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**WISCONSIN NEWSPAPER DISTRIBUTOR ARRESTED FOR DEFRAUDING
THE NEW YORK TIMES**

MICHAEL J. GARCIA, United States Attorney for the Southern District of New York, and RONALD J. VERROCHIO, Inspector-in-Charge, New York Office of the United States Postal Inspection Service ("USPIS"), announced today the arrest of MARTIN T. HOLTET, a former newspaper distributor for the New York Times Company ("NYT Company") in La Crosse, Wisconsin, in connection with a scheme to defraud the NYT Company out of approximately \$227,096 in delivery fees by ordering approximately 8,500 new subscriptions on behalf of fictitious subscribers. According to the Complaint filed in Manhattan federal court:

The NYT Company, which is headquartered in Manhattan, New York, publishes The New York Times newspaper ("New York Times"), which it distributes throughout the United States. From 2002 through April 15, 2008, HOLTET was a distributor of the New York Times in La Crosse, Wisconsin, and was responsible for picking up daily and weekend copies of the New York Times from the NYT Company's local printers in Minnesota and elsewhere and distributing those copies to retail locations and individuals who subscribed for home delivery of the newspaper. The NYT Company paid HOLTET for each paper delivered.

At the time of the events charged in the Complaint, individuals could subscribe for home delivery of the New York Times by registering through a website maintained by the NYT Company (the "Subscriber Website"). The Subscriber Website did not require a new subscriber to pay immediately for the subscription; instead, it allowed new subscribers to opt to be billed at a later date. If a new subscriber opted to be billed later, the NYT Company printed and mailed periodic invoices to the subscriber. Whether the new subscriber opted to pay

immediately or to be billed later, delivery of the New York Times would start within a few days. The NYT Company, and not distributors like HOLTET, was responsible for collecting payment from all home delivery subscribers.

At the end of 2006, the average number of subscribers in La Crosse, Wisconsin receiving daily home delivery of the New York Times (Monday through Saturday) was approximately 65 and the average number of subscribers who received home delivery of the Sunday New York Times was approximately 103. However, starting around 2007, the number of subscribers for home delivery for both the daily and Sunday editions of the New York Times began increasing significantly and around the beginning of 2008, there was an average of approximately 2,781 subscribers who received the New York Times daily (Monday through Saturday) and an average of approximately 2,818 subscribers who received the New York

The significant increase in the number of subscriptions was due to HOLTET, who created approximately 8,500 fraudulent new subscribers through the Subscriber Website. HOLTET did not deliver the newspapers for the fraudulent subscriptions but instead arranged to have them recycled. As a result of the fraudulent subscriptions, the NYT Company paid HOLTET approximately \$227,096 in delivery fees it otherwise would not have paid to him. In addition, the NYT Company lost approximately \$97,657 in printing expenses (paper and ink) for the copies of the New York Times that were printed to satisfy the fraudulent subscriptions.

HOLTET, 50, is charged with one count of wire fraud, which carries a maximum sentence of 20 years' imprisonment.

HOLTET was arrested in La Crosse, Wisconsin this morning. HOLTET will be presented today in federal court in Madison, Wisconsin, before U.S. Magistrate Judge STEPHEN CROCKER.

Mr. GARCIA praised the work of the United States Postal Inspection Service, and thanked the La Crosse, Wisconsin Police Department for its assistance in this investigation.

This case is being prosecuted by the Office's Major Crimes Unit. Assistant United States Attorney JOSEPH P. FACCIPONTI is in charge of the prosecution.

The charge contained in the Complaint are merely accusations and the defendant is presumed innocent unless and until proven guilty.

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