

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

Austin Business Journal
Austin, Texas Page 1Date: 2/7/94
Edition:Title: Feds Investigate Austin
Money Laundering RacketCharacter:
or

Classification:

Submitting Office: San Antonio

Indexing:

Feds investigate Austin money-laundering racket

by RICKIE WINDLE
Austin Business Journal Writer

Three federal agencies are investigating an Austin business for possibly laundering Colombian drug money and have arrested the German man, who claimed to be the company's owner, for allegedly attempting to buy a U.S. passport.

The FBI, Internal Rev-

enue Service (IRS) and U.S. State Department executed search warrants Jan. 20 at the First Eagle Oil Production Corp. in the Heritage Plaza Building, 7800 N. MoPac Expressway, Suite 345. The business's owner, George Peter Dudov, was arrested and is in federal custody, according to the FBI.

Rick Copeland, FBI supervisory special agent in Austin, said Dudov is in the U.S.

Marshal's custody at the federal facility in San Marcos on charges of violating passport laws. Dudov, a German citizen, allegedly tried to buy a U.S. passport for \$30,000.

"At this point, we're dealing with preliminary allegations," Copeland said. "Everything is ongoing."

Copeland added that the investigation could spread

► RACKET, page 22

internationally and that requests for indictments could go to the U.S. Attorney General's office in a few weeks.

Federal agents seized the business's computers, phone messages, phone books, calendars, address cards, journals, travel receipts, telephone recording equipment and bank records. The computer information is being analyzed by FBI experts, which could take weeks to complete, Copeland said.

According to affidavits filed in the U.S. District Court clerk's office in Austin to obtain search warrants, evidence was gathered using telephone wiretaps and a listening device worn by an informant working at First Eagle.

Those affidavits state that at an office party, Dudov allegedly told employees he had access to millions of dollars in narcotics proceeds and was washing those funds through the company.

The informant, called "the cooperative witness," also told the FBI that Dudov often maintained he had connections in Colombia, specifically with members of the Medellin and Cali cartels, the world's largest organizations that deal in illegal drugs, according to the U.S. Drug Enforcement Agency.

First Eagle was a telemarketing company that sold limited partnerships in U.S. oil and gas wells to investors in Europe and Brazil, Copeland said.

"We had an allegation that the First Eagle operation was a scheme to sell investments in oil production and the oil production didn't exist," Copeland said.

A former First Eagle employee, John H. King, began to question the leases on which the wells supposedly existed and researched the sites. He learned that the single well on a lease in Louisiana had been plugged for 13 years. Another in Alabama, which Dudov allegedly touted as having a potential value of \$18 million to \$20 million, contained three wells but an Arkansas company held an exclusive contract to work those fields.

Because the investigation is not complete, Copeland declined to comment on why a company selling limited partnerships outside the United States would choose Austin as home.

Another former First Eagle employee, Wolfgang Spangler, told the IRS that the expenses of the company far exceeded income. Among those expenses, according to Spangler, were monthly telephone bills in excess of \$30,000, rent of \$4,500 a month and an \$80,000 monthly payment to Bill Brosseau, whom Spangler could not identify. Copeland said the FBI still has not identified Brosseau.

In addition, the company paid the rent for its salespeople's apartments.

Dudov also lived well. He owns two Mercedes sedans without liens and lived in a home in the Northwest

Hills Estate neighborhood at 7703 Blue Lilly Drive.

The affidavit also states that the cooperative witness said Dudov claimed to need to travel to Switzerland, Antigua and Peru to gain access to \$4 million, \$2 million and \$8 million in each country, respectively.

The witness, who according to the affidavit worked in a security capacity for First Eagle, allegedly was approached by Dudov in August to obtain a U.S. passport — even though Dudov is a German citizen — because his immigration status would expire soon. Dudov allegedly said he needed to leave the country to get access to his money but couldn't return without the passport.

Dudov provided the witness with a check for \$30,000 to obtain the passport but warned there weren't funds to cover the amount until he could get to Switzerland. The FBI now has that check, along with the title to one of Dudov's Mercedes sedans, which he used as collateral for the \$30,000.

The cooperative witness, who was not identified by the FBI, gave Dudov a passport that had been provided by the State Department Jan. 19. The transaction and resulting conversations were witnessed by an undercover officer, according to the court records.

According to the U.S. Immigration and Naturalization Service, Dudov received a tourist visa to the United States in 1986 and entered Washington through Canada. The visa was valid for four years but there is no record of Dudov's departure from the country.

In May 1993, Dudov entered the United States in Chicago under a waiver program that allows short stays without a visa. That waiver was good until Aug. 30, 1993. No further action was taken by Dudov and there is no record of him departing the country again.

A week after Dudov's arrest, the First Eagle offices were closed and the telephones went unanswered.

Other tenants in the building, who asked not to be identified, said they often had wondered about the work carried on at the First Eagle offices because the employees spent an inordinate amount of time standing outside smoking cigarettes. Another tenant said that since First Eagle focused on foreign investments, he saw nothing suspicious about the loitering because he suspected international time differences altered working hours. **AM**

"We had an allegation that the First Eagle operation was a scheme to sell investments in oil production and the oil production didn't exist."

Rick Copeland
FBI