

# News from

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## Attorney General

### Robert Abrams

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PAGE 1  
OF 2

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#### ABRAMS ANNOUNCES RAID ON OIL-AND-GAS LEASE BOILER-ROOM

Attorney General Robert Abrams announced today (Tuesday) the arrest of nine persons and seizure of the records of two companies he alleged were engaged in the illegal sale of securities using "boiler-room" techniques. The arrests were made at an office building at 110 East 23rd Street in New York City, where the companies -- National Land Service Corp. and Alaskan Trans Trading Corp. -- were headquartered.

The Attorney General said the companies purport to sell partial interests in leases for the development of oil and gas deposits on federal lands in Alaska. He said the companies contacted prospective investors by way of unsolicited telephone calls, a technique known to law enforcement authorities as a "boiler-room operation" because of the high-pressure tactics frequently used and the sense of urgency the promoters typically seek to create in the minds of victims.

Mr. Abrams said that the sales literature the firms send to prospective investors represents that the companies have already acquired these oil and gas leases and that they are reselling them to "qualified investors" in \$12,000 units. In fact, the Attorney General said, U.S. Bureau of Land Management records show that neither the firms nor their principals have bought any of the leases they are purporting to resell. He said, however, that members of the public who wished to obtain them could do so readily, directly from the government, for as little as \$1 per acre per year. He added that such leases were relatively inexpensive

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because the government had already determined that there is no evidence that these lands contain petroleum deposits with a potential for commercial development.

Lands believed to have development potential, the attorney general said, are only leased under a separate competitive bidding system in which major oil companies often figure prominently.

Those arrested today were charged with failing to register as securities broker-dealers, a misdemeanor. Mr. Abrams said the records seized under search warrants issued yesterday by Manhattan Supreme Court Justice Ernst Rosenberger would allow the Attorney General's Bureau of Investor Protection and Securities to determine the extent of the companies' sales and to attempt to obtain restitution for any customers who may have been defrauded.

The matter was handled for the Attorney General by Assistant Attorney General Judith Schultz under the supervision of Assistant Attorney General Orestes Mihaly, chief of the Bureau of Investor Protection and Securities.

Those arrested this morning include:

Jim Hughes, 26, 216 West 102nd St., New York City.

Sidney Emrich, 66, 47 East 7th Street, New York City.

Janet Koch, 53, 214 East 51st Street, New York City

Victor P. Eschbach Jr., 45, Los Angeles, California

Linda Clark, 30, 549 East 93rd Street, Brooklyn, New York

Ken Ochman, a/k/a Bill Landau, 40, 508 Mercer Street,

Jersey City, New Jersey and 45 West 35th Street,

New York City

Joe R. Wander, 61, 207 East 83rd Street, New York City

Alfred Bellite, a/k/a Fred Bell, 50, 430 East 56th Street,

New York City

Albert Barbuzza, 25, 176 3rd Street, St. James, New York