

Department of Justice

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CRIMINAL COMPLAINT FILED IN DEBT COLLECTION FRAUD CASE

BUFFALO, N.Y.-- A Criminal Complaint was filed today in U.S. District Court charging Timothy E. Arent, 37, and Neil G. Wieczkowski, 41, both of Buffalo, New York, with mail fraud and conspiracy to commit mail fraud, announced U.S. Attorney Kathleen M. Mehlretter of the Western District of New York. Arent is also charged with bankruptcy fraud. The mail fraud charge carries a maximum penalty of 20 years in prison and a \$250,000 fine. The conspiracy and bankruptcy fraud charges each carry a maximum penalty of five years in prison and fine of \$250,000.

Assistant U.S. Attorney MaryEllen Kresse said the Criminal Complaint was signed by U.S. Magistrate Judge Hugh B. Scott, based upon a sworn affidavit presented to Judge Scott by the United States Postal Inspection Service. AUSA Kresse said the Complaint and Affidavit allege that, from September 2005 through the present, Arent and Wieczkowski were engaged in a fraudulent debt collection scheme in which they coerced monetary payments from their victims by means of false pretenses, false personation and false representations. The Complaint and Affidavit state that the victims were individuals who at one time or another owed some type of debt that had gone into collection status. The Complaint charges that Arent and Wieczkowski falsely told their victims that the victims had failed to respond to summonses, which would result in their imminent arrest. It is further alleged that Arent and Wieczkowski told the victims that the only way they could avoid apprehension and detention by law enforcement was to make substantial

monetary payments, usually in a matter of hours. The Complaint also charges that the defendants tried to avoid detection by changing the names of their businesses up to 18 times, and by using mail drops and "virtual offices." According to the Complaint Affidavit, deposits into accounts used by the defendants' businesses during the scheme were more than \$8 million.

The Complaint also alleges that Arent filed for Chapter 7 bankruptcy relief in 2005, and that, during the pendency of those proceedings, Arent fraudulently withheld information from the Bankruptcy Court. The Complaint alleges that Arent failed to disclose to the Bankruptcy Court that he had bought a 4,700 square-foot residence in Buffalo worth \$500,000 before the bankruptcy, and that, after filing for bankruptcy, he was actively engaged in debt collection work through two corporate entities. Arent's debts, as well as two civil judgements that had been filed against him concerning his pre-bankruptcy debt collection practices, were discharged by the bankruptcy court in 2006.

Arent and Wieczkowski appeared before Judge Scott this afternoon. Ms. Kresse moved for pretrial detention. Judge Scott granted the motion pending a detention hearing scheduled for October 6, 2009 at 2:00 pm EST.

The criminal complaint was filed as a result of an investigation by the Postal Inspection Service, under the direction of Assistant Inspector in Charge Gerald Carmody, and the Internal Revenue Service, under the direction Special Agent In-Charge Patricia J. Haynes.

The fact that a defendant has been charged with a crime is merely an accusation and the defendants are presumed innocent until and unless proven guilty.