

1 TRACY L. WILKISON  
 Acting United States Attorney  
 2 SCOTT M. GARRINGER  
 Assistant United States Attorney  
 3 Chief, Criminal Division  
 SCOTT PAETTY (Cal. Bar No. 274719)  
 4 CATHERINE AHN (Cal. Bar No. 248286)  
 BRIAN FAERSTEIN (Cal. Bar No. 274850)  
 5 Assistant United States Attorneys  
 Major Frauds/Environmental and Community Safety Crimes Sections  
 6 1100/1300 United States Courthouse  
 312 North Spring Street  
 7 Los Angeles, California 90012  
 Telephone: (213) 894-6527/2424/3819  
 8 Facsimile: (213) 894-6269/0141  
 E-mail: Scott.Paetty@usdoj.gov  
 9 Catherine.S.Ahn@usdoj.gov  
 Brian.Faerstein@usdoj.gov

10 JOSEPH S. BEEMSTERBOER  
 Acting Chief, Fraud Section  
 Criminal Division, U.S. Department of Justice  
 11 CHRISTOPHER FENTON  
 Trial Attorney, Fraud Section  
 12 Criminal Division, U.S. Department of Justice  
 1400 New York Avenue NW, 3rd Floor  
 14 Washington, DC 20530  
 Telephone: (202) 320-0539  
 15 Facsimile: (202) 514-0152  
 E-mail: Christopher.Fenton@usdoj.gov

16 Attorneys for Plaintiff  
 17 UNITED STATES OF AMERICA

18 UNITED STATES DISTRICT COURT

19 FOR THE CENTRAL DISTRICT OF CALIFORNIA

20 UNITED STATES OF AMERICA,  
 21 Plaintiff,  
 22 v.

No. 2:20-cr-579(A)-SVW  
GOVERNMENT'S RESPONSE TO  
PRESENTENCE INVESTIGATION  
REPORT FOR RICHARD AYVAZYAN

23 RICHARD AYVAZYAN,  
 aka "Richard Avazian" and  
 24 "Iuliia Zhadko,"  
 MARIETTA TERABELIAN,  
 25 aka "Marietta Abelian" and  
 "Viktorika Kauichko,"  
 26 ARTUR AYVAZYAN,  
 aka "Arthur Ayvazyan," and  
 27 TAMARA DADYAN,  
 MANUK GRIGORYAN,  
 28 aka "Mike Grigoryan," and

Sentencing: October 4, 2021  
 Time: 11:00 a.m.  
 Location: Courtroom of the  
 Hon. Stephen V. Wilson

1 "Anton Kudiumov,"  
2 ARMAN HAYRAPETYAN,  
3 EDVARD PARONYAN,  
4 aka "Edvard Paronian" and  
5 "Edward Paronyan," and  
6 VAHE DADYAN,  
7  
8 Defendant.

9  
10 Plaintiff United States of America, by and through its counsel  
11 of record, the Acting United States Attorney for the Central District  
12 of California, Assistant United States Attorneys Scott Paetty,  
13 Catherine Ahn, and Brian Faerstein, and Department of Justice Trial  
14 Attorney Christopher Fenton, hereby files its an initial response,  
15 pursuant to Federal Rule of Criminal Procedure 32(f), to the  
16 Presentence Investigation Report ("PSR"), prepared by the United  
17 States Probation and Pretrial Services Office ("Probation"), for  
18 defendant Richard Ayvazyan (ECF 886).

19  
20 The government respectfully submits that the PSR should be  
21 amended to include several enhancements and adjustments necessary to  
22 reflect the egregious nature of R. Ayvazyan's crimes and conduct,  
23 including: (i) a two-level obstruction adjustment for absconding with  
24 his wife and co-defendant immediately before sentencing; (ii) a four-  
25 level aggravating role adjustment based on the fact that he was a  
26 leader of the criminal activities; (iii) a two-level victim-related  
27 adjustment based on the fact that many of his victims were vulnerable  
28 and could not protect against his use of their name; and (iv) a two-  
level enhancement because the offenses involved the possession of 5  
or more means of identification that unlawfully were produced from,  
or obtained by the use of, another means of identification. Taken

1 together, these amendments result in a 10-level increase in R.  
2 Ayvazyan's Guidelines calculation from 33 to 43.

3 **The PSR Should Apply a Two-Level Obstruction Adjustment**  
4 **Because the Defendant Absconded Before Sentencing**

5 Paragraph 49 of the PSR states, "[t]he Probation Officer has no  
6 information indicating R. Ayvazyan impeded or obstructed justice."  
7 (See also PSR ¶ 63.) However, since the PSR was prepared, R.  
8 Ayvazyan and his wife and co-defendant Marietta Terabelian  
9 ("Terabelian") removed their location monitoring bracelets and  
10 absconded together from supervision. On August 30, 2021, the Court  
11 signed bench warrants for R. Ayvazyan's and Terabelian's arrest. As  
12 of the date of this filing, R. Ayvazyan and Terabelian remain  
13 fugitives at large. The government submits that the PSR should  
14 include a two-level adjustment pursuant to USSG §3C1.1 for  
15 "Obstructing or Impeding the Administration of Justice," because, as  
16 set forth in Application Note 4(E), "escaping or attempting to escape  
17 from custody before ... sentencing" is a paradigmatic example of  
18 obstruction.

19 **The PSR Should Apply a Four-Level Adjustment for Aggravated**  
20 **Role Because the Defendant Was a Leader of the Criminal**  
21 **Activities**

22 The trial evidence overwhelmingly demonstrated that R.  
23 Ayvazyan and T. Dadyan were the leaders of the crimes for which they  
24 and six other defendants were convicted. This finding is already  
25 included in the PSRs for Terabelian and V. Dadyan, which state,  
26 "[b]ased on evidence presented at trial, R. Ayvazyan and T. Dadyan  
27 are the most culpable participants and considered the leaders and  
28 organizers of the offense." (Terabelian PSR ¶ 94; V. Dadyan PSR

1 ¶ 86.) The PSR for R. Ayvazyan should be amended to include the same  
2 finding, which is amply supported by the factual record.

3 When determining whether a defendant was a leader or organizer,  
4 the “[f]actors the court should consider include the exercise of  
5 decision making authority, the nature of participation in the  
6 commission of the offense, the recruitment of accomplices, the  
7 claimed right to a larger share of the fruits of the crime, the  
8 degree of participation in planning or organizing the offense, the  
9 nature and scope of the illegal activity, and the degree of control  
10 and authority exercised over others.” USSG §3B1.1, Application Note  
11 4. Each of these factors compel a finding that R. Ayvazyan was a  
12 leader or organizer here.

13 For example, Government Exhibit (“GEX”) 10, the text messages  
14 between R. Ayvazyan and T. Dadyan, details R. Ayvazyan’s role as a  
15 leader and organizer. The text messages show that R. Ayvazyan came  
16 up with the idea to file fraudulent COVID-19 disaster relief loan  
17 applications (GEX 10 at 1), developed the “formula” for successfully  
18 defrauding the SBA and its lenders (id. at 10), took the lead in  
19 filing fraudulent applications (id. at 4-5 (“I did 7 apps last night  
20 and 4 of them got email that it’s funded ... I didn’t sleep all night  
21 I was working 24 hours straight”)), and provided T. Dadyan with  
22 directions and advice on where to focus her efforts and when (id. at  
23 4-5 (“Go to bluevine.com right now and apply they are approving and  
24 closing within 24 hours”)). He thus exercised decision making  
25 authority, was extensively involved in the commission of the fraud,  
26 planned and organized the fraud, and defined the scope of the illegal  
27 activity.

28

1 Government Exhibits 115 and 116 further demonstrate that R.  
2 Ayvazyan recruited numerous individuals to participate in the fraud,  
3 provided them the raw materials they needed to prepare and submit  
4 fraudulent loan applications, and then directed the lion's share of  
5 the criminal proceeds to himself, which he and his wife and co-  
6 defendant laundered through a series of banks accounts they  
7 controlled and used to buy million-dollar luxury homes for themselves  
8 and their immediate family members. (GEX 115, 116.) For himself, R.  
9 Ayvazyan purchased a \$3.25 million mansion, which he filled with gold  
10 coins and luxury watches he bought with stolen disaster relief funds.  
11 The fact that R. Ayvazyan received a larger share of the criminal  
12 proceeds is yet another hallmark of a leader and organizer. For all  
13 of these reasons, the offense level should be increased to account  
14 for R. Ayvazyan's role in the crimes.

15 **The PSR Should Apply a Two-Level Victim-related Adjustment**

16 The evidence at trial showed that R. Ayvazyan used the names of  
17 individuals who were elderly, deceased or foreign exchange students  
18 who lived thousands of miles away and had only visited the United  
19 States for a few months and never returned. Victims included, among  
20 many others, Mark Zindroski (elderly) (GEX 2e), Donald Sabala  
21 (elderly) (GEX 2a), Michael Hart (elderly) (GEX 2b), Nazar Terabelian  
22 (deceased) (GEX 2o, GEX 75), Olaf Landsgaard (deceased) (GEX 10 at  
23 40, GEX 74), Iuliia Zhadko (foreign exchange student) (GEX 35a, GEX  
24 6j, GEX 6l, GEX 44), Viktoriia Kauichko (GEX 44 at 11, 32) (foreign  
25 exchange student), and Anton Kudiumov (foreign exchange student) (GEX  
26 2m, GEX 10 at 40, GEX 44). In addition, paragraph 31 of the PSR  
27 states that R. Ayvazyan and T. Dadyan also recruited elderly or  
28 disabled individuals into the fraud and explains in footnote 5 that

1 they were aware that at least one of these individuals may have had  
2 Alzheimer's Disease. (PSR ¶ 31, n.5; see also GEX 10 at 32 ("He has  
3 Alzheimer's[.] Right that [sic] a good excuse[.] Loll[.]")) While  
4 paragraph 47 of the PSR states that Probation has not recommended a  
5 victim-related adjustment, the government respectfully submits that  
6 the "vulnerable victim" adjustment under USSG §3A1.1(b)(1) applies  
7 here.

8 All of these victims meet the applicable standard for  
9 vulnerability. Application Note 2 for USSG §3A1.1(b)(1) requires  
10 that the victim be an individual "who is unusually vulnerable due to  
11 age, physical or mental condition, or who is otherwise particularly  
12 susceptible to the criminal conduct." The purpose of the adjustment  
13 is to punish and deter criminals like R. Ayvazyan from victimizing  
14 those who cannot protect themselves:

15 The "vulnerable victim" sentencing enhancement is intended  
16 to reflect the fact that some potential crime victims have  
17 a lower than average ability to protect themselves from the  
18 criminal. Because criminals incur reduced risks and costs  
19 in victimizing such people, a higher than average  
20 punishment is necessary to deter the crimes against them. .  
21 . . Defrauders who direct their activities not against  
22 banks, insurance companies, or large investors, but instead  
23 against people [with] . . . mental or educational  
24 deficiencies, . . . do not need to take as many  
25 precautions against the discovery of their scheme by the  
26 intended victims and in any event are less likely to be  
27 prosecuted, because the victims are less likely to know  
28 that they have been defrauded or if they know to have the  
know-how and initiative required to press a criminal  
complaint or bring a civil suit.

24 United States v. Etoty, 679 F.3d 292, 296 (4th Cir. 2012) (quoting  
25 United States v. Grimes, 173 F.3d 634, 637 (7th Cir.1999)).

26 In this case, R. Ayvazyan specifically victimized elderly  
27 persons (including those with disabilities), deceased persons, and  
28 foreign exchange students who had spent only a few months in the

1 United States years ago and now lived thousands of miles away in a  
2 foreign country. Each of these individuals was vulnerable because  
3 they had a lower-than-average ability to protect their name against  
4 R. Ayvazyan, who wanted to use it to fraudulently obtain loans and  
5 fraudulently open bank accounts to launder the stolen money. See,  
6 e.g., Etoty, 679 F.3d at 295-296 (explaining that a victim receiving  
7 “a fixed income of Social Security benefits, might be less inclined  
8 to take the sort of precautions against fraud and identity theft that  
9 are necessary for someone actively engaged in the job market. She  
10 had less need to monitor her employment or credit history, since they  
11 were not relevant to her source of income.”); United States v.  
12 Cuellar, 165 F.3d 918 (9th Cir. 1998) (applying “vulnerable victim”  
13 enhancement where defendant used the identity of a deceased  
14 individual to fraudulently obtain a credit card in the deceased’s  
15 name). Accordingly, the PSR should include a two-level “vulnerable  
16 victim” adjustment pursuant to USSG §3A1.1(b) (1).

17 **The PSR Should Apply a Two-Level Means of Identification**  
18 **Enhancement**

19 The government submits that the calculation of R. Ayvazyan’s  
20 offense level under USSG § 2B1.1 also should be increased an  
21 additional two levels under one or both of USSG § 2B1.1(b) (11) (C) (i)  
22 and (ii). Specifically, a two-level enhancement applies under these  
23 sections where “the offense involved . . . (C) (i) the unauthorized  
24 transfer or use of any means of identification unlawfully to produce  
25 or obtain any other means of identification, or (ii) the possession  
26 of 5 or more means of identification that unlawfully were produced  
27 from, or obtained by the use of, another means of  
28 identification.” USSG §2B1.1(b) (11) (C) (i), (ii).

1 A means of identification is "any name or number that may be  
2 used, alone or in conjunction with any other information, to identify  
3 a specific individual." 18 U.S.C. § 1028(d)(7). Section 1028(d)(7)  
4 provides non-exhaustive examples of means of identification,  
5 including: "(A) name, social security number, date of birth,  
6 official State or government issued driver's license or  
7 identification number, alien registration number, government passport  
8 number, employer or taxpayer identification number;" or "(C) unique  
9 electronic identification number, address, or routing code." 18  
10 U.S.C. § 1028(d)(7)(A), (C). The application notes to § 2B1.1  
11 provide further examples contemplating that both an account number of  
12 a bank loan and a credit card are themselves means of  
13 identification. See U.S.S.G. §2B1.1 cmt. n.10(C)(ii)(I), (II); see  
14 also U.S.S.G. §2B1.1, cmt. background ("Because 18 U.S.C. § 1028(d)  
15 broadly defines "means of identification", the new or additional  
16 forms of identification can include items such as a driver's license,  
17 a credit card, or a bank loan."); United States v. Melendrez, 389  
18 F.3d 829, 834 (9th Cir.2004) (finding the enhancement applicable  
19 where the defendant had used stolen social security numbers to create  
20 false forms of identification).<sup>1</sup>

21 Here, the evidence at trial demonstrated that R. Ayvazyan and  
22 his co-conspirators possessed and used the names of a number of  
23 actual people - including foreign exchange students who were only  
24 briefly in the United States many years earlier and at least one dead  
25

---

26 <sup>1</sup> The application notes to § 2B1.1 further provide that "means  
27 of identification" has the meaning given that term in 18 U.S.C.  
28 § 1028(d)(7), "except that such means of identification shall be of  
an actual (i.e., not fictitious) individual, other than the defendant  
or a person for whose conduct the defendant is accountable under  
§ 1B1.3 (Relevant Conduct)." U.S.S.G. §2B1.1 cmt. n.1.

1 person - to create driver's licenses submitted in support of PPP loan  
2 applications, credit cards found on R. Ayvazyan's person when he was  
3 stopped in Miami, and PPP bank loans in the names of those unwitting  
4 victims, among other means of identification. One prime example was  
5 the name "Iuliia Zhadko," in whose name R. Ayvazyan possessed at  
6 least five different credit cards when stopped in Miami and  
7 additional photographs of credit cards in this name on R. Ayvazyan's  
8 cell phone seized on November 5, 2020. (See, e.g. GEX 76.b (physical  
9 credit cards); 19.c (photos of other Zhadko means of identification  
10 from phone seized November 5, 2020).) The evidence also reflected  
11 multiple counterfeit driver's licenses in Zhadko's name submitted in  
12 support of PPP loan applications and a cryptocurrency account  
13 application. (See GEX 6.j at 18, 6.1 at 16, 35.a at 30.) Zhadko was  
14 in fact a real person, having briefly visited the United States as a  
15 foreign exchange student in 2010. (See GEX 44 at 19.)

16 On a preponderance of the evidence, R. Ayvazyan used the name  
17 (i.e., the means of identification) of Zhadko to obtain multiple  
18 credit cards, drivers licenses, and bank loans which themselves  
19 constituted additional means of identification under one or both  
20 prongs of the § 2B1.1(b)(11)(C) enhancement. Thus, two additional  
21 levels should be applied to his offense level under section 2B1.1.

#### 22 **Corrections and Clarifications**

23 In addition to the above, the government submits this response  
24 to correct or clarify the following:

- 25 • Paragraph 6 under the section titled "Charge(s) and  
26 Conviction(s)" should be corrected to state that R.  
27 Ayvazyan "used the name of M.Z., during and in relation to  
28

1 bank fraud . . . ,” not “the identification belonging to  
2 M.Z. . . .”

- 3 • Paragraph 7 under the section titled “Charge(s) and  
4 Conviction(s)” should be corrected to state that R.  
5 Ayvazyan “used the name and California Driver’s License  
6 number of N.T., during and in relation to wire fraud . .  
7 .,” not “used the California Driver’s License number of  
8 N.T. . . . .”
- 9 • Paragraph 8 under the section titled “Charge(s) and  
10 Conviction(s)” should be corrected to state that the  
11 alleged conspiracy began “no later than March 2020,” not  
12 “June 2020.”
- 13 • Paragraph 10 under the section titled “Pretrial Adjustment”  
14 should be corrected to state that R. Ayvazyan was arrested  
15 on October 20, 2020, not October 21. The second sentence  
16 should also be read to include “and home detention” after  
17 “Location Monitoring program.”
- 18 • Paragraph 11 under the section titled “Pretrial Adjustment”  
19 should be updated to reflect the fact that on August 29,  
20 2021, R. Ayvazyan and his wife and co-defendant Terabelian  
21 removed their location monitoring bracelets and absconded  
22 together from supervision; on August 30, 2021, the Court  
23 signed bench warrants for R. Ayvazyan and Terabelian’s  
24 arrest; and, as of the date of this filing, R. Ayvazyan and  
25 Terabelian remain fugitives at large.
- 26 • Paragraphs 13, 14, and 19 under the section titled “Co-  
27 Defendants” should be corrected to state that co-defendants  
28 Marietta Terabelian, Artur Ayvazyan, and Vahe Dadyan were

1 found guilty by jury trial on June 25, 2021, not June 28.  
2 Paragraph 14 should also be corrected to state that co-  
3 defendant Artur Ayvazyan is scheduled to be sentenced on  
4 October 18, 2021, not October 4.

- 5 • Paragraph 29 under the section titled "The Conspiracy"  
6 should be corrected to state the alleged conspiracy  
7 continued "through at least August 2020," not "through July  
8 2020."
- 9 • Footnote 2 under the section titled "The Conspiracy" should  
10 be corrected to state that "T. Dadyan texted R. Ayvazyan,"  
11 not "T. Dadyan texted A. Ayvazyan."
- 12 • Paragraphs 33-36 and 38-41 under the section titled "The  
13 Conspiracy" should also be corrected to state "submitted  
14 and caused to be submitted", not "submitted".
- 15 • Paragraph 35 under the section titled "The Conspiracy"  
16 should also be corrected to state "On June 25, 2020,  
17 Grigoryan, R. Ayvazyan, Terabelian and their co-  
18 conspirators", not "On June 25, 2020, Grigoryan, Terabelian  
19 and their co-conspirators".
- 20 • Paragraph 39 under the section titled "The Conspiracy"  
21 should also be corrected to state "R. Ayvazyan, Terabelian,  
22 and their co-conspirators", not "Terabelian and her co-  
23 conspirators".
- 24 • Paragraph 41 under the section titled "The Conspiracy"  
25 should also be corrected to state "In support of the  
26 application, T. Dadyan and A. Ayvazyan", not "In support of  
27 the application, A. Ayvazyan".

- 1           • The second sentence of each of paragraphs 44 and 45 under  
2           the section titled "CBP Stop at Miami International  
3           Airport" contain references to information obtained by U.S.  
4           Customs and Border Protection during the manual search of  
5           certain phones that were in the possession of R. Ayvazyan  
6           and Terabelian during the border stop. This information  
7           was the subject of a motion to suppress, which the Court  
8           granted (ECF 296), and therefore should not be included in  
9           the PSR or otherwise used in connection with R. Ayvazyan's  
10          sentencing. To be clear, the seized credit cards described  
11          in the first sentence of each of paragraphs 44 and 45 were  
12          not implicated by the Court's suppression order, and thus  
13          the references to the credit cards should remain in the  
14          PSR.
- 15          • Paragraph 46 states that law enforcement conducted a search  
16          of "an apartment under Grigoryan's control on Canoga Avenue  
17          in Woodland Hills". Based on the evidence presented at  
18          trial, this apartment - which was located at 6150 Canoga  
19          Avenue, Unit 337 - was also under the control of R.  
20          Ayvazyan and Terabelian. Specifically, the evidence showed  
21          that, among other things, at the time of her arrest,  
22          Terabelian was in physical possession of a credit card in  
23          the name of "Viktoria Kauichko" that had been used to the  
24          pay the rent for this apartment which was leased in the  
25          name of "Viktoria Kauichko". (GEX 44, 76, 88.) A digital  
26          photograph of that same credit card was also found on a  
27          phone seized from R. Ayvazyan at his home. (GEX 19.c.)
- 28

1           • Paragraphs 42, 48, 57, 120, and 121 should be corrected to  
2           state that the actual amount of loan funds obtained by R.  
3           Ayvazyan and his co-conspirators was \$16,907,071.26, not  
4           \$17,029,484.26, as set forth in the updated information  
5           provided by the government to Probation via email on  
6           September 8, 2021. Moreover, the actual amount of loan  
7           funds obtained from Radius Bank should be corrected to  
8           state zero, not \$122,413. Accordingly, the number of  
9           financial lenders from which Terabelian and her co-  
10          conspirators actually obtained loan funds should be  
11          corrected to state 12, not 13.

12          • Paragraph 80 under the section titled "Pending Charges"  
13          appears to misstate the year as "2015"; the government  
14          understands the state case was charged in "2021".

15 Dated: September 13, 2021

Respectfully submitted,

TRACY L. WILKISON  
Acting United States Attorney

SCOTT M. GARRINGER  
Assistant United States Attorney  
Chief, Criminal Division

\_\_\_\_\_/s/  
CATHERINE AHN  
SCOTT PAETTY  
BRIAN FAERSTEIN  
Assistant United States Attorneys  
CHRISTOPHER FENTON  
Department of Justice Trial Attorney

Attorneys for Plaintiff  
UNITED STATES OF AMERICA

25  
26  
27  
28