker was Provident Traders in California. The merchandise in both claims was computer chips. NDE is owned by (b) (6) and NDE have a branch location in Miami, FL. Ex-Im advised that NDE had a SBCL policy limit of \$750,000 under policy number ENB-465656. This case was investigated under suspected violations of 18 USC 1001, false statements.

Closing Summary:

This closing summary details the investigation of ND Electronics, Inc., and two false claims against Ex-Im Bank resulting in a loss of approximately \$75,000.

Pursuant to the investigation, two Miami, FL freight forwarders were interviewed by agents in an attempt to verify the documents submitted to NCF and Ex-Im Bank to justify the claim against Ex-Im Bank. The freight forwarders advised that warehouse receipts provided by NDE were false.

Based on the information provided by the freight forwarders and additional information obtained through other investigative means, agents interviewed (b) (6), a sub-contractor/agent for NDE. (b) (6) admitted to creating the false documents for the Ex-Im transactions. (b) (6) also advised that he told (b) (6) about the existence of the false documents.

On February 25, 2014, U.S. Department of Justice, Fraud Section declined to pursue prosecution in this matter due to the below threshold loss amount. At that time, the investigation was referred to Ex-Im Bank, Office of General Counsel (OGC) for administrative action deemed appropriate.

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On June 23, 2014, (b) (6) signed a five year Voluntary Exclusion Agreement, to exclude himself, ND Electronics, Inc. and ND Electronics of Miami, Inc. from participation in all covered transactions involving any agency of the Federal Government.

Information obtained through the course of this investigation, shared with Ex-Im Bank OGC caused Ex-Im Bank to cancel NDE's policy; thereby, creating a \$750,000 cost savings by protecting U.S. government funds at risk.

Since prosecution was declined in this matter, no further investigative activity or investigative referrals are warranted.

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Title: (b) (6)	Date Opened: December 5, 2013
Case No: 14-0006-HOT-PI	Closing Date: February 11, 2014
Agent: (b) (6)	

Allegations:

On December 4, 2013, an email was received by the Ex-Im OIG hotline from (b) (6)

stated that on December 4, 2013, around 1 pm she attended a reception at the Library of Congress Members Room with other colleagues. After the presentations, while she was awaiting for her televised interview with (b) (6)

approached her, seized her by both shoulders in a powerful bear hug, squeezing her hard into his body and in a leering tone said "what are you doing here, what do you still want from the Ambassador" and pressed his face close to hers almost as if trying to kiss her. She thought he was going to force a kiss on her or lick her face. (b) (6)

felt it was a physical assault on her. She subsequently shoved him away, walked away to put maximum distance between them in the small room, whereupon he turned back to the bar and got more alcoholic beverages. She stated he seemed inebriated during the event. This case was investigated pursuant to suspected violations of 5 CFR 2635 - Standards of Ethical Conduct for Employees of the Executive Branch.

Closing Summary:

On December 12, 2013, (b) (6) was interviewed by (b) (6)

(b) (6) reiterated what was in her email to the hotline, essentially stating that at approximately 2:00 pm, (b) (6)

approached her from the side, put his arm around her and pulled her into his body. (b) (6) then put his face close to hers and whispered something in her ear about why she was still there and what she wanted from the (b) (6). (b) (6) stated that (b) (6) appeared intoxicated and she could smell alcohol on him. (b) (6) thought (b) (6) was going to either kiss her or lick her on her face. She abruptly shoved him away and went to the other side of the room. (b) (6) said she was not injured but felt extremely embarrassed. (b) (6) said that she did not want to press charges and did not want anything else from (b) (6), including an apology. (b) (6) informed (b) (6) that OIG would fully investigate the matter and pass the findings to Ex-Im Management for action deemed appropriate.

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On December 17, 2013, at approximately 1:55 p.m., (b) (6) was interviewed by (b) (6). (b) (6) said he attended a function last week at the Thomas Jefferson Building (Library of Congress). He received the invitation from (b) (6) at Ex-Im who was the original invitee. (b) (6) stated that he had some hors d'oeuvres and approximately 6 glasses of wine. He said that he started drinking around Noon and left around 1:30 p.m. (b) (6) said he was feeling "tipsy but not plastered." (b) (6) stated that he met (b) (6) in the middle part of the reception and just spoke to her briefly. He thought he may have given her his business card and he acknowledged receiving (b) (6) business card. (b) (6) stated that he did not recall going up to (b) (6) later in the reception and putting his arm around her.

A review conducted of (b) (6) Ex-Im email revealed several emails indicating that (b) (6) had a drinking problem and had been urged to seek counseling by family members. No emails were discovered referencing the reception at the Library of Congress or the meeting with (b) (6).

(b) (7)(E)

As a result of the aforementioned investigative findings, information was provided to Ex-Im Office of General Counsel (OGC) for action deemed appropriate. On February 10, 2014, a Letter of Reprimand was provided to (b) (6) by OGC, signed by (b) (6). The letter will remain in (b) (6) file for one year and a recommendation made for (b) (6) to seek assistance from the Employee Assistance Program for his alcohol problems. A copy of the letter of reprimand was placed into this case file for future reference.

Based on the above facts, no further OIG investigation is warranted or required. No other referrals to other law enforcement agencies are necessary. Based on the foregoing, this case is closed.

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Title: (b) (6)	Date Opened: December 13, 2013
Case No: 14-0008/AGT/C	Closing Date: February 21, 2014
Agent: (b) (6)	

Allegations:

This investigation was initiated on December 13, 2013 after agents and prosecutors conducted a proffer interview of (b) (7)(A)

(b) (6) told him that he had paid \$3,000 in cash per month for a two year period. (b) (6) also allegedly told (b) (6) that (b) (6) had paid (b) (6) \$1.25 million in exchange for closing the Cemec collection efforts. (b) (6) claimed that (b) (6) routed the money to (b) (6) through (b) (6) and then (b) (6) sent the money to (b) (6) bank account in (b) (6). This case was investigated under suspected violations of 18 USC 1341 (mail fraud), 18 USC 1343 (wire fraud), and 18 USC 1349 (Conspiracy).

Closing Summary:

This closing summary details the investigation of (b) (6) and documents that no evidence exists to substantiate the allegations against (b) (6).

Pursuant to the investigation in an attempt to verify the improper payments allegation that (b) (6) made against (b) (6), (b) (6) conducted the following investigative checks with negative results:

(b) (7)(E)

Another allegation was that (b) (6) told (b) (6) that (b) (6) had sent (b) (6) (b) (7)(E)
On December 16, 2013, (b) (6) located the original

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(b) (7)(E) files; thereby disproving this allegation.

On January 9, 2014 pursuant to an IG Subpoena, (b) (7)(E) (b) (6) reviewed the data and did not find anything of evidentiary value.

During the course of the investigation, agents utilized other investigative means to analyze financial information related to (b) (6). A review of financial information did not reveal anything of evidentiary value.

In summary, a thorough review of (b) (6) Ex-Im (U.S. Government) e-mail account, various financial information, and documentary evidence revealed that the allegations against (b) (6) can't be substantiated. Agents did not locate any evidence that (b) (6) received any payments from (b) (6) as alleged by (b) (6). Agents also found the (b) (7)(E) for the (b) (6) claim in the Ex-Im files; thereby disproving this secondary allegation against (b) (6).

On February 19, 2014, SA^{(b) (6)} communicated the investigative findings to (b) (6) and advised her that OIG would close this investigation and re-focus investigative efforts on the (b) (7)(A)

During the investigation, agents did not located any administrative violations and found that (b) (6) work performance was professional and appropriate.

Based on the above investigative findings, no further investigation is warranted or deemed necessary. No other law enforcement or administrative referrals are required. This case is closed.

If additional information is developed regarding (b) (6), it will be reported under (b) (7)(A)

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Title: (b) (6)	Date Opened: December 16, 2013
Case No: 14-0010/AGT/C	Closing Date: February 7, 2014
Agent: (b) (6)	

Allegations:

This investigation was initiated on December 16, 2013 after (b) (6) received a telephone call from (b) (6)

During the phone call, a male subject told (b) (6) that he and his companions would harm (b) (6) unless (b) (6) sent them \$3,500 via Money Gram. (b) (6) wired the money as directed in fear for (b) (6) life. During the incident, OIG and Federal Bureau of Investigation (FBI) agents were with (b) (6) in an attempt to identify the suspect(s). At the time of the incident, OIG and FBI agents were not sure if (b) (6) was being targeted due to his government position or if the extortion was a random act. This investigation was initially opened and worked under suspected violations of 18 USC 875 (b) and (c) (Interstate Communications with Intent to Extort and Interstate Transmission of Threat to Injure), 18 USC 1343 (wire fraud), and 18 USC 1349.

Closing Summary:

On December 16, 2013 at approximately 10:47 a.m., (b) (6) contacted (b) (6) via text message and stated that someone was attempting to extort him via phone (b) (6). (b) (6) immediately contacted FBI SA (b) (6) for assistance.

(b) (6) and (b) (6) met with (b) (6) and he was able to communicate that a male subject identifying himself as (b) (6) using telephone number (b) (6), had called (b) (6) on his personal cell phone. (b) (6) told (b) (6) that (b) (6) had seen (b) (6) vehicle the night before and called the local police in (b) (6) because (b) (6) appeared suspicious. (b) (6) told (b) (6) that the police had arrested (b) (6) and his friend and they were now out of jail. (b) (6) told (b) (6) that if he did not pay (b) (6) \$3,500 via Money Gram transfer then they would harm (b) (6).

(b) (6) was scared because (b) (6) lived alone in a rough area of (b) (6). (b) (6) contacted (b) (6) wife who in turn contacted (b) (6) who confirmed

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that he was alright. (b) (6) related that the same subject, who he thought to be (b) (6) had called him the night before from (b) (6) and said he and (b) (6) were old friends. (b) (6) gave (b) (6) personal cell phone number. (b) (6) stated that he did not call the police about a suspicious vehicle.

(b) (6) told (b) (6) that he had people watching (b) (6) house and if (b) (6) did not pay them they would harm (b) (6)

(b) (6) subsequently sent (b) (6) \$3,500 via two Money Gram transfers: \$2,000 to (b) (6) and \$1,500 to (b) (6). (b) (6) gave the aforementioned names to (b) (6) as the recipients of the money.

After (b) (6) sent the money to (b) (6), (b) (6) was able to retrieve his digital recorder and gave it to (b) (6) to record the remaining approximately 15 minutes of the telephone call with (b) (6).

During the initial phase of the extortion, OIG and FBI agents were not sure if (b) (6) was being extorted due to his government position or if the extortion was random.

As (b) (6) were working with (b) (6) to secure information during the phone call with (b) (6), (b) (6) instructed (b) (6) (b) (7)(E)

On December 16, 2013, FBI Washington Field Office SA (b) (6) interviewed (b) (6) and advised (b) (6) that the extortion was possibly related to an ongoing FBI (b) (6) investigation of subjects extorting public officials. (b) (6) gave (b) (6) the digital recording and provided a copy of the (b) (7)(E) and the Money Gram receipts.

On December 30, 2013, (b) (6) SA (b) (6) contacted (b) (6) and advised that he would actively work the investigation and keep OIG informed of his findings.

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On December 31, 2013 pursuant to an IG subpoena, (b) (6) obtained copies of the Money Gram wire transfer records related to the extortion transfers. Agents identified the two female suspects that picked up the money in (b) (6) as Zujeily Heredia (Heredia) and (b) (6). (b) (6) passed this information to (b) (6) via e-mail and telephone.

On the same date, (b) (6) and other FBI agents located and interviewed Heredia and (b) (6). Heredia confessed to picking up the wire transfers as part of an extortion scheme. (b) (6) arrested Heredia and charged her via a criminal complaint with extortion.

On February 5, 2014, (b) (6) advised (b) (7)(E)
FBI agents learned that the extortion was random and did not target ^{(b) (6)}
based on his government position.

(b) (6) advised that Heredia was indicted on January 29, 2014 for 18 USC 875 (b) (Interstate Communications with Intent to Extort) and 18 USC 874 (c) (Interstate Transmission of Threat to Injure). (b) (6) advised that additional arrests are expected.

Upon learning that (b) (6) was not targeted based on his government position, no further OIG investigation is warranted since the FBI is the primary law enforcement agency investigating the case. Based on the aforementioned facts, this case is closed.

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