



**Office of Inspector General
Office of Investigations**

Loan Guarantee Program

Global Export Machinery (et al.)

Sentencing of Ringleaders of \$11 Million Fraud Scheme - In May and June 2016, three co-conspirators received lengthy sentences for their roles in a scheme to defraud two commercial lenders and EXIM Bank out of more than \$11 million. The leader of the conspiracy, Guillermo Antonio Sanchez-Badia, was sentenced to 144 months imprisonment, and the other two conspirators, Isabel C. Sanchez and Gustavo Giral, were sentenced to 44 and 41 months imprisonment. Sanchez-Badia was also ordered to pay \$11,503,068 in restitution and \$41,924,418 in forfeiture.

The individuals utilized companies they controlled to create fictitious invoices for sales and purported exports of merchandise that never occurred. These invoices were sold to two Miami-area commercial lenders in a process called "factoring," which allowed the conspirators to receive cash for approximately 90 percent of the value of the merchandise listed on the fake invoices, according to the plea. They admitted that, in order to continue the scheme, they created additional fictitious invoices, transferred the funds they received through numerous bank accounts under their control and, in a Ponzi-style scheme, used a portion of the new proceeds to pay off prior factored invoices. When the Miami lenders refused to extend further credit, the conspirators created false invoices and shipping documents to obtain a loan guaranteed by EXIM Bank. Rather than acquiring, selling and shipping American-manufactured goods as required by EXIM Bank guaranteed loan, the conspirators used the loan proceeds to pay off earlier factored invoices, thereby extending the scheme, and kept the balance of the loan proceeds for themselves.