

TODD BLANCHE
Acting Attorney General
BILAL A. ESSAYLI
First Assistant United States Attorney
JENNIFER L. WAIER
Assistant United States Attorney
Chief Assistant United States Attorney &
Chief, Criminal Division
MARK AVEIS (Cal. Bar No. 107881)
Assistant United States Attorney
Major Frauds Section
1100 United States Courthouse
312 North Spring Street
Los Angeles, California 90012
Telephone: (213) 894-4477
Facsimile: (213) 894-0141
E-mail: mark.aveis@usdoj.gov
Attorneys for Plaintiff
UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

ARSEN TERZIAN,

Defendant.

No. CR 25-456-MWC

GOVERNMENT'S SENTENCING POSITION
FOR DEFENDANT ARSEN TERZIAN

Hearing date: June 5, 2026
Time: 10:00 a.m.

Plaintiff United States of America, by and through its counsel of record, hereby submits its sentencing position for defendant Arsen Terzian ("defendant").

I. RECOMMENDATION

The government recommends that defendant be sentenced to the high end of the applicable Guidelines, 51 months' imprisonment, followed by a three-year period of supervised release; and ordered to pay agreed-upon restitution of \$1,166,670, payable to the U.S. Small Business Administration, a special assessment of \$200, and to comply with such other terms or conditions as the Court deems appropriate.

1 **II. PRESENTENCE REPORT ("PSR")**

2 The government concurs in the factual basis in the PSR disclosed
3 on May 4, 2026 (Dkt. 106). The government also concurs in the
4 Probation Officer's correct calculation of the Sentencing Guidelines
5 (PSR at ¶¶ 36-55) and notes that the net Guideline level in the PSR
6 is one level lower than that agreed upon by the parties. (Cf. PSR,
7 ¶ 55 with Plea Agreement, Dkt. 95, at 8:25-26.) Defendant should
8 receive the benefit of the lower net Guideline level, 21, as
9 determined by the Probation Officer. (PSR, ¶ 55.) Defendant's
10 criminal history is Category II (PSR, ¶ 61), for a Guideline range of
11 41-51 months. (See, Recommendation Letter, Dkt. 105, ¶ 1.)

12 **III. SENTENCING FACTORS**

13 Under 18 U.S.C. § 3553(a), the nature and circumstances of the
14 offenses are aggravating factors. Defendant's stipulated factual
15 basis, that defendant affirmed under oath during his plea colloquy,
16 shows that defendant committed serious financial crimes by
17 fraudulently obtaining taxpayer funds intended to help the country
18 weather the Covid-19 pandemic. In addition to fraudulently
19 justifying his need for such funds, he admittedly misused them for
20 frivolous ends. Although the Congressional appropriation for
21 pandemic stimulus was large, it was not unlimited and was designed to
22 provide benefits to those who honorably sought funds. Plainly that
23 was not so here. Defendant also fraudulently took advantage of
24 pandemic stimulus funds specifically designed to sustain restaurants,
25 whose employees were especially compromised, by lying about his
26 finances and, again, misusing proceeds, this time more than \$500,000
27 for a marijuana grow business. Defendant admitted that he knew at
28

1 all relevant times that taxpayers' funds were not intended as venture
2 capital. (Plea Agreement, Dkt. 95, 20:8-13.)

3 Defendant's history and characteristics are aggravating factors.
4 The totality of the sentencing information, including defendant's
5 financial crimes history, shows that defendant is an opportunistic,
6 recidivist fraudster who misled at least two other judges in this
7 district into believing that defendant had reformed.

8 Specifically, defendant was convicted as recently as June 2016
9 of multiple federal felonies for identity theft offenses. Defendant
10 and his co-conspirators stole dozens of others' personal identifying
11 information by placing electronic capturing devices on gas pumps.
12 (See PSR, ¶ 60.) At sentencing, defendant argued for leniency as a
13 devoted father who was concerned about the negative impact of his
14 conduct on his children. (*U.S. v. Terzyan*, CR 15-621-R, Dkt. 284 at
15 3-4.) Defendant told the sentencing court that he had "learned the
16 hard lessons of my wrongful actions. I know I will never put myself
17 in this position again." (*Id.*, at Ex. A.) Defendant was placed on
18 three years' supervised release following 36 months' imprisonment.
19 (See Docket Cover in CR 15-621-R.)

20 Approximately 20 months into his 36-month term of supervised
21 release, defendant sought, *pro se*, early termination of supervised
22 release by telling another Court that "I am zero risk to offend for
23 the rest of my life." (*U.S. v. Terzyan*, CR 15-621-R, Dkt. 378 at
24 2:13.) The Court granted defendant's motion on May 29, 2020;
25 defendant committed the offense in count one of the indictment in
26 this case approximately seven months later. (*Cf.*, *U.S. v. Terzyan*,
27 Dkt. 380 and defendant's plea agreement here, Dkt. 95 at at 21.)
28

1 In support of leniency here, defendant provided letters of
2 support that indicate that "he has started the journey of reforming
3 his life and wants to continue living a righteous and honest
4 lifestyle" (PSR, ¶ 76.) Similarly contradictory, defendant
5 claimed that he self-treated his anxiety from his prior case by using
6 marijuana and that he beat any addiction by enrollment in the RDAP
7 program while in prison. (PSR, ¶ 84.) However, he admitted in his
8 factual basis in this case that he misused more than a half million
9 dollars in taxpayer funds to operate a marijuana grow operation.

10 The need for just punishment, deterrence, respect for the law,
11 and to protect the public are aggravating factors. Defendant shows
12 little to no evidence of a good faith effort to respect the law, not
13 to commit crimes, or not to scheme with others to steal.

14 In the final analysis, a sentence of 51 months' imprisonment is
15 sufficient but not greater than necessary to accomplish the goals of
16 the applicable sentencing statutes and Guidelines.

17 Dated: May 18, 2026

Respectfully submitted,

18 TODD BLANCHE
Acting Attorney General
19 BILAL A. ESSAYLI
First Assistant United States
20 Attorney
JENNIFER L. WAIER
21 Assistant United States Attorney
Chief Assistant United States
22 Attorney & Chief, Criminal Division

23
24 /s/
MARK AVEIS
Assistant United States Attorney

25 Attorneys for Plaintiff
26 UNITED STATES OF AMERICA
27
28