

Larry Franklin Case: AIPAC Leaders Snared

by Jeffrey Steinberg

On Aug. 4, the U.S. Attorney for the Eastern District of Virginia, Paul McNulty, announced the indictment of two former top officials of AIPAC (American Israel Public Affairs Committee), on charges of “conspiracy to communicate national defense information to persons not entitled to receive it.” The same indictment included new espionage charges against Pentagon desk officer and Air Force Reserve Colonel Lawrence Franklin, who has already been indicted in the Eastern District, as well as in West Virginia.

The two “ex”-AIPAC officials are Steven Rosen and Keith Weissman. Since 1982, Rosen has been AIPAC’s Director of Foreign Policy Issues. Since 1993, Weissman has been Senior Middle East Analyst at AIPAC.

Before coming to work for AIPAC, Rosen had been employed from 1978-82 at the RAND Corporation. During that period, he worked on contract projects for the Central Intelligence Agency, and had top-level security clearances. Thus, Rosen signed written secrecy agreements with the U.S. government that remained binding after he went to work for AIPAC.

Far-Flung Espionage Network

The new indictments, which have been anticipated for several months, unveil an Israeli espionage network that has been functioning since at least April 1999, involving a number of Pentagon officials beyond Franklin, as well as at least three officials of the Israeli Embassy and a former senior Mossad officer, Uzi Arad, who now heads Israel’s premier national security think-tank, the Herzliya Interdisciplinary Center.

U.S. intelligence officials have told *EIR* that the AIPAC/Franklin case reveals a new modus operandi, adopted by Israel intelligence, in the aftermath of the disastrous Jonathan Pollard spy scandal of the mid-1980s. Pollard, a Naval intelligence analyst, was caught pilfering thousands of classified Pentagon and CIA documents and passing them on to an Israeli intelligence unit headed by former Mossad European operations director Rafi Eytan, a close ally of current Prime Minister Ariel Sharon.

As the result of the blowback from the Pollard affair, according to the U.S. intelligence sources, Israel shifted its espionage operations targetted at the United States to think-tanks and lobbying organizations like AIPAC, which have ongoing “legitimate” contacts with American government officials.

What the Israelis and the AIPAC spooks did not anticipate was that their operations would be closely scrutinized by the FBI and other U.S. agencies, for at least the past six years, revealing numerous instances where the “legitimate” contacts crossed over into hard espionage.

The 26-page indictment is, in fact, a catalogue of scores of instances of classified information being passed from Pentagon officials to the two AIPAC men, on to Israeli Embassy personnel.

Franklin apparently walked into an ongoing FBI counter-intelligence surveillance of Rosen and Weissman, when he held his first meeting with the two men on Feb. 12, 2003. According to the indictment, phone conversations that Rosen had en route to the first meeting with Franklin, were monitored by the FBI. From Feb. 12, 2003 until July 9, 2004, Franklin had dozens of phone discussions and meetings with the two AIPAC officials, and on at least one occasion, faxed a document from his Pentagon office to Rosen’s home.

In June 2004, FBI agents confronted Franklin with evidence of his espionage activities, and Franklin agreed to cooperate with the government. His subsequent meetings with the two AIPAC officials were all controlled by the FBI, until Aug. 3, when the FBI visited both Rosen and Weissman. According to the indictment, even after the FBI visits, Rosen and Weissman continued to pass classified data provided by Franklin to select U.S. journalists and even to Israeli embassy officials.

Franklin’s Connections

Lawrence Franklin had his own problems with his dealings with Israeli intelligence officials, even before his assignment to the Pentagon in early 2001 as Iran desk officer at the Near East South Asia policy office, under Assistant Secretary of Defense Douglas Feith and Deputy Assistant Secretary William Luti, a transplant from the Office of Vice President Dick Cheney.

Back in the late 1990s, as an Air Force Reserve officer, Franklin had done two tours of duty at the U.S. Embassy in Israel, in the Air Attaché’s Office. On his second tour, Franklin was kicked out of the country by the Air Attaché after a few months, after repeated incidents in which he held unauthorized meetings with Israeli intelligence officials.

It may have been these Israeli connections that landed Franklin his job at NES—perhaps his ties to then-Deputy Secretary of Defense Paul Wolfowitz, who was Dean of Johns Hopkins School of Advanced International Studies in Washington, D.C. when Franklin was a graduate student there.

Whatever his pathway to the Pentagon, Franklin, according to eyewitness sources, became a fixture at regular “brown bag lunches” at the private office of Doug Feith attended by leading Pentagon neo-cons, including Harold Rhode, Luti, Abraham Shulsky, Richard Perle, and occasionally Wolfowitz. Franklin’s NES boss, Luti, boasted frequently that

he was working for “Scooter,” a reference to Dick Cheney’s Chief of Staff, Lewis Libby. (Libby, when he was not working for the government, was the personal attorney for Mossad frontman and international swindler Marc Rich. Well-informed U.S. intelligence officials believe that Rich, a Zug, Switzerland-based metal trader, was set up in business with Mossad funds.)

Franklin was also a traveling companion of Iran-Contra figure and self-professed “universal fascist” Michael Ledeen, in December 2001. Ledeen, Franklin, and Harold Rhode travelled to Rome for secret meetings with Iranian con-artist Manucher Ghorbanifar, another prominent Iran-Contra scandal figure who brokered Israeli missile sales to Iran in exchange for efforts to free American hostages in Lebanon. The scheme led to criminal indictments against a number of Reagan-Bush Administration officials and CIA officers, including Elliott Abrams and Duane Claridge.

The latest Franklin indictment threatens to snare some of these other leading neo-cons. The court papers filed in the Eastern District of Virginia identify several other Pentagon officials, along with at least three Israeli Embassy officials and Uzi Arad, as players in the extended Franklin spy operation.

The indictment of “Mr. AIPAC,” Steven Rosen, also raises serious questions about the future of “America’s Pro-Israel Lobby,” as AIPAC’s website describes the group. According to sources close to the Franklin probe, AIPAC may be forced, as a result of the Franklin case, to register as a foreign agent organization, thus losing its tax-exempt status and forcing much closer accounting of its finances and activities.

The Franklin case has not even come close to fully unraveling. And many leading Pentagon neo-cons are losing sleep over where this case will go next.

What makes matters even worse, the same basic cast of characters is tied up in the Valerie Plame Wilson leak probe, headed by independent counsel Patrick Fitzgerald, and a separate probe, headed by U.S. Attorney McNulty, into who was behind the forging of Niger government documents which purported to show that Iraq sought to buy “yellowcake” uranium from the African state to build nuclear weapons. The forged documents were used by Vice President Cheney and other Administration war hawks to win Congressional and public support for the invasion of Iraq. Plame’s husband, former Ambassador Joseph Wilson, was dispatched to Niger in 2002 to assess the validity of the Niger yellowcake charge, and returned to report that it was a hoax. His report was covered up, and the train of events was set into motion which led to his wife’s “outing” as a covert CIA operative, by top Administration officials—a criminal offense.

There are allegations that the Ledeen-Rhode-Franklin trip to Rome in 2001 may have played a role in the circulation of the forged documents.

Ohio ‘Pay-for-Play’ Scandal Probed

by Richard Freeman

In a move tightening the noose around the Karl Rove network in Ohio that may have illegally financed the theft of the 2004 Presidential election, Congressmen John Conyers (D-Mich.) and Marcy Kaptur (D-Ohio), on Aug. 1, called on the Justice Department to appoint a special prosecutor to investigate the Ohio Bureau of Workers’ Compensation (BWC) “funding” scandal.

Conyers, the ranking Democrat on the House Judiciary Committee, played a leading role in exposing the massive voter suppression carried out in Ohio, under the George Shultz, Dick Cheney, Karl Rove apparatus, which stole the Presidential election in that state. Ohio’s electoral votes gave Bush-Cheney the 2004 election. Conyers has closely followed the Ohio funding scandal, to ensure that it is not covered up, or misdirected.

The Ohio BWC scandal is called the “pay-for-play” scandal: As a result of a change in the law in 1998, for the first time, the BWC contracted the management of its funds to outside investment managers. The BWC funds exist solely to compensate workers who are injured on the job. However, under play for pay, the managers who were awarded contracts, skimmed off a portion of the fees that they earned from managing BWC funds and put the money into Republican Party slush funds. These funds were used to ensure that Ohio was held as a Republican state, under a monetarist/neo-con agenda.

Thus far, it has been disclosed that investment managers of BWC funds *have recorded losses or are unable to account for more than \$320 million of BWC funds*. At the center of the scandal is Tom Noe. A rare-coin dealer, Noe is under multiple investigations by Federal and state authorities. Earlier this year, Noe, who is Karl Rove’s man in Ohio, told authorities, that of the \$50 million in BWC funds that he had been entrusted to manage, he “could not account for” \$12 million. On July 21, Ohio Attorney General James Petro, who is investigating Noe, stated that Noe had stolen outright at least \$4 million in BWC funds. Newly released records show that on May 31, 1998, the day that Noe received his first \$25 million contract from the BWC, he immediately diverted \$1.38 million into his private account.

Equally important is what Noe did with the funds: A Federal investigation is looking into allegations that Noe “conducted” tens of thousands of dollars of contributions illegally into the 2004 Bush-Cheney election campaign, at an Oct. 30,