

Department of Justice

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DEBT COLLECTORS SENTENCED TO PRISON **FOR MAIL FRAUD AND TAX EVASION**

BUFFALO, N.Y.-- U.S. Attorney William J. Hochul, Jr. announced today that Timothy E. Arent, 39, of Clarence, New York, and Neil G. Wieczkowski, 43, of Buffalo, New York, who were convicted of mail fraud and tax evasion, were sentenced by Chief U.S. District Court Judge William M. Skretny for their roles in a debt collection scheme. Arent was sentenced to 12 ½ years in prison and ordered to pay \$780,000 to the IRS. Wieczkowski was sentenced to six years in prison and was ordered to pay \$60,000 to the IRS. Both Arent and Wieczkowski were ordered to pay \$3.6 million in restitution to the victims of their scheme.

Assistant U.S. Attorney MaryEllen Kresse, who handled the case, stated that from October 2006 through October 2009, Arent and Wieczkowski engaged in a fraudulent debt collection scheme. The two illegally purchased debtor information from two former employees of a Buffalo debt collection business and used the information to coerce the victims into paying fictitious debt. These former employees, Thomas Rice and Andrew Jon Pytlewski, pleaded guilty to stealing the debtor information and were sentenced to probation earlier this year.

The Government's evidence revealed that as part of the scheme to defraud, the defendants impersonated law enforcement officers, attorneys, judges, paralegals, and legal assistants in an attempt to coerce victims into making payments on the fictitious debt. For instance, Arent, posing as a law enforcement officer, threatened to arrest victims if they did not immediately make a payment. During a three year period, Arent and Wieczkowski received approximately \$6.8 million in checks written by over 1,000 victims across the country. The scheme netted Arent almost \$5.7 million which he used to pay the mortgage and remodeling costs on his \$500,000 West Ferry mansion, pay the salaries of Wieczkowski, a full time handy man, and a full time housekeeper, and to purchase such luxury items as antiques, furniture, jewelry, furs, artwork, high end vehicles, vacations and an in-ground

pool. Wieczkowski received over \$750,000 from the scheme, which he used to purchase luxury automobiles, antiques, and jewelry.

From 2005 through 2008, Arent received over \$2.1 million in income, on which he failed to pay taxes, resulting in a tax loss of approximately \$780,000. During the same period, Wieczkowski received in excess \$170,000 of income, on which he failed to pay taxes, resulting in a tax loss of approximately \$60,000.

Arent was ordered to forfeit approximately \$2 million in assets that the government seized during the investigation, some of which he placed in the names of his relatives in an attempt to shield them from law enforcement. Arent was also ordered to forfeit two automobiles, a 2009 Jaguar XJ8 and a 2008 Land Rover LR3. The Government will make the proceeds from the sale of these assets available to the victims for restitution.

"This case is a good example of the commitment of my office to prosecute those who attempt to take advantage upon the vulnerable of our society," said U.S. Attorney Hochul. "In this case, the defendants targeted those who had at one time accumulated financial debt which had since been repaid. The defendants thereafter looked for an additional vulnerability that they could exploit such as a medical condition. By preying upon the legitimate concerns any such person would have, the defendants convinced the victims that they had to pay additional, wholly concocted financial obligations or be arrested. While our Office will prosecute such schemes, the public should also be on the lookout for such unscrupulous schemes. Anyone who believes they are the victim of fraud is urged to call law enforcement. Further information concerning illegal debt collection practices, including the public's rights under the Fair Debt Collection Practices Act, can be found at www.ftc.gov.

The sentence is the result of an investigation by the Postal Inspection Service, under the direction of Inspector-in-Charge Robert Bethel, and the Internal Revenue Service, under the direction Special Agent-in-Charge Charles Pine.

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