



# Department of Justice

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## **FORMER TVA VICE PRESIDENT PLEADS GUILTY TO UNLAWFUL FINANCIAL INVESTMENTS IN IRAN AND FILING FALSE INCOME TAX RETURNS**

KNOXVILLE, Tenn. – On September 4, 2013, former TVA Vice President Masoud Bajestani, 58, formerly of Chattanooga, Tenn. pleaded guilty to conspiracy to violate the International Emergency Economic Powers Act (IEEPA) and Iranian Transactions Regulations, and two counts of filing false income tax returns. Bajestani also agreed to the forfeiture of \$600,000 in U.S. currency, representing the funds used to promote the specified unlawful activity.

Sentencing is set for 1:15 p.m., on January 15, 2014, in U.S. District Court in Knoxville, Tennessee, before the Honorable Leon Jordan, U.S. District Judge. Bajestani faces a maximum penalty of five years in prison for conspiracy to violate the IEEPA, and three years for each count of filing a false tax return. He also faces a maximum fine of \$250,000 on each count.

In February 2013, a federal grand jury returned an 11-count superseding indictment against Bajestani, charging him with conspiracy, violations of the IEEPA and the Iranian Transactions Regulations, making a false statement to a federal agency, international money laundering, and filing false income tax returns.

Between February 2008 and May 2010, Bajestani agreed and conspired with an Iran-based coconspirator to engage in financial investments in Iran, in violation of the Iranian Transactions Regulations. These regulations impose economic sanctions against Iran, making it unlawful to make financial investments in Iran without authorization from the U.S. Office of Foreign Assets Control. Bajestani transferred \$600,000 to Iran for investment purposes. He and his coconspirator used an informal value transfer system known as a “hawala” to transfer the funds to Iran. Bajestani also falsely reported on his income tax returns that he did not have an interest in a foreign bank account.

This investigation was conducted by Homeland Security Investigations, IRS-Criminal Investigations Division, Tennessee Valley Authority-Office of Inspector General, and Federal Bureau of Investigation. Assistant U.S. Attorney Jeffrey Theodore represented the United States.

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