

## Unknown

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**From:** Emily L Blout [eblout@niacouncil.org]  
**Sent:** Tuesday, July 01, 2008 8:57 AM  
**To:** 'tparsi@niacouncil.org'  
**Cc:** 'Babak Talebi'  
**Subject:** FW: Statement on Grant Relationship between NED and NIAC

Emily

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**From:** Kate Gould [mailto:kate.gould@fcnl.org]  
**Sent:** Tuesday, July 01, 2008 11:25 AM  
**To:** Emily L Blout; Patrick Disney  
**Subject:** FW: Statement on Grant Relationship between NED and NIAC

I'm sure you guys saw this...just wanted to let you know its making its way to staffers email boxes.

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**From:** Kelly Dougherty [mailto:kellyd@ned.org]  
**Sent:** Tuesday, July 01, 2008 10:50 AM  
**To:** Vaughan, Ann  
**Subject:** Statement on Grant Relationship between NED and NIAC

Dear colleague,

I am writing to bring to your attention a statement by the National Endowment for Democracy in response to an article published in FrontPageMagazine.com on June 19, 2008 by Hassan Daiopleslam entitled "The Fraud of the National Iranian American Council." Please contact me with any questions or concerns.

Thank you.

Kelly Dougherty



On June 19, 2008, FrontPageMagazine.com published an article by Hassan Daiopleslam entitled "The Fraud of the National Iranian American Council." This article contained many false allegations regarding an Endowment grant to the National Iranian American Council (NIAC) in 2002, including claims of an "expedited process" and provision of funding to work with "de facto Iranian government agencies." We are taking this opportunity to set the record straight.

NIAC received three grants from the National Endowment for Democracy. The grant detailed in the "FrontPage" article was approved in 2002 for \$25,000 with the objective of training civic groups in Iran on the use of media advocacy. There was no circumventing of the normal procedures used by the Endowment to vet the proposal from NIAC and have it reviewed and approved by the NED Board. The terms of the grant agreement were met. The program was carried out, but not, as alleged in the "FrontPage" article, by working with agencies of the Iranian government. NIAC subsequently received two additional grants from NED in 2005 and 2006. NIAC is no longer a grantee of the National Endowment for Democracy.

The “FrontPage” article also included allegations that NIAC was lobbying Congress while receiving funds from the NED. NONE of NED’s funding was used for lobbying purposes. Standard reviews of NIAC’s quarterly financial and narrative reports were conducted, and there were not any issues or questioned costs. NED has a number of controls in place to monitor how a particular grantee is using NED grant funds. NED has an audit department whose sole responsibility is to review the expenditures of NED grantees. Its procedures are based upon an audit strategy approved by OMB and the Department of State’s Office of the Inspector General. The Endowment applies applicable OMB Circulars and 22 CFR requirements/certifications for grant agreements we issue. NED’s grants monitoring procedures are reviewed annually by our A-133 auditors and every three years by the State Department’s Office of Inspector General.

It should also be noted that with respect to Iran, NED also supports programs to raise awareness of extrajudicial executions since the 1979 revolution, promote understanding of democracy and human rights principles among Iranian citizens, build solidarity and international support for local NGOs and human rights activists, facilitate the ability of Iranian civil society and media representatives to engage with the international community, and invigorate democratic debate and the exchange of ideas among Iranian civil society activists.

<http://www.ned.org/grants/NIACstatement.html>

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