

# Department of Justice

United States Attorney Kathleen Mehlretter  
Western District of New York

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CONTACT: Peggy Kelly McFarland  
PHONE: (716) 843-5877  
FAX: (716) 551-3051

## MAN SENTENCED IN POSTAL FRAUD CASE

BUFFALO, N.Y.--William Toth, 42, of Elma, New York, who had pled guilty to three felony charges on May 27, 2009, was sentenced to 52 months in prison by U.S. District Judge Richard J. Arcara, U.S. Attorney Kathleen M. Mehlretter of the Western District of New York announced today. Toth was also ordered to pay restitution to the Postal Service in the amount of \$250,000, and to the IRS in the amount of \$40,000. Judge Arcara also ordered the forfeiture of \$350,000.

Assistant U.S. Attorney Gretchen L. Wylegala, who handled the case, stated that the defendant had operated a mailing services company called NETEX. He devised a scheme to send packages through the United States mails, without paying the full postage due. From about October 2004 until about March 2006, the scheme cheated the postal service of more than \$350,000 in postage due.

Toth also pled guilty to a money laundering charge that stemmed from his transfer of over \$13,000 in funds from NETEX to another account.

Finally, Toth also admitted filing a false tax return for the year 2005 in that he overstated the amounts he had actually paid for postage in connection with his business, by creating an account that he used for personal use, but which used as a basis for business deductions, thereby understating taxes due by \$40,000.

The conviction was the culmination of an investigation on the part of Special Agents of the United States Postal Inspection Service, under the direction of Inspector in Charge, Randy Miskanic as well as Special Agents of the Internal Revenue Service Criminal Investigative Division, under the direction of Special Agent in Charge, Patricia J. Haynes.