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**UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON**

**UNITED STATES OF AMERICA**

**3:21-cr-00244-IM**

**v.**

**GOVERNMENT’S SENTENCING  
MEMORANDUM**

**BENJAMIN TIFEKCHIAN,**

**Defendant.**

At the outset of 2020, defendant Benjamin Tifekchian was an unemployed taxi driver aspiring to get his business startup, Bencho Jewelry, Inc., off the ground. In some ways, he was a typical 35-year-old family man: a married father of three children who dutifully assisted with his aging parents’ care and the shuttling of his kids to and from school.

He was also—less typically—wanted by his native country of Armenia for murder. The Armenian courts had issued a warrant for his arrest in 2005 (though the offense had happened some 14 years earlier), and, in May 2005, the Armenian government had filed a “red notice” with INTERPOL, seeking international assistance in locating and arresting him. Nevertheless, Tifekchian did not seem to have much to worry about from the Armenian warrant in his adopted home of Oregon. He had been arrested half a dozen times since the red notice had gone out—on

charges ranging from drug possession to harassment and domestic assault (twice)—and Armenia had never sought his extradition.<sup>1</sup>

Perhaps believing his checkered past safely behind him, Tifekchian saw a golden opportunity in the United States Government’s energetic fiscal response to the worldwide COVID pandemic: a chance for easy money to live the good life and to get Bencho Jewelry up and running. Specifically, Tifekchian aimed to defraud two relief programs Congress had created or expanded through the enactment of the CARES Act in March 2020: the Small Business Administration’s longstanding Economic Injury Disaster Loan (“EIDL”) program and the new Paycheck Protection Program (“PPP”). Congress appropriated tens of billions of dollars for both programs with the aim of keeping America’s businesses afloat—with their employees on their payrolls—during the lockdowns and quarantines imposed because of the pandemic.

As he admitted at his change of plea hearing, Tifekchian applied twice to the Small Business Administration (“SBA”) for EIDLs, first in April 2020 and again in August 2020, and at least once to Bank of America (“BofA”) for a PPP loan. On each of these applications, Tifekchian falsely denied he was the subject of outstanding criminal charges and wildly exaggerated Bencho Jewelry’s (nonexistent) revenues and number of employees. Only the application to BofA succeeded, but he got the hefty sum of \$884,246 for that effort—an impressive infusion of capital for a business that existed only on paper.

Tifekchian never got around, however, to investing any of his ill-gotten gains in Bencho Jewelry. He instead spent most of the first \$60,000 on travel and gambling. His misappropriations were so obvious that the bank took the rest of the loan back, and the

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<sup>1</sup> It should be noted that all but one of those arrests occurred before 2006, while Tifekchian was in the thrall of an active drug addiction, and most of them did not result in formal charges.

government ultimately seized those funds as fraud proceeds. That left BofA with a loss of the full \$884,246 it had loaned Tifekchian and SBA with a loss of the \$26,527.35 it had paid BofA in loan fees.

A grand jury indicted Tifekchian on charges of wire fraud and bank fraud in July 2021. He was arrested the same month and eventually admitted his misdeeds when interviewed by federal agents. He retained counsel and negotiated an agreement with the government whereunder he pleaded guilty to the bank fraud charge on January 25, 2022. Pursuant to that agreement, Tifekchian waived rights to discovery, substantive motions, appeal, and collateral attack. In exchange for those waivers and in recognition of Tifekchian’s relatively prompt acceptance of responsibility when confronted by law enforcement, the government has agreed to recommend a sentence below the applicable guideline range, to wit, 21 months in federal prison.

**GUIDELINES APPLICATION AND RECOMMENDED SENTENCE**

Base Offense Level (USSG § 2B1.1(a)(1)) .....	7
Enhancement for loss > \$550,000 (USSG § 2B1.1(b)(1)(H)) .....	14
Adjustment for Acceptance of Responsibility (§ 3E1.1) .....	-3
Adjusted Offense Level .....	18
<u>Defendant’s Criminal History Category</u> .....	<u>I (0 points)</u>

The foregoing Guideline calculation—accounting only for Tifekchian’s *successful* fraud—yields an advisory sentencing range of 27 to 33 months’ imprisonment. Pursuant to the parties’ plea agreement, however, the government recommends a two-level downward variance from the Guideline range and a low-end sentence of 21 months’ imprisonment. The Probation Office concurs in this recommendation.

A sentence of 21 months is required in this case “to reflect the seriousness of the offense, . . . to promote respect for the law, . . . to provide just punishment” and—perhaps most

important in this context—“to afford adequate deterrence to criminal conduct.” 18 U.S.C. § 3553(a)(2)(A)-(B).

General deterrence is essential to protecting the integrity of emergency programs like those created by the CARES Act. They were designed—necessarily—to get money to people and businesses in need as quickly as possible. In times of national calamity, the government must be able to aid to its citizens expeditiously and with minimal delays from bureaucratic scrutiny. And yet it is precisely the lack of scrutiny that Tifekchian so eagerly and adroitly exploited. Others will be tempted to do the same in the wake of future disasters if the criminal justice system fails to demonstrate that serious penalties will be imposed when they are caught.

Any sentence of less than 21 months’ imprisonment would risk creating “unwarranted sentence disparities” among similarly situated defendants. 18 U.S.C. § 3553(a)(6). To date, the median sentence imposed in this district for COVID-relief fraud has been 36 months (the average is far higher), and the scale of the fraud losses here slightly exceed the median losses in the five cases sentenced so far. Judge Simon recently imposed a sentence of 30 months in *United States v. Lysne*, No. 3:21-cr-00167-SI, which involved a loss of less than half the instant amount but a defendant with a more recent and serious history of fraud crimes, and Judge Brown imposed a sentence of 61 months in *United States v. Unitan*, No. 3:21-cr-00053-BR, which involved a similar loss amount and no scoreable criminal history but the repeated use of innocent victims’ identities and flight from prosecution. A sentence of 21 months would be appropriately shorter than the sentences imposed in *Lysne* and *Unitan*, but any lighter sentence would be unduly magnanimous in light of defendant’s persistent, deliberate, and selfish conduct.

In addition to imprisonment, Tifekchian must pay restitution for the moneys he stole from BofA and the SBA. *See* 18 U.S.C. § 3663A. The parties have stipulated that the proven extent of those losses totals \$910,773.35.<sup>2</sup>

Finally, because defendant must discharge a substantial financial obligation, claims a gambling addiction, and has struggled with cocaine and other drugs, he should be ordered to serve a five-year term of supervised release. The term of supervised release should be served under the conditions recommended by the Probation Office.

### CONCLUSION

For the foregoing reasons, defendant should be sentenced to 21 months' imprisonment followed by 5 years of supervised release under the conditions recommended by the Probation Office and ordered to remit a total of \$910,773.35 in mandatory restitution for the benefit of the SBA and BofA as enumerated in the PSR.

Dated: April 13, 2022

Respectfully submitted,

SCOTT ERIK ASPHAUG  
United States Attorney

/s/ *Ryan W. Bounds*  
RYAN W. BOUNDS, OSB #00012  
Assistant United States Attorney

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<sup>2</sup> The government agreed to forgo forfeiture in this matter, given defendant's limited ability to pay even the outstanding restitution.