



Office of Inspector General
Office of Investigations

Loan Guarantee Program

Saba, Inc. (et al.)

Saba, Inc. (“SABA”), an exporter based in Memphis, TN settled a civil lawsuit with the US Government for fraudulently obtaining a loan guaranteed by EXIM for a construction project in Turkey from Deutsche Bank. The investigation determined that SABA misrepresented key aspects of the transaction, including how much of the loan proceeds would be spent on “local costs” in Turkey rather than on U.S.-made goods, and whether the borrower, a Turkish non-profit organization, would furnish a 15 percent down payment. SABA admitted and accepted responsibility for submitting information to EXIM in connection with applying for the loan guarantee without verifying the truth or accuracy of such information and for marking up the costs of certain goods, sometimes by as much as 300 percent, for purposes of generating cash used for local costs or corporate profits. SABA also agreed to pay \$3.5 million and abstain from participating in any EXIM loan or loan guarantee programs for seven years.