



**Office of Inspector General
Office of Investigations**

Export Credit Insurance

Fraudulent Transactions and Loan Kiting Scheme by Miami Exporter

An exporter based in Florida was suspected of submitting fraudulent loan guarantee documents to EXIM Bank primarily involving the construction of a resort complex in the Dominican Republic. The multi-year/multi-million dollar investigation determined that the exporter interspersed fraudulent transactions with genuine ones and that he and likely co-conspirators became involved in a lender loan kiting scheme where the borrower's debts were purchased by the exporter and new loan guarantee proceeds were used to pay off old loans. The illegal transactions, when discovered, were mostly beyond the money laundering and bank fraud statute of limitations, and the Department of Justice declined to bring charges. The foreign debtor subsequently entered into a settlement agreement with the EXIM Bank to repay all lost taxpayer funds.