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**FORMER OWNER OF WALDEN MIDTOWN GRILL FROM ORANGE COUNTY
SENTENCED IN FEDERAL COURT TO 27 MONTHS FOR TAX EVASION**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that RENARD JOSEPH PONGRAC was sentenced in White Plains federal court today by United States District Judge CHARLES L. BRIEANT to 27 months' incarceration, as a result of his earlier guilty plea to charges of federal income tax evasion.

According to the Superseding Indictment, filed in March, from 1999 through 2000, PONGRAC was the owner and operator of "Accurate Consulting," doing business as "R.P. Information Technology" ("RPIT"), a firm that contracted its computer consulting services to various companies. In addition, from July 1999 through May 2000, PONGRAC was the sole owner and operator of the Walden Midtown Grill, located in Walden, New York.

As alleged in the Indictment, in 1999 and 2000, PONGRAC derived substantial income from his computer consulting services. For example, during that time period, a company known as Genesis

10 paid RPIT approximately \$319,437.50 and a company known as the Javorsky Group paid PONGRAC approximately \$107,200.00 for consulting services. According to the Indictment, despite receipt of these payments, PONGRAC never reported this income to the IRS in any fashion on his personal income tax returns, nor did he report any income earned by the entity, RPIT.

The Indictment also alleged that in addition to his failure to report income earned while doing business as RPIT, PONGRAC filed false and fraudulent Forms W-2 showing salaries purportedly paid and amounts purportedly withheld from those salaries. For example, the Indictment alleges that with PONGRAC's 2000 Income Tax Return, Form 1040, PONGRAC filed a false and fraudulent W-2, purportedly issued by a company known as E Search, Inc. ("E Search") claiming income from wages, tips and other compensation paid by E Search, as well as federal income tax purportedly withheld by E Search in the amount of \$49,714.00. In truth and in fact, according to the Indictment, E Search withheld no federal income tax on PONGRAC's behalf in that calendar year, and, to the contrary, issued PONGRAC a Form 1099 - using a false Social Security Number, provided to E Search by PONGRAC - which Form 1099 reported gross income to PONGRAC with no federal income tax withheld.

According to the Indictment, while PONGRAC falsely reported his taxable income to the IRS for the tax years 1999 and

2000 as aggregating just \$75,544, PONGRAC's corrected income for those tax years was actually \$422,250.

PONGRAC, 42, of Walden, New York, was also sentenced to three years' supervised release, in addition to the 27 months' incarceration.

Mr. KELLEY praised the investigative efforts of the IRS in connection with this case.

Assistant United States Attorney JEFFREY A. UDELL is in charge of the prosecution.

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