



THE UNITED STATES ATTORNEY'S OFFICE
DISTRICT *of* CONNECTICUT

U.S. Attorneys » District of Connecticut » News And Press Releases

Department of Justice

U.S. Attorney's Office

District of Connecticut

SHARE 

FOR IMMEDIATE RELEASE

Wednesday, June 14, 2017

Two Men Who Defrauded Banks in Connection with USDA Export Financing Program Sentenced to Prison

Deirdre M. Daly, United States Attorney for the District of Connecticut, today announced that two men involved in a multimillion dollar scheme to defraud banks participating in a USDA-backed export financing program were sentenced yesterday in New Haven federal court. Chief U.S. District Janet C. Hall sentenced **BRETT C. LILLEMOR**, 47, of Minneapolis, Minn., to 15 months of imprisonment and **PABLO CALDERON**, 61, Darien, Conn., to five months of imprisonment and five months of home confinement. Chief Judge Hall also ordered both men to serve a three-year term of supervised release, and to pay restitution in the amount of \$18 million and forfeit more than \$1.5 million of ill-gotten gains.

On November 9, 2016, a federal jury convicted LILLEMOR and CALDERON of conspiracy and fraud offenses. According to court documents, statements made in court and the evidence introduced during the trial, LILLEMOR and CALDERON submitted fraudulent documents to two United States banks in connection with a USDA loan guarantee program by which the USDA provides credit guarantees. The credit guarantees are part of the USDA Export Credit Guarantee Program (GSM-102), which is designed to encourage financing of commercial exports of U.S. agricultural products. The GSM-102 program guarantees credit extended by U.S. financial institutions to approved foreign banks. As part of the program, the Commodity Credit Corporation (CCC), which is an agency and instrumentality of the USDA, enters into payment guarantees ("credit guarantees") with the goal of encouraging exports of U.S. agricultural products, including products of American farmers and American ranchers.

The credit guarantees are designed to encourage exports to buyers in foreign countries



Our nation-wide
commitment to reducing
gun crime in America.

[LEARN MORE](#)



Making sure that victims
of federal crimes are
treated with compassion,
fairness and respect.

[LEARN MORE](#)

– mainly developing countries. The program operates in cases where credit is necessary to increase or maintain U.S. exports to a foreign market and where U.S. financial institutions might otherwise be unwilling to provide financing without the guarantee backed by the U.S. government. In providing the credit guarantee facility, the CCC seeks to expand market opportunities for U.S. agricultural exporters and assist long-term market development for U.S. agricultural commodities.

In connection with the GSM-102 program, a foreign importer that has contracted to buy U.S. agricultural products can apply for a letter of credit (“LOC”) from a foreign bank that has been approved by the USDA’s Foreign Agricultural Service (FAS). The foreign bank then issues a letter of credit in favor of the U.S. exporter. The U.S. exporter then, consistent with the requirements of the GSM-102 program, presents proper shipping documents to an approved U.S. financial institution, including a copy of an original bill of lading, certificate of origin, and evidence of export. The U.S. financial institution then provides funds to the U.S. exporter which, in exchange, assigns the rights to the proceeds payable under the letter of credit from the foreign bank to the U.S. financial institution in the same dollar-denominated amount, less any fees. If the foreign bank defaults on its payments to the U.S. financial institution, the U.S. financial institution may submit a claim to the USDA FAS under the guarantee for up to 98 percent of the payment amount owed at the time of the default.

Between September 2007 and January 2012, LILLEMOE, CALDERON and others defrauded various U.S. financial institutions, including Deutsche Bank A.G. and Colorado-based CoBank ACB, by presenting false and altered shipping documents, including altered bills of lading, in connection with securing funding on loans guaranteed by the GSM-102. As part of the scheme, LILLEMOE and CALDERON established multiple entities with separate names for the purpose of obtaining a greater share of the allocation of guarantees from the GSM-102 program, and used multiple bank accounts in the names of the various entities in order to further create the appearance that the entities were operating as separate and unrelated entities. The defendants then, in various ways, paid for, or otherwise acquired, bills of lading and other shipping documents for shipments of agricultural products that they did not physically ship and for which they did not participate in the physical movement of the products in any capacity.

LILLEMOE entered into agreements with foreign banks, including International Industrial Bank (IIB) in Russia, to provide them capital that would be made available to them from a U.S. financial institution through the use of the GSM-102 program. LILLEMOE subsequently obtained letters of credit from the foreign banks. LILLEMOE, CALDERON and others then altered copies of certain shipping documents, including bills of lading marked “Copy non negotiable,” by whitening out portions of the documents, stamping the word “original” on the documents, and adding shading on certain sections of the bills of lading. The defendants also prepared and executed documents termed “commercial invoices” purporting to represent sales of agricultural commodities between entities that they controlled, as well as between entities that they controlled and other entities.

The defendants then used these fraudulent documents to obtain millions of dollars from U.S. banks in connection with the GSM-102 program, and then provided the funds to the foreign banks in exchange for a percentage fee for themselves and their various entities. Although the foreign banks were contractually obligated to repay the funds to the U.S. by virtue of the letters of credit issued to the U.S. financial

institutions, in a number of instances, the banks failed to do so. Nevertheless, LILLEMOE, CALDERON and their various entities retained more than \$2.2 million in fees they had collected in connection with the GSM-102 transactions and in some instances, sent a portion of those fees to various financial backers in places such as Singapore.

The foreign banks defaulted on more than \$25 million of the many loans guaranteed as a result of LILLEMOE and CALDERON’s scheme. Those losses, which were originally suffered by the victim U.S. banks, were ultimately reimbursed by the USDA because of the GSM-102 guarantees.

After a month-long trial, the jury found LILLEMOE and CALDERON guilty of one count of conspiracy to commit wire fraud and bank fraud, and LILLEMOE guilty of five counts and CALDERON guilty of one count of wire fraud.

This matter was investigated by the Federal Bureau of Investigation, Internal Revenue Service – Criminal Investigation Division and U.S. Department of Agriculture, Office of Inspector General. The case was prosecuted by Assistant U.S. Attorneys Michael S. McGarry, John H. Durham and John T. Pierpont, Jr.

Topic(s):
Financial Fraud

Component(s):
USAO - Connecticut

Updated June 15, 2017

- HOME**
- ABOUT**
 - The Office
 - Criminal Division
 - Civil Division
 - Appellate Division
 - Administrative Division
- MEET THE U.S. ATTORNEY**
- NEWS**
 - Press Releases
 - Outreach Blog
- PROGRAMS**
 - Cybercrime
 - HEAT
 - Human Trafficking
 - Financial Litigation Unit
 - National Security / ATAC Program
 - Project Safe Neighborhoods
 - Reentry Program
 - Victim Witness Assistance
- JOBS**
 - Careers
 - Intern Program
- CONTACT US**
 - Directions
 - Citizen Complaint
 - Links

U.S. DEPARTMENT OF JUSTICE

- Accessibility Justice.gov
- FOIA USA.gov
- Privacy Policy
- Legal Policies & Disclaimers