INVESTIGATION BY ANTI-CORRUPTION NATIONAL INITIATIVE (ANI)

MONEY DOESN'T STINK: ARTAK OF SAS – FROM A FINANCIAL PILLAR OF THE FORMER GOVERNMENT TO PASHINYAN'S "TASTY PARTNER"

Key figure in the dossier: *Artak Sargsyan*



Money Doesn't Stink: How Artak of SAS Became a "Tasty Partner" of the Revolutionary Government

A smoked crocodile for a thousand dollars. Not a metaphor, not a political nickname, but an actual product that the SAS supermarket chain offered to wealthy Armenians for their New Year's table in December 2013. Ninety centimeters long and priced at 380,000 drams apiece. The newspaper Haykakan Zhamanak, associated with the family of future Prime Minister Nikol Pashinyan, sarcastically suggested at the time that buyers were hoping to turn into crocodiles themselves in the coming year.

There was no shortage of unusual episodes in the political career of the supermarket chain's owner, Artak Sargsyan, who had long been popularly known as Artak of SAS.

He persistently sought a seat in parliament, moved from one party to another, and lost and regained his parliamentary mandate.

Meanwhile, the family business continued to expand, growing from shoe trading into a chain of supermarkets, restaurants, international brands, and foreign companies. Behind the facade of the retail empire were Cypriot and British Virgin Islands offshore companies, relatives among the owners, and transactions in which companies were transferred for symbolic amounts of 100 and 200 lari.

Over the years, stories worthy of political satire repeatedly emerged around Artak of SAS. Consider the scandalous audio recording of a meeting with SAS employees, who were instructed to collect votes for the chain's owner, or the "Zibilix" case, in which documents concerning alleged vote-buying were discovered in a trash bin.

The press under the former government described Artak Sargsyan as one of the alleged financial pillars of Serzh Sargsyan's regime and predicted that he would go unpunished. But then the Velvet Revolution took place, and a new chapter began. The former Republican Party of Armenia (RPA) MP left the party, supported Nikol Pashinyan's initiatives, and soon was already assuring journalists that he had always had good relations with the new government.

The relationship between SAS and the Pashinyan family also took an interesting turn. In 2013, Haykakan Zhamanak, whose editor-in-chief was Anna Hakobyan, mocked the sale of New Year's crocodiles. In May 2019, however, the City of Smiles Foundation, whose Board of Trustees was by then chaired by the Prime Minister's wife, thanked SAS Sweet for the funds it had transferred. The money had come from sales of a special line of confectionery products, and the company was described as the foundation's "tasty partner."

Even during the dramatic days of November 2020, following Armenia's defeat in the 44-day war, Artak of SAS's name surfaced in a rather unusual context. First, he was accused of financing pro-government "fake news factories." He was then linked to the mysterious "Chinese bodyguards." This was the name given to people wearing uniforms with Chinese inscriptions who took part in detaining protesters. The opposition suspected that the people behind the masks were bodyguards employed by major businesspeople and sent to assist the police.

And in April 2026, the former Republican Party member was among the businesspeople invited to a working breakfast with Nikol Pashinyan. The very same Pashinyan who, back when he was in the opposition, had publicly demanded that Sargsyan explain the alleged pressure on SAS employees.

“Money has no smell,” the Roman emperor Vespasian reportedly said, justifying a tax on public toilets. Almost two thousand years later, the saying remains relevant. Especially in places where political opponents become interlocutors, past grievances lose their edge, and big business continues to find common ground with those in power, regardless of their political affiliation.

This investigation by the Anti-Corruption National Initiative (ANI) examines Artak Sargsyan, his business empire, family assets, political connections, and criminal cases in which his name or his companies were involved. Above all, however, it is a story about the relationship between big business and the Armenian authorities: the former government, which was promised to be replaced, and the revolutionary government, which promised to change the rules of the game.

Artak of SAS: From A Shoe Business To a Seat in the Parliamentary

Biography with Gaps

Artak Sargsyan (patronym Samvel) was born on July 13, 1973, in Yerevan. However, his official parliamentary biography says virtually nothing about the first 24 years of his life. The birth date is followed immediately by 1997, when, according to the official biography, he founded SAS Group, serving as its president until 2012.

In 2001, Sargsyan graduated from the Armenian State Agrarian University with a degree in Economics and Management of Agricultural Production. Thus, the future MP received his university degree after establishing his own business.

In March 2014, the newspaper Zhoghovurd recalled that Sargsyan's path into big business began with shoemaking. Notably, back in 2009, his brother Aram Sargsyan, a co-owner of SAS Group, told Panorama.am in an interview that the family business had indeed started with shoe manufacturing, then moved on to importing shoes from Italy, and that the first 24-hour SAS supermarket opened in Yerevan in 1997.

However, the main gap in the official biography remains: what did Artak Sargsyan do before 1997, how was the initial capital accumulated, and what roles did his brother and business partners play in establishing the business?

From the Valentina Boutique to the First Supermarkets

Meanwhile, the corporate history of the family business begins earlier than the date given in Artak Sargsyan's parliamentary biography. According to the SAS Group timeline, the Valentina boutique opened in Yerevan as early as 1995. The group's corporate pages listed Sargsyan as its founder and president from 1996, whereas his official parliamentary biography gives 1997 as the year SAS was founded.

It was in 1997 that the first 24-hour SAS supermarket opened at 18 Mashtots Avenue. However, the main legal entity, SAS Group LLC, was established in February 1998 by Artak's older brother, Aram Sargsyan. The SAS Sweet confectionery brand was also launched that year. The second supermarket opened in 2002, and in 2003 the family's retail business expanded with the Palermo shoe store.



Photo: Artak and Aram Sargsyans

Sources: SAS Group, company history; National Assembly of Armenia, biography of Artak Sargsyan; State Register of Armenia, SAS Group LLC.

Orinats Yerkir: Entry into Politics and a Scandalous Expulsion

While the family business was expanding, Artak Sargsyan also began making his way into politics. In 2004, he joined Arthur Baghdasaryan's Orinats Yerkir party, which was then part of the ruling coalition.

On August 26, 2004, Aravot reported that the owner of SAS Group had joined Orinats Yerkir just three days earlier, on the eve of a by-election in Constituency No. 44. The seat had become vacant after the previous MP, Aram Harutyunyan, was appointed Minister of Urban Development.

One notable detail was that the candidacy of the newcomer was also backed by the Republican Party of Armenia (RPA). This was announced on August 23 by then Prime Minister and Chairman of the RPA Council Andranik Margaryan.

However, the election campaign was accompanied by scandals. Citing its own sources, Aravot claimed that seven of the nine members of the district electoral commission were Sargsyan's people. His main rival, Arayik Hayrapetyan, accused his opponent of using illegal campaign methods.

Following the initial vote, a repeat election was held on September 19, 2004. Sargsyan received 13,970 votes and won a parliamentary seat. His rival's supporters alleged widespread violations. Thus, the businessman's very first parliamentary campaign was already accompanied by serious allegations, which, however, remained claims made by participants in the electoral contest.

From 2004 to 2006, Sargsyan was a member of the Orinats Yerkir parliamentary faction. But on April 13, 2006, the party's political council unanimously expelled him. The reason was his vote in favor of the government's report on the implementation of the state property privatization program for 2001–2003, contrary to the faction's decision to vote against it.

The following day, RPA faction leader Galust Sahakyan said he saw nothing surprising about Artak Sargsyan's expulsion.

The episode took place amid growing tensions between President Robert Kocharyan and Parliamentary Speaker Artur Baghdasaryan. In May, Orinats Yerkir left the ruling coalition, and Baghdasaryan stepped down as speaker.

Sargsyan, however, took a different path. On May 22, 2006, he left the Orinats Yerkir faction, and on May 25, joined the Gortsarar (“Businessman”) parliamentary group.

Another important event took place that same May, this time in the family business. Artak Sargsyan officially became a co-owner of SAS Group LLC. According to registration documents, from that point onward, brothers Artak and Aram Sargsyan each owned a 50% stake in the company. By then, Artak had already been a member of parliament for almost two years.

On July 31, 2006, Sargsyan became a member of the RPA. In effect, the businessman joined the very party that had backed his candidacy in his first parliamentary election two years earlier.

Three Parties and Five Years Without a Parliamentary Seat

However, membership in the RPA did not secure Artak Sargsyan a seat in the new parliament. In the 2007 elections, he unexpectedly appeared at number four on the proportional list of Tigran Karapetyan's People's Party.

On February 27, 2007, Aravot newspaper wrote that the People's Party list had become a lifeline for former members of Orinats Yerkir who had failed to secure places on the lists of other pro-government parties.

Tigran Karapetyan himself explained the inclusion of the SAS owner in terms of personal connections:

“The owner of SAS, Artak, is my friend's son. We lived in the same building. When Artak put forward his candidacy, we supported him.”

However, the People's Party failed to clear the electoral threshold. Sargsyan was left without a parliamentary seat for the next five years.

Nevertheless, this political setback did nothing to hinder the expansion of the family business. The third SAS supermarket opened in 2007, followed by two more in 2008. In January of that year, the Black Sea Trade and Development Bank provided the company with a $7.6 million loan to expand its supermarket chain in Yerevan. The bank's documents identified SAS Group as a company owned by the Sargsyan brothers.

SAS Expands Beyond Armenia

While Artak Sargsyan remained without a parliamentary seat, the family business continued to expand. In 2009, the sixth SAS supermarket opened, along with the SAS Home home goods store. In July of the same year, brothers Artak and Aram Sargsyan registered SAS USA LLC in Glendale, California, with equal ownership stakes. That same year, stores selling international brands began operating in Tbilisi.

In 2010, the chain opened its seventh supermarket, while the Black Sea Trade and Development Bank provided SAS Group with an additional $3 million to develop Next stores in Georgia. According to an investigation by Hetq, nine companies linked to Artak Sargsyan and his associates were registered in Georgia over the years. One of them, Land Lord, was directly owned by Artak Sargsyan and operated Next stores.

In 2011, SAS launched the online supermarket sas.am. At the same time, the family business continued to develop its clothing and footwear retail operations under the Next, Debenhams, Aldo, and Baldi brands.

Thus, within just a few years, a Yerevan-based supermarket chain had grown into a business with foreign companies, international brands, and millions of dollars in loans. The subsequent history of the transfer of ownership of these assets is of particular interest.

Sources: Hetq, August 5, 2016, business operations in Georgia and offshore companies; Black Sea Trade and Development Bank, September 1, 2010, financing for Next stores in Georgia; Georgian National Agency of Public Registry, company registration records.

Sources: Hetq, August 5, 2016, business operations in Georgia and offshore companies, Black Sea Trade and Development Bank, September 1, 2010, financing for Next stores in Georgia, Next; Georgian National

Agency of Public Registry, company registration records.

SAS's Offshore Maze: Cyprus, the British Virgin Islands, and Deals for 100 Lari

SAS's international expansion involved not only opening new stores but also establishing a network of companies in different jurisdictions. In March 2011, SDA Trade Chain Group Limited was registered in Cyprus with a share capital of just €2,000. According to documents reviewed by Hetq, the company's ultimate owners were brothers Artak and Aram Sargsyan, each holding a 50% stake. When opening a bank account, the company identified itself as part of the SAS Group and declared an expected annual turnover of $5 million.

As early as April 2011, ownership of the Cypriot company was transferred to SADA Holding and Investment Inc., registered in the British Virgin Islands. However, the ultimate beneficial owners remained the same: the Sargsyan brothers. Thus, another offshore entity was inserted between the owners and the Cypriot company.

That same year, an international corporate network for the Baldi footwear brand began to take shape. In September 2011, Baldi Retail Ltd was registered in London, with Yevgenia Tumasova, Artak Sargsyan's mother-in-law, appointed as its director. The British company was owned by an identically named entity registered in the British Virgin Islands. In July 2012, Baldi Cyprus Holding Limited was established in Cyprus. Armenian and foreign companies associated with the brand were subsequently transferred to this holding company.

Developments in Georgia were no less noteworthy. In 2011, the company Deben was first transferred to Aram Sargsyan and then sold to Debinvest, registered in the British Virgin Islands, for just 200 lari. In 2013, the Georgian company Adelson Georgia was acquired by a British entity for 100 lari. In 2014, the company also came under Debinvest's control.

Hetq noted that people connected to SAS's financial management appeared among the registered owners and representatives of these companies. Transactions involving such small amounts inevitably raise questions about the economic rationale behind these ownership transfers.

At the same time, Baldi's corporate structure in Armenia was also changing. Initially, the company Belini operated in Armenia. In April 2013, Yevgenia Tumasova established Baldi CJSC. Its shares were subsequently transferred to the Cypriot holding company and then to Aram Sargsyan, the MP's brother.

The international Baldi network also extended to Georgia, Kazakhstan, Ukraine, Russia, and the United States. Behind the familiar retail brand was an extensive network of legal entities whose management and ownership involved Sargsyan's relatives and companies connected to the family.

Thus, the family's international business expansion was accompanied by a complex network of companies registered in different countries, with ownership stakes in individual entities changing hands between relatives and offshore owners, sometimes for nominal amounts. What was the economic purpose of these ownership transfers?

Sources: Hetq, August 5, 2016, Deben and Adelson Georgia companies; Hetq, April 29, 2022, the Pandora Papers and Baldi; State Register of Armenia, company registration records.

Sources: Hetq, August 5, 2016, Deben and Adelson Georgia companies; Hetq, April 29, 2022, the Pandora Papers and Baldi; State Register of Armenia, company registration records.

Charity with a Selective Geographic Focus

While the family business was building up its network of foreign companies, Artak Sargsyan's political ambitions were taking an equally interesting turn.

On June 30, 2011, NEWS.am, citing the newspaper Chorrord Ishkhanutyun, reported that the businessman intended to return to parliament. The publication attributed the following words to him, reportedly spoken among his close associates: “I'll give as much money as needed.”

That same year, SAS Group established the Artak Sargsyan Charitable Foundation, whose Board of Trustees he chaired in 2011–2012.

The geographic focus of the foundation's activities deserves particular attention. Judging by its surviving archive, its charitable programs were concentrated primarily in Yerevan's Arabkir district, where Sargsyan planned to run in the 2012 parliamentary elections.

In 2011, the foundation organized tree-planting campaigns, courtyard improvement projects, and other activities. Social and educational programs, as well as assistance to local residents, continued in early 2012. After the elections, in September 2012, the foundation reported distributing school supplies to more than 500 children in Arabkir.

However, the latest publication found in the foundation's archive is dated September 2012. No information about its subsequent activities is available.

Notably, the foundation's charitable activities coincided with preparations for the parliamentary elections and were concentrated primarily in a single electoral district. This provides grounds to suggest that the charity served not only social purposes but also helped strengthen the businessman's electoral position.

Millions in Bank Accounts, Eight Companies, and a Return to Parliament

By the 2012 elections, Artak Sargsyan had become a major businessman.

According to his asset declaration submitted to the Central Electoral Commission (CEC), as of March 1, 2012, he held 645.6 million drams and approximately $25,000 in bank accounts. The declaration listed his stakes in eight commercial entities: Land Lord LLC, Landfro, SAS Group LLC, Gortenza CJSC, Mirna, SAS Holding, Ritos, and SAS USA LLC. Sargsyan owned the first company outright, while he held a 50% stake in each of the other seven.

However, after returning to parliament, information about his foreign companies disappeared from his asset declarations. According to an investigation by Hetq, in declarations submitted to the Ethics Commission for High-Ranking Officials, he listed only Armenian businesses. The American company SAS USA and the Georgian company Land Lord, both included in his 2012 pre-election declaration, no longer appeared in subsequent documents. Why did the foreign companies listed before the election disappear from his declarations after he secured a parliamentary seat? This question would arise repeatedly in the years that followed.

At the same time, his declared monthly income amounted to just 366,000 drams: 201,000 drams in salary from SAS Holding and 165,000 drams from Ritos.

For the 2012 parliamentary elections, the RPA placed its bets on representatives of big business. As Radio Azatutyun reported on March 15, the overwhelming majority of the party's candidates running in single-member constituencies were businesspeople. Artak Sargsyan, the owner of SAS Group, was among them.

On May 4, 2012, the publication 1in.am drew attention to a notable detail: in 2011 alone, Landfro LLC paid 235.6 million drams in taxes, while SAS Group paid 202.9 million drams. However, no income from the profits of these companies appeared in the asset declaration of their co-owner.

The publication even suggested that the companies might have been operating at a loss. However, the absence of declared dividends does not prove that a business is unprofitable. Nevertheless, the contrast between the scale of commercial operations, hundreds of millions of drams in bank accounts, and the businessman's relatively modest declared income remains noteworthy.

On May 6, 2012, Artak Sargsyan once again won a parliamentary seat, representing the RPA in Constituency No. 4.

This brought his five-year break from parliamentary politics to an end. Over the course of eight years, Sargsyan had moved through Orinats Yerkir, the Gortsarar parliamentary group, the RPA, and the People's Party electoral list. He had lost his parliamentary seat and regained it with the backing of the ruling party.

His political affiliations changed. His business grew. But his determination to return to parliament remained unchanged.

Sources: 1in.am, May 4, 2012, asset declaration; Hetq, May 4, 2012, asset declaration; Radio Azatutyun, March 15, 2012; National Assembly of Armenia, biography (2012–2017).

Useful Connections: From “Armenchik” and “Vachik” to Sasun Mikaelyan

While Artak Sargsyan was not particularly active in parliament, press reports suggest that he was much

better at finding his way through the corridors of power.

On September 8, 2012, Hetq published an investigation into Artashes Beybutyan, former Deputy Chairman of the State Revenue Committee. The publication alleged that Beybutyan was one of the shareholders of SAS Group and had allegedly helped introduce special devices into the cash registers of the supermarket chain, allowing the recording of any desired amount of revenue.

According to a source in the government cited by Hetq, some major retail chains reported only around 30% of their actual turnover, keeping the remaining 70% in the shadow economy. The publication linked this practice to the protection provided by Beybutyan, who, in turn, maintained close ties with Vachagan Ghazaryan, head of the presidential security service.

On September 11, 2012, Artak Sargsyan categorically denied reports that Beybutyan was connected to SAS Group. Speaking to Hetq, he dismissed the information as “stupid rumors” and asked the journalist: “Do you yourself believe what you are saying?” He then refused to answer any further questions.

In March 2014, the newspaper Zhoghovurd returned to the issue of the influential connections of the owner of SAS. The publication wrote that, during Robert Kocharyan’s presidency, Artak Sargsyan and his brother Aram had maintained close relations with influential official Armen Gevorgyan, known as “Armenchik.” However, after assessing the influence of Vachagan Ghazaryan (“Vachik”), a former driver of Serzh Sargsyan who had gone on to head his security detail, the brothers shifted their allegiance to him. The newspaper identified Gevorgyan and Ghazaryan as the patrons of the SAS business.



Photo: Vachagan Ghazaryan

However, the same publication mentioned another name, this time connected not to alleged business patronage but to the family's personal relationships.

According to Zhoghovurd newspaper, on March 17, 2014, Sasun Mikaelyan, who later became one of Nikol Pashinyan's allies, was the godfather of two of Artak Sargsyan's children. The newspaper criticized the Sargsyan brothers, claiming that after Mikaelyan was taken into custody in connection with the events of March 1, 2008, they had allegedly neither visited his family nor even called to ask how their godfather was doing.

Sources: Hetq, September 8, 2012, investigation into Beybutyan; Hetq, September 11, 2012, Sargsyan's rebuttal; «Жоховурд», Zhoghovurd, March 17, 2014, Sargsyan's connections.

A Lawmaker with a Nonworking Microphone

Artak Sargsyan persistently sought a seat in parliament, lost his mandate, switched parties, and was elected again. But what for? Judging by his parliamentary record, it was clearly not to make speeches from the podium.

According to the newspaper Zhoghovurd, during the five years of the fifth convocation of the National Assembly (2012–2017), Sargsyan missed just 36 sessions, voted “for” 844 times, “against” nine times, abstained once, and did not take part in 75 votes. Yet he never once spoke from the parliamentary podium. His parliamentary activity, it seems, consisted mainly of reliably pressing the voting button.

However, on February 6, 2017, an almost historic event took place: Sargsyan tried to speak from his seat for the first time, in response to accusations that SAS employees had been illegally involved in the election process. But something unexpected happened: the microphone was not working. On March 1, Zhoghovurd reported that a technical specialist had been called into the chamber during the session to repair the lawmaker's microphone. The publication remarked ironically that Sargsyan was unlikely to want to speak again before the end of the parliamentary term, so the microphone would be left merely to decorate photographs.

On April 25, 2017, Levon Zurabyan, Deputy Chairman of the Armenian National Congress, also pointed out during a hearing at the Constitutional Court that Artak Sargsyan had not uttered a single word during parliamentary sessions throughout the entire term. In Zurabyan's words, lawmakers like him observe a "vow of silence" while somehow managing to get re-elected.

Nevertheless, in May 2017, Sargsyan became a member of the Committee on European Integration in the sixth convocation of the National Assembly. At the time, Zhoghovurd questioned whether the owner of SAS could explain, even in two sentences, the difference between European integration and membership in the Eurasian Economic Union (EAEU).

So why was a parliamentary mandate so important to Artak Sargsyan if he had not once spoken from the parliamentary podium in five years? The question is all the more interesting given how much political effort he put into obtaining and retaining that mandate.

Sources: Zhoghovurd, March 1, 2017, Sargsyan's microphone; Zhoghovurd, March 28, 2017, parliamentary statistics Armlur.am; Armlur.am, April 25, 2017, Levon Zurabyan's statement; Zhoghovurd, May 27, 2017, European integration; National Assembly of Armenia, membership of the Committee on European Integration.

Votes for Artak of SAS: A Scandal That Survived the Revolution

While Artak Sargsyan himself did not speak from the parliamentary podium even once during his five years in parliament, accusations against him were nevertheless voiced from that very podium.

As early as February 6, 2017, Nikol Pashinyan, who would later become Armenia's prime minister, demanded an explanation from Artak Sargsyan from the National Assembly podium. According to Pashinyan, he had received numerous complaints that the owner of SAS was forcing the chain's employees to change their registered place of residence so they could vote for him in the electoral district where he was running.

Sargsyan rejected the accusations, calling them lies.

However, a new scandal erupted after the parliamentary elections on April 2. On April 13, an approximately 40-minute audio recording of a pre-election meeting with SAS Group employees appeared online. A man demanded that employees gather votes for Artak Sargsyan, humiliated those who failed to meet their targets, threatened them with dismissal, and promised rewards to those who performed well.

On April 19, 2017, the Special Investigative Service opened a criminal case under Part 2 of Article 154.2 of

Armenia's Criminal Code, which provided for liability for certain forms of voter coercion.

Journalists soon began naming specific individuals.

According to Hetq, the meeting was conducted by Artak Sargsyan's elder brother, Aram Sargsyan. Other company employees were also named in media reports: Commercial Director Edgar Avetisyan, whom the man leading the meeting criticized for collecting too few votes, and Human Resources Department Head Marine Ter-Hovhannisyan. On April 25, the newspaper Zhoghovurd reported that both had been included on the Republican Party of Armenia's proportional representation list.

Meanwhile, the name of Artashes Beybutyan once again surfaced in connection with SAS. On April 27, the newspaper Hraparak drew attention to a notable circumstance: by that time, Beybutyan headed the Yerevan division of the Health Inspection Body, which included the labor inspection service.

This meant that possible violations of SAS employees' labor rights fell within the remit of an agency whose division was headed by a person whom Hetq had previously identified as one of the shareholders of that same company.

The situation was particularly notable: an official whom the press had linked to SAS's business interests was heading a division of the agency responsible for responding to possible violations of the chain's employees' rights.

Meanwhile, the question of who had actually led the controversial meeting remained unanswered.

On May 16, 2017, Zhoghovurd named another person: Samvel Manukyan, Deputy Director of SAS Group, who, according to the newspaper, later headed Precinct Election Commission No. 4/27.

However, on September 8, 2017, the criminal case was dropped due to the absence of elements of a crime. The Special Investigative Service did not disclose whether it had managed to identify the person who led the meeting or whether any suspects or defendants had emerged in the case.

Hetq Editor-in-Chief Edik Baghdasaryan said investigators had not even contacted the newsroom to establish the basis for its reports about Sargsyan's brother being involved.

In other words, there was a published audio recording, numerous people who attended the meeting, and names and positions identified by journalists. Yet the criminal case was closed without explaining to the public who had actually led the meeting or why the threats heard on the recording did not constitute a criminal offense.

This also raises a question for Nikol Pashinyan. In February 2017, he personally demanded that Artak Sargsyan explain the alleged pressure on SAS employees. Why, after Pashinyan came to power, did this story, which gained further details following the release of the controversial audio recording, receive no public follow-up?

Sources: Armenpress, February 6, 2017, Pashinyan's statement; Radio Azatutyun, April 19, 2017,

opening of the criminal case; 1in.am, April 25, 2017, SAS employees on the Republican Party of Armenia's electoral list; NEWS.am / Hraparak, April 27, 2017, Beybutyan; Panorama.am / Zhoghovurd, May 16, 2017, Samvel Manukyan; Radio Azatutyun, September 8, 2017, termination of the criminal case; Radio Azatutyun, September 8, 2017, comments by Baghdasaryan and human rights advocates.

"Zibilix": SAS Director Convicted, Owner Left Out of the Picture

However, the controversial audio recording was not the only case linking the SAS supermarket chain to violations during the 2017 election campaigns.

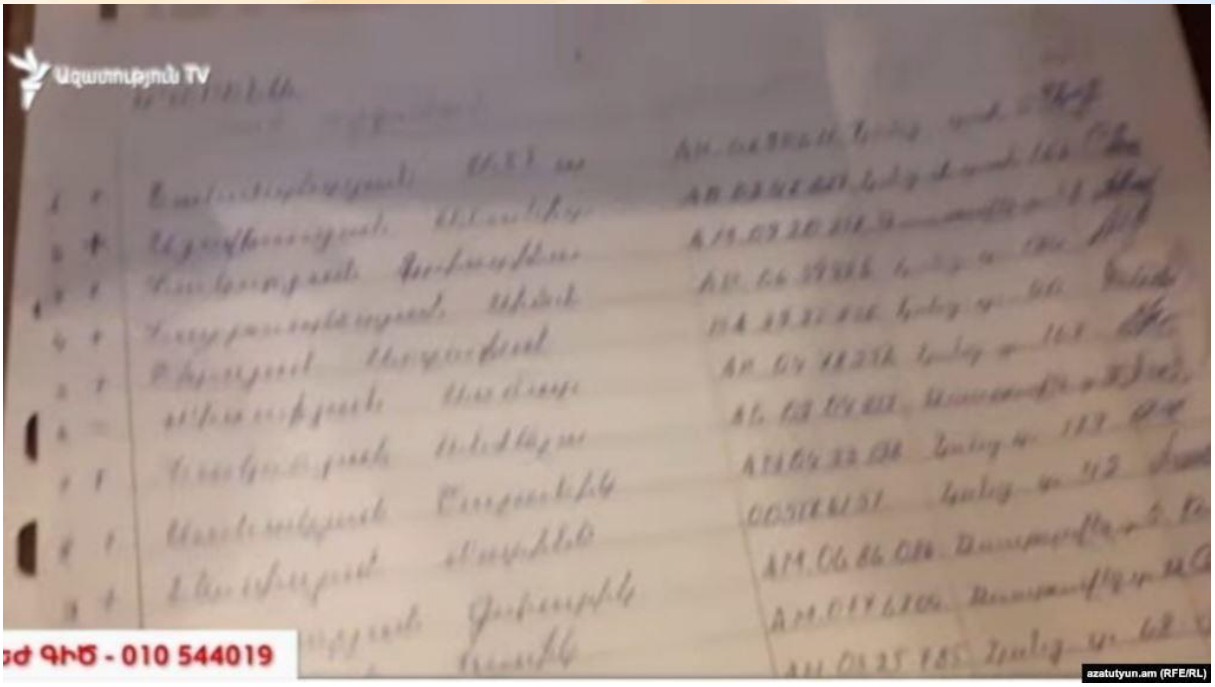
In May 2017, ahead of the elections to the Yerevan Council of Elders, representatives of the opposition Yelk bloc discovered documents near garbage bins outside the Republican Party of Armenia's campaign headquarters. The documents allegedly pointed to large-scale vote-buying. This gave rise to the name "Zibilix," combining the Armenian word zibil (garbage) with WikiLeaks.

According to the case materials, Hrayr Antonyan, head of the RPA campaign headquarters in Arabkir, allocated $100,000 for the election campaign, while Stepan Sahakyan, director of the SAS supermarket chain, provided another 15 million drams. The money was distributed through a network of local campaign offices, with voters being offered 10,000 drams in exchange for voting for the RPA.

In July 2017, the criminal case was dropped due to the absence of elements of a crime. However, following the Velvet Revolution, the investigation was reopened in June 2018.

On February 4, 2019, a court found 11 people guilty. All of them pleaded guilty. Antonyan and Sahakyan were each fined 2.5 million drams, although the prosecutor had sought three-year prison sentences for both.

But there was another notable detail: SAS chain owner Artak Sargsyan was not among the defendants.



Moreover, in its English-language report dated September 14, 2018, the state news agency Armenpress explicitly named Artak Sargsyan among the accused. The report stated that he had provided 15 million drams for vote-buying. However, the Armenian-language version of the same report, based on materials from the Special Investigative Service, named the chain's director, Stepan Sahakyan. It was Sahakyan, not SAS owner Sargsyan, who subsequently stood trial.

Thus, the Zibilix case, which had been closed under the previous government, was eventually brought to a verdict after the revolution. But Artak Sargsyan himself remained outside the judicial proceedings. This is particularly notable given the other cases in which his name had surfaced.

Sources: Azatutyun, February 4, 2019, court verdict; 168.am, June 19, 2018, reopening of the case; Armenpress, September 14, 2018, case materials; Armenpress, September 14, 2018, English-language version; Azatutyun, September 18, 2018, guilty pleas.; Armenpress, February 4, 2019, court verdict.

Artak of SAS and the FBI: Questions Over an “Incredibly Large Sum”

While the “Zibilix” case remained closed, in May 2018 the newspaper Past linked Artak Sargsyan’s name to alleged interest from the FBI. In an article published on May 17, citing an unnamed source, the newspaper claimed that Sargsyan had transferred an “incredibly large sum” to the United States and that this transaction had attracted the attention of American investigators. The newspaper did not disclose either the amount transferred or the recipient.

A week earlier, on May 10, Armenpress had published responses to its inquiries about the alleged arrival of FBI agents to investigate possible illegal capital transfers out of Armenia. Neither the US Embassy nor the

Prosecutor General's Office of Armenia directly denied that such a visit had taken place. However, the responses from the two institutions differed noticeably.

"Under our policy, we are not authorized to confirm, deny, or discuss information related to law enforcement investigations," the US Embassy said.

The Prosecutor General's Office responded differently: "The Prosecutor General's Office of the Republic of Armenia has no information about a visit by such a group for the stated purpose."

The embassy referred to its information-disclosure policy. The Prosecutor General's Office cited a lack of information.

We were also unable to find a public denial from Artak Sargsyan himself in the materials we reviewed.

Sources: Past, May 17, 2018, Artak Sargsyan and the FBI; Factor, May 17, 2018, report on the Past article; Armenpress, May 10, 2018, responses from the US Embassy and the Prosecutor General's Office.

Artak of SAS: From the RPA to Supporting Pashinyan

After the 2018 Velvet Revolution, Artak Sargsyan was among the Republican Party of Armenia (RPA) lawmakers who supported Nikol Pashinyan's rise to power.

On May 8, 2018, he voted alongside 12 other members of the RPA parliamentary faction to elect Pashinyan prime minister. This was not an independent rebellion against the party leadership: the RPA had officially decided to provide the necessary number of votes, even though the party itself opposed Pashinyan's candidacy.

On June 5, 2018, less than a month after the change of power, Sargsyan announced that he was leaving the RPA and its parliamentary faction. He explained his decision by citing the establishment of the new government and the change in the political situation, saying that he would continue working as an independent lawmaker. However, his statement contained neither criticism of Serzh Sargsyan nor an explicit declaration of support for Pashinyan.

Sargsyan became the fifth lawmaker to leave the RPA faction. However, the departures may have been driven by more than just a political shift. On June 6, ArmInfo, citing sources in RPA business circles, reported that Serzh Sargsyan had held an informal meeting with lawmakers amid inspections of businesses belonging to entrepreneurs linked to the party. According to the news agency, he had given businesspeople permission to leave the RPA if doing so served their interests.

By October 9, 2018, Artak Sargsyan, together with Samvel Aleksanyan and 12 other lawmakers, had signed a statement supporting Nikol Pashinyan's position on holding early parliamentary elections in December of that year.

The document explicitly stated: "We support Prime Minister Nikol Pashinyan's position on holding early parliamentary elections in December 2018."

Against the backdrop of these developments, Sargsyan's longstanding family connection with Sasun Mikaelyan also became particularly interesting. As a reminder, back in 2014, Zhoghovurd had described Mikaelyan as the godfather of two of the SAS owner's children. By the time of the revolution, Mikaelyan was already one of Pashinyan's political allies, and on April 6, 2018, he joined the My Step movement initiated by Pashinyan.

Did this longstanding family connection benefit the owner of SAS after the change of power? This question is particularly interesting in light of Sargsyan's subsequent relations with the new political leadership.

Thus, Sargsyan's political shift took place over the course of just a few months: in May, he voted for Pashinyan as part of an agreed RPA decision; in June, he left Serzh Sargsyan's party; and by October, he was publicly supporting the new prime minister's political initiative.

Sources: Armenpress, May 8, 2018, vote to elect Pashinyan; Radio Azatutyun, June 5, 2018, departure from the RPA; ArmInfo, June 6, 2018, lawmakers leaving the RPA; Asekose, October 9, 2018, support for early elections, Zhoghovurd, March 17, 2014, family connections;

NEWS.am, April 6, 2018, Sasun Mikaelyan and the My Step movement.

SAS and Charitable Programs: Multimillion-AMD Supplies Exempt from VAT

Meanwhile, SAS Group continued to appear in official decisions concerning supplies under charitable programs that provided for VAT exemptions.

On March 1, 2019, a decision by Armenia's Deputy Prime Minister approved a program run by the Orran charitable organization, which provided for the purchase of goods from SAS Group LLC worth 28 million drams, exempt from VAT, during 2019. Notably, the contract itself had been signed on December 18, 2017, before Pashinyan came to power.

On February 1, 2020, another decision by the Deputy Prime Minister once again included SAS Group supplies worth 28 million drams, exempt from VAT, in the Orran program.

In 2021, the value of purchases from SAS Group under the Orran program increased to 45.5 million drams, and in 2022 to 47 million drams.

At the same time, SAS Group was also cooperating with the Children of Armenia Fund (COAF). Under a Deputy Prime Minister's decision dated March 17, 2021, the company's supplies worth 5 million drams for the period from April to December 2021 were included in the list of transactions exempt from VAT. On June 24, 2022, the same arrangement was approved for another 5 million drams' worth of supplies for the period from June 1, 2022, to June 1, 2023. The arrangement was based on a contract dated January 17, 2020.

Thus, official documents record SAS Group's continued participation in charitable programs that provided

VAT exemptions for certain supplies. At the same time, after the change of government, the value of purchases from the company under the Orran program increased from 28 million to 47 million drams.

Kozern and Artak of SAS: Praise for the Businessman, Endless Trips from One Government Office to Another for His Neighbor

While SAS Group appeared in official decisions as a supplier for charitable programs, Norik Yepremyan, a resident of Yerevan's Kozern district, spent years trying to obtain something quite different from the state: protection of his rights in a dispute with Artak Sargsyan. After the revolution, he had new hope for justice. But, as it turned out, the change of government did not resolve his problem.

The story began back in 2005. Yepremyan claimed that Artak Sargsyan had built a huge mansion next door and appropriated two access roads, where a barbecue restaurant and a children's playground were subsequently built. A family of 11 was left practically cut off from the street: even ambulances and fire engines could not reach their home.

Yepremyan spoke of threats, beatings, and unsuccessful appeals to the president, the municipality, and the courts. In 2012, he published an open letter, and in 2015 he was still trying to have his rights restored.



The "Velvet" Revolution had taken place. And while a resident of Kozern was waiting for justice from the new government, its representatives were already praising the businesses of people from the inner circle of Armenia's former leadership.

On April 3, 2019, David Ananyan, Chairman of the State Revenue Committee, cited the businesses of Artak Sargsyan and Samvel Aleksanyan as examples of proper cash register receipt issuance. He also noted an increase in the tax payments made by Aleksanyan's companies.

Notably, on the same day, the newspaper Zhamanak reported that, according to its information, Sargsyan, Aleksanyan, and several other businesspeople linked to the former government had said they had paid the amounts demanded of them in connection with criminal cases, after which they were able to return to their businesses without hindrance.

On May 21, 2019, Norik Yepremyan once again sought protection, this time from Nikol Pashinyan. Handing the prime minister a letter, he complained that he had been unable to resolve the problem for 14 years and that officials under the new government were still sending him from one office to another.

Thus, 14 years later, a resident of Kozern was still seeking justice in his dispute with the owner of SAS. The revolution had changed the government but had not resolved his problem. And while Yepremyan was once again going from one government office to another, representatives of the new government were already holding up Sargsyan's business as an example to follow.

Sources: Aravot, August 29, 2012, Norik Yepremyan's letter; Hetq, August 29, 2012, "They Are Slowly Killing Us." ; Mamul.am, February 12, 2015, dispute over access roads; Aysor.am, May 21, 2019, appeal to Pashinyan; NEWS.am / Zhamanak, April 3, 2019, payments by businesspeople; Armtimes, April 3, 2019, statement by the head of the State Revenue Committee.

Artak Sargsyan and Pashinyan: The Price of a Seat at the Table of Power

While Norik Yepremyan continued seeking justice from the new government, Artak Sargsyan's business interests were developing quite differently in their relationship with charitable initiatives linked to the prime minister's family.

The 2018 change of government did not prevent the SAS business empire from continuing its operations and cooperation with charitable organizations. Moreover, as early as 2019, Artak Sargsyan's company became a partner of a foundation whose Board of Trustees was chaired by Anna Hakobyan, the wife of the new prime minister.

On May 7, 2019, the City of Smile Foundation publicly thanked SAS Sweet for donating 1,688,000 drams. The money came from sales of a special line of City of Smile cakes and pastries in February and March of that year. The foundation called SAS Sweet its "tasty partner."

However, the former RPA lawmaker's charitable activities raised some uncomfortable questions.

On May 27, 2019, Anna Hakobyan was asked about donations from Artak Sargsyan and Samvel Aleksanyan during a press conference. Journalists recalled that when Nikol Pashinyan was in opposition, he had criticized donations by businesspeople to foundations linked to the families of the country's leaders, viewing them as attempts to win the government's favor. Now, the same businesspeople were donating money to foundations associated with his wife.

Hakobyan rejected such comparisons, calling them a waste of time. According to her, the foundations were open to anyone willing to contribute, regardless of their past, and donations did not imply any special relationship with the government.

Two days later, on May 29, 2019, NEWS.am, citing the newspaper Zhamanak, published an account of journalists' conversation with Artak Sargsyan in Aparan. Asked what he was currently doing, the former lawmaker replied that he was finally able to focus on his business in peace and was experiencing no difficulties.

When a journalist remarked that, according to rumors, he had improved his relations with the new government, Sargsyan replied: “I have always had good relations with the new government.”

According to the journalists, after saying this, he embraced former Prosecutor General Aghvan Hovsepyan and businessman Samvel Aleksanyan. After the official part of the event, Aleksanyan and Sargsyan continued celebrating with residents of Aparan, dancing to traditional songs.



Thus, a year after leaving the RPA, Sargsyan said that he was doing business without any problems, faced no difficulties, and maintained good relations with the new government.

Source: NEWS.am, May 29, 2019, relations with the new government.

Terrazza: A Fight, Security Guards, and an Unexpected Witness

Yet just a week after stating that he was calmly going about his business and experiencing no difficulties, Artak Sargsyan's name once again appeared in the crime news.

On June 5, 2019, a fight broke out at the Terrazza restaurant in Yerevan. According to media reports, Sargsyan rushed out onto the terrace, shouting and calling for security. Police officers arrived shortly afterward. Reports also claimed that the former MP himself had been struck.

On June 8, a criminal case was opened under the article concerning hooliganism committed with the use of weapons or objects used as weapons.

But another participant in the story is also of interest: Aram Kocharyan, a Russian businessman of Armenian descent with a rather remarkable background.



Photo: Aram Kocharyan

As early as 2015, the newspaper Zhoghovurd described him as a presumed protégé of Serzh Sargsyan. Citing a report by Hraparak, the newspaper wrote that in 2011, underworld figures Andranik Soghoyan (Zap) and Gevorg Melkumyan (Gevorik of Oshakan) had attempted to take over part of Kocharyan's business. Kocharyan allegedly turned personally to Serzh Sargsyan for help, after which Sargsyan reportedly ordered that the extortionists be put behind bars.

According to the same newspaper, in 2013, a criminal case was opened against Kocharyan on suspicion of large-scale fraud. An arrest warrant was issued, and he was placed on a wanted list. However, the arrest and wanted-list decisions were soon overturned, and the case was dropped.

In 2014, the newspaper Iravunk linked Kocharyan's name to an alleged contract killing of Artur Safaryan, the brother of underworld figure Tevosik. The businessman filed a lawsuit seeking protection of his honor and dignity. In May 2015, the court partially upheld his claims, ordering the publication to issue a retraction and pay 500,000 drams in compensation. The newspaper appealed the ruling.

That same year, businessman Edik Movsisyan, director of the Movsisyan Natural Stone Processing Enterprise LLC, publicly accused Kocharyan of appropriating construction equipment worth approximately 60 million drams. According to Movsisyan, the police classified the incident as a civil dispute.

And so, in June 2019, this businessman found himself in the same company as Artak Sargsyan at the Terrazza restaurant.

In August 2019, Sargsyan was summoned for questioning. However, he subsequently refused to testify. Both Sargsyan and Kocharyan, along with four other witnesses, also refused to undergo forensic medical examinations, claiming that no incidents involving them had taken place.

By December, the investigation had still failed to establish the circumstances of the incident. No one had been charged.

Thus, a year after the Velvet Revolution, two businessmen whose names had been linked to the former authorities and Serzh Sargsyan's circle found themselves at the same restaurant. What did they have in common? And what happened at Terrazza, if security guards and the police were initially needed, only for witnesses to later claim that nothing had happened?

Sources: VERELQ, August 14, 2019, incident and criminal case; A1plus, investigation details; 168.am / Pastinfo, December 11, 2019, refusal to testify and undergo forensic examinations; Zhoghovurd, August 10, 2015, Kocharyan's case and connections; 1in.am, report on Kocharyan.

Artak of SAS and the "Fake News Factory": Naira Zohrabyan's Allegations

November 2020 was one of the most difficult political challenges for Nikol Pashinyan. Following Armenia's defeat in the 44-day war and the signing of the trilateral statement, mass protests broke out across the country, demanding his resignation. Against the backdrop of an intense confrontation between the government and the opposition, the question of who was supporting the prime minister, and by what means, took on particular significance.

It was during this period that Artak Sargsyan's name once again became the focus of political accusations.

On November 12, 2020, Naira Zohrabyan, a member of parliament from the Prosperous Armenia Party, publicly accused four major businesspeople of financing pro-government "fake news factories." The businessmen she named were Khachatur Sukiasyan, Samvel Aleksanyan, Vigen Badalyan, and Artak Sargsyan.

In a post on her Facebook page, Zohrabyan alleged that tens of thousands of fake accounts and dozens of pseudo-news websites were operating with these businesspeople's money, organizing campaigns against Nikol Pashinyan's opponents and inciting hatred in society.

"Remember their names," the lawmaker urged, describing the businessmen as financial backers of an information war waged against their own citizens.

On November 17, Zohrabyan issued another statement. According to her, two of the four business groups she had named had already stopped financing their respective "fake news factories." She also claimed that one of these networks was coordinated by Alen Simonyan, who was then a deputy speaker of parliament.

"For two and a half years, these people have been financing destruction, hostility, and hatred in Armenia," Zohrabyan declared, calling for them to be held accountable.

However, the lawmaker did not specify which of the four businesspeople had allegedly stopped providing funding.

The publications reviewed also contain no public response from Sargsyan to these allegations.

«Chinese Bodyguards": Whom Was Artak of SAS Protecting?

However, the allegations did not stop at financing an information campaign. Just a few days later, Artak Sargsyan's name surfaced again in connection with alleged support for Nikol Pashinyan. This time, the issue was not fake accounts but people involved in detaining opponents of the government.

On November 20, 2020, people wearing black uniforms with Chinese lettering, face masks, and none of the usual identifying insignia of the Armenian police were spotted during the dispersal of protesters. They took part in detaining demonstrators, including through the use of force.

The newspaper Hraparak reported suspicions that the masked individuals were not police officers at all, but bodyguards employed by major businesspeople and brought in to help suppress anti-government protests. Specific names were circulated on social media: Khachatur Sukiasyan, Samvel Aleksanyan, and Artak Sargsyan. It was alleged that the businessmen had sent their security personnel to assist the police as a show of support for Pashinyan.

On November 22, Artak Sargsyan publicly rejected the allegations, stating on his Facebook page that "lies and slander" were being spread about him.

The police also denied that outside individuals had taken part in dispersing the demonstrations. They explained the unusual uniforms by saying that police troops had returned from the war with their clothing in poor condition, and that there had not been enough time to add Armenian-language markings to the uniforms issued from storage.

But the story did not end there. On November 25, former National Security Service Director Artur Vanetsyan publicly stated that the individuals wearing uniforms with Chinese markings had no connection to the police and were instead representatives of criminal groups and oligarchs' security teams. In support of his suspicions, he pointed to the unprofessional conduct of those carrying out the detentions and the fact that some of them had beards.

Thus, the appearance of people in unusual uniforms during the dispersal of the protests was a real incident, not an invention.

What is noteworthy, however, is that such allegations were being made at all: two years after the revolution, the former Republican Party MP was already suspected of providing security support to a government that his former party was in opposition to.

Sources: Hraparak, November 12, 2020, Zohrabyan's allegations; Hraparak, November 20, 2020, unusual uniforms worn by security personnel; Hraparak, November 21, 2020, oligarchs' bodyguards; Sputnik Armenia, November 22, 2020, Sargsyan's denial; Panorama.am, November 25, 2020, Vanetsyan's statement; Sputnik Armenia, November 25, 2020, Kocharyan's comments.

Sources: Hraparak, November 12, 2020, Zohrabyan's allegations; Hraparak, November 20, 2020, unusual uniforms worn by security personnel; Hraparak, November 21, 2020, oligarchs' bodyguards; Sputnik Armenia, November 22, 2020, Sargsyan's denial; Panorama.am, November 25, 2020, Vanetsyan's statement; Sputnik Armenia, November 25, 2020, Kocharyan's comments.

Land Near the Water Park: Sons, a Nephew, and Millions Owed to SAS

While Artak Sargsyan's political standing shifted with changes in government, the family business continued expanding its portfolio of assets. One such project was a shopping complex at 38 Myasnikyan Avenue, near the Water World amusement park.

The history of the site dates back to 2000, when the company Luizas began the process of registering land that had previously been used for an auto repair business. But after the revolution, the next generation of the Sargsyan family came to the forefront.

On October 26, 2020, Artak's son, Tigran Sargsyan, became the sole owner of Luizas. His citizenship was subsequently listed as Vanuatu in registration documents. In 2022, his parents, Artak and Elvina Sargsyan, were granted the right to sign documents on his behalf.

Three more plots of land passed into equal shares in November 2020, according to inheritance documents, to Artak's sons, David and Tigran, and their cousin Samvel, the son of Aram Sargsyan. In 2024, the four plots, with a combined area of more than 7,300 square meters, were assigned a single address.

Under the new government, the project received a series of approvals: preliminary design permission was issued in 2021, followed by an architectural and planning assignment in April 2022 and, later, a positive environmental assessment. The plans called for a complex featuring a SAS supermarket, a food court, retail stores, offices, and an underground shelter designed to accommodate 600–650 people.

But the financial side of the project is particularly noteworthy. According to the 2024 audit, Luizas owed SAS Group 137.7 million drams in loans.

Thus, under the new government, the land assets were being registered in the names of the next generation of the family, the project was receiving the necessary approvals, and the family's construction company retained a financial connection with the operating SAS business.



Photo: Site of the planned shopping complex near the Water Park.

Sources: Hetq, May 9, 2023, shopping center near the Water Park; Ministry of Environment of Armenia, Luizas project; ARLIS, legal act; SAS Group, 2024 audit.

Artak of SAS's Offshore Companies: A Criminal Case, but No Formal Status for the Main Figure

While the family business continued expanding into new assets, an earlier story involving the Sargsyans' overseas companies took on a criminal-law dimension.

On April 29, 2022, the investigative outlet Hetq published an investigation based on the Pandora Papers, exposing the overseas business structures of former MP Artak Sargsyan and his brother Aram.

According to the journalists' findings, the brothers each owned a 50% stake in SADA Holding and Investment Inc., a company registered in the British Virgin Islands, through which they controlled the Cyprus-based SDA Trade Chain Group Limited. However, Artak Sargsyan did not disclose his stake in the offshore company in his asset declarations.

He also failed to declare his 50% stake in the US company SAS USA LLC. Before the 2012 parliamentary elections, Sargsyan himself had listed this stake in a declaration submitted to the Central Electoral Commission. However, the company subsequently disappeared from the documents he filed with the Commission on Ethics of High-Ranking Officials.

On May 2, 2022, the Prosecutor General's Office referred Hetq's publication to the Anti-Corruption Committee. On May 15, a criminal case was opened under Part 2 of Article 314.3 of Armenia's former Criminal Code. The provision concerned the alleged concealment, on a particularly large scale, of information about assets or income subject to mandatory declaration, involving amounts exceeding 1 million drams. It carried a prison sentence of two to four years.

On January 5, 2023, Hetq reported that the investigation was ongoing, but no one had been charged.

On July 9, 2024, the Prosecutor General's Office again confirmed that the preliminary investigation was continuing. However, a noteworthy detail emerged: Artak Sargsyan himself had no procedural status in the case—not even that of a witness, let alone a defendant. By that point, the investigation had been underway for more than two years.

More than four years have passed since the criminal case was opened. However, the latest information we have found about the investigation dates back to July 2024.

In other words, journalists identified overseas assets that, according to Hetq, had not been disclosed in parliamentary asset declarations. A criminal case was opened on the basis of their investigation, yet years later, the person whose declarations lay at the center of the story had not even been granted witness status.

Sources: Hetq, April 29, 2022, Pandora Papers investigation; Hetq, June 9, 2022, opening of the criminal case; Hetq, January 5, 2023, investigation with no charges filed; Hetq, July 9, 2024, response from the Prosecutor General's Office.

Sourcea: Hetq, April 29, 2022, Pandora Papers investigation; Hetq, June 9, 2022, opening of the criminal case; Hetq, January 5, 2023, investigation with no charges filed; Hetq, July 9, 2024, response from the Prosecutor General's Office.

SAS Expands as Overseas Companies Close: What Happened to the Assets?

While the Sargsyan family's undeclared overseas assets became the subject of a criminal investigation, the SAS retail chain in Armenia continued to expand.

SAS Food Court began operating in 2015, and the chain opened its eighth supermarket in 2017. By 2022, it had nine supermarkets; in 2023, the number reached ten. In 2024, the seventh SAS Food Court location opened.

The fate of the family's overseas companies, however, took a different turn.

Back in the fall of 2015, Aram Sargsyan sold his shares in the Armenian company Baldi CJSC to an unrelated buyer. In February 2016, the Russian company Baldi Russia was liquidated. In 2018, the Armenian Baldi CJSC was declared bankrupt, and it was liquidated in 2019. In May 2018, the Cyprus-based SDA Trade Chain Group Limited, through which the Sargsyan brothers had previously held overseas assets, also ceased to exist.

In December 2020, the ownership structure of the UK-based Baldi Retail Ltd changed: the British Virgin Islands company was removed from the ownership chain, making Yevgenia Tumasova, Artak Sargsyan's mother-in-law, the direct owner. However, according to Hetq's 2022 investigation, the Baldi stores in Armenia continued to be serviced by SAS Group itself.

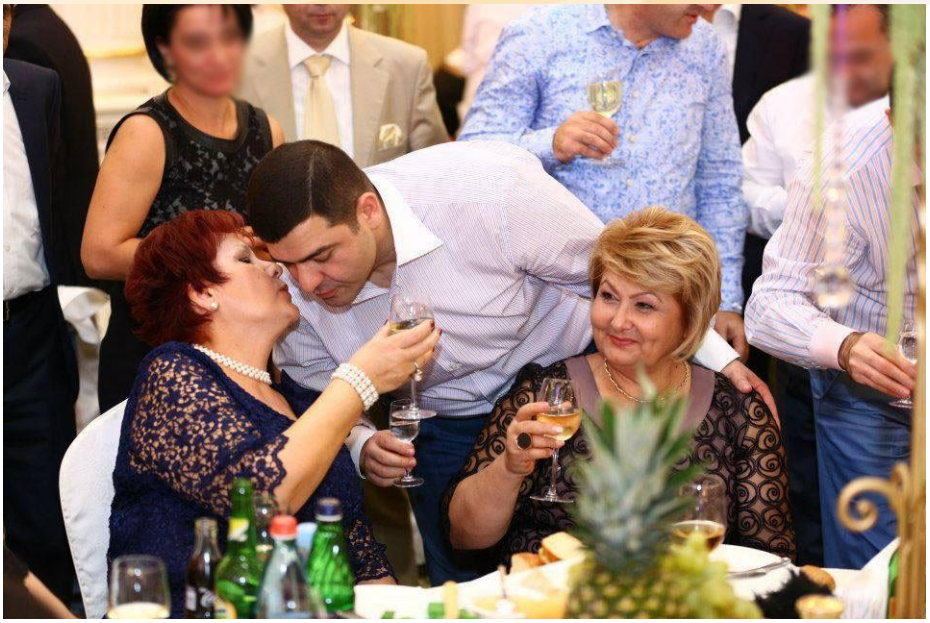


Photo: Artak Sargsyan and Yevgenia Tumasova (right).

In 2023, two more companies ceased to exist. According to the collected company registry extracts, the UK-based Baldi Retail Ltd was liquidated in April, followed by the US-based SAS USA LLC in June.

The fate of the latter is particularly noteworthy. In his 2012 pre-election declaration, Artak Sargsyan listed his 50% stake in SAS USA LLC. The company subsequently disappeared from his parliamentary asset declarations, becoming one of the issues examined in Hetq's investigation. Years later, the legal entity itself ceased to exist.

Another US-based entity, Baldi USA Inc., had previously had its corporate status restricted in California because of problems with mandatory reporting and tax compliance.

This leaves two parallel stories. In Armenia, the SAS business continued to grow, while the family's network of overseas legal entities gradually contracted. But what happened to the assets of the liquidated companies? Who took ownership of their property? Did the businesses themselves cease operating, or did only the legal structures through which they operated change?

Sources: Hetq, August 5, 2016, overseas companies; Hetq, April 29, 2022, Pandora Papers investigation; SAS Group, history of the retail chain.

Billions for the Family: What the SAS Audit Revealed

The Sargsyan family's overseas companies were ceasing to exist one after another. But an equally interesting story was unfolding within SAS Group itself. The company's 2024 financial statements, prepared with the involvement of Baker Tilly Armenia and signed in June 2025, reveal billions in dividend payments, interest-free loans to relatives, and an unexpected discrepancy in the composition of the company's controlling shareholders.

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INDEPENDENT AUDITOR'S REPORT

In 2023, the company reported revenue of 33.45 billion drams, compared with 32.30 billion in 2024. After posting a loss of 216 million drams in 2023, the company recorded a profit of 369.5 million in 2024. Its assets were valued at 37.90 billion drams at the end of 2024.

But the most interesting details concern dividends. Despite reporting a loss in 2023, the financial statements show dividend distributions to shareholders totaling 2.30 billion drams that year, followed by another 3.21 billion in 2024. That amounts to 5.51 billion drams over two years. Meanwhile, retained earnings at the end of 2024 were negative, standing at minus 1.58 billion drams. What sources were used to fund these distributions, and how did they affect the company's financial position?

Equally noteworthy are the interest-free, unsecured loans extended to family members.

At the end of 2024, Artak Sargsyan owed SAS Group 2.64 billion drams, down from 4.32 billion a year earlier. His brother Aram owed 2.50 billion, compared with 4.09 billion. Samvel Sargsyan's debt stood at 533.8 million drams, against 538.5 million in 2023.

Related companies also received loans amounting to billions of drams. At the end of 2024, Elizas owed SAS 2.81 billion drams, Sena-Arba owed 500.2 million, Rovil Trading 285.6 million, Riviera Retail 274 million, and Luizas 137.7 million. The lending relationship also worked in the opposite direction: Ilenia had extended loans to SAS Group, which owed it 429.3 million drams at the end of 2024, compared with 2.06 billion a year earlier.

These company names point to a network of family connections. According to corporate registration documents from various years, Elizas was linked to Artak's wife, Elvina, and the Sargsyan brothers; Elizas-1 was linked to Artak's son, David; and Sena-Arba was linked to Elvina. Other entities also appeared among the companies associated with the brothers.

At the same time, SAS Group itself carried substantial bank debt: 21.76 billion drams at the end of 2024, of which 17.62 billion was owed to Ardshinbank. Ameriabank and ACBA Bank were also listed among its creditors.

Perhaps the most unexpected discrepancy, however, concerns control of the company.

Section 1 of the audit report identifies Artak and Aram Sargsyan as the owners of SAS Group, each holding a 50% stake. However, Note 25.1 of the same document lists three controlling shareholders, each with an approximately 33.3% stake: Artak, Aram, and Artak's son, David Sargsyan.

Who actually controlled SAS Group at the end of 2024? And why does the same audit report identify two different ownership structures with incompatible distributions of shares?

Sources: SAS Group, 2024 audit, June 2025; State Register of Armenia, SAS Group shareholders; State Register, Elizas; State Register, Sena-Arba; State Register, Elizas-1.

From "Red Lines" to 71 Parking Spaces: SAS and Yerevan City Hall

SAS's multibillion-dram financial transactions are documented in its audit reports. But the family business's relationship with the city authorities has another dimension, one far more visible to ordinary Yerevan residents: who gets to control parking spaces on the city's streets?

As far back as November 7, 2013, the newspaper Zhoghovurd published an article titled "Do the 'Red Lines' Not Apply to Artak of SAS?" The journalists reported that drivers were being charged for parking near one of the SAS supermarkets. City Hall said it was unaware of what was happening and described the unauthorized collection of parking fees as extortion. The company's involvement in these activities was not established.

More than a decade later, the SAS parking issue acquired an official sequel.

On May 14, 2024, the Yerevan Council of Elders authorized SAS Group LLC to establish 36 designated service parking spaces near the chain's locations on Arshakunyats and Komitas avenues and Halabyan Street. At an annual rate of 300,000 drams per space, the calculated annual fee amounted to 10.8 million drams.

Even before the decision was adopted, Factor drew attention to the fact that the proposal, submitted by Mayor Tigran Avinyan, had been included among the agenda items that did not require a separate presentation. Meanwhile, parking by other vehicles in the designated areas was restricted around the clock.

On March 18, 2025, the city authorities extended SAS's right to operate designated service parking spaces, this time at ten locations, covering 71 parking spaces. The calculated annual fee for this number of spaces amounted to 21.3 million drams. Most of the parking areas imposed round-the-clock restrictions on other drivers, although exceptions were made for authorized users of certain buildings.

Planning documents for 2026 provided for an increase in the number of spaces near the SAS branch on Zoravar Andranik Street from three to four, potentially bringing the total to 72.

To be clear, this did not mean that public land was being transferred to SAS free of charge or that the company was acquiring ownership of it. SAS was granted the statutory right to establish designated service parking spaces in exchange for payment.

But the question remains: why are dozens of parking spaces on public streets being allocated to a private retail chain, with round-the-clock restrictions on other motorists? What criteria did City Hall use, and were comparable conditions offered to other retail chains?

In 2013, the press was asking whether parking regulations applied to SAS. In 2024–2025, the city authorities formally allocated dozens of designated spaces to the chain. The questions now concern not only the business itself, but also the principles governing the use of publicly accessible urban space.

Sources: Zhoghovurd, November 7, 2013, "Red Lines" and SAS; Factor, May 10, 2024, SAS parking proposal; Yerevan Council of Elders, May 14, 2024, Decision No. 143-A; Yerevan Council of Elders, March 18, 2025, Decision No. 306-A; Yerevan City Hall, proposal for 2026 .

Back at the Same Table: Artak of SAS and Pashinyan, Eight Years Later

On April 13, 2026, two months ahead of the parliamentary elections, Nikol Pashinyan held a working breakfast with representatives of big business. Among the roughly two dozen participants were former Republican Party of Armenia (RPA) MPs Artak Sargsyan and Samvel Aleksanyan.



Photo: Pashinyan's meeting with businesspeople in 2026.

Notably absent from the meeting were representatives of Samvel Karapetyan's Tashir Group and Gagik Tsarukyan's Multi Group, whose owners are political opponents of the prime minister. The government did not clarify whether they had even been invited. What was discussed after the cameras were turned off also remains unknown.

For Artak Sargsyan, the breakfast was a fairly logical continuation of his political career. In February 2017, Nikol Pashinyan had demanded explanations from him from the parliamentary podium over alleged pressure on SAS employees. Nine years later, the two were sitting at the same table. One had long since ceased to be an RPA MP; the other was heading the country's government.

Over those years, Armenia had experienced a revolution, a change of government, and shifting political alliances. But for Artak of SAS, it seems that the change in political leadership did not prevent him from maintaining ties with those in power. Meanwhile, the public grievances once raised against him gradually disappeared from the political agenda.

This also brings to mind an almost comical detail from Sargsyan's parliamentary career. During his five years as an MP, he never once addressed parliament from the podium. When he once tried to speak from his seat, his microphone failed.

Apparently, however, Artak of SAS had no trouble finding common ground with those in power without a microphone. Over time, it seems, the revolutionary government had simply lost its former insistence on demanding explanations from him.