

The Franklin Espionage Case: Bigger Than the Pollard Affair?

by Jeffrey Steinberg

Two senior Israeli intelligence officers are now under investigation for their ties to indicted Pentagon Iran analyst Larry Franklin. The identification of former Mossad liaison to U.S. intelligence Uzi Arad, and former Israeli military intelligence officer Eran Lerman as targets of the ongoing FBI probe into possible Israeli espionage, involving Pentagon neo-cons and two top officials of the American Israel Public Affairs Committee (AIPAC), suggests that the scope of the investigation goes way beyond the issue of Franklin's passing classified information, and hoarding secret Pentagon documents at his West Virginia home.

At issue is the longstanding role of leading American neo-cons in an international espionage apparatus, which has operated with relative impunity inside the U.S. Congress and the Pentagon, since the late 1970s. The Franklin case revives unanswered questions, left over from the 1985 Jonathan Jay Pollard affair.

Pollard, an American Naval Intelligence civilian analyst, was caught passing classified U.S. secrets to Israeli Embassy officials, and is now serving a life sentence without parole. In the aftermath of Pollard's capture, American counterintelligence officials have been pursuing "Mr. X," the senior U.S. intelligence official who tasked Pollard in his espionage activities, but was never identified or caught. In fact, as *EIR* has reported over the ensuing two decades, the stay-behind in the Pollard affair was not "Mr. X," but a much larger "X Committee" of top intelligence officials who remain, to this day, deeply embedded in the U.S. intelligence establishment. In June 1988, *EIR* exposed a list of leading Pentagon officials, then under investigation by the General Counsel to Secretary of Defense Caspar Weinberger, as the possible "Mr. X." The targets of the probe included a number of neo-cons who came back into government with the November 2000 election of George W. Bush. The list, leaked to *EIR* in 1988, included: Richard Perle, Michael Ledeen, Paul Wolfowitz, Frank Gaffney, and Douglas Feith.

'Soft' Espionage

In the wake of the Pollard capture, and the near-fatal rupture in U.S.-Israeli relations caused by his spying, a major overhaul in Israeli espionage operations in America was carried out, according to several current and retired U.S. counter-

intelligence officials interviewed by *EIR*. In all but the most sensitive instances, U.S. intelligence sources have acknowledged, Israel refrained from stealing hard-copy classified documents. Instead, an extensive network of "soft espionage" operations was put in place, involving some leading U.S.-based organizations like AIPAC and the Anti-Defamation League (ADL), some of the same Pentagon-based analysts and policy-makers, and a new generation of Israeli think-tanks and other private-sector outfits, that all maintained a seemingly innocuous, continuous flow of personnel and information.

Instead of secreting U.S. government classified data into the hands of Israeli officials, as was the modus operandi of the Pollard operation, classified information was verbally passed on in the course of Washington "power lunches" at posh restaurants, in the corridors of international conferences, and under the cover of other legitimate exchanges.

Although much of this activity was technically legal, U.S. government sources have reported to *EIR* that, by no later than the Spring of 2001, FBI and other U.S. counterintelligence officials were probing the tight relations between AIPAC, Israeli Embassy officials like Naor Gilon, and the newly installed neo-con apparatus at the Pentagon and in the Office of Vice President Dick Cheney.

This probe intersected an earlier investigation into a large network of "Israeli art students," believed to be carrying out surveillance and recruiting missions, targetting U.S. military and law enforcement facilities during 2000-01.

Prior to the terrorist attacks of Sept. 11, 2001, more than 120 Israeli "art students" were detained and deported from the United States, after being caught surveilling U.S. government installations, according to December 2001 news reports aired on Fox News. Many had specialty backgrounds in signal intelligence and special operations, during their mandatory service in the Israeli Defense Forces. Several were implicated in Israeli Mafia operations inside the United States.

What's more, a Drug Enforcement Administration internal document, summarizing the "art student" investigation, listed the names and known U.S. addresses of all of the deported Israelis. Several of the deportees had lived across the street from members of the al-Qaeda cells that carried out the 9/11 attacks, including the Hollywood, Fla. apartment of

alleged ringleader Mohammed Atta. Ultimately, Israeli officials admitted that the “art students” had been conducting surveillance missions. But this was not another case of “friendly espionage” against the U.S. government, they asserted: The Israelis were monitoring the activities of radical Muslims. Israeli officials claimed, in a 2002 interview with the German weekly *Die Zeit*, that, if the United States had not acted with such haste in deporting the “students,” the 9/11 attacks might have been averted.

ADL Spy Ring Busted

Even before the “art student” scandal and the more recent AIPAC probe, the Anti-Defamation League was caught up in a spy scandal on the West Coast between 1990 and 1994. In late 1992, the FBI publicly revealed that classified Bureau documents had been transmitted, illegally, to the apartheid government of South Africa. The FBI began investigating the stolen documents in 1990. The FBI probe eventually led to a San Francisco-based private investigator, Roy Bullock, who was a full-time employee of the Bay Area ADL office, reporting to the head of ADL’s national Fact Finding Department in New York City, Irwin Suall.

Bullock had solicited the help of a San Francisco Police Department sergeant, Tom Gerard, in obtaining California Department of Motor Vehicle records and other government files on tens of thousands of Californians, including labor, civil rights, and Arab-American political activists; members of the LaRouche political movement; a half dozen members of the U.S. House and Senate, including the current Democratic Minority Leader, Rep. Nancy Pelosi (D-Calif.); and right-wing racists. Groups like the NAACP, the United Farmworkers, the Rainbow Coalition, the National Lawyers Guild, and the Arab-American Anti-Discrimination Committee, were also on the ADL target list. All told, 950 organizations were being spied upon by the ADL.

At an April 1, 1993 press conference, called to outline the results of raids on the ADL offices in San Francisco and Los Angeles, San Francisco Assistant District Attorney John Dwyer told reporters: “The ADL is the target. Their involvement is just so great. People have called this the Gerard case. Now, it’s the ADL case. Gerard is just their guy in San Francisco. The ADL is doing the same thing all over the country. There is evidence that the ADL has police agents in other cities. The case just gets bigger every day. The more we look, the more we find people involved.”

The probe of the ADL revealed that Bullock had provided agents of the South African government with dossiers on anti-apartheid activists; and that the ADL had provided Israeli government agents with information on Arab-Americans. What’s more, through the New York City ADL headquarters, Fact Finding official Yehudit Barsky had regularly received Israeli police dossiers on Arabs. Some Israeli Defense Force dossiers were passed off as ADL “research” and circulated widely inside the United States.

Ultimately, although Bullock and the ADL averted crimi-

nal prosecution (Gerard was indicted on five felony counts of passing confidential California state data to Bullock and the ADL), they were sued by a coalition of groups and individuals who had been victims of the ADL’s private “Cointelpro” effort. The suit was finally settled in 1999, with the ADL signing a consent decree that they would desist from spying, and pay money into a public educational trust fund.

The Franklin Case

The dust had hardly settled on the ADL spy case when the FBI opened a probe into AIPAC in 2001. And it was this investigation that first led the FBI to Larry Franklin. When Franklin walked into a lunch meeting with AIPAC officials Steven Rosen and Keith Weissman (both since fired), alarm bells went off, and Franklin was placed under surveillance. A June 2004 raid on Franklin’s home in West Virginia, according to a criminal complaint filed against him this month, turned up 83 classified documents, which spanned a period of three decades, and reportedly centered around U.S.-Iran policy. Although most news accounts of the Franklin probe cite classified information that Franklin passed on to the two AIPAC officials, on possible threats to Israeli commandos, operating in northern Iraq after the U.S. invasion and occupation, *EIR*’s sources report that the Israeli government was anxious to get the details of a classified policy memo on Iran, prepared by a hard-line neo-con colleague of Franklin, Michael Rubin; and that it was the Rubin memo that was one focal point of the Franklin investigation.

One former top U.S. intelligence official reported that former AIPAC officials Rosen and Weissman are also facing possible indictments for receiving U.S. government secrets. Franklin, Rosen, and Weissman, the source reported, are being squeezed by Federal officials, to force them to reveal details of the larger apparatus, involved in the funneling of American secrets to a right-wing apparatus in Israel. Rosen is considered key. He worked for AIPAC in a top research post for 27 years, and, according to one close observer, “Rosen was AIPAC.” As one U.S. intelligence official observed to *EIR*, Franklin may have been the first government official caught passing secrets to AIPAC; but nobody believes that the Franklin case was a first such instance of AIPAC’s receiving classified intelligence data from neo-cons inside the Pentagon and U.S. intelligence agencies.

Arad and Lerman

According to a story by Orin Nir in the May 6 *Forward*, career Mossad officer Uzi Arad was interviewed by FBI officials in March, on his relations with Franklin. Arad is now the director of the Institute for Policy and Strategy at the Interdisciplinary Center at Herzliya, in Israel. In December 2003, Larry Franklin attended the Herzliya conference, and, according to Nir, Arad later visited Franklin at the Pentagon.

Eran Lerman, a retired strategic analyst with Israeli military intelligence, is now the head of the American Jewish



Until last year, Larry Franklin was subordinate to Undersecretary of Defense for Policy Doug Feith (left) and William Luti (right), head of the Pentagon's Near East South Asia branch. Feith decided to leave his post, reportedly after being interviewed four times by the FBI on the Franklin case.

Committee's Jerusalem office. He and Arad have written national security papers for the Jerusalem Center for Public Affairs, a right-wing think tank headed by Dore Gold (a long-time advisor to Likud fanatic Benjamin Netanyahu), now a senior Cabinet advisor to Prime Minister Ariel Sharon. Lerman's name surfaced in the Franklin probe, according to Nir, when Arad mailed a copy of a Lerman policy paper to Franklin.

The Herzliya Center played a little-known but pivotal role in the intelligence hoax leading into the Iraq invasion of March 2003. Barry Rubin, the research director of Arad's IDC, was responsible for a dossier on Iraqi intelligence that was adopted by British Prime Minister Tony Blair, in the now infamous September 2002, 10 Downing Street "white paper" on Saddam's so-called weapons of mass destruction programs (see "Behind the Iraq Dossier Hoax: Intelligence Was Cooked in Israel," *EIR*, Feb. 21, 2003).

Target: Iran

The Larry Franklin probe was first revealed in August 2003, in a news leak to ABC-TV. The timing of the leak, according to one senior U.S. intelligence source, was intended to pre-empt a multimillion-dollar AIPAC propaganda offensive, aimed at pressuring the Bush Administration to take military action against Iran, over Iran's reported efforts to build a nuclear weapon. The ABC story revealed that AIPAC officials were under scrutiny, along with a Pentagon analyst, for passing classified Defense Department planning documents on Iran to the Israeli government.

Until last year, Franklin was the Iran desk officer at the Pentagon's policy office, reporting to William Luti, head of the Near East South Asia branch, and Luti's boss, Doug Feith,

Undersecretary of Defense for Policy. Early this year, Feith announced that he would be leaving the Pentagon at the beginning of the Summer. Sources close to the FBI say that Feith decided to depart after he was interviewed four times by the FBI on his relationship with Franklin. Luti, who ran the Office of Special Plans inside the Near East South Asia branch as a neo-con propaganda shop, promoting the Iraq invasion, has also been moved out of his Pentagon post. In early May, the White House announced that Luti would be joining the National Security Council staff as a Special Assistant to the President, advising on military strategy. The NSC post does not require Senate confirmation.

Franklin was part of a small neo-con cell inside the Pentagon's civilian offices, which met frequently in Feith's office. Other members of the group included: Harold Rhode, Abraham Shulsky, Luti, Feith, Richard Perle, David Wurmser, Michael Malouf, and Michael Rubin.

It is this tightly knit group of neo-cons who are under the FBI spotlight today. One news account of the Franklin arrest noted that at least two other Bush Administration officials, one at the Pentagon and one in the Office of Vice President Cheney, were also under investigation, for passing classified data to Israel and to Iraqi National Congress head Ahmed Chalabi. Chalabi, the darling of the neo-cons for the past decade, has been accused of passing U.S. military secrets to the Iranian government.

At the end of May, AIPAC is holding its annual Washington policy conference. Scheduled speakers include Prime Minister Sharon, U.S. Secretary of State Condoleezza Rice, and a bevy of Congressional Democrats and Republicans. The theme of the conference is Iran's nuclear program and the threat it poses to Israel.