

Department of Justice

Acting United States Attorney Kathleen Mehlretter
Western District of New York

FOR IMMEDIATE RELEASE
MAY 27, 2009
www.usdoj.gov/usao/nyw

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

MAN PLEADS GUILTY TO DEFRAUDING THE POSTAL SERVICE, TO MONEY LAUNDERING AND TO FILING A FALSE TAX RETURN

BUFFALO, N.Y.--William Toth, 42, of Elma, New York, pleaded guilty before U.S. District Judge Richard J. Arcara, to three felony charges, Acting U.S. Attorney Kathleen M. Mehlretter of the Western District of New York announced today. Toth admitted to mail fraud and money laundering as charged in an Indictment in October 2008. He also pled guilty to a new charge of filing a false tax return. The violations carry a total maximum penalty of 33 years in prison, a fine of \$250,000, or both.

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 plea 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.

Sentencing is scheduled for September 15, 2009, at 12:30 EST, in Buffalo, N.Y.,

in front of U.S. District Judge Richard J. Arcara.