

## "Hayastan" All-Armenian Fund Executive Director Confesses to Fund and Government Corruption

### Preface

*"You know, all kinds of things have occurred in the Fund's history. Again, very frankly, openly I'm talking to you: they've stolen money, eaten it, and what not. It has happened,"* confessed Sarkis Kotanjian, Executive Director of "Hayastan" All-Armenian Fund U.S. Western Region, in a private conversation, which took place at a restaurant in Glendale, on December 17, 2010, and which I have decided to publicize today, on November 22, 2015.

Before or after making statements that exposed his own lies carefully manufactured to misguide public opinion, this high-ranking Armenia Fund official was repeatedly asking me not to publicize the content of our conversation. *"I know that your heart is good. If I knew that you were just bashing the Fund just for bashing, I wouldn't meet with you,"* he said to me.

Mr. Kotanjian admitted that the quality of road construction undertaken by the Fund is subpar: *"For example, if you dig the Yerevan-Sevan highway, removing the asphalt, you'll find concrete underneath. That's called a first class road. Those roads, which we build in Armenia or Karabakh are not first class. There's no concrete underneath."*

About Armenia's government officials and illegitimate President Serzh Sargsyan, who form the majority of the Presidium of "Hayastan" All-Armenian Fund, Mr. Kotanjian had the following to say: *"All of these guys, Ara, keep pocketing, like there's no tomorrow." He also passionately shared with me his vision of the savior-president: "It's gonna be a guy with balls. We're talking about BALLS. The only thing that is needed is a guy with BALLS, who will come and say: "Fuck your mothers, have pity on our people. As much as you've eaten... Enough is enough!"*

I still chose to honor his multiple requests of privacy even after he fiercely opposed to my suggestion that he should tell these truths publicly as a way of building trust. *"For me, as a Fund official, [...] Are you fucking kidding me?"* he told me in response. Nevertheless, I hoped that one day Mr. Kotanjian himself would eventually realize the importance of honesty. I hoped he would take steps or start a movement to separate the Fund from the corrupt government, about which he said: "But look, we know how the government has fucked up."

During the past 5 years, not only did Mr. Kotanjian fail to tell the people the truth, but also continued using lies, white-washing, and fake identities to mislead hundreds of thousands of people into trusting his organization and donating millions of dollars to it.

Moreover, Mr. Kotanjian did not hesitate to launch a smear campaign against me. He started off by creating a fake online identity named 'Pahakazor' to invalidate the facts presented in "To Donate or Not to Donate," a white paper on "Hayastan" All-Armenian Fund. *"Thus assuming a fake identity, Sarkis Kotanjian was praising and promoting the Fund by giving false testimony,"* says my report on Mr. Kotanjian's foiled cover-up (<http://www.thetruthmustbetold.com/2011/07/08/haaf-cover-up/>).

Secondly, he defamed me publicly claiming that anything written in the mentioned white paper is a lie. *"The thing is that this paper, one could say, is completely based on newspapers, which are strictly oppositional; their publications, which have no facts,"* he said during a live interview on Horizon TV in Glendale, CA (see <https://www.youtube.com/watch?v=qxOEyv8f3m0>). His comments were preceded by the Fund's Executive Director Ara Vardanyan's following statement: *"We have studied the material quite seriously. The report is based entirely on inaccurate information, which has nothing to do with the All-Armenian Fund at all. [...] There was absolutely no truth regarding the All-Armenian Fund."*

Thirdly, Mr. Kotanjian and his boss, Mr. Vardanyan, broke their promise to have a live TV debate with me about the Fund's activities. The worst attempt to prevent me from disseminating the truth about the Fund occurred on November 24, 2013, when persons connected to the Fund's leadership tried to have me arrested in Glendale on false charges of threatening an Artsakh government official (<http://www.thetruthmustbetold.com/attempted-arrest/>).

Mr. Kotanjian has abused my promise to honor his appeals for privacy with his actions. I believe it is better to honor the hundreds of thousands of donors' rights to information than the dishonesty of a single hypocrite who seeks to profit from their ignorance. Thus, I present the full transcript of my conversation with Mr. Kotanjian.

## "Hayastan" All-Armenian Fund Executive Director Confesses to Fund and Government Corruption

### Full Transcript

*Sarkis Kotanjian and Ara Manoogian spoke both English and Armenian during the conversation. The italicized text is the English translation of the Armenian text. Unintelligible speech is marked as [U.]*

**ARA:** *So, how did you come to the U.S.? I know that your father was the... he used to represent...*

**SARKIS:** *Yes.*

**ARA:** *That's when you came probably.*

**SARKIS:** *No. I came here first as an exchange student in 1993, in Ohio. I stayed with an American family. I graduated from the Open Door Christian High School. After that I returned to Armenia, was admitted to the university, where my major was political science. Then I attended Vermont Military College for a year. After that I returned and graduated from the university. And after that, yes, already together with my father... Back then there was a budgeting issue, when they didn't have a position for an assistant. I was told that I could be of help, because there was only one person [U.] was supposed to work, when it was beginning to form. [U.] There was no attaché thing back then. So, we were just establishing contacts...*

**ARA:** *Right.*

**SARKIS:** *Then I worked that year, after which I transferred to the Karabakh office.*

**ARA:** *Did you work with Vardan?*

**SARKIS:** *With Vardan. I became a deputy two years later. And after that I came here as,*

*like, initially as the head of public relations, then, two years later, starting at the end of 2005, in 2006, I already became the executive director.*

**ARA:** *I know the parents of Vardan's wife very well. I stayed at their place during the war. They had this thing in Stepanakert...*

**SARKIS:** *No, Vardan is a smart guy.*

**ARA:** *Yes. No, he's a normal person. But he's not here right now, is he? He left.*

**SARKIS:** *No, he left. Now he is deputy Minister of Foreign Affairs. He is a motivated smart guy.*

**ARA:** *Yeah, no, he's a very normal person.*

**SARKIS:** *He was quite quick to adjust to the [U.] American ways. And he stayed for quite a long time. He worked as a representative for about 9 or 10 years.*

**ARA:** *No, he did a good job.*

**SARKIS:** *It was quite successful. Robert is not bad now either. I'm know sure whether you have met Robert Avetisyan or not.*

**ARA:** *No, I don't know him.*

**SARKIS:** *He, too, used to work at the Foreign Ministry. I have known him for a long time.*

**ARA:** *I might know him. I may have seen him back there.*

**SARKIS:** *Yes, he is tall, with slightly plump cheeks.*

**ARA:** *Maybe. I will recognize him if I see him.*

**SARKIS:** *He's a nice guy. He must have been working there since day one. He's a young man, thirty-odd years old.*

**ARA:** *In California... How long have you been to California? Recently or?*

**SARKIS:** *Since 2004.*

**ARA:** *California.*

**SARKIS:** *Yes. I moved here straight from Washington. The office had issues over here. I mean, whatever we speak here is between us.*

**ARA:** *Yes, yes.*

**SARKIS:** *Issues of trust, so on and so forth. So then I was offered to come over here [U.] fix all of those issues of trust.*

**ARA:** *But had you worked for the Fund before in Washington?*

**SARKIS:** *No, I wasn't working with the Fund. I worked at the Karabakh Office. Nevertheless, I was interacting with the Fund, because it was close to my heart. On a few occasions I visited the Fund's Telethons both here and in New York together with the presidents and so on. And it was not so much the work that I liked, but rather the fact that so many interesting people get together around the Fund.*

**ARA:** *Quite understandable. And, after all, there are many Armenians here.*

**SARKIS:** *Yes, there are more Armenians here.*

**ARA:** *There's greater potential.*

**SARKIS:** *I was offered either the office here or there in New York.*

**ARA:** *You don't need New York. You've already lived long enough in that cold.*

**SARKIS:** *Yes, New York... Besides, New York is a little difficult, because their work chiefly targeted rich people, individually. And I don't see much in it. A rich man may give today but won't tomorrow, and he'll die the next day. And the kids will find ways to [U.]. And they were not ready to work with people. They were more individual-based in their method, which was important, because, after all, in order to collect \$1 million from the people [U.] whereas you could... talk Louise Simone or Hovnan Hovnanian into giving a million and, you know...*

**ARA:** *But they haven't been doing that for a long time already. Who works? Who is taking care of New York now?*

**SARKIS:** *In New York it was... There was someone named Gevorg Koloyan during my years. It was quite successful. But he was an old man, he grew very old and so on, health issues, the wife had cancer. He quit, and then Raffi Festekjian came.*

**ARA:** *Because I have noticed that Louise hasn't been donating lately. I don't know she doesn't give at all...*

**SARKIS:** *She's not giving at all.*

**ARA:** *Did she get sick and tired?*

**SARKIS:** *Louise—since about 2007 or 08—has quit all of those things. She decided she'd rather concentrate on herself.*

**ARA:** *Well, yes, that's how Manoogians are.*

**SARKIS:** *Well, yes, she quit everything. She quit the Fund, as well, though remained as an Honorary trustee. We still meet with her, talk and so on. Suggestions and so on. She has ideas, which are always... Especially [U.] and so on. So, she will advise... But she said she didn't want the responsibility of being a Board member.*

**ARA:** *For Louise to say that, it means that she doesn't want to be responsible at all.*

**SARKIS:** *I don't know.*

**ARA:** *That's her... I have known Louise very well for many years.*

**SARKIS:** *But as far as I understood, she is basically [U.].*

**ARA:** *Yeah, she withdraws to herself. AGBU has also withdrawn.*

**SARKIS:** *Yeah, AGBU has withdrawn, too. So, but it was interesting here that there was a lot of potential. And a large part of that potential [U.] hasn't been utilized yet. But if you look at the numbers, the response rate of the solicited public or anywhere between doing this year we're anywhere between 7 to 10%, which is not bad, if you look at it from the perspective of American fund-raising standards.*

**ARA:** *Sure. And the majority hasn't [U.].*

**SARKIS:** *Yes. So, it's not that bad. Well, we'll see now. A great deal of... Do you know what the issue is? That we, the "Armenia" Fund, are regarded, as an extension of the government, which is a big problem for us, because, after all, yes, it is true.*

**ARA:** Yeah. Well, it is true. I mean look at the...

**SARKIS:** *At such a level that if you look at the Board of Trustees...*

**ARA:** Yeah, but look at the Board above the Board of Trustees.

**SARKIS:** That's just the Board I'm talking about. *There are 38 members, if I am not mistaken, either forty-eight or forty-something, 12 or 13 of which are state representatives from the president down to... Who is the lowest there?*

**ARA:** Yeah, but what about the big board above them that meet every year.

**SARKIS:** Well, that's the Board I am talking about.

**ARA:** So, that's not 48, that's 14, isn't it?

**SARKIS:** No, no, no. *Oh, do you mean the Presidium.*

**ARA:** Yeah, cause they...

**SARKIS:** No, they're...

**ARA:** They don't mean anything?

**SARKIS:** They don't, they don't mean anything.

**ARA:** I don't know.

**SARKIS:** *Do you know what they are for over there? Let's say there is a decision to be made, which is impossible to do within the format of a full Board meeting. Something strategic. For instance, I don't know, God forbid, an earthquake hits tomorrow, some big controversy, exploded...*

**ARA:** Shouldn't that also be a balanced Board? 'Cause it's not right now.

**SARKIS:** Right now it's not, but...



**ARA:** I mean that would be something to work on. Just to balance that up. *Because Louise was already there.*

**SARKIS:** But that's not a Board on top of that Board. That's not how it's structured.

**ARA:** Yeah?

**SARKIS:** If they need to, for example, talk something urgently, instead of getting everybody, all the 38 members, they can just do a conference call between the 14 or 13.

**ARA:** Yeah, it's , I think... Isn't it 12? It's 12.

**SARKIS:** *But no decision, until today [U.] so on and so forth.*

**ARA:** Oh yeah, of course. *Because whoever I have spoken to, that has been on the board, everyone said: "Our function is just to get money together and send it to Armenia. That's our function." Yeah, that's all the function; they don't have any... because before that, years ago, many years ago [U.]: "It's not our problem. Our problem is to collect money and send it."*

**SARKIS:** That is not necessarily true.

**ARA:** That was the feeling they felt, the people I was talking to.

**SARKIS:** *Now or before?*

**ARA:** No, *before. That's how it was before.*

**SARKIS:** *Because before... How is it now? Now, ok, we get the money and so on, then we transfer the money. But, after all, it's the Board [U.] program to finance. [U.] locally. It's a function of how much money to dedicate to the project. It's a function of what sphere we want to finance. If there is a branch or a town that is dear to us [U.]. Or if the trustees went somewhere and they saw something. For instance, this village is in a deplorable condition. Nobody pays attention to it. So, let's do something. That's how they do.*

**ARA:** *But there's no... Is there a big plan? These are all the areas we need to cover. Do*

*you guys have a master plan?*

**SARKIS:** *There is a master plan for each project. For instance, on this water supply project... The cost of the whole project is about 80 million. A big project.*

**ARA:** *Is that for Artsakh or is that for Armenia also?*

**SARKIS:** *That's for Artsakh, bro.*

**ARA:** *Just for Artsakh. \$80 million for Artsakh? Just for water?*

**SARKIS:** *Of course.*

**ARA:** *Wait, wait. Are they trying to get... What are they trying to get in there? Are they trying to get 24 hours water? Like constant water going?*

**SARKIS:** *Yes.*

**ARA:** *You know the thing that I find interesting about that is. All those years that I lived there, any village I went to... I don't know this system—and it was during the Soviet times, too—every person has its own water container. It's like 1-ton, 2-ton, 10-ton. When water is supplied for days, and they turn it on. For instance, I have one with a capacity of 15 tons. Mine is always filled up. They have it in villages, too, 25-ton, 10-ton containers.*

**SARKIS:** *True.*

**ARA:** *I've always had running water. All of my friends have always had running water. No one's ever had a water problem ever, because there is always water. And it's... Spending \$80 million on water as opposed to spending \$20 million on economic developments just doesn't seem to make sense. Especially for a population of... I mean the real number, now it doesn't exceed 100,000, today. I mean the official number is 150, but it's about 100,000. For 100,000 people spending \$80 million seems a little bit absurd when \$80 million can create, you know, 50 thousand jobs or 30 thousand jobs or 10 thousand jobs even. Because then there's [U.] every job you create is two and a half people are being, you know... cause they're buying from the stores, they're buying from there and the other... Instead of doing that... And then let them pay their taxes, and the*

government will fix the water supply, build the roads. *The problem I find is that we are circumventing the natural growth process. And the natural growth process is: Sarkis works, Ara works, he pays the taxes; if there's a job, those taxes, if they're properly managed...*

**SARKIS:** *Aha, see?*

**ARA:** *...will go to... Well, yeah...*

**SARKIS:** *"If they're properly managed"*

**ARA:** *Yeah, if they're properly managed.*

**SARKIS:** *Yes, but here we are, let's speak the truth and shame the devil.*

**ARA:** *Yes. Well, I know you know.*

**SARKIS:** *You're not gonna write this in your blog. Please don't.*

**ARA:** *Ok. If you say 'please don't,' I won't.*

**SARKIS:** *If we... don't [U].*

**ARA:** *Ok, this one is out. That's my promise to you.*

**SARKIS:** *If everybody paid their taxes the right way, if they were able to manage those taxes the right way, for the benefit of the people, they wouldn't need money at all until now.*

**ARA:** *Yeah,*

**SARKIS:** *\$80 million is nothing. But we've had to put ourselves out there all over the world... It's nothing, 80 million. Let them do taxes just for two years, and they won't fucking need any...*

**ARA:** *It's more than 80 million, much more.*

**SARKIS:** *Let's not pretend that...*

**ARA:** *And then... But Sarkis...*

**SARKIS:** That's the problem. At the end of the day, the person who hasn't got a drop of water today should be pitied.

**ARA:** *He should be pitied, but, at the same time, he is not supposed to die just because he has no water, he is life span is not supposed to be shorter, he is not supposed to I don't know what. There are so many important issues. And water is important [U.] But do you know what my issue was? Back then we had a project for water supply. You have read about it.*

**SARKIS:** Yes.

**ARA:** *We had a project. Accidentally, we found a gas pipeline stretching to Fizuli. Large 219-mm pipes. It was around 33 km long. It was 30 km long, because it was on their maps. The military maps showed what it was. That time I went to see the marzpet [the governor]. Hovhannisyan was the marzpet of Martuni. I told him that there was this pipeline. Who does it belong to? Is there any information about it and so on? He asked: "Why do you need it?" I said we had projects. For instance, at the Monte Melkonian Fund, we had already created a project. I said that we wanted to dig it out: that way both Martuni would get water and... Because Martuni didn't have issues with water, but the pipe that was going to Martuni had been hit, and had to be replaced. There are places that everyday they come and fix the holes. I said Martuni needed 5 km, and that we ourselves would remove the pipes, put them aside and replace them. And we did a part of it to enable replacement: we dug the hole and what not for the town of Martuni. Anyway, we pull them out and then we see someone approach me. He says: "I want to buy those pipes from you." I said that... I said: "Excuse me, thank you, but we don't want to sell it: we have a goal to accomplish. We had already dug out 3 km, unearthed 2-3 km and laid them by the road." We needed 6.5 km. This was back in 1999. I can't forget it at all. I left. My friends had come from the States, we hung out together... It didn't even take a week. It was just three days. So, we hung out, and then I came back to Martuni to see that the pipes stacked by the road had disappeared.*

*That same person whose relative was the Prosecutor General back then, has been Karabakh's Prosecutor to this day, and on top of that he works, as I told you in my letter, with that Levon, General Levon. It looks like they work together in Karabakh.*

*Currently, he is in Kapan or somewhere there, he's in Armenia now. He serves in some division somewhere in Armenia. At any rate, I discover that the pipes are gone. They approach us and say "we are paying you 600 drams per meter," and he gives the money. Come on, man, I don't need your money. I said that the pipes, the value of the pipes... First of all, that's not the price, it's more expensive. Then, he says: "That's the market—we take it to Iran and sell it over there." And he is, like, "whether you want it or not, you've got to sell it." And, as we found out later, they were quickly removing the pipes from the other side of the pipeline. Already 10 km from Fizuli. We were moving from the Martuni end. And they were moving from the opposite en*

*And so, those pipes that were sold to Iranians... we followed the sources all the way to Armenia, whereas Ohanian had admitted that no pipe shall be taken out of Karabakh. [U.] exists. I'm saying that, Ohanian, we're taking it to Lachin and so on. Isn't your Lachin a part of Karabakh or isn't there anything of strategic importance about it? And he didn't say anything to that, but said: "We are not going to take these pipes abroad. I will not allow it." And I was following those cars and recording on the video. We reached Armenia... Where? Vayk. Just short of entering Vayk, they unloaded the pipes right there, and the Iranians came, loaded them and took them away. Anyway. And that's who Ohanyan is; that's the side of Ohanian I know. You are right: when is it going to change? I don't know. But good management would solve all the problems, every problem Armenia has today. But we come from abroad.*

**SARKIS:** *No, it's about political will.*

**ARA:** *Well yeah. But, Sarkis, it's also because we are from abroad. And now this water supply project, for instance. It was supposed to have been the government's project.*

**SARKIS:** *That's right.*

**ARA:** *And they should have completed it 10 years ago. We visit their areas of need, bring water. Those people who are already fed up, who are ready to stand up against the government and protest, we appease them, we tell them that never mind, we will build it for you. Ok, there is no need for us to protest right now.*

**SARKIS:** *But look, we know how the government has fucked up.*

**ARA:** *Yes.*

**SARKIS:** *Now... that if we don't do it, will these people get their water? See. That's where I disagree with you.*

**ARA:** *I 100% agree. Because if the water... You don't know Karabakh people well.*

**SARKIS:** *Why not? [U.].*

**ARA:** *The people of Karabakh have patience, but once the glass overflows...*

**SARKIS:** *Yes, they get mad.*

**ARA:** *Yes. If we go there and give them hope that we will help, we are the Diaspora, we will help. They will relax. So, both out of embarrassment and everything else... But if we [U.] stir the situation over there a little bit or help [U.]. Say, there's a leaky bucket with a hole in it. We fixed the hole, but the bucket does need to be replaced.*

**SARKIS:** *Ok.*

**ARA:** *But who's going to replace it. We don't have the resources to replace it. Whereas they themselves can demand that the situation be changed.*

**SARKIS:** *But it's not happening.*

**ARA:** *Come again?*

**SARKIS:** *It's not happening.*

**ARA:** *No, it actually is. I have so many friends over there who, if necessary, will take a tank and go... If necessary.*

**SARKIS:** *Well, they could have driven it already. Why don't they?*

**ARA:** *Because we already calmed down the rest of the people that would follow them. We provided them with aid.*

**SARKIS:** *Come on now! What could the \$20 million we give do at all?*

**ARA:** *Trust me it makes a big difference. It makes a huge difference. It confuses people.*

It gives them this false hope. It gives them hope that, ok, maybe something is gonna happen. I had a neighbor one time, *who was moving to Russia. I began repairing the road that the mayor was supposed to have repaired at that time, in Martuni. We didn't have asphalt, it was a rocky... not rocky, a dirt road. They were already about to leave. But I decided that, fine... The repair of the roads in other neighborhoods was quite costly, \$10 or \$20 per meter, as far as I remember, and all I needed to do is only put some gravel. Just gravel, that's it. Trucks of gravel. And they were bringing it from a remote place. There was real gravel in our neighborhood, real, which means that instead of driving 10 kilometers, they could drive only 300 meters and get it. So, I decided to prove that this person, Nelson, was defrauding the government, and so was the marzpet [regional governor], Adamyan, who was a friend of his. They worked together. I said, fine, I will prove that this is the real cost. I contacted Mosi who is the Defense Minister today. I said: "Mosi, I need an excavator. You have one." He was at the Second Defense Region at the time. I said: "Can I rent it?" I bargained... He said: "Fine, give the worker a little money and put some diesel." He sends the excavator. I rented two vehicles for 5,000 drams a day and, the thing, took care of the diesel. I had drive only 100 meters. Wherever our post is, where we were heading, two-three hundred... that is, 300... We began repairing the roads. I had a neighbor who was ready to move to Russia. He was already leaving together with his family, because he no longer had any other way out. He saw that Ara is beginning to make an investment—there is hope, I don't know. But it wasn't really a hope, I was just fixing one road, right? All I did was I delayed his departure. He left, like, 7 months later: he had no choice. There was no hope. The whole point is...*

**SARKIS:** *But the hope is employment, dear Ara.*

**ARA:** *Of course. But are we creating jobs?*

**SARKIS:** *No, we aren't.*

**ARA:** *Right.*

**SARKIS:** *We aren't.*

**ARA:** *That's what we should be concentrating on. But at the same time there is another*

*problem. I have friends who have gone over there... Let me give you one example. You may have heard about him, since you are here in Los Angeles. Have you heard about Nazareth Berberian?*

**SARKIS:** *No.*

**ARA:** *Nazareth Berberian built a carpet factory in Armenia. And he has a charitable organization, also. Nazareth Berberian built a carpet factory.*

**SARKIS:** *Nazar?*

**ARA:** *Nazareth.*

**SARKIS:** *Nazareth.*

**ARA:** *He is from La Cañada. Mark Geragos is his neighbor, a few houses away. So, Nazareth went there, created jobs, began building a hotel right on North Avenue. An 11-story hotel.*

**SARKIS:** *Yes, I know, I know.*

**ARA:** *Ok.*

**SARKIS:** *As far as I know, the name of the hotel is Ani, isn't it? In a valley, on the way to Martakert.*

**ARA:** *No, no, no. His hotel is on North Avenue, near the Republic Square.*

**SARKIS:** *Oh, you mean Northern Avenue.*

**ARA:** *On Abovyan Street. He was building an 11- or a 13-story hotel.*

**SARKIS:** *Is he building it now?*

**ARA:** *The construction has stopped, because he was murdered.*

**SARKIS:** *Oh, it was him who was murdered!*

**ARA:** *And I went there both to identify the body and find out what kind of problems there are.*



**SARKIS:** *That's right, I do remember. I think It was last year, wasn't it:?*

**ARA:** Yeah, *May.*

**SARKIS:** Yeah, yeah, yeah, I knew him. *And was his case solved?*

**ARA:** *I have all the facts.* I still have to write a final report. I haven't done it yet, because we brought the body back here. We found all sorts of problems with it. From...

**SARKIS:** No kidding.

**ARA:** Yeah, there are all sorts of things that shouldn't have been there that even the coroner in Yerevan didn't show. *But the doctor himself said... He showed me a lot of things and said: "But they didn't want me to write this. They didn't want me to do this and that."*

**SARKIS:** Did they torture him [U.].

**ARA:** Oh yeah, chemicals, torture, you know, stun-gun, this type of...

**SARKIS:** Hm.

**ARA:** Yeah. None of that is in the report. *The clothes,* the physical evidence they lost.

**SARKIS:** *Didn't he have clothes on?*

**ARA:** No, *he did.* They took them off. *The thing...* It was at the morgue supposedly. *Then when I went there the second time.*

**ARA:** *Anyway, I went there to take a look at the clothes, so I can see... I wanted to identify his shoes, because the shoes didn't appear to match those I had seen in the photos. But, at the end, it turned out that those were his shoes. Anyway. I said: "I would like to see the clothes." This investigator asked: "What are you going to do with it? What are you going to do with these clothes?" I said: "I want to see them, I want to identify them. I have, the thing, a power of attorney, I have the right to do whatever I want to." He said: "Ok, let me call somewhere." He called and then said: "All right, go to the morgue, I'm giving you the clothes." The trial hasn't taken place yet. "I'm giving them to you. They are my gift to you. You can take them, we don't need them. I go*

*there, but they can't find them. Eventually, they said that supposedly the Department of Sanitary Epidemiological Control, or something like that, has thrown it away by mistake. But, in the end, I was able to find out from another worker of the morgue that same investigator had come in August and taken the clothes away.*

**SARKIS:** *Wait, the same investigator who sent you there?*

**ARA:** *He had said: "Go, pick it up, it is yours." And his..*

**SARKIS:** *And what for? What had happened? What was he killed for?*

**ARA:** *He constructing a building, which was his own. On Northern Avenue. No partner. He didn't like working with anyone. Come on, man, after all you work in Armenia. If you are running a big business, you have to have a partner. It has to be either Serzh or Robert? There is no other way. He didn't have any. Serzh's brother, Levon, not the other one...*

**SARKIS:** *Sashik.*

**ARA:** *Yes.*

**SARKIS:** *Isn't he an ambassador [U.]?*

**ARA:** *I think he was an ambassador in Lebanon...*

**SARKIS:** *Beirut.*

**ARA:** *He has a stake in the neighboring building.*

**SARKIS:** *Ok.*

**ARA:** *So, Nazareth and that neighboring building had a lot of problems. And they had offered several times: "We want to buy your hotel." They wanted to persuade Nazareth. He wouldn't do it. The mayor created a lot of trouble for him, so on and so forth. There have been issues. And then, all of a sudden, Nazareth is no more.*

**SARKIS:** *I was in Yerevan, because... Wasn't it in May?*

**ARA:** *He went missing already on April 25. Then...*

**SARKIS:** *Because it was the meeting of the Board of Trustees... And there... Now that you just said [U.]. There was someone by the name of Nazareth, who had gone missing and so on and so forth, a scandal [U.] and so on. I stayed a month. [U.] my vacation. And during that month I was getting news updates about happened, so on and so forth, because that's when I learned that [U.]. But what happened afterwards, how it all ended...*

**ARA:** *There was just no news, nothing.*

**SARKIS:** *What happened to the investigation? Is [U.] still there?*

**ARA:** *Here?*

**SARKIS:** *No, over there.*

**ARA:** *Over there? Two people were imprisoned.*

**SARKIS:** *And that's it?*

**ARA:** *Life in prison. I don't think one of them was connected to it. And the other is, a thing, I think he was a scapegoat. He was a friend of Nazareth. They tried to make it look like it was a homosexual, or I don't know what.*

**SARKIS:** *O!*

**ARA:** *Which is easy to do. I mean in that sense, in the Armenian sense. Not everyone wants to touch it. Fine, all right, all right, that's it. And that's how they started the whole thing. My first question they asked me: "Was he a faggot?":*

**SARKIS:** *(Laughs).*

**ARA:** *This man just died, and you're asking me: "Was he a faggot?"*

**SARKIS:** *You should have said 'yes.' [U.] and that's it. And what happened here?*

**ARA:** *Here? The experts found a lot of things. He was tortured. He was probably not killed until later. They kept him. They kept him for quite a while, but the official court document is he was killed immediately. But it is impossible that...*

**SARKIS:** *Alas...*

**ARA:** *Anyway, that's fine, one day that, too, will be sorted out.*

**ARA:** *Yeah, unfortunately, that's the reality in Armenia. Then that third, there was also a third guy, who was also connected to the case. He was at large. I have seen him. He was unable to catch him, until I called my friends so that they use force to catch him and take him away. He was gone. But he's walking free in the streets.*

**SARKIS:** *Now?*

**ARA:** *Now. Right now. The fourth suspect or the third suspect. And they don't want to. There's no need. They are not interested. They're not interested cause they're involved directly. They did the thing... When they had just exhumed the body, it was fresh. But they claimed he had been dead for two weeks. It was very fresh. I saw with my own eyes how it turned black immediately, within a couple of days.*

*When I arrived, they had found the body two days before. Two-three days earlier, because I was supposed to come... I knew he was alive. I felt he was alive, before buying my ticket. No, Nazareth is alive, hidden somewhere, kept somewhere. We'll go and find him. I get there, it turns out they found him two days before my arrival. I went there for identification and I already couldn't recognize him. They... they did the autopsy, and it was a really bad autopsy. The whole face was sunken in, I don't know... It didn't even look like him. Cuts here and there, I don't know. Finally, we had to take DNA samples for identification. And it took a while. Before shipping it to the U.S., his body was already mummified, because... The expert here said that they hadn't kept the body in refrigerator for at least two weeks. They spoiled the body on purpose. You can't make the body deteriorate like that if you don't have somebody on the inside. So, the family realized that somebody very strong had been behind them.*

*But, before that, when you're saying May. The PFA held a conference on May 25 at the AUA [American University of Armenia. I attended that conference and asked a question, because they were all talking, like we are, about the need for investments, I don't know, we need business and so on. And the whole thing, five or six, no, five prime ministers, former prime ministers, like Manukyan, I don't know, Armen Sargsyan...*

**SARKIS:** *Bagratyan-Shmagratyan, right?*

**ARA:** Yeah, *all of them were there. And I...* the conference is almost over. It's about to end, it's like the last session. 10 minutes left. I get up and ask a question. I said: "You talk about, you know, people from the outside having to come and *invest, so on and so forth*, what are we gonna do to assure their safety? Today Nazareth Berberian was killed. He was a businessman, blah blah, blah." *I said, and they go: "We haven't heard of it." And one by one... Manukyan had already fled* before questions and answers, he said: "Oh, I have to go." Cause he doesn't like questions and answers. *Anyway, they sat there and one after the other*—I have the transcript from it—during my time this happened, during my time this happened. Anybody from the outside doing serious business will not succeed. The whole conference was about [U.]. The last thing the former Prime Minister was saying anybody that comes today will not succeed. And in my time we had this man who lost a million dollars, we had this man who was kicked out, this man who this...

**SARKIS:** *But look, my problem is the following, Ara.* I would rather leave that to businessmen.

**ARA:** Yeah.

**SARKIS:** *For instance, you're saying that the Fund should create jobs.*

**ARA:** I'm not saying *'the Fund should create jobs.'* But go ahead.

**SARKIS:** *But because the issue is this. We tried, for example... For the past two years, we're also concentrating on economic development, because that's the sensible thing to do. But, for instance, in one of the villages in Tavush... was it Getavan? Anyway, we founded a milk procurement station. The idea is the following: the villager can't do anything with his milk. He only produces 10 liters of milk, he eats 5 of it, and makes plain yoghurt with the other 5. Then he sells it or exchanges it with something else, barter it. Had there been some sort of collection truck, which would go to these villages and collect those 5 liters from people and would pay them on the spot, people would have an alternative profit, maybe down the line they decide to [U.] cow, develop a business, you know, reinvest the money, whatever. So, we went ahead and established*

*the milk procurement station. The infrastructure is there. They were Armenians from San Francisco. An investment of about \$150 thousand. It wasn't a lot. Very good...*

**ARA:** Is it Zaribian?

**SARKIS:** *No, no, no. This is general public [U.]. Adam Kaplanian put, I believe, 20,000; Tony Moroyan, I think he gave five. Anyway...*

**ARA:** Ok, so they collected together.

**SARKIS:** *Yes, common folk, too. People contributed over 100 thousand with their \$10, \$20, \$50 donations. It was a very nice project. When it was completed... It's there. They were there. Nice containers were installed, which are supposed to procure milk for 48 or 72 hours, until the trucks pick them up and transport it to Ashtarak Kat, they get paid and so on. The system works. It's a cooperative. Everybody is a member of the cooperative.*

*First of all the taxation issues became a terrible headache, because Armenia Fund itself, it cannot have income, it should only be donated. And, first of all, we cannot be involved in that business. Secondly, that cooperative, which was to be created issues of its own—VAT, I don't know, taxes and so on. At the end of the day, it turns out that the price, which you can afford to pay the villager is far less than it's gonna make sense to him. Do you understand? It's easier for a villager to take that milk, make plain yoghurt out of 5 liters, sell it or exchange it for potatoes or anything, so on and so forth. Besides, there isn't enough to pass it, because this kind of a project, only when you reach so many people contributing their milk to the project, only then it becomes economically viable. Now, since you have to tell people: "Look, a few months or a few years from now you'll be breaking even, pretty much, in the best-case scenario. Then when the rest already become active and so on, then, only then you will see a profit, basically." And the Fund cannot subsidize it more than that. At some point, we have to... so that it self-sufficiently... We don't get to that point. And nobody [U.], and it's been three years.*

*And then there is something else. So, that is, we decided that there is going to be a milk procurement station there, right? Our experts thought that it was a good thing to do. But our experts may have been wrong. Maybe it should have been a fork producing*

industry *or maybe they should have established a chicken farm*. I don't know what industry. But to take that responsibility upon Armenian Fund and to decide what needs to be done in the business environment [U.]:

**ARA:** What about creating loans for locals instead?

**SARKIS:** *There is a similar problem with loans, as well, because we researched how the loan programs work in Karabakh. Basically, what do people do? They owe money. Everybody. Most of them owe money to grocery stores or for electricity. They take the loan, they pay that, then they start defaulting on it. Then what do you do? You cannot use land as collateral in Karabakh. You cannot alienate people from their land, according to the law. So, what happens? You cannot take any collateral. The only collateral, because the only collateral they have is their house, it's their land. So, you can't take collateral: What happens? And they know, there's no return on the money. What are you gonna do? You just lose the money. And the poor man says: "I've got nothing, come and take whatever I have." Are you gonna take the house from the guy? There are issues like that. Microloans, it's good on paper. It has worked in other places, in Africa, so on and so forth. We've done extensive research, but it has not worked in Karabakh.*

**ARA:** I think that... What the problem is... *You know what?*

**SARKIS:** *The red cow, right? Look, we brought cows from the Netherlands as part of the French program.*

**ARA:** *But how? What kind of food are you going to give it?*

**SARKIS:** *That's the thing! The Dutch cows were brought. There are a few benefactors in France. These people think like you and me: instead of pumping the money into the infrastructure, we'll create a business, so that people can work. And they sent Dutch cows. Part of them, I think, were Swiss, a part of them was from Holland. Those were pregnant cows. Ara, this cow is expensive. He was giving it for free. it's like giving a BMW 7 series to a poor guy. Changing its brakes alone will cost you \$500. The gas he'll pump in it, you know, it's like \$800.*

**ARA:** And they eat like there's no tomorrow.

**SARKIS:** They eat like there's no tomorrow. *They need special feed. Unlike our cows, they can't go and graze, or I don't know what.* They don't work that way. *They have to be given special feed, a special mixture that needs to be given. So, these cows started dying. Ok? The second issue: what happened? The villager who was smart didn't wait for it to die.*

**SARKIS:** *The smarter villager didn't wait for it to die, slaughtered it and sold it. At least he had made some money. But [U.]. That's the problem. Or, there was yet another program. We decided to sow garlic. So, it turns out that garlic it's a world commodity, like wheat, pork belly, I don't know what, and so on. You can sell it on the mercantile exchange. It's pretty expensive. And Armenia, as a country where transportation is a problem, what they would do, they turn into powder, and the transport is much easier. It's more efficient.*

**ARA:** And it's probably worth more, too.

**SARKIS:** Exactly. So, *all the calculations of the cost of the plant for producing the powder and so on were taken care of. Months and months of work has been done on that. Where to get the seeds from. What to do? And so on and so forth. There weren't enough seeds in Armenia, because that too...* It will start to work, *if, I don't remember the number, several dozen hectares should be sown, for it to be economically viable, taking into consideration the work force, I don't know what, the price, transportation. It turned out that there was not enough of the thing...*

**SARKIS:** *First of all, it turned out that there weren't enough seeds in Armenia. There weren't. We said, fine, let's take a look at the Chinese garlic. See, the Chinese are not dumb, they are smart, they are clever. The garlic that they export they shave off the part on the back, from where the roots then grow. So, you can't use that. Then this man said: "Fine, I'll bring the seeds. I'll put another \$50,000 into it." It turned out there isn't sufficient work force, because it's very intensive, labor-intensive thing. Taking care of garlic: planting and the thing and so on... Because should you fail to sow even once, the thing... There are stages: you have to tie it up, do I don't know what, water it and then not water it. A headache. Then it turned out that in Armenia, it's not viable.*

**ARA:** Too much work, labor-intensive.



**SARKIS:** Too much work, labor-intensive.

**ARA:** And Armenians aren't that...

**SARKIS:** *At the end that person said: "Guys... I mean, it's not happening." What happened next? We pretty much [U.] that person's donation. There are all these limitations that have created problems.*

**ARA:** *No, you know what, Sarkis? I see that... In my opinion... It's been already about twenty years, right?*

**SARKIS:** *Eventually, what's the conclusion, Ara? That the Fund should not be involved in things of economic nature. Leave it to the businessman, because, unless you have a stake in it... You know what I'm saying? As a business. It's your business. You're in business to make money. Unless you have that drive in you, for you to manage, be on the ground and so on, try [U.]...*

**ARA:** See, the thing that I see is, *if the Fund exists*, it's a charitable organization, and charity, there's always a place for charity. But when the Fund is doing things that the Government should be doing.

**SARKIS:** *But that's what we've always been doing, dear Ara.*

**ARA:** Well, that's the problem. Then change the structure. Work on private schools, work on... I don't know something, but if it's a road, the government is responsible for that, if it's water, the government's responsible, if electricity, the government's responsible.

**SARKIS:** True.

**ARA:** That's their responsibility.

**SARKIS:** True

**ARA:** That's their obligation.

**SARKIS:** *That's right.*

**ARA:** Buy circumventing that, by relieving them of that duty... And you don't just relieve

them of that duty, you actually, in a sense, give them credit for getting the job done, because the job got done. So, the person that's in charge of the water, *the thing... what's its name? The Domokhoz [meant 'komokhoz' - Russian abbreviation for Utility Service] that is supposed to do, I don't know, fix the lines and so on*, now they're relieved of their obligations [U.], the pressure that's on them. You have to fix it, because this whole street doesn't have water, and we've got to put water. They've got to get the government to give them money for that project and so on and so forth. But by us, circumventing that we're relieving incompetent people of doing their job they're supposed to do. *Instead of forcing competent people to be put in that position*. I mean don't have a problem with charity. I just have a problem with the type of charity that the Fund is dealing with now, which is what the government should be doing. It's their obligation. They're elected to office presumably. They are given... *One is appointed to an office for serving the public. But when you see that in the same Utilities Service, in Martuni, Murad—he's not a bad guy, I'm sure there's nothing wrong with him. But there are people who...*

**SARKIS:** *Who is Murad?*

**ARA:** *No, Murad is the head of the Utility Service, or he was, when I was there.*

**SARKIS:** [U.]

**ARA:** *No, Utility Service in Martuni, for instance... He may have built his house with the money, which, for instance, was allocated for building roads, because they steal from there. So, what we're doing is, in a sense, we're transferring money into their, his pocket, because we took up the slack where he stole from...*

**SARKIS:** *Oh, so to say, he stole from the government, but...*

**ARA:** He stole from the government, and now we cover his tracks, we cover his stealing, because now we've all of a sudden, we've fulfilled that. The people don't know. The people don't care. They just want their water. They don't give a damn. But now this guy becomes more powerful, you know, and this guy becomes more wealthy, and he's stealing. And it goes on and on. I mean every project the Armenia Fund has done it has that side effect. It's not a direct effect, but it is the end result. And that's what bothers

me. If the Fund was doing private schools or some cultural center, something new that the government isn't responsible. *There a lot of things that people need that is not up to the government's... it's not in their...*

**SARKIS:** *But we cannot do any private thing, dear Ara. We only can do public projects.*

**ARA:** What do other Funds do? What do other organizations do? How do they get away with it?

**SARKIS:** Like, *which ones?*

**ARA:** I don't know. I'm just asking. I mean what are they...

**SARKIS:** *I see, no, it's their bylaws. They don't put such limitations on themselves.*

**ARA:** So, yea, maybe the bylaws need to be changed. Maybe the Fund has to... There was a need 20 years ago, there was a very desperate need, Armenia had nothing, really didn't have anything. *There wasn't anything. But now when it has, now, when there are rich people in Armenia, and it is clear how they became rich,* maybe things just need to be changed. It just needs a revamp.

**SARKIS:** *You're right. Look, please let's keep whatever we're saying here between us.*

**ARA:** *Yes.*

**SARKIS:** *I don't want it to be written in a blog that you have met with me and said these things.*

**ARA:** Ok.

**SARKIS:** *But look, you're absolutely correct. And what you're saying is the reality. Nobody can deny that. Even if you sit down with the president and say the same things, he will say: "Yeah..." Just don't write about it.*

**ARA:** Yeah, ok.

**SARKIS:** *But the question is as follows: you go to the villages, you look at the people... The area you live in, the village of Sos in Martuni.*

**ARA:** Yeah, *I know it very well.*

**SARKIS:** *The village next to Chambarak. These people... When were we there? It was a year and a half or two years ago. There was a water problem. [U.], people don't have water. That cow they have... Desperate need for water. We could... Now they have water, 24-hour water supply, a faucet in every house, and so on. It works perfectly. These peoples' lives have changed completely.*

**ARA:** Of course. Of course, *it has changed. But, again...*

**SARKIS:** *But look, the government wasn't going to do it, bro. That's the shit.*

**ARA:** Well, *if, excuse me, if they don't do it, then the people of Sos village should stand up and by the neck...*

**SARKIS:** *They won't stand up, bro.*

**ARA:** They can. If they know there's no other chance... *If they know that there is no other option, nobody is going to come from the Diaspora and save them, or from a different planet, willy-nilly, they will either die or, cause survive... animal instincts, everyone has it. You just have to get to it.*

**SARKIS:** *But do you know what you're saying means? What you're saying is let's stop sending money to our families.*

**ARA:** Yeah!

**SARKIS:** *So that they get mad [U.]? That's not right.*

**ARA:** *Why?*

**SARKIS:** *Because look...*

**ARA:** *Why? Sarkis, look at this, look at this corrupt... I have so many relatives there, I have so many families that I support over there. Sometimes I feel embarrassed that I'm supporting them, because they...*

**SARKIS:** *[U.], right, bro? One must have pity on these people.*

**ARA:** *What's that?*

**SARKIS:** *Look, let me explain my wife's family.*

**ARA:** Go ahead.

**SARKIS:** *Her mother is a professor of Russian at the Slavonic University. Nobody needs the Russian University, everybody studies English. She gets like 30,000 drams, if she's lucky, because they cut her hours, I don't know what other shit they're doing, so on and so forth. She was laid off, later restored, and got a few hours. Her father doesn't work. Her father used to be a businessman. In Levon's times, he was pretty well-off: he was selling scrap metal, I don't know what he was doing. They came, screwed him up, made him bankrupt, took away his house, so on and so forth. The man with his family was left without a roof over his head. So, now he doesn't do anything. He's just sitting around at home. He's, like, he's an older guy, they broke him, they broke him, he's not gonna change any more. They've got no one else. So, these people's income is 30,000 drams. These people cannot live off of that.*

**ARA:** Of course.

**SARKIS:** *Now the question is how can I refrain from supporting these people? How can I... 300 or 200 a month...*

**ARA:** *But did you understand what I was saying? If it continues this way, it will keep going.*

**SARKIS:** *It's not realistic. Even if you put a knife against my throat, I will, nevertheless, send money to these people. I can't.*

**ARA:** Well I know. Because that's the emotional side, unfortunately. If you wanna be practical about it, the practical side is—it can't continue this way, because this will continue on for a hundred years. *This will become a hundred-year-long story.* It's already 20-year *story, Sarkis.*

**SARKIS:** *And it will go on for another 20 years.*

**ARA:** Easy.

**SARKIS:** *Eventually, someone will come, right?* I don't know who it's gonna be. It's gonna be a guy with balls. We're talking about BALLS. The only thing that is needed is a guy with BALLS, *who will come and say: "Fuck your mothers, have pity on our people. As much as you've eaten... Enough is enough! And that businessman, that same Dod himself has to eventually understand that it's not beneficial for him to get constant phone calls from Serzh saying: "Give! The army needs a tank, 20 million." But Dod is still a dumbass, he doesn't understand. If Dod were smart, he would give Serzh a call and say: "Bro, how much do I owe in taxes? I have decided to pay all my taxes from this day on. But I no longer want to deal with you. I don't wanna get phone calls at the end of the day. I don't want, the thing, the Fund to come and ask for money, I don't know and so on. I'm just going to pay my filing taxes, and I don't wanna see your face." Until people come to this understanding, both the businessmen and the state, this is not going to change.*

**ARA:** Of course, I agree with you.

**SARKIS:** That's what it is. *But by the time they come to this understanding, people are suffering over there, and Armenia will be emptied 20 years later.*

**ARA:** That's where we're heading now. That's where we're heading now.

**SARKIS:** *That's the shit.* On an intellectual level, *I'm with you, I understand,* you're absolutely right. But on an emotional or practical level, *what can you do? One cannot help having pit on these people.*

*That Sos village, when we turned the water on, you should have seen the happiness of those people. A 90-year old woman, I have the video. The poor woman had come with her cane like this. She was sitting there the whole time, but then, as soon as the songs and dances began, the woman stood up and began dancing. She was 90 years old. We asked: "So, you got so happy, Mother?" "Of course, my son, what are you talking about? Even in the Soviet times, we had no water. That's it, from now on my kids, I don't know, I will not have to go every day and do I don't know what. We're doing the laundry at home and stuff." There was no limit to her joy.*

**ARA:** Now we're gonna end up with a bunch of fat people.

**SARKIS:** *What's that?*

**ARA:** We're gonna end up with a bunch of fat people. We took away their exercise.

**SARKIS:** *(Laughing).*

**ARA:** Now they're not gonna live to be 90 years old. Now they're gonna live to be 70.

**SARKIS:** *Well, now that's what it is. What you're saying is right, but what can you do? That government is shit.* We all know this. We don't talk. I don't talk about it publicly, but...

**ARA:** You know what's interesting for me is everybody knows it. Stepan even knows it. And, still, people just don't wanna face it. It's almost like a denial thing. If it's fucked up, it's fucked up. People have to talk about it. And people have to talk about it publicly. People have to take it upon themselves as a responsibility. By actually keeping quiet about it, you become an accessory to the crime.

**SARKIS:** We're doing a different thing. *You know, all kinds of things have occurred in the Fund's history.* Again, very frankly, openly *I'm talking to you: they've stolen money, eaten it, and what not. It has happened. Right now, as of today, that is no longer happening.* I think [U.]. During the last two years, *since Ara Vardanyan was appointed director.* You see, the guy is clean. *And he hasn't seen that kind of stuff in his family.*

**ARA:** *Maybe those who have eaten don't need money any more: they've got so much.*

**SARKIS:** *Maybe. No, now look, directors, stuff like that and so on... I mean shit happening. They've given contracts with kickbacks, so on and so forth. Now, after all, it depends on how a person was brought up, what that person has seen in his life. Ara Vardanyan now lives in the house his grandfather built in Soviet times, in nineteen sixty-something. His grandfather was... He was the... Chief of TV in Soviet times. Then, I believe, he was the head of the Department of Culture [U.]. Then he was, you know the Revolution Museum on the Republic Square, which has now become Armenia's...*

**ARA:** Ok, yeah, yeah.

**SARKIS:** *He used to be the director of that museum for years. But these people*

*renovated their house six or five years ago. The guy didn't take a penny of public funds. His dad, Ara Vardanyan's dad, he was the deputy Minister of Energy in Levon's times, when all that stuff related to the energy took place, the electricity issue and so on. They subjected this man to... They started a big investigation. Remember? A few days ago on the Minister of the [U.] between 1992 and 1995.*

**ARA:** I don't remember. It's not ringing a bell. Anyway.

**SARKIS:** *It was a big case. The Minister of those years was sent to jail, a few others were jailed, so on and so forth, when the power changed. Ara's dad was taken to the KGB. He stayed there one night. At the end of the day, there is a paper, where they apologize to him, ok? Formally, for bringing him and having him spend a night. They dropped everything, and the man got out with dignity. Now the same is Ara Vardanyan. If that's what he saw in his family, these people haven't stolen.*

*The same thing is true about my family. In those years my dad, I don't know if you know, in the Soviet times, he stood up and told Demirchyan that there is corruption—I'm talking 86 or 87—and: "Mr. Demirchyan, it's your fault," because it's always to your pockets. I was just kidnapped when I was a little boy, in Soviet times. They tried, but failed and so on. So, they wanted to kill the man, hurt the family. Can you imagine the Soviets?*

**ARA:** *Yes.*

**SARKIS:** *That's what we've seen in our families. When this responsibility was laid—just don't steal... If they didn't steal the country's entire thing... I mean you're fucking kidding me.*

**ARA:** That country would be better than America.

**SARKIS:** *Our budget today, which I don't know how many billions it is, 4 billion, it can be 10, it can be 15.*

**ARA:** Right.

**SARKIS:** *You know what I'm saying? If everyone pays 80% of what one owes in taxes... They don't steal. Now what happened? Inside the Fund, when you're saying that*



everybody should have the responsibility, we took all responsibility. We're clean here. We're clean in Armenia. *We've done our job. Right now no one can get a contract with a kickback via the Fund, because it's just too [U.] to do that.*

**ARA:** But it's just in the last two years.

**SARKIS:** In the last two years [U.].

**ARA:** *No, when you were saying...*

**SARKIS:** Don't, don't write about it.

**ARA:** I won't write about that. But *when you were saying...* I know you're not allowed to say it's only been two years. *But when you were talking on TV, you were talking about almost like the history... That's the way it came up in your interview for Horizon. This is the history, this is from day one until now, here is here, here is this...*

**SARKIS:** *No, look. Starting from day one, this is what happened. The Fund has a history of 19 years, 20. There's an objective side to it and a subjective side. When the Fund was just starting, there were no control mechanisms yet. It was new. Nobody know how to operate a fucking Himnadram. When there are possibilities for stealing, you should create mechanisms to prevent them from happening, control mechanisms. So, with years, those control mechanisms kept increasing to a point, that now it's only on the subjective side. That is to say, if you are going to steal, then it's the subjective decision of a [U.], because all (the subjective mechanisms are in place, and these things have been developed in the course of 18 years. Now it is extremely difficult to steal money from the Fund, because there are lots of eyes on it. There are all kinds of control mechanisms: there is audit, this and that. Do you understand? There is this internal thing. For example, Vahe Jazmadarian. Did you see him on the Telethon?*

**ARA:** I didn't watch the whole thing, so...

**SARKIS:** So, there's a, *this guy...* Vahe Jazmadarian, he's the head of our control chamber, *which, as a person from the outside you may conclude: "Well, yes, it's yours" and things like, so on and so forth.* But the guy is more efficient than the auditor, *because, he's like you, it feels like you're talking to common folk and so on.* He does the

same thing. *He comes to Armenia a month before the Board meeting.* He has a series of meetings with auditors, contractors, *I don't know*, bidding committee, so on and so forth. *But he also talks. And he's someone who...* he's been the head of the Credit-Suisse in France for 20 years. The guy is, like, 90. He has unfettered access to the president. *Whenever he wishes*, he just has to make a phone call, the president's team has his [U.]. *And this man within so many years managed to bring all the control mechanisms in line with the same charities that operate in France, Switzerland so on and so forth.*

**ARA:** You know where the Fund... First of all, the Fund will get more credibility is if this type of thing was being said to people.

**SARKIS:** To criticize...

**ARA:** I know that's the problem. So, then now what you have is you have the weight of 15 years, 16 years before you, carrying on your shoulders, and all you've got is just a little bit of thing: "I'm good now, but what about all this?"

**SARKIS:** *But they can't.*

**ARA:** *If they can't, then it means that the Fund should be dissolved, something should be launched.* Maybe that's what needs to be done. Maybe a totally new Fund needs to be started.

**SARKIS:** *Now look, the same presidents...*

**ARA:** Because you guys have some history on you that's...

**SARKIS:** We got to admit to it, bro [U.].

**ARA:** It's really bad. It's a big weight. It's like an anchor. How does a boat move, if the anchor is thrown still. You gotta cut the anchor off. But to cut the anchor off.

**SARKIS:** *Well, now look, for the past two years we do our own polls. We do most of it in Armenia, because Armenia is a better indicator than... How do you think the Fund works, whether it's clean and so on.* During the last three years... *The first time we started was three years ago.* It was horrible, bro. It was horrible. *In the past three*

*years, this last one that we did, it was much better. Much better. I'm not saying that those doubts had disappeared. No. But at least, there were half as many now. You know what I'm saying? At the end of the day all these people... Armenia, if you look at it, is small, especially Yerevan.*

**ARA:** *They should know everything.*

**SARKIS:** *Everybody knows everything. You know what I'm saying?*

**ARA:** Of course.

**SARKIS:** *Whatever you eat one day, people will already be to be talking about what you ate in the streets the next day. Now, that people haven't been hearing those things for the past three years, changes their opinion drastically. For example, let me tell you a story. Don't write about it.*

**ARA:** Ok.

**SARKIS:** *Please.*

**ARA:** Fine.

**SARKIS:** Whatever we talk about is...

**ARA:** Um-hum.

**SARKIS:** *Ara Vardanyan himself had to flee. Don't tell anyone.*

**ARA:** This was recently?

**SARKIS:** It was recently, like two years... because he had pressure on him to give a large contract to a certain organization. Ok? And it came from one of the government officials. *Now...*

**SARKIS:** So, what happened? Bidding committee and so on... The guy got disqualified, *because I mean... bidding for the Fund has a number stages. In the first stage, you have to prove, that you have experience to do this kind of project, that if it's a hospital, I mean, the hospital falls under a completely different [U.]. You have to have experience for building a hospital before you can do that. Then they have to check you against*

court documents, *to make sure there's no lien on him*; what kind of equipment you have, *whether you correspond to the scoping or not, whether you have tax issues or not*. So, *that's the first stage. The next stage is, like, how much it's gonna cost, what material you can use, how long it will take...* So, that's second, third stage.

*We disqualified this man in the first stage, because he didn't have an experience building a hospital. The guy had been building roads all his life. And in the bidding committee, in presence of the ARS, Armenian Assembly, AGBU, plus the members of our bidding committee, who are construction experts, that man stood up right there and said: «Արա, քանի՞ գլխանի ես դու, այ լակոտ: Ես գործը ինձ են խոստացել: Ես ես գործը պտի անեն, թքած ունենմ ես ձեր բոլորի վրա. [“How many heads do you have, you sucker. This job was promised to me. I am going to do the job, I don't give a shit about any of you.”] You're gonna give me the job next week, without any bidding committee.” Ara Vardanyan stood up and said: «Քուկենմ քեզ ըդտեղ, Էդ բոլորիդ, որ քո մեջքի հետևը կանգնած ա: [“Fuck you and all those people who are covering your ass.”] They can suck my dick. Դե հիմա սիկտիր Էդի: [“And now get the fuck out of here.”] «Արա, դու ո՞վ ես դառել, այ լակոտ» [“Hey, who the fuck are you, sucker?”] He is only, like, 33. «Դու գիտե՞ս՝ դու ում հետ ես խոսում»: [“Do you know who you're talking to?”]*

**ARA:** I love when they say that.

**ARA:** So, anyway, *'you don't know who you're talking to.'*

**SARKIS:** *Yeah, 'you don't know who you're talking to, so on and so forth. Don't you have kids and stuff? I mean ugly, ugly, fucking ugly. And when Ara loses it, there's no turning back. That's it, you know, like: “Քուկենմ քեզ էլ, ով որ քո մեջքի հետևը կանգնած ա» և այլն [“Fuck you and all those who cover your ass' and so on], go fuck yourself.” But the guy is scared: he knows, he lives in Armenia [U.]. If they want... He doesn't know who that was.*

*So he's, like... Threats. He calls Armen Gevorgyan who is... the thing... of all the marzpets [regional governors]. This happened, that happened, so on and so forth. This man said this thing. And this man goes: "Dear Ara, just leave town for a couple of days, undisclosed location. These people are crazy, you don't know what you're dealing with...*

*You've done the right thing, you've done it well, bravo for having faced him, so on, but just, you know, to be on the safe side..." The next day he gets a cell phone call: "Mr. Vardanyan, I'm very sorry. I misbehaved. You got me wrong: I didn't want that contract. I had simply misunderstood the Fund's requirements. I didn't know that prior experience was an issue. So, I apologize and let's move on."* So this kind of stuff happens, you know, even to Armenian...

**ARA:** Yeah, I get this once in a while. But they always end about that same tone. I just usually ignore them, until they come back another time and just say, ok, whatever...

**SARKIS:** Yeah, yeah, yeah, I mean, *even the Fund's chairman* who is, at the end of the day, not the last not the last person. *You know what I mean?* Even he gets threats, because the guy refuses to give kickbacks.

**ARA:** They're used to a different culture.

**SARKIS:** *Because, after all, that guy, too, has studied here.* Just like me, he came here in 1993, *he attended an American school* and he lived in an American family. *And these values, that he adopted,* coupled with the values from his own family...

**ARA:** *It's ok, little by little. But I have to say it again.*

**SARKIS:** When you say 'everybody should do.'

**ARA:** If the Armenia Fund was more transparent in the sense like the discussion we're having now, the talk we're having *between us...*

**SARKIS:** *Yes, how could you go ahead and say publicly that, you know...*

**ARA:** Do you know how much support you would get, if the Fund became like that. If people realized, yes... 'Cause everybody knows it happened. It's in the news, Sarkis. You just have to know how to read Armenian, read a little bit of Russian, and you just have to dig into the internet. It's all there. It's all there. It's not... This is not like WikiLeaks, this is on the internet right now. You just have to know where to look. And to deny that it ever happened or doesn't happen... It's impossible. That's why...

**SARKIS:** But how are we gonna talk about that, Ara. That's the thing.

**ARA:** Well, maybe... Maybe it depends on you.

**SARKIS:** *For me, as a Fund official, to [U.].* Are you fuckin' kidding me?

**ARA:** No, you can't. You gotta get the top to allow you to say that. The problem that you have, Sarkis, is you're the person they control, basically, unfortunately. Around the table you can say what you want to. But once you get into that office, or you say something...

**SARKIS:** *I have told them, too.* They know.

**ARA:** No, I know they know it. That's not what I'm saying is.

**SARKIS:** *When the same thing was here... Bako comes or I don't know who else,* I talk to him, just like I talk to you.

**ARA:** Yeah, I know. But, Sarkis...

**SARKIS:** And they appreciate that.

**ARA:** They appreciate it, but, *after all,* if I appreciate it and I understand what's going on, you can't just take one person at a time, you gotta get it to the masses. Let's say, look, we had problems in the past—it's there. Everything is clear that it happened. But show us some things that happened in the last two years. Come prove to me that there has been theft in the last two years. Come, prove it. Yes, before it happened, we're now changed.

**SARKIS:** *We say that much. We do say that much. We do say that much.*

**ARA:** It's not being said. It's not... I've never heard it. I'm hearing it here today. But I've never actually heard it. But that would change... But then *the other thing, the second thing,* change the programs that you guys do.

**SARKIS:** Like what?

**ARA:** Get rid of the roads, get rid of the water, get rid of all that shit. And let the government know...

**SARKIS:** *Then what else shall we do?*

**ARA:** Find something... There's a lot things, I'm sure. I mean I can't think of it right now. *I'm sure there are many good things that Armenia needs to move forward.* But this is not taking them forward. This is taking them backwards, because what's happening is double resources are being poured in, and one's going to some personal wealth, and one you guys are having to dish out for, the real whatever has to be done.

**SARKIS:** *But no matter what you do now, that's what it is, Ara.* I don't think you're getting it, bro. *And now no matter what...* Let's say we decide to do some other projects, right?

**ARA:** Yeah, then they're gonna have to do the water, because if they don't do water...

**SARKIS:** No, *that's the thing, they won't do it, bro.*

**ARA:** No. How about education? Teach the people... You want a Fund that can... that won't take a lot of fund-raising, but have a great effect. Educate the people on their rights. Educate the people on their rights.

**SARKIS:** I hate trainings, I hate trainings.

**ARA:** Well, you know what? But people need trainings, because without trainings you go nowhere. Did you go...

**SARKIS:** *Training is the easiest way to pocket money.*

**ARA:** Did you go... Excuse me. Did you go to school?

**SARKIS:** Yeah.

**ARA:** Get an education?

**SARKIS:** Yeah, of course.

**ARA:** Well, this people need to go to school and get an education. They don't have the education that you have, your understanding that you have today. They don't have that, but you have that. If you can educate the masses not in a university setting: brochures... I mean, unfortunately, this is... People need to know their rights. One time Ghukasyan; I went to his office, it was 1999 with some journalist. I took them there.

And he said... It was funny, I had seen the Prime Minister the day before, and over there I have a re... Zhirayr was at the time.

**SARKIS:** Zhirayr, yeah.

**ARA:** This is just on the cast, when Zhirayr was just gonna go out.

**SARKIS:** Yeah, yeah.

**ARA:** Just before that. It was May, May of 1999. So, I take this journalist and a photographer to see Zhirayr and then to see Ghukasyan. So, I go to see Zhirayr. And it was May and I have a tendency of wearing short pants and whatever, which is not, you know, wasn't very common in those days. So, I go to Zhirayr's office. I'm wearing short pants and whatever. So, Zhirayr goes: "Ara, I know you own a suit, you're coming to see the Prime Minister..."

**SARKIS:** Well, he's kinda right.

**ARA:** He is right, right? Ok. So, I said: "Yes Zhirayr, next time I come, I promise you I will wear a suit." "Ok, fine, you're forgiven." Now, we're gonna go to Ghukasyan. So, we're going to the president. So, I said let me wear a suit. I'm going there to wear a suit. And I'm dressed in a suit like you're wearing. The journalist has just a... no tie or anything, regular. And he looks at me and goes: "Ara," he goes, "No one recognizes this as a real country, you really don't have to dress like this, when you come to see me."

**SARKIS:** *(Laughing)*

**ARA:** He's like there's no wedding. There's no wedding. So, the bottom line is that these... that our country has a lot of room to learn. And what he said during that meeting, the reason why I brought it up was he said people don't know what democracy is, because the question was...

**SARKIS:** *He's right.*

**ARA:** People are afraid of democracy. Ok? But the reality is people need to be educated on what democracy is. They need to be educated. And if you don't educate them, they're not gonna know how to...



**SARKIS:** *Ara, so much money is spent on education in Armenia. USAID is, fucking... Millions of dollars get spent on voter education...*

**ARA:** The whole point is that if you educate the people of what their rights are, Sarkis, they will make sure they get roads; they will make sure they get water; they will make sure they get electricity; they will make sure they get whatever services are entitled to them. If they understand that it's their right...

**SARKIS:** People have great apathy. *Big apathy!* You know why? *Because they participate in every election. Ok? Now Levon is not my thing, is not my favorite. Fuck Levon.* I don't like him.

**ARA:** I never liked him when he was the president.

**SARKIS:** Exactly. Me neither. *But how come all the people united around Levon?* Because people are fed up. Right?

**ARA:** Because... that's the reason why. Not because they like Levon.

**SARKIS:** Not because of it. *Now what happened? Innocent people, went and participated in the elections.* They voted for Levon, *didn't they?* Most likely he won the election.

**ARA:** Probably not.

**SARKIS:** Well, *whatever. Secondly...*

**ARA:** There were no candidates.

**SARKIS:** Ok. *But at least, there should have been, like, the second, thing, right? The stage, in which it would be much more difficult for Serzh. People went. What happened? They went and cast their vote, so on and so forth. Whatever votes they gave, it doesn't matter whether he would win or not. What happened? At the end they said that Levon received 10% of the votes. Then the mayoral elections took place. The same way. Who gives a shit what people voted for? It was preceded by the parliamentary elections. [U.] another parliament. What happened? In the end, only 10% go to these elections, because [U.]. We have reached a point of donor apathy, who is a donor... A classic*

political science case, *when they say* it doesn't matter how I vote, it doesn't matter what I can do. They have the power, they're gonna control, they're gonna rig it, so, *it's better if I take the election bribe. That's it! Done!* So, it doesn't matter, *no matter how much you educate the person...* Do you think they don't know their rights? Bro, they do know their rights. *But the question is* do they believe that they can actually change something? That's the problem. *That's why I'm saying,* it's all a matter of political will.

**ARA:** You're right. Can't argue with that.

**SARKIS:** *If it were someone other than Levon Ter-Petrosyan, someone else with balls... That's why I don't like Levon. Back then, when he wanted to return the Karabakh lands, because he didn't have any fucking balls...*

**ARA:** And I asked Zhirayr Liparityan, when I went over to get, identify Nazareth. On that trip, Zhirayr was on the plane sitting two seats back.

**SARKIS:** No kidding.

**ARA:** So, I went and sat next to him, and we talked, 'cause I've known him for a while. And I asked him about *giving the lands back*. He said: "*No...*" Around the same time, in 19... 2009, something was going on about... talking about *giving the lands back*. He said in our time we would have never done anything like that. I looked at him and I'm going—I didn't say anything, it was just like—you, idiot, it was you... And, on top of it, Zhirayr... I don't know if you've been throughout Lachin. You probably have.

**SARKIS:** Of course.

**ARA:** Have you ever gone to... not Istisu, small Istisu, on the other side of Istisu... From the... *The thing, when... Do you know that border over there that you have to cross to enter Lachin?*

**SARKIS:** *Yes.*

**ARA:** *If you turn left, there's a temple over there, an old temple.*

**SARKIS:** *Yes, yes.*

**ARA:** *I hope you've been there. If you continue on that road, you will see that all the*

*bridges on the Goris side and the Lachin side have been damaged, blown up. Do you know why it's like that? In 1993, when I was driving through Lachin to go to Karabakh, it was May. Zhirayr Liparityan had advised Levon-Ter-Petrosyan, and Levon Ter-Petrosyan agreed that we're gonna give back Lachin.*

**SARKIS:** *Yes, there was such a thing.*

**ARA:** And they blew up the bridges. All of the bridges were blown up by us, the Armenians.

**SARKIS:** *No, I know this shit.*

**ARA:** And that's why we don't have bridges there because that was Zhirayr's *shit*: And all throughout, up and down, you see there's no bridges. They're all blown up.

**SARKIS:** *Of course! Wasn't it Levon who went to Karabakh and said: "Just as you captured Kelbajar, now go ahead and give it back."*

**ARA:** Yeah. Now what was the date of that? Which day was that? Was that June 14, June 15? Or was it before? 'Cause I heard it was in May. But I don't know.

**SARKIS:** *Oh, I can't tell you that. It was the one time that we got stuck in Goris, because he was waiting for guys to come, the Karabakh people. And they never did. So, he flew to...*

**ARA:** I know he flew in.

**SARKIS:** He flew in. That was the time. That was the only time he flew [U.].

**ARA:** Ok, so that would have been June 14. It was right after Monte died.

**SARKIS:** *Yes.*

**ARA:** Because Karo Kahkedjian, he was bodyguarding his group to care of Levon, while he was there. And then Karo gets killed, like, a month later or something.

**SARKIS:** Probably. That was... that was...

**ARA:** Ok, so that was the trip.

**SARKIS:** *Whatever they're circulating now about Kocharian saying.*

**ARA:** I've actually met somebody that was at that meeting.

**SARKIS:** Who?

**ARA:** I don't remember his name. I have his phone number. He said...

**SARKIS:** *In Karabakh?*

**ARA:** He was in Karabakh at that time. *Someone from Armenia.* He lives here now. He was at that meeting. And he even has a... He even has a picture with Levon.

**SARKIS:** Very few people were there.

**ARA:** He was at that meeting.

**SARKIS:** I have a part of that video recording.

**ARA:** You do? Of the meeting? Where did you get it? Or is that what they've been showing on television, like, during the elections? *Someone said that a few times on H1,* where they were saying, like: "Levon, go home. *Go, you're not... you..."*

**SARKIS:** *No, no, no. No. This was the situation. He had come. He was trying to convince the guys to give up Kelbajar. All right? Because Moscow is strangling us, I don't know, all kinds of pressures; Moscow will stop our bread supply; there's, like, a... this many freight cars of wheat is on the way. it's gonna be turned back. So, basically, he was saying, that either we give it back or we face destruction. That was his message, to which the Karabakh guys said: "Fuck you." That really happened.*

**ARA:** So, what part of the video do you have? Which, what conversation goes on?

**SARKIS:** *When he explains what's gonna happen, if they don't give up Kelbajar. But he was smart: he doesn't name Kelbajar.*

**ARA:** That would have been June, because in May they blew up the bridges. So, he was trying... And what I heard from somebody in Lachin who is the... I don't know what he was... *It wasn't the marzpet [regional governor], it was the mayor of Lachin.* He later became a *marzpet.* He said that *"the Russians didn't allow."* No... Yes: *"the Russians*

*didn't allow, the Azeris were surprised that the Armenians were ready to give it back, but the Russians, eventually, didn't let it happen.*"That's what he said.

**SARKIS:** It's not true. *The Karabakh people, Robert Kocharyan... er... It was him.* It was Robert Kocharyan. It was his decision to tell Levon Ter-Petrosyan to go fuck himself.

**ARA:** Ok.

**SARKIS:** So, *when they were saying no such thing had happened, that's bull shit, that has taken place indeed. And he did want to give Kelbajar back. He was telling them to pull back.* No agreement, nothing. *You just must pull back, because Kelbajar is a sovereign territory of Azerbaijan, stuff like that, bull shit, so on and so forth, the Russians will slaughter us, crush us, I don't know what, we're gonna lose the war.* That was his fucking message. So, *So, when Zhirayr Liparityan denies that, it's so fucking hypocritical, bro.*

**ARA:** Yeah, because he said, I quote, he said: "During our time we would never have done something like that."

**SARKIS:** Bull shit, bull shit.

**ARA:** When he said that. I didn't even want to say anything at that point. So, I had other questions for him. Ok, whatever. You can say what you want to, the record is the record.

**SARKIS:** Exactly. *Epecially, even that last thing that they... they were going to sign before the guy resigned... What was he saying? We're giving the lands back and then we talk about the status of Nagorno-Karabakh. Come on, it's not right! We're giving up something very tangible, and you're only fucking negotiating [U.] for a promise that something can happen [U.]. Is it a kindergarten or what?*

**ARA:** So, was that video reposted anywhere? That video. Is it posted anywhere?

**SARKIS:** It shouldn't be posted.

**ARA:** No? But that would put Levon... *It would finish Levon.*

**SARKIS:** *Yes, but he is finished one way or the other. Yes, but what is it that I'm trying*

*to say? That apathy kills. It kills. That's the apathy that people think, believe... Like my father-in-law who is unhappy with all this. He's unhappy both with Levon and everyone else, because the guy was living the dream, because when the Soviet Union collapsed, there were cooperatives and stuff like that, and no monopoly whatsoever. The guy was making money. At the beginning he was in the computer business and then scrap metal... So, he's totally disenchanted. But the guy, if you talk to him today... I'm asking him: "Are you going to vote?" "No." "Why are you not going to?" Oh, come on now, what can I do: they're going to steal my vote anyway. At least I will know that I haven't voted."*

**ARA:** I've heard that a lot.

**SARKIS:** *"Otherwise I'll be playing their game, because then people will say he went and voted for Levon... the thing... he elected Serzh or Kocharyan."*

**ARA:** *It was different in Karabakh.*

**SARKIS:** *Karabkh is different. Yes.*

**ARA:** *I don't have citizenship. They allowed me, too, to vote at the presidential elections. Of course, I didn't vote... That was Ghukasyan's time. I didn't vote for Ghukasyan. I voted for the person who was gonna lose for sure, but nonetheless. And I made sure I didn't fold my ballot. I just handed it to the guy, and he looked at it, and then folded and put it in the box.*

**SARKIS:** *There is a different issue in Karabakh. Do you know what it was? We give about \$50,000 worth of scholarship to the State University of Karabkh. For the first time, it was last year.*

**ARA:** See, now that's an honorable thing to do.

**SARKIS:** *Because most of these kids are the fallen freedom fighters' children or at least somebody died in their family... they have seen some hardship. The tuition there is not too high. It's, like, \$500 or, like, \$800.*

**ARA:** Yeah, it's not that much, it is 800.

**SARKIS:** Depending on *that thing...* So, we decided to give 50,000 of scholarship to these kids, so that, you know, to get education for free. *And this is what we did,* for the first time we went and we talked, decided to have a chat, like a forum with these students. So, *we left our ties at home,* you know, regular clothes, *especially that both me and Ara are young, so on. There were trustees from here and from different countries, as well.* It was like a group of ten people. *All of us were wearing jeans and so on. We invited all the youngsters to the auditorium.* We opened the forum: "Ask us whatever you want, guys. You know we're gonna give the scholarship to you. Thank you very much for being here, for whatever your dads and your brothers sacrificed, you know. *This is a present for you, enjoy it.* Any questions, any questions—*political, economic, about the Fund and what not. Silence. Silence.* No questions.

**ARA:** They don't know what they're supposed to ask.

**SARKIS:** *We poked them, like, "what do you read?" Political issues and stuff like that. Three people got up with their fucking obviously prepared questions.*

**ARA:** Right.

**SARKIS:** *They asked some stupid ass questions. They failed it. We tried jokes, laughter and what not, putting them on the spot.*

**ARA:** I say again, Sarkis.

**SARKIS:** [U.]. *But I must tell you. I believe in Bako.*

**ARA:** *Me, too. He is my, my... My mother-in-law is a judge in Artsakh. She's a, what's the name... control [Court of Appeal], I don't know what. It's like last court. And he picked her. He handpicked her. He also handpicked her brother, the marzpet. He called him—he was on vacation—and said: "I want you to be marzpet." She believes in him. He believes in him. And I know these people. I mean I am in their family. So, no, he's a normal person. I know Bako, but in the current condition, Bako... He can't be too direct. Unfortunately, nobody can, apparently. I mean, recently, I gave a... I left a letter for him, when he was here. And open... Not an open letter, a closed letter actually this was. I sent the same letter to Serzh, also. Serzh responded and thanked me or whatever and said, you know, since it's not, since you're not politically driven, and it's really a heart-*

felt concern or whatever, I respect that. But the fact is that they don't seem capable of doing what needs to really be done.

**SARKIS:** *It is difficult, of course. But let me tell you something, I mean... Again, privately. When Ara Vardanyan was appointed, which was like two or three years ago, we went to Karabakh together, because because Bako, he wanted to see us. We sat down. He said: "Look, guys, this is the deal, very straightforward." He said: "You shall not steal this money." [He said: "I know there has been a bunch of shit before" and so on, shit has happened. "But," he said, "I trusted you guys," because all he had seen so far... Ara has been working for the Fund for the past 8 years. He started just a regular guy. He rose little by little. And the first time, he is not a political figure.*

**ARA:** Well, excuse me, it was a *big problem* in 2007, 'cause I even met with Ashot Gulyan, who's the...

**SARKIS:** Yeah...

**ARA:** The president of the parliament. And he told me all the problems they were having with himnadram. I never mentioned his name anywhere. But when I met with the administrator... with the territorial administration, same conversation, same thing that Ashot said, he said also. And this guy is a... the territorial guy is a complete ass hole anyway...

**SARKIS:** *Yes I've read it.*

**ARA:** He is a thief, like, beyond thief. So, I had no problem using for what needed to be written about that. And himnadram, when you ask about himnadram, I didn't get the phone call from... I got the phone call from him, he got the phone call from, he said, *the director of the Fund*, whoever was at that time. Maybe it was Vahan... Whoever could read English, because I wrote in English, and it was the next morning. And this was, like instant: I wrote it at night...

**SARKIS:** *Oh, it was... Vahe...*

**ARA:** *I don't know.* Somebody who knew English...

**SARKIS:** Yeah, *he was from here.*



**ARA:** Because what happened was I wrote it at night...

**SARKIS:** Vahe Aghabekyants.

**ARA:** Ok. The next morning...

**SARKIS:** *He was an Iranian-Armenian...*

**ARA:** *I don't remember what name he mentioned. I don't even think he said... He said the director. That's all he said. He said the next morning, 10 am, I get a phone call, and it's him... And he's going: "Where are you?" And I said... And I had just woken up, because we were up late. I mean, it's the New Year time, I don't know. I said: "I'm in Martuni. What's up?" He said yes. Do you need me to come over? He said: "No, but what have you written?" This man went nuts. He got crazy. "What have you written on my behalf?" I don't know what, so on and so forth. I said: "Yes, but what's bad about it? I said: "You spoke very well, you said the right things." "Yes, but..." I asked him: "Do you want me to forward it to you? Give me your email address. Let them translate it for you. Sorry, it's in English." I sent it to him. No response followed.*

**SARKIS:** *Now look...*

**ARA:** And it's like, I mean, basically, I'm telling you again, Sarkis...

**SARKIS:** *No, there were other issues there. As far as that is concerned, when [U.] was telling you, [U.]...*

**ARA:** But at the same time they didn't believe, and Ashot even said this, they didn't believe that they were gonna cut any money from the Diaspora that year. They didn't believe it had gotten that bad.

**SARKIS:** *But do you know why?*

**ARA:** In fact, *there was also another question. Do you know Oshin? Oshin Keshishian? As far as I know, Vahan is related to him. They're, like, related.*

**SARKIS:** Wow.

**ARA:** Yeah, they're related.

**SARKIS:** *But Vahan...*

**ARA:** *Vahan, I know, left the thing early. But, anyway. Oshin told me then that there was, like... they were gonna... Ghukasyan was gonna be suing the himnadram, because there was so much stuff missing.*

**SARKIS:** *Well, look, yes, there were issues. It was the last year of the road or something. She was withholding payments to contractors or, I don't know, something like that...*

**ARA:** *Maybe that's what it was then. That's why... That's what it was, 'cause they're withholding payments, and Ghukasyan was saying we're gonna sue the Fund: they gotta pay these people. That's what it was. But anyway... But the other *the problem* was, and this is what Ashot told me, and then the minister also told me. He said: *That's it. We... I said "this money that you're showing"...* He said: "We knew about one..." He said: "*We learned about the one million dollar, which was just for a show: they wanted to encourage people so that they give money.*" That was the whole intention. But that's kind of deceptive. You know, I mean, when people find out about it, especially, it makes people feel really stupid.*

**SARKIS:** *Of course, of course. At present, for instance, unless money is really money, we don't announce it.*

**ARA:** *No.*

**SARKIS:** *Because there is the problem of finding your way out of that mess afterwards.*

**ARA:** *Yeah.*

**SARKIS:** *But the problem was different that year. That year the Fund had serious issues with the government during Vahe Aghabekyants' administration, because Vahe had different idea of how the Fund should operate. He had gotten himself more into programs of economic development. And he was unable to show tangible results to the state... And, besides, he was thinking about it this way: "if I don't have the full amount for this whole program, I can't start a project."*

**ARA:** *Right. Of course, that makes total sense.*

**SARKIS:** It does. But just like, with any bank: *If all of its clients who have deposited money come and ask for the money, then they will go bankrupt.*

**ARA:** Exactly.

**SARKIS:** *The fund works the same way. There's money flowing in and out all the time. Now, if you keep waiting until the whole amount arrives and then start the program, you're losing time, because it's going to get more expensive, as dram fluctuates, so on and so forth. Plus, most of the time you don't have the money right away. New York has promised to build this hospital. Let's say \$700,000, but it gives you money in installments, ok? Because fund-raising is done throughout the year [U.], and what not. They don't have a lump sum, you know, like, that very moment. So, what are you supposed to do? You know approximately. You trust that it's gonna be collected, then transferred, then there you start the project, using other money that you have, you see progress on this project. Then, when that money comes, you take from this intended project, you put it to the other one, and you start the new project. And it goes like that. So, anytime, if you stop the Fund and look at it just as a snapshot, it's always in the red. The way it's been operating. And all the Funds, most of them, are like that, because there's always, you know, flow of money; you pay the contractors, then you get the money. So, we can't look at the snapshot. It's dynamic.*

*So, that's how Vahe was doing—'unless I have the full amount I'm not going to start.'* So, in 2007, *no program was launched. The Karabakh government was frustrated, saying: "What's going on? Why are you not doing it? You have the money. He was saying: "Yes, but I don't have the full amount. I'm short 10,000." And in this period, with all these issues that... You know, they weren't satisfied with the himnadram, because he was stuck.*

*So, that's why, when the question arose as to who was going to be the next director, among the trustees of the board... the thing happened... for the first time, well, like, 'what are we going to do?' What is the next guy? Who's gonna be? They were always appointing political figures, like Vahan, Naira, I don't know, Raffi Hovhannisian, this and that, Vahe Gabrielian or whatever his last name is. We don't... We need a manager, because always the politicians come... We don't need a political figure. A politician... The*

*Fund is not political, anyway: So, let's find who is the manager. And they understood that, you know, it could be a guy from within the organization who had been managing it for the last seven years.*

**ARA:** And understands, yeah...

**SARKIS:** And understands, you know, how the money comes and goes and whatever.

**SARKIS:** *So, they saw that, you know, there is someone, it is Ara Vardanyan. He's nobody's guy, politically connected to [U.]. The guy had been working at the Fund for seven years. Just as [U.] he began working, slowly he rose to the ranks. Now he had gotten to the position... He was the deputy director at that time. And Karabakh trusted him. The guy was clean. So, for the first time there was a bidding, the thing, open competition [U.], for the first time in the Fund's history. I was having the fun of my life. So, what happened? Around ten people applied, different guys. Some of them got disqualified, and there was a committee, which... The selection inside the Presidium was made in such a way that the Armenian government would be unable to push its man, the Diaspora would be unable to push its man, Karabakh would be unable to push its man. With the difference of one or two votes, they had to get the other guys' votes, one or two, in order to grab the guy [U.]. It took a while, several months.*

**ARA:** So, proper bidding, basically.

**SARKIS:** *Proper bidding for the first time. I mean I was fucking amazed, like, what the fuck, you know. So, it happened, at the end they elected the guy. Finally, two candidates were left, which, at the end, they appointed Ara, by one swing vote. The other guy was not from the Fund. He was an outside candidate. But they decided to move with Ara Vardanyan. And after that when we had a meeting with Bako, he said: "Look, guys, it's very simple, don't you steal. Don't you steal! Because it's somebody else's money." He was thinking that we'll... like...*

**ARA:** Right.

**SARKIS:** *He says: "This is the Diaspora's money. You know very well how this money was raised—5 dollars, 10 dollars, 50, a million, whatever. But, I mean, it's a pool of people, collected from... It's the people. It's the money from these people's hearts; they*

*have cut it from their family. Don't!" And then this is what he was bringing home: "Because if you steal, there are two punishments: the first is criminal, the second is moral. And," he said, "trust me, the criminal one is incomparably softer than the moral one. Do we understand each other? Do you agree to the terms?" "Of course, Mr. President." "Well, then, we will work together. But the day I find out about it, you're gonna be out of the office right now, tomorrow, and you'll get all those punishments." I mean in that sense, we believe in that man. And that has been the deal ever since.*

**ARA:** Good. Yeah. So, hopefully that's gonna work. But, again, like I said, if you guys can somehow politically do it this way, I can...

**SARKIS:** *You can't say all that to the people, bro.*

**ARA:** *You don't need to tell them.*

**SARKIS:** *Then who should?*

**ARA:** Listen, let me tell you something. If tomorrow that information comes out, which it will, ok?

**SARKIS:** *Oh, please!*

**ARA:** Then you're gonna have no choice... Not from our conversations. Just in general. When that information comes out, then you're gonna have no choice but... Then the whole Board is gonna sit down do what's on your mind, what you're thinking of. We need to get this out. And I have no choice. It's not like I want to do it. It's... We have to do it. If we don't do it, we're gonna be destroyed.

**SARKIS:** *But dear Ara, let's say this conversation gets out...*

**ARA:** Not our conversation. I'm not talking about our conversation. I'm talking about... for the Fund to start taking the position of... Two years working clean, and here's how it is. Yes, before that we had that anchor. We want to get rid of that anchor, because that anchor is really holding us back from really developing. Ok? So, now we want to work together with everybody. You'll get so many more supporters that are gonna appreciate that honesty. Even I would start giving a thousand dollars or two thousand dollars. And people, like, would start giving money, *if there is trust. But because we know the stories*

from Manushak's day, we know the stories from Vahan's days, we know the story from Raffi Hovhannisian's days and whatever. That's what prevents us from actually getting involved. And, *I'll say it again, if possible, the kind of projects that should be...* And it's not something we can just talk about and figure it out right now. *Such projects* that it's not gonna be relieving civil servant and government structures from their obligations, because that has to be taught. What we're doing is we're giving very bad habits right now to them. We have a shortfall? *The Fund will... I mean...* They'll make up for the shortfall.

**SARKIS:** *But let me tell you something. For instance, in Karabakh, it's another new thing. It happened in the past two-three years. And this [U.] to the Prime Minister. I don't know what you think about the guy, but at least...*

**ARA:** *Is it Ara?*

**SARKIS:** *It is Ara.*

**ARA:** *Yes, I know Ara.*

**SARKIS:** *I had a good impression. Now I don't know what he is up to on the side.*

**ARA:** He loves money.

**SARKIS:** Maybe.

**ARA:** He loves money.

**SARKIS:** *But, at any rate.*

**ARA:** I've known Ara for 15 years now. He loves money. I know him up close. I can call him and go visit with him. He doesn't like me anymore as much as he used to, because I've been critical of him also, because the reality is reality.

**SARKIS:** *But look what the... For instance, sometimes, for instance, our initial estimation turns out to be wrong. For example, you begin, you do an estimate for the repair of some school and establish that the cost is, say, 200,000. You get the donor commitment, start the work, they start tearing down the walls inside, because... How does our program work? We go in, we demolish everything and build anew. Unlike*

others that just...

**ARA:** Remodel.. Yeah, I've seen that many times.

**SARKIS:** *For instance, you know Togh village in Hadrut region.*

**ARA:** *Ok.*

**SARKIS:** *We repaired that school. That entire school there is a rebar going in and out. Because it was not in a good shape, so, I mean, this thick and, like, the entire inside and out, 200,000 alone was spent on that. So, when, for instance, we started...*

**ARA:** It would have been cheaper to start new walls.

**SARKIS:** *Well that's the thing, it wouldn't be. A research was done, which, no...*

**ARA:** Really?

**SARKIS:** Yeah, yeah, really cheap.

**ARA:** Hm, ok.

**SARKIS:** It was close, but it was still cheaper to do the [U.]. *We started breaking the walls only to see that the foundation is not strong enough. So, here's another 50,000 or hundred thousand. The thing is you cannot just go to the donor and say: «Give me another hundred», because he will say: "What are you doing?"*

**ARA:** *And if he had known from the very beginning, you put new walls up, cause that would have been cheaper.*

**SARKIS:** *Yes, had we known, we would tell him and would do so. And that time the donor would be asked for 300,000. Maybe he would have given that money.*

**ARA:** Exactly.

**SARKIS:** But going back and saying: "We need more money." You don't do that. So, he'll lose trust. So, *the government of Karabakh asks: "How much are you short? 50,000?, 100,000? We're gonna co-finance."*

**ARA:** They always do.

**SARKIS:** Beautiful.

**ARA:** I've got a question for you really quick. We're gonna have to continue this at another time, 'cause my wife is gonna... She's *from Karabakh*. They don't forgive. *But do you remember? Years ago... It was years ago, some 7-8 years ago, when Louise Simone financed an 11-story building in Stepanakert.*

**SARKIS:** *Yes, yes.*

**ARA:** Is that a "Hayastan" himnadram project? No.

**SARKIS:** It was done directly through the government.

**ARA:** Yeah, it was a bad job. I reviewed that for her. It was horrible.

**SARKIS:** *There were issues also on the way they were giving up, giving out the apartments.*

**ARA:** Well, and they also gave it the wrong people

**SARKIS:** Exactly, that's what I'm talking about.

**ARA:** Even Ghukasyan's cook, Aghasi, he got an apartment. And it's, like, they said: *"Whoever doesn't have a house are prioritized."* *Aghasi had two houses. One next to the other...* It wasn't big enough, he had bought this.

**SARKIS:** *No, I remember that.* I mean, *I wasn't at the Armenian Fund back then, I was at the Karabakh office. But the thing was that the apartments we were supposed to have given to people who lost someone in the war.*

**ARA:** *Exacxty, freedom fighters.* But when I went there, I found Vahram from Artsakh bank—he got an apartment, Aghasi got an apartment, and there was a bunch of, there was... like... And Louise was crazy over that. And, *do you know what's interesting? When I went to the Mayor's office to find out who the recipients of these apartments were, they were saying: "It's not our problem. It is up to Manoogian."* *I contacted Louise, and told her: "Louise, you're gonna decide, who's gonna get a house."* She says: *"No, I'm just giving the money."* You know, *Savi Tefenkian had issues. Her brother had issues with the school #1, and Savi with the school #4 or #3. I went to check out these*



*schools for them.*

**SARKIS:** [U.]

**ARA:** She gave \$150,000... Yeah, they did it on their own, and they trusted Anushavan and Ghukasyan. They were controlling supposedly. *They wanted Savi to give 250,000 for the school, but she refused, wanting to give only 150,000. Although she was doing the right thing. \$37,000 dollars is what they spent, the rest—into the pocket. Her brother, Hakob, gave 100,000 for the other school.*

**SARKIS:** *The one they named after Richard?*

**ARA:** Yeah, *named after Richard... No, the one named after Richard was Savi's.*

**SARKIS:** *Yes, because they did a coat of paint. They didn't do anything else.*

**ARA:** They also did tiles that looked like this and they did some other things. I did the calculations on high side, like, I doubled everything of what it should be, it came out to 37,000 for Savi's school and about 25,000 for the other school. So, 75 went there and 125 went there, and then she comes back to me and she goes: "they need to do the heating stuff. They want 15,000 from me to put the pipes in." I said: "Savi, have you had enough yet?" I said: "\$15,000 in Karabakh to put some pipes in? Come on! Give me a thousand dollars I'll put the pipes, I'll have the pipes put in for you." But she went and paid it anyway, because she wanted to be able to do this with Ghukasyan. I'll never forget that.

**SARKIS:** *Well, yeah, that happens quite often.*

**ARA:** I'll never forget that.

**SARKIS:** *Let me tell you something else. Look, I don't want to trash any other organization. But you know Armenian Educational Foundation, don't you? Hakob...*

**ARA:** Yeah, yeah, yeah.

**SARKIS:** *These people, they have a good heart, can't argue with that, because they're contributing. They give us money, too. But they [U.]. They're claiming they've done something like a hundred something schools in Karabakh. You go, you see what they do*

fresh coat of paint, *they install a toilet bowl*, and they call it remodeling a school.

**ARA:** Right. And that's how the government does it, too. 30,000, which should be \$3,000.

**SARKIS:** *But when it concerns the Fund, an inspector from the Department of Sanitary Epidemiological Control visits, and he doesn't take bribes. They don't accept bribes from the Fund. You know it would be much easier for us—here's your 100 bucks, go, get the fuck out of here. But he is, like, no, no, no... The Fire Department comes, I don't know, the construction code people come, fucking thickness of tile, I don't know what, both in Armenia and Karabakh Presidential control and who knows what, who, thousands of things like that. And this brings up a question: how about the other organizations?...*

**ARA:** *But do you know why they come? Because they want to make sure that as much money as they've received, it's really, that much was not being spent, and not less, because... Do you remember CRS? It was the Christian Relief, I don't know. They were doing houses. The worst houses in the world. And they were complaining about other people. I was visiting their houses; one could remove the bricks from the wall.*

**SARKIS:** *You don't have to go too far—AGBU. Where was it? In Matuni, I believe.*

**ARA:** Well, yeah, they've done work everywhere.

**SARKIS:** *They had built some houses.*

**ARA:** *In Martuni?* No. Maybe it's...

**SARKIS:** *Or Martakert.*

**ARA:** It must be Martakert. Martakert was a bunch of houses before you get to Martakert, *that they've built there. There's no such a thing in Martuni.*

**SARKIS:** *Man, those houses are horrible, Ara.*

**ARA:** Yeah.

**SARKIS:** They're horrible. They're fucking horrible.

**ARA:** *Samvel Babayan with his hands or his strength or I don't know what...*

**SARKIS:** *No, but that is something new.*

**ARA:** Ok. No, it's probably Martakert.

**SARKIS:** *Find out where that is.*

**ARA:** Ok.

**SARKIS:** *AGBU built private houses somewhere. Horrible...*

**ARA:** *Samvel Babayan built very beautiful homes near Krasni Bazar, like outside... Near Karmir Shuka for the Armenians who had come from Georgia. Ok? The lands around it were all rented out. They don't have to pay. They finally finished the construction of the houses, they look nice. You take a nail, and do this to the plaster...*

**SARKIS:** *Scratching it.*

**ARA:** *Scratching it. There was no cement in it. Again the bricks... I have a video of this even. I walk up, I go like this [shows removal of bricks from the wall]...*

**SARKIS:** *Yes, but what is my question? Why do they keep the Fund at such a high standard?*

**ARA:** *No, this has to apply to everyone.*

**SARKIS:** *I asked a question at the latest Board meeting of the Fund in May. And I wasn't the one who asked. I made sure somebody asked that question, why is Armenia Fund kept in such high standards, whereas in the other organizations you don't do that? Because the Fund has enough money, to do good construction.*

**ARA:** *Everybody has to do good construction.*

**SARKIS:** *And the person who comes from the Diaspora with 50,000 and he... How can you tell him: "No, don't come"? I say: "Wait a minute, bro." "They have a construction code?" Of course, they do. We have a Construction Ministry, don't we? There is, like, construction, I don't know, department, as a part of the President's administration.*

**ARA:** Right.

**SARKIS:** Within the administration. *It's there. Bro, by the time we have these people approve a project, smoke comes out of our asses. The angle of this, I don't know, is not 90 degrees, it's 85 degrees. Redo! Ok, fine, that's right. This is how it should be. But why do you do this only to the Fund? Armenian Educational Foundation fucking the shit up, the AGBU has screwed up. Endless stories of... Why don't you do the same to them? Well, you know, the Fund has a higher standard. Those more... the smaller ones will not even give that. Ara, I'm telling them, don't do that. You let them know with your actions that they should give it to an organization, which has the higher standard, that one shouldn't... Because see, if you look, there's overhead expense. The Armenian Educational Foundation has its overhead, the Karabakh program of the AGBU has its own overhead. In that case, all those overheads are spent. Give that overhead to the Fund: anyway, it's the same overhead of the Fund. The beauty of Armenia Fund is that we don't take interest from every amount. As soon as our budget is set—about a million dollars, all in all—any program that comes from outside, if our budget is set, we don't take overhead anymore. That's it, no more. So, it's done at 0 overhead. Perhaps half of the programs are done with 0 overhead, because we have already...*

**ARA:** You already have your workers, you already have your...

**SARKIS:** *That's about it. You know what I'm saying?*

**ARA:** *But you didn't say that on TV. You focused on the 7 %.*

**SARKIS:** *Well it is 7%, because at the end of the day, if you look at it, on any given project comes to about 7%. Because, what happens? We managed this school, which cost us a little more; so we didn't charge overhead on the other one. At the end, when you look back at the end of the year, it's around 7%.*

**ARA:** *Anyway, next time...*

**SARKIS:** *But please, make sure...*

**ARA:** Whatever we talked about here is not going anywhere. I promise you that.

**SARKIS:** I... *Because I...*

**ARA:** Whatever I have already... My research I've already done was long before you and

I spoke, and it hasn't changed.

**SARKIS:** See, *because* the reason I decided to meet with you, *because I know that your heart is good. If I knew that you were just bashing the Fund just for bashing, I wouldn't meet with you.*

**ARA:** I would like to see, my desire is, like what we've talked about, I would really like to see the Fund come clean and start a new and restructure it. This was the Fund from independent Armenia, the day of independence. It hasn't changed its mission, it hasn't changed its anything. Reform needs to come. It needs to be a gradual...

**SARKIS:** *Yes, yes. We've been having these discussions for several years, within the Fund. The trustees, local affiliates and so on as to how to move forward. Not only how to increase the number, the nature of programs, structure of the Fund.*

**ARA:** Right, right.

**SARKIS:** *For instance, here, on our Board, it's representations, which means that three parties have seats, four churches have seats, ARS, AGBU, Armenian Assembly.*

**ARA:** But here's another problem. These people that are on your Board here, they can't give you advice.

**SARKIS:** *That's the thing.*

**ARA:** They don't even know what's going on in Armenia.

**SARKIS:** *That's the thing.*

**ARA:** Most of them haven't even probably been to Armenia.

**SARKIS:** That's what I'm saying.

**ARA:** Or, if they have, they've been there for a week.

**SARKIS:** *Or something else. The fact that these parties or churches have seats. Is it to the benefit of the Fund?*

**ARA:** What you need is you need the people... You need the people to, like you did the

survey of is the Fund working well? You need to survey the same people if you were the president of the Fund for one day what would you do different. Or what kind of projects do you think are of the most importance. And put in the word of that it's not required that... the government doesn't [U.]. Give them some ideas. What would you like from the Diaspora. The Diaspora wants to be partners within the development of the country. How can the Diaspora help without stepping on the toes of the government? And whatever they're... 'Cause, again, I'm telling you, roads, water, light, *I don't know what, put them aside*, see what else is needed. And then by creating a positive atmosphere and things that will lead to the taxation you're talking about that they can collect because then they can do the roads, they can do the water, they can build the school. I've been advocating this for over ten years.

**SARKIS:** *Yes, I know, but...*

**ARA:** I mean this is, this is something that is turning into, it's creating this disease, it's almost terminal at this point. If it continues like this... Like you said, *20 years later, there will be no more people in Armenia*. But here's what I'm telling you, Sarkis.

**SARKIS:** There's gonna be breaking point at some point.

**ARA:** Sarkis, the breaking point is past. It's already come.

**SARKIS:** *No.*

**ARA:** The breaking point has already come, It's on right now.

**SARKIS:** *Do you know what will happen?* I think it's a generation issue. I'm sorry to keep you here, but it's generation, *because, in the long run*, when I look at my generation, *the corruption hasn't penetrated us to that extent, thank God. You know what I'm saying? Because we haven't lived in the Soviet times. I remember the Soviet Union only... I was 12 when the Soviet Union collapsed. I don't remember jack. I only remember that I was vacationing in Sochi with my parents.* That's the extent of my memory.

**ARA:** But see you come from a family of morals and ethics, but a lot of these kids that I see in Karabakh, for instance, you know what they'd like to be? *"I want to become a*

*police chief... " an eight-year-old...*

**SARKIS:** *I know.*

**ARA:** *"I want to become a police chief so that I can sit around on a chair and take money."*

**SARKIS:** *That's right.*

**ARA:** And that's what they see. That's what works.

**SARKIS:** *Well, look, my generation in Yerevan, high school-mates, classmates, so on and so forth, are in ministries. Some of them are in private, some of them are in public, like, in the government. These are bright kids, ok, who haven't gotten on the position to influence certain decisions. But on their level, they... they're putting up a pretty good resistance, ok, to all the things they see wrong. Some endure it, some don't. They leave the system, they go into private businesses. But that game is on.*

**ARA:** But the percentage is so small, you have to also admit that.

**SARKIS:** *But these guys, who now hold offices, believe me, the time will come, they're gonna rise up.*

**ARA:** I hope so.

**SARKIS:** *It will, it will happen, because when I meet with these guys, like, we go out to drink, I don't know, all of our discussions are of political nature, ok? One works at the Commerce Ministry, the other is at the Defense Ministry, another one is somewhere else, in the Police Department and so on. That is to say, in the police, the ministry, they're lieutenants, maybe captains: If they're work at the ministry, then they are heads of departments and divisions. You know what I mean? They even jump into the, for instance, deputy minister. We haven't gotten there. But it is going to happen, because as far as I can see, all these people in politics, starting with Vazgen Manukyan and finishing with Serzh Sargsyan, Robert Kocharyan, all of them are old Soviet apparatchiks.*

**ARA:** *Yeah, yeah.*

**SARKIS:** *These are people who are used to stealing, used to... Because back then the [U.]. Nobody was watching you. And are used to it.*

**ARA:** *Instead of one, two came from Moscow, and people got one, and they got one.*

**SARKIS:** *Yeah. But now...*

**ARA:** *No more.*

**SARKIS:** *But that's what they've learned. Why do you think this period was formed, which steals everything. The same fucking reason. Whatever these people have learned from the Soviets, they keep doing it. They cannot understand that, bro, it's more beneficial to them, to be able to collect taxes normally. For instance, how much does a minister get paid?*

**ARA:** *How much? A million drams a month at most.*

**SARKIS:** *No, not that much.*

**ARA:** *500?*

**SARKIS:** *They get \$800.*

**ARA:** *That's it?*

**SARKIS:** *That's it. 800, 1,000, 1,200.*

**ARA:** *Judges are paid more.*

**SARKIS:** *A judges gets more. All right? But, you know what I mean, how can a minister today live off of \$1,000?*

**ARA:** *How can one take care of one's family with \$1,000, an average person...?*

**SARKIS:** *You can't. Here, the New Year is coming; we sent \$1,000 to my wife's family so they can lay a table for the New Year's celebration. A New Year's table. That is to say, they'll pay off the bills, like gas, it's a private house. Only the heating bill is fucking \$200. That's what they do, a New Year's table... And they're done. With \$1,000. You know what I'm saying? But how does a minister live with his pay?*



**ARA:** *He works.*

**SARKIS:** *He is a shit-eater. He steals from the people.*

**ARA:** *Yeah, of course.*

**SARKIS:** *It's obvious [U.], right? But why should it be like this?*

**ARA:** *It's not.*

**SARKIS:** *No.*

**ARA:** *A minister should get \$5,000-10,000 a month.*

**SARKIS:** *A president should get 50,000 a month.*

**ARA:** *Yeah.*

**SARKIS:** *Now, isn't 50,000 enough for him? It is enough. It is enough.*

**ARA:** *Yeah. 600,000 a year is more than enough.*

**SARKIS:** *More than enough. That's as much as the president gets paid here.*

**ARA:** *But he is getting 6 million a year if not 10 or 20 or 50, because he knows that chair he's sitting on may fall off and he's gotta have something.*

**SARKIS:** *But do you know how many people of my age I know whom I ask: "Why did you quit? Why didn't you continue?" Why? Why did you? Why did they break you? He said: "Because I can't live off of that salary." And I said: "Fine, then why don't you steal? He says: "I don't want to, it's wrong." So, he goes to the private business. Now, if the taxes were properly collected, that minister could be getting 20,000, couldn't he?*

**ARA:** *Absolutely.*

**SARKIS:** *And then these guys who are already clean and so on... \$20,000 is pretty good money in Armenia. This is how...*

**ARA:** *And you know what? If they begin punishing them, saying that they'd been stealing from the government, then what happens is they have to raise the salary. They*

have to, they have no choice, because they will *demand*. *Look, man, we have to live.*

**SARKIS:** That's it. Just political will. *So, when that guy comes and becomes president and who will say "get the fuck out of here"... And It doesn't take a lot: all you have to do is just send four people to jail... Four people behind bars. And that person, [U.]. Government employees. Today we know very well the taxation... the chief of taxes.*

**ARA:** *The one who was fired?*

**SARKIS:** *Whoever comes, it's all the same, whether it's his deputy, [U.]. All of these guys, Ara, keep pocketing, like there's no tomorrow.*

**ARA:** *Yeah. Look, Vahram I was talking about, Barseghyan, who was fired two years or a year and a half ago. He was the head of taxation after, when they took him out.*

**SARKIS:** *Yeah, ok.*

**ARA:** This man in North Hollywood, he has a trash company. Do you know what big business that is? Yeah, here. He's got businesses here. I know all about this guy. Yeah.

**SARKIS:** *That's what I'm saying. It must eventually take place, but it's gonna take time, because these Soviet people can't be.*

**ARA:** Well, *we'll see.*

**SARKIS:** *It's a matter of vision.*

**ARA:** I know. It's gonna... And we're impatient, unfortunately.

**SARKIS:** *Yes. we're impatient.*

**ARA:** That's not happening, and that's why we get these reactions also:

**SARKIS:** *Yes. But look, when, for instance, those same representatives of my generation, as soon as we reach a point, where we can make a decision to go this way or that way, we do the right thing. Now, let's face it, our salaries are not too bad. And that has been done with a purpose. The Board of Trustees decided that the salaries of the Armenia Fund employees should be higher than the rest of the government or private sector, whatever, so that..*

**ARA:** So they can work clean.

**SARKIS:** *Now that \$2,000 or \$2,500 that Ara Vardanyan gets is enough for the guy.*

**ARA:** He can live.

**SARKIS:** He can live. *Yes, he still complains, because...*

**ARA:** Just barely, but he can live.

**SARKIS:** His brother recently passed away. *He is 35. He had a heart attack. Now he is the one who takes care of his two kids and his wife. His parents don't have a job. He's, like, taking care of five, three families.*

**ARA:** *Understandable.*

**SARKIS:** *It's enough for him.*

**ARA:** But just barely.

**SARKIS:** But just barely.

**ARA:** I know I remember we used to live off of \$300 a month and then it went up to 500, now it's 1,500. And it's like... and we're just... *Nothing left to put aside.*

**SARKIS:** *Yeah, but why is it so? That's a question, too. This is all a part of the same system, because that same Dod can import whatever he feels like and put any price he wishes and sell it, because he doesn't pay customs, he doesn't do anything. Nobody fuckin' cares what he does, as long as people are happy—those above him. It's all one big system. Why is dram so expensive? Why is dram so expensive? Do you think the real value is, like, 360. It's, like 600 or 700. And you, as a domestic manufacturer, why is your stone so expensive?*

**ARA:** Because I have to pay taxes.

**SARKIS:** *Besides that. Your dram is too expensive. Right? The dollar is too cheap, which is not its real value, because as soon as you try to export, when it comes out of Armenia, your stone is much more expensive than the stone that comes from Italy.*

**ARA:** Exactly. And James Tufenkian was complaining about the same thing. I was talking

to him. And he says I can't do carpet sales, he's shutting everything down.

**SARKIS:** Exactly.

**ARA:** I mean he's shut it all down already.

**SARKIS:** *Because the whole economic system today, Ara, it's been catered for import, especially catered for their interest. With the help of the parliament and stuff, I don't know... so that the importers are content. I'm an importer myself. I have a small shop for kids' clothes. It's favorable for me. But the moment the dram becomes 600... the dollar becomes 600, I will stop importing and will already start production. [U.] for many years. I tried, but I realized that, you know, exporting now, because dram is very expensive. As soon as they normalize the exchange rate, floating, the real floating exchange rate, I'll shift to production, because I will benefit. But now dram is so expensive that... The moment my kids' clothes enter the market in Armenia, I'd be selling it, like, \$40. It comes from China for \$7, \$6, just because of the dollar rate.*

**ARA:** *We, too. I have a share in Garun, a clothes factory. And, of course, the director, Gohar, she steals everything. We know that for all these years. But, nonetheless... she's right, we can't compete with the outside market at all. They send a container in of fabric and stuff, we sew and ship. We lose money supposedly. We don't lose money, but we lose money.*

**SARKIS:** *You would benefit more if you imported instead.*

**ARA:** *I would benefit more, if she paid us our share. I'll benefit more, if we sell those buildings. I mean that's important reality.*

**SARKIS:** *Yeah, the unfortunate reality is that. Now the production, they... They're stifling the production of the country, so that importers can get a bang on their buck. Now my shop is small; it generates, like, \$1,000 a month. I mean, helpless. But these people, I mean, multi-fucking-million dollars, and each dram, when it changes from to 360, their sales for that month may increase by 100,000 in real value:*

**ARA:** *Yes.*

**SARKIS:** *You know what I'm saying? That's the problem. So, So, when the question*

*comes to... How is agriculture going to develop? How is the milk in our milk collection unit can generate money for people. No way, because Ashtarak Kat has insisted in bringing in dry milk from Ukraine or Australia, because it's cheaper. He prefers to import powder, rather than go all the way to some remote village in Tavush and get some 10 liters of milk from someone, then refrigerate it, then ship it to his Ashtarak Kat milk plant. That's why all these economic programs, they're not gonna work.*

**ARA:** Yeah, unfortunately. There is a lot of internal things that have to change first. Things have to really balance up.

**SARKIS:** *But that's the other side. But one should have pity on these people, bro. Let's say we don't do the water, as you say, we don't do the roads, don't do the schools. Ara, at the end of the day, that person who lives in a village in Karabakh, doesn't give a shit who your president is and what he does. They don't give a shit. Even if starves to death, he wouldn't care. According to you, if he starves to death, he will. No, he wouldn't.*

**ARA:** No, of course not.

**SARKIS:** *It's all the same to him. He's gonna get up and he's gonna move to Russia.*

**ARA:** Yeah, and that's what, unfortunately, it's still going on. Though, *Though, they say that due to these recent problems in Russia a lot of people... not a lot, but there are some people who have had to return.*

**SARKIS:** *But more often, I can tell you... We were now talking about water, right? In Tavush, there's a 15 km pipe, a canal, an irrigation canal, which supplies water, irrigation water to 6 villages. Some two or so years ago, we were talking to these villagers. They were only able to cultivate 15% of their land. Ok? \$750,000. Not more. It was allocated by the French government, Hauts-de-Seine region, the governor of which is an Armenian.*

**ARA:** *You mean the one in that Armenian... Like, that one... There's one city that everything is written in Armenian even.*

**SARKIS:** *No, that's something else. It's the region of Hauts-de-Seine. Anyway, its governor is an Armenian. So, he has persuaded his government to donate \$750,000 to*

*Armenia as a friendly nation, so on and so forth. So, they built that canal, 15 km long. I went there this summer. We did a segment, which was shown during the Telethon. The people of those 6 villages cultivate 95% of their lands. Ok? They grow tobacco, and they grow corn. They sell corn for cattle breeding and so on, plus, when you go to Dilijan, corn is sold to tourists everywhere.*

**ARA:** *Which was always imported from Iran.*

**SARKIS:** *Yes. Now it's locally grown. Now it's local, And they sell the tobacco to Masis Tobacco. So, these people live. You walk in their homes and see plasma TVs, because they get paid real cash for it: And people don't leave this village any longer. This year only one or two people from that village left for Russia, when usually it's, like, in hundreds. People come from neighboring villages, they work on these fields for cash. And there are a few people who have already returned from Russia. [U].*

**ARA:** *Yeah, I understand. But, at the same time...*

**SARKIS:** *If you don't do it now, all these people will leave for Russia. Yes, you're right, it's the government's job, we shouldn't be involving in it. But it's not going to do it, bro.*

**ARA:** *Well, that's what we have... Maybe we...*

**SARKIS:** *That's the fucking deal.*

**ARA:** *Maybe, it's kind of, we pressure them. We join hands with our brothers in Armenia and make them do what they have to do and show: here's what you have, here's what you don't have. Here are the resources that you have, here's your national budget, here's where the problems are. Fix these problems, divert that money to this.*

**SARKIS:** *They won't do it, bro, they won't.*

**ARA:** *Well...*

**SARKIS:** *When I talk to these people...I go there about three times a year...*

**ARA:** *We need to be, we need, as a collective voice, need to be that person with big balls, that goes in there and starts changing things and and it can be done. Listen, I've done a lot of things there that people haven't dared to come up, to meet, whereas I*

*didn't even have the right to do such things in Armenia or Karabakh. No one dares to walk up and say. "Who are you to do this?" No one, public officials. If I go to somebody's office and I ask him a question, they open the door out of fear, talk out of fear, because they know...*

**SARKIS:** *No one does one's job, bro. Do you know how much money USAID has spent on trainings, on legal awareness, I don't know, the rights, voter education... Do you know? Fucking tens of millions of dollars. Impact—zero. Impact—zero. That's why I don't like these trainings. Most of the NGOs, non-profits of Armenia, which are Armenian, they eat money off of it, they squander the money, they write that they organized this many trainings. They don't, 50% goes straight to their pocket. It's the easiest way to steal money for a non-profit is to do trainings. The moment Armenia Fund starts training, you'll know they're pocketing money. The easiest way to steal money.*

**ARA:** *Well, in Armenia, the easiest thing that I've learned to steal money on is roads, water and, whatever, construction. It really is.*

**SARKIS:** *You have to bring.*

**ARA:** *It's not... No, but it's not even you, guys, that are stealing the money. It's on the end of you get 5 bids in, all 5 super high bids, and those contractors that are going there, there are five bidders, let's say. They've already been pre-selected.*

**SARKIS:** *That's right.*

**ARA:** *And then they have to pay off the guy that's at the top. That's where it starts going in that direction. Or they develop... Or projects are created that benefit somebody that has some sort of investments in that area: Tsaghkazdor, Sevan, I don't know what...*

**SARKIS:** *Yeah...*

**ARA:** *You know there's that also.*

**SARKIS:** *Well you're talking about the cartel thing. That's true.*

**ARA:** Yeah.

**SARKIS:** *It does happen, but at that time, of course, we don't put it on bidding. We know the number that is roughly right, because before that...*

**ARA:** I can guarantee you, any job that "Hayastan" Fund or AGBU or CRS has done, I could do it for 20% of what they did it for. I guarantee you that.

**SARKIS:** *You can't, Ara.*

**ARA:** Oh yeah. You don't know what things I've build that have cost almost nothing. Almost nothing.

**SARKIS:** I doubt seriously.

**ARA:** I have numbers, I have facts, I have things of that nature. I've done a lot of projects on my own, financing myself. Things that should have cost \$10,000, I could do for a \$1,000, \$2,000. Because that's the way, it's just a matter of knowing how to do it to make it efficient. There's a lot of room to tighten up the shores and get a lot more done as opposed to doing this project and saying, ok, *we should manufacture this cup, which is \$5*. Yeah, but I can get it for a dollar. I can get it for fifty cents, because there's a way to get it for fifty cents. It's a matter of how you do business also.

**SARKIS:** *Well, yes, but our programs are very large.*

**ARA:** *I know they are large. Even better. The larger it is... you can even get it cheaper. When you buy in quantity as opposed to... one unit as opposed to a thousand units, there's always room for even more.*

**SARKIS:** *Well, it's true, we've had that experience. For example, do you remember the time when the prices for iron dropped? But the price was still high in Armenia. Remember that?*

**ARA:** Aha.

**SARKIS:** *So, what happened? We had a water program, I don't remember the details. I think it was in Karabakh. Around the time of the bid, the price was high, a lot more than what we had on it, even the world prices. Everybody... we were... because iron, too, is*



*a monopoly. So, what were they telling us? "We have imported a lot of metal at a high price, so we're not going to lower the price, we have to sell it at a high price. We said: "You know what? Fuck you." We brought iron from Donetsk, Ukraine, and removed its cost from the bid. We said: "We'll give you the pipes."*

**ARA:** You just do the work.

**SARKIS:** You just do the work.

**ARA:** You can even pay them a little more to do the work. It doesn't matter he'll still make more.

**SARKIS:** *Yes. So, what happened? The cost went down by 40%. We do that kind of stuff. The same thing happened twice during the road project, when we would buy the bitumen directly, because, again, the monopolies there...*

**ARA:** Why didn't they...? I don't understand one thing. A lot of the times when they do the roads, they have to mix cement with the asphalt. Why don't they do that in Armenia. Just cement.

**SARKIS:** *Because the technology over there is different in a sense that cement is not withstanding lower temperatures.*

**ARA:** Is that what it is?

**SARKIS:** Yeah.

**ARA:** Because there's other places where they put, like, a ton of asphalt...

**SARKIS:** *Yeah, you are right.*

**ARA:** *They put 100 kg or 50 kg of cement. So, we're driving... because our road, the Lachin road, when you put a car jack, to lift the car, it sinks, the asphalt is so soft that it sinks.*

**SARKIS:** *Especially in summer.*

**ARA:** Yeah.

**SARKIS:** *Well, that's what it is.*

**ARA:** There's gotta be a better way to do that.

**SARKIS:** *Because, look, what the problem is. The roads that we build... There are several types of roads. For example, if you dig the Yerevan-Sevan highway, removing the asphalt, you'll find concrete underneath. That's called a first class road. Those roads, which we build in Armenia or Karabakh are not first class. There's no concrete underneath.*

**ARA:** *Only rocks.*

**SARKIS:** *Only rocks, several layers of rocks, if they do it correctly.*

**ARA:** Unfortunately, yeah...

**SARKIS:** *Unfortunately, Unfortunately, there are a few places, where the road has problems, especially because the land is soft in certain places. In Martuni, Hadrut and so on. There's no rock underneath, and the soil is very soft.*

**ARA:** *It's clay.*

**SARKIS:** *So, if you fail to press down the ground properly...*

**SARKIS:** *Dear Ara, you know what I mean, there are things that, again... The question is, you know... At the end of the day all the questions have answers.*

**ARA:** *Yes.*

**SARKIS:** *Especially that for already the past few years, you know, it's not a problem : For instance, I gotta tell you this. I'm not sure if it was Chorrord Ishkhanutyun or Hraparak dailies that paid a visit to the Fund a few months ahead of the Telethon. They began asking Ara Vardanyan some questions, probably fancying that those were difficult questions related to accounting. Ara said: "Look, don't talk to me: you're not going to believe me anyway. Our accounting office is three doors down. Go there, sit there for two hours, do whatever you want. Then if you have any questions, write whatever you want." They go there. They go there, come back half an hour or an hour later: "Mr. Vardanyan, thank you very much, we've got nothing to write about." If it's Chorrord*

Ishkhanutyun *that says such a thing... For instance, Ara Vardanyan won't be there tomorrow, and there will be someone else.* What's gonna happen?

**ARA:** It's going to change all of a sudden towards the worse or, maybe the better. Who knows? *Whatever.*

**SARKIS:** *All right.*

**ARA:** *All right, and this is what I had promised you.*

**SARKIS:** *Yeah, what is it?*

**ARA:** This is right now, at least for a little while for your eyes only. You said Godspeed. Here's a little bit of Godspeed for you.

**SARKIS:** Yeah?

**ARA:** Yeah.

**SARKIS:** *All right.*

**ARA:** *We'll stay in touch.*

**SARKIS:** *And as for whatever we talked about...*

**ARA:** *This one, we didn't even meet today. Ok?*

**SARKIS:** Ok.

**ARA:** Ok. *All right, take care and stay in touch.*

**SARKIS:** I appreciate it.