

Dudov's high-rolling scam set in Austin

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A booming Austin was an ideal address for a high-rolling Georg Dudov when he left his native Germany.

The would-be entrepreneur arrived in early 1993 and claimed a slot for his new First Eagle Oil Co. on the marquee of an impressive office building on North MoPac Boulevard. He purchased an elaborate computer system and oil leases, lending himself all the earmarks of an energy dynamo.

Dudov then hired eight salesmen from Germany to staff the phones and he was in business. Thousand of calls went to prospective investors who might part with at least \$10,000 for a limited partnership in producing oil wells in Louisiana.

The calls to Germany, Austria and Switzerland netted \$2.3 million from 67 investors in eight months.

Around Austin, a well-tailored Dudov could be seen driving one of three newly acquired Mercedes-Benz automobiles.

Then the fortunes of the 35-year-old whiz hit a bump in the road. A suspi-

cious salesman went to federal authorities to reveal his doubts about First Eagle.

The informant correctly speculated that the oil wells were not producing, which federal agents confirmed.



Dudov

The informant was from a sales staff that apparently was as convinced of the genuine mission of First Eagle as the investors the staff sold to, said a federal agent. "He (Dudov) would supply the investors with fictitious statements concerning production and profits that actually never existed," said Assistant U.S. Attorney Robert Pitman. "At some point during the conspiracy he sought to have one of his former business partners assassinated. We were able to put in an undercover officer to pose as the hit man."

The investigation, which began in mid-1993, drew in agents from the Federal Bureau of Investigation, the Internal Revenue Service, the Immigration

and Naturalization Service, Justice Department, State Department, Texas Department of Public Safety and the German BKA, an equivalent of the FBI.

Realizing the scam was ending, Dudov frantically tried to return to Germany, resulting in his arrest in January 1994 for making a false statement in an application for a passport.

Another charge of money-laundering was filed after federal authorities failed to find much of the \$2.3 million.

Dudov pleaded guilty to both counts, risking up to 15 years in prison.

Federal agents had seized two of the Mercedes cars and the computer equipment, both products of the money-laundering.

They also found phone bills often exceeding \$30,000 a month for calls to Europe.

On Thursday, a repentant Dudov stood before U.S. District Judge James Nowlin and said he was sorry for what he had done and asked for mercy.

Nowlin, noting that Dudov had served time for a financial crime in Germany before returning a second time to the U.S., sentenced him to 10 years in prison.

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