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Mr. Ken Follett



Dear Ken,

It was a pleasure discussing your book on the phone. After rereading the manuscript, I still stand by my letter of 6 January 1983. Below is the specific response to your references to Mr. Mahvi that I promised.

PP 74, 74A, 74B, 75:

Mr. Mahvi was not a "five percenter." He was a "partner" not a "representative." This distinction is critical because his role was considerably different and the demands placed on his partners often were more troublesome than his financial interests. When Mahvi entered into a partnership, he insisted on real participation and eventual Iranian control and management. This was a major point of dispute between EDS and Mahvi. Although Mahvi was extremely well connected, his influence stemmed from his economic importance. He owned numerous companies involved in every aspect of Iranian society. It was the prospect of joining these firms or perhaps managing one of them, that attracted so many Iranians to his side. This economic power combined with his insistence on real Iranian control made Mahvi very desirable as a partner and very difficult if the foreign partner had no intent to build a partnership.

Your statement that Mahvi's "...reputation was so bad..." that the Shah put him on the blacklist is absolutely false. The entire blacklisting episode was a demonstration of how Mahvi gained his respect and influence. The blacklisting came about as a result of the uproar in the U.S. around Northrup's Iranian business. The Shah was being pressured, as were all Middle Eastern governments, to respond in a meaningful way to the allegations around defense purchases within the Iranian government. Were the truth to have been told, almost every member of the Cabinet would have been embarrassed by the exposure of his or her ownership in the various defense "joint ventures." I would add, such ownership is very common and accepted among Middle Eastern, Asian and African nations and is not regarded as "corruption" as it would be in our societies. As the most prominent non-

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government person involved in the defense procurements and an owner of shares in each of the joint ventures, it was agreed that Mahvi would be temporarily placed on the blacklist. This act limited his activities in the procurement and sale of military hardware only and at the time it was announced I was informed it would last "until just after Christmas," a period of approximately six months. While the public announcement left the impression that the ban was permanent, those close to the government knew it was a formality. Shortly after Christmas, Mahvi was fully pardoned and removed from the black- list. Thus, where eager U.S. readers felt someone had been punished, in reality a highly respected Iranian businessman further endeared himself to a grateful government by taking the full responsibility for a so-called "questionable practice." Note - the blacklist did not limit Mahvi's activities in non-military areas. When EDS became aware of the blacklisting, officers of that firm met with Mahvi and volunteered to publicly defend his good name. Mahvi suggested it was better left alone since things in Iran were not always what they appeared to be.

I offer this only to point out that EDS did not share the view of Mahvi being "bad" at the time the opportunity arose to end the relationship. Since much of your background information came from the U.S. Embassy staff, I must point out that among the worst interpreters of events in Iran were the U.S. Embassy staff - events of early 1979 clearly support this conclusion!

Your version of the dispute between Mahvi and EDS on pages 74B and 75 is also incorrect. In order to close the Ministry contract, EDS required the approval of numerous government agencies, not merely the Ministry. As I explained on the telephone, the Minister, Sheikholeslamzadeh, was a member of the Prime Minister's wing of the government or liberal faction. Mahvi, although not a politician, was clearly identified with the conservative faction. The Minister of Court, Plan and Budget Organization, Queens Office and Iran Electronics Industry were also clearly identified as being in the conservative faction since the Ministers or officials-in-charge were of that affiliation. EDS was successful in proving beyond question that for the purposes of the Ministry, especially before the consolidation with Health, EDS was the ideal data processing firm. But in order to secure the contract, EDS needed to win approval of the other agencies. The Prime Minister accepted the recommendation of the Minister of Health and Social Security, a member of his party. The PBO, Queens Office and His Majesty's Office were another matter and it was through Mahvi that these approvals were obtained. The Minister of Finance, Ansary, was introduced to me by Mahvi and was briefed by me at Mahvi's insistence. The tax ruling was one of my crazy ideas which I asked Mahvi to pursue. I personally believe that the final granting of the tax ruling, which required very delicate orchestration, was after a discussion between Ansary and Mahvi in Monte Carlo. The implication of this meeting being questionable is wrong. I know that no money would ever pass between them for two reasons.

1) That was not Mahvi's manner of doing business. In spite of rumors, money was not the basis for working at high levels of government any more than money is required by our powerful Washington, D.C. lobbyists.

2) Ansary was among the wealthiest Iranians and, therefore, did not need money.

If I were to guess, I would say Ansary would have wanted Mahvi's

political support as the eventual successor to Dr. Alam, the leader of the conservative faction. Therefore, the whole section on EDS not asking for help, not accepting that 'kind' of help, etc., is nonsense.

EDS and Mahvi did have a stormy session. Mahvi claimed he and EDS were partners. EDS claimed there was no agreement whatsoever. In the end, there was a partnership which was sincerely believed to be one which would yield significant profits to Mahvi's Foundation. The fact that little or no money was forthcoming was due to accounting and cash flow and eventually the halt of payments by the Ministry. I do not believe Mahvi backed down at all, but rather, he and EDS came to terms which he did not like, but which he accepted. The fact that the joint company never made money is something which, ethically, I have had trouble living with and was a factor in my leaving EDS. EDS did offer to pay the Foundation approximately \$1,700,000 if and when the full receipts were collected from the Ministry.

As I look back on the events, I believe EDS' extremely close relationship with Sheikholeslamzadeh, a very loyal Hoveyda Minister, was a greater problem than the Mahvi relationship. The Revolution was very much aimed at returning the country to orthodox Moslem rule, i.e., it was against the progressive course which Hoveyda had initiated and more in line with the course Alam (Mahvi's closest friend) had championed. I believe the death of Alam and the ill-advised designation of the U.S. technocrat Amuzegar as Prime Minister instead of the conservative Anzary will in time be identified as the event which triggered the end of the Shah's reign. The responsibility for this decision lies clearly with the Carter Administration.

PP 303:

Your statement of EDS selecting Mahvi "was not the smartest move EDS ever made" is unfortunate for Mahvi might suggest the reverse. I believe that had the partnership been allowed to proceed without the blacklisting and without the prospect of enormous profits, Mahvi would have proven to be an excellent long-term partner for EDS in Iran and in other endeavors. As to why it all went sour, that is the subject of a long discussion by a fire.

PP 395, 396;

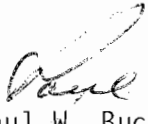
The public relations effort around the escape of Paul and Bill had many faults. One of the most grievous faults, in my opinion, has been the insensitivity to the fate of those young Iranians left behind. Your statement of Isiran being closely tied to SAVAK could cause serious problems for any young Iranians who worked for Isiran. The SAVAK was everywhere, but naturally, it was closely monitoring, as would the British or the French, the activities of the civilian contractor (Isiran) that was handling all Iranian military information systems. I ask you to consider dropping the reference to SAVAK to avoid any unfortunate conclusions which this particular Iranian government might form (it seems uniquely inclined to do so).

That concludes my reaction to your Mahvi passages. I make these comments with the ability to give you specific examples which can demonstrate the

validity of my observations. The Mahvi-EDS dispute is not essential to your story and in my opinion confuses the real issues. Therefore, I suggest the Mahvi relationship be cut back to merely state that EDS was in partnership with Mahvi, a close friend and relative of the Shah. For the Revolutionaries, the dispute over the contracts and the question of Mahvi's real contribution could not have been of any real interest.

One day I hope you will have the privilege of meeting Mr. Mahvi. He is a fascinating person with a deep love of life and a very inquisitive mind.

Good luck with your work.



Paul W. Bucha