



NEWS RELEASE

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Owners of Two Los Angeles-Area Drug Wholesale Companies Arrested in \$20 Million Federal ‘Structuring’ Conspiracy

LOS ANGELES – The owners of two local drug wholesale companies were among four defendants taken into custody this morning on federal “structuring” charges that allege they made millions of dollars in cash deposits designed to circumvent federal reporting requirements.

Law enforcement authorities this morning arrested Richard Kayseryan, 41, of Burbank, the owner of Burbank-based TriMed Medical Wholesalers, Inc. Kayseryan is the lead defendant in a 20-count indictment returned on April 6 by a federal grand jury that charges four individuals and TriMed in relation to two separate schemes to structure millions of dollars in proceeds through “funnel” bank accounts set up in the names of shell companies.

Two other defendants – Derou Biglari, 31, and Jivani Markarian, 33, who own the Glendale-based drug wholesale business JD Pharmaceutical Wholesaler, Inc. – and the fourth defendant – Rafik Mesropyan, 56 – surrendered this morning. These three co-conspirators, all Glendale residents, are charged with depositing millions of dollars of TriMed checks for Kayseryan, and returning the funds to him in the form of cash.

The four individuals and TriMed are expected to be arraigned on the indictment this afternoon in United States District Court.

As part of the scheme, TriMed collected millions of dollars from business activities and Kayseryan prepared checks that he delivered to his co-defendants. The co-conspirators deposited the checks into the funnel accounts and immediately withdrew the funds in cash in amounts at or under \$10,000 per transaction, according to the indictment. These transactions were designed to prevent banks from reporting the cash withdrawals to the federal government, which is required for every cash transaction of more than \$10,000.

The indictment also charges Kayseryan with lying to federal agents about the funds during an interview in June 2016. Kayseryan allegedly falsely claimed that “he issued TriMed checks payable to the shell businesses,...for the purpose of making interest-bearing ‘investments’ in the shell businesses” and that he “did not receive ‘one cent’ of the funds from the TriMed checks back.” In fact, the businesses did not exist at

all, and Kayseryan received millions of dollars in funds back from the checks in the form of cash.

Finally, the indictment charges Kayseryan with filing false tax returns that fraudulently overstated TriMed's business expenses.

Investigators believe that Kayseryan wrote checks to the shell companies from 2010 through 2015 totaling more than \$20 million and that Kayseryan claimed these checks were to pay business expenses. In fact, most of the shell companies did not actually exist other than on paper.

This indictment marks the third phase of Operation "Psyched Out." The investigation previously resulted in convictions against 17 defendants connected with the operators of a fraudulent medical clinic, Manor Medical Imaging. A medical doctor employed at the location, [Kenneth Johnson](#), and two owners of a San Marino pharmacy, Phic Lim and Theanna Khou, were convicted in that case. In the second phase, the owner of a Glendale pharmacy, Peter Bagdasarian, was convicted of prescription drug misbranding connected to the scheme.

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed innocent until and unless proven guilty.

If convicted of the 20 counts in the indictment, Kayseryan would face a statutory maximum of 94 years in prison. Biglari and Markarian, if convicted, would each face 45 years, and Mesropyan could be sentenced to as much as 35 years in prison.

Two other conspirators, identified in the indictment by initials as M.F. and S.G., previously pled guilty to federal structuring charges.

The investigation was conducted by IRS Criminal Investigation, the California Department of Justice Tax Recovery and Criminal Enforcement Task Force, the Department of Health and Human Services – Office of Inspector General, the Federal Bureau of Investigation, and the United States Food and Drug Administration's Office of Criminal Investigations.

The case is being prosecuted by Assistant United States Attorneys Benjamin R. Barron and Christopher Kendall of the Organized Crime Drug Enforcement Task Force.