



U.S. Department of Justice

*United States Attorney
Northern District of New York*

445 Broadway, Room 218

Albany, New York 12207
(518) 431-0247

July 14, 2004

News Release

United States Attorney Glenn T. Suddaby and Internal Revenue Service Special Agent in Charge Anne Marie Coons announced today that United States District Judge Lawrence E. Kahn sentenced MEGERDICH MEGERDICHIAN, age 48, of Cranston, Rhode Island, to 6 months' home detention, 3 years' probation, a fine of \$20,000, and restitution. The sentence was based on Megerdichian's guilty plea to a one count information charging that he knowingly and willfully filed a false and fraudulent federal income tax return.

As admitted by MEGERDICHIAN in the plea agreement, MEGERDICHIAN was the priest at the Holy Cross Armenian Apostolic Church in Troy, New York for approximately sixteen years, ending in January 1998. During MEGERDICHIAN's tenure, the finances of the church were controlled by a four person board. The members of this board were signators on all church bank accounts and approved all church expenditures. From at least May 1995, through late 1997, MEGERDICHIAN maintained a bank account at Fleet Bank in Troy, New York, in the name of the church, with himself as a signatory. During that time, the board members of the church were unaware of the existence of the account and MEGERDICHIAN's use of it.

From at least May 1995, through late 1997, MEGERDICHIAN received thousands of dollars in checks, payable to the church, from a variety of sources, including members of the congregation.

Rather than deposit the checks into accounts held by the church and controlled by the church board, MEGERDICHIAN deposited them into the Fleet Bank account which MEGERDICHIAN controlled. After the checks had been deposited into the Fleet Bank account, MEGERDICHIAN used some of the funds to pay various personal expenses. He did so without advising or obtaining the authorization of the church board. MEGERDICHIAN then knowingly and willfully failed to disclose as income on his federal income tax returns the monies he had embezzled from the church during the 1995 through 1997 tax years. This resulted in an underpayment by MEGERDICHIAN of federal income taxes.

MEGERDICHIAN was removed as a priest at the Holy Cross Armenian Apostolic Church in early 1998. In early 2000, he repaid to the church all of the monies he had embezzled. Shortly before sentencing, MEGERDICHIAN paid restitution to the Internal Revenue Service of \$10,293, representing the amount of tax due and owing on his unreported income.

The charges against MEGERDICHIAN follow an investigation undertaken by agents from the Criminal Investigation Unit of the Internal Revenue Service, under the direction of Special Agent in Charge Anne Marie Coons. The prosecution was handled by Assistant United States Attorney Steven A. Tyrrell.

CONTACT: Assistant U.S. Attorney William C. Pericak
518-431-0247