

December 14, 1978

Ambassador William Sullivan  
United States Embassy  
Tehran, Iran

Dear Ambassador Sullivan:

Thank you for your efforts on behalf of Paul J. Chiapparone and William D. Gaylord. The purpose of this cable is to summarize their status for you.

Electronic Data Systems is performing a major computer contract for the government of Iran in the Ministry of Health and Social Welfare. This computer system involves health care payments to doctors and hospitals and the social security system. EDS, like other American contractors, is not being paid by the government. Last week, we met with Iranian officials and assured them that we would remain in the country and continue working but stressed that we would have to be paid on a current basis, and if we were not, we could not continue working.

Within twelve hours after this meeting, the Iranian military government contacted the EDS office in Tehran, deputized a Persian employee, and ordered her to pick up the passports of four EDS engineers and to inform the engineers that they would be arrested if they tried to leave the country. This is obviously an effort to hold these Americans as hostages in the country to assure that the computer systems are kept in operation, even though the government is not paying its bills.

Two of the four engineers had already left the country. The remaining two men, Chiapparone and Gaylord, voluntarily surrendered their passports for safe-keeping to the American Embassy.

EDS evacuated all dependents and all non-critical employees over the weekend. Both Chiapparone and Gaylord were scheduled to leave the country during this period, but were told by the United States Embassy that if they attempted to pick up their passports, the Embassy would have to notify the Iranian military authorities, who would arrest Chiapparone and Gaylord. The reasons for holding these two men are vague, at best. The military authorities say they wish to question them about corruption by some Iranian officials in the Ministry of Health and Social Welfare. Extensive efforts to find out who wishes to question these two men, have failed to produce anyone who wishes to question them, lending further credence that the reason given is nothing more than an excuse for holding the men as hostages to perform computer services.

Through a number of senior American officials, well known to Iran, I have personally guaranteed that these men, plus any other employee of EDS that the Iranians might want to interview would be made available, but that these men should have their passports and privilege to leave the country restored immediately.

At this point, I have been unsuccessful in making arrangements through our Embassy for these men to be able to leave the country in a safe, proper manner. The Embassy has stated in writing to our State Department that these men could not leave the country because they do not have all the necessary papers, even if the Embassy returned their passports. This is incorrect. They do have the necessary papers. The only problem is that our Embassy has stated that when it returns the passports, it will notify the Iranian military authorities, who will then arrest the men.

These men are simply innocent pawns. Our contract was approved by the Social Security Board, the Ministry of Health and Social Welfare, the Prime Minister, the Plan and Budget Organization and the Shah of Iran. EDS has not been involved in any improper activities. These two engineers came into the country months after the contract was signed. No one has alleged that either EDS or these two men were in any way involved with improper activities. Their human rights as American citizens continue to be violated. I have been unsuccessful in having their rights restored.

At present, these two men are living without passports in a country in turmoil. Our Iranian attorney, one of the most prominent lawyers in Iran, has indicated that it may be weeks or even months before any government official asks to talk with either Chiapparone or Gaylord. He has cautioned these two men that there is no due process under the military government, explaining that they may be arrested and held indefinitely without cause. Our EDS employees in Iran know of prominent Iranian citizens who have been called in for questioning, were arrested, and months later are still being held in jail without charge. In the event that the government should fall, and our Embassy is evacuated, these two men would be left in Iranian jails at the mercy of the new government. The United States government would be powerless to assist them. I am sure you would agree that this is an unpleasant prospect and one that we cannot allow innocent American citizens to be subjected to.

I request your assistance in seeing that our Embassy receives direction from whatever authority necessary to see that these men are escorted safely and properly out of the country. The safest approach would be to return their passports and have them evacuated on military flights. There is the possibility that if these men are routed through the Tehran airport, they will be arbitrarily picked up by the military authorities.

You have my pledge that these men and any other employees of EDS will be available for interviews or questioning in the future. It is important to emphasize that the real issue is not the desire to question these two men, but the desire to hold EDS employees against their will to assure the continued operation of the computers, even though the Iranian government has defaulted in payment of our contract. EDS continues to maintain engineers in Tehran to perform these services during this critical period. Chiapparone's and Gaylord's skills are not needed.

Bill, you and I have worked together before. I have great respect for you. You know and I know that the U. S. Embassy can get these men safely out of the country. The only risk is to create a insignificant ripple in U. S./Iranian relationships. The rights of two innocent American citizens far outweigh the minor problems their departure might cause.

Ross Perot

I have just received word that the Iranian's now are able to identify the person who wants to talk with our people. His name is Hussein Dadgar, #17 Ministry of Justice, Manager, Group #4. I assume, at this point, that the Iranians feel some obligation to at least produce a name after being unable to for several days.