PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Chief Richard Weber

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Contact: *CI-HQ-COMMUNICATIONSEDUCATION@ci.irs.gov
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California Man Pleads Guilty to Perpetrating Trademark Scam and Money Laundering

Associate Pleads Guilty to Helping Launder Proceeds of Scam

A Southern California man who masterminded a $1.66 million mass-mailing scam targeting trademark applicants pleaded guilty today to charges of mail fraud and money laundering and his associate pleaded guilty to helping launder the scam's proceeds.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, U.S. Attorney Eileen M. Decker of the Central District of California, Inspector in Charge Robert Wemyss of the United States Postal Inspection Service (USPIS) Los Angeles Division and Acting Special Agent in Charge Anthony J. Orlando of the Internal Revenue Service Criminal Investigation (IRS-CI) Los Angeles Field Office made the announcement.

Artashes Darbinyan, 37, of Glendale, pleaded guilty to one count of mail fraud and one count of conspiracy to launder monetary instruments before U.S. District Judge Stephen V. Wilson of the Central District of California. Orbel Hakobyan, 42, also of Glendale, pleaded guilty to one count of conspiracy to launder monetary instruments before Judge Wilson. Sentencing for both has been set for June 19, 2017.

As part of his guilty plea, Darbinyan admitted that he ran a mass-mailing scam through companies called Trademark Compliance Center (TCC) and Trademark Compliance Office (TCO). The scam involved fraudulent offers of a service in which TCC and TCO promised to monitor an applicant's trademark for infringing marks and to register the trademark with U.S. Customs and Border Protection (CBP), which offers a real service that screens imports for possibly infringing trademarks. The offers were made via mail solicitations to applicants for U.S. trademarks for $385. Darbinyan never registered, nor ever intended to register, any of the trademarks with CBP for the customers who paid the fee.

Darbinyan also admitted to concealing his control over the scam through elaborate measures in which he illegally used the identities of other people to open accounts at virtual office centers in the Washington, D.C., area, which received and then forwarded victims' payments to other virtual office centers in the Los Angeles area. Using those same illicit identities, Darbinyan then opened bank accounts at Wells Fargo through which he laundered the proceeds of the scam. To further avoid detection, Darbinyan paid virtual office fees with money orders; used bogus email accounts, which he would only log into using prepaid wireless modems; and regularly changed cell phone numbers.

As part of his guilty plea, Hakobyan admitted to helping launder the proceeds of the trademark scam. Specifically, Hakobyan deposited victims' checks into bank accounts at Wells Fargo that had been opened under false names. Hakobyan misrepresented his identity to withdraw funds from the accounts at Wells Fargo in the form of cash and cashier's checks, which he then used to purchase gold. In total, he admitted to helping launder approximately $1.29 million of the scam's proceeds.

In total, Darbinyan admitted, the trademark scam defrauded approximately 4,446 victims of $1.66 million.

Darbinyan and Hakobyan were charged along with Albert Yagubyan, 36, of Burbank, California, in a second superseding indictment unsealed on July 19, 2016. Yagubyan, the former branch manager of the Wells Fargo branch where the majority of the scam's proceeds were laundered, is awaiting trial. An indictment is merely an allegation and all defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

USPIS and IRS-CI investigated the case. Trial Attorneys William Johnston and Brian Kidd of the Criminal Division's Fraud Section are prosecuting the case.

The Fraud Section plays a pivotal role in the Department of Justice's fight against white collar crime around the country. Today's pleas are part of efforts underway by President Obama's Financial Fraud Enforcement Task Force (FFETF), which was created in November 2009 to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. Attorneys' offices and state and local partners, it is the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions and other organizations. Over the past three fiscal years, the Justice Department has filed more than 10,000 financial fraud cases against nearly 15,000 defendants, including more than 2,700 mortgage fraud defendants. For more information on the task force, visit www.stopfraud.gov.

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