

February 27, 2004

PRESS RELEASE

Glenn T. Suddaby, United States Attorney for the Northern District of New York; Anne Marie Coons, Special Agent-in-Charge, Internal Revenue Service Criminal Investigation, Buffalo Field Office, make the following announcement:

John P. Dundon, 35, of 372 Perry Rd., Binghamton, New York 13901 was arrested on February 27, 2004 pursuant to a federal indictment handed up by the grand jury on February 26, 2004. The federal indictment charges Mr. Dundon with 12 counts of failure to properly account for and pay over federal withholding taxes for the employees of his business, Microsmart, Inc.¹ The indictment alleges that between January of 1998 and December of 2000, John Dundon collected withholding taxes from his employees of Microsmart, Inc. These funds were then supposed to be held in trust for the employees by John Dundon and to be paid over to the Internal Revenue Service on a quarterly basis. The indictment further alleges that Dundon failed to pay over these withholding taxes to the Internal Revenue Service as required by law.

If convicted, Dundon faces a maximum penalty of 5 years imprisonment and a \$250,000 fine on each count of the indictment.

¹ The indictment is only an accusation and defendant is presumed innocent until proven guilty.

The case was investigated by the Internal Revenue Service Criminal Investigation and is being prosecuted by Assistant United States Attorney Miroslav Lovric.

Further inquiries may be directed to the United States Attorney's Office for the Northern District of New York, Binghamton branch office, at (607) 773-2887.