
U.S. LAWYERS ACCUSED OF EMBEZZLING GENOCIDE SURVIVOR BENEFITS

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Two Glendale attorneys could face disciplinary action after the State Bar of California alleged they embezzled hundreds of thousands of dollars from a multimillion-dollar settlement relating to the Armenian Genocide, The Los Angeles Times reports.

The state bar filed several disciplinary charges last year against Vartkes Yeghiayan and Rita Mahdessian, including misappropriation of funds and moral turpitude. They claimed the couple, who are married, had siphoned more than \$300,000 of settlement money stemming from a class-action lawsuit over survivor benefits from the Armenian Genocide.

The two have denied the charges.

According to bar documents, the couple misrepresented two nonprofit groups they created to appropriate the funds.

In 2005, a class-action lawsuit was brought against French insurance company AXA S.A. over survivor benefits from descendants of Armenian Genocide victims. Yeghiayan and Mahdessian were co-counsels on the case.

The resulting settlement was \$20 million, with the insurance company being required to pay \$17.5 million. From that settlement, a \$3 million Unclaimed Benefits Fund was set up, naming nine specific beneficiaries, according to documents from the state bar.

As part of the fund, any money left after paying the main settlement and administrative costs could be distributed to charitable organizations recommended by the suits lawyers – namely Yeghiayan and Mahdessian.

The state bar said one of the nonprofits, the Center for Armenian Remembrance, was created three months after the settlement was approved and based out of the couples Brand Boulevard law firm.

The second nonprofit, the Conservatoire de la Memoire Armenienne, also was said to be based out of the attorneys office.

According to the state bar, the two then requested more than \$300,000 be given to the organizations because they qualified as charitable. However, Yeghiayan and Mahdessian failed to produce any record of charitable activity or disclose their ties to the nonprofits, according to court documents.

The two are accused of using some of the funds on their own law firm and to pay college tuition for their two children.

Kaynak/Source: