

Department of Justice

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FREEDOM MAN PLEADS GUILTY TO DEFRAUDING HIS EMPLOYER

BUFFALO, N.Y.-- U.S. Attorney William J. Hochul, Jr. announced today that Nicholas Polcz, 34, of Freedom, N.Y., pleaded guilty before U.S. District Court Judge William M. Skretny to mail fraud. The charge carries a maximum penalty of 20 years in prison, a \$250,000 fine or both.

Assistant U.S. Attorney Michael DiGiacomo, who is handling the case, stated that in 2010 Polcz was employed as the director of operations for Ziphany Company. The defendant's responsibilities included overseeing the internal computer operations and wireless service provider for Ziphany. Sometime in April 2010, the defendant created his own company EXUO Communications, a shell company with no employees. After creating EXUO, the defendant advised management at Ziphany that he changed Ziphany's wireless communications provider to EXUO Communications. At no time did Polcz advise anyone from Ziphany that EXUO was his company.

Since EXUO communications was a shell company with no ability to provide wireless service, the defendant continued to have the original service provider provide wireless communications for Ziphany. In order to hide his scheme, Polcz advised representatives from the wireless provider to send all invoices to his company as EXUO was now taking over the billing and communications for Ziphany. After receiving the invoices, the defendant would then create a false, fraudulent and inflated EXUO invoice and send it along to Ziphany. After receiving payment on the inflated invoice from Ziphany, Polcz would pay the wireless service provider and keep the remainder for himself. As a result of the scheme, Ziphany was defrauded out of over \$28,000.

The plea is the culmination of an investigation on the part of Special Agents of the Federal Bureau of Investigations, under the direction of Special Agent in Charge Christopher M. Piehota.

Sentencing is scheduled for November 30, 2012, at 9:00 a.m. before Judge Skretny.

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