

PRESS RELEASE

Five Defendants Arrested For \$7 Million Embezzlement Scheme Targeting IT Services Company

Friday, January 19, 2024

For Immediate Release

U.S. Attorney's Office, Southern District of New York

Three of the Defendants are also Charged with Tax Fraud

Damian Williams, the United States Attorney for the Southern District of New York; Stuart M. Goldberg, the Acting Deputy Assistant Attorney General of the Justice Department's Tax Division; James Smith, the Assistant Director in Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI"); Thomas M. Fattorusso, the Special Agent in Charge of the New York Field Office of the Internal Revenue Service, Criminal Investigation ("IRS-CI"); and Jonathan Mellone, the Special Agent in Charge of the Northeast Regional Office of the U.S. Department of Labor – Office of Inspector General ("DOL-OIG"), announced the arrests today of five defendants on fraud charges: MARK ANGAROLA, ALLISON ANGAROLA, JOSE GARCIA, MICHELLE COX, and LISA MINCAK. The five defendants are charged with perpetrating a yearslong embezzlement scheme that involved both no-show jobs and disguising personal expenses as purported business expenses. In addition, three of the defendants — MARK ANGAROLA, GARCIA, and COX — are charged with tax fraud for their failures to report income to the IRS, including income derived from the embezzlement scheme. MARK ANGAROLA and ALLISON ANGAROLA were arrested earlier this week in Point Lookout, New York, and were presented in Manhattan federal court before U.S. Magistrate Judge Katharine H. Parker; JOSE GARCIA and MICHELLE COX surrendered today and will be presented in Manhattan federal court before Magistrate Judge Parker; and LISA MINCAK surrendered yesterday and was presented in the Eastern District of Texas before U.S. Magistrate Judge Kimberly C. Priest Johnson. The case has been assigned to U.S. District Judge Dale E. Ho.

U.S. Attorney Damian Williams said: "As alleged, the five defendants engaged in a brazen, lengthy embezzlement scheme that involved no-show jobs, false timesheets, fraudulent billings, and disguising personal

expenses as purported business expenses. In total, they allegedly bilked a corporate victim out of more than \$7 million. As part of the alleged scheme, the defendants charged an array of personal expenses to a corporate victim, including a cruise, hotels, private car service, gentlemen's clubs, and more. Several defendants also allegedly sought to conceal the fraud by failing to report, or pay taxes on, the income they received from the scheme. Today's arrests are yet another example of this Office's commitment to holding accountable those who commit financial fraud."

FBI Assistant Director in Charge James Smith said: "When an individual puts in an honest day's work, they deserve to be compensated fairly. The defendants in this case allegedly sought to do the opposite, scheming to create a dishonest plan involving no-show jobs and reporting personal spending as business. Through their alleged scam, they received significant benefits including payment, travel, and entertainment. The FBI will ensure that anyone attempting to benefit from deceit is instead held accountable in the justice system."

IRS-CI Special Agent in Charge Thomas M. Fattorusso said: "The five defendants allegedly created a web of lies, resulting in a scheme to embezzle millions, while three are additionally charged with evading taxes on their illicit gains. Though it's purported they 'lived the good life' through this deception, today's arrests ensure that their very near future won't be so comfortable."

According to the allegations in the Indictment:[\[1\]](#)

From at least in or about May 2010 through at least in or about February 2019, the five defendants and others (the "Conspirators") executed a fraudulent scheme to unlawfully enrich themselves by submitting and causing to be submitted fraudulent invoices and expenses to an information technology ("IT") services company (the "Contractor"), at which MARK ANGAROLA was employed in a senior position.

Specifically, MARK ANGAROLA was a Global Account General Manager at the Contractor, working out of the Contractor's office in New York, New York. MARK ANGAROLA was responsible for managing the Contractor's relationship with a particular client, which was a subsidiary of a global financial institution (the "Client"). The Contractor had a service contract with the Client, pursuant to which the Contractor would provide IT support services to the Client at locations across the United States. The Contractor subcontracted certain of its work under the Service Contract to a technology solutions company (the

"Subcontractor") based in New Jersey. Pursuant to the agreement between the Contractor and the Subcontractor (the "Subcontract"), the Subcontractor provided certain IT support services directly to the Client in the place of the Contractor. MARK ANGAROLA was responsible for oversight of the Subcontractor's performance under the Subcontract, which included approving payment to the Subcontractor on invoices submitted for work purportedly performed and expenses purportedly incurred in the Subcontractor's performance on the Subcontract.

MARK ANGAROLA used his position at the Contractor — and in particular his oversight of the Contractor's relationship with the Client and the Subcontractor — to fraudulently enrich himself, his family, and his friends. For example, MARK ANGAROLA arranged for the Subcontractor to hire certain of his family members, friends, and subordinates, despite the fact that these individuals — which included a schoolteacher, a homemaker, a police sergeant, and a manager in the construction industry — lacked apparent qualifications to perform deskside IT work. MARK ANGAROLA arranged for the Subcontractor to hire, among others, ALLISON ANGAROLA, JOSE GARCIA, MICHELLE COX, and LISA MINCAK, the defendants. Thereafter, ALLISON ANGAROLA, GARCIA, COX, MINCAK, and others who MARK ANGAROLA caused to be hired by the Subcontractor, repeatedly falsely reported to the Subcontractor that they had performed work under the Subcontract and incurred business expenses. GARCIA also used nominee corporate and limited liability entities to further disguise his receipt of funds for purported work performed under the Subcontract, including for alleged "Management Fees" due. The Subcontractor submitted invoices to the Contractor for the hours purportedly worked by several of the Conspirators, for purported management fees allegedly due and for the purported business expenses incurred by several of the Conspirators in connection with that work, which hours, fees, and expenses were falsely reported to the Subcontractor by the Conspirators. MARK ANGAROLA, in turn, caused the Contractor to pay the Subcontractor on these fraudulent invoices.

The purported business expenses incurred by several of the Conspirators and ultimately paid for by the Contractor at the direction of MARK ANGAROLA included, among other things, restaurant meals, hotel stays, transportation fees, a cruise, and gentlemen's clubs. In fact, the expenses were personal expenses and were not reimbursable. In addition, to circumvent the Contractor's expense policies, MARK ANGAROLA charged certain of his own personal expenses — including a private car service that he used for personal travel to restaurants, cigar bars, and gentlemen's clubs, and to transport his children to visit family regularly and his friends to parties at his residence — to credit cards in the name of co-conspirators, including LISA MINCAK. MARK ANGAROLA, with the assistance of MINCAK and others, who falsely represented to the Subcontractor that

the expenses were incurred in connection with work for the Subcontractor, fraudulently caused the Contractor to pay for such personal expenses of MARK ANGAROLA.

As a result of the scheme, MARK ANGAROLA, ALLISON ANGAROLA, JOSE GARCIA, MICHELLE COX, and LISA MINCAK, and entities controlled by certain Conspirators, received personal benefits, including travel, meals, and entertainment, and were paid substantial sums. For example, despite the fact that most Conspirators provided few, if any services, to the Client, the Conspirators fraudulently obtained at least the following approximate amounts through this scheme: \$1,468,215 to MARK ANGAROLA; \$751,641 to ALLISON ANGAROLA; \$4,554,950 to JOSE GARCIA and entities he controlled; \$335,500 to MICHELLE COX; \$88,793 to LISA MINCAK; and \$90,521 to Anthony Lisi, a previously charged co-conspirator who pled guilty for his involvement in the embezzlement scheme on September 13, 2022, before U.S. District Judge Paul A. Engelmayer.

Several participants in this fraud scheme also committed related tax fraud by concealing from the IRS substantial income that they had obtained through the scheme. For several years, MARK ANGAROLA and JOSE GARCIA committed tax evasion, and MICHELLE COX failed to file individual income tax returns.

* * *

MARK ANGAROLA, 50, of Point Lookout, New York, is charged with one count of wire fraud, which carries a maximum sentence of 20 years in prison; one count of wire fraud conspiracy, which carries a maximum sentence of 20 years in prison; and three counts of tax evasion, which each carry a maximum sentence of five years in prison.

ALLISON ANGAROLA, 53, of Point Lookout, New York, is charged with one count of wire fraud, which carries a maximum sentence of 20 years in prison, and one count of wire fraud conspiracy, which carries a maximum sentence of 20 years in prison.

JOSE GARCIA, 52, of New York, New York, is charged with one count of wire fraud, which carries a maximum sentence of 20 years in prison; one count of wire fraud conspiracy, which carries a maximum sentence of 20 years in prison; and three counts of tax evasion, which each carry a maximum sentence of five years in prison.

MICHELLE COX, 52, of New York, New York, is charged with one count of wire fraud, which carries a maximum sentence of 20 years in prison; one count of wire fraud conspiracy, which carries a maximum sentence of 20 years in prison; and two counts of failure to file an individual income tax return, which each carry a maximum sentence of one year in prison.

LISA MINCAK, 46, of Plano, Texas, is charged with one count of wire fraud, which carries a maximum sentence of 20 years in prison, and one count of wire fraud conspiracy, which carries a maximum sentence of 20 years in prison.

The statutory maximum sentences are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendants will be determined by the judge.

Mr. Williams praised the outstanding efforts of the FBI, IRS-CI, and DOL-OIG. Mr. Williams also noted that the investigation is ongoing.

This matter is being handled by the Office's Complex Frauds and Cybercrime Unit. Assistant U.S. Attorneys Michael D. Neff, Timothy V. Capozzi, and Special Assistant U.S. Attorney Jorge Almonte of the Tax Division are in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

[1] As the introductory phrase signifies, the entirety of the text of the Indictment and the description of the Indictment set forth herein constitute only allegations, and every fact described should be treated as an allegation.

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Attachment

[U.S. v. Angarola et al Indictment](#) [PDF, 865 KB]

Topics

FINANCIAL FRAUD

TAX

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[USAO - New York, Southern](#)

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