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Southern District of New York*

**FOR IMMEDIATE RELEASE  
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**FORMER PRESIDENT OF ALAVI FOUNDATION SENTENCED  
IN MANHATTAN FEDERAL COURT TO THREE MONTHS  
IN PRISON FOR OBSTRUCTING JUSTICE**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that FARSHID JAHEDI, the former president of the Alavi Foundation, was sentenced today in Manhattan federal court to three months in prison, after previously pleading guilty to two felony counts of obstruction of justice. The charges arose from JAHEDI's destruction of documents responsive to a federal grand jury subpoena issued in the Southern District of New York, concerning the Alavi Foundation's relationship with Bank Melli Iran -- a bank controlled by the Government of Iran -- and the ownership of an office tower at 650 Fifth Avenue in Manhattan. The sentence was imposed by United States District Judge SHIRA A. SCHEINDLIN.

According to the Indictment to which JAHEDI pleaded guilty, other documents filed in this and related cases, and statements made during the guilty plea and sentencing proceedings:

On December 17, 2008, JAHEDI, as president of the Alavi Foundation, was served with a federal grand jury subpoena. In a separate civil forfeiture action, the United States has alleged that the Alavi Foundation -- a registered charity in New York which distributes grants from the rent money it receives from 650 Fifth Avenue -- has been providing services to the Government of Iran.

Pursuant to the International Emergency Economic Powers Act ("IEEPA") and the Iranian Transaction Regulations ("ITRs"), services cannot be provided from the United States to the Government of Iran unless a valid license has been issued by the Department of Treasury's Office of Foreign Assets Control ("OFAC").

The subpoena directed to the Alavi Foundation commanded the production of financial documents concerning the Alavi

Foundation, Assa Corporation, Assa Company Limited, and 650 Fifth Avenue Company. The 650 Fifth Avenue Company owns the office tower at 650 Fifth Avenue; the Company's ownership is shared by the Alavi Foundation (60 percent) and Assa Corporation (40 percent). Assa Corporation is in turn owned by Assa Company Limited, an off-shore company controlled by Bank Melli, which in turn is controlled by the Government of Iran.

Neither Assa Corporation nor any of its parent companies had a license to receive and export rent monies from 650 Fifth Avenue to Bank Melli.

The day after the subpoena was served, agents of the Federal Bureau of Investigation ("FBI") observed JAHEDI discarding torn documents into a public trash can, near his then-residence in Ardsley, New York. The FBI agents witnessed JAHEDI as he parked his car near his residence, walked in the opposite direction of the entrance to his residence toward the trash can, looked around, jettisoned the torn documents into the trash can, and then walked to his residence. Upon reassembling certain of the documents, the FBI determined that the documents referred to Assa Limited, Assa Company, and 650 Fifth Avenue Company, and therefore were responsive to the grand jury subpoena.

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JAHEDI was arrested on December 19, 2008. On May 5, 2009, he was charged with the two-count Indictment to which he pleaded guilty on December 30, 2009. At his plea proceeding, JAHEDI admitted that, when he tore up the documents, he knew that the grand jury was investigating financial transactions between Assa Corporation and the Alavi Foundation, and that the documents in question concerned such transactions.

In addition to the prison term, JAHEDI was ordered to pay a \$3,000 fine.

In imposing the sentence, Judge SCHEINDLIN stated: "Obstruction of justice affects the integrity of the entire justice system and it has to be forcefully deterred."

Mr. BHARARA praised the investigative work of the FBI in New York, the New York City Police Department, and the New York Field Office of the Internal Revenue Service, Criminal Investigation Division.

Assistant United States Attorneys HARRY A. CHERNOFF and JOHN P. CRONAN are in charge of the prosecution.