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**D.A. BROWN: DRAKE BUSINESS SCHOOL SUPERVISOR  
PLEADS GUILTY TO EMBEZZLING OVER \$800,000 FROM SCHOOL**

*Faces Up to Nine Years in Prison; Will Make Full Restitution*

Queens District Attorney Richard A. Brown today announced that a Queens woman who formerly worked as a supervisor in the accounts payable department of the now-defunct Drake Business School has pleaded guilty to stealing more than \$800,000 from the Astoria school by fraudulently negotiating more than 200 checks made out by two of the school's former CEOs – from the school's accounts and unlawfully retaining the proceeds.

District Attorney Brown said, "While the school struggled to remain financially solvent, school management was caught completely unaware that as fast as money came in the front door, it was going out the back door and into the pockets of the defendant. A once trusted employee, the defendant used her position to unjustly enrich herself. Her conduct represents a gross betrayal of the confidence that school management had in her. In addition to the lengthy prison term that she will likely serve, she will be required to pay back every cent that she stole."

District Attorney Brown identified the defendants as Angela Sugrim, 30, of 109-33 112<sup>th</sup> Street in Richmond Hill, Queens. She pleaded guilty yesterday to second-degree grand larceny and violation of tax law 1804b (false returns; personal income and earnings taxes) before Queens Supreme Court Justice Pauline Mullings who indicated that she would likely sentence the defendant to a term of three to nine years in prison at sentencing on January 16, 2007. The defendant, who agreed to make full restitution of the embezzled funds, will make a lump sum payment of approximately \$320,000 at sentencing and sign a confession of judgment for the remaining balance.

The District Attorney said that among the defendant's duties as the Drake School's accounts payable supervisor was the printing and distributing of all checks. In pleading guilty, the defendant admitted that, between August 1998 and March 2004 she fraudulently negotiated 203 checks, totaling \$813,687, made out on Drake Business School accounts which were then deposited into bank accounts that she controlled. For instance, the account records for R&A Enterprises, LLC, a business account maintained at JP Morgan Chase Bank, for which the defendant is president and sole signatory, indicate deposits over a 16-month period of 71 checks made out on Drake Business School accounts where the purported signers were the school's chief executive officers.

Drake Business School was located at 3203 Steinway Street in Astoria, New York. The school offered degree programs in accounting and information processing, among others. The school ceased operation in June 2004 after filing for bankruptcy and its CEO, David Hart, was shot and disabled. At the time, Mr. Hart had been conducting an audit of the school in an attempt to bring the school back into fiscal health.

The investigation was conducted by Assistant District Attorney David Chen and Forensic Accountant James Dever, both of the District Attorney's Economic Crimes Bureau. Assisting in the investigation was Associate Attorney Christine Becker Stevens and Auditor Alan Maier, of the New York State Department of Taxation and Finance under the supervision of Bruce Kato, Deputy Commissioner, and Andrew Eristoff, Commissioner.

Assistant District Attorney Chen prosecuted the case under the supervision of Assistant District Attorneys Gregory C. Pavlides, Bureau Chief, and Christina Hanophy, Deputy Bureau Chief, and the overall supervision of Executive Assistant District Attorney for Investigations Peter A. Crusco and Deputy Executive Assistant District Attorney for Investigations Linda M. Cantoni.

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