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## Ex-FBI Agent Charged With Taking Atty Bribes Wins Bail

By **Hannah Albarazi**

Law360, San Francisco (April 30, 2020, 11:10 PM EDT) -- A California federal magistrate judge agreed Thursday to release an ex-FBI agent ahead of his trial on charges he accepted over \$200,000 in cash bribes and gifts from a Beverly Hills lawyer connected to Armenian organized crime, setting his bond at \$400,000.

Recently retired Federal Bureau of Investigations special agent Babak Broumand's attorney Steven Gruel lauded the judge's decision to allow his client to be released from custody prior to trial, telling Law360 that the U.S. Department of Justice's case rests on the word of lawyer Edgar Sargsyan, whom Gruel described as "a con man."

Sargsyan has **agreed to plead guilty to charges of conspiracy** to commit bank fraud, bribing a public official and making false statements to federal investigators, according to a plea agreement signed April 21 and made public on April 28. He pleaded guilty to bribing FBI agent Broumand and Department of Homeland Security agent Felix Cisneros Jr. with more than \$250,000 in order to get access to sensitive law enforcement information.

Though prosecutors have only identified the parties involved by title, Gruel confirmed to Law360 that the FBI agent involved was Broumand and the government's cooperating witness — the attorney who purportedly paid bribes — was Sargsyan.

"The judge correctly determined that Mr. Broumand should be released from custody. The prosecution's case rests on the credibility and on the word of a complete con man — Edgar Sargsyan. We have only begun to scratch the surface of the number of lies and scams Sargsyan was spinning," Gruel told Law360 via email.

According to prosecutors, the FBI agent and the lawyer met at a cigar lounge in Beverly Hills in the fall of 2014 and gradually became friends, according to prosecutors. The lawyer said he noticed Broumand's "expensive tastes ... and his affinity for luxury goods and services" and saw an opportunity to get the agent to help him avoid law enforcement, prosecutors said.

In 2015, the lawyer told Broumand he was involved in criminal activity and asked if he was interested in doing "something on the side" in exchange for approximately \$10,000 a month, prosecutors said. After Broumand agreed, he ran law enforcement database checks and alerted Sargsyan to allow him and his associates to "thwart the detection of legitimate law enforcement efforts and to undermine ongoing investigations," according to Broumand's criminal complaint.

The agent would also proactively warn Sargsyan and his associates to stay away from certain people targeted or involved in investigations to make sure Sargsyan didn't become the target of such an investigation, prosecutors said.

The alleged bribery continued until 2017, per the DOJ.

Broumand, who worked out of the FBI's San Francisco Field Office, accepted cash payments on trips to Southern California, where he stayed at luxury hotels that were paid for by Sargsyan, prosecutors said. The agent also accepted a \$36,000 Ducati 1299 Panigale S racing motorcycle from Sargsyan as

a "bonus" for running a database check on a particular person, prosecutors said.

The lawyer also paid for the FBI agent's transportation and escort services, per the DOJ.

The DOJ **charged Broumand with one count of conspiracy** to commit bribery of a public official.

Meanwhile, between August 2014 through November 2016, Sargsyan and his associates opened and used credit cards in the names of people holding visitor visas to the U.S. They used those credit cards at businesses controlled by Sargsyan, including Pillar Law Group and Regdalin Group, according to the plea agreement. By doing this, the co-conspirators made nearly \$1 million in fraudulent credit card charges.

Prosecutors said Sargsyan also paid at least \$32,000 in personal checks to a DHS agent — identified in court filings as Cisneros — in exchange for access to restricted law enforcement information between November 2015 and January 2017.

Sargsyan would use the information gleaned from the Homeland Security agent to determine whether there were any federal, state or local law enforcement investigations relating to property he wanted to buy, according to the plea agreement.

In exchange for more payments, the Homeland Security agent attempted to have Sargsyan's family member "paroled" into the U.S. from Armenia by falsely claiming that his family member was a confidential informant aiding the U.S. government and local law enforcement in drug investigations, prosecutors said.

Sargsyan agreed to cooperate in the investigation because he wanted the government to take his assistance into consideration when addressing "illegal acts" he's admitted to, including bribing the Homeland Security agent, credit card fraud and growing unlicensed marijuana, per the plea agreement.

Sargsyan made headlines in recent years after SBK Holdings USA of Beverly Hills — where he formerly served as president and legal counsel — **alleged that he misused \$22 million in company funds** to build his own real estate portfolio and start his own firm.

SBK Holdings was owned by Lev Dermen, aka Levon Termendzhyan, a petroleum magnate **convicted in March on money laundering-related offenses** in a sprawling \$511 million tax fraud case in which he was accused of masterminding a multistate fraud to pass off fake biofuels to reap federal incentives.

The DOJ has also alleged that money from Dermen's tax fraud was transferred to SBK Holdings USA Inc. and then SBK Holdings AS, a Turkish counterpart co-founded by Dermen, Jacob Kingston and Turkish businessman Sezgin Baran Korkmaz — SBK — who prosecutors say "used SBK Holding AS to make investments in other companies."

The FBI believes Dermen is either a member or an associate of an Armenian organized crime group based in Southern California and that Sargsyan occupied a role in that criminal enterprise. Broumand also identified Sargsyan as a personal friend and a close associate of Dermen, according to the complaint.

On Tuesday, Dermen's lawyers, Mark Geragos and Setara Qassim, **challenged the March conviction**, saying Sargsyan's plea contains "material that would have dramatically changed the entire defense approach."

At Broumand's detention hearing on Thursday morning, Assistant U.S. Attorney Ravi T. Narayan urged the judge not to release him, saying he poses a flight risk.

Narayan said the government has reason to believe that Broumand may have Iranian citizenship as well as U.S. citizenship and that he may try to flee the country.

But Broumand's attorney told Law360 that his client is a U.S. citizen and "not a citizen of Iran." He told the judge that after 20 years of FBI service Broumand retired over a year ago and is now

employed as an investigator at University of California at Berkeley.

Narayan urged the judge to be skeptical of Broumand's character, saying that his indictment paints a picture of a man willing to accept bribes, engage in deceit and lie to law enforcement.

Narayan told the court that Broumand owns as many as a dozen firearms and that as a former FBI agent Broumand, if he chooses to flee, may be more sophisticated at avoiding apprehension as he knows the law enforcement techniques used to apprehend fleeing suspects.

But U.S. Magistrate Judge Nathanael M. Cousins granted Broumand's request for release, saying the government had not met its burden to show that Broumand poses a flight risk. The judge instructed Broumand to have no contact with the government's confidential informants, to remove the dozen firearms that the DOJ says he has at his home and surrender whatever passports he possesses.

The judge also granted a stay until noon on Friday to allow the government to appeal his decision to release Broumand.

An FBI spokesperson told Law360 that the investigation is ongoing.

Sargsyan's attorney Robert Edward Dugdale of Kendall Brill & Kelly LLP declined Law360's request for comment.

The DOJ did not immediately respond to a request for comment Thursday.

The government is represented by Ravi T. Narayan of the U.S. Attorney's Office for the Northern District of California.

Broumand is represented by Steven F. Gruel of the Law Offices of Steven F. Gruel.

The case is U.S. v. Broumand, case number 2:20-mj-01777, in the U.S. District Court for the Central District of California. And U.S. v. Edgar Sargsyan, case number 2:20-cr-00190, in U.S. District Court for the Central District of California.

--Additional reporting by Lauren Berg and Hailey Konnath. Editing by Michael Watanabe.