

Department of Justice

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FOR IMMEDIATE RELEASE
NOVEMBER 16, 2011
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U. S. ATTORNEY'S OFFICE COLLECTS OVER \$29,000,000 IN CIVIL & CRIMINAL ACTIONS IN FY 2011

BUFFALO - U.S. Attorney William J. Hochul, Jr. announced today that the Western District of New York collected \$29,327,935 in Fiscal Year (FY) 2011 related to criminal and civil actions. Of this amount, \$ 2,367,696 was collected in criminal actions and \$18,461,751 was collected in civil actions. Additionally, the office collected \$8,498,487 in criminal and civil forfeitures.

Nationwide, the U.S. Attorneys' offices collected \$6.5 billion in criminal and civil actions during FY 2011, surpassing \$6 billion for the second consecutive year. A portion of this amount, \$1.3 billion, was collected in shared cases in which one or more U.S. Attorneys' offices or department litigating divisions were also involved. The \$6.5 billion represents more than three times the appropriated budget of the combined 94 offices for FY 2011.

"During this time of economic recovery, these collections are more important than ever," said U.S. Attorney Hochul. "The U.S. Attorney's Office is dedicated to protecting the public and recovering funds for the federal treasury and for victims of federal crime. We will continue to hold accountable those who seek to profit from their illegal activities."

Two significant cases in this district in which recoveries were a part of the settlements were:

United States vs. Arent;Wieczkowski

Between October 2006 and October 2009, Neil G. Wieczkowski and Timothy E. Arent, were engaged in a fraudulent debt collection scheme. The defendants illegally purchased debtor information from two former employees of a Buffalo debt collection business and used the information to contact victims and coerce them into making payments on completely fictitious debt. Throughout the scheme, Wieczkowski and Arent deposited approximately \$6.8 million in

checks written by over 1,000 victims from all over the country. At their sentencing in September, the defendants were ordered to repay a total of \$840,000 to the Internal Revenue Service and \$3,600,000 in restitution to the victims of their crimes.

United States vs. 35 Pierpont Street

As part of a plea agreement to state charges, James Johnson, agreed to forfeit a property he owned at 35 Pierpont Street, Rochester, New York to the United States. Johnson used the property to facilitate the trafficking of pharmaceutical drugs. The property is a warehouse type building with approximately 35,000 square feet located in the Dewey/Driving Park neighborhood in Rochester which the city has designated as a Focused Investment Area plagued by crime. The forfeiture of this property will assist the city in reducing the level of crime in this area of need by eliminating what was once a known place to buy drugs.

The U.S. Attorneys' Offices, along with the department's litigating divisions, are responsible for enforcing and collecting civil and criminal debts owed to the U.S. and criminal debts owed to federal crime victims. Statistics indicate that the total amount collected in criminal actions totaled \$2.66 billion in restitution, criminal fines, and felony assessments. The law requires defendants to pay restitution to victims of certain federal crimes who have suffered a physical injury or financial loss. While restitution is paid directly to the victim, criminal fines and felony assessments are paid to the department's Crime Victims' Fund, which distributes the funds to state victim compensation and victim assistance programs.

"The nation's forfeiture laws are a wonderful asset which allow our Office to prosecute those who attempt to profit financially by victimizing others," said U.S. Attorney Hochul. "With many Americans struggling to find or keep a job, it is more important than ever to protect their hard earned money. Our Office will continue to vigorously pursue these forfeiture collections so that stolen money can be returned to both victims and taxpayers."

The statistics also indicate that \$3.83 billion was collected by the U.S. Attorneys' offices in individually and jointly handled civil actions. The largest civil collections were from affirmative civil enforcement cases, in which the United States recovered government money lost to fraud or other misconduct or collected fines imposed on individuals and/or corporations for violations of federal health, safety, civil rights or environmental laws. In addition, civil debts were collected on behalf of several federal agencies, including the U.S. Department of Housing and Urban Development, Health and Human Services, Internal Revenue Service, and Small Business Administration.

Additionally, the U.S. Attorneys' offices, working with partner agencies and divisions, collected \$1.68 billion in asset forfeiture actions in FY 2011. Forfeited assets are deposited into the Department of Justice Assets Forfeiture Fund and Department of Treasury Forfeiture Fund and are used to restore funds to crime victims and for a variety of law enforcement purposes.

The nationwide collection totals for the U.S. Attorneys' offices for FY 2010 and FY 2011 combined is \$13.18 billion, which represents nearly a 52% increase over the FY 2008 and FY 2009 combined total of \$8.55 billion.

For further information, the United States Attorneys' Annual Statistical Reports can be found on the internet at http://www.justice.gov/usao/reading_room/foiamanuals.html