



Department of Justice

U.S. Attorney's Office
Southern District of Texas

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FORT WORTH MAN ARRESTED AND CHARGED IN ALLEGED \$25 MILLION NATIONWIDE SCHEME TO SELL FRAUDULENT SECURITIES

(HOUSTON) – George Douglas Black Sr., 41, of Fort Worth, Texas, was arrested today on mail fraud charges arising from allegedly selling millions of dollars worth of worthless construction bonds for projects across the U.S., United States Attorney José Angel Moreno announced today. Black is scheduled to appear before United States Magistrate Judge John Froeschner in Houston on Monday, March 29, 2010, at 10:00 a.m. It is anticipated the court will consider the issue of Black's possible release on bond at that hearing.

A criminal complaint filed in federal court in Houston on Thursday, March 25, 2010, alleges Black used the United States mail service to sell more than \$25 million dollars worth of worthless bonds to numerous victims through his company, Infinity Surety. Black is not licensed or registered to sell securities. According to the allegations in the complaint, these bonds were used to insure various multi-million dollar construction project and were purportedly backed up by a single family residence in Tarrant County with a 2008 tax appraisal value of \$130,700.

The bonds represented that the property would fully protect the holder in the event of loss. The bonds were sold to school districts, defense businesses who did work for the military and other companies across the country including a \$1.8 million bond sold to a company in the League City, Texas, area. Black's company, the complaint alleges, was being run out of a private mailbox in Saginaw, Texas. The victims paid Black significant fees for these bonds which they believed protected their interests in various construction projects against loss, mailing Black approximately \$2.8 million dollars in fees for these bonds from 150 different companies throughout the United States.

In July 2009, Black was enjoined by the state of Texas from selling bonds. Notwithstanding this injunction, the complaint alleges Black sold at least \$25 million worth of bonds over a period of a year. Black has been in the business of selling these worthless bonds since 2006 and Black's website claimed these bonds were backed by "United States commercial and residential real estate." The complaint alleges that records obtained by the United States Postal Inspection Service (USPIS) showed this claim was

false and that he routinely pledged the same small piece of property to insure multi-million dollar construction projects.

This case was investigated by the USPIIS and the Texas Department of Insurance. The case is being prosecuted by Assistant U.S. Attorney Ryan D. McConnell.

***A criminal complaint is merely an allegation of criminal conduct, not evidence.
A defendant is presumed innocent unless and until proven guilty beyond a reasonable
doubt through due process of law.***

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