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**MIAMI BUSINESS OWNER SENTENCED FOR HIS ROLE IN DEFRAUDING  
THE EXPORT-IMPORT BANK OF THE UNITED STATES**

*Washington, DC* – The Office of Inspector General (OIG) for the Export-Import Bank of the United States (Ex-Im Bank) announced today that Miami resident and businessman Rafael E. Cuarezma, 44, was sentenced to 10 months incarceration (5 months prison, 5 months home incarceration) on March 22, 2012. In addition, Cuarezma was ordered to pay \$355,046.08 in restitution and serve 36 months of supervised release. The Honorable U.S. District Judge William P. Dimitrouleas, Southern District of Florida, Fort Lauderdale Division, sentenced Cuarezma for his role in defrauding Ex-Im Bank. Cuarezma had previously pled guilty on January 10, 2012 to criminal charges of two counts of conspiracy to commit wire fraud and wire fraud.

According to court records, Cuarezma, a naturalized U.S. citizen, born in Nicaragua, owned and worked as the general manager of an electronics business in Miami known as LFM International Corporation (LFM) that exported electronic equipment to buyers in foreign countries. In March 2008 and October 2009, Ex-Im Bank approved two insurance policies for Cuarezma and LFM to cover the risk of non-payment by buyers in South America of U.S.-manufactured electronics equipment. Under an “Enhanced Assignment of Policy Proceeds”, Cuarezma and LFM then assigned the proceeds of the insurance policies to a lending bank in Miami to obtain financing for the purchase and export of these goods. Under an Enhanced Assignment of the insurance proceeds, Ex-Im Bank agrees to pay claims to the assignee. Therefore, the insurance policies covered the lender in the event of a default related to the loan payments by Cuarezma and LFM.

According to court records, Cuarezma entered into a conspiracy with others to defraud Ex-Im Bank and unlawfully enrich themselves by submitting false and fraudulent information to Ex-Im Bank through the lender to obtain money from the loan and misappropriate the loan proceeds for their own use and benefit. According to the court records, Cuarezma admitted that he and others prepared and caused to be prepared false loan applications, false financial statements, false shipping documents, and false invoices representing that Cuarezma, through LFM, had sold and shipped approximately \$1,118,761 worth of goods manufactured in the United States to South American buyers. In fact, according to court records, Cuarezma had not sold or shipped any of the goods. Cuarezma defaulted on his loan causing Ex-Im Bank to pay a claim to the lender on March 10, 2010 in the amount of \$372,808.

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Ex-Im Bank is an independent executive agency that helps create and maintain U.S. jobs by filling gaps in private export financing at no cost to American taxpayers. Ex-Im Bank provides a variety of financing mechanisms, including working capital guarantees, export credit insurance and other financing to help foreign buyers purchase U.S. goods and services.

Ex-Im Bank OIG is an independent office within Ex-Im Bank. The OIG receives and investigates complaints and information concerning violations of law, rules or regulations, fraud against Ex-Im Bank, mismanagement, waste of funds, and abuse of authority connected with Ex-Im Bank's programs and operations.

Additional information about the OIG can be found at [www.exim.gov/oig](http://www.exim.gov/oig). Complaints and reports of waste, fraud, and abuse related to Ex-Im Bank programs and operations can be reported to the OIG hotline at 888-OIG-EXIM (888-644-3946) or via email at [IGHotline@exim.gov](mailto:IGHotline@exim.gov).