

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 10-  
 :  
 v. : 26 U.S.C. §§ 7202 and  
 : 18 U.S.C. § 2  
 SUBRAT PATNAIK :  
 : I N F O R M A T I O N

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

COUNTS ONE THROUGH ELEVEN  
(Failure to Collect, Account for and Pay Over Payroll Taxes)

1. At all times relevant to this Indictment:
  - a. Defendant SUBRAT PATNAIK ("PATNAIK") was a resident of Basking Ridge, New Jersey.
  - b. Defendant PATNAIK was the sole owner, President, and Chief Executive Officer ("CEO") of Telkite Technologies, Inc. ("Telkite"), an information technology ("IT") services company located in Bedminster, New Jersey. Telkite's primary business was providing IT personnel to clients.
  - c. As sole owner, President, and CEO of Telkite, defendant PATNAIK had access to and signatory authority on Telkite's bank account, and signed checks against this account, including payroll checks issued to Telkite employees.
  - d. As sole owner, President, and CEO of Telkite, defendant PATNAIK was responsible for collecting, accounting for

and paying over to the Internal Revenue Service ("IRS") withholdings from Telkite's employees for federal income tax, and social security and Medicare taxes withheld pursuant to the Federal Insurance Contribution Act ("FICA"). The income tax and FICA withholdings are referred to herein as "trust fund taxes".

e. Defendant PATNAIK was responsible for making and filing with the IRS quarterly returns on Form 941 reflecting the trust fund taxes withheld by Telkite and for paying over to the IRS those trust fund tax funds. Defendant PATNAIK was required to file the Forms 941 with the IRS no later than the last day of the month following the end of each quarter.

2. From the first quarter of 2004, through and including the third quarter of 2006, Telkite withheld trust fund taxes from the wages paid to its employees for remittance to the IRS. Defendant PATNAIK failed to file the required Forms 941, and failed to account for and to pay over those trust fund taxes to the IRS on behalf of Telkite and its employees. Instead, during this time period, defendant PATNAIK used Telkite funds to pay personal expenses and make payments to other businesses that defendant PATNAIK controlled.

3. On or about the dates set forth below, in the District of New Jersey, and elsewhere, defendant

SUBRAT PATNAIK

being a person required to collect, account for, and pay over

trust fund taxes to the Internal Revenue Service, did knowingly and willfully fail to truthfully account for and pay over such taxes as follows:

<u>Count</u>	<u>Quarterly Due Date</u>	<u>Approximate Unpaid Trust Fund Taxes</u>
1	April 30, 2004	\$12,096.95
2	July 31, 2004	\$14,807.01
3	October 31, 2004	\$17,882.63
4	January 31, 2005	\$28,198.79
5	April 30, 2005	\$18,176.25
6	July 31, 2005	\$16,581.38
7	October 31, 2005	\$29,151.78
8	January 31, 2006	\$31,062.41
9	April 30, 2006	\$19,174.46
10	July 31, 2006	\$26,162.86
11	October 31, 2006	\$22,153.25
	<b><u>Total:</u></b>	\$238,447.77

In violation of Title 26, United States Code, Section 7202, and Title 18, United States Code, Section 2.

  
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PAUL J. FISHMAN  
United States Attorney