



National Endowment for Democracy  
*Supporting freedom around the world*

## **Did NIAC defraud the Congressional funds?**

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Examination of NIAC's internal documents released during a defamation lawsuit suggests that this organization has violated the rules governing Congressional funds. NIAC's actions deserve a full congressional investigation.

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## **Executive Summary**

National Iranian American Council arranged to receive congressional appropriated funds from the National Endowment for Democracy (NED) and Eurasia Foundation to outreach and establish communication with the Iranian NGOs and advise them on capacity building and to cultivate a relationship between Iranian NGOs and international donors. .

NIAC received its first grant in 2002 and the last grant ended in late 2007 reaching more than \$200.000 of Congressional funds. NIAC was granted the funds to help the Iranian NGOs:

- To design and implement a two-day media training workshop in Iran for forty staff members from five civic groups.
- To launch a Farsi website “to advise local groups on capacity building and to cultivate relationships between Iranian NGOs and international donors.”
- To post a Farsi E-book on this website.
- Maintain the contact with the Iranian NGOs

Following a defamation lawsuit brought in 2008 some of the internal documents related to these projects have become available. Examination of official documents and NIAC’s internal memos, including email correspondence and grant programmatic and financial reports suggests that NIAC lied to NED about its accomplishments and used federal funds for non-grant related activities, thus violating many of the rules governing the use Congressional funds. As a non-profit tax exempt organization, NIAC’s program related activities and expenditures during a period of 2002-2007 deserve a full congressional investigation.

According to the government website [www.usaspending.gov](http://www.usaspending.gov), using federal grants for unjust enrichment, personal use, or other than their intended purpose is a form of theft that is subject to potential criminal and civil prosecution under federal law. The following are common indicators used to abuse and defraud federal funds:

1. Failure to perform the work specified in the grant award;
2. Failure to establish necessary fiscal controls on grant money;
3. Reporting false results on the work specified in the grant award;
4. Theft of grant money, or of property purchased with grant money;
5. Using grant money for any purpose other than that specified in the grant award.

NIAC internal documents indicate that it failed in almost all of the above mentioned indicators.



**1. Financial fraud:** NIAC's internal documents strongly suggest a pattern of abuse, deception and attempt to defraud the Congressional funds. Financial records suggest that NIAC charged NED for unjustified expenses, false pretexts and non-existent items. The Congressional funds were spent for NIAC's own activities that were not related to those stated in the grant. The review of the discovery documents suggests that NIAC's main concern was to get the funds from NED and EF at any price and under any pretext. For them, the Congressional fund was "a good source of income for them." While M. Mansouri who carried out the entire projects lived and worked full-time in California, (for another organization) NIAC charged NED for its Washington DC office rent. NIAC allowed Mansouri to keep the computer purchased with Congressional funds after the grant had ended. In another instance, NIAC used NED funds to purchase and send flowers for 12 persons who were among the host committee of NIAC fund raising committee, advertised as "anti-war" event. This report provides a detailed account of grant implementation, management and financial irregularities.

**2. Reporting false results on the work specified in the grant award:** NIAC intentionally misled NED about the project, grant activities and its impact. NIAC filed inaccurate reports to NED regarding projects success and outreach to the Iranian NGO's. NIAC decided to hide the truth from NED officials. NIAC on several occasions modified negative reports from the field and presented dynamic and positive picture of its unsatisfactory performance.

**3. Failure to perform the work specified in the grant award:** All of the funded projects were indeed trivial activities with no impact on Iranian NGOs. NIAC intentionally misled the NED about the projects and its impact.

**4. Collaboration with the Iranian regime:** NIAC's projects were approved and welcomed by the Iranian regime. For one project, the Iranian foreign ministry guided NIAC how to proceed and which partner it should choose.

- **NIAC's main partner in Iran was a false flag NGO created by the Iranian regime:** NIAC partner was Hamyaran, a quasi-governmental organization created, managed and controlled by the Iranian regime.
- **NIAC Lobbied the Congress to cut off the funds for independent Iranian NGOs:** While receiving NED and Eurasia Funds, NIAC and Trita Parsi lobbied the congress to stop appropriating other funds meant for dissident democratic movements and NGOs in Iran through non-NIAC channels. NIAC's lobby to cut these funds was directly guided by Hamyaran, its partner in Tehran with clear connection to the Iranian regime.

**Note:** I wrote this report after a meticulous review of NIAC's documents. This report reflects my belief and my own understanding that NIAC has violated the Congressional rules governing NED projects. I feel obliged to share my concerns with others. I welcome any suggestion and correction.



## **Background: NIAC's Projects funded by NED and Eurasia**

In 2002, NIAC received a [\\$25,000 grant](#) to organize a 2 day workshop for the Iranian NGOs in Tehran. The workshop took place in 2004.

In 2005, NIAC received its [second grant](#) (\$64,000) from NED "to develop and launch a website, Online NGO Resource Center, to strengthen organizational capacity of local groups in Iran and foster cooperation between Iranian NGOs, international NGOs and foreign funding institutions." The project started in April 2005.

A year later, another [\\$107,000 was granted](#) to NIAC to continue the outreach to the Iranian NGOs through the Farsi website and also organize a 12 day workshop for 7 Iranian NGOs in Turkey.

At the same time, NIAC received another \$71,500 from Eurasia Foundation in 2006 for the Farsi website. <http://www.eurasia.org/programs/grantsearch.aspx?txtKeyword=niac>

Part of the NED project (the workshop in Turkey) was cancelled and \$20,000 of funds was returned to NED. Overall, more than \$200,000 was paid to NIAC for the Farsi website and its outreach to the Iranian NGOs.

In late 2007, NIAC asked for additional fund for the extension of its project but NED denied their demand.

The 2002 grant was carried out in 2004. NIAC held a two days workshop in Tehran. The entire 2005-2007 projects were carried out by one single man, Mohammad Mansouri who was hired by NIAC. He continued to reside in CA and the majority of the time he worked for another organization (The HAND Foundation). He travelled one single time to Iran. The only deliverable (\$220,000 of Congressional money) of his performance was the launch of a Farsi website over a short period of time and the translation of an English book into Farsi which was gradually posted on this website. Trita Parsi received Mansouri's quarterly reports and altered them to paint a rosier performance picture, thus reporting false results on the work specified in the grant. For his reports, Parsi was paid monthly consulting fees.



## **Part One: Financial Fraud**

The review of Trita Parsi and Mansouri's communications shows that the 2005-2007 projects funded by NED and Eurasia foundation were limited to the activities of one single person, Mohammad Mansouri who was hired by NIAC as NGO consultant or project manager. He reported his activities to Trita Parsi and Parsi reported back to NED and EF.

The review of the discovery documents suggests that Parsi and Mansouri's main concern was to get the funds from NED and EF at any price and under any pretext. For them, the Congressional fund was "a good source of income for them."

Not only they tried to get money under false pretexts, they also intended to not return the unused funds. These private communications suggest a pattern of deception and attempt to defraud the Congressional funds.

Here are some of Mansouri and Trita Parsi's communications:

### **A: not returning the unused fund**

- **Discovery Document: Mansouri's email [Don't return the unused funds back to NED](#), 5.9.2006)**

"I will gather my receipts of the last 8 months and send it over soon. There are something like \$350 for the cell phone, less than \$100 for calling Tehran and maybe another \$250 for expenses such as internet connection, at the most. You have to find other ways to take care of the rest of it. It won't be a good idea to pay some money back to NED from the last year's budget."

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- **Discovery Document: NIAC's book keeper advised NIAC how to keep the unused fund and not return it to NED: ([Mansouri's email:5.9.2006](#))**



“The last thing that I can find is a portion of a collective bill (at my new place) that includes the Internet fee as well. I will do my best to collect those things tonight and send it over in another separate email either later tonight or tomorrow morning. However it only covers less than 20% of what is left.

Nahzi had some ideas about the rest of it as well. **She said that we can find relevant costs, get the money out and then donate it to NIAC again, which is much more better than let it go back to NED.** You can give her a call and she will explain what she means.”

- **Discovery Document: Mansouri’s deposition**

**Use it or lose it**

*Q. And you tell him, "I will gather my receipts of the last eight months and send it over soon. There are something like \$350 for the cell phone, less than \$100 for calling Tehran, and maybe another 250 for expenses such as Internet connection at the most. You have to find other ways to take care of the rest of it. It won't be a good idea to pay back some money from NED from last year's budget." Did I read that correctly?*

*Mansouri: Yes, sir.*

*Q. And those are words that you said to Trita Parsi in May 2006?*

*Mansouri: That is correct.*

*Q. Which would suggest that you hadn't sent him any receipts for reimbursement in the prior eight months to this e-mail?*

*Mansouri: Apparently, I had forgotten to. That is what it says.*

*Q. Why would you say it won't be a good idea to pay some money from the NED from last year's budget?*

*Mansouri: If you have ever been working on a grant, you would know that it is not a good idea to let the budget go back. That is a common --*

*Q. Use it or lose it, right?*

*Mansouri: That is the meaning of the budget.*



## **B: NIAC viewed the NED fund as a good source of income**

**Discovery Document:** [Mansouri's email "We nailed down NED, 3.17.2006"](#)

"Wow!

I got your message. I'm happy to hear that we nailed down NED and hope to get the other 70K so that we can run this for a while."

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- **Mansouri to Parsi: Go for 12k increments. It's psychologically more understandable like 1000 per month**

**Discovery Document:** [Email exchange between Parsi and Mansouri](#)

*Trita Parsi:*

"Mohammad jon, let's talk per phone tomorrow. Unfortunately, as I explained earlier, your salary is 60 - 72 is the budget, i.e. that includes taxes as well as benefits. Perhaps we should change the EF budget asap before they show the board?"

*Mansouri:*

"You are right, maybe we should give EF a try. Again my suggestion is go for 12k increments. It's psychologically more understandable like 1000 per month. This usually works better if we approach people (individual donors). It would be very good if we raise it up to 96K. However, do not worry yourself at all. We do our best and see what might come out of it. Even if nothing works out, there will be always other sources to tap and other things to do."

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- **Find another pretext to ask for money:**



Mansouri and Parsi try to charge NED for a training course for Mansouri. They fear that such item in the spending report could seem strange and unjustified to NED. Mansouri suggests that they get this money under another item.

**Discovery Document:** [Mansouri's email "Ask for money under different description, 1.12.2006"](#)

*Parsi:*

“How much would a course there cost? I am wondering if we could get it, into the budget. It might look strange. but do look into it.”

*Mansouri:*

“I totally agree with you; it looks strange to request such a thing. However, you might be able to add a reasonable amount of money by the title of "capacity building" or alike and increase the total amount of the grant. The more total among is, the more credit goes to NIAC and all of us. This will lead us to even a better situation in the future.”

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**C: NED funds were spent for NIAC's other activities not related to NGO projects.**

Mansouri, the man who carried out the entire project lived and worked in California but NIAC charged the NED for its office rent in Washington, postage, office supply ....

**Discovery Document: Mansouri's deposition:**

*Q. To be clear, at any point in time for either of the two projects, did you have office space at NIAC's offices?*

*A: Not at all. I have visited them during those two last years that I worked because I was coming for meetings. We had a short meeting in the office and going to, you know, our meeting to somewhere else, but I never ever had a place in their office.*



*Q. If you could look on Page 3 under "Postage and Delivery," there are a lot of entries there in nice round even numbers for postage meter to 1214, postage meter to 119 --*

*A. Yes.*

*Q. -- \$100, \$100, postage meter to 26, that is in 2006 for \$450. \*\*\*\*\**

*A. Yes.*

*Q. Let me ask you this: Were you mailing anything to anybody in Iran?*

*A. No.*

*Q. Was NIAC mailing anything to anyone in Iran for this project?*

*A. Not that I know of.*

*Q. The payments are in nice round even numbers, which is kind of unusual for postage, and they are payable to NIAC. Do you see that?*

*A. Yes, sir.*

*Q. My question for you is: Do you have any idea what NIAC was mailing and charging to the NED account in 2006?*

*A. Not at all.*

**While Mansouri, the NGO manager who carried out the entire project lived and worked in CA, NIAC used the NED money for its office expenses in Washington:**

**Discovery Document: Mansouri resided in CA [Mansouri's email](#) , 8.27.2005**

“Trita jaan,

I am not planning to come back to Washington DC any time soon. But there is nothing to be worried about. I can conduct my responsibilities from anywhere as long as I have access to the internet and telephone! And if for any reason, it was absolutely necessary for me to be in DC or NY or anywhere else, I can arrange to be there as long as I have been given ample notice.”



**Discovery Document: Mansouri worked for another organization in CA [Mansouri's email](#)**

“From: Mohammad Mansouri [mailto:mmansouri@niacouncil.org]

Sent: Tuesday, February 28, 2006 8:39 PM

To: Trita Parsi

Subject: RE: salaam

Well, I can commit myself to work between 35 to 40 hours per week on this project if it pays me around the same \$5000 we planned for. Right now, I work 35 hours per week for the HAND. I will either drop it all together or reduce it to something like 15 hours per week, which makes it possible to handle for me (I mean working like 50 to 60 hours per week). Also, it is only an average I imagine for myself. In fact, I have to travel twice for out new project and each one of them is going to take about 1 month. Therefore, I really don't think that Noosheen accepts the way I want to continue with her; we have to wait and see what her reaction will be.”

**NIAC used NED fund for its Washington office rent**

**Discovery Document: [Trita parsi's email to NIAC board members](#), 11.30.2005)**

“A proposal is also being written to renew our NED grant. They gave us 64k last year, and we hope to get more this year. This money has essentially covered our office expenses this year, and proved to be crucial for our survival.”

Overall, NIAC charged NED \$31500 for its Washington DC office rent:

**Discovery Document “[Report from N.I.A.C..pdf2](#)”**

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- **Mansouri and Parsi looked at the NED fund as a good source of income**

**Discovery Document:** [Mansouri's email: Good source of income for all of us,](#)  
**7.4.2007 – 1.17**

“Regarding NED, I think we should apply for another grant. Something different than EF but somehow related. It can be a source of income for NIAC and maybe all of us.”

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- **Buying flower with NED money for a NIAC anti-war fundraising**

NIAC's NED related projects were officially terminated in September 2007. However, NIAC's internal document show that NED's remaining money was spent as far as April 2008, for items totally unrelated to NGO projects.

For example, \$1230 was spent to buy flowers for a NIAC fundraising event in California. The documents show that NIAC used the money from NED account to send flowers to a dozen of persons who were among the host committee of a NIAC fundraising, advertised as “anti war” event. The money raised during this event helped NIAC's lobby activity in the Congres. The event was unrelated to NED projects and was held in 2008, well after the termination of NED projects.

- Purchase of flowers for 12 persons. We find the names of persons who received flowers

**Discovery Document:** [“Report from N.I.A.C. 17”](#)

- *Here is the NIAC fundraising. We find the same names listed as the host committee members*

**Discovery Document,** [NIAC fundraising in CA](#)



Apr. 24,  
2010

Did NIAC defraud the Congressional funds?

1:13 PM  
11/09/09  
Cash Basis

**N.I.A.C.**  
**NIAC/NGO Resources Account - Citibank 5111**  
**All-Transactions**

Type	Date	Num	Name	Memo	Split	Paid Amount	Balance
Check	3/4/2008		Bank Card / Debit Card	FTD.com (Soudabeh Hodjatz...	Fundraising Program's Expense	-78.08	585.21
Check	3/4/2008		Bank Card / Debit Card	FTD.com (Shadrooz Kianouri)	Fundraising Program's Expense	-78.08	506.23
Check	3/4/2008		Bank Card / Debit Card	FTD.com (Ali Golchin)	Fundraising Program's Expense	-78.08	427.25
Check	3/4/2008		Bank Card / Debit Card	FTD.com (Behrouz Salehian)	Fundraising Program's Expense	-78.08	348.27
Check	3/4/2008		Bank Card / Debit Card	FTD.com (Melahat Rafiei)	Fundraising Program's Expense	-78.08	269.29
Check	3/4/2008		Bank Card / Debit Card	FTD.com (Mehdi Shahveissi)	Fundraising Program's Expense	-63.98	205.31
Check	3/4/2008		Bank Card / Debit Card	FTD.com (Mike Chegini)	Fundraising Program's Expense	-63.98	141.33
Check	3/10/2008		Bank Charges	Acct Analysis Dir Deb	Bank Service Charges	-10.00	131.33
Check	4/8/2008		Transfer of Funds	\$ Trmfr 2 Citi 9355 \$ Closed ...	Transfer Funds	-131.33	0.00
Total Citibank 5111 (NGO Resources)						0.00	0.00
<b>TOTAL</b>						<b>0.00</b>	<b>0.00</b>

Flowers charged to NED account after the fund period!

National Iranian American Council (NIAC) - No US-Iran War Fundraiser in Palos Verdes - Internet Explorer provided by

http://74.125.155.132/search?q=cache:g51g0VXYd0s:www.niacouncil.org/index.php%3Foption%3Dcom\_content%26task%3Dview%26id%3D1025%26Itemid%3D

National Iranian American Council (NIAC) - No U...

## NIAC Fundraiser in Palos Verdes, CA

*To honor lawmakers opposing war with Iran and to support NIAC's efforts to find a peaceful solution to the US-Iran dispute*

**Where:** Palos Verdes, CA (details to follow)  
**When:** Saturday, February 23, 2008  
**Time:** 5:00 pm

**Tickets:** \$120 per person (\$100 is tax-deductible)

*Cocktails and Dinner*

**Speakers**

Members of Congress Opposing War with Iran  
[Reza Aslan](#)  
[Dr. Trita Parsi](#)

**Special Guest**

[Maz Jobrani](#)

**NIAC Los Angeles Board Members**  
Prof. Mohamad Navab, Marsha H. Ershaghi, Dr. Hossein Hosseini

**Host Committee:**

Hossein Ataei	Mike Chegini
David Najafi	Shahri Estakhry
Soudabeh Hodjatzadeh	Ali Golchin
Shadrooz Kianouri	Behrouz Salehian
Melahat Rafiei	Mehdi Shahveissi
Dr. Shahrzad Sami-Sadeghi	Habib Sadeghi

Financial fraude and... NIAC Fundraising - ... National Iranian Am... Microsoft PowerPoi...

EN 10:39 AM



## **Part 2: Filing False Reports and misleading NED officials**

### **Reporting false results on the work specified in the grant award: NIAC misled NED officials about its outreach to the Iranian NGOs**

NIAC intentionally misled NED about the project, grant activities and its impact. NIAC filed inaccurate reports to NED regarding projects success and outreach to the Iranian NGO's. NIAC decided to hide the truth from NED officials. NIAC on several occasions modified negative reports from the field and presented dynamic and positive picture of its unsatisfactory performance.

The 2005-2007 projects were initially approved to establish communication with the Iranian NGOs:

#### **Discovery Document: [“NED Version - National Iranian American Council – FINISHED](#)**

“The main purpose of the website is to advise local groups on capacity building and to cultivate relationships between Iranian NGOs and international donors. To meet this end, the resource expert will correspond by phone and by e-mail with local groups on capacity building, project development and proposal writing issues. NIAC will also circulate an electronic Persian-language monthly newsletter to local groups on resource material updates, new funding opportunities and upcoming training activities... NIAC will also hire a Persian-English speaking resource expert to advise local groups on project development, proposal writing and foreign donor relations.”

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Regarding project's success and the outreach to the Iranian NGOs, there is a sharp contrast between the positive reports submitted by Trita Parsi to NED from one hand and the content of private communications between him and M. Mansouri on the other hand.

A good example is the impact of the Farsi website. NIAC projected that the Iranian NGOs will register with the website and it will create a database of these NGOs.

In reality, no NGO ever registered. NED continued to ask the name of these registered NGOs and NIAC continued to mislead the NED official.



**Mansouri advised Parsi to hide the truth from NED officials.**

**NED official email question: (11.18.2005)**

“I would love to hear about your resource expert. Has s/he been receiving inquiries from local NGOs in Iran? Is there enough demand? Do they have to call US to get his/her advise or does s/he have a local line?”

**Mansouri’s email responding to Parsi about list of Iranian NGOs, 11.18.2005**

“If you mean the list of NGOs that have been registered with us. I believe Sean might have the complete list. I don't know how to retrieve data about them from the site. However, I don't suggest to give them that. First of all, there are only 30 to 40 people that most of them have not mentioned the name of the NGO they are working for.”

And finally if you would like to have the list of NGOs I sent the invitation and introduction to our site. It is attached to this email (directory 2.xls). But as far as I remember they are mostly diaspora-based NGOs that I approached so that they can spread the word and join us themselves. I got several "thank you very much", "what a wonderful site!" "what an interesting educational center!" and so on and so forth comments from them and that was it.

**Document: Parsi’s email to NED 11.18.2005**

“Yes, we have received quite a few inquiries from various NGOs in Iran, but they haven’t been very keen on posting it on the forum openly though.”

Again, Parsi asks Mansouri and Mansouri responds

**Email exchange between Parsi and Mansouri**

Trita Parsi:

“Thanks. Don't we have a list of NGOs in Iran that you have been in contact with?”

Mansouri:

“Well, there are not many of them. Just few of people who ever contacted me mentioned the name of a NGO. They were mostly those who wanted to establish one or didn't want to talk about their NGOs! The only few ones who mentioned the name of their NGO, were looking for possible funding. I don't think it is a good strategy to give out this list to NED.



**NED persists and Parsi asks Mansouri again:**

**Document: [Parsi's email: 2.6.06](#)**

“How many NGOs have you been in contact with by now? How big is our own database?”

**Document: [Mansouri's email \(2.6 .2006\)](#)**

“Unfortunately, not so many NGOs have been in touch with us through our website. At least, not as many as we anticipated. The total number of NGOs that either registered with us, sent emails, asked questions, and simple sent some simple notes are not more than 40 as I mentioned in my previous email.”

An example of Parsi's false report to NED presenting a dynamic and positive relation with the Iranian NGOs:

**Document:” [Report to NED, 20060131](#)”**

“Third, outreach to Iranian NGOs has continued at an increasing pace. Web-advertisement has increased and we have targeted the three most popular Iranian websites – Payvand.com, Iranian.com, and Gooya.com.

Overall, as the website has become more known among Iranian NGOs, the flow of inquiries and emails has increased noticeably.

Dr. Mansouri has continued to advise and answer the questions sent to the Center by various Iranian NGOs. Though most questions pertain to funding.”

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**[Mansouri's deposition:](#)**

**No NGO registered, None**

A. We were under this belief and understanding that NGOs are going to come register with us online, and then we can have database of the active NGOs in the - you know, in Iran, but it was not the way it happened. People didn't register. All of the e-mails that we had was personal. Nobody mentioned any name of any organization. Even those that I contacted after getting to know them with their telephone number, they were just solicitors. They thought that we might have



some grants, and they didn't understand that it was just an educational site. So that is the list that we are talking about here.

Q. I understand that. But to continue with the e-mail chain, then, he reasks you on November 19th, "Thanks. Don't we have a list of NGOs in Iran that you have been in contact with," correct?

A. Yes. Then my answer.

Q. And your answer is, "Sorry for the belated e-mail. I didn't check my e-mails this weekend. Well, there are not too many of them, just few of people whoever contacted me mentioned the name of NGO." You go on to state that they didn't want to talk about their NGOs or were looking for funding, and you end that message by saying, "I don't think it is a good strategy to give out this list to NED," correct?

Q. Both NED and Dr. Parsi seemed to be asking for the names of these NGOs, correct?

A. Right.

Q. And it is you that says "I don't think it is a good strategy to give out this list to the NED," right?

A. This is totally a different thing. The list of NGOs here actually was public. They were supposed to go and register, and it was a Wiki based site. I don't know if this website exists there anymore or not.

Q. Let me ask it this way: If it was public, why do you think it was not a good idea to give it to NED who is being funded by the federal government?

A. I thought that they have access to it, and there was no name there. There was no name as registered, so Trita Parsi was asking is there anyone you are in touch with, and they don't themselves, and I am saying that there are none. There are some of them just names, personal people contacted. I had a couple of names that are not in Teheran, they were some NGOs working on helping like people with handicaps in different places, and they were actually asking for money. They thought that we have money to offer, could you help us with such and such, we are going to establish a new building or something.

Q. So what you are saying is that the information is public, but there wasn't anything in there?



A. That is true. That is correct.

Q. Why didn't you want to give that information to the NED again? I will repeat the question. If it was public, and the list was empty, why did you say in your e-mail to Trita Parsi that it wasn't a good idea to tell the NED that?

A. Yes. The list was not empty because there were some communications between me and those NGO people. He was asking for particular names. I didn't have many like first name, last name; I didn't know who they are. I did not believe that they were right or wrong. Some of them, the questions, as I said again, it is public. Probably we can check it again. These people were asking about – like they were asking questions that I was thinking that they are even NGOs in Diaspora not in Iran.

Most were asking for money out of two or three NGOs that I know I thought it was not good to give these names. It is not like something supportive of the project.

Q. You mean it wouldn't look good is what you were concerned about?

A. Yes.

Q. They were giving you a lot of money, and if you didn't have many names in there, that wouldn't look good?

A. I didn't know how much money they were giving us, but I think I was thinking it did not look good.

### **Newsletter that was never made!**

As part of either of NED grants NIAC has proposed to put together a newsletter to inform Iranian NGOs about grant opportunities and relevant news. But as Mansouri admits “it was not done.” However, as we shall see later, Trita falsely reported development of a Newsletter which was sent to Iranian NGO's

### **Mansouri's deposition**

Q. As part of either of these NED grants, was NIAC supposed to put together a newsletter?



A. I recall that we discussed it like having a newsletter and sending news related to grants or news related to the list of our registered NGOs, but I don't think we were able to do it. I don't know if it was one part of the scope or not at all, but I have, again, a very vague memory of that newsletter thing.

Q: you do not recall any newsletters done as part of the project?

A. It was not done.

Q. And they had inquiries about, for example, where are the newsletters, and I believe you told us no?

A. We never went through a newsletter, and the major reason was that they were not so many NGOs registered, so it is worth it to send a newsletter.

#### **NIAC lying to NED about the newsletter:**

(email: [Lie about Newsletter.htm](#))

Due to our technical problems with the pattern of our website which give us great capabilities to post texts on permanent basis, it was not technically easy to form a newsletter alongside the eBook. Therefore, I started forming an NGO newsletter and sending it through the "Iran NGO News (INN)" to many Iranian NGOs. INN is a group composed of Iranian NGOs that share their news and events through this group that is moderated by the House of Culture and Sustainable Development; I came across them through my researches on and about how we can form a newsletter for center. This will be the best way to distribute our newsletter until the technical issue is resolved.

#### **Parsi lied about newsletter:**

Discovery document: Email: Parsi lies about newsletter, 2.22.2006 [Report to NED](#)

“The following deliverables are currently being developed:

- Translation of grant submission processes of foundations supportive of NGO activities in Iran.
- Monthly newsletter in Persian with updates on grant opportunities, new capacity building documents and upcoming seminars and workshops



### **Part 3: NIAC's coordination with the Iranian government**

- *NIAC coordinated its project with Iranian government*
- *Iranian government asked NIAC to partner with Hamyaran*
- *“Hamyaran” is an umbrella organization created by the Iranian regime*
- *Hamyaran was led by two persons: Baquer namazi and Hossein Malekafzali*
- *Malekafzali was deputy minister for 18 years till 2008*
- *Namazi helped NIAC to create a lobby group in US to remove sanctions against Iran*
- *Namazi coordinated a lobby by NIAC to cut funds by US government destined to independent Iranian NGO*



## **A: Background on Hamyaran and Baquer Namazi**

- **1998: Baquer Namazi and the Iranian government created Hamyaran**

*In 1998 the Iranian government created a showcase of several Non Governmental Organizations (NGOs) under one umbrella organization called Hamyaran. Hamyaran, was the outcome of a conference of three sectors. The first sector, according to the conference outcomes report was deputy ministers and representatives of several Iranian ministries and the Iranian parliament. The second sector was Iranian “non-governmental organizations” headed by Hossein Malek Afzali, (an influential deputy minister himself!) The third group, according to the report, was International organizations’ representatives (including United Nations). This conference of the mostly Iranian government agents decided that a new umbrella NGO will manage, coordinate and represent the showcase Iranian NGOs. This umbrella organization was called “Iran NGO Initiative” (INI) that since 2000 is called Hamyaran.*

*Baquer namazi and Malekafzali (deputy minister) have led this organization.*

- **Document:** [Power Point Hamyaran \(prepared by Hassan Dai\)](#)
  - **Documents:** [IDS-HAMYARAN ILD” \(prepared by Baquer Namazi\)](#)
- 

- **2001: Trita Parsi coordinated with Baquer Namazi to create a lobby group in Washington**

*(Document. Memorandum prepared by trita Parsi)*

*[“Conference call Parsi with Abbas Edalat, ....\)](#)*

*Subject: Creation of a lobby organization to remove sanctions against Iran*

- **March 2002, Iranian foreign ministry specified the role of Hamyaran**

*(Document recovered from Hamyaran’s website through “Web archive”)*

Under the supervision of the government, Hamyaran was also charged with creating communication channels with the Iranians living in the US.



Hamyaran's report of one of their meeting in the "ministry of foreign affairs"

- *"Representatives of four entities reviewed the grounds for mutual cooperation in the area of strengthening the ties between the Iranian Expatriates and corresponding agencies in Iran with specific emphasis on the role of NGOs in this process.*
- *An overall agreement was reached on the nature of cooperation between the Government Agencies, International Agencies, and concerned Iranian NGOs both domestic and abroad.*
- *Workshops on specific topics related to the Iranian Expatriates and the "International Conference on the Role of Iranian Expatriates" were considered as immediate action plans."*



- **November 2003: Namazi's speech: Government encourages the expatriates to work with NGOs in Iran**

**Document: [Namazi's speech in Washington](#)**

*Namazi: "Despite impediments, there are ample opportunities for expanding NGO activities, assisted by the progressive forces in the government and a special section in the fourth plan that encourages expansion of civil society movements. Mr. Namazi said there are many opportunities for expatriate Iranians to get involved in NGO activities both in Tehran and in the provinces. Expatriate Iranians can act as "bridges" between the host countries and their native Iran"*



- 2003: [Namazi interview confirming government's involvement](#)

“... At present the new policies of the Foreign Ministry have a more facilitating role and direct cooperation of Iranian NGOs with international counterparts is smoother and easier. We invite government officials to participate, and several have come to do so. The government's professional staff has welcomed such initiatives. ... To come back to the question of the Iranian expatriates, the Foreign Ministry has been encouraging us to reach out to the Iranian experts in the Diaspora, either individually, or in a more institutionalized form such as through Iranians working at the World Bank. So in terms of policy, the trend is becoming more positive, and the regulations are being made easier, there is verbal encouragement, but there are also the banal problems such as getting visas et cetera. But generally the government is positive towards the NGOs networking with the expatriate professional Iranians who are working in Europe and in America”

## **B: Collaboration between NIAC and Hamyaran**

- **May 2002: NIAC [received](#) its first NED grant to work with Iranian NGOs in Tehran**

**NED website:** “To design and implement a two-day media training workshop in Iran for forty staff members from five civic groups. The training will cover public education and outreach, video production, script writing, and graphics usage, and will help the Council gauge participants' general receptiveness to civic activities. Participants will also be trained in project development and proposal writing and will be encouraged to identify their needs, develop a public message, and outline an appropriate publicity campaign.”

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- **2002-2003: NIAC approached the Iranian government and the foreign ministry instructed NIAC to partner with “Hamyaran”**

**Discovery document:** NIAC report to NED: “[FinalReportHGDF](#)”



“During 2002 and 2003, NIAC established communications with Iranian NGOs and worked to lay the groundwork for partnership on this project. NIAC also met with Iranian government officials who provided information about official channels to carry out the project. In the Fall of 2003, NIAC met with the Executive Director of Hamyaran, Baquer Namazi, in Washington D.C. and agreed that the two organizations would begin collaboration on NGO capacity-building and human exchange, starting with the visual media workshop...

Hamyaran provided a letter of invitation for NIAC representatives to carry with them to Iran, specifically stating that NIAC would be partnering with Hamyaran to conduct a workshop for Iranian NGOs. After receiving specific instructions and workshop materials from NIAC, Hamyaran organized the event in Iran, including its communications with NGOs, publicizing the event, translating and producing the documents needed for the workshop, as well as providing for the venue and refreshments during the two-day workshop. NIAC and Hamyaran worked together to assemble the required technical equipment, including digital cameras, laptops, and software. Hamyaran provided some basic equipment, while the more sophisticated equipment was provided by NIAC.

- **Discovery document: “[Periodic Report to National Endowment for Democracy](#)”**

“In December 2002, NIAC’s project manager, Ms. Banafsheh Keynoush, traveled to Iran to conduct an independent research on NGOs in Iran... While in Tehran, Banafsheh met with two important groups. The first was a meeting with Iran’s Foreign Ministry official in charge of environmental activities, Mr. Tekieh Sadat. During the meeting, Mr. Sadat explained the official channel an outside NGO could use to work in Iran. In order to follow official channels, NIAC needs an invitation from a local NGO partner. The partner would send a request to the Foreign Ministry inviting NIAC, and explaining the purpose of NIAC’s project. The Foreign Ministry will approve the invitation provided it is satisfied with the nature of the invitation including the project.

Banafsheh’s second meeting in Tehran was with an NGO called Hamyaran Ghadah (HG). HG is run by Mr. Baquer Namazi, and it is an umbrella NGO in charge of building coalitions among Iranian NGOs and capacity building for the NGO community.



**Using official channels:** NIAC will contact the Iranian Interest Section in Washington DC. NIAC already has good contacts with the head of the interest section, Mr. Jazini and his assistant, Dr. Mehrabadi. The purpose is to get their feedback on the best course of action to take. NIAC will then contact Mr. Sadat at the Iranian Foreign Ministry and send a fax through him to the head of the Department for International and Economic Affairs at the Ministry. The department is in charge of regulating contacts between Iranian NGOs and their counterparts abroad. NIAC also knows the Iranian Ambassador to the United Nations, Dr. Javad Zarif due to personal contacts between Dr. Zarif and NIAC's Acting President, Trita Parsi, and Banafsheh Keynoush. Banafsheh and Hadi also met with Ambassador Zarif in New York on January 24, 2003 at a reception organized to explore ways of working with NGOs in Iran. The meeting was very positive and Ambassador Zarif mentioned Iran's interest in working with outside groups but cautioned that Iran's political circumstances must be considered in all such activities.

- **NIAC's communications with Iranian foreign Ministry**

*Discovery document: [Parsi and Ghaemi's timesheet: "nedtp](#)*

*Timesheet by Parsi and Hadi Ghaemi (NIAC board member) shows 4 hours of communication with Iranian foreign ministry*

- **2005-2007: NIAC received additional funds from NED and EF to work with Iranian NGOs**

**Hamyaran was again NIAC's partner:**

*Discovery document: "[NED Draft 20050212](#)"*

"NIAC will promote the website to Iranian based NGOs through the NGO umbrella organization Hamyaran – who will disseminate the project's goals and features to the NGO community in Iran."



**C: NIAC's other partner in Tehran was the "Science and Arts Foundation" (SAF)  
This foundation's president is Haeri Yazdi, a high government official**

*Discovery document:* [Mansouri's email, 2.26.2006, SAF connection](#))

"As for more contact with Iranian NGOs, I was able to talk to Dr. Tabesh and his wife Ms. Momeni who are the directors of SAF and they said they will do their best to make an effective connection with many Iranian NGOs and will help me to go through the interview with them while I am in Iran."

**About SAF:**

*SAF's president in Iran has been Mohammad Reza Haeri Yazdi, a high governmental official.*

*SAF website* <http://www.science-arts.org/src/story/index.htm>

*Haeri Yazdi is a high government official and the "General Director for Research, Ministry of Industry in Iran".* <http://www.magfa.com/pages.asp?pgName>AboutUs>

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**D: Baquer Namazi helps NIAC's lobby to end the Democracy Fund**

*A letter is drafted in January 2008 by Namazi in Tehran and sent to Trita Parsi. Together, they start to collect signatures. In this letter, they ask the end of "Democracy Fund" and support to the independent Iranian NGOs.*

*Discovery document:* [Namazi's email](#)

*Discovery document:* [Namazi's letter \(draft\)](#)

- *Parsi sent the draft to NIAC's employee and asked them to use it in their lobby*

*Discovery document:* [Parsi's email to NIAC's chief lobbyist Emily Blout](#)

*Parsi wrote: "this addresses teh 75 million"*



\*\*\*\*\*

- **July 2008: Namazi sent the final draft of the letter to Parsi and asked him to lobby the Congress**

**Discovery document: [Namazi's email to Parsi](#)**

**Baquer Namazi wrote to Parsi:**

Dear Trita,  
 Tks for positive feedback on above message and for posting on NIAC's web. I could not find it. Could you assist. It was posted on gulf2000 and CASMII webs. Your advice and assistance to get it to Congress and to US media and academics and to Iran-American community would be highly appreciated.  
 Best wishes  
 Baquer

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**Discovery document: [The final draft of Namazi's letter, with signatures](#)**

**Discovery document: [Namazi's email to Gary Sick](#)**

**Some examples of NIAC's lobby to end the Democracy Fund and terminate the US support to independent Iranian NGOs**

**Discovery documents:**

**[NIAC Lobby against the Democracy Fund](#)**

**[NIAC Lobby against the Democracy Fund](#)**

**[NIAC Lobby against the Democracy Fund](#)**

**[NIAC Lobby against the Democracy Fund](#)**

**[NIAC Lobby against the Democracy Fund](#)**

**[NIAC Lobby against the Democracy Fund](#)**

**[NIAC Lobby against the Democracy Fund](#)**

**[NIAC Lobby against the Democracy Fund](#)**

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## Part 4: Daioeslam’s article in 2008 about NIAC’s fraud, Senate inquiry and NED’s response

### June 2008: Hassan Daioeslam’s article about NIAC’s cooperation with Hamyaran and the Senate inquiry

- June 2008: [Hassan Dai’s article about NIAC and Hamyaran collaboration:](#)

*He explained the relation between NIAC and Hamyaran and the Iranian regime’s involvement with Hamyaran. According to Dai, Hamyaran was not an NGO because it was managed by a deputy minister and also because the government initiated its creation and supervised and controlled its operations.*

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- *NIAC’s reaction to Daioeslam’s article: coordinate with NED to “hit him hard”*

*Discovery document: [Dokhi Fassihian’s email to Trita Parsi](#)*

*“I would talk to NED immediately about this and perhaps consult them on how to address this. They will have more resources and avenues to hit him hard.”*

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- *NED released a statement and rejected Daioeslam’s claims*

*On July 1, 2009 NED released a statement in which it rejected Daioeslam’s accusations and defended NIAC.*

*Document: [NED statement about Hassan Daioeslam’s article](#)*

*“The program was carried out, but not, as alleged in the “FrontPage” article, by working with agencies of the Iranian government.”*

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- *Senate investigation*



Then, the Senate showed interest and asked NED to clarify this issue. Trey Hicks from the Senate asked 3 questions about Hassan Dai's allegations regarding NIAC's partners in Iran.

Document: [Trey Hick's email](#)

Then, NED official sent the questions to Trita Parsi. And Parsi sent NED questions to Namazi in Tehran. And finally, Namazi confirmed Daiopleslam's claims:

Document: [Barbara Haig's email titled: "NED Question 2008"](#)

"Trita,

I do appreciate any clarification you can unearth about the following questions we have been asked:

Was Hamyaran managed by Iran's Deputy Minister and Under Secretary of Health Hossein Malek-Afzali? If not, did Malek-Afzali have any other role or relationship with Hamyaran?

Was family Planning Association headed by Iran's Deputy Minister Malek-Afzali and another Iranian official named Safieh Afshari? If not, did Malek Afzali or Safieh Afshari have any other role or relationship with Family Planning Association?

Does BoomIran share management with Hamyaran?

Thanks for your efforts on this and have a nice 4<sup>th</sup>!

Barbara "

- *Namazi confirmed Daiopleslam's claims*

*Parsi sent the questions to Tehran and Namazi confirmed Hassan Daiopleslam's claims*

Discovery document:: [Parsi's email to Namazi](#)

Discovery document:: [Baquer Namazi's response](#)



“Malekafzali held positions of Deputy Health Minister for Research. He resigned recently to focus more on teaching and research.

He is /was also on the board of several NGOs including Hamyaran and FPA.”

*In a new email, Namazi reconfirmed this and wrote:*

***Discovery document: “[Baquer Namazi’s second response](#)”***

“Dear Trita,

Dr. Malek Afzali did hold positions with the Health Ministry while he was on Board of Hamyaran and FPA.”

*These 2 emails confirmed that NIAC spent the NED grant to work with Hamyaran while a deputy minister was in its board.*

***Hassan Daiouleslam’s note:***

*Parsi’s emails to Namazi seem like a legal cover up for his relation with Hamyaran. By sending these emails, he apparently tried to create legal documents to support that he did not know about Hamyaran’s connection with the Iranian government.*

*But my article was based on public documents and Parsi could verify their authenticity. Moreover, NIAC’s partnership with Hamyaran was suggested and approved by the Iranian government. Since 1998, Parsi maintained close relation with Namazi family.*

*My first report on Namzi family was published in early 2007. These reports contained numerous publicly available documents about Namazi’s relation with the Iranian government.*

*Hamyaran’s leadership and their connection with the government were surely known to Parsi*

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- *On July, Barbara Haig from NED sent a new email to Parsi and asked: (7.16.2009)*

*Document: [Haig's email](#)*

“Hi Trita,

I'm just checking in to see whether you have learned anything yet. I think I have confirmed that the Deputy Minister of Health (now retired?) that was mentioned in the questions was on the Board of Hayman. How about your former colleague who worked on this (now at Human Rights Watch?), might he be able to give us more definitive info?

Barbara

- *Then, Parsi asked her to talk over the phone: (7.16.2008)*

*Discovery document:: [Parsi's response](#)*

“Yes, got a reply from Baquer. What is your number?”

- *On August 4, David Lowe the Vice President of Government and External Relations at NED sent an email to Barbara Haig and asked:*

*Discovery document:: [Lowe and Haig from NED exchange of emails](#)*

“Did Trita ever get back to you with answers to the questions we were sent by the Hill?

*Barbara sent the following email to answer the Congressional inquiry” and claimed that the deputy minister did not manage Hamyaran. This is false information given to the Congress:*

*(Document: [Lowe and Haig from NED exchange of emails](#))*



“Yes. You may remember before I left on my trip, we decided not to stir the pot, but to answer when asked. The then deputy Health Minister was on the board of Hamyaran but did NOT manage the organization.”

*Barbara wrote the word NOT in capital to emphasize the importance of this false information. Or, Parsi communicated this false info over the phone and did not want to leave any trace of it. Or, Barbara invented it.*

*In any case, the screen picture of Hamyaran at the time of its partnership with NIAC shows that the Deputy Minister was the “president of the board of directors”.*

