

Sept. 20, 2012: Judge vindicates Hassan Dai. The Free Beacon newspaper in Washington, DC wrote a detailed account of NIAC's failed lawsuit against Iranian-American human rights activist Hassan Daiouleslam. FDI president Kenneth R. Timmerman, now a candidate for Congress in Maryland, who is quoted in the article, pledged to conduct a Congressional investigation into NIAC's alleged ties to the Iranian regime and for potential violations of the Foreign Agents Registration Act, FARA.

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NIAC Loses Defamation Suit

Pro-Tehran group harshly criticized by judge, forced to pay attorney's fees



BY: [Adam Kredo](#)

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An Iranian-American advocacy group long suspected of concealing its illicit ties to the Iranian regime recently lost a four-year court battle aimed at silencing one of its principal critics.

The left-leaning National Iranian American Council (NIAC)—which describes itself as a nonprofit educational organization that advocates in favor of increased U.S. engagement with Iran—sued Seid Hassan Daiouleslam in 2008. The group alleged Daiouleslam defamed the organization by claiming that it clandestinely lobbied American government officials on behalf of the Iranian regime.

Federal District Court Judge John B. Bates cleared Daiouleslam of the defamation charges last week after a protracted and oftentimes bitter battle between the two sides. Bates upbraided NIAC throughout his 23-page [decision](#) for failing to make its case and for intentionally hindering the discovery process.

"I believe they intentionally withheld documents," Daiouleslam told the Free Beacon. "The documents [NIAC has] not turned over not only hampered the legal proceedings, they deprived the American people from knowing what's going on behind the scenes."

Court documents show that NIAC officials inappropriately altered internal documents, withheld certain pieces of correspondence, and produced mysteriously incomplete records.

Daiouleslam and other NIAC opponents maintain the organization is still camouflaging its pro-Tehran activity.

"It is a great pleasure to see [Daiouleslam] vindicated at long last from the harassment suit brought by an individual and an organization whose lobbying agenda dovetails perfectly with the interests of the bloody dictators of Tehran," Kenneth Timmerman, executive director of the Foundation for Democracy in Iran, told the *Free Beacon*.

“The court documents indicate that NIAC committed fraud by editing internal documents to illegally shield them from disclosure,” added Timmerman, a Maryland Congressional candidate who has long been involved in the case and is mentioned several times in the court documents.

NIAC has [billed](#) itself as a “nonpartisan” organization “dedicated to advancing the interests of the Iranian-American community” since its establishment in 2002.

However, critics such as Daioslam, who heads the Iranian American Forum, accuse NIAC of carrying water for the Iranian regime.

The group, NIAC’s critics say, has lobbied lawmakers and the Obama administration to weaken economic sanctions on Iran and pursue a softer approach toward the regime’s clandestine nuclear arms program without disclosing its ties to the mullahs in Tehran.

The U.S. government requires that “persons acting as agents” of foreign countries publicly disclose their activities under what is known as the Foreign Agents Registration Act ([FARA](#)). The law applies mainly to lobbyists who petition American officials on behalf of foreign governments. Failure to disclose such activities can result in prosecution by the Department of Justice.

NIAC hailed the recent court decision as a “victory” in a [statement](#) on its website, claiming that Daioslam could not prove that his statements “were correct and truthful.”

However, in determining whether Daioslam actually defamed the group, Judge Bates initiated an exhaustive discovery process that granted the defense team access to scores of NIAC’s records dating back several years. Many of those records cast the group in an unfavorable light.

Daioslam called NIAC’s post-decision statement ridiculous, and maintained that he “never rescinded” any of his claims.

“I maintain they lobby in favor of the Iranian regime,” he said. “I believe it more and more, ten times more than before.”

NIAC stonewalled the court at multiple times during the two-year process by refusing to release documents in a timely fashion.

It was also caught altering pertinent materials, which led Judge Bates to [sanction the group](#) by ordering it to pay a large portion of Daioslam’s legal fees.

One example that provoked the judge’s ire was NIAC’s alteration of a document that billed its precursor, Iranians for International Cooperation (IIC), as a “lobbying” outfit. The 1999 document, however, was changed to label IIC as an “advocacy” group before it was submitted to the court—drawing a rebuke from the judge.

“It does appear that something very odd is going on with this file,” Judge Bates wrote in his opinion. “The Court is prepared to find by a preponderance of the evidence that [NIAC] intentionally altered the document.”

Later in the discovery process, NIAC failed to release 5,500 emails relating to one of its senior officials, [Babak Talebi](#), who no longer works for the group. Though NIAC was ordered by the judge to release all emails relating to Talebi’s activities, it chose not to.

“Plaintiffs were not necessarily entitled to make a unilateral decision about which search terms to use, and they certainly were not entitled to represent that they had used all of the agreed-upon search terms when that was not true,” Bates wrote in his opinion.

“Plaintiffs’ failure to [produce all emails] is inexcusable,” Bates wrote, adding, “. . . literally thousands of emails [were] produced in an unjustifiably tardy fashion.”

Additionally, NIAC would not release a slew of third-party email exchanges between its staff and government officials, including White House staff.

NIAC’s “failure to produce [these] emails is indefensible, and plaintiffs made no coherent attempt to explain either in their briefing or at the motions hearing why all of these emails would not have been produced,” Bates wrote, saying such behavior was “inexplicable and unexplained.”

“Most disturbingly,” Bates added, NIAC provided its own experts with certain emails that the organization falsely had told the defense were unavailable.

NIAC’s actions suggest that the group has something to hide, Iran expert Timmerman said.

“When I am elected to Congress, I will press the appropriate federal agencies to investigate Trita Parsi and NIAC as unregistered foreign agents,” he said.

It came to light during the discovery process that multiple electronic records were somehow omitted from an initial third-party review of NIAC’s computers.

Accounting firm PricewaterhouseCoopers (PwC) was tasked with independently locating “4,159 calendar entries that had not been previously produced [by NIAC], including 999 entries that had been deleted and 715 entries that had been double-deleted,” the court found, raising unanswered questions about why these entries were initially misplaced.

It then became clear that the “date modified” field for multiple items had been altered before their release, according to court documents.

Eighty-seven “of the entries, including 42 of [NIAC chief, Trita] Parsi’s 63 entries, had been altered between December 25 and December 27 of that year,” though it remains unclear exactly what was changed, according to the court.

“The only alteration that gives this Court pause is that Patrick Disney, a NIAC employee, changed at least 82 references to ‘lobbying’ in his calendar entries to say ‘legislative direct’ in February 2010,” Bates stated in his opinion.

Ultimately, NIAC released an additional 5,000 entries, though the release was presented in a non-native-computer format—meaning it was impossible to determine the exact provenance of the information or whether or not it had been edited.

Several of the originally unreleased documents reveal that NIAC officials met with multiple left-wing foreign policy groups, including Campaign for New American Policy on Iran and J Street.

Furthermore, no calendar entries were located for Parsi over a five-month period in mid-2006, even though he met with “several United States and Iranian officials” during that time, the court found.

It was also discovered that Parsi did not connect his office computer to NIAC's online network, meaning that communications were never archived or stored.

Though NIAC maintained that it had attempted to remedy this electronic oversight, it "provided no evidence to back up this vague allegation," Judge Bates wrote.

Documents [released](#) during the case suggest that Parsi may have served as a conduit for Iran's ambassador to the United Nations.

In 2006, Daioleslam alleges, Parsi met with Iranian UN ambassador Javad Zarif in New York City.

Ambassador Zarif allegedly gave Parsi a copy of Iranian talking points that were later disseminated to the media via a "a large scale media campaign" aimed at portraying "Iran as the party that seeks dialogue and peace and frame the US as the party that seeks war and confrontation," according to the Iranian American Forum.

Parsi may also [have played](#) a role in arranging meetings between U.S. politicians and senior Iranian officials, according to court documents.

NIAC maintains the lengthy court battle proved nothing about its lobbying activities.

The group said after the ruling that Daioleslam "could not point to a single shred of evidence indicating that NIAC served as a lobby for the repressive government in Iran."

NIAC cited Bates' [declaration](#) that "nothing in this opinion should be construed as a finding that defendant's articles were true."

NIAC declined requests for comment.

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